

Astrotech Corporation

2026 Annual Report to Stockholders

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 June 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-34426

Astrotech Corporation

(Exact name of registrant as specified in its charter)

Delaware	**91-1273737**
(State or other jurisdiction of corporation or organization)	(I.R.S. Employer Identification No.)
1817 W. Braker Lane, Suite 400, Austin, Texas	**78758**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(512) 485-9530**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $0.001 per share	**ASTC**	**The Nasdaq Capital Market**

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 15(d) of the Act. Yes ☐ No ☑

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☐
Non-accelerated filer ☑
Emerging growth company ☐

Accelerated filer ☐
Smaller reporting company ☑

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

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

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

The aggregate market value of the registrants voting and non-voting common equity held by non-affiliates of the registrant as of December 31, 2025, based upon the closing price of such stock on The Nasdaq Capital Market on such date of $3.46, was approximately $5,264,687. This calculation excludes shares held by the registrant's current directors and executive officers and stockholders that the registrant has concluded are affiliates of the registrant.

As of September 23, 2026, 2,009,050 shares of the registrant's common stock, par value $0.001 per share, were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant's definitive proxy statement to be used in connection with its 2026 Annual Meeting of Stockholders (the "Proxy Statement") is incorporated by reference in Part III of this Form 10-K to the extent stated herein. The Proxy Statement will be filed with the SEC within 120 days after June 30, 2026. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as a part hereof.

Table of Contents

PART I 6
Item 1. Business 6
Item 1A. Risk Factors 6
Item 1B. Unresolved Staff Comments 49
Item 1C. Cybersecurity 49
Item 2. Properties 50
Item 3. Legal Proceedings 51
Item 4. Mine Safety Disclosures 51

PART II 51
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities 51
Item 6. Reserved 51
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations 51
Item 7A. Quantitative and Qualitative Disclosures About Market Risk 59
Item 8. Financial Statements and Supplementary Data 60
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure 87
Item 9A. Controls and Procedures 87
Item 9B. Other Information 88

PART III 88
Item 10. Directors, Executive Officers and Corporate Governance 88
Item 11. Executive Compensation 88
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters 88
Item 13. Certain Relationships and Related Transactions, and Director Independence 88
Item 14. Principal Accounting Fees and Services 88

PART IV 89
Item 15. Exhibits, Financial Statement Schedules 89
Item 16. Form 10-K Summary 92

SIGNATURES 93

FORWARD-LOOKING STATEMENTS

This Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws. Forward-looking statements may include the words "may," "will," "plans," "believes," "estimates," "expects," "intends" and other similar expressions. Such statements are subject to risks and uncertainties that could cause our actual results to differ materially from those projected in the statements. Such risks and uncertainties include, but are not limited to:

- Our strategic initiatives focused on future lunar resource development, autonomous lunar industrial infrastructure, Moon-based advanced computing, semiconductor manufacturing, lunar power generation and power infrastructure, mining, chemical manufacturing, product transportation and equipment leasing opportunities on the moon;
- The success of the potential sale of 1st Detect Corporation, and the risks the announcement and pendency of the proposed sale present to our going business and operations;
- The adverse expectations regarding the global economy, inflation, the potential for recession and geopolitical tensions and any resulting sanctions, or wars;
- The effect of economic and political conditions in the United States or other nations that could impact our ability to sell our products and services or gain customers;
- Product demand and market acceptance risks, including our ability to develop and sell products and services to be used by governmental or commercial customers;
- The impact of trade barriers imposed by the U.S. government, such as import/export duties and restrictions, tariffs and quotas, and potential corresponding actions by other countries in which we conduct our business;
- Technological difficulties and potential legal claims arising from any technological difficulties;
- The risks related to the availability of, and cost inflation in, supply chain inputs, including labor, raw materials, commodities, packaging, and transportation;
- Uncertainty in government funding and support for key programs, grant opportunities, or procurements;
- The impact of competition on our ability to win new contracts;
- Our ability to meet technological development milestones and overcome development challenges; and
- Our ability to successfully identify, complete, and integrate acquisitions.

While we do not intend to directly harvest, manufacture, distribute or sell cannabis or cannabis products, we may be detrimentally affected by a change in enforcement by federal or state governments and we may be subject to additional risks in connection with the evolving regulatory area and associated uncertainties. Any such effects may give rise to risks and uncertainties that are currently unknown or amplify others identified herein.

These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under Part I, Item 1A. "Risk Factors," Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Annual Report on Form 10-K. Given these uncertainties, you should not rely on these forward-looking statements as predictions of future events.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of the assumptions could be inaccurate. Therefore, we cannot assure you that the forward-looking statements included in this Form 10-K will prove to be accurate. In light of the significant uncertainties inherent in our forward-looking statements, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. Some of these and other risks and uncertainties that could cause actual results to differ materially from such forward-looking statements are more fully described elsewhere in this Form 10-K, or in the documents incorporated by reference herein. Except as may be required by applicable law, we undertake no obligation to publicly update or advise of any change in any forward-looking statement, whether as a result of new information, future events, or otherwise. In making these statements, we disclaim any obligation to address or update each factor in future filings with the Securities and Exchange Commission ("SEC") or communications regarding our business or results, and we do not undertake to address how any of these factors may have caused changes to discussions or information contained in previous filings or communications. In addition, any of the matters discussed above may have affected our past results and may affect future results, so that our actual results may differ materially from those expressed in this Form 10-K and in prior or subsequent communications.

PART I

Item 1. Business

Our Company

The terms "Astrotech", "the Company", "we", "us", or "our" refer to Astrotech Corporation (Nasdaq: ASTC), a Delaware corporation organized in 1984. Our use of "products" and "devices" refer to the TRACER 1000™, BreathTest-1000™, AGLAB 1000™, and Pro-Control 1000™ along with related accessories and consumables.

We are commercializing the Astrotech Mass Spectrometer Technology™ platform ("AMS Technology") through application specific, wholly owned subsidiaries.

Our mission encompasses the advancement of both mass spectrometry and gas chromatography, two powerful analytical techniques that together enable precise detection and identification of chemical compounds across a wide range of high-demand environments. We aim to expand access to mass spectrometry and its use through the deployment of devices designed specifically for the appropriate levels of precision required in high-volume, real-time testing environments such as airports, border checkpoints, cargo hubs, infrastructure security, correctional facilities, military bases, law enforcement centers, and industrial locations. We are introducing our new line of products that are ultra-portable, on-site, rugged environmental testing instruments, featuring our proprietary ATi Gas Chromatography Column ("GC") and ATi Mass Spectrometer Technology ("MS") to achieve our mission through simplifying the user interface, automating the complicated calibration process, ruggedizing the critical components to endure MS/GC field work, and enabling multiple configurations for sample intake options.

Our Board of Directors (the "Board") recently approved strategic initiatives focused on future lunar resource development, autonomous lunar industrial infrastructure, Moon-based advanced computing, semiconductor manufacturing, lunar power generation and power infrastructure, mining, chemical manufacturing, product transportation and equipment leasing opportunities on the Moon (our "Lunar Initiatives"). As part of the initiative, Astrotech intends to evaluate and potentially develop infrastructure technologies that could support future semiconductor processing, advanced computing systems, and quantum computing manufacturing operations on the lunar surface. Astrotech believes the convergence of abundant solar energy, extreme lunar thermal conditions, reduced gravity, autonomous robotics, and access to strategic lunar materials such as Si-28 and ^{3}He may ultimately make the Moon an attractive long-term platform for advanced computational infrastructure and next-generation quantum manufacturing systems.

Our Business Units

Our efforts are focused on commercializing our platform mass spectrometry technology through our wholly-owned subsidiaries:

- Astrotech Technologies, Inc. ("ATI") owns and licenses the intellectual property related to the AMS Technology.

- 1st Detect Corporation ("1st Detect") is a manufacturer of explosive trace detectors ("ETDs") and narcotic trace detectors ("NTDs") developed for use in security and detection at airports, border checkpoints, cargo hubs, infrastructure security, correctional facilities, military bases, and law enforcement centers. 1st Detect holds an exclusive AMS Technology license from ATI for air passenger and cargo security applications as well as narcotics detection.

- AgLAB, Inc. ("AgLAB") is developing a series of mass spectrometers for use in the hemp and cannabis market with initial focus on optimizing yields in the distillation processes. AgLAB holds an exclusive AMS Technology license from ATI for applications in the agriculture industry which require analyzing complex chemical compounds found in organic plant material and extracts.

- BreathTech Corporation ("BreathTech") is a breath analysis tool designed to screen for volatile organic compound ("VOC") metabolites found in a person's breath that could indicate a compromised condition including but not limited to a bacterial or viral infection. BreathTech holds an exclusive AMS Technology license from ATI for breath analysis applications.

- Pro-Control, Inc. ("Pro-Control") is focused on applying the AMS Technology in industrial process control applications. The mass spectrometer and process are designed to test, measure and increase reaction intermediates, purity and percent yields in industrial processes. Pro-Control holds an exclusive AMS Technology license from ATI for the distillation of chemicals outside of the agriculture industry.

- EN-SCAN, Inc. ("EN-SCAN") is developing advanced environmental testing and monitoring solutions built around rugged, portable gas chromatography-based systems. EN-SCAN's current platform integrates a proprietary micro-electro-mechanical preconcentrator ("MEMS"), MEMS micro gas chromatographic column, and a photoionization detector to provide rapid, on-site detection of volatile organic compounds for industrial, environmental, and regulatory applications. These systems are designed to support compliance monitoring, industrial hygiene, and environmental safety by enabling fast identification of contamination sources and migration pathways. EN-SCAN utilizes the proprietary ATi Gas Chromatograph and AMS Technology license from ATI to deliver gold standard analytical feedback for soil, water, and air assessments. EN-SCAN plans to expand its analytical capabilities by incorporating mass spectrometry into future product generations, further enhancing compound identification and broadening application scope.

- Lunar Power and Light Corporation ("LP&L") is a recently approved strategic initiative focused on future lunar resource development, autonomous lunar industrial infrastructure, Moon-based advanced computing, semiconductor, manufacturing, lunar power generation and power infrastructure, mining, chemical manufacturing, product transportation and equipment leasing opportunities on the Moon. As part of the initiative, Astrotech intends to evaluate and potentially develop infrastructure technologies that could support semiconductor processing, advanced computing systems, and quantum computing manufacturing operations on the lunar surface.

Astrotech Technologies, Inc.

ATI owns and licenses the AMS Technology, the platform MS technology originally developed by 1st Detect. The AMS Technology has been designed to be inexpensive, smaller, and easier to use when compared to traditional mass spectrometers. Unlike other technologies, the AMS Technology works under ultra-high vacuum, which eliminates competing molecules, yielding higher resolution and fewer false alarms. The intellectual property includes 17 patents granted along with extensive trade secrets. With a number of diverse market opportunities for the core technology, ATI is structured to license the intellectual property for different fields of use. ATI currently licenses the AMS Technology to five wholly-owned subsidiaries of Astrotech on an exclusive basis, including to 1st Detect for use in security and detection applications, to AgLAB for use in the agriculture application, to BreathTech for use in breath analysis applications, Pro-Control for use in production applications, and EN-SCAN for use in industrial and environmental applications.

1st Detect Corporation

1st Detect, a licensee of ATI for security and detection applications, has developed the TRACER 1000™, the world's first MS based ETD approved by the European Civil Aviation Conference ("ECAC") and the U.S. Transportation Security Administration ("TSA") for air cargo. The TRACER 1000 was designed to outperform the ETDs currently used at airports, cargo and other secured facilities, and borders worldwide. We believe that ETD customers are unsatisfied with the currently deployed ETD technology, which is driven by ion mobility spectrometry ("IMS"). We further believe that some IMS-based ETDs have issues with false positives, as they often misidentify personal care products and other common household chemicals as explosives, causing facility shutdowns, unnecessary delays, frustration, and significant wasted security resources. In addition, there are hundreds of different types of explosives, but IMS-based ETDs have a very limited threat detection library reserved only for those few explosives of largest concern. Adding additional compounds to the detection library of an IMS-based ETD fundamentally reduces the instrument's performance, further increasing the likelihood of false alarms. In contrast, adding additional compounds to the TRACER 1000's detection library does not degrade its detection capabilities, as it has a virtually unlimited and easily expandable threat library.

We obtained ECAC certification in 2019 which allows us to sell the TRACER 1000 to airport and cargo security customers in the European Union ("EU") and certain other countries. We are currently selling the TRACER 1000 to customers who accept ECAC certification. As of June 30, 2026, we have deployed the TRACER 1000 in approximately 37 locations in 16 countries throughout United States of America, Europe and Asia.

In June 2024, the TSA approved 1st Detect's TRACER 1000 for the Air Cargo Security Technology List, which advanced the TRACER 1000 to Stage II testing, and permits air cargo companies in the United States to use our equipment in their operations. During Stage II testing, we are conducting field trials with the TSA. If field trials are successful, the TRACER 1000 will be added to the "qualified" list which provides long-term designation for permitted air-cargo screening use.

We have also started the process to pass TSA checkpoint testing. This process involves Developmental Test and Evaluation in which the Transportation Security Laboratory ("TSL") will test the TRACER 1000 and work with 1st Detect to ensure its readiness to enter certification testing. The certification test is then completed by the Independent Test & Evaluation department of TSL.

We are currently accepting orders for the TRACER 1000 ETD and NTD which are listed in the United States General Services Administration ("GSA") IT Schedule 70 under Contract No. GS-35F-250GA with SRI Group LLC, Special Item Number 334290 in April 2024. The TRACER 1000 ETD and NTD are high-performance laboratory-grade instruments designed for the field capable of rapid detection of trace levels of explosive and narcotic compounds in seconds. The TRACER 1000 ETD and NTD both provide a ruggedized platform that can be applied across various markets including airports, border security, checkpoint, cargo and infrastructure security, correctional facilities, military, and law enforcement. IT Schedule 70 is a long-term contract issued by the GSA to commercial technology vendors that allows sales to the United States federal government, one of the largest buyers of goods and services in the world.

AgLAB Inc.

AgLAB, an exclusive licensee of ATI for the use in the agriculture industry to analyze complex chemical compounds found in organic plant material and extracts, has developed the AgLAB 1000™ series of mass spectrometers for use in the hemp and cannabis markets with the initial focus on optimizing yields in the distillation process. The AgLAB product line is a derivative of our core AMS Technology. AgLAB continues to conduct field trials demonstrating that the AgLAB 1000-D2™ can be used in the distillation process to significantly improve the yields of tetrahydrocannabinol ("THC") and cannabidiol ("CBD") oil during distillation. The AgLAB 1000-D2™ uses the Maximum Value Process solution ("MVP") to analyze samples in real-time and assist the equipment operator determining the ideal settings required to maximize yields.

Production and processing of hemp and cannabis is a huge, worldwide industry. In the U.S., for example, the wholesale value of the cannabis crop from just the U.S. states permitting adult-use and medical cannabis exceeds $6 billion annually. We believe growth in the U.S. and in the worldwide market is likely fed in part by the growing acceptance of medicinal cannabis products and anticipated legislative changes in various jurisdictions worldwide. We also believe this growth is due in part to the passage of the 2018 Farm Bill, which legalized hemp production in the U.S.

As the CBD and hemp market continues to grow, there has been an influx of new companies entering the CBD and THC supply chains, ranging from large corporations to small startups. These companies comprise AgLAB's target market. The competition within the supply chain is fierce, with companies investing heavily in research and development to create innovative products and differentiate themselves from their competitors. However, the market remains highly fragmented, with many products of varying quality and efficacy, making it challenging for consumers to navigate. Overall, the CBD and hemp market in the U.S. is a rapidly growing industry with significant potential for continued expansion. As more research is conducted and regulations are established, we believe it is likely that the market will become more standardized and regulated, leading to increased consumer confidence and demand. Stakeholders in the industry are likely to face challenges as it matures, including increased competition and potential regulatory hurdles.

Management believes the AgLAB 1000-D2™ will deliver a compelling combination of cost and time savings while enhancing product quality and quantity for distillation processors of hemp and cannabis. The use of the AgLAB 1000-D2™ should reduce waste from current distillation practices and result in a significantly improved product. Due in large part to our proprietary technology, we believe it is the only provider of a mass spectrometry system that gives it a distinct advantage in the industry. Sales efforts for the AgLAB 1000-D2 are currently underway.

The AgLAB MVP is an innovative process control system proven to increase the potency of ending-weight yields and increase revenue for distillation customers. The AgLAB MVP process provides real-time data, allowing distillers to adjust parameters to optimize the quality and quantity of each batch of oil. During our field trials of the AgLAB MVP, we were able to improve ending-weights yields by 20% or more. We believe these ongoing field trials demonstrate the solution can be a valuable tool for cannabis and hemp oil processors worldwide.

BreathTech Corporation

BreathTech, an exclusive licensee of ATI for use in breath analysis applications, has developed the BreathTest-1000™, a breath analysis tool to screen for VOC metabolites found in a person's breath that could indicate they may have a compromised condition. We believe that new tools to quickly identify the presence of a VOC metabolite could play an important role in detecting and containing airborne diseases.

In conjunction with the CCF JDA, BreathTech entered into an Investigator-Initiated Study Agreement ("CCF IISA") with The Cleveland Clinic Foundation ("Cleveland Clinic"), effective March 31, 2021, to expand the application of breath analysis by collecting and studying the gaseous portion of exhaled breath for markers of lung and systemic diseases. The pilot study concluded and the CCF IISA terminated in accordance with its terms on February 7, 2025. We currently have no active or anticipated studies with Cleveland Clinic under the CCF JDA. In addition, we have satisfied all payment obligations under the CCF JDA. We believe additional studies would be required to continue exploration of technologies which may provide non-invasive methods of monitoring and studying lung and systematic diseases.

We believe commercialization of this application with the AMS Technology would require many years and significant investment due to regulatory requirements. As such, we have determined to deploy capital instead to our other subsidiaries. We are also exploring how the advancements and knowledge derived from our research on the BreathTech use case can be applied in our other existing and potential new business units.

Pro-Control, Inc.

Pro-Control has an exclusive license with ATI to utilize our AMS Technology for industrial process control applications involving chemical distillation outside of the agriculture industry. Pro-Control uses advanced mass spectrometer instrumentation to monitor and control the production and operations of manufacturing processes using real-time, in-process samples. Pro-Control provides the vital qualitative and quantitative spectral data needed to control the production parameters (temperatures, flow, speed, and pressure) to improve efficiency.

Pro-Control has introduced its proprietary Pro-Control Maximum Value Processing and the Pro-Control 1000-D2™ mass spectrometer, which in combination are designed to test, measure and increase reaction intermediates, purity and percent yields in industrial processes.

EN-SCAN, Inc.

EN-SCAN manufactures and sells a line of instruments built for environmental testing using its proprietary ATi GC and AMS Technology for outdoor field work for on-site, real-time air, water, and soil analysis providing instant feedback for accurate contamination source location and migration. With a focus on real-time monitoring, EN-SCAN is expected to enable organizations to make data-driven decisions while reducing testing costs and time delays. The EN-SCAN lineup includes EN-SCAN Handheld GC, EN-SCAN Fenceline Monitor, and EN-SCAN Rugged Lab GC-MS. Each of these three testing solutions are designed for specific applications.

The EN-SCAN product line includes ultra-portable rugged environment testing instruments, featuring our proprietary ATi Gas Chromatograph Column and ATi Mass Spectrometer Technology through our wholly owned subsidiary, EN-SCAN, Inc. Our customers gain access to real-time results and on-demand reporting, enabling continuous monitoring and immediate response in critical applications.

Lunar Power and Light Corporation

Our Board recently approved our Lunar Initiatives. As part of our Lunar Initiatives, we intend to evaluate and potentially develop infrastructure technologies that could support future semiconductor processing, advanced computing systems, and quantum computing manufacturing operations on the lunar surface. We believe the convergence of abundant solar energy, extreme lunar thermal conditions, reduced gravity, autonomous robotics, and access to strategic lunar materials such as Si-28 and ^{3}He may ultimately make the Moon an attractive long-term platform for advanced computational infrastructure and next-generation quantum manufacturing systems.

Each of our Lunar Initiatives is in a very early stage and subject to all of the risks inherent in the establishment of a new business venture. Currently, there are no commercial operations of any kind on the lunar surface. Our Lunar Initiatives are in the explorative planning and design stages and have not yet been proven to be technically, financially, or commercially viable, and may ultimately be unsuccessful. To date, no formal business plan or capital budget has been approved relating to any of our Lunar Initiatives and no final products, sites, capacities, routes, launch schedules, service dates or project costs have been determined. We do not have any binding power-purchase agreement, customer or vendor commitments, strategic-partner agreement, financing commitment or launch contract. We do not currently have any lunar or space operations and do not currently have employees with the technical expertise necessary to fully develop the Lunar Initiatives. Implementation will depend on technical validation, ability to attract and retain employees with technical expertise, customer demand, partnerships, lunar transportation, sufficient financing and other factors.

These efforts require substantial and ongoing investments of financial, technical and human resources over extended time horizons, including, but not limited to, research and development, testing, infrastructure, and mission execution. The technologies, systems and operational capabilities required for each of these Lunar Initiatives involve significant technical complexity and are subject to design, engineering, and performance risks, many of which may only become apparent as development and testing progress. We currently do not have the technical expertise or operational capabilities to execute on any of our Lunar Initiatives. Many of these technologies, systems and operational capabilities are novel and untested, and we expect to incur significant capital expenditures over a period of years before our Lunar Initiatives, including related products and services, and other strategic initiatives, including in-orbit, lunar, and interplanetary industrialization efforts, may become commercially scalable or profitable, which may never occur.

The markets we intend to enter are expected to attract significant competition from commercial entities and government-sponsored programs, many of which have substantially greater financial, technical, manufacturing, marketing and personnel resources than we do. Because our Lunar Initiatives remain in the explorative planning and design stage, we have not yet demonstrated the technical feasibility of our planned offerings, potential customer base or generated any revenue from the Lunar Initiatives, and we may be unable to compete effectively against entities that are further advanced in their lunar programs. Our failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

The capital expenditures we expect to incur to evaluate, pursue and develop our Lunar Initiatives will be significant, and we currently do not have the cash or resources to do so. Our Lunar Initiatives will require substantial capital expenditures to design, develop, expand, and maintain our technologies and infrastructure to support development of such potential operations. These expenditures include, but are not limited to, costs associated with research and development, construction and expansion of production capabilities, acquisition of property and equipment, and ongoing maintenance and upgrades to ensure reliability and competitiveness. The Company's ability to obtain financing that will be needed to fund our Lunar Initiatives will depend, in part, upon factors beyond the Company's control, and there can be no assurance that appropriate financing will be available to the Company in amounts necessary to fund any of our Lunar Initiatives or on commercially viable terms or at all. Accordingly, our Lunar Initiatives, and the related intended business and operations, may not prove to be successful in the future, if at all. For additional information regarding the risks of our Lunar Initiatives, see Part I, Item 1A. "Risk Factors."

Our Strategy

1st Detect Corporation

The TRACER 1000 is the first MS-ETD certified by ECAC and approved by TSA for air cargo. We believe the TRACER 1000 significantly outperforms currently deployed competitive trace detection solutions based on IMS technology, specifically related to false alarm rate, probability of detection, and unit up-time. Many of our sales to-date have come from the cargo security industry where false alarms can cause expensive delays and facility shutdowns as the false alarms are cleared, preventing the mission critical continuous flow of time sensitive packages. We have also expanded into the airport passenger screening market with sales to a distributor who services a major international airport in Asia and another who services airports in Romania. We are currently accepting orders for the TRACER 1000 ETD and NTD. The TRACER 1000 NTD is a high-performance laboratory instrument capable of rapid detection of trace levels of narcotic and explosive compounds in seconds. The TRACER 1000 provides a ruggedized platform that can be applied across various markets including airports, border security, checkpoint, cargo, and infrastructure security, correctional facilities, military, and law enforcement.

We currently market the TRACER 1000 to countries that accept ECAC certification or TSA approval for air cargo. The markets needing explosives and narcotics trace detection with a broader range of compounds and better accuracy include the following:

- Passenger Airports
- Event Venues
- Military Bases
- Courthouses
- Law Enforcement Agencies
- Cargo Airports
- Embassies
- Government Office Buildings
- Border Checkpoints
- Critical Infrastructure Security Checkpoints

On May 11, 2026, we announced the TRACER 1000 system has achieved ECAC/EU G1 approval, meeting the highest European standards for aviation security. This approval reflects compliance with the ECAC and European Commission requirements for trace detection systems, supporting enhanced security for airline passengers.

On June 8, 2026, we announced that the 1st Detect TRACER 1000 system has received the ECAC certification for wand swabbing, approved for use in screening both passengers and cargo in aviation security operations. The system satisfies the ECAC Explosives Detection Standard and Standard G1 under Concept of Operations Revision 38 which opens the customer base to include airports that require wand swabbing.

On June 16, 2026, we announced that the Board authorized our management to pursue a potential sale process of 1st Detect, developer of the TRACER 1000 mass spectrometry-based explosives and narcotics trace detection platform. We are evaluating a potential sale of 1st Detect to provide additional capital for the announced strategic initiatives we are committed to building.

We continue to showcase the TRACER 1000 NTD and ETD at the trade events in the U.S.

AgLAB Inc.

Initial interest for the AgLAB-1000 series has come from the hemp and cannabis industry. Many derivative hemp and cannabis products are being manufactured using cannabinoids present in the plant, primarily THC for cannabis and CBD for hemp. Extraction and distillation equipment is used to remove the cannabinoids from the raw plant matter to create an oil that is used in many manufactured products. AgLAB has launched the first of several planned products that have been designed to assist in the distillation processes by maximizing the final product quality and yield.

Current efforts are focused on the U.S. market, but international markets present attractive future growth opportunities as the number of countries with legal recreational or medicinal use continues to expand. We believe agricultural companies engaged in these supply chain activities will benefit from the increased use of MS:

- Plant material harvesting
- Oil distillation
- Inspection and certification
- Ingredient processing
- Contaminate detection
- Formulation and packaging

BreathTech Corporation

The BreathTest-1000 product is being designed to provide an inexpensive, non-invasive screening device for compromised conditions including a bacterial or viral infection that can offer results on-site in a very short period of time. We believe there is strong value for this easy to use screener in high density and critical locations, especially with heightened concern about airborne diseases continuing to pose new or reemerging threats. Most currently available tests either take too long or are invasive and painful. We expect the market need for a quick and painless test will continue to be significant in the following target markets:

- Hospitals
- Nursing homes
- Airlines
- Hotels
- Cruise lines
- Military
- Sporting events
- Performing arts venues
- Convention and conference centers
- Schools

Pro-Control, Inc.

As part of our growth plan, we have leveraged technology and processes developed by AgLAB to launch a new family of "process control" methods and solutions, which are the focus of Pro-Control. The presence of MS directly on production floors and ultimately integrated directly into manufacturing lines provides the opportunity for manufacturers to increase yields by reducing waste and increasing quality by ensuring consistent purity. Markets which we believe are likely to adopt Pro-Control's products and services include:

- Petroleum refining
- Food processing
- Pharmaceutical manufacturing
- Industrial chemical manufacturing
- Nutraceutical manufacturing

EN-SCAN, Inc.

The ultra-portable rugged GC enables continuous on-site monitoring and immediate response in critical applications. The EN-SCAN product lineup includes three key products: EN-SCAN Handheld GC, EN-SCAN Fenceline Monitor, and EN-SCAN Rugged Lab GC-MS. We expect these products to provide innovative portable environmental testing solutions that empower industries and organizations to accurately monitor and manage environmental challenges in real-time with immediate results. We believe the following markets will utilize this product lineup:

- Environmental equipment rental
- Environmental consulting firms
- Refineries
- Industrial hygienists
- Chemical plants

On May 21, 2026, we announced the commercial launch of the Labrador HH-GC, a rugged, field-portable gas chromatograph engineered to bring laboratory-grade VOC analysis directly to the point of investigation. The Labrador HH-GC places actionable analytical intelligence directly into the hands of field operators, enabling faster decisions and accelerated remediation timelines.

LP&L Corporation

As part of our lunar power and resource development initiatives, Astrotech intends to evaluate and potentially develop infrastructure technologies that could support future semiconductor processing, advanced computing systems, and quantum computing manufacturing operations on the lunar surface. Astrotech believes the convergence of abundant solar energy, extreme lunar thermal conditions, reduced gravity, autonomous robotics, and access to strategic lunar materials such as Si-28 and ^{3}He may ultimately make the Moon an attractive long-term platform for advanced computational infrastructure and next-generation quantum manufacturing systems. Our Initiatives intend to explore five potential strategic categories:

- Lunar power generation focused on installing solar power, long-generation energy storage, recharge stations and associated transmission lines;
- Mining and material handling, potentially involving AI-directed excavation and transport of lunar regolith;
- Product transportation, including moving raw and finished materials on the lunar surface;
- Rover rental and equipment leasing to potential government and commercial customers; and
- AI-directed chemical manufacturing, integrating our GC-MS data with autonomous process control.

Products and Services

Our products are considered mass spectrometry and gas chromatography equipment.

Mass Spectrometry

Mass spectrometry is an analytical technique used to measure the mass-to-charge ratio of ions. It is commonly employed to identify the composition of a sample by generating a mass spectrum that provides detailed information about the sample's molecular structure, chemical properties, and purity.

MS is considered a superior method for identifying molecules due to several advantages. We believe our business units are demonstrating these advantages in multiple use cases in our target markets. Speed and specificity are two of the most relevant advantages we highlight during customer conversations. MS can detect and measure minute quantities of a substance making it ideal for trace analysis. It provides precise mass-to-charge (m/z) ratios, which are characteristic of specific molecules or fragments, allowing for accurate identification and differentiation of compounds with similar structures. MS offers rapid analysis, which is especially valuable in manufacturing, security, environmental, and forensic applications where timely results are crucial.

MS can analyze a wide range of molecules, from small organic compounds to large biomolecules like proteins and nucleic acids. Other separation techniques can be coupled with MS, such as gas chromatography (“GC-MS”) or liquid chromatography, to enhance the analysis of complex mixtures and provide additional separation before detection. The innate capabilities of MS and its ability to incorporate multiple sample intake methods allows us to continually expand and adapt the libraries used by our business units for the identification of compounds of interest in new applications of our AMS Technology.

MS is widely used in various industries, including pharmaceuticals, biotechnology, environmental analysis, and materials science, for quality control, research, and development purposes. Historically, these purposes have required high rates of precision which has increased the size, cost, and complexity of legacy MS equipment.

Our core AMS Technology originated from a device specifically designed and manufactured for installation in the International Space Station (“ISS”) to monitor the quality of the air circulating within the ISS. The AMS Technology has been designed to be inexpensive, smaller, and easier to use when compared to traditional mass spectrometers. Unlike other technologies, the AMS Technology works under high vacuum, which eliminates competing molecules, yielding higher resolution and fewer false alarms. The intellectual property includes 17 patents granted along with extensive trade secrets.

We have translated the compact, lightweight, and low voltage requirements of the ISS into our current products targeting a much broader array of government agency adoption as well as the variety of industries that can benefit from on-site and in-line MS. 1st Detect was the first subsidiary successful at licensing, developing, and selling the AMS Technology. Similar to 1st Detect, each of our business units is developing and delivering MS devices focused on an industry specific use case of the AMS Technology. We also provide our customers with consumable products that are necessary to successfully operate our devices. Routine maintenance and warranty programs are also available to our customers.

Gas Chromatography

Gas chromatography is used to separate, analyze and quantify compounds that can be vaporized without decomposition. A compound passes through a column and interacts causing them to travel at different rates and thereby separating them. These separated compounds can be detected, recorded, and studied. The separation is determined by the volatility of the compound. GC is a cornerstone application in many scientific and industrial fields. This application offers a wide range of use cases such as real-time fence-line monitoring at chemical plants, rapid disaster response, contamination tracking and emergency safety assessments.

GC is used in various industries, including oil & gas, manufacturing, industrial hygienists and environmental consulting firms. Our on-site, portable technology is designed to deliver real-time, on-site data for immediate analysis.

The combined GC and MS technology with rugged, portable design delivers lab-grade accuracy in the most demanding environments. These products address the rapidly growing demand for on-site, real-time air, water, and soil analysis.

Customers, Sales, and Marketing

1st Detect Corporation

Marketing efforts at 1st Detect are currently focused on the variety of markets that are seeking:

- Increased uptime in detection equipment
- Expanding library of detectable explosive and narcotic compounds and threats

Examples of these markets include foreign airports, commercial companies in aviation and cargo security, law enforcement agencies, and security organizations responsible for the protection of sensitive facilities. We employ both direct sales and channel sales through distributors. We now have units deployed in 37 locations in 16 countries.

AgLAB Inc.

AgLAB uses direct and channel sales. The lease program that we initiated this year with SC Labs is an example of a channel sales program. We do plan to engage with additional channel partners, largely companies with existing distribution channels in the hemp and cannabis market, to help sell our products to target customers.

BreathTech Corporation

We believe commercialization of BreathTech Corporation with the AMS Technology would require many years and significant investment due to regulatory requirements. As such, we have determined to deploy capital instead to our other subsidiaries.

Pro-Control, Inc.

Currently, Pro-Control uses only direct sales with proof of concept and trial engagements being conducted with companies in close proximity to our Austin, Texas headquarters. We intend to use regional sales teams assigned to geographic territories with a density of manufacturing. There is a high density of food, petrochemical, chemical, and industrial companies within a few hours driving radius of Austin.

EN-SCAN, Inc.

EN-SCAN appeals to a wide range of industries including environmental consulting firms, government agencies, industrial facilities, and academic institutions. These users benefit from the portability, ruggedness, and precision of EN-SCAN's devices, which eliminate the need for off-site lab testing and streamline compliance and remediation efforts. To enhance customer experience, EN-SCAN can offer training programs, data integration support, and a centralized portal for device management and analytics.

Competition

1st Detect Corporation

Competition for the TRACER 1000 comes primarily from IMS-based ETDs. We have several competitors that sell IMS-based ETDs whose companies are much larger than us, with well-established sales forces and offering a wider range of security products; however, based on industry discussions and our field trials we believe the TRACER 1000 has a number of attributes that are superior to competing products.

1st Detect's TRACER 1000
- Near-zero false alarms
- Limitless library expansion
- High uptime and robustness
- Fast cleardown and near zero false alarms increase throughput
- Confirmatory technology

AgLAB Inc.

The currently available technology that we believe to be the only direct competition to our MS-based system is high-performance liquid chromatography. We believe the AgLAB-1000 series of products offers a more customer-friendly interface, quicker results, and, once the AgLAB-1000-D1 is launched, the ability to provide closed loop process control, ensuring maximum yield and product quality.

BreathTech Corporation

The BreathTest-1000 product is designed to screen for VOC metabolites in a person's breath and which could indicate the person may have a compromised condition. Given that breath samples are quick, inexpensive, and painless, we anticipate that the BreathTest-1000 could help screen for signs of disease. We do not see this as competing with traditional tests but supplementing and improving medical care.

Pro-Control, Inc.

Manufacturers may deploy the legacy, sophisticated MS equipment available from a number of global OEM's or send samples to laboratories for off-site testing. In either instance, the time from sample extraction to results will be measured in hours or days. The AMS Technology used by Pro-Control simplifies MS, thereby enabling more users to take advantage of its capabilities with cycle times measured in minutes. We intend for this approach to create new markets where MS has not been adopted in the past due to the complexities presented by the offerings from legacy OEM's. These OEM's include ABB, Siemens, Emerson, Thermo Fisher Scientific, Endress and Hauser, Perkin Elmer, Mettler Toledo, PAC LP, Horiba Process Analyzers, and AMETEK.

Customers may have MS adopted but are not using it for process adjustment closer to the manufacturing process, but instead for offline quality control and adjustments to the finished product. In these instances, the analytical capabilities are located in central analytical labs and our intention is to place this testing capability in the hands of the operations personnel to get as close to real time analysis as possible on the factory floor.

EN-SCAN, Inc.

Competitors may include those that are established providers of environment testing equipment, especially those that offer portable GC-MS devices. EN-SCAN differentiates itself through its proprietary ATi Gas Chromatograph and AMS Technology, on-site, rugged design tailored for harsh field conditions, and a product lineup that spans handheld, fenceline, and rugged lab-grade instruments. Its emphasis on real-time, on-site analysis and cost efficiency positions in the environmental testing market.

LP&L Corporation

The commercial lunar and space industries are characterized by rapid and disruptive technological change, evolving industry standards, the emergence of new and well-funded competitors, and frequent new product and service introductions. The markets we intend to enter are expected to attract significant competition from commercial entities and government-sponsored programs, many of which have substantially greater financial, technical, manufacturing, marketing and personnel resources than we do. Such markets are rapidly evolving and intensely competitive, and we face competition from a range of established and emerging companies, including large, well-capitalized technology companies and aerospace firms, including foreign competitors. Many of our current and potential competitors have significantly greater resources and more advanced operational capabilities than we do. For example, Space Exploration Technologies Corp. ("SpaceX") is substantially better capitalized than us and possesses substantial vertical integration across launch, spacecraft manufacturing and mission operations, which provides it with significant cost and schedule advantages that could enable it to offer competing lunar infrastructure services at lower prices or on faster timelines than we are able to achieve. Other competitors, including Blue Origin, Intuitive Machines and international space agencies, are also pursuing lunar surface operations and may establish infrastructure or secure customer commitments before we are able to deploy our planned systems.

Because our Lunar Initiatives remain in the explorative planning and design stage, we have not yet demonstrated the technical feasibility of our planned offerings, potential customer base or generated any revenue from our Lunar Initiatives, and we may be unable to compete effectively against entities that are further advanced in their lunar programs. In addition, the award processes for government programs such as Appendix A: Lunar Enabling Infrastructure Accelerator ("Appendix A Program") and NASA's Commercial Lunar Payload Services 2 program ("CLPS2 Program") are highly competitive, subject to extensive evaluation criteria, and influenced by factors beyond our control, including government budgetary constraints, shifting policy priorities, the number and quality of competing proposals, and the discretion of the awarding agency.

Research and Development

Astrotech Technologies, Inc.

We invest considerable resources into our internal research and development ("R&D") functions. Much of our R&D investment is devoted to the cross-platform AMS Technology as the R&D team continually works to develop new derivative products, improve system functionality and reliability, optimize design, reduce cost, and streamline and simplify the software and user experience. Each market, however, typically requires unique sample introduction technology, library development, and customized adjustments to the user interface.

1st Detect Corporation

While 1st Detect's TRACER 1000 is fully commercialized, we continue to invest in library development which resulted in the launch of our narcotics detector. We continue to develop our library to further enhance our offering.

AgLAB Inc.

The AgLAB-1000 series uses the core AMS Technology and is continuing its development of its product line to include other valuable products specific to the hemp and cannabis industry. When complete, the AgLAB-1000-D1 will be an inline process control unit meaning it will be integrated directly into the distillation equipment.

BreathTech Corporation

The BreathTest-1000 employs the core AMS Technology. BreathTech R&D activities are being devoted to sample introduction and library development, which is needed to identify the specific compounds present in the breath that are indicative of the presence of a compromised condition including infections.

Pro-Control, Inc.

Pro-Control is in the early stages of using the core AMS Technology. It is refining its product line to include other valuable products and developing its library for chemical manufacturers.

En-Scan, Inc.

EN-SCAN is selling a new line of instruments built for environmental testing using its proprietary ATi GC and AMS Technology for outdoor field work for on-site, real-time air, water, and soil analysis providing instant feedback for accurate contamination source location and migration. EN-SCAN's commitment to innovation is reflected in its active R&D efforts. These R&D advancements not only strengthen EN-SCAN's competitive edge but also open new opportunities in customer engagement, sales growth, and marketing differentiation.

Certain Regulatory Matters

We are subject to United States federal, state, and local laws and regulations designed to protect the environment and to regulate the discharge of materials into the environment. We are also beholden to certain regulations designed to protect our domestic technology from unintended foreign exploitation and regulate certain business practices. We believe that our policies, practices, and procedures are properly designed to prevent unreasonable risk of environmental damage and consequential financial liability. Our operations are also subject to various regulations under federal laws regarding the international transfer of technology, as well as to various federal and state laws related to business operations. In addition, we are subject to federal contracting procedures, audit, and oversight. Compliance with environmental laws and regulations and technology export requirements has not had and, we believe, will not have in the future, material effects on our capital expenditures, earnings, or competitive position.

Federal regulations that impact our operations include, but are not limited to, the following:

Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act establishes rules for U.S. companies doing business internationally. Compliance with these rules is achieved through established and enforced corporate policies, documented internal procedures, and financial controls.

Iran Nonproliferation Act of 2000. This act authorizes the President of the United States to take punitive action against individuals or organizations known to be providing material aid to weapons of mass destruction programs in Iran.

Federal Acquisition Regulations. Goods and services provided by us to U.S. Government agencies are subject to Federal Acquisition Regulations ("FAR"). These regulations provide rules and procedures for invoicing, documenting, and conducting business under contract with such entities. The FAR also subjects us to audit by federal auditors to confirm such compliance.

Truth in Negotiations Act. The Truth in Negotiations Act was enacted for the purpose of providing full and fair disclosure by contractors in the conduct of negotiations with the U.S. Government. The most significant provision included in the Truth in Negotiations Act is the requirement that contractors submit certified cost and pricing data for negotiated procurements above a defined threshold.

Export Administration Act. This act provides authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the ability to engage in commerce.

Export Administration Regulations. The Export Administration Regulations govern whether a person or company may export goods from the U.S., re-export goods from a foreign country, or transfer goods from one person or company to another in a foreign country.

Medical Device Regulation

FDA Premarket Clearance and Approval Requirements. Unless an exemption applies, each medical device, to be lawfully commercially distributed in the U.S., requires either FDA clearance of a 510(k) premarket notification submission, granting of a *de novo* request, or premarket application ("PMA") approval. Under the Federal Food Drug and Cosmetic Act ("FDCA"), administered by the FDA, medical devices are classified into one of three classes, Class I, Class II, or Class III, depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory controls needed to ensure its safety and effectiveness. Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be assured by adherence to the FDA's general controls for medical devices, which include compliance with the applicable portions of the Quality Management System Regulation ("QMSR"), facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Some Class I devices may require premarket notification to the FDA.

Class II devices are moderate risk devices and are subject to the FDA's general controls, and certain special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls can include performance standards, post-market surveillance, patient registries, and FDA guidance documents. While most Class I devices are exempt from the 510(k) premarket notification requirement, manufacturers of most Class II devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. The FDA's permission to commercially distribute a device subject to a 510(k) premarket notification is generally known as 510(k) clearance. Under the 510(k) process, the manufacturer must submit to the FDA a premarket notification demonstrating that the device is "substantially equivalent" to either a device that was legally marketed prior to May 28, 1976, the date upon which the Medical Device Amendments of 1976 were enacted, or another commercially available device that was cleared to through the 510(k) or *de novo* process.

Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or some implantable devices, or devices that have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, requiring approval of a PMA. For a device that is Class III by default (because it is a novel device that was not previously classified and has no predicate), the device manufacturer may request that FDA reclassify the device into Class II or Class I via a *de novo* request.

510(k) Marketing Clearance. To obtain 510(k) clearance, a premarket notification submission must be submitted to the FDA demonstrating that the proposed device is "substantially equivalent" to a predicate device. A predicate device is a legally marketed device that is not subject to premarket approval, i.e., a device that was legally marketed prior to May 28, 1976 (pre-amendments device) and for which a PMA is not required, a device that has been reclassified from Class III to Class II or I (e.g., via the *de novo* classification process), or a device that was previously cleared through the 510(k) process. The FDA's 510(k) review process usually takes from three to six months but may take longer. The FDA may require additional information, including clinical data, to make a determination regarding substantial equivalence. If the FDA agrees that the device is substantially equivalent to a predicate device, it will grant 510(k) clearance to market the device.

After a device receives 510(k) marketing clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change or modification in its intended use, will require a new 510(k) marketing clearance or, depending on the modification, a *de novo* request or PMA approval. The FDA requires each manufacturer to determine whether the proposed change requires submission of a 510(k), *de novo* or a PMA in the first instance, but the FDA can review that decision and disagree with a manufacturer's determination. If the FDA disagrees with a manufacturer's determination, the FDA may take a wide range of enforcement actions, including, but not limited to, issuing a warning letter, withdrawing existing 510(k) clearance(s), and/or requesting a recall of the modified device. In addition, the manufacturer must cease marketing of the modified device until FDA has cleared or approved a new 510(k), *de novo* or PMA for the change, if ever. Also, in these circumstances, the manufacturer may be subject to significant regulatory fines or penalties.

De Novo Process. If a previously unclassified new medical device does not qualify for the 510(k) pre-market notification process because no predicate device to which it is substantially equivalent can be identified, the device is automatically classified into Class III. The Food and Drug Administration Modernization Act of 1997 established a new route to market for low to moderate risk medical devices that are automatically placed into Class III due to the absence of a predicate device, called the "Request for Evaluation of Automatic Class III Designation," or the de novo classification procedure. This procedure allows a manufacturer whose novel device is automatically classified into Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents low or moderate risk, rather than requiring the submission and approval of a PMA. Prior to the enactment of the Food and Drug Administration Safety and Innovation Act ("FDASIA") in July 2012, a medical device could only be eligible for de novo classification if the manufacturer first submitted a 510(k) pre-market notification and received a determination from the FDA that the device was not substantially equivalent. FDASIA streamlined the de novo classification pathway by permitting (under Section 513(f)(2) of the FDCA) manufacturers to request de novo classification directly without first submitting a 510(k) pre-market notification to the FDA and receiving a not substantially equivalent determination. FDASIA sets a review time for FDA of 120 days following receipt of the de novo application, but FDA does not always meet this timeline and has publicly only committed to a review of 150 days for 50% of applications. If the manufacturer seeks reclassification into Class II, the manufacturer must include a draft proposal for special controls that are necessary to provide a reasonable assurance of the safety and effectiveness of the medical device. The FDA may reject the reclassification petition if it identifies a legally marketed predicate device that would be appropriate for a 510(k) or determines that the device is not low to moderate risk or that general controls would be inadequate to control the risks and special controls cannot be developed. If the FDA agrees with the down-classification, the *de novo* applicant will then receive authorization to market the device, and a classification regulation will be established for the device type. The device can then be used as a predicate device for future 510(k) submissions by the manufacturer or a competitor. In October 2021, FDA enacted regulations implementing the above-referenced FDCA provisions governing the *de novo* reclassification process.

Premarket Approval Process. Class III devices require submission through the PMA process before they can be marketed. The PMA process is more demanding than the 510(k) premarket notification process. Under the PMA pathway, the manufacturer must demonstrate that the investigational device is safe and effective for the target indication(s) for use, and the PMA must be supported by extensive data, including data from preclinical studies and human clinical trials conducted under a valid investigational device exemption ("IDE"). The PMA must also contain, among other things, a full description of the device and its components, a full description of the methods, facilities and controls used for manufacturing, and proposed labeling. Following receipt of a PMA submission, the FDA determines whether the application is sufficiently complete to permit a substantive review. If the FDA accepts the application for review, it has 180 days under the FDCA to complete its review of a PMA, although in practice, the FDA's review often takes significantly longer, and can take up to several years. An advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. The FDA may or may not accept the panel's recommendation. In addition, the FDA will generally conduct a preapproval inspection of the applicant or its third-party manufacturers' or suppliers' manufacturing facility or facilities to ensure compliance with the QMSR.

The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA application constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s). The FDA may approve a PMA application with post-approval conditions intended to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution, and collection of long-term follow-up data from patients in the clinical study that supported PMA approval or requirements to conduct additional clinical studies post-approval. The FDA may condition PMA approval on some form of post-market surveillance when deemed necessary to protect the public health or to provide additional safety and efficacy data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to FDA on the clinical status of those patients. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval.

Certain changes to an approved device, such as changes in manufacturing facilities, methods, or quality control procedures, or changes in the design performance specifications, which affect the safety or effectiveness of the device, require submission of a PMA supplement. PMA supplements often require submission of the same type of information as a PMA, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA and may not require as extensive clinical data or the convening of an advisory panel. Certain other changes to an approved device require the submission of a new PMA, such as when the design change causes a different intended use, mode of operation, and technical basis of operation, or when the design change is so significant that a new generation of the device will be developed, and the data that were submitted with the original PMA are not applicable for the change in demonstrating a reasonable assurance of safety and effectiveness.

Clinical Trials. Clinical trials are almost always required to support *de novo* or a PMA and are sometimes required to support a 510(k) submission. All clinical investigations of investigational devices to determine safety and effectiveness must be conducted in accordance with the FDA's IDE regulations which govern investigational device labeling, prohibit promotion of the investigational device, and specify an array of recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk" to human health, as defined by the FDA, the FDA requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials. A significant risk device is one that presents a potential for serious risk to the health, safety or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. An IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE will automatically become effective 30 days after receipt by the FDA, unless the FDA notifies the manufacturer that the investigation may not begin or is subject to a clinical hold. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical trial to proceed under a conditional approval.

In addition, clinical studies must be approved by, and conducted under the oversight of, an Institutional Review Board ("IRB") for each clinical site. The IRB is responsible for the initial and continuing review of the IDE and may pose additional requirements for the conduct of the trial. If an IDE application is approved by the FDA and one or more IRBs, human clinical trials may begin at a specific number of investigational sites with a specific number of patients, as approved by the FDA. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements. An IDE supplement must be submitted to and approved by the FDA before a sponsor or investigator may make a change to the investigational plan.

During a clinical trial, the sponsor is required to comply with the applicable FDA requirements, including, for example, trial monitoring, selecting clinical investigators and providing them with the investigational plan, ensuring IRB review, adverse event reporting, record keeping, and prohibitions on the promotion of investigational devices or on making safety or effectiveness claims for them. The clinical investigators in the clinical study are also subject to FDA regulations and must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of the investigational device, and comply with all reporting and recordkeeping requirements. Additionally, after a trial begins, we, the FDA, or the IRB could suspend or terminate a clinical trial at any time for various reasons, including a belief that the risks to study subjects outweigh the anticipated benefits.

Post-market Regulation. After a device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include (among others):

- establishment registration and device listing with the FDA;
- state licensure requirements for the manufacturing and distribution of medical devices;
- FDA's QMSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation, and other quality assurance procedures during all aspects of the design and manufacturing process;
- FDA labeling and marketing regulations, which require that promotion is truthful, not misleading, fairly balanced, provide adequate directions for use, and that all claims are substantiated, and also prohibit the promotion of products for unapproved or "off-label" uses and impose other restrictions on labeling;
- FDA regulations and guidance pertaining to clearance or approval of product modifications to 510(k)-cleared devices that could significantly affect safety or effectiveness or that would constitute a major change in intended use of one of our cleared devices, or approval of a supplement for certain modifications to PMA devices;
- FDA's medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- FDA's correction, removal, and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- FDA regulations requiring Unique Device Identifiers on devices and also requiring the submission of certain information about each device to the FDA's Global Unique Device Identification Database;
- the FDA's recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations;
- FDA post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device;
- the federal Physician Sunshine Act and various state and foreign laws on reporting remunerative relationships with health care professionals, teaching hospitals, and other applicable entities;
- the federal Anti-Kickback Statute (and similar state laws) prohibiting, among other things, soliciting, receiving, offering or providing remuneration intended to induce the purchase or recommendation of an item or service reimbursable under a federal healthcare program, such as Medicare or Medicaid. A person or entity does not have to have actual knowledge of this statute or specific intent to violate it to have committed a violation; and
- the federal False Claims Act (and similar state laws) prohibiting, among other things, knowingly presenting, or causing to be presented, claims for payment or approval to the federal government that are false or fraudulent, knowingly making a false statement material to an obligation to pay or transmit money or property to the federal government or knowingly concealing, or knowingly and improperly avoiding or decreasing, an obligation to pay or transmit money to the federal government. The government may assert that claim includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the false claims statute.

We may be subject to similar foreign laws that may include applicable post-marketing requirements such as safety surveillance. With respect to any medical devices that we may commercialize in the U.S. in the future, our manufacturing processes, or those of any contract manufacturer that we engage, will be required to comply with the applicable portions of the QMSR, which cover the methods and the facilities, controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation, and servicing of finished devices intended for human use. The QMSR also requires, among other things, maintenance of a device master file, device history file, and complaint files. The discovery of previously unknown problems with any of our products, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its clearance or off-label by a physician in the practice of medicine, could result in restrictions on the device, including the removal of the product from the market or voluntary or mandatory device recalls.

The FDA has broad regulatory compliance and enforcement powers. If the FDA determines that we failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, which may result in any of the following sanctions:

- warning letters, untitled letters, fines, injunctions, consent decrees, and civil penalties;
- recalls, withdrawals, or administrative detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production (due to violations of the QMSR or other applicable regulations) refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products;
- withdrawing 510(k) clearances or PMA approvals that have already been granted;
- refusal to grant export or import approvals for our products; or
- criminal prosecution.

Regulation of Medical Devices in the EEA

Medical devices placed on the market in the European Economic Area ("EEA") must meet the relevant essential requirements laid down in Annex I of Directive 93/42/EEC concerning medical devices ("the Medical Devices Directive"). The most fundamental essential requirement is that a medical device must be designed and manufactured in such a way that it will not compromise the clinical condition or safety of patients, or the safety and health of users and others. In addition, the device must achieve the performances intended by the manufacturer and be designed, manufactured, and packaged in a suitable manner. The European Commission has adopted various standards applicable to medical devices. These include standards governing common requirements, such as sterilization and safety of medical electrical equipment and product standards for certain types of medical devices. There are also harmonized standards relating to design and manufacture. While not mandatory, compliance with these standards is viewed as the easiest way to satisfy the essential requirements as a practical matter. Compliance with a standard developed to implement an essential requirement also creates a rebuttable presumption that the device satisfies that essential requirement.

To demonstrate compliance with the essential requirements laid down in Annex I to the Medical Devices Directive, medical device manufacturers must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. Conformity assessment procedures require an assessment of available clinical evidence, literature data for the product, and post-market experience in respect of similar products already marketed. Except for low-risk medical devices (Class I non-sterile, non-measuring devices), where the manufacturer can self-declare the conformity of its products with the essential requirements (except for any parts which relate to sterility or metrology), a conformity assessment procedure requires the intervention of a Notified Body. Notified bodies are often separate entities and are authorized or licensed to perform such assessments by government authorities. The notified body would typically audit and examine a product's technical dossiers and the manufacturers' quality system. If satisfied that the relevant product conforms to the relevant essential requirements, the notified body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity. The manufacturer may then apply the CE Mark to the device, which allows the device to be placed on the market throughout the EEA. Once the product has been placed on the market in the EEA, the manufacturer must comply with requirements for reporting incidents and field safety corrective actions associated with the medical device.

In order to demonstrate safety and efficacy for their medical devices, manufacturers must conduct clinical investigations in accordance with the requirements of Annex X to the Medical Devices Directive, Annex 7 of the Active Implantable Medical Devices Directive, and applicable European and International Organization for Standardization standards, as implemented or adopted in the EEA member states. Clinical trials for medical devices usually require the approval of an ethics review board and approval by or notification to the national regulatory authorities. Both regulators and ethics committees also require the submission of serious adverse event reports during a study and may request a copy of the final study report.

On April 5, 2017, the European Parliament passed the Medical Devices Regulation (Regulation 2017/745), which repeals and replaces the E.U. Medical Devices Directive and the Active Implantable Medical Devices Directive. Unlike directives, which must be implemented into the national laws of the EEA member States, the regulations would be directly applicable, i.e., without the need for adoption of EEA member State laws implementing them, in all EEA member States and are intended to eliminate current differences in the regulation of medical devices among EEA member States. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable, and sustainable regulatory framework across the EEA for medical devices and ensure a high level of safety and health while supporting innovation. The Medical Device Regulation will become applicable in May 2021. The new regulations:

- strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
- establish explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance, and safety of devices placed on the market;
- improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- set up a central database to provide patients, healthcare professionals, and the public with comprehensive information on products available in the E.U.;
- strengthened rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market.

In the EU, member states are responsible for enforcing the EU's medical device rules and for ensuring that only compliant medical devices are placed on the market or put into service in their jurisdictions. They have powers to suspend the marketing and use, or demand the recall, of unsafe or non-compliant devices. They also have the power to bring enforcement action against companies or individuals for breaches of the device rules. Non-compliance may also result in Notified Bodies revoking any certificate of conformity that they have issued for a device or the manufacturer's quality system.

We are subject to regulations and product registration requirements in many foreign countries in which we may sell our products, including in the areas of:

- design, development, and manufacturing;
- product standards;
- product safety;
- product safety reporting;
- marketing, sales, and distribution;
- packaging and storage requirements;
- labeling requirements;
- content and language of instructions for use;
- clinical trials;

- record keeping procedures;
- advertising and promotion;
- recalls and field corrective actions;
- post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury;
- import and export restrictions;
- tariff regulations, duties, and tax requirements;
- registration for reimbursement; and
- necessity of testing performed in country by distributors for licensees.

The time required to obtain clearance required by foreign countries may be longer or shorter than that required for FDA clearance, and requirements for licensing a product in a foreign country may differ significantly from FDA requirements.

Federal, State, and Foreign Fraud and Abuse and Physician Payment Transparency Laws. In addition to the applicable FDA regulations governing the research, development, manufacture, marketing and sale of our products, if approved and commercialized, we may become subject to various federal and state healthcare laws and regulations. These laws and regulations are intended to, among other things, prevent fraud and abuse in the healthcare industry, promote transparency in interactions among healthcare industry participants, and protect government healthcare programs from improper expenditures. Applicable healthcare laws and regulations may include, but are not limited to, the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully offering, paying, soliciting, or receiving remuneration to induce or reward referrals of items or services reimbursable by a federal healthcare program; the federal False Claims Act, which imposes liability for knowingly presenting, or causing to be presented, false or fraudulent claims for payment to the federal government; the Civil Monetary Penalties Law, which authorizes the imposition of penalties for a variety of prohibited conduct involving federal healthcare programs; the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (collectively, "HIPAA"), which establishes certain requirements relating to healthcare fraud and abuse as well as the privacy and security of protected health information; the federal Physician Payments Sunshine Act, which requires manufacturers of certain healthcare products to report payments and other transfers of value provided to physicians, teaching hospitals, and certain other healthcare providers; and analogous state and foreign laws and regulations relating to anti-kickback and fraud and abuse practices, false claims, transparency and reporting obligations, and other healthcare compliance matters. These laws and regulations may affect a wide range of business activities, including research and development activities, clinical research activities, product commercialization efforts, sales and marketing programs, interactions with healthcare professionals and healthcare organizations, and arrangements with distributors and other third parties.

Many foreign countries have similar laws relating to healthcare fraud and abuse. Foreign laws and regulations may vary greatly from country to country. For example, the advertising and promotion of our products is subject to E.U. directives concerning misleading and comparative advertising and unfair commercial practices, as well as other EEA Member State legislation governing the advertising and promotion of medical devices. These laws may limit or restrict the advertising and promotion of our products to the general public and may impose limitations on our promotional activities with healthcare professionals.

Data Privacy and Security Laws. In the future, we may also be subject to various federal, state, and foreign laws that govern the collection, use, storage, processing, disclosure, and protection of personal and other sensitive information including certain protected health information. Such laws and regulations may include, among others, the E.U. General Data Protection Regulation ("GDPR"), the California Consumer Privacy Act ("CCPA") and similar state privacy laws, HIPAA, and analogous state laws, many of which may apply more broadly than HIPAA in the U.S. Such laws and regulations are evolving and may impose significant compliance obligations, restrictions on our business practices, and increased costs. Failure to comply with applicable data privacy and security requirements could result in regulatory investigations, enforcement actions, litigation, reputational harm, and other adverse effects on our business, financial condition, and results of operations.

Healthcare Reform. The U.S. and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our products, if approved and commercialized, profitably. Among policy makers and payors in the U.S. and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality or expanding access. Current and future legislative proposals, on both a national and state level, to further reform healthcare or reduce healthcare costs may limit coverage of or lower reimbursement for the procedures associated with the use of our products, if approved and commercialized. The cost containment measures that payors and providers are instituting and the effect of any healthcare reform initiative implemented in the future could impact our revenue from the sale of our medical products, to the extent any are authorized for commercialization in the United States.

We expect additional state and federal healthcare reform measures to be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our products or additional pricing pressure.

US Government Regulation of the Cannabis Industry

While we do not generate any revenue from the direct sale of cannabis products, we offer our services and solutions to cultivators operating within the cannabis industry. Marijuana is a Schedule I controlled substance and is illegal under federal law. Even in those states in which specific uses of marijuana have been legalized, such as medical marijuana or for adult recreational purposes, its use remains a violation of federal laws, subject to the narrow exception carved out by the 2018 Farm Bill.

A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety for use under medical supervision and a high potential for abuse. The Department of Justice defines Schedule I controlled substances as “the most dangerous drugs of all the drug schedules with potentially severe psychological or physical dependence.” If the federal government decides to enforce the Controlled Substances Act with respect to marijuana, persons that are charged with distributing, possessing with intent to distribute, or growing cannabis in violation of federal law could be subject to fines and terms of imprisonment, the maximum being life imprisonment and a $50 million fine. Any unfavorable change in the federal government’s enforcement of current federal laws could cause significant financial damage to the industry. While we do not intend to directly harvest, manufacture, distribute or sell cannabis or cannabis products, we may be detrimentally affected by a change in enforcement by the federal or state governments.

In the past, the Obama administration took the position that it was not an efficient use of resources to direct federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical marijuana. The Trump administration revised this policy but made no major changes in enforcement. Although President Biden stood for decriminalization and descheduling during his campaign, his administration has not formulated an explicit policy on cannabis. The Biden administration has implemented pardons for past federal cannabis possession convictions and encouraged governors to do the same. Also, in May 2021 the Drug Enforcement Administration approved licensed facilities to grow cannabis for the purpose of medical research, and on December 2, 2022, President Biden signed the Medical Marijuana and Cannabidiol Research Expansion Act. This act is "the first standalone marijuana-related bill approved by both chambers of the United States Congress" and allows medical marijuana research. The act requires the Drug Enforcement Administration to register researchers and suppliers of cannabis for medical research in a timely manner, who will then be able to legally manufacture, distribute, dispense and possess the substance. It also creates a mechanism for FDA approval of drugs derived from the cannabis plant and "protects doctors who may now discuss the harms and benefits of using cannabis and cannabis derivatives." It also requires the Department of Health and Human Services to investigate the medical utility of cannabis and barriers that exist to conducting research, and requires the U.S. Attorney General to conduct an annual review to ensure that cannabis is being adequately produced for research purposes. In January 2023, the FDA stated that given the growing cannabidiol (CBD) products market, it had convened a high-level internal working group to explore potential regulatory pathways for CBD products and is prepared to find a new regulatory pathway for CBD to balance individuals' desire for access to CBD products with the regulatory oversight needed to manage risks. In May 2024, the U.S. Department of Justice and the Drug Enforcement Administration published a proposed rule to move marijuana from Schedule I to Schedule III under the Controlled Substances Act. On December 18, 2025, President Trump issued an executive order directing the Attorney General to take all necessary steps to expeditiously move marijuana from Schedule I to Schedule III under the Controlled Substances Act. As of the date of this Annual Report on Form 10-K, no final rule has been adopted, and the status and timing of any final rulemaking action remain uncertain. Notwithstanding the actions of the current or prior administrations, it should be expected that the Department of Justice will continue to enforce the Controlled Substances Act with respect to cannabis under established principles in setting their law enforcement priorities to prevent:

- the distribution of cannabis products, such as marijuana, to minors;
- criminal enterprises, gangs and cartels receiving revenue from the sale of cannabis;
- the diversion of cannabis products from states where it is legal under state law to states where it is not legal under state law;
- the use of state-authorized cannabis activity as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- violence and the use of firearms in the cultivation and distribution of cannabis products;
- driving while impaired and the exacerbation of other adverse public health and safety consequences associated with cannabis product usage;
- the growing of cannabis on public lands; and
- cannabis possession or use on federal property.

Since the use of marijuana is illegal under federal law, most federally chartered banks will not accept deposit funds from businesses involved with marijuana. Consequently, businesses involved in the marijuana industry generally bank with state-chartered banks and credit unions to provide banking to the industry.

In 2014, Congress passed a spending bill containing a provision (the Rohrabacher-Farr amendment and sometimes referred to as the Rohrabacher-Blumenauer Amendment) blocking federal funds and resources allocated under the federal appropriations bills from being used to "prevent such States from implementing their own State medical marijuana laws." The Rohrabacher-Blumenauer Amendment, however, did not codify any federal protections for medical marijuana patients and producers operating within state law. The Justice Department maintains that it can still prosecute violations of the federal cannabis laws and continue cases already in the courts. However, state laws do not supersede the prohibitions set forth in the federal drug laws. The Rohrabacher-Blumenauer Amendment must be re-enacted every year.

In order to participate in either the medical or the adult use aspects of the cannabis industry, all businesses and employees must obtain licenses from the state and, for businesses, local jurisdictions as well. As an example, Colorado issues four types of business licenses including cultivation, manufacturing, dispensing, and testing. In addition, all owners and employees must obtain an occupational license to be permitted to own or work in a facility. All applicants for licenses undergo a background investigation, including a criminal record check for all owners and employees.

Colorado has also enacted stringent regulations governing the facilities and operations of cannabis businesses that are involved with the plant and its products. All facilities are required to be licensed by the state and local authorities and are subject to comprehensive security and surveillance requirements. In addition, each facility is subject to extensive regulations that govern its businesses practices, which includes mandatory seed-to-sale tracking and reporting, health and sanitary standards, packaging and labeling requirements, and product testing for potency and contaminants.

Laws and regulations affecting the medical marijuana industry are constantly changing, which could detrimentally affect our proposed operations. Local, state and federal medical marijuana and hemp laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter our business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to our business. We cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

Regulatory Compliance and Risk Management

We maintain compliance with regulatory requirements and manage our risks through a program of compliance, awareness, and insurance, which includes maintaining certain insurances and a continued emphasis on safety to mitigate any risks.

Employees

As of June 30, 2026, we employed 28 employees, none of which were covered by any collective bargaining agreements.

Website

For more information on the Company’s business operations, please visit our company website at www.astrotechcorp.com.

An investment in our securities involves a high degree of risk. This annual report contains a discussion of the risks applicable to an investment in our securities. Prior to making a decision about investing in our securities, you should carefully consider the specific factors discussed under the heading “Risk Factors” in this annual report. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our operations. The occurrence of any of these known or unknown risks might cause you to lose all or part of your investment in the offered securities.

Item 1A. Risk Factors

Summary Risk Factors

Our business is subject to a number of risks, including those described at length below. The following is a summary of some of the principal risks we face:

- We have incurred significant losses since inception and anticipate that we will incur continued losses for the foreseeable future.
- Our business units are in the development stage. They have earned limited revenues and it is uncertain whether they will earn any revenues in the future or whether any of them will ultimately be profitable.
- We may need to raise additional capital to fund the operations of our business units and commercialize our products.
- We may not be able to obtain patents, other intellectual property protection or licenses for the technologies contained in the products we develop.
- Third parties have infringed on our intellectual property rights, and may claim in the future that we are infringing their intellectual property rights, and we could suffer significant litigation or licensing expenses or be prevented from selling products.
- We may not be able to successfully develop the BreathTest-1000 or any other new products or services.
- Our sales and operations in international markets expose us to operational, financial and regulatory risks.
- Our business, financial condition and results of operations may be adversely impacted by the effects of inflation.
- We generate substantial revenue from a limited number of customers and the loss of any such customer may harm our business, results of operations and financial results.
- Our success depends significantly on the establishment and maintenance of successful relationships with our customers.
- Third parties may claim we are infringing their intellectual property rights, and we could suffer significant litigation or licensing expenses or be prevented from selling products.
- Our ongoing success is dependent upon the continued availability of certain key employees.
- Our operating results may be adversely affected by increased competition.
- Our facilities located in Austin are susceptible to damage caused by hurricanes or other natural disasters.
- If we are unable to anticipate technological advances and customer requirements in the commercial and governmental markets, our business and financial condition may be adversely affected.

- We incur substantial upfront, non-reimbursable costs in preparing proposals to bid on contracts or to receive research and development grants that we may not be awarded.
- A failure of a key information technology system, process, or site could have a material adverse impact on our ability to conduct business.
- Our manufacturing operations are mostly dependent upon third party suppliers, including single source suppliers, making us vulnerable to external factors such as supply shortages and price fluctuations, which could harm our business.
- Repair or replacement costs due to warranties we provide on our products could have a material adverse effect on our business, financial condition and results of operations.
- We intend to explore expanding our business into our Lunar Initiatives and we may not be able to successfully transition our business and may not realize the anticipated synergies and benefits of such proposed transition.
- The development and maintenance of the technologies and infrastructure necessary to support our new Lunar Initiatives will require significant capital expenditures, and if we are unable to generate sufficient cash flow from operations or obtain additional financing on acceptable terms, our business, financial condition, results of operations, and future prospects could be materially and adversely affected.
- We are substantially dependent on the outcome of government solicitations and awards, including Appendix A Program and CLPS2 Program, and there can be no assurance that we will submit a proposal or be selected for any contract, award or funding.
- Many of our Lunar Initiatives involve significant technical complexity, unproven technologies, or technologies that do not exist or may require significant advancement, and such Lunar Initiatives may not achieve commercial viability.
- Our future revenue and operating results depend upon our ability to develop new technologies and respond to changes in customer demands and industry standards in highly competitive markets, and if we are unable to do so, our business, financial condition, results of operations, and future prospects may be materially and adversely affected.
- The commercial lunar market is undeveloped and uncertain, and there may be insufficient demand for the products and services we intend to develop.
- We expect to face significant competition from well-capitalized commercial entities and government-sponsored programs in the markets we intend to enter, and if we are unable to compete effectively, our business, financial condition and results of operations could be harmed.
- We may not be successful in the proposed sale of 1st Detect, and the announcement and pendency of the proposed sale of 1st Detect present certain risks to our ongoing business and operations.
- Our products and operations are subject to extensive governmental regulation, and failure to comply with applicable requirements could cause our business to suffer.
- Failure to obtain clearance or authorization for the BreathTest-1000, or other delays in the development of the BreathTest-1000, would adversely affect our ability to grow our business.
- We and our suppliers may not meet regulatory quality standards applicable to our device-manufacturing processes, which could have an adverse effect on our business, financial condition, and results of operations.
- If the BreathTest-1000 or any other device candidates are cleared for commercialization in the United States via the 510(k) process, product modifications may require new 510(k) clearances, de novo submissions, or pre-market approvals, or may require us to cease marketing or recall the modified products until clearances are obtained.
- Once our BreathTest-1000 or any other device candidate we may develop in the future, if any, is cleared or approved by FDA for marketing in the United States, if ever, we may be liable if the FDA or other U.S. enforcement agencies determine we have engaged in the off-label promotion of such products or have disseminated false or misleading labeling or promotional materials.
- Even if we obtain FDA clearance or approval for BreathTest-1000 or any other medical device product, our products will remain subject to regulatory scrutiny.
- Legislative or regulatory healthcare reforms may make it more difficult and costly for us to obtain reimbursement for our products or regulatory clearance or approval of our future products, if any, and to produce, market and distribute those products after clearance or approval is obtained.
- Disruptions at FDA and other government agencies, such as those that may be caused by funding shortages, could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved, or commercialized in a timely manner or at all, which could negatively impact our business.
- Our financial performance may be adversely affected by medical device tax provisions in healthcare reform laws.
- Our AgLAB business' growth is highly dependent on the U.S. hemp and cannabis market. New regulations causing licensing shortages and future regulations may create other limitations that decrease the demand for our products. General regulations at state and federal in the future may adversely impact our business.
- As the possession and use of marijuana is illegal under the CSA, it is possible that our manufacture and sale of equipment that is used to cultivate marijuana or marijuana products may be deemed to be aiding and abetting illegal activities.
- We may become subject to FDA or ATF regulation with respect to our AgLab business.
- The hemp and cannabis industry could face strong opposition from other industries.

RISK FACTORS

Risks Related to Our Business and Industry

We have incurred significant losses since inception and anticipate that we will incur continued losses for the foreseeable future.

As of June 30, 2026, the Company had cash of approximately $8.4 million and short-term investments of approximately $2.9 million. If our available cash resources and anticipated cash flows from operations are insufficient to satisfy our liquidity requirements, we will need to raise additional capital to continue to fund our operations in the future. As of June 30, 2026, we had an accumulated deficit of approximately $265 million and reported a net loss of $14.4 million for the fiscal year 2026. We are unable to predict the extent of any future losses or when we will become profitable, if at all. If we are unable to achieve and then maintain profitability or raise capital, the market value of our common stock will likely experience significant decline.

We will require additional financing as we continue to execute our business strategy, including the need for additional funds for the development of our products and our Lunar Initiatives. We may seek to raise additional capital through issuances of equity or debt securities, entrance into a credit facility or another form of third-party funding or seek other debt financing. Such funding may not be available to us on acceptable terms, or at all, and such funding may become even more difficult to obtain due to macroeconomic conditions, including rising interest rates, tariffs and trade restrictions, global conflicts and other conditions that could result in volatility in the U.S. capital markets. We may be unable to raise capital through public offerings of our common stock and may need to turn to alternative financing arrangements. Such arrangements could involve issuances of one or more types of securities, including common stock, preferred stock, convertible debt, warrants to acquire common stock or other securities. Even if successful in raising new capital, we could be limited in the amount of capital we raise due to investor demand. There can be no assurance that funding will be available on acceptable terms, on a timely basis, or at all. The various ways that we could raise capital carry potential risks. Any additional financing will likely involve the issuance of our equity securities, which will have a dilutive effect on our stockholders. Any debt financing, if available, may involve restrictive covenants that may impact our ability to conduct our business. If we raise funds through partnering, such as collaborations and licensing arrangements, we might be required to relinquish significant rights to our technologies or grant licenses on terms that are not favorable to us. If we do not succeed in raising additional funds on acceptable terms or at all, we may be unable to develop our products.

If we are unable to raise additional capital when required or on acceptable terms, we may be required to:

- significantly scale back, or discontinue the development or commercialization of our products;
- dispose of technology assets, or relinquish or license on unfavorable terms, our rights to technologies or any of our products that we otherwise would seek develop or commercialize ourselves;
- pursue the sale of our company to a third party at a price that may result in a loss on investment for our stockholders; or
- file for bankruptcy or cease operations altogether. Any of these events could have a material adverse effect on our business, operating results and prospects.

Our business units are in the development stage. They have earned limited revenues and it is uncertain whether they will earn any revenues in the future or whether any of them will ultimately be profitable.

Our business units are in an early stage with a limited operating history. Their future operations are subject to all of the risks inherent in the establishment of a new business including, but not limited to, risks related to capital requirements, failure to establish business relationships, and competitive disadvantages against larger and more established companies. These business units will require substantial amounts of funding to continue to commercialize their products. If such funding comes in the form of equity financing, such equity financing may involve substantial dilution to existing shareholders. Even with funding, our products may fail to be effective or attractive to the market or lack the necessary financial or other resources or relationships to be successful.

These business units can be expected to experience continued operating losses until they can generate sufficient revenues to cover their operating costs. Furthermore, these business units may not be able to develop, manufacture, or market additional products in the future, and there can be no guarantee that future revenues will be significant, that any sales will be profitable, or that the business units will have sufficient funds available to complete their commercialization efforts. Any products and technologies developed and manufactured by our business units may require regulatory approvals prior to being made, marketed, sold, and used. Regulatory approval of any products may not be obtained. FDA clearance or approval is required to market the BreathTest-1000 in the United States. Obtaining approval from the FDA is a complex and lengthy process, and approvals for the BreathTest-1000 may not be granted on a timely basis or at all, which would have a material adverse effect on our results of operations and financial condition.

We may need to raise additional capital to fund the operations of our business units and commercialize our products.

If our available cash resources and anticipated cash flows from operations are insufficient to satisfy our liquidity requirements, including because of lower demand for our products or the realization of other risks discussed in this Item 1A. of this Form 10-K, we may be required to raise additional capital through issuances of equity or convertible debt securities, entrance into a credit facility or another form of third party funding or seek other debt financing. There is no assurance we will be able to obtain future financing on commercially reasonable terms, or at all. In any event, we may consider raising additional capital in the future to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons, including to:

- increase our sales and marketing efforts to drive market adoption of our products and address competitive developments;
- fund development and marketing efforts of our existing products or any future products;
- expand our technologies into additional markets;
- acquire, license or invest in technologies and other intellectual property rights;
- acquire or invest in complementary businesses or assets; and
- finance capital expenditures and general and administrative expenses.

Our present and future funding requirements will depend on many factors, including:

- our ability to achieve projected revenue growth;
- the cost of expanding our operations, including manufacturing and production capacity;
- our rate of progress in launching and commercializing new products, and the cost of the sales and marketing activities associated with increasing sales of our existing instruments and products;
- our rate of progress in, and cost of research and development activities associated with, products in research and development;
- the effect of competing technological and market developments;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims;
- costs related to domestic and international expansion; and
- the potential cost of and delays in product development as a result of any regulatory oversight that may be applicable to our products.

The various ways we could raise additional capital carry potential risks. If we raise funds by issuing equity securities, dilution to our stockholders could result. Any preferred equity securities issued also could provide for rights, preferences or privileges senior to those of holders of our common stock. If we raise funds by borrowing debt, such debt would have rights, preferences and privileges senior to those of holders of our common stock. The terms of such debt could impose significant restrictions on our operations. If we raise funds through collaborations or licensing arrangements, we might be required to relinquish significant rights to our platform technologies or products or grant licenses on terms that are not favorable to us or commit to future payment streams. Market volatility or other factors may further adversely impact our ability to raise capital as and when needed. If we are unable to obtain adequate financing or financing on terms satisfactory to us, if we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to obtain patents, other intellectual property protection or licenses for the technologies contained in the products we develop.

The commercial success of any of our business units will depend, in part, on obtaining patent and other intellectual property protection for the technologies contained in any products it developed. In addition, our business units may need to license intellectual property to commercialize future products or avoid infringement of the intellectual property rights of others. Licenses may not be available on acceptable terms and conditions, if at all. Our business units may suffer if any licenses terminate, if the licensors fail to abide by the terms of the license or fail to prevent infringement by third parties, if the licensed patents or other rights are found to be invalid, or if our respective business unit is unable to enter into necessary licenses on acceptable terms. If such business unit, or any third-party, from whom it licenses intellectual property, fails to obtain adequate patent or other intellectual property protection for intellectual property covering its products, or if any protection is reduced or eliminated, others could use the intellectual property covering the products, resulting in harm to the competitive business position of this business unit. In addition, patent and other intellectual property protection may not provide our business units with a competitive advantage against competitors that devise ways of making competitive products without infringing any patents that this business unit owns or has rights to. Such competition could adversely affect the prices for any products or the market share of any of our business units and could have a material adverse effect on its results of operations and financial condition.

Third parties have infringed on our intellectual property rights, and may claim in the future that we are infringing on their intellectual property rights, and we could suffer significant litigation or licensing expenses or be prevented from selling products.

As we introduce any new and potentially promising product or service or improve existing products or services with new features or components, companies possessing competing technologies, or other companies owning patents or other intellectual property rights may be motivated to assert infringement claims in order to generate royalty revenues, delay or diminish potential sales, and challenge our right to market such products or services. Even if successful in defending against such claims, patent and other intellectual property related litigation is costly and time consuming. In addition, we may find it necessary to initiate litigation in order to protect our patent or other intellectual property right, and even if the claims are well-founded and ultimately successful, such litigation is typically costly and time-consuming and may expose us to counterclaims, including claims for intellectual property infringement, antitrust, or other such claims. Third parties could also obtain patents or other intellectual property rights that may require us to either redesign products or, if possible, negotiate licenses from such third parties. Adverse determinations in any such litigation could result in significant liabilities to third parties or injunctions, or could require us to seek licenses from third parties, and if such licenses are not available on commercially reasonable terms, prevent us from manufacturing, importing, distributing, selling, or using certain products, any one of which could have a material adverse effect on us. In addition, some licenses may be non-exclusive, which could provide our competitors access to the same technologies. Under any of the circumstances, we may incur significant expenses.

For example, around October 2024 we became aware of two third party companies advertising the TRACER 1000 for sale on their respective websites. Their websites used images of the TRACER 1000 that were copied from the 1st Detect website. The offering price was far below the price that we would quote to a potential customer, and these companies were not authorized distributors of our products. We are aware that these companies have confirmed to independent inquiries that they are authorized distributors or resellers of 1st Detect’s products. We have not granted licenses to these companies to distribute 1st Detect's products.

In February 2025, demand letters were sent to both companies informing them that they were infringing on the EU registered copyrights of 1st Detect and TRACER 1000 and must remove the misleading information from their websites immediately. By July 10, 2025, all mentions of TRACER 1000 or 1st Detect and its products had been removed from both companies’ websites.

We have incurred costs with respect to such matters, including in the form of attorneys’ fees and costs. Other costs incurred, as a result of infringement claims like the ones discussed above, could include damages, fines or other penalties, whether pursuant to a judgment or settlement, and diversion of our management’s attention, which could adversely affect our business, financial condition or operating results.

We may not be able to successfully develop the BreathTest-1000 or any other new products or services.

Our business strategy outlines the use of the decades of experience we have accumulated to expand the services and products we offer to both U.S. government agencies and commercial industries. These services and products are in the development stage and involve new and untested technologies and business models. These technologies and business models may not be successful, which could result in the loss of any investment we make in developing them, including the development of the BreathTest-1000. We believe commercialization of this application with the AMS Technology would require many years and significant investment due to regulatory requirements. As such, we have determined to deploy capital instead to our other subsidiaries.

Furthermore, we are subject to risks including, but not limited to, the following with respect to the development of the BreathTest-1000:

- the governmental clearance and approval process could be lengthy, time consuming and is inherently unpredictable, and we cannot guarantee that the required clearance or approvals for our products, including FDA clearance or approvals, will be granted on a timely basis or at all or that we will ever have a marketable product;

- customers must be persuaded that using our products are effective alternatives to other existing detection methods available for infections in order for our products to be commercially successful;

Medical-device development involves a high degree of risk and uncertainty, and our potential products may not be successfully developed, achieve their intended benefits, receive full market authorization, or be commercially successful. Moreover, as the FDA and other U.S. regulatory agencies undergo changes in leadership and policy initiatives, there are higher than normal uncertainties in developing and commercializing new products and services.

Our sales and operations in international markets expose us to operational, financial and regulatory risks.

International sales comprise a significant amount of our overall revenue and while growing our international sales is an important part of our growth strategy, these efforts may not be successful. International operations are subject to a number of other risks, including:

- import and export laws and the impact of tariffs;

- exchange rate fluctuations;

- political and economic instability, war, international terrorism and anti-American sentiment, particularly in emerging markets and the geographic regions affected by the Russia-Ukraine and Israel-Hamas wars;

- potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;

- preference for locally branded products, and laws and business practices favoring local competition;

- increased risk in collecting trade receivables;

- potential for delayed revenue recognition;

- less effective protection and/or lack of enforceability of intellectual property;

- stringent foreign regulation, including but not limited to General Data Protection Regulation in the EU, that are costly to comply with and may vary from country to country;

- changes in local tax and customs duty laws or changes in the enforcement, application or interpretation of such laws; and

- U.S. government’s restrictions on certain technology transfer to certain countries of concern.

The occurrence of any of these risks could negatively affect our international business and consequently our business, operating results, and financial condition.

Our business, financial condition and results of operations may be adversely impacted by the effects of inflation.

Inflation has the potential to adversely affect our business, financial condition and results of operations by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers. Other inflationary pressures could affect wages, the cost and availability of components, materials and other inputs and our ability to meet customer demand. Inflation may further exacerbate other risk factors, including supply chain disruptions, risks related to international operations and the recruitment and retention of qualified employees.

We generate substantial revenue from a limited number of customers and the loss of any such customer may harm our business, results of operations and financial results.

We generated substantial revenue from four customers, none of which have a long-term contract with us. Given such high concentration of revenue on our consolidated results, our revenue may fluctuate significantly year over year based upon sales to either customer. In the event we are unable to obtain additional customers or increase our revenue from other customers to offset any reduction of these revenues, we could experience a material adverse effect on our business, financial condition and reported revenue and results of operation.

Our success depends significantly on the establishment and maintenance of successful relationships with our customers.

Our customer base is limited; therefore, we continue to work on diversifying our customer base, while going to great lengths to satisfy the needs of our current customer base. Due to the limited number of customers, if any of our customers terminate their relationship with us, it could materially harm our business and results of operations.

Third parties may claim we are infringing their intellectual property rights, and we could suffer significant litigation or licensing expenses or be prevented from selling products.

As we introduce any new and potentially promising product or service or improve existing products or services with new features or components, companies possessing competing technologies, or other companies owning patents or other intellectual property rights, may be motivated to assert infringement claims in order to generate royalty revenues, delay or diminish potential sales, and challenge our right to market such products or services. Even if successful in defending against such claims, patent and other intellectual property related litigation is costly and time consuming. In addition, we may find it necessary to initiate litigation in order to protect our patent or other intellectual property rights, and even if the claims are well-founded and ultimately successful, such litigation is typically costly and time-consuming and may expose us to counterclaims, including claims for intellectual property infringement, antitrust, or other such claims. Third parties could also obtain patents or other intellectual property rights that may require us to either redesign products or, if possible, negotiate licenses from such third parties. Adverse determinations in any such litigation could result in significant liabilities to third parties or injunctions, or could require us to seek licenses from third parties, and if such licenses are not available on commercially reasonable terms, prevent us from manufacturing, importing, distributing, selling, or using certain products, any one of which could have a material adverse effect on us. In addition, some licenses may be non-exclusive, which could provide our competitors access to the same technologies. Under any of these circumstances, we may incur significant expenses.

Our ongoing success is dependent upon the continued availability of certain key employees.

We are dependent in our operations on the continued availability of the services of our employees, many of whom are individually key to our current and future success, and the availability of new employees to implement our growth plans. The market for skilled employees is highly competitive, especially for employees in technical fields. While our compensation programs are intended to attract and retain the employees required for us to be successful, ultimately, we may not be able to retain the services of all of our key employees or a sufficient number to execute on our plans. In addition, we may not be able to continue to attract new employees as required.

Our operating results may be adversely affected by increased competition.

We generally sell our products in industries that have increased competition through frequent new product and service introductions, rapid technological changes, and changing industry standards. Without the timely introduction of new products, services, and enhancements, our products and services will become technologically obsolete over time, in which case our revenue and operating results would suffer. The success of our new products and services will depend on several factors, including our ability to:

- properly identify customer needs and predict future needs;
- innovate and develop new technologies, services, and applications;

- successfully commercialize new technologies in a timely manner;
- manufacture and deliver our products in sufficient volumes and on time;
- differentiate our offering from our competitors' offerings;
- price our products competitively;
- anticipate our competitors' development of new products, services, or technological innovations; and
- control product quantity in our manufacturing process.

Our facilities located in Austin are susceptible to damage caused by hurricanes or other natural disasters.

Our ATI facilities in Austin are susceptible to damage caused by hurricanes or other natural disasters. Although we insure our properties and maintain business interruption insurance, there can be no guarantee that the coverage would be sufficient or a claim will be fulfilled. A natural disaster could result in a temporary or permanent closure of some of our business operations, thus impacting our future financial performance.

If we are unable to anticipate technological advances and customer requirements in the commercial and governmental markets, our business and financial condition may be adversely affected.

Our business strategy employs our personnel's decades of experience to expand the services and products we offer to our customers. We believe that our growth and future financial performance depend upon our ability to anticipate technological advances and customer requirements. We may not be able to achieve the necessary technological advances for us to remain competitive. Our failure to anticipate or respond adequately to changes in technological and market requirements, or delays in additional product development or introduction, could have a material adverse effect on our business and financial performance. Additionally, the cost of capital to fund these businesses will likely require dilution of shareholders.

We incur substantial upfront, non-reimbursable costs in preparing proposals to bid on contracts or to receive research and development grants that we may not be awarded.

Preparing a proposal to bid on a contract or to receive a research and development grant is labor-intensive and results in the incurrence of substantial costs that are generally not retrievable. Additionally, although we may be awarded a contract or grant, work performance does not commence for several months following completion of the bidding process. If funding problems by the party awarding the contract or grant or other matters further delay our commencement of work, these delays may lower the value of the contract or grant, or possibly render it unprofitable.

A failure of a key information technology system, process, or site could have a material adverse impact on our ability to conduct business.

We rely extensively on information technology systems to interact with our employees, suppliers, and our customers. These interactions include, but are not limited to, ordering and managing materials from suppliers, converting materials to finished products, shipping product to customers, processing transactions, summarizing and reporting results of operations, transmitting data used by our service personnel and by and among our personnel and facilities, complying with regulatory, legal, and tax requirements, and other processes necessary to manage our business. If our systems are damaged or cease to function properly due to any number of causes, ranging from the failures of third-party service providers, to catastrophic events, to power outages, to security breaches, and our business continuity plans do not effectively compensate on a timely basis, we may suffer interruptions in our ability to manage operations which may adversely impact our results of operations and/or financial condition.

Our manufacturing operations are mostly dependent upon third party suppliers, including single source suppliers, making us vulnerable to external factors such as supply shortages and price fluctuations, which could harm our business.

We are subject to the risks inherent in the manufacturing of our products, including industrial accidents, environmental events, strikes and other labor disputes, capacity constraints, as well as global shortages, disruptions in supply chain and loss or impairment of key suppliers, as well as natural disasters and other external factors over which we have no control. Our products contain several critical components, including certain electrical components such as specialized cables and specialized pumps, which are primarily manufactured by third parties. Some of the suppliers of critical components or materials are single source suppliers. Although we believe there are suitable alternative suppliers for these components, the replacement of existing suppliers or the identification and qualification of suitable second sources may require significant time, effort and expense, and could result in delays in production, which could negatively impact our business operations and revenue. We do not have supply agreements with certain suppliers of these critical components and materials beyond purchase orders and, although we maintain a safety stock inventory for certain critical components, forecasted amounts may be inaccurate and we may experience shortages as a result of serious supply problems with these suppliers. While we also manufacture some of our products in-house to maintain greater control over quality and timeliness of those products, there can be no assurance that our supply of these other components will not be limited, interrupted, or of satisfactory quality or continue to be available at acceptable prices. In addition, loss of any critical component provided by a single source supplier could require us to change the design of our manufacturing process based on the functions, limitations, features and specifications of the replacement components.

In addition, several other non-critical components and materials that comprise our products are currently manufactured by a single supplier or a limited number of suppliers. In certain of these cases, we have not yet qualified alternate suppliers. A supply interruption or an increase in demand beyond our current suppliers' capabilities could harm our ability to manufacture our products unless and until new sources of supply are identified and qualified. Our reliance on these suppliers subjects us to a number of risks that could harm our business, including:

- interruption of supply resulting from modifications to or discontinuation of a supplier's operations;
- trade disputes or other political conditions or economic conditions;
- delays in the manufacturing operations of our suppliers, or in the delivery of parts and components to support such manufacturing operations, due to the impact of public health issues, endemics or pandemics, such as COVID-19;
- delays in product shipments resulting from uncorrected defects, reliability issues, or a supplier's variation in a component;
- a lack of long-term supply arrangements for key components with our suppliers;
- inability to obtain adequate supply in a timely manner, or to obtain adequate supply on commercially reasonable terms;
- difficulty and cost associated with locating and qualifying alternative suppliers for our components in a timely manner;
- a modification or change in a manufacturing process or part that unknowingly or unintentionally negatively impacts the operation of our platform;
- production delays related to the evaluation and testing of products from alternative suppliers, and corresponding regulatory qualifications;
- delay in delivery due to our suppliers prioritizing other customer orders over ours;
- damage to our brand reputation caused by defective components produced by our suppliers;
- increased cost of our warranty program due to product repair or replacement based upon defects in components produced by our suppliers; and
- fluctuation in delivery by our suppliers due to changes in demand from us or their other customers.

Any interruption in the supply of components or materials, or our inability to obtain substitute components or materials from alternate sources at acceptable prices in a timely manner, could result in increased costs and impair our ability to meet the demand of our customers, any of which would have an adverse effect on our business, financial condition, results of operations and prospects.

Repair or replacement costs due to warranties we provide on our products could have a material adverse effect on our business, financial condition and results of operations.

We provide our customers with warranties on the products we sell. These warranties typically provide for repairs and maintenance of the products if problems arise during a specified time period after original shipment. Existing and future warranties place us at the risk of incurring future repair and/or replacement costs. Concurrent with the sale of products, we record a provision for estimated warranty expenses with a corresponding increase in the cost of goods sold. We periodically adjust this provision based on historical experience and anticipated expenses. We charge actual expenses of repairs under warranty, including shipping, labor and parts, to this provision when incurred. We exercise judgment in estimating the expected product warranty costs, using data such as the actual and projected product failure rates, estimated repair costs, freight, material, labor and overhead costs. While we believe that historical experience provides a reliable basis for estimating such warranty cost, unforeseen quality issues or component failure rates as well as significantly higher sales and the introduction of new products could result in future costs in excess of such estimates, or alternatively, improved quality and reliability in our products could result in actual expenses that are below those currently estimated. As of June 30, 2026 and 2025, we had accrued a balance of $199 thousand and $197 thousand, respectively relating to product warranty provision, representing a surplus of estimated warranty expenses over actual expenses for the fiscal years. Substantial amounts of warranty claims could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Strategic Initiatives

We intend to explore expanding our business into the Lunar Initiatives and we may not be able to successfully transition our business and may not realize the anticipated synergies and benefits of such proposed transition.

Recently our Board approved the Lunar Initiatives. Such Lunar Initiatives are in the explorative planning and design stage and subject to all of the risks inherent in the establishment of a new business venture. We may formulate new business strategies, offer new products or services or enter into new markets, which may result in additional risks and uncertainties in our business. Accordingly, our intended business and operations may not prove to be successful in the future, if at all.

We expect to continue to evaluate the acquisition of strategic businesses and technologies with the potential to enhance our Lunar Initiatives. It may be difficult for us to complete transactions quickly and to integrate acquired operations efficiently into our current business operations. Acquisitions and investments may involve significant cash expenditures, debt incurrence, operating losses and expenses that could have a material adverse effect on our business, consolidated financial condition, results of operations and cash flows. Integration activities can be costly, complex and time-consuming. We may not be able to realize the expected benefits from our Lunar Initiatives because of integration difficulties or other challenges. Acquisitions involve numerous other risks, including: (i) diversion of management's time and attention from daily operations; (ii) difficulties integrating acquired businesses, technologies and personnel into our business; (iii) inability to obtain required regulatory approvals; (iv) inability to obtain required financing on favorable terms or, if so obtained, risks associated with incurrence of substantial amounts of indebtedness to finance the acquisition; (v) potential loss of key employees, key contractual relationships, or key customers of acquired companies or from our existing businesses; (vi) assumption of the liabilities and exposure to unforeseen liabilities of acquired companies (including environmental, employee benefits, safety and health and third-party property and casualty liabilities); (vii) unanticipated changes in applicable laws and regulations; (viii) unanticipated expenses and liabilities and (ix) other difficulties in the assimilation of our Lunar Initiatives' business operations, technologies, products and systems. Any acquisitions or investments may ultimately harm our business or consolidated financial condition, as such acquisitions may not be successful and may ultimately result in impairment charges. The success of our Lunar Initiatives will depend, in part, on our ability to realize all or some of the anticipated synergies and other benefits from integrating the new Lunar Initiatives with our existing business.

In addition, we may not accomplish the integration smoothly, successfully or within the anticipated costs or timeframe. If we experience difficulties with the integration process or if the business of our Lunar Initiatives deteriorates, growth opportunities and other synergies may not be realized fully or at all, or may take longer to realize than expected. If any of the above risks occur, our business, financial condition, results of operations and cash flows may be materially and adversely impacted, we may fail to meet the expectations of investors or analysts, and our stock price may decline as a result.

The development and maintenance of the technologies and infrastructure necessary to support our new Lunar Initiatives will require significant capital expenditures, and if we are unable to generate sufficient cash flow from operations or obtain additional financing on acceptable terms, our business, financial condition, results of operations, and future prospects could be materially and adversely affected.

Our Lunar Initiatives will require substantial capital expenditures to design, develop, expand, and maintain our technologies and infrastructure to support development of such potential operations. These expenditures include, but are not limited to, costs associated with research and development, construction and expansion of production capabilities, acquisition of property and equipment, and ongoing maintenance and upgrades to ensure reliability and competitiveness.

In particular, lunar resource development, autonomous industrial infrastructure, Moon-based semiconductor, quantum computing manufacturing and lunar power generation opportunities all require the investment of significant additional capital resources. We may choose to increase or accelerate the pace of any of these investments at any time, which could result in periods of reduced profitability or increased losses as we prioritize long-term growth over near-term financial performance. Many of the products and services that may be important for the growth of our Lunar Initiatives are novel and untested, and therefore our estimates of capital expenditures may prove to be inaccurate. In addition, if any adverse findings are discovered at any stage during the course of our Lunar Initiatives that would render the initiative unsuitable, then we may not be able to obtain the financing necessary to proceed with the Lunar Initiatives on favorable terms, or at all.

Our ability to obtain financing that may be needed to provide additional funding will depend, in part, on factors beyond our control, and there can be no assurance that funding will be available to us on commercially reasonable terms or at all. Even if we are able to obtain financing, we may have to accept terms that are disadvantageous to us or that may have an adverse impact on our business plan and the viability of the relevant Lunar Initiatives. Any additional debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which could limit our operational flexibility and make it more difficult for us to obtain additional capital and to pursue business opportunities.

In addition, we may need to raise additional capital through further issuances of equity or convertible debt securities, and if we do, our shareholders would suffer significant dilution and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Our ability to access the capital markets or secure other sources of financing may be adversely affected by factors beyond our control, including fluctuations in market conditions, changes in investor sentiment, increases in interest rates, or adverse events affecting the broader industry or economy. The failure to obtain necessary additional funding could cause any or all of our Lunar Initiatives to be delayed or not completed.

We are substantially dependent on the outcome of government solicitations and awards, including the Appendix A Program and the CLPS2 Program, and there can be no assurance that we will submit a proposal or be selected for any contract, award or funding.

We plan to submit a proposal to NASA's Next Space Technologies for Exploration Partnerships-3 Appendix A: Lunar Enabling Infrastructure Accelerator program, and we submitted a proposal to NASA's Commercial Lunar Payload Services 2 program in June 2026. Neither the CLPS2 submission nor the planned Appendix A proposal constitutes a NASA selection, award, contract, funding commitment, authorization or endorsement. Our business strategy and planned operations are substantially dependent on our ability to secure government contracts, awards and funding, including under programs such as the Appendix A Program and CLPS2 Program. We do

not currently have committed funding sufficient to fully execute on any of the Company's Lunar Initiatives, and we are reliant on government awards and contracts to provide the programmatic support, and potentially the capital necessary to advance our development activities, achieve key technical milestones and sustain our operations. If we are not selected for awards under these programs, or if any awards we receive are smaller in scope, delayed or subject to conditions that limit their utility, we may lack the financial resources to carry out any of the Lunar Initiatives on the timelines necessary for commercialization. There can be no assurance that NASA will not modify, delay or cancel the Appendix A Program or the CLPS2 Program, that we will submit a proposal to the Appendix A Program, or that NASA will select or fund us under the Appendix A Program or CLPS2 Program.

The award processes for government programs such as the Appendix A Program and CLPS2 Program are highly competitive, subject to extensive evaluation criteria, and influenced by factors beyond our control, including government budgetary constraints, shifting policy priorities, the number and quality of competing proposals, and the discretion of the awarding agency. Even if we submit technically sound proposals, there can be no assurance that we will be selected for any award, that any award will be made on terms favorable to us, or that funding under any award will be disbursed in a timely manner or in amounts sufficient to advance the Lunar Initiatives. Our failure to obtain government contracts, awards or funding could materially impair our ability to advance the Lunar Initiatives, force us to seek alternative sources of capital on potentially unfavorable terms, significantly curtail or delay our planned operations, or otherwise have a material adverse effect on our business, financial condition and results of operations.

Many of our Lunar Initiatives involve significant technical complexity, unproven technologies, or technologies that do not exist or may require significant advancement, and such Lunar Initiatives may not achieve commercial viability.

Our Lunar Initiatives are in the explorative planning and design stages and have not yet been proven at commercial scale, or at all, and may ultimately be unsuccessful. In particular, the timeline for these Lunar Initiatives, and the launch cadence required to achieve them may be difficult or impossible to determine. To date, no formal business plan or capital budget has been approved relating to our Lunar Initiatives. These efforts require substantial and ongoing investments of financial, technical, and human resources over extended time horizons, including, but not limited to, research and development, testing, infrastructure, regulatory approvals, and mission execution. The technologies, systems, and operational capabilities required for each of these Lunar Initiatives involve significant technical complexity and are subject to design, engineering, and performance risks, many of which may only become apparent as development and testing progress. Many of these technologies, systems and operational capabilities are novel and untested, and we expect to incur significant capital expenditures over a period of years before our products and services and other strategic Lunar Initiatives, including in-orbit, lunar, and interplanetary industrialization efforts, become profitable, which may never occur. We may not be able to develop, commercialize, scale, or successfully implement these or other strategic initiatives on the timelines we currently anticipate, or at all.

The Lunar Initiatives require the transportation of significant equipment, technology and materials to the lunar surface. The availability and cost of lunar transportation and launch services are determined by third-party providers and are subject to significant uncertainty. Launch failures, schedule delays, limited payload capacity and escalating costs could delay or prevent the deployment of our planned lunar infrastructure and could render our operations commercially impracticable. We have not announced any contracts with launch service providers, and there can be no assurance that we will be able to secure reliable and cost-effective transportation to the Moon.

Furthermore, to the extent that breakthrough developments in terrestrial energy access, such as advances in nuclear energy, significantly reduce energy costs or alleviate infrastructure constraints, the viability of our infrastructure may be materially diminished. Even if our Lunar Initiatives prove to be commercially viable, a material slowdown in the demand of lunar based products could result in existing infrastructure meeting such demand, thereby reducing the need for our lunar infrastructure. As a result, we may be required to devote financial, technical, human or other resources in excess of our current expectations, and there can be no assurance that these investments will generate adequate revenue, which could adversely affect our business, financial condition, results of operations, and future prospects. Our Lunar Initiatives are still emerging and evolving or do not currently exist, and such markets may not develop as we expect, or at all. Any estimate we make regarding the size or timing of our anticipated market opportunities is inherently uncertain and necessarily involves significant assumptions about future customer demand, adoption, technological development, regulatory conditions and the emergence of a broader commercial market that does not currently exist. While we believe these industries will develop over time, the manner in which they emerge, including the timing of commercialization, the scale and pace of adoption, and the applicable technical, regulatory, geopolitical and economic frameworks may differ materially from our current expectations. If these industries do not develop, develop on slower timelines, at smaller scales, or under different economic or regulatory conditions than we anticipate, this could require us to modify, delay, or abandon certain of our business plans, or cause such plans not to develop at all, which could materially and adversely affect our business, financial condition, results of operations, and future prospects.

Our future revenue and operating results depend upon our ability to develop new technologies and respond to changes in customer demands and industry standards in highly competitive markets, and if we are unable to do so, our business, financial condition, results of operations, and future prospects may be materially and adversely affected.

Our future revenue growth and operating results relating to our Lunar Initiatives are dependent on our ability to design, develop and successfully commercialize new and innovative technologies, products, and services on a timely and cost-effective basis. The commercial lunar and space industries are characterized by rapid and disruptive technological change, evolving industry standards, the emergence of new and well-funded competitors, and frequent new product and service introductions. In addition, we may expand into new markets, which may lead to similar or additional challenges that we cannot foresee and may require novel innovations to navigate or overcome. As a result, we may from time to time rapidly adjust, modify or change our strategic priorities, capital allocation, product or service focus or operational Lunar Initiatives across our business in response to these other changes or new markets.

The markets in which we plan to operate are rapidly evolving and intensely competitive, and we face competition from a range of established and emerging companies, including large, well-capitalized technology companies and aerospace firms, including foreign competitors. Some competitors are investing significant capital to develop related infrastructure that compete directly with our offerings, and companies based in China and other jurisdictions may benefit from government support, favorable regulatory environments, or strategic national prioritization.

If we are unable to anticipate technological trends, respond to technological advancements or changing customer demands, or successfully develop and commercialize new or enhanced offerings, we may be unable to establish or maintain a meaningful market position and our business, financial condition, results of operations, and future prospects could be materially and adversely affected.

The commercial lunar market is undeveloped and uncertain, and there may be insufficient demand for the products and services we intend to develop

Our Lunar Initiatives contemplate the development of infrastructure and services including power generation and energy storage for commercial and government customers on the Moon. Currently, there is no commercial lunar market, and there can be no assurance that lunar commercialization will occur, or that sufficient customer demand will develop for such products and services. Uncertainty concerning the existence, concentration, accessibility, extractability, processing, ownership, regulation and commercial value of lunar resources further limits the predictability of this market. If the commercial lunar market does not develop as anticipated, or develops more slowly than expected, we may be unable to generate meaningful revenue from the Lunar Initiatives.

We expect to face significant competition from well-capitalized commercial entities and government-sponsored programs in the markets we intend to enter, and if we are unable to compete effectively, our business, financial condition and results of operations could be harmed.

The markets for which we are conducting explorative planning and design, including lunar power generation, energy storage and resource mining are expected to attract

significant competition from commercial entities and government-sponsored programs, many of which have substantially greater financial, technical, manufacturing, marketing and personnel resources than we do. We believe that our ability to compete will depend upon many factors both within and beyond our control, including:

- the timing, reliability and performance of our technology development compared to that of our competitors;
- our ability to secure NASA awards, government contracts and other sources of funding;
- the pace at which our competitors develop competing lunar infrastructure technologies;
- whether our competitors are able to secure NASA awards, government contracts and other sources of funding ahead of, or instead of, us;
- our ability to attract and retain qualified engineers, scientists, and operational personnel;
- the cost, mass efficiency and scalability of our solutions compared to those of our competitors;
- our ability to establish and maintain strategic partnerships, collaborations and customer relationships;
- the availability of launch and lunar transportation services on commercially reasonable terms; and
- brand recognition, reputation and demonstrated mission heritage in space and lunar operations.

Many of our current and potential competitors have significantly greater resources and more advanced operational capabilities than we do. For example, SpaceX is substantially better capitalized than us and possesses substantial vertical integration across launch, spacecraft manufacturing and mission operations, which provides it with significant cost and schedule advantages that could enable it to offer competing lunar infrastructure services at lower prices or on faster timelines than we are able to achieve. Other competitors, including Blue Origin, Intuitive Machines and international space agencies, are also pursuing lunar surface operations and may establish infrastructure or secure customer commitments before we are able to deploy our planned systems. Because our Lunar Initiatives remain in the explorative planning and design stage, we have not yet demonstrated the technical feasibility of our planned offerings, potential customer base or generated any revenue from lunar-related activities, and we may be unable to compete effectively against entities that are further advanced in their lunar programs. Our failure to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

Our activities to evaluate and pursue strategic alternatives may not be successful, including the announcement and pendency of the proposed sale of 1st Detect, and may present certain risks to our ongoing business and operations.

In November 2025, we initiated a review of strategic alternatives in order to explore ways to maximize shareholder value, including raising equity capital, reverse mergers, combination transactions, and the sale of all or part of our business, and other possible strategic or financial transactions. The review of such alternatives is ongoing and we have not set a deadline or definitive timetable for the completion of the strategic alternatives review process, and there can be no assurance that this process will result in any transaction or specific outcome. Additionally, on June 16, 2026, we announced that our Board authorized our management to pursue a potential sale process of our subsidiary, 1st Detect. We may not be able to accurately estimate the timing of any strategic alternative, including a potential sale of 1st Detect, or signing of a final agreement, valuation or purchase price, or whether economic or other market conditions will impact the timing, price or market interest. We cannot estimate whether economic conditions, capital markets, or other factors will allow us to successfully complete a strategic alternative, locate an adequate counterparty, negotiate terms of a strategic alternative acceptable to us or successfully complete such a strategic alternative.

A successful transaction could depend on various factors, including our ability to effectively transfer liabilities, contracts, and employees, revise our legal entity structure, negotiate equity ownership, identify and separate intellectual property, reduce fixed costs associated with the assets or a business, obtain financing, and collect or use the proceeds from any transaction. Any strategic alternative transaction may result in a dilutive impact to our future earnings, as well as significant write-offs, including those related to long-lived assets, including goodwill and other intangible assets, which could have a material adverse effect on our results of operations and financial condition. All of these efforts require varying levels of management resources, which may divert our attention from other business operations.

In addition, the announcement and ongoing conduct of a strategic alternative process may disrupt the Company's business by creating uncertainty among employees, customers, and suppliers, which could result in the loss of key personnel, cancellation or non-renewal of customer contracts, or causing the deterioration of supplier relationships, which in turn could reduce all or a portion of our business' value and adversely affect our results of operations.

Legal and Regulatory Risks

Our products and operations are subject to extensive governmental regulation, and failure to comply with applicable requirements could cause our business to suffer.

The medical technology industry is regulated extensively by governmental authorities, principally the FDA, and state regulatory agencies with oversight of various aspects of drug and device distribution, sale, and use. The regulations are very complex, have become more stringent over time, and are subject to rapid change and varying interpretations. Regulatory restrictions or changes could limit our ability to carry on or expand our operations or result in higher than anticipated costs or lower than anticipated sales. The FDA and other federal and state governmental agencies regulate numerous elements of our business, including:

- product design and development;
- pre-clinical and clinical testing and trials;
- product safety;
- establishment registration and product listing;
- labeling and storage;
- marketing, manufacturing, sales and distribution;
- pre-market clearance or approval;
- servicing and post-marketing surveillance, including reporting of deaths or serious injuries and malfunctions that, if they recurred, could lead to death or serious injury;
- advertising and promotion;

- post-market approval studies;
- product import and export; and
- recalls and field-safety corrective actions.

Before we can market or sell a new medical device, such as the BreathTest-1000, in the United States, we must obtain either clearance under Section 510(k) of the FDCA, grant of a *de novo* classification request, or approval of a pre-market approval, or PMA, application from the FDA. In the 510(k) clearance process, the FDA must determine that a proposed device is "substantially equivalent" to a legally marketed "predicate" device (in most cases Class II devices, with a few exceptions), with respect to intended use, technology and safety and effectiveness, in order to clear the proposed device for marketing. Class III devices approved under the PMA process cannot serve as predicates. Clinical data are sometimes required to support substantial equivalence. In the *de novo* process, the FDA must determine that general and special controls are sufficient to provide reasonable assurance of the safety and effectiveness of a device, which is low to moderate risk and has no predicate (in other words, the applicant must justify the "down-classification" to Class I or II for a new product type that would otherwise automatically be placed into Class III, but is lower risk). The PMA process requires an applicant to demonstrate the safety and effectiveness of the device based on extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices. Products that are approved through a PMA application generally need FDA approval before they can be modified. Similarly, some modifications made to products cleared through a 510(k) may require a new 510(k). The 510(k), *de novo,* and PMA processes can be expensive and lengthy and require the payment of significant fees, unless an exemption applies. The FDA's 510(k) clearance process usually takes from 3 to 12 months, but may take longer. The FDA's stated goal is to review *de novo* classification requests within 150 days, 50% of the time, but in reality the process for many applicants generally takes even longer, up to a year or more. The process of obtaining a PMA is much costlier, rigorous, and difficult than the 510(k) clearance process and generally takes from one to three years, or longer, from the time the application is submitted to the FDA until an approval is obtained. The process of obtaining regulatory clearances or approvals to market a medical device can be costly and time-consuming, and we may not be able to obtain these clearances, approvals, or authorizations on a timely basis, or at all for our proposed products.

Our BreathTest-1000 product candidate may undergo FDA premarket review via the 510(k) process. If the FDA requires us to go through a lengthier, more rigorous examination for marketing authorization of the BreathTest-1000 or future modifications to the BreathTest-1000, if cleared by the FDA, than we had expected, our commercialization plans could be delayed or canceled, which could cause our sales to decline or to not increase in line with our forecasts. In addition, the FDA may determine that future products, as applicable, will require the costlier, lengthy and uncertain PMA process. Although we do not currently intend to develop or market any devices under a PMA, the FDA may demand that we obtain a PMA prior to marketing certain of our future product candidates, if applicable. Further, even where a PMA is not required, we cannot assure you that we will be able to obtain any 510(k) clearances with respect to the BreathTest-1000 or other future product candidates that we may develop, if any.

The FDA can delay, limit or deny clearance, approval, or authorization of a device for many reasons, including:

- we may not be able to demonstrate to the FDA's satisfaction that our products meet the definition of "substantial equivalence" or meet the standard for the FDA to grant a petition for de novo classification;
- we may not be able to demonstrate that our products are safe and effective for their intended uses;
- the data from our pre-clinical studies (bench and/or animal) and/or clinical trials may be insufficient to support clearance, approval, or authorization; and
- the manufacturing process or facilities we use may not meet applicable requirements.

In addition, the FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions which may prevent or delay approval or clearance of our products under development. Any delay in, or failure to obtain or maintain, clearance or approval for our products under development could prevent us from generating revenue from these products and adversely affect our business operations and financial results. Additionally, the FDA and other regulatory authorities have broad enforcement powers. Regulatory enforcement or inquiries, or other increased scrutiny on us, could dissuade some customers from using our products and adversely affect our reputation and the perceived safety and efficacy of our product. Failure to comply with applicable regulations could jeopardize our ability to sell our products and result in enforcement actions such as fines, civil penalties, injunctions, warning letters, recalls of products, delays in the introduction of products into the market, refusal of the FDA or other regulators to grant future clearances or approvals, and the suspension or withdrawal of existing clearances or approvals by the FDA or other regulators. Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and negatively impact our reputation, business, financial condition and operating results. Furthermore, any operations or product applications outside of the United States will subject us to various additional regulatory and legal requirements under the applicable laws and regulations of the international markets we enter. These additional regulatory requirements may involve significant costs and expenditures and, if we are not able to comply with any such requirements, our international expansion and business could be significantly harmed.

Failure to obtain clearance or authorization for the BreathTest-1000, or other delays in the development of the BreathTest-1000, would adversely affect our ability to grow our business.

Commercialization of the BreathTest-1000 may require FDA clearance of a 510(k) premarket notification submission, authorization of a *de novo* submission, or PMA approval. The process for submitting and obtaining FDA clearance of a 510(k), authorization of a *de novo* submission, or PMA approval can be expensive and lengthy. The FDA's review process can take several months or longer, and we may not be able to obtain FDA clearance, de *novo* authorization, or approval for the BreathTest-1000 on a timely basis, if at all. The FDA's refusal of, or any significant delays in receiving, 510(k) clearance, *de novo* authorization, or PMA approval of the BreathTest-1000, would have an adverse effect on our ability to expand our business. Thus far, we have not performed any clinical testing of the BreathTest-1000, which will likely be required before the device can be marketed. Even if a clinical trial is completed, there can be no assurance that the data generated during a clinical trial will meet the safety and effectiveness endpoints or otherwise produce results that will lead the FDA to grant marketing clearance, approval, or authorization. We believe commercialization of BreathTest-1000 would require many years and significant investment due to regulatory requirements. At this time, we have determined to deploy capital instead to our other subsidiaries. In addition, any other delays in the development of the BreathTest-1000, for example, unforeseen issues during product validation, would have an adverse effect on our ability to commercialize the BreathTest-1000.

We and our suppliers may not meet regulatory quality standards applicable to our device-manufacturing processes, which could have an adverse effect on our business, financial condition, and results of operations.

As a prospective medical device manufacturer, if BreathTest-1000 or any other device(s) we may successfully develop in the future is approved or cleared for commercialization in the United States, we will need to register with the FDA and will be subject to periodic inspection by the FDA for compliance with the QMSR, including requirements pertaining to design controls, product validation and verification, in-process testing, quality control and documentation procedures, labeling, among numerous others. Compliance with applicable regulatory requirements is subject to continual review and is rigorously monitored through routine and unannounced inspections by the FDA. Any product and component suppliers we may engage in connection with the manufacture and/or distribution of any medical device(s) for which we obtain FDA clearance or approval, if any, will also be required to meet certain standards applicable to their manufacturing processes, and we may be held responsible for any failure to do so by any such suppliers or vendors.

We cannot assure you that we or our current or future suppliers or vendors will comply with all regulatory requirements. The failure by us or one of our suppliers to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, until a new supplier has been identified and evaluated. Our failure, or any product or component supplier's failure, to comply with applicable regulations could result in a wide range of FDA enforcement actions against us, including warning letters, fines, recalls, injunctions, civil penalties, adverse action against marketing applications, product seizure or detention, operating restrictions, and criminal prosecution, any of which could harm our business.

If the BreathTest-1000 or any other device candidates are cleared for commercialization in the United States via the 510(k) process, product modifications may require new 510(k) clearances, de novo submissions, or pre-market approvals, or may require us to cease marketing or recall the modified products until clearances are obtained.

Any modification to any 510(k)-cleared device that we may market in the future, including the BreathTest-1000 if we are able to complete development and obtain FDA clearance for any indication(s) for use, as applicable, could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design, or manufacture, requires a new 510(k) clearance or, possibly, a *de novo* or PMA. The FDA requires every manufacturer to make this determination in the first instance, and provides some guidance on decision making, but the FDA may review any manufacturer's decision at any time. The FDA may not agree with our decisions regarding whether new clearances or approvals are necessary. If the FDA disagrees with our determination and requires us to submit new 510(k) notifications, *de novo* submissions or PMAs for modifications to our previously cleared or approved products for which we have concluded that new clearances or approvals are unnecessary, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval, and we may be subject to significant regulatory fines or penalties.

Once our BreathTest-1000 or any other device candidate we may develop in the future, if any, is cleared or approved by FDA for marketing in the United States, if ever, we may be liable if the FDA or other U.S. enforcement agencies determine we have engaged in the off-label promotion of such products or have disseminated false or misleading labeling or promotional materials.

If the BreathTest-1000 or any other device candidate we may successfully develop and commercialize in the future, if any, is approved or cleared by FDA for marketing in the United States, the promotional materials, labeling, and related training methods must comply with applicable regulations prohibiting promotional communications that are inconsistent with the approved or cleared marketing submission(s) for the applicable product(s), or "off-label" promotion, as well as any false or misleading statements, among various other types of promotional claims, depending on the circumstances, content, audience, and other factors. For example, the FDA and/or FTC could conclude that a performance claim about a medical device is misleading if it determines that there is inadequate substantiation for the claim. If the FDA determines that future promotional materials or training promote an off-label use or make false or misleading claims about our commercial device(s), if any, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fines and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they determine that our promotional or training materials promote an unapproved use or make false or misleading claims, which could result in significant fines or penalties. Violations of the FDCA may also lead to investigations alleging violations of federal and state health care fraud and abuse laws, as well as state consumer protection laws, which may lead to costly penalties and may adversely impact our business. Recent court decisions have impacted FDA's enforcement activity regarding off-label promotion in light of First Amendment Considerations; however, there are still significant risks in this area, in part due to the potential for False Claims Act exposure. In addition, the off-label use of our products may increase the risk of product liability claims. Product liability claims are expensive to defend and could result in substantial damage awards against us and harm our reputation. Similarly, until we have one or more commercially available, FDA-cleared or approved devices in the United States, if ever, we are prohibited from promoting or marketing the BreathTest-1000 for any indication(s) for use or any other investigational devices. We could be subject to the same wide range of enforcement actions described above if we are found in violation of FDA's prohibition on pre-approval promotion of an investigational device.

Even if we obtain FDA clearance or approval for BreathTest-1000 or any other medical device product, our products will remain subject to regulatory scrutiny.

Even if we successfully develop our BreathTest-1000 and it is cleared or approved for commercialization by FDA, it will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, distributing, follow-up and data and adverse event reporting, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of safety, efficacy, and other post-market information, including both federal and state requirements in the United States.

If FDA discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or disagrees with the promotion, marketing or labeling of BreathTest-1000, FDA may impose restrictions on that product or us, including requiring withdrawal of the product from the market. If we fail to comply with applicable regulatory requirements, FDA or another enforcement authority may, among other things:

- issue warning letters;
- impose civil or criminal penalties;
- suspend or withdraw regulators clearance and/or approval;
- suspend any of our ongoing clinical studies;
- refuse to approve pending applications or supplements to approved applications submitted by us; or
- seize or detain products or require a product recall.

Any government investigation of alleged violations of law would require us to expend significant time and resources in response and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our product candidates. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

Legislative or regulatory healthcare reforms may adversely affect our business and our ability to obtain regulatory clearance or approval for, and successfully commercialize, our products.

Recent political, economic and regulatory influences are subjecting the healthcare industry to fundamental changes. Both the federal and state governments in the United States and foreign governments continue to propose and pass new legislation and regulations designed to contain or reduce the cost of healthcare. Such legislation and regulations may result in increased cost pressures on healthcare providers and other potential customers, which could reduce spending, delay purchasing decisions, increase price sensitivity, or otherwise negatively affect demand for our products, if approved and commercialized, which may further exacerbate industry-wide pressure to reduce the prices charged for our product. This could harm our ability to market our products and generate sales. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our current products and future products. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of our products. Delays in receipt of or failure to receive regulatory clearances or approvals for any future products would negatively impact our long-term business strategy.

In the U.S., there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that restrict or regulate post-approval activities, which may affect our ability to profitably sell product candidates for which we obtain marketing approval, if any. Such government-adopted reform measures may adversely impact the pricing of healthcare products and services in the United States or internationally and the amount of reimbursement available from third-party payors.

Disruptions at FDA and other government agencies, such as those that may be caused by funding shortages, could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved, or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. Disruptions at FDA and other agencies may also increase the time necessary to meet with and provide feedback to entities developing drug products, review and/or approve our submissions, conduct inspections, issue regulatory guidance, or otherwise authorize our actions requiring regulatory approval, which would adversely affect our business. In addition, government funding of FDA and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable. For example, the executive branch established the Department of Government Efficiency in 2025, which implemented a federal government hiring freeze and large-scale layoffs of current federal employees and also announced additional efforts to reduce federal government employee headcount and the size of the federal government. Similar budgetary pressures, if implemented by the federal government, may reduce FDA's ability to perform its responsibilities. If a significant reduction in FDA's workforce occurs, FDA's budget is significantly reduced, or there are other disruptions at FDA and other agencies, more time may be necessary for device products to be reviewed and/or approved by necessary government agencies, which could increase our costs and would adversely affect our business.

Our AgLAB business' growth is highly dependent on the U.S. hemp and cannabis market. New regulations causing licensing shortages and future regulations may create other limitations that decrease the demand for our products. General regulations at state and federal in the future may adversely impact our business.

Although we do not grow, sell or distribute cannabis products, our products are closely tied to the hemp and cannabis industry and could subject us to regulatory, financial, operational and reputational risks and challenges.

The base of cannabis growers in the U.S. has grown over the last few decades since the legalization of cannabis for medical uses in states such as California, Colorado and Washington. The U.S. cannabis market is still in its infancy and early adopter states such as California, Colorado and Washington represent a large portion of historical industry revenues. The U.S. cannabis cultivation market is expected to be one of the fastest growing industries in the U.S. over the coming years. If the U.S. cannabis cultivation market does not grow as expected, our business, financial condition and results of operations could be impacted. The California cannabis cultivation market is expected to be one of the fastest growing industries in California over the coming years. If the California cannabis cultivation market does not grow as expected, our business, financial condition and results of operations could be impacted.

Marijuana remains illegal under U.S. federal law, as it is listed as a Schedule I substance under the United States Controlled Substances Act of 1970 (the "CSA"). Notwithstanding laws in various states permitting certain cannabis activities, all cannabis activities, including possession, distribution, processing and manufacturing of cannabis in violation of federal law and investment in, and financial services or transactions involving proceeds of, or promoting such activities remain illegal under various U.S. federal criminal and civil laws and regulations, including the CSA, as well as laws and regulations of several states that have not legalized some or any cannabis activities to date. Compliance with applicable state laws regarding cannabis activities does not protect us from federal prosecution or other enforcement action, such as seizure or forfeiture remedies, nor does it provide any defense to such prosecution or action. Cannabis activities conducted in or related to conduct in multiple states may potentially face a higher level of scrutiny from federal authorities. Penalties for violating federal drug, conspiracy, aiding, abetting, bank fraud and/or money laundering laws may include prison, fines, and seizure/forfeiture of property used in connection with cannabis activities, including proceeds derived from such activities.

Legislation and regulations pertaining to the use and cultivation of hemp and cannabis are enacted on both the state and federal government level within the United States. As a result, the laws governing the cultivation and use of hemp and cannabis may be subject to change. Any new laws and regulations limiting the use or cultivation of hemp and cannabis and any enforcement actions by state and federal governments could indirectly reduce demand for our products and may impact our current and planned future operations. Most recently, the Continuing Appropriations and Extensions Act of 2026 (H.R. 5371) (the "2026 Appropriations Act"), enacted on November 12, 2025, includes a provision to amend the definition of hemp in the 2018 Farm Bill to effectively eliminate the currently commercialized hemp-derived THC products although the change does not become effective for 365 days from the date of enactment. Efforts are underway to repeal, replace, or delay this amendment, but whether any change will occur is uncertain. The amended definition was set to go into effect on November 12, 2026, but Congress delayed implementation until December 11, 2026. There can be no assurance that changes in regulation of the industry and/or more rigorous enforcement by federal authorities will not have a detrimental effect on us.

Evolving federal and state laws and regulations pertaining to the use or cultivation of hemp and cannabis, as well active enforcement by federal or state authorities of the laws and regulations governing the use and cultivation of hemp and cannabis may indirectly affect our business, our revenues and our profits.

The public's perception of hemp and cannabis may significantly impact the cannabis industry's success. Both the medical and adult-use of hemp and cannabis are controversial topics, and there is no guarantee that future scientific research, publicity, regulations, medical opinion, and public opinion relating to cannabis will be favorable. The hemp and cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. Among other things, such a shift in public opinion could cause state jurisdictions to abandon initiatives or proposals to legalize cultivation and sale of cannabis or adopt new laws or regulations restricting or prohibiting the cultivation of hemp and cannabis where it is now legal, thereby limiting the potential customers who are engaged in the hemp and cannabis industry.

Demand for our products may be negatively impacted depending on how laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions develop. We cannot predict the nature of such developments or the effect, if any, that such developments could have on our business.

As the possession and use of marijuana is illegal under the CSA, it is possible that our manufacture and sale of equipment that is used to cultivate marijuana or marijuana products may be deemed to be aiding and abetting illegal activities.

Federal practices could change with respect to providers of equipment potentially usable by cultivators in the medical and recreational cannabis industry, which could adversely impact us. Cannabis growers use equipment that we offer for sale. While we are not aware of any threatened or current federal or state law enforcement actions against any supplier of equipment that might be used for cannabis growing, law enforcement authorities, in their attempt to regulate the illegal use of cannabis, may seek to bring an action or actions against us, including but not limited to a claim of aiding and abetting, or being an accessory to, another's criminal activities or that our products are considered "drug paraphernalia."

The federal aiding and abetting statute, U.S. Code Title 18 Section 2(a), provides that anyone who "commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." Under U.S. Code Title 21 Section 863, the term "drug paraphernalia" means "any equipment, product or material of any kind which is primarily intended or designed for use in manufacturing, compounding, converting, concealing, producing, processing, preparing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance." Any drug paraphernalia involved in any violation of Section 863 shall be subject to seizure and forfeiture upon the conviction of a person for such violation. While Section 863(f) contains an exemption for any person authorized by local, state or federal law to manufacture, possess, or distribute such items, any such action may force us to cease operations and our investors could lose value associated with their investment.

A risk exists that our activities could be deemed to be facilitating the selling or distribution of cannabis in violation of the CSA, or to constitute aiding or abetting, or being an accessory to, a violation of the CSA. There is also a risk that our products could be considered drug paraphernalia and could be subject to seizure. We believe, however, that such risks are relatively low. Federal authorities have not focused their resources on such tangential or secondary violations of the CSA, nor have they threatened to do so, with respect to the sale of equipment that might be used by cannabis cultivators, or with respect to any supplies marketed to participants in the medical and recreational cannabis industry. We are unaware of such a broad application of the CSA or the seizure of drug paraphernalia by federal authorities, and we believe that such an attempted application would be uncustomary.

If the federal government were to change its practices or were to expend its resources investigating and prosecuting providers of equipment that could be usable by participants in the medical or recreational cannabis industry, such action could have a materially adverse effect on our operations, our customers, or the sales of our products. As a result of such an action, we may be forced to cease operations within the cannabis industry and our investors could lose value associated with their investment.

We may become subject to FDA or ATF regulation with respect to our AgLab business.

Marijuana remains a Schedule I controlled substance under U.S. federal law. If the federal government reclassifies marijuana to a Schedule II, Schedule III, Schedule IV, or Schedule V controlled substance or declassifies it as a controlled substance, it is possible that the FDA would seek to regulate cannabis under the FDCA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the FDCA. The FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Because marijuana is federally illegal to produce and sell, and because it has few federally recognized medical uses, the FDA has historically deferred enforcement related to cannabis to the DEA; however, the FDA has enforced the FDCA with regard to hemp-derived products, especially CBD derived from hemp. The FDA has consistently asserted its authority to regulate CBD derived from hemp and currently prohibits the introduction or delivery for introduction into interstate commerce of any ingestible product (intended for human consumption) containing CBD, though, notably, to-date, its enforcement efforts in this area have been limited to products making therapeutic claims to treat, prevent, and/or mitigate one or more conditions or diseases. On January 26, 2023, the FDA reiterated its longstanding position (since the passage of the 2018 Farm Bill), announcing that, despite much speculation to the contrary, it would not seek to regulate CBD as a lawful dietary supplement.

If FDA changes its current position in the future or if Congress enacts new legislation under which FDA is expressly authorized and directed to do so, the FDA may issue rules and regulations, including good manufacturing practices related to the growth, cultivation, harvesting, processing, and production of hemp products. Clinical trials may be needed to verify the efficacy and safety of such products. It is also possible that the FDA would require facilities where medical-use cannabis is grown to register with the FDA and comply with certain federally prescribed regulations. If some or all these regulations are imposed, the impact they would have on the hemp and cannabis industry is unknown, including the costs, requirements and possible prohibitions that may be enforced. If we are unable to comply with the potential regulations or registration requirements prescribed by the FDA, it may have a detrimental effect on our business, prospects, revenue, results of operation and financial condition.

It is also possible that the federal government could seek to regulate cannabis under the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF"). The ATF may issue rules and regulations related to the use, transport, sale and advertising of cannabis or cannabis products.

The hemp and cannabis industry could face strong opposition from other industries.

We believe that established businesses in other industries may have a strong economic interest in opposing the development of the hemp and cannabis industry. Hemp and cannabis may be seen by companies in other industries as an attractive alternative to their products, including recreational marijuana as an alternative to alcohol, and medical marijuana as an alternative to various commercial pharmaceuticals. Many industries that could view the emerging hemp and cannabis industry as an economic threat are well established, with vast economic and United States federal and state lobbying resources. It is possible that companies within these industries could use their resources to attempt to slow or reverse legislation legalizing cannabis. Any inroads these companies make in halting or impeding legislative initiatives that would be beneficial to the hemp and cannabis industry could have a detrimental impact on our clients and, in turn on our operations.

There may be difficulty enforcing certain of our commercial agreements and contracts.

Courts will not enforce a contract deemed to involve a violation of law or public policy. Because marijuana remains illegal under U.S. federal law, parties to contracts involving the state legal cannabis industry have argued that the agreement was void as federally illegal or against public policy. Some courts have accepted this argument in certain cases, usually against the company trafficking in cannabis. While courts have enforced contracts related to activities by state-legal cannabis companies, and the trend is generally to enforce contracts with state-legal cannabis companies and their vendors, there remains doubt and uncertainty that we will be able to enforce our commercial agreements with cannabis industry participants in court for this reason. We cannot be assured that we will have a remedy for breach of contract in such cases, which would have a detrimental impact on our business.

A drop in the retail price of hemp and cannabis products may negatively impact our business.

The fluctuations in economic and market conditions that impact the prices of commercially grown hemp and cannabis, such as increases in the supply of hemp and cannabis and decreases in demand for hemp and cannabis, could have a negative impact on our clients that are hemp and cannabis producers, and therefore could negatively impact our business.

We may be subject to constraints on and differences in marketing our products under varying state laws.

There are and may continue to be restrictions on sales and marketing activities imposed by government regulatory bodies that could hinder the development of our business and operating results. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging, and labeling regulations also vary from state to state, potentially limiting the consistency and scale of consumer branding communication and product education efforts. The regulatory environment in the U.S. limits our ability to compete for market share in a manner similar to other industries. If we are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products, our sales and operating results could be materially, adversely affected.

We are subject to differing tax rates in several jurisdictions in which we operate, which may adversely affect our business, financial condition, results of operations and prospects.

We are subject to taxes in the United States and certain foreign jurisdictions. Due to economic and political conditions, tax rates in various jurisdictions, including the United States, may be subject to change. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws or their interpretation. In addition, we may be subject to income tax audits by federal, state and local tax authorities in the United States and tax authorities outside the United States. Although we believe our income tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, an adverse resolution by one or more taxing authorities could have a material impact on the results of our operations.

Changes in U.S. trade policy, including changes to existing trade agreements and any resulting changes in international trade relations, may have a material adverse effect on us and our export compliance as it relates to our international customers.

The recent changes in the U.S.'s approach to international trade may impact existing bilateral or multi-lateral trade agreements and treaties with foreign countries. The U.S. has imposed tariffs on certain foreign goods and may increase tariffs or impose new ones, and certain foreign governments have retaliated and may continue to do so. For example, the President of the United States signed executive orders directing the U.S. to impose tariffs on goods originating from Canada, Mexico and China. In response, some of these countries threatened or announced tariffs on imports from the U.S. To date, Canada and the U.S. agreed to delay the imposition of certain tariffs on imported goods but the situation remains temporary and uncertain. Furthermore, on July 28, 2025, the U.S. announced that they have reached a preliminary trade deal with the EU, which among other things, sets a 15% percent tariff on most EU goods. These developments are ongoing and are subject to change, including the imposition of additional tariffs and retaliatory measures by these and other countries. We derive a significant portion of our revenues from international sales, which makes us especially vulnerable to increased tariffs. Additionally, the implementation of these or other tariffs may lead to increased costs for our product components, which could impact our ability to maintain competitive pricing in the market. Changes in U.S. trade policy have created ongoing turmoil in international trade relations, and it is unclear what future actions the U.S. government or foreign governments will or will not take with respect to tariffs or other international trade agreements and policies. Current trade negotiations may fail, which may exacerbate these risks. Ongoing or new trade wars or other governmental action related to tariffs or international trade agreements or policies could reduce demand for our products and services, increase our costs, reduce our profitability, adversely impact our supply chain or otherwise have a material adverse effect on our business and results of operations.

Since early February 2025, The Bureau of Industry and Security (BIS), a part of the U.S. Commerce Department, has paused the processing of new export license applications, citing a "hold without action" order for applications filed after February 5, 2025. This pause, reportedly due to an internal policy review and ongoing turmoil at the agency, has left exporters with no clear guidance and is expected to significantly lengthen already long application review times. No formal statement or explanation has been issued by BIS or the Commerce Department to the public or industry stakeholders. Such policies and actions could affect our ability to export our products and could reduce demand for our products and services, increase our costs, reduce our profitability, adversely impact our supply chain or otherwise have a material adverse effect on our business and results of operations.

Risks Related to Ownership of Our Common Stock

Our stock price has fluctuated in the past, has recently been volatile and may be volatile in the future, and as a result, investors in our common stock could incur substantial losses.

Our stock price has fluctuated in the past, has recently been volatile and may be volatile in the future. The closing market price for our common stock has varied between a high of $49.80 on May 29, 2026, and a low of $2.17 on March 26, 2026, in the twelve-month period ended June 30, 2026. We may incur rapid and substantial decreases in our stock price in the foreseeable future that are unrelated to our operating performance or prospects. The stock market in general and the market for companies such as ours in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may experience losses on their investment in our common stock. The market price for our common stock may be influenced by many factors, including the following:

- investor reaction to our business strategy;
- the success of competitive products or technologies;
- our continued compliance with The Nasdaq Capital Market ("Nasdaq") listing standards;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our products;
- actions taken by regulatory agencies with respect to our products, manufacturing process or sales and marketing terms;
- the success of our efforts to acquire or in-license additional products or product candidates;
- developments concerning our collaborations or partners;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our products;
- our ability or inability to raise additional capital and the terms on which we raise it;
- declines in the market prices of stocks generally;
- trading volume of our common stock;
- sales of our common stock by us or our stockholders;
- general economic, industry and market conditions; and
- other events or factors, including those resulting from such events, or the prospect of such events, including war, terrorism and other international conflicts, public health issues including health epidemics or pandemics, and natural disasters such as fire, hurricanes, earthquakes, tornados or other adverse weather and climate conditions, whether occurring in the United States or elsewhere, could disrupt our operations, disrupt the operations of our suppliers or result in political or economic instability.

These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance. Further, recent increases are significantly inconsistent with any improvements in actual or expected operating performance, financial condition or other indicators of value, including our loss per share of $8.49 for our fiscal year ended June 30, 2026. Since the stock price of our common stock has fluctuated in the past, has been recently volatile and may be volatile in the future, investors in our common stock could incur substantial losses. In the past, following periods of volatility in the market, securities class-action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management's attention and resources, which could materially and adversely affect our business, financial condition, results of operations and growth prospects. There can be no guarantee that our stock price will remain at current levels or that future sales of our common stock will not be at prices lower than those sold to investors.

Additionally, securities of certain companies have recently experienced significant and extreme volatility in stock price due to short sellers of shares of common stock, known as a "short squeeze." These short squeezes have caused extreme volatility in both the stock prices of those companies and in the market, and have led to the price per share of those companies to trade at a significantly inflated rate that is disconnected from the underlying value of the company. Many investors who have purchased shares in those companies at an inflated rate face the risk of losing a significant portion of their original investment, as in many cases the price per share has declined steadily as interest in those stocks have abated. While we have no reason to believe our shares would be the target of a short squeeze, there can be no assurance that we won't be in the future, and you may lose a significant portion or all of your investment if you purchase our shares at a rate that is significantly disconnected from our underlying value.

We can sell additional shares of common stock without consulting shareholders and without offering shares to existing shareholders, which would result in dilution of shareholders' interests in the Company and could depress our stock price.

Our Certificate of Incorporation authorizes 250,000,000 shares of common stock, of which 1,998,734 were outstanding as of June 30, 2026, and our Board is authorized to issue additional shares of our common stock. In addition, our Certificate of Incorporation authorizes 2,500,000 shares of "blank check preferred stock." Shares of "blank check preferred stock" may be issued in such series and with such rights, privileges, and limitations as the Board may, in its sole discretion, determine. Our Board has designated 300,000 shares as Series A Junior Preferred Stock, none of which are outstanding. The Board has also designated Series C and Series D Preferred Stock, of which no shares and 280,898 shares are outstanding, respectively, as of June 30, 2026.

Although our Board intends to utilize its reasonable business judgment to fulfill its fiduciary obligations to our then existing shareholders in connection with any future issuance of our capital stock, the future issuance of additional shares of our capital stock would cause immediate, and potentially substantial, dilution to our existing shareholders, which could also have a material effect on the market value of the shares. Furthermore, our Board may authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of common stock, and the right to the redemption of the shares, together with a premium, prior to the redemption of the common stock. In addition, our Board could authorize the issuance of a series of preferred stock that has greater voting power than the common stock or that is convertible into our common stock, which could decrease the relative voting power of the common stock or result in dilution to our existing shareholders.

Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any disputes between us and our stockholders, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors or officers.

Our Certificate of Incorporation provides that unless we consent in writing to the selection of an alternative forum, the Court of Chancery for the State of Delaware is the sole and exclusive forum for claims brought by a stockholder, including claims in the right of the corporation, (i) that are based upon a violation of a duty by a current or former director or officer or stockholder in such capacity or (ii) as to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery of the State of Delaware. The provision indicates that if the Court of Chancery does not have jurisdiction, then the Superior Court of the State of Delaware, or, if such other court does not have jurisdiction, the United States District Court for the District of Delaware, shall be the exclusive forum for such action.

These provisions of the bylaws are not a waiver of, and do not relieve anyone of duties to comply with, federal securities laws including those specifying the exclusive jurisdiction of federal courts under the Exchange Act and concurrent jurisdiction of federal and state courts under the Securities Act. Section 22 of the Securities Act provides that federal and state courts have concurrent jurisdiction over lawsuits brought pursuant to the Securities Act or the rules and regulations thereunder. To the extent the exclusive forum provision restricts the courts in which claims arising under the Securities Act may be brought, there is uncertainty as to whether a court would enforce such a provision. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to these provisions. These provisions may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware, or limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors and officers. Alternatively, if a court were to find our choice of forum provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

A sale of a substantial number of shares of the common stock may cause the price of our common stock to decline.

If our shareholders sell, or the market perceives that our shareholders intend to sell for various reasons, substantial amounts of our common stock in the public market may make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

We are a smaller reporting company and, as a result of the reduced disclosure and governance requirements applicable to such companies, our common stock may be less attractive to investors.

We are a smaller reporting company, (i.e., a company with less than $250 million of public float) and we are eligible to take advantage of certain exemptions from various reporting requirements applicable to other public companies. We have elected to adopt these reduced disclosure requirements. We cannot predict if investors will find our common stock less attractive as a result of our taking advantage of these exemptions. If some investors find our common stock less attractive as a result of our choices, there may be a less active trading market for our common stock and our stock price may be more volatile.

Our failure to maintain compliance with Nasdaq's continued listing requirements could result in the delisting of our Common Stock.

Our common stock is currently listed for trading on Nasdaq. We must satisfy Nasdaq's continued listing requirements or risk delisting, which would have a material adverse effect on our business. A delisting of our common stock from Nasdaq could materially reduce the liquidity of our common stock and result in a corresponding material reduction in the price of our common stock. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors, suppliers, customers and employees and fewer business development opportunities.

If our common stock were delisted from Nasdaq, trading of our common stock would most likely take place on an over-the-counter market established for unlisted securities, such as the OTCQB or the Pink Market maintained by OTC Markets Group Inc. An investor would likely find it less convenient to sell, or to obtain accurate quotations in seeking to buy, our common stock on an over-the-counter market, and many investors would likely not buy or sell our common stock due to difficulty in accessing over-the-counter markets, policies preventing them from trading in securities not listed on a national exchange or other reasons. In addition, as a delisted security, our common stock would be subject to SEC rules as a "penny stock," which impose additional disclosure requirements on broker-dealers. The regulations relating to penny stocks, coupled with the typically higher cost per trade to the investor of penny stocks due to factors such as broker commissions generally representing a higher percentage of the price of a penny stock than of a higher-priced stock, would further limit the ability of investors to trade in our common stock. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors, suppliers, customers and employees and fewer business development opportunities. For these reasons and others, delisting would adversely affect the liquidity, trading volume and price of our common stock, causing the value of an investment in us to decrease and having an adverse effect on our business, financial condition and results of operations, including our ability to attract and retain qualified employees and to raise capital.

General Risk Factors

Increased cybersecurity requirements, vulnerabilities, threats, and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, services, and data.

Increased global cybersecurity vulnerabilities, threats, and more sophisticated and targeted cyber-related attacks pose a risk to the security of our and our customers', suppliers', and third-party service providers' products, systems, and networks and the confidentiality, availability, and integrity of our and our customers' data. Although we have implemented policies, procedures, and controls to protect against, detect, and mitigate these threats, we remain potentially vulnerable to additional known or unknown threats. We also have access to sensitive, confidential, or personal data or information that is subject to privacy and security laws, regulations, and customer-imposed controls. Despite our efforts to protect sensitive, confidential, or personal data or information, we may be vulnerable to material security breaches, theft, misplaced or lost data, programming errors, employee errors, and/or malfeasance that could potentially lead to the compromising of sensitive, confidential, or personal data or information, improper use of our systems or networks, unauthorized access, use, disclosure, modification, or destruction of information, defective products, production downtimes, and operational disruptions. In addition, a cyber-related attack could result in other negative consequences, including damage to our reputation or competitiveness and remediation or increased protection costs, and could subject us to fines, damages, litigation, and enforcement actions.

Increased costs associated with corporate governance compliance may significantly impact our results of operations.

As a public company, we incur significant legal, accounting, and other expenses due to our compliance with regulations and disclosure obligations applicable to us, including compliance with the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, as well as rules implemented by the SEC, and Nasdaq. The SEC and other regulators have continued to adopt new rules and regulations and make additional changes to existing regulations that require our compliance. In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that have required the SEC to adopt additional rules and regulations in these areas. Stockholder activism, the current political environment, and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact, in ways we cannot currently anticipate, the manner in which we operate our business. Our management and other personnel devote a substantial amount of time to these compliance programs and monitoring of public company reporting obligations, and as a result of the new corporate governance and executive compensation related rules, regulations, and guidelines prompted by the Dodd-Frank Act, and further regulations and disclosure obligations expected in the future, we will likely need to devote additional time and costs to comply with such compliance programs and rules. These rules and regulations will cause us to incur significant legal and financial compliance costs and will make some activities more time-consuming and costly.The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. Our current controls and any new controls that we develop may become inadequate, and weaknesses in our internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting, which we may be required to include in our periodic reports that we file with the SEC under Section 404 of the Sarbanes-Oxley Act, and could harm our operating results, cause us to fail to meet our reporting obligations, or result in a restatement of our prior period financial statements. If we are not able to demonstrate compliance with the Sarbanes-Oxley Act, that our internal control over financial reporting is perceived as inadequate, or that we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results, and the price of our common stock could decline. We are required to comply with certain of the SEC rules that implement Section 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. This assessment needs to include the disclosure of any material weaknesses in our internal control over financial reporting identified by our management or our independent registered public accounting firm. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting or if we are unable to complete our evaluation, testing, and any required remediation in a timely fashion, we will be unable to assert that our internal control over financial reporting is effective. These developments could make it more difficult for us to retain qualified members of our Board of Directors, or qualified executive officers. We are presently evaluating and monitoring regulatory developments and cannot estimate the timing or magnitude of additional costs we may incur as a result. To the extent these costs are significant, our general and administrative expenses are likely to increase.

Our insurance coverage may be inadequate to cover all significant risk exposures.

We are exposed to liabilities that are unique to the products and services we provide. We maintain insurance for certain risks, and we believe our insurance coverage is consistent with general practices within our industry. However, the amount of our insurance coverage may not cover all claims or liabilities and we may be forced to bear substantial costs.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Board of Directors Oversight

Our Board, as a whole and through its committees, holds overall oversight responsibility for our risk management processes, including in relation to risks from cybersecurity threats. Our Board exercises its oversight function through the audit committee, which oversees the management of risk exposure across various areas, including cybersecurity risks, in accordance with its charter. The audit committee is comprised of board members with diverse expertise including risk management and technology, which we believe enables them to oversee cybersecurity risks.

Management's Role

We have day-to-day administration and management of our cybersecurity program, under the direct supervision of our IT Manager in conjunction with executive management. Our executive management is responsible for informing the audit committee on cybersecurity risks, provides the audit committee with risk briefings as needed, and performs at least annual reviews of cybersecurity risks and threats in order to assess and adjust our processes to prevent, detect, mitigate, and remediate any such risks and threats. We also work with external security service providers to support our security monitoring and threat detection capabilities and have implemented a process for such external providers to report relevant findings to executive management, where appropriate.

Primary responsibility for assessing, monitoring and managing our cybersecurity risks rests with our information technology team overseen by the COO. Our information technology team tests our compliance with Center for Internet Security version 8 standards ("CIS"), remediates known cybersecurity risks, and leads our employee training program as such items relate to cybersecurity.

Our COO and information technology team are continually informed about the latest developments in cybersecurity, including potential threats and innovative risk management techniques. The COO and information technology team implements and oversees processes for the regular monitoring of our information systems. This includes the deployment of advanced security measures and regular system audits to identify potential vulnerabilities. In the event of a cybersecurity incident, the COO and information technology team are equipped with a well-defined incident response plan, which includes escalation to executive management and the audit committee, and relevant public disclosure, as appropriate.

Cybersecurity Risk Management and Strategy

Our cybersecurity program, which is informed by CIS, includes processes for identification, assessment, and management of cybersecurity risks. We conduct periodic risk assessments, including with support from external vendors, to assess our cyber program, identify potential areas of enhancement, and develop strategies for the mitigation of cyber risks. We also conduct regular security testing and have established a vulnerability detection process, supported by security testing, that is designed to address the treatment of identified security risks based on severity.

Third-Party Risk

We may periodically engage a range of external experts, including cybersecurity assessors, consultants, and auditors to evaluate and test our information systems. These partnerships enable us to leverage specialized knowledge and insights, ensuring our cybersecurity strategies and processes generally follow industry-recognized standards and frameworks, and are compliant with applicable laws.

As part of our cybersecurity risk management program, we have a process to assess and review the cybersecurity practices of major third-party vendors and service providers that access, process, collect, share, create, store, transmit or destroy our information or have access to our systems, including through review of applicable certifications, and security reports, and contractual requirements, as appropriate. Before engagement, we conduct security assessments of critical third-party providers and maintain ongoing monitoring to ensure compliance with our cybersecurity standards. The monitoring includes regular assessments by our information technology team and executive management. This approach is designed to mitigate risks related to data breaches or other security incidents involving third-parties.

Risks from Cybersecurity Threats

We are informed about and monitor the prevention, detection, mitigation, and remediation of cybersecurity risks through various means, including by leveraging a managed security service provider and other third-party security software and technology services. In addition, we use various internal and external processes and technologies, including third-party security solutions, monitoring, and alerting tools and resources, designed to monitor, identify, and address risks from cybersecurity threats. We also have implemented processes and technologies for network monitoring and data loss prevention procedures.

We have adopted an incident response plan to guide us in responding to cybersecurity incidents and maintain processes to inform and update executive management and the audit committee about security incidents that may pose a significant risk for our business, as applicable.

We have not identified any cybersecurity incidents or threats that have materially affected us or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition; however, like other companies in our industry, we and our third-party vendors may, from time to time, experience threats and security incidents relating to our and our third-party vendors' information systems. For more information about the cybersecurity risks we face, see "Increased cybersecurity requirements, vulnerabilities, threats, and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, services, and data" in "Risk Factors" in Part I, Item 1A. of this Annual Report on Form 10-K.

Item 2. Properties

On January 29, 2025, we entered into a new lease agreement for a facility of approximately 17,628 square feet in Austin, Texas (the "Metric Facility") for a term of 89-months, which term commenced on July 1, 2025. The Metric Facility is intended to support and encompass all Austin-based functions. Our total contractual base rent obligation for the Metric Facility is approximately $3.0 million, less a tenant allowance of $312.5 thousand, resulting in a net lease commitment of approximately $2.7 million.

Our equipment lease is for a device used in our research and development efforts.

We believe that our current facility and equipment are well maintained and in good condition. The facility and equipment are adequate for our present needs.

Item 3. Legal Proceedings

From time to time, the Company is subject to legal and administrative proceedings, settlements, investigations, claims and actions. The Company's assessment of the likely outcome of litigation matters is based on its judgment of a number of factors including experience with similar matters, past history, precedents, relevant financial and other evidence and facts specific to the matter. Notwithstanding the uncertainty as to the final outcome, based upon the information currently available, management does not believe any matters, individually or in aggregate, will have a material adverse effect on the Company's financial position or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information, Holders, and Dividends

Our common stock is principally traded on Nasdaq under the symbol ASTC. We have never paid cash dividends and have no intention of paying dividends in the future.

We have 250,000,000 shares of common stock authorized for issuance. As of September 23, 2026, we had 2,100,664 shares of common stock outstanding, which were held by approximately 26 holders of record. This number does not include beneficial or other owners for whom common stock may be held in "street" name. The last reported sale price of our common stock as reported by Nasdaq on September 23, 2026, was $7.42 per share.

Sales of Unregistered Securities

None.

Item 6. Reserved

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

The following information should be read in conjunction with the Consolidated Financial Statements and the accompanying Notes included below in Item 8 of this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements.

The terms "Astrotech", "the Company", "we", "us", or "our" refer to Astrotech Corporation (Nasdaq: ASTC), a Delaware corporation organized in 1984. Our use of "products" and "devices" refer to the TRACER 1000™, BreathTest-1000™, AGLAB 1000™, and Pro-Control 1000™ along with related accessories and consumables.

Overview

Our mission encompasses the advancement of both mass spectrometry and gas chromatography, two powerful analytical techniques that together enable precise detection and identification of chemical compounds across a wide range of high-demand environments. We aim to expand access to mass spectrometry by simplifying the complexity of operating these devices within real-time testing environments such as airports, border checkpoints, cargo hubs, infrastructure security, correctional facilities, military bases, law enforcement centers, and industrial locations. We are introducing our new line of products that are ultra-portable, on-site, rugged environmental testing instruments, featuring our proprietary ATi Mass Spectrometer Technology ("MS") and ATi Gas Chromatography Column ("GC") to achieve our mission through simplifying the user interface, automating the complicated calibration process, ruggedizing the critical components to endure MS/GC field work, and enabling multiple configurations for sample intake options.

Our Board of Directors (the "Board") recently approved strategic initiatives focused on future lunar resource development, autonomous lunar industrial infrastructure, Moon-based advanced computing, semiconductor manufacturing, lunar power generation and power infrastructure, mining, chemical manufacturing, product transportation and equipment leasing opportunities on the Moon (our "Lunar Initiatives"). As part of the Lunar Initiatives, Astrotech intends to evaluate and potentially develop infrastructure technologies that could support future semiconductor processing, advanced computing systems, and quantum computing manufacturing operations on the lunar surface. Astrotech believes the convergence of abundant solar energy, extreme lunar thermal conditions, reduced gravity, autonomous robotics, and access to strategic lunar materials such as Si-28 and ^{3}He may ultimately make the Moon an attractive long-term platform for advanced computational infrastructure and next-generation quantum manufacturing systems.

Additional details about our business are provided in Part I, Item 1. "Business" of this Form 10-K.

Recent Developments

On August 15, 2025, we introduced our new EN-SCAN product line of ultra-portable rugged environmental testing instruments, featuring its proprietary ATi Gas Chromatograph Column ("GC") and ATi Mass Spectrometer Technology ("MS"). Customers can now gain access to real-time results and on-demand reporting, enabling continuous monitoring and immediate response in critical applications

In November 2025, we initiated a review of strategic alternatives in order to explore ways to maximize shareholder value, including raising equity capital, reverse mergers, combination transactions, and the sale of all or part of our business, and other possible strategic or financial transactions. The review of such alternatives is ongoing and we have not set a deadline or definitive timetable for the completion of the strategic alternatives review process, and there can be no assurance that this process will result in any transaction or specific outcome.

On May 26, 2026, EN-SCAN, a subsidiary of Astrotech, announced the commercial launch of the Labrador HH-GC, a rugged, field-portable gas chromatograph engineered to bring laboratory-grade volatile organic compound analysis directly to the point of investigation. The Labrador HH-GC delivers rapid on-site detection reducing the delay, uncertainty, and cost associated with traditional off-site laboratory workflows.

On May 27, 2026, we announced that our Board has approved a strategic initiative focused on lunar resource development, autonomous lunar industrial infrastructure and future Moon-based advanced computing and semiconductor manufacturing opportunities. As part of the initiative, we intend to evaluate and potentially develop infrastructure technologies that could support future semiconductor processing, advanced computing systems, and quantum computing manufacturing operations on the lunar surface.

In June 2026, our Board authorized our management to pursue a potential sale process of 1st Detect, developer of the TRACER 1000 mass spectrometry-based explosives and narcotics trace detection platform. We are evaluating a potential sale of 1st Detect to provide additional capital for the announced strategic initiatives we are committed to building.

On June 2, 2026, we entered into an at-the-market offering agreement (the "ATM Agreement") with H.C. Wainwright & Co., LLC ("Wainwright") relating to an at-the-market offering program (the "ATM Program"), pursuant to which we have the ability to offer and sell, from time to time at our sole discretion, shares of our common stock through Wainwright as sales agent subject to applicable limitations. On June 3, 2026, we filed a prospectus supplement (the "Prior Prospectus Supplement") to the prospectus dated January 30, 2026, relating to the offer and sale of our common stock under the ATM Program, whereby we initially registered shares having an aggregate offering price of approximately $24.4 million. On August 19, 2026, the Company filed a prospectus supplement to a shelf registration statement on Form S-3 (File No. 333-297144) and the related base prospectus with the SEC, which was declared effective on July 7, 2026, to increase the remaining shares of our common stock available for issuance under the ATM Agreement to $50 million, which replaced and superseded in its entirety, the Prior Prospectus Supplement. As of September 23, 2026, we have sold 258,856 shares of our common stock under the ATM Program for gross proceeds of approximately $7.9 million.

As of June 30, 2026, we have deployed the TRACER 1000 in approximately 37 locations in 16 countries across the United States, Europe and Asia.

We have also started the process to pass TSA checkpoint testing. This process involves Developmental Test and Evaluation in which the Transportation Security Laboratory ("TSL") will test the TRACER 1000 and work with 1st Detect to ensure its readiness to enter certification testing. The certification test is then completed by the Independent Test & Evaluation department of TSL.

Each of these fiscal year 2026 announcements reflect the progress made by our business units in developing and demonstrating relevant solutions to problems faced by companies and agencies operating in our target markets. The additional applications of the AMS Technology and our growing channel partner relationships create opportunities for us to generate revenue growth in subsequent fiscal years.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"). The preparation of these financial statements requires us to make estimates and judgments that directly affect the reported amounts of assets, liabilities, revenues, expenses, and related disclosure of contingent assets and liabilities in our consolidated financial statements and accompanying notes. A critical accounting estimate is one that involves a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management continuously evaluates its critical accounting policies and estimates, including those used in evaluating the recoverability of long-lived assets, recognition of revenue, valuation of inventory, and the recognition and measurement of loss contingencies, if any. Actual results may differ from these estimates under different assumptions or conditions. We believe the following accounting policies require us to make significant judgments and estimates in the preparation of our consolidated financial statements.

Revenue Recognition

Astrotech recognizes revenue employing the generally accepted revenue recognition methodologies described under the provisions of Accounting Standards Codification ("ASC") Topic 606 "Revenue from Contracts with Customers" ("Topic 606"), which was adopted by us in fiscal year 2019. The methodology used is based on contract type and how products and services are provided. The guidelines of Topic 606 establish a five-step process to govern the recognition and reporting of revenue from contracts with customers. The five steps are: (i) identify the contract with a customer, (ii) identify the performance obligations within the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations within the contract and (v) recognize revenue when or as the performance obligations are satisfied.

Astrotech has multiple revenue sources such as product and related consumable sales, grant revenue, recurring maintenance & extended warranty services, repairs and training.

An additional factor is reasonable assurance of collectability. This necessitates deferral of all or a portion of revenue recognition until collection. For the year ended June 30, 2026, we generated approximately $913 thousand in revenue from three customers that represented a significant portion of total revenue for fiscal year end 2026.

Contract Assets and Liabilities. We enter into contracts to sell products and provide services, and it recognizes contract assets and liabilities that arise from these transactions. We recognize revenue and corresponding accounts receivable according to Topic 606 and, at times, recognizes revenue once all performance obligations have been met, in advance of the time when contracts give us the right to invoice a customer. We may also receive consideration, per the terms of a contract, from customers prior to transferring goods to the customer. We record customer deposits as deferred revenue. Additionally, we may receive payments, most typically for service and warranty contracts, at the onset of the contract and before services have been performed. In such instances, we record a deferred revenue liability. We recognize these contract liabilities as sales after all revenue recognition criteria are met.

Practical Expedients. Under its contracts with customers, we stand ready to deliver product upon receipt of a purchase order. Accordingly, we have no performance obligations under its contracts until its customers submit a purchase order. We do not enter into commitments to provide goods or services that have terms greater than one year. In limited cases, we do require payment in advance of shipping product. Typically, product is shipped within a few days after prepayment is received. These prepayments are recorded as contract liabilities on the consolidated balance sheet and are included in accounts payable and accrued liabilities. As the performance obligation is part of a contract that has an original expected duration of less than one year, we have applied the practical expedient to omit disclosures regarding remaining performance obligations. In cases where we are responsible for shipping after the customer has obtained control of the goods, it has elected to treat the shipping activities as fulfillment activities rather than as a separate performance obligation. We also apply a practical expedient to expense direct costs of obtaining a contract when incurred because the amortization period would have been one year or less.

Product Sales. We recognize revenue from sales of products upon shipment or delivery when control of the product transfers to the customer, depending on the terms of each sale, and when collection is probable. In the circumstance where terms of a product sale include subjective customer acceptance criteria, revenue is deferred until we have achieved the acceptance criteria unless the customer acceptance criteria are perfunctory or inconsequential. We generally offer customers payment terms of 60 days or less.

Freight. We record shipping and handling fees that it charges to its customers as revenue and related costs as cost of revenue.

Multiple Performance Obligations. Certain agreements with customers include the sale of equipment involving multiple elements in cases where obligations in a contract are distinct and thus require separation into multiple performance obligations, revenue recognition guidance requires that contract consideration be allocated to each distinct performance obligation based on its relative standalone selling price. The value allocated to each performance obligation is then recognized as revenue when the revenue recognition criteria for each distinct promise or bundle of promises has been met. Government contracts have specific individual performance obligations known as milestones. Each milestone has a standalone selling price and is allocated directly to that performance obligation. Revenue under long-term government contracts is recorded under the percentage of completion method.

The standalone selling price for each performance obligation is an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the good or service. When there is only one performance obligation associated with a contract, the entire amount of consideration is attributed to that obligation. When a contract contains multiple performance obligations, the standalone selling price is first estimated using the observable price, which is generally a list price net of applicable discount or the price used to sell the good or service in similar circumstances. In circumstances when a selling price is not directly observable, we will estimate the standalone selling price using information available to it including its market assessment and expected cost, plus margin.

The timetable for fulfillment of each of the distinct performance obligations can range from completion in a short amount of time and entirely within a single reporting period to completion over several reporting periods. The timing of revenue recognition for each performance obligation may be dependent upon several milestones, including physical delivery of equipment, completion of site acceptance test, and in the case of after-market consumables and service deliverables, the passage of time. The total revenue was approximately $638 thousand in point in time and $275 thousand over time for 2026 and $920 thousand in point in time and $130 thousand over time for 2025. Product and consumables revenue represented the majority of revenue recognized at a point in time during fiscal year 2026.

Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost, which approximates actual cost on a first-in, first-out basis. We reserve or write down inventory for estimated obsolescence, inventory in excess of reasonably expected sales, or unmarketable inventory, in an amount equal to the difference between the cost of inventory and the estimated market value, based upon assumption about future demand and market conditions. If actual market conditions are less favorable than those projected, additional inventory adjustments may be required. Inventory impairment charges establish a new cost basis for inventory and charges are not reversed subsequently to income, even if circumstances later suggest that increased carrying amounts are recoverable.

Warranty Provision

We offer our customers warranties on the products that we sell. These warranties typically provide for repairs and maintenance of the products if problems arise during a specified time period after original shipment. Concurrent with the sale of products, we record a provision for estimated warranty expenses with a corresponding increase in cost of goods sold. We periodically adjust this provision based on historical experience and anticipated expenses, which could impact our cost of revenue and gross margin. We charge actual expenses of repairs under warranty, including parts and labor, to this provision when incurred. The current obligation for warranty provision is included in accrued expenses and other liabilities in the consolidated balance sheets.

Results of Operations for the Years Ended June 30, 2026 and 2025

Selected financial data for the fiscal years ended June 30, 2026 and 2025 of our operations are as follows:

	Years Ended June 30,		
(In thousands)	**2026**	**2025**	**Variance**
Revenue	$ 913	$ 1,049	$ (136)
Cost of revenue	696	574	122
Gross profit	**217**	**475**	**(258)**
Gross margin	**23.8%**	**45.3%**	**(21.5) %**
Operating expenses			
Selling, general and administrative	7,871	7,067	804
Research and development	6,484	8,142	(1,658)
Total operating expenses	**14,355**	**15,209**	**(854)**
Loss from operations	**(14,138)**	**(14,734)**	**596**
Interest and dividend income	471	1,094	(623)
Realized loss	(543)	(5)	(538)
Other income and expense, net	(213)	(203)	(10)
Total other income (expense)	(285)	886	(1,171)
Income tax benefit/ (expense)	(4)	(2)	(2)
Net loss	$ **(14,427)**	$ **(13,850)**	$ **(577)**
Net unrealized gain	548	313	235
Total comprehensive loss	$ **(13,879)**	$ **(13,537)**	$ **(342)**

Revenue – Total revenue decreased by $136 thousand, or 13.0% in fiscal year ended June 30, 2026, compared to the prior year. The decrease was primarily attributable to lower product sales volume. Product revenue decreased by $458 thousand as the Company sold three TRACER 1000 units and one Labrador Handheld Gas Chromatograph unit during fiscal year ended June 30, 2026, compared to eight TRACER 1000 units during fiscal year ended June 30, 2025. The decrease was also attributable to the absence of approximately $195 thousand of DHS grant-related revenue that was recorded within product revenue during fiscal year ended June 30, 2025. These decreases were partially offset by increases in consumables, grant and training revenue of approximately $264 thousand, $90 thousand and $28 thousand, respectively.

Cost of Revenue and Gross Profit – Gross profit is comprised of revenue less cost of revenue. Our cost of revenue includes materials, overhead, warranty expenses, shipping, and labor. Cost of revenue increased by $122 thousand, or 21.3%, for the fiscal year ended June 30, 2026, compared to the year ended June 30, 2025, primarily due to higher labor associated with grant related activities and increased warranty expenses. Gross profit decreased by $258 thousand, and gross margin decreased to 23.8% from 45.3% in the prior year.

Operating Expenses – Our operating expenses decreased by $854 thousand, or 5.6%, during the fiscal year ended June 30, 2026, compared to the fiscal year ended June 30, 2025. Significant changes to operating expenses include the following:

- ***Selling, General and Administrative Expenses*** – Our selling, general and administrative expenses increased by approximately $804 thousand, or 11.4% in fiscal year ended June 30, 2026, compared to the prior year. The increase was primarily attributable to higher legal expense of approximately $392 thousand related to the Company's 2026 offering activities, increased labor and fringe expense of approximately $230 thousand primarily due to higher salary expense and severance costs, including a severance accrual related to the former Chief Financial Officer, and increased facilities expense of approximately $181 thousand. The increase in facilities expense was primarily due to higher property tax expense, as fiscal year ended June 30, 2025 included a favorable property tax true-up and refund resulting in a net property tax credit, whereas fiscal year ended June 30, 2026 incurred property tax expense, as fiscal year ended June 30, 2025. The increase was also attributable to higher accounting, compliance and investor relations costs of approximately $78 thousand. These increases were partially offset by a decrease in sales and marketing expense of approximately $320 thousand, primarily due to lower marketing and business development consulting costs.

- ***Research and Development Expenses*** – Research and development expenses decreased by $1.7 million, or 20.4%. This decrease was primarily due to lower consulting expenses of $1.4 million, as well as lower material and equipment costs of $436 thousand, depreciation expense of $200 thousand, and recruiting costs. These decreases were partially offset by higher facility-related costs associated with the Company's Braker facility.

Total Other Income (expense), net – Other income and expense, net decreased by $1.2 million, from income of $886 thousand in 2025 to a loss of $285 thousand in 2026. The decline was primarily attributable to a $623 thousand reduction in interest and dividend income, driven by a lower investment balance and a $538 thousand increase in realized losses on securities. These decreases were partially offset by a $10 thousand increase in other expense, net.

- ***Income Taxes*** – Income tax expense was immaterial.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

As of June 30, 2026, we had cash and cash equivalents of $8.4 million as compared to cash and cash equivalents of $3.1 million at June 30, 2025. We have incurred recurring losses and negative cash flows from operations since inception and had an accumulated deficit of approximately $265 million at June 30, 2026, and reported a net loss of $14.4 million. We regularly monitor potential financing and capital sources, including equity and debt markets, in an effort to meet our planned capital expenditures and liquidity requirements. Our future success may depend on our ability to access outside sources of capital including through public or private equity offerings, additional debt financing, or via strategic collaborations, partnerships, or other arrangements with third parties. The availability and terms of future financing will depend on a variety of factors, including general economic and market conditions, our operating performance, and investor interest. Additional funding may not be available on acceptable terms, if at all. If we are unable to obtain adequate financing when needed, we may be forced to delay, reduce the scope of, or eliminate certain operations, commercialization efforts, or other aspects of our business. In addition, raising additional funds through equity offerings may result in dilution to our stockholders, while debt or other financing could involve covenants or obligations that restrict our business operations. Until we can generate sufficient revenue from product sales, if at all, we expect to finance our operations primarily through existing cash reserves and additional capital-raising activities.

On June 2, 2026, we entered into the ATM Agreement with Wainwright relating to an at-the-market offering program, pursuant to which we have the ability to offer and sell, from time to time at our sole discretion, shares of our common stock, having aggregate gross proceeds of up to $50.0 million through Wainwright as sales agent subject to applicable limitations. During the fiscal year ended June 30, 2026, the Company sold 168,980 shares under the ATM Program and received net proceeds of approximately $6.7 million, which it used to support working capital and general corporate purposes. As of June 30, 2026, $43.4 million remained available for issuance under the ATM Program, subject to market conditions and the terms of the applicable sales agreement. Management believes the ATM Program provides a flexible source of capital that may be used opportunistically to strengthen liquidity and fund future growth.

On January 28, 2026, we filed a shelf registration statement on Form S-3 (File No. 333-293023), declared effective on January 30, 2026 by the SEC, which included a base prospectus that allows the Company to offer and sell, from time to time, in one or more offerings, common stock, preferred stock, debt securities, warrants, rights or units up to an aggregate public offering price of $30 million. On June 3, 2026, we filed a prospectus supplement (the "Prior Prospectus Supplement") to the prospectus dated January 30, 2026, relating to the offer and sale of our common stock under the ATM Program, whereby we initially registered shares having an aggregate offering price of approximately $24.4 million.

On June 30, 2026, we filed a shelf registration statement on Form S-3 (File No. 333-297144), declared effective on July 7, 2026 (the "Registration Statement") by the SEC, which included a base prospectus that allows the Company to offer and sell, from time to time, in one or more offerings, common stock, preferred stock, debt securities, warrants, rights or units up to an aggregate public offering price of $200 million. On August 19, 2026, the Company filed a prospectus supplement to the Registration Statement to increase the remaining shares of our common stock available for issuance under the ATM Agreement to $50 million, which replaced and superseded in its entirety, the Prior Prospectus Supplement.

We expect that our short-term and long-term liquidity requirements will consist of working capital and general corporate expenses associated with the growth of our business, including, without limitation, expenses associated with scaling up our operations and continuing to increase our manufacturing capacity, sales and marketing expense associated with rollout of our products to commercial customers, additional research and development expenses associated with expanding our product offerings, and expenses associated with being a public company. In addition, as further described below, we expect that our Lunar Initiatives will require substantial capital expenditures to design, develop, expand, and maintain our technologies and infrastructure to support development of such initiatives, including costs associated with research and development, construction and expansion of production capabilities, acquisition of property and equipment, and ongoing maintenance and upgrades to ensure reliability and competitiveness. While management believes that our cash and cash equivalents at June 30, 2026, together with operational cash flows will fund our current operating plans and meet our anticipated obligations for at least the next 12 months, substantial additional capital may be required to support longer-term growth and operational objectives. Our short-term investments have been utilized as a source of liquidity to fund our operating expenses.

Management continues to monitor liquidity needs closely and will adapt strategy as appropriate to align with both near- and long-term business objectives. Management anticipates that significant additional expenditures will be necessary to develop and expand our business, before significant positive operating cash flows can be achieved, as current available funds are insufficient to complete our business plan and strategic objectives. Until we can generate sufficient revenue from sales, if at all, we expect to finance our operations primarily through existing cash reserves and additional capital-raising activities.

Funding Requirements

We expect our expenses to increase in connection with our ongoing operations, public company obligations, efforts to expand our business and develop our Lunar Initiatives. Accordingly, we expect to require additional funding to support our continuing operations and working capital needs. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Because of the numerous risks and uncertainties associated with our research and development efforts, we are unable to estimate the exact amount of our operating capital requirements. Our future capital requirements will depend on many factors, including:

- future research and development efforts;
- our ability to enter into and terms and timing of any collaborations, licensing agreements, or other arrangements;
- the costs of sales, marketing, distribution and manufacturing efforts;
- our headcount growth and associated costs as we expand our business;
- the costs of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against intellectual property related claims; and
- the costs of operating as a public company.

Until such time, if ever, as we can generate positive cash flows from operations, we expect to finance our additional cash needs through a combination of equity offerings, debt financing, equity financing, merging, or engaging in a strategic partnership. Such funding may not be available to us on acceptable terms, or at all, and such funding may become even more difficult to obtain due to macroeconomic conditions, including rising interest rates, tariffs and trade restrictions, global conflicts and other conditions that could result in volatility in the U.S. capital markets. To the extent that we raise additional capital through the sale of equity, our existing stockholders will be diluted, and the terms of those securities may include liquidation or other preferences that adversely affect the rights of holders of common stock. Even if successful in raising new capital, we could be limited in the amount of capital we raise due to investor demand. Debt financing, if available, may involve agreements that include restrictive covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies or future revenue streams or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity offerings, debt financing, equity financing or engaging in a strategic partnership, we may be required to delay, limit, or reduce our expansion efforts.

Trends and Uncertainties

Inflation and changing prices have not had a material impact on our historical results of operations. We do not currently anticipate that inflation and changing prices will have a material impact on our future results of operations.

Consolidated Balance Sheet

Total assets for the year ended June 30, 2026, were $20.5 million compared to total assets of $27 million as of the end of fiscal year 2025, a decrease of $6.5 million. The following table sets forth the significant components of the consolidated balance sheet as of June 30, 2026, compared with June 30, 2025:

	Years Ended June 30,		
(In thousands)	**2026**	**2025**	**Variance**
Assets:			
Current assets	$ 15,926	$ 21,975	$ (6,049)
Property and equipment, net	2,433	2,443	(10)
Operating lease right-of-use assets, net	1,834	2,225	(391)
Other assets, net	314	346	(32)
Total	$ **20,507**	$ **26,989**	$ **(6,482)**
Liabilities and stockholders' equity:			
Current liabilities	$ 2,257	$ 2,451	$ (194)
Lease liabilities, net of current portion	2,024	2,274	(250)
Other liabilities, net	54	164	(110)
Stockholders' equity	16,172	22,100	(5,928)
Total	$ **20,507**	$ **26,989**	$ **(6,482)**

Current assets – Current assets decreased by $6.0 million as of June 30, 2026, compared to June 30, 2025, primarily due to a reduction in short-term investments following the sale of investments, partially offset by an increase in cash and cash equivalents.

Property and equipment, net – Property and equipment, net of depreciation, remained relatively consistent as of June 30, 2026 compared to June 30, 2025. Capital additions during the year, primarily related to leasehold improvements for the Braker facility and the capitalization of demo units, were substantially offset by depreciation expense and the disposal of certain obsolete assets.

Operating lease right-of-use assets, net – Operating lease right-of-use assets, net decreased by approximately $391 thousand as of June 30, 2026, compared to June 30, 2025, primarily due to the amortization of the Braker lease right of use asset.

Other assets, net – Other assets, net decreased by approximately $32 thousand as of June 30, 2026, compared to June 30, 2025, primarily due to the receipt of a lease deposit refund from the Donley Facilities landlord.

Current liabilities – Current liabilities decreased by approximately $194 thousand as of June 30, 2026, compared to June 30, 2025, primarily due to decreases in accrued expenses and payroll-related liabilities, partially offset by an increase in goods received not invoiced liabilities.

Lease liabilities, net– Lease liabilities decreased by $250 thousand as of June 30, 2026, compared to June 30, 2025, primarily due to Braker lease payments.

Other liabilities, net – Other liabilities, net decreased by $110 thousand primarily due to $83 thousand Netsuite financing payments and a decrease in non-current sales warranty reserve.

Stockholders' equity – The stockholders equity decreased by approximately $5.9 million as of June 30, 2026, primarily due to our net loss of approximately $14.4 million, partially offset by an increase in additional paid in capital of approximately $8 million related to share issuances in connection with the ATM Agreement, equity compensation, and increase of $548 thousand in unrealized gain on available for sale securities.

Cash Flows

The following is a summary of the change in our cash and cash equivalents:

(In thousands)	Years Ended June 30, 2026	2025	Variance
Change in cash and cash equivalents:			
Net cash used in operating activities	$ (13,453)	$ (12,952)	(501)
Net cash provided by (used in) investing activities	11,817	5,795	6,022
Net cash provided by (used in) financing activities	6,923	(185)	7,108
Net change in cash and cash equivalents	$ **5,287**	**(7,342)**	$ **12,629**

Cash and Cash Equivalents

As of June 30, 2026, we held cash and cash equivalents of $8.4 million, and our net working capital was approximately $13.7 million. As of June 30, 2025, we held cash and cash equivalents of $3.1 million, and our net working capital was approximately $19.5 million. Cash and cash equivalents increased by approximately $5.3 million during fiscal year ended June 30, 2026. The Company held approximately $2.9 million in short term investments as of June 30, 2026.

Operating Activities

Net cash used in operating activities was $13.5 million for the year ended June 30, 2026, compared to cash used in operating activities of $13.0 million for the year ended June 30, 2025.

Investing Activities

Net cash provided by investing activities was $11.8 million for the year ended June 30, 2026, compared to $5.8 million for the year ended June 30, 2025. The increase was primarily due to higher proceeds from short-term investments.

Financing Activities

Net cash provided by financing activities was $6.9 million for the year ended June 30, 2026, compared to net cash used in financing activities of $0.2 thousand for the year ended June 30, 2025. The increase was primarily due to proceeds from the Company's ATM offering and employee stock option exercises.

We did not have any material off-balance sheet arrangements as of June 30, 2026.

Contractual Obligations and Commitments

The following table summarized our commitments to settle contractual obligations as of June 30, 2026:

	Payments Due by Period				
(In thousands)	**Total**	**Less than 1 Year**	**1 to 3 Years**	**4 to 5 Years**	**More than 5 Years**
Operating lease commitments (1)	$ 2,653	$ 361	$ 727	892	673
Finance lease commitments (2)	52	26	26	-	-
Total	**$** 2,705	**$** 387	**$** 753	**$** 892	**$** 673

(1) Consists of payments due for our lease of the manufacturing property in Austin, Texas that expires in November 2032.
(2) Consists of payments due for an equipment lease that expires in May 2028.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of June 30, 2026.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Not applicable to smaller reporting companies.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Astrotech Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Astrotech Corporation (the "Company") as of June 30, 2026 and 2025, and the related consolidated statements of operations and other comprehensive loss, changes in stockholders' equity, and cash flows for each of the years in the two-year period ended June 30, 2026, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2026, and the results of its operations and its cash flows for each of the years in the two-year period ended June 30, 2026, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our 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 consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our 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

The critical audit matters communicated below 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. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

We determined that there are no critical audit matters.

RBSM LLP
Houston, Texas

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

September 25, 2026

PCAOB ID Number 587

ASTROTECH CORPORATION
Consolidated Balance Sheets
(In thousands, except share and per share data)

	June 30, 2026	June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 8,387	$ 3,100
Short-term investments	2,947	15,108
Accounts receivable	124	485
Inventory, net:		
Raw materials	2,926	2,194
Work-in-process	9	425
Finished goods	1,179	310
Prepaid expenses and other current assets	354	353
Total current assets	**15,926**	**21,975**
Property and equipment, net	2,383	2,395
Intangible assets, net	50	48
Operating lease right-of-use assets, net	1,834	2,225
Other assets, net	314	346
Total assets	$ **20,507**	$ **26,989**
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 581	$ 1,066
Payroll related accruals	482	529
Accrued expenses and other liabilities	912	451
Lease liabilities, current	282	405
Total current liabilities	**2,257**	**2,451**
Accrued expenses and other liabilities, net of current portion	54	164
Lease liabilities, net of current portion	2,024	2,274
Total liabilities	**4,335**	**4,889**
Commitments and contingencies (Note 14)		
Stockholders' equity		
Convertible preferred stock, $0.001 par value, 2,500,000 shares authorized; 280,898 shares of Series D issued and outstanding at June 30, 2026 and 2025, respectively	—	—
Common stock, $0.001 par value, 250,000,000 shares authorized at June 30, 2026 and 2025 respectively; 2,009,050 and 1,769,269 shares issued at June 30, 2026 and 2025 respectively; 1,998,734 and 1,758,953 outstanding at June 30, 2026 and 2025, respectively	190,643	190,643
Treasury shares, 10,316 shares at June 30, 2026 and 2025, respectively	(119)	(119)
Additional paid-in capital	91,261	83,310
Accumulated deficit	(265,297)	(250,870)
Accumulated other comprehensive loss	(316)	(864)
Total stockholders' equity	**16,172**	**22,100**
Total liabilities and stockholders' equity	$ **20,507**	$ **26,989**

See accompanying notes to consolidated financial statements.

ASTROTECH CORPORATION
Consolidated Statements of Operations and Other Comprehensive Loss
(In thousands, except per share data)

	June 30,	
	2026	**2025**
Revenue	$ 913	$ 1,049
Cost of revenue	696	574
Gross profit	**217**	**475**
Operating expenses:		
Selling, general and administrative	7,871	7,067
Research and development	6,484	8,142
Total operating expenses	**14,355**	**15,209**
Loss from operations	(14,138)	(14,734)
Interest and dividend income	471	1094
Realized loss	(543)	(5)
Other income and expense, net	(213)	(203)
Total other income(expense)	(285)	886
Loss from operations before income taxes	**(14,423)**	**(13,848)**
Income tax benefit /(expense)	(4)	(2)
Net loss	**$ (14,427)**	**$ (13,850)**
Weighted average common shares outstanding:		
Basic and diluted	1,700	1,665
Basic and diluted net loss per common share:		
Net loss per common share	$ (8.49)	$ (8.32)
Other comprehensive loss, net of tax:		
Net loss	$ (14,427)	$ (13,850)
Available-for-sale securities:		
Net unrealized gain	548	313
Total comprehensive loss	**$ (13,879)**	**$ (13,537)**

See accompanying notes to consolidated financial statements.

ASTROTECH CORPORATION
Consolidated Statement of Changes in Stockholders' Equity
(In thousands)

	Preferred Stock Class D		Common Stock						
	Number of Shares Outstanding	Amount	Number of Shares Outstanding	Amount	Treasury Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at June 30, 2024	**281**	$ —	**1,702**	$ **190,643**	$ **(119)**	$ **82,480**	$ **(237,020)**	$ **(1,177)**	$ **34,807**
Net change in available-for-sale marketable securities	—	—	—	—	—	—	—	313	313
Stock-based compensation	—	—	—	—	—	830	—	—	830
Restricted stock issuance	—	—	65	—	—	—	—	—	—
Cancellation of restricted stock	—	—	(8)	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(13,850)	—	(13,850)
Balance at June 30, 2025	**281**	$ —	**1,759**	**190,643**	**(119)**	**83,310**	**(250,870)**	**(864)**	**22,100**
Net change in available-for-sale marketable securities	—	—	—	—	—	—	—	548	548
Stock-based compensation	—	—	30	—	—	921	—	—	921
ATM Share issuances	—	—	169	—	—	6,687	—	—	6,687
Option exercises	—	—	41	—	—	343	—	—	343
Net loss	—	—	—	—	—	—	(14,427)	—	(14,427)
Balance at June 30, 2026	**281**	$ —	**1,999**	$ **190,643**	$ **(119)**	$ **91,261**	$ **(265,297)**	$ **(316)**	$ **16,172**

See the accompanying notes to consolidated financial statements.

ASTROTECH CORPORATION
Consolidated Statements of Cash Flows
(In thousands)

	Years Ended June 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (14,427)	$ (13,850)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	921	830
Depreciation	896	962
Amortization of operating lease right-of-use assets	281	194
Interest on financing leases	(3)	5
Loss on disposal of asset	210	294
Net loss (gain) on sale of available-for-sale investments	13	-
Changes in assets and liabilities:		
Accounts receivable	362	(408)
Inventory, net	(1,366)	(455)
Accounts payable	(485)	693
Other assets and liabilities	381	(1,387)
Operating lease liabilities	(236)	170
Net cash used in operating activities	**(13,453)**	**(12,952)**
Cash flows from investing activities:		
Purchases of intangible assets	-	(50)
Purchases of property and equipment	(879)	(833)
Proceeds from short-term investments	12,696	6,678
Net cash provided by investing activities	**11,817**	**5,795**
Cash flows from financing activities:		
Repayments on finance Lease Liabilities	(24)	(94)
Repayment of financing obligation related to internal use software	(83)	(91)
Proceeds from at-the-market (ATM) share issuance, net of issuance costs	6,687	-
Proceeds from exercise of stock options	343	-
Net cash provided by (used in) financing activities	**6,923**	**(185)**
Net change in cash and cash equivalents	**$ 5,287**	**$ (7,342)**
Cash and cash equivalents at beginning of period	3,100	10,442
Cash and cash equivalents at end of period	**$ 8,387**	**$ 3,100**
Supplemental disclosures of cash flow information:		
Cash financing activities:		
Cash paid for interest	$ 3	$ 11
Income taxes paid	$ 4	$ -
Non-cash financing activities:		
Finance lease expenditures incurred but not paid at period end	-	7
Inventory transferred to fixed asset	181	-
Non-cash accretion of operating lease liability	115	10
Operating right of use assets	-	$ 2,277
Operating right-of-use associated with liabilities	-	$ 2,594

See accompanying notes to consolidated financial statements.

ASTROTECH CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended June 30, 2026 and 2025

(1) Description of the Company and Operating Environment

Business Overview

The terms "Astrotech", "the Company", "we", "us", or "our" refer to Astrotech Corporation (Nasdaq: ASTC), a Delaware corporation organized in 1984. We are commercializing the Astrotech Mass Spectrometer Technology™ platform ("AMS Technology") through application specific, wholly owned subsidiaries.

Our mission encompasses the advancement of both mass spectrometry and gas chromatography, two powerful analytical techniques that together enable precise detection and identification of chemical compounds across a wide range of high-demand environments. We aim to expand access to mass spectrometry by simplifying the complexity of operating these devices within real-time testing environments such as airports, border checkpoints, cargo hubs, infrastructure security, correctional facilities, military bases, law enforcement centers, and industrial locations. We are introducing our new line of products that are ultra-portable, on-site, rugged environmental testing instruments, featuring our proprietary Astrotech Technologies, Inc. ("ATI") MS and ATi GC to achieve our mission through simplifying the user interface, automating the complicated calibration process, ruggedizing the critical components to endure MS/GC field work, and enabling multiple configurations for sample intake options.

Astrotech Technologies, Inc.

ATI owns and licenses the AMS Technology, the platform MS technology originally developed by 1st Detect. The AMS Technology has been designed to be inexpensive, smaller, and easier to use when compared to traditional mass spectrometers. Unlike other technologies, the AMS Technology works under ultra-high vacuum, which eliminates competing molecules, yielding higher resolution and fewer false alarms. The intellectual property includes 17 patents granted along with extensive trade secrets. With a number of diverse market opportunities for the core technology, ATI is structured to license the intellectual property for different fields of use. ATI currently licenses the AMS Technology to five wholly-owned subsidiaries of Astrotech on an exclusive basis.

1st Detect Corporation

1st Detect, a licensee of ATI for security and detection applications, has developed the TRACER 1000, the world's first MS based ETD certified by the ECAC and approved by TSA for air cargo. The TRACER 1000 was designed to outperform the ETDs currently used at airports, cargo and other secured facilities, and borders worldwide. The Company believes that ETD customers are unsatisfied with the currently deployed ETD technology, which is driven by ion mobility spectrometry ("IMS"). The Company further believes that some IMS-based ETDs have issues with false positives, as they often misidentify personal care products and other common household chemicals as explosives, causing facility shutdowns, unnecessary delays, frustration, and significant wasted security resources. In addition, there are hundreds of different types of explosives, but IMS-based ETDs have a very limited threat detection library reserved only for those few explosives of largest concern. Adding additional compounds to the detection library of an IMS-based ETD fundamentally reduces the instrument's performance, further increasing the likelihood of false alarms. In contrast, adding additional compounds to the TRACER 1000's detection library does not degrade its detection capabilities, as it has a virtually unlimited and easily expandable threat library.

AgLAB Inc.

AgLAB, an exclusive licensee of ATI for the use in the agriculture industry to analyze complex chemical compounds found in organic plant material and extracts, has developed the AgLAB 1000™ series of mass spectrometers for use in the hemp and cannabis markets with the initial focus on optimizing yields in the distillation process. The AgLAB product line is a derivative of the Company's core AMS Technology. AgLAB continues to conduct field trials demonstrating that the AgLAB 1000-D2™ can be used in the distillation process to significantly improve the yields of tetrahydrocannabinol ("THC") and cannabidiol ("CBD") oil during distillation. The AgLAB 1000-D2™ uses the Maximum Value Process solution ("MVP") to analyze samples in real-time and assist the equipment operator in determining the ideal operating settings required to maximize yields.

BreathTech Corporation

BreathTech, an exclusive licensee of ATI for use in breath analysis applications, was in the process of developing the BreathTest-1000™, a breath analysis tool to screen for VOC metabolites found in a person's breath that could indicate a compromised medical condition.

Pro-Control, Inc.

The company announced the formation of our new wholly-owned subsidiary, Pro-Control, Inc. ("Pro-Control"), and ATI's entry into an exclusive license with Pro-Control to utilize our AMS Technology for industrial process control applications involving chemical distillation outside of the agriculture industry. Pro-Control uses advanced mass spectrometer instrumentation to monitor and control the production and operations of manufacturing processes using real-time, in-process samples. Pro-Control provides the vital spectral qualitative and quantitative data needed to control the production parameters (temperatures, flow, speed, pressure) while significantly improving efficiency.

EN-SCAN, Inc.

EN-SCAN, Inc. ("EN-SCAN") developed advanced environmental testing and monitoring solutions, integrating gas chromatography and mass spectrometry technology in rugged, portable designs. EN-SCAN's products support industrial, environmental, and regulatory applications, helping organizations meet compliance requirements and environmental safety. EN-SCAN uses proprietary ATi Gas Chromatograph and AMS Technology license from ATI for instant feedback to accurately detect soil, water, and air contamination source location and migration.

(2) Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The preparation of these consolidated financial statements in conformity to U.S. GAAP for the accounts of Astrotech Corporation and all its wholly owned subsidiaries requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Actual outcomes may differ from these estimates under different assumptions and conditions. All intercompany transactions have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current year presentation and have had no impact on net income or stockholders' equity.

Revenue Recognition

Astrotech recognizes revenue employing the generally accepted revenue recognition methodologies described under the provisions of Accounting Standards Codification ("ASC") Topic 606 "Revenue from Contracts with Customers" ("Topic 606"). The methodology used is based on contract type and how products and services are provided. The guidelines of Topic 606 establish a five-step process to govern the recognition and reporting of revenue from contracts with customers. The five steps are: (i) identify the contract with a customer, (ii) identify the performance obligations within the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations within the contract, and (v) recognize revenue when or as the performance obligations are satisfied.

An additional factor is reasonable assurance of collectability. This necessitates deferral of all or a portion of revenue recognition until assurance of collection. During the fiscal years ended June 30, 2026 and 2025, the Company had three customers that each accounted for more than 10% of total revenue.

Revenue from product and services sales are recognized when control of the goods is transferred to the customer which occurs at a point in time typically upon shipment to the customer or completion of the service. This standard applies to all contracts with customers. Warranty obligations associated with the sale of our products are assurance-type warranties that are a guarantee of the product's intended functionality and, therefore, do not represent a distinct performance obligation within the context of the contract. Warranty expense is included in cost of sales.

Contract Assets and Liabilities. The Company enters into contracts to sell products and provide services, and it recognizes contract assets and liabilities that arise from these transactions. The Company recognizes revenue and corresponding accounts receivable according to Topic 606 and, at times, recognizes revenue once all performance obligations have been met, in advance of the time when contracts give us the right to invoice a customer. The Company may also receive consideration, per the terms of a contract, from customers prior to transferring goods to the customer. The Company records customer deposits as deferred revenue. Additionally, the Company may receive payments, most typically for service and warranty contracts, at the onset of the contract and before services have been performed. In such instances, the Company records a deferred revenue liability. The Company recognizes these contract liabilities as sales after all revenue recognition criteria are met.

Contract Liabilities (in thousands)

	June 30, 2026	June 30, 2025
Deferred Revenue	$ 99	$ 143

Deferred revenue decreased from $143 thousand at June 30, 2025 to $99 thousand at June 30, 2026. Revenue recognized during fiscal year ended June 30, 2026 that was included in the beginning deferred revenue balance was approximately $143 thousand. The decrease was primarily attributable to the recognition of deferred revenue associated with DHL maintenance agreements and extended warranty contracts. Included in the amount recognized during fiscal year ended June 30, 2026 was approximately $91 thousand of deferred revenue from prior periods associated with DHL maintenance agreements following a change in the pattern of revenue recognition. Deferred revenue at June 30, 2026 also includes approximately $45 thousand related to a returned unit pending inspection and resolution with the customer.

Revenue under long-term government contracts is recorded under the percentage of completion method. Revenue, billable under cost-plus-fixed-fee contracts, is recorded as costs are incurred and includes estimated earned fees in the proportion that costs incurred to date bear to total estimated costs. Costs include direct labor, direct materials, subcontractor costs and manufacturing and administrative overhead allowable under the contract. General and administrative expenses allowable under the terms of contracts are allocated per contract, depending on its direct labor and material proportion to total direct labor and material of all contracts. As contracts can extend over *one* or more accounting periods, revisions in earnings estimated during the course of work are reflected during the accounting period in which the facts become known. The Company does *not* generally provide an allowance for returns from our government customers because our customer agreements do *not* provide for a right of return.

Practical Expedients. Under its contracts with customers, the Company stands ready to deliver product upon receipt of a purchase order. Accordingly, the Company has no performance obligations under its contracts until its customers submit a purchase order. The Company does not enter into commitments to provide goods or services that have terms greater than one year. In limited cases, the Company does require payment in advance of shipping product. Typically, product is shipped within a few days after prepayment is received. These prepayments are recorded as contract liabilities on the consolidated balance sheet and are included in accounts payable and accrued liabilities. As the performance obligation is part of a contract that has an original expected duration of less than one year, the Company has applied the practical expedient to omit disclosures regarding remaining performance obligations. In cases where the Company is responsible for shipping after the customer has obtained control of the goods, it has elected to treat the shipping activities as fulfillment activities rather than as a separate performance obligation. The Company also applies a practical expedient to expense direct costs of obtaining a contract when incurred because the amortization period would have been one year or less.

Product Sales. The Company recognizes revenue from sales of products upon shipment or delivery when control of the product transfers to the customer, depending on the terms of each sale, and when collection is probable. In the circumstance where terms of a product sale include subjective customer acceptance criteria, revenue is deferred until the Company has achieved the acceptance criteria unless the customer acceptance criteria are perfunctory or inconsequential. The Company generally offers customers payment terms of 60 days or less.

Freight. The Company records shipping and handling fees that it charges to its customers as revenue and related costs as cost of goods sold.

Multiple Performance Obligations. Certain agreements with customers include the sale of equipment involving multiple elements in cases where obligations in a contract are distinct and thus require separation into multiple performance obligations, revenue recognition guidance requires contract consideration be allocated to each distinct performance obligation based on its relative standalone selling price. In general, our performance obligations are related to the sale of TRACER 1000 systems, training, associated consumables which can be delivered in multiple occurrences, and future maintenance. The value allocated to each performance obligation is then recognized as revenue when the revenue recognition criteria for each distinct promise or bundle of promises has been met.

The standalone selling price for each performance obligation is an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the good or service. When there is only one performance obligation associated with a contract, the entire amount of consideration is attributed to that obligation. When a contract contains multiple performance obligations the standalone selling price is first estimated using the observable price, which is generally a list price net of applicable discount or the price used to sell the good or service in similar circumstances. In circumstances when a selling price is not directly observable, the Company will estimate the standalone selling price using information available including our market assessment and expected cost plus margin.

The timetable for fulfilment of each of the distinct performance obligations can range from completion in a short amount of time and entirely within a single reporting period to completion over several reporting periods. The timing of revenue recognition for each performance obligation may be dependent upon several milestones, including physical delivery of equipment, completion of site acceptance test, and in the case of after-market consumables and service deliverables, the passage of time.

Foreign Currency

The Company's international operations are subject to certain opportunities and risks, including from foreign currency fluctuations and governmental actions. During fiscal years 2026 and 2025, the Company conducted business in multiple foreign countries. The Company closely monitors its operations in each country in which it does business and seeks to adopt appropriate strategies that are responsive to changing economic and political environments. The Company currently conducts business in the U.S. dollar and the Euro. Revenues, costs, and expenses are translated at the applicable rate on the date of the transaction. Translation gains and losses, if any, are calculated on accounts receivable or accounts payable outstanding at the rate applicable at the end of the period. The Company includes gains and losses resulting from foreign currency transactions in income, while it excludes those resulting from translation of financial statements from income and includes them as a component of accumulated other comprehensive loss when applicable. Transaction gains and losses, which were included in the Company's consolidated statements of operations and comprehensive loss, were not material for the fiscal years ended June 30,2026 and June 30, 2025.

Warranty Provision

Astrotech offers its customers warranties on the products that it sells. These warranties typically provide for repairs and maintenance of the products if problems arise during a specified time period after original shipment. Concurrent with the sale of products, the Company records a provision for estimated warranty expenses with a corresponding increase in cost of goods sold. The Company periodically adjusts this provision based on historical experience and anticipated expenses. The Company charges actual expenses of repairs under warranty, including parts and labor, to this provision when incurred. The current obligation for warranty provision is included in accrued expenses and other liabilities in the consolidated balance sheets, whose activity for each of the two fiscal years ended June 30, 2026 and 2025 is summarized in the following table:

(In thousands)	**Warranty Provision**
Balance as of June 30, 2024	$ 184
Accruals for new warranties issued	75
Settlements made	(62)
Balance as of June 30, 2025	197
Accruals for new warranties issued	65
Settlements made	(63)
Balance as of June 30, 2026	$ 199

Segment Reporting

The accounting guidance on Segment Reporting establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in financial statements. Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the chief operating decision maker ("CODM") in making decisions on how to allocate resources and assess performance. The Company operates as one reportable segment. The Company's CODM is Thomas B. Pickens III, Chief Executive Officer, Chief Technology Officer and Chairman of the Board. The CODM evaluates performance and allocates resources based on consolidated financial information. The CODM regularly reviews revenue, research and development expenses, selling, general and administrative expenses, loss from operations, cash balances, operating cash flows, and liquidity information to assess performance, monitor liquidity, and allocate resources. The Company has determined that it has a single reportable segment because all operations are managed and evaluated on a consolidated basis. Net sales attributed to customers in the United States and foreign countries for the years ended June 30, 2026 and 2025 were as follows:

Revenue by Segment	**Twelve Months Ended**	
(In thousands)	**June 30, 2026**	**June 30, 2025**
United States	$ 686	$ 730
Foreign Countries	$ 227	$ 319
Total Revenue	**$ 913**	**$ 1,049**

Product Revenue	**Twelve Months Ended**	
(In thousands)	**June 30, 2026**	**June 30, 2025**
Product Revenue	610	804
Grant Revenue	205	115
Service Revenue	97	130
Total Revenue	**$ 913**	**$ 1,049**

Significant Segment Expenses	**Twelve Months Ended**	
(In thousands)	**June 30, 2026**	**June 30, 2025**
Revenue	913	1,049
Research and development expense	(6,484)	(8,142)
Selling, general and administrative expense	(7,871)	(7,067)
Other segment items	(696)	(574)
Loss from Operations	$ (14,138)	**$ (14,734)**

Other segment items represent the difference between revenue less the significant expense categories disclosed above and loss from operations. Other segment items primarily consist of cost of revenue, including direct labor, direct materials, warranty costs, and other manufacturing and production-related costs.

Research and Development

Research and development costs are expensed as incurred. Research and development costs are used to improve system functionality, streamline and simplify the user experience, and extend our capabilities into customer-defined, application-specific opportunities. Research and development expenses for the fiscal years ended June 30, 2026 and 2025, were $6.5 million and $8.1 million, respectively.

Net Loss per Common Share

Basic net loss per common share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is the same as basic net loss per common share as the potential dilutive shares are considered to be anti-dilutive. For more information, see Note 11.

Cash and Cash Equivalents

The Company considers short-term investments with original maturities of three months or less to be cash equivalents. Cash equivalents are comprised primarily of money market and mutual fund investments.

Accounts Receivable

The carrying value of the Company's accounts receivable, net of an allowance for doubtful accounts, if any, represents their estimated net realizable value. Astrotech estimates an allowance for doubtful accounts based on type of customer, age of outstanding receivable, historical collection trends, and existing economic conditions. If events or changes in circumstances indicate that a specific receivable balance may be unrealizable, further consideration is given to the collectability of those balances, and the allowance is adjusted accordingly. Receivable balances deemed uncollectible are written off against the allowance. The Company anticipates collecting all unreserved receivables within one year. As of June 30, 2026 and 2025, there was no allowance for doubtful accounts deemed necessary.

Allowance for Credit Losses on Financial Instruments

In accordance with ASC Topic 326 *Credit Losses - Measurement of Credit Losses on Financial Instruments* (ASC 326), the Company utilizes the current expected credit losses ("*CECL*") model to determine an allowance that reflects its best estimate of the lifetime expected credit losses on accounts receivable and deposit, prepayments. The *CECL* model is prepared after considering historical experience, current conditions, and reasonable and supportable economic forecasts to estimate lifetime expected credit losses. Accounts receivable and deposit, prepayments, and others receivable are written off when deemed uncollectible. The Company has not incurred credit losses in fiscal years 2026 or 2025.

Inventory

The Company computes inventory cost on a first-in, first-out basis, and inventory is valued at the lower-of-cost or net realizable value. The valuation of inventory also requires the Company to estimate obsolete and excess inventory as well as inventory that is not of saleable quality. The Company provides reserves for discontinued, slow-moving and excess inventory based upon historical demand calculations, forecasted usage, estimated customer requirements and product line updates. As of June 30, 2026, and 2025, inventory reserves were $338 thousand and $346 thousand, respectively.

Property and Equipment, net

Property and equipment are stated at cost, less accumulated depreciation. All furniture, fixtures, and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets, which generally ranges from 60 to 120 months. Purchased software is typically depreciated over three years. Leasehold improvements are amortized over the shorter of the useful life of the improvement or the term of the lease. Repairs and maintenance are expensed when incurred.

Internal Use Software

The Company has adopted the provisions of ASC *350-40*, *Internal-Use Software*, and therefore the costs incurred in the preliminary stages of development are expensed as incurred. The Company capitalizes all direct external costs related to software developed or obtained for internal use when management commits to funding the project, the preliminary project stage is completed and when technological feasibility is established. Once a new functionality or improvement is released for operational use, the asset is moved from the property and equipment category "capital improvements in progress" to a property and equipment asset subject to depreciation. Capitalization of costs ceases when the project is substantially complete and ready for its intended use. Computer software is amortized using the straight-line method over an estimated useful life of three years.

Impairment of Long-Lived Assets

The Company continuously evaluates its long-lived assets for impairment to assess whether the carrying amount of an asset may not be recoverable. Our evaluation is based on an assessment of potential indicators of impairment, such as an adverse change in the business climate that could affect the value of an asset, current or forecasted operating or cash flow losses that demonstrate continuing losses associated with the use of an asset, and a current expectation that, more likely than not, an asset will be disposed of before the end of its previously estimated useful life. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. There was no impairment of long-lived assets recorded for fiscal years ended June 30, 2026. The Company had an impairment of long-lived assets expense of $197 thousand for the year ended June 30, 2025, related to internal use software. Assets to be disposed of are reported at the carrying amount. Recoverability of long-lived assets is dependent on a number of conditions, including uncertainty about future events and demand for our services.

Fair Value of Financial Instruments

Astrotech's financial instruments consist of cash and cash equivalents, available for sale investments, accounts receivable, accounts payable, and accrued liabilities. Management believes the carrying amounts of these assets and liabilities approximate their fair value due to their liquidity. The Company is required to measure certain assets and liabilities at fair value, either upon initial measurement or for subsequent accounting or reporting. The Company uses fair value extensively, including in the initial measurement of net assets acquired in a business combination and when accounting for and reporting on certain financial instruments. The Company estimates fair value using an exit price approach, which requires, among other things, that it determine the price that would be received to sell an asset or paid to transfer a liability in an orderly market. The determination of an exit price is considered from the perspective of market participants, considering the highest and best use of assets and, for liabilities, assuming the risk of non-performance will be the same before and after the transfer. A single estimate of fair value results from a complex series of judgments about future events and uncertainties and relies heavily on estimates and assumptions. When estimating fair value, depending on the nature and complexity of the asset or liability, the Company generally uses one or more of the following approaches:

- Market approach, which is based on market prices and other information from market transactions involving identical or comparable assets or liabilities.
- Cost approach, which is based on the cost to acquire or construct comparable assets less an allowance for functional and/or economic obsolescence.
- Income approach, which is based on the present value of the future stream of net cash flows.

For more information about the Company's accounting policies surrounding fair value investments, see Note 6.

Available-for-Sale Investments

Investments that are designated as available-for-sale are reported at fair value, with unrealized gains and losses recorded in accumulated other comprehensive loss. The Company determines the cost of investments sold based on a first-in, first-out cost basis at the individual security level. The Company also considers specific adverse conditions related to the financial health of, and the business outlook for, the investee which may include industry and sector performance, changes in technology, operational and financing cash flow factors, and changes in the investee's credit rating. The Company records other than temporary impairments on marketable equity securities and marketable equity method investments in gains (losses) on equity investments, net of previously recorded gains (losses). For more information on investments, see Note 3.

Leases

The Company determines, at the inception of an arrangement, whether the arrangement is or contains a lease, based on the unique facts and circumstances present. Operating lease assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent its obligation to make lease payments arising from the lease. Right-of-use ("ROU") assets and operating lease liabilities are recognized at the commencement date of the lease based upon the present value of lease payments over the lease term. When determining the lease term, the Company includes options to extend or terminate the lease when it is reasonably certain, at inception, that the Company will exercise that option. The interest rate implicit in lease contracts is typically not readily determinable; accordingly, the Company uses its incremental borrowing rate, which is the rate that would be incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment, based upon the information available at the commencement date. The lease payments used to determine the Company's operating lease assets may include lease incentives, stated rent increases and escalation clauses linked to rates of inflation, when determinable, and are recognized in determining its ROU assets. The Company's operating leases are reflected in the operating lease, right-of-use assets; lease liabilities, current; and lease liabilities, non-current in its consolidated balance sheets.

Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. As a result of the Company's adoption of ASU 2016-02, it no longer recognizes deferred rent on the consolidated balance sheet. Short-term leases, defined as leases that have a lease term of 12 months or less at the commencement date, are excluded from this treatment and are recognized on a straight-line basis over the term of the lease. Variable lease payments are amounts owed by the Company to a lessor that are not fixed, such as reimbursement for common area maintenance costs for our facility lease and are expensed when incurred.

Financing leases, formerly referred to as capitalized leases, are treated similarly to operating leases except that the asset subject to the lease is included in the appropriate fixed asset category, rather than recorded as a right-of-use asset, and depreciated over its estimated useful life, or lease term, if shorter. For more information, see Note 4.

Stock-Based Compensation

The Company grants restricted stock awards, and stock options to certain directors, officers, and employees. The fair value of restricted stock awards is the market price of the Company's common stock as of the grant date, and the fair value of each stock option grant is estimated as of the grant date using the Black-Scholes option pricing model. Determining the fair value of stock option awards at the grant date requires judgment about, among other things, stock volatility, the expected life of the award, and other inputs.

Share-based compensation is recorded over the requisite service period, generally defined as the vesting period. The Company records share-based compensation for service-based restricted stock awards and stock options on a straight-line basis over the requisite service period of the entire award. The Company accounts for forfeitures as they occur. The Company issues new shares of common stock to satisfy exercises and vesting of awards granted under its stock plans. Share-based compensation expense is reflected in personnel costs in the consolidated. statements of comprehensive income.

The Company accounts for stock-based awards to employees based on the fair value of the award on the grant date. The fair value of stock options is estimated using the expected dividend yields of the Company's stock, the expected volatility of the stock, the expected length of time the options remain outstanding, and the risk-free interest rates. Changes in one or more of these factors may significantly affect the estimated fair value of the stock options. The Company recognizes forfeitures as they occur. The fair value of awards that are likely to meet goals, if any, are recorded as an expense over the vesting period. For more information, see Note 10.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Valuation allowances are established, when necessary, to reduce deferred tax assets to amounts that are more likely than not to be realized. As of June 30, 2026 and 2025, the Company had established a full valuation allowance against all of its net deferred tax assets.

For the fiscal years ended June 30, 2026 and 2025, the Company incurred losses from operations in the amount of $14.4 million and $13.8 million, respectively. The effective tax rate for the fiscal years 2026 and 2025 were (0.03%) and (0.01%), respectively. There is materially no current state tax expense.

Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 740, Income Taxes addresses the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken or expected to be taken on a tax return. The Company had unrecognized tax benefits of $848 thousand as of June 30, 2026, all of which has been accounted for as contra deferred tax assets.

For the years ended June 30, 2026 and 2025, the Company's effective tax rate differed from the federal statutory rate of 21%, primarily due to tax credits and the valuation allowance against its net deferred tax assets.

Treasury Stock

The Company records treasury stock at the cost to acquire it and includes treasury stock as a component of stockholders' equity. During fiscal year 2023, Astrotech repurchased from the open market $119 thousand in treasury stock now held by the Company. There were no new additional purchases in fiscal year 2026.

Accounting Pronouncements

In November 2023, FASB issued Accounting Standard Update ("ASU") No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires disclosure of incremental segment information on an annual and interim basis. The ASU is effective for fiscal years beginning after December 15, 2023, with retrospective application to all prior periods presented. We adopted this standard in fiscal year 2025. The Company implemented enhanced annual segment reporting disclosures based on new requirements.

ASU 2022-04 - *Supplier Finance Program (SFP)*. This ASU requires that a buyer in an SFP disclose qualitative and quantitative information about its program, including the nature of the SFP and key terms, outstanding amounts as of the end of the reporting period, and presentation in its financial statements. This pronouncement has not impacted the Company's consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*" which is intended to enhance the transparency and decision usefulness of income tax disclosures. The guidance addresses investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. The guidance is effective for annual periods beginning after December 15, 2024. The adoption of this guidance did not have a material effect on the Company's consolidated financial statements, but it resulted in additional income tax disclosures in the notes to the consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB issued Accounting Standards Update 2024-03 "*Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*" which requires that at each interim and annual reporting period an entity:

1. Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the listed expense categories.

2. Include certain amounts that are already required to be disclosed under current generally accepted accounting principles (GAAP) in the same disclosure as the other disaggregation requirements.

3. Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.

4. Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

These amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027: either (1) prospectively to financial statements issued for reporting periods after the effective date of this Update or (2) retrospectively to any or all prior periods presented in the financial statements. The Company expects to enhance disclosures of expenses based on new requirements.

In November 2024, the FASB also issued Accounting Standards Update 2024-04 "*Debt - Debt with Conversion and Other Options (Subtopic 470-20)* "*Induced Conversions of Convertible Debt Instruments*" to clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. Under the amendments, to account for a settlement of a convertible debt instrument as an induced conversion, an inducement offer is required to provide the debt holder with, at a minimum, the consideration (in form and amount) issuable under the conversion privileges provided in the terms of the instrument. An entity should assess whether this criterion is satisfied as of the date the inducement offer is accepted by the holder. If, when applying this criterion, the convertible debt instrument had been exchanged or modified (without being deemed substantially different) within the one-year period leading up to the offer acceptance date, an entity should compare the terms provided in the inducement offer with the terms that existed one year before the offer acceptance date. The amendments in this Update also clarify that the induced conversion guidance applies to a convertible debt instrument that is not currently convertible as long as it had a substantive conversion feature as of both its issuance date and the date the inducement offer is accepted. The amendments are effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. The Company does not have convertible debt and does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

Other accounting pronouncements issued but not yet effective are not believed by management to be relevant or to have a material impact on the Company's present or future consolidated financial statements.

(3) Investments

The following tables summarize gains and losses related to the Company's investments:

	June 30, 2026			
Available-for-Sale (In thousands)	**Adjusted Cost**	**Unrealized Gain**	**Unrealized Loss**	**Fair Value**
Mutual Funds - Corporate & Government Debt	$ 3,263	$ —	$ (316)	$ 2,947
ETFs - Corporate & Government Debt	—	—	—	—
Total	**$ 3,263**	$ —	**$ (316)**	**$ 2,947**

	June 30, 2025			
Available-for-Sale (In thousands)	**Adjusted Cost**	**Unrealized Gain**	**Unrealized Loss**	**Fair Value**
Mutual Funds - Corporate & Government Debt	$ 10,547	$ —	$ (668)	$ 9,879
ETFs - Corporate & Government Debt	5,425	—	(196)	5,229
Total	**$ 15,972**	$ —	**$ (864)**	**$ 15,108**

Realized Gains and Losses on Available-for-Sale Securities (In thousands)	**June 30, 2026**	**June 30, 2025**
Proceeds from sales of available-for-sale securities	$ 12,696	$ 6,678
Gross realized gains	58	24
Gross realized losses	(606)	(32)

We have certain financial instruments on our consolidated balance sheets related to interest-bearing time deposits. Time deposits with maturities of less than 90 days, if any, from the purchase date are included in "Cash and Cash Equivalents." Time deposits with maturities from 91-360 days, if any, are included in "Short-term investments." Time deposits with maturities of more than 360 days, if any, are included in "Long-term investments." As of June 30, 2026 and 2025, the Company had no long-term investments. For more information about the fair value of the Company's financial instruments, see Note 6.

The following table presents the carrying amounts of certain financial instruments as of June 30, 2026 and 2025:

	Carrying Value			
	Short-Term Investments		Long-Term Investments	
(In thousands)	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Money Market Funds				
Mutual Funds - Corporate & Government Debt	$ 2,947	$ 9,879	$ —	$ —
ETFs - Corporate & Government Debt	-	$ 5,229	—	—
Total	**$ 2,947**	**$ 15,108**	**$ —**	$ —

(4) Leases

Operating lease assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate in determining the present value of lease payments. Significant judgment is required when determining the Company's incremental borrowing rate. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The amortization expense for financed lease assets totaled approximately $125 thousand for the year ended June 30, 2026 and $126 thousand for the years ended June 30, 2025.

On January 20, 2025, the Company entered into a lease extension to extend the terms of the leases associated with a prior lease agreement related to a research and development facility and an additional facility (the "Donley Facilities") effective May 1, 2025. The Company occupied the Donley Facilities through October, 2025 and subsequently transitioned operations to a new facility in Austin, Texas.

On January 29, 2025, we entered into a new lease agreement for a facility of approximately 17,628 square feet in Austin, Texas (the "Metric Facility") for a term of 89 months, which such term commenced July 1, 2025. The Metric Facility is intended to support and encompass all Austin based functions. Our total contractual base rent obligation for the Metric Facility is approximately $3.0 million, less a tenant allowance of $317.3 thousand. Base rent is subject to annual increases over the lease term.

The balance sheet presentation of the Company's operating and finance leases is as follows:

(In thousands)	Classification on the Consolidated Balance Sheet	June 30, 2026	June 30, 2025
Assets:			
Operating lease assets	Operating lease right-of-use assets, net	$ 1,834	$ 2,225
Financing lease assets	Property and equipment, net	$ 108	79
Total lease assets		$ **1,942**	$ **2,304**
Liabilities:			
Current:			
Operating lease obligations	Lease liabilities, current	$ 257	$ 381
Financing lease obligations	Lease liabilities, current	$ 25	24
Non-current:			
Operating lease obligations	Lease liabilities, non-current	2,000	2,225
Financing lease obligations	Lease liabilities, non-current	$ 24	49
Total lease liabilities		$ **2,306**	$ **2,679**

Future minimum lease payments as of June 30, 2026 under non-cancelable leases are as follows (in thousands):

For the Year Ended June 30,	Operating Leases	Financing Leases	Total
2027	$ 361	$ 26	$ 387
2028	374	$ 26	400
2029	353	—	353
2030	438	—	438
2031	454	—	454
Thereafter	673	—	673
Total lease obligations	2,653	52	2,705
Imputed interest	(396)	(3)	(399)
Present value of net minimum lease obligations	**2,257**	**49**	2,306
Lease liabilities - current	(257)	(25)	(282)
Lease liabilities - non-current	$ **2,000**	$ **24**	$ **2,024**

Other information as of June 30, 2026 is as follows:

Weighted-average remaining lease term (years):	
Operating leases	6.4
Financing leases	2.0
Weighted-average discount rate:	
Operating leases	4.8%
Financing leases	6.1%

Cash payments for operating leases for the years ended June 30, 2026 and 2025 totaled $347 thousand and $170 thousand, respectively. Cash payments for finance leases totaled approximately $24 thousand and $94 thousand for the years ended June 30, 2026, and 2025, respectively.

(5) Property and Equipment, net

As of June 30, 2026 and 2025, property and equipment, net consisted of the following:

	June 30,	
(In thousands)	**2026**	**2025**
Furniture, fixtures, equipment & leasehold improvements	$ 4,789	$ 3,960
Software	$ 323	323
Capital improvements in progress	$ 41	327
Gross property and equipment	**5,153**	**4,610**
Accumulated depreciation	(2,770)	(2,215)
Property and equipment, net	$ **2,383**	$ **2,395**

Total depreciation and amortization expense of property and equipment was $896 thousand for the year ended June 30, 2026 and $962 thousand for the year ended June 30, 2025. Depreciation and amortization expense includes depreciation of financed equipment of $125 thousand and $126 thousand for the years ended June 30, 2026 and 2025, respectively.

(6) Fair Value Measurement

ASC Topic 820 “Fair Value Measurement” (“Topic 820”) defines fair value, establishes a market-based framework or hierarchy for measuring fair value, and expands disclosures about fair value measurements. Topic 820 is applicable whenever assets and liabilities are measured and included in the financial statements at fair value. The fair value hierarchy established in the standard prioritizes the inputs used in valuation techniques into three levels as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The following tables present the carrying amounts, estimated fair values, and valuation input levels of certain financial instruments as of June 30, 2026, and June 30, 2025:

	June 30, 2026				
	Carrying	Fair Value Measured Using			Fair
(In thousands)	Amount	Level 1	Level 2	Level 3	Value
Available-for-Sale Securities					
Short-Term Investments					
Mutual Funds - Corporate & Government Debt	$ 2,947	$ 2,947	$ —	$ —	$ 2,947
ETFs - Corporate & Government Debt	—	—	—	—	—
Time Deposits: 91-360 days	—	—	—	—	
Total Available-for-Sale Investments	**$ 2,947**	**$ 2,947**	$ —	$ —	**$ 2,947**

	June 30, 2025				
	Carrying	Fair Value Measured Using			Fair
(In thousands)	Amount	Level 1	Level 2	Level 3	Value
Available-for-Sale Securities					
Short-Term Investments					
Mutual Funds - Corporate & Government Debt	$ 9,879	$ 9,879	$ —	$ —	$ 9,879
ETFs - Corporate & Government Debt	5,229	5,229	—	—	5,229
Time Deposits	—	—	—	—	—
Total Available-for-Sale Investments	**$ 15,108**	**$ 15,108**	$ —	$ —	**$ 15,108**

The value of available-for-sale investments is based on pricing from third-party pricing vendors, who may use quoted prices in active markets for identical assets (Level 1 inputs).

(7) Stockholders' Equity

Common Stock

On November 22, 2022, the Company filed a third amendment (the "Amendment") to the Company's Certificate of Incorporation (as amended, the "Certificate of Incorporation") with the Secretary of State of the State of Delaware to effect a 1-for-30 stock split of all of the Company's issued and outstanding shares of Common Stock. The Amendment provided that, at the effective time of the Reverse Stock Split, every 30 shares of the Company's issued and outstanding Common Stock were automatically combined into one validly issued, fully paid and non-assessable share of Common Stock, without effecting a change to the par value per share. The Reverse Stock Split affected all shares of the Company's Common Stock outstanding immediately prior to the effective time of the Reverse Stock Split, as well as the number of shares of Common Stock available for issuance under the Company's equity incentive plans. In addition, the Reverse Stock Split effected a reduction in the number of shares of Common Stock issuable upon the exercise of stock options and warrants outstanding immediately prior to the effectiveness of the Reverse Stock Split with a corresponding increase in exercise price per share. The Reverse Stock Split also triggered a proportionate adjustment to the number of shares of Common Stock issuable upon the conversion of our Series D convertible preferred stock, par value of $0.001 per share ("Series D Preferred Shares"). All historical per share data, number of shares outstanding, and other common stock equivalents for the periods presented in the accompanying consolidated financial statements and notes thereto have been adjusted retroactively, where applicable, to reflect the Reverse Stock Split.

Preferred Stock

The Company has issued 280,898 shares of Series D Preferred Shares, all of which were issued and outstanding as of June 30, 2026. Series D Preferred Shares are convertible to common stock on a one-for-thirty basis, representing approximately 9,363 shares of common stock upon conversion. Series D Preferred Shares are not callable by the Company. The holder of the preferred stock is entitled to receive, and we shall pay, dividends on shares equal to and in the same form as dividends actually paid on shares of common stock when, and if, such dividends are paid on shares of common stock. No other dividends are paid on the preferred shares. Preferred shares have no voting rights. Upon liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, the preferred shares have preference over common stock. The holder of Series D Preferred Shares has the option to convert said shares to common stock at the holder's discretion.

Rights Plan

On December 21, 2022, the Company's Board of Directors adopted a limited duration stockholder rights plan (the "Rights Plan") expiring December 20, 2023 and declared a dividend of one preferred share purchase right for each outstanding share of common stock to stockholders of record on January 5, 2023 to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock, par value $0.001 per share, of the Company for an exercise price of $58.00 once the rights become exercisable, subject to the terms of and adjustment as provided in the related rights agreement.

On December 18, 2023, the Company entered into Amendment No. 1 to the Rights Agreement between the Company and Equiniti Trust Company, as Rights Agent (the "Amendment"), which extended the Final Expiration Date (as defined in the Rights Plan) to December 20, 2024. On December 12, 2024, the Company entered into Amendment No. 2 to the Rights Agreement between the Company and the Rights Agent, which extended the Final Expiration Date to December 20, 2025, unless the Final Expiration Date is further extended by the Company or the rights subject to the Rights Plan are earlier redeemed or exchanged by the Company in accordance with the terms of the Rights Plan. On December 12, 2025, the Company entered into Amendment No. 3 to the Rights Agreement between the Company and the Rights Agent, which extended the Final Expiration Date to December 20, 2026. All other terms and conditions of the Rights Plan remain unchanged.

Warrants

A summary of the common stock warrant activity for the year ended June 30, 2026 is presented below:

	Shares (In thousands)	Weighted Average Exercise Price	Aggregate Fair Market Value at Issuance (In thousands)	Weighted Average Remaining Contractual Life (in years)
Outstanding at June 30, 2024	**80**	$ **72.10**	$ **3,747**	**1.60**
Issued	—	—	—	—
Exercised	—	—	—	—
Canceled or expired	(3)	154	(194)	—
Outstanding at June 30, 2025	**77**	$ **69.04**	$ **3,553**	**0.63**
Issued	—	—	—	—
Exercised	—	—	—	—
Canceled or expired	(77)	—	(3,553)	—
Outstanding at June 30, 2026	**—**	**—**	**—**	**—**

The following represents a summary of the warrants outstanding at each of the dates identified:

				Number of Shares Underlying Warrants (In thousands)	
				For the period ended June 30,	
Issue Date	**Classification**	**Exercise Price**	**Expiration Date**	**2026**	**2025**
March 26, 2020	Equity	$ 187.50	March 25, 2025	—	—
March 30, 2020	Equity	$ 140.63	March 27, 2025	—	—
October 23, 2020	Equity	$ 86.25	October 21, 2025	—	15
October 28, 2020	Equity	$ 80.63	October 28, 2025	—	6
February 16, 2021	Equity	$ 121.88	February 11, 2026	—	6
April 12, 2021	Equity	$ 56.25	April 7, 2026	—	50
Total Outstanding				**—**	**77**

Shelf Registration Statement

On January 28, 2026, the Company filed a shelf registration statement on Form S-3 (File No. 333-293023), declared effective on January 30, 2026, by the SEC, which included a base prospectus that allows the Company to offer and sell, from time to time, in one or more offerings, common stock, preferred stock, debt securities, warrants, rights or units up to an aggregate public offering price of $30 million. On June 3, 2026, the Company filed a prospectus supplement (the “Prior Prospectus Supplement”) to the prospectus dated January 30, 2026, relating to the offer and sale of our common stock under the ATM Program, whereby we initially registered an aggregate offering price of approximately $24.4 million shares of our common stock.

On June 30, 2026, the Company filed a shelf registration statement on Form S-3 (File No. 333-297144), declared effective on July 7, 2026 (the “Registration Statement”) by the SEC, which included a base prospectus that allows the Company to offer and sell, from time to time, in one or more offerings, common stock, preferred stock, debt securities, warrants, rights or units up to an aggregate public offering price of $200 million. On August 19, 2026, the Company filed a prospectus supplement to the Registration Statement to increase the remaining shares of our common stock available for issuance under the ATM Agreement to $50 million, which and replaced and superseded in its entirety, the Prior Prospectus Supplement. As of September 23, 2026, we have sold 258,856 shares of our common stock under the ATM Program for gross proceeds of approximately $7.9 million.

(8) Business Risk and Credit Risk Concentration Involving Cash

During fiscal year ended June 30, 2026, three customers individually accounted for more than 10% of the Company's total revenue. Revenue from these customers was approximately $265 thousand (29%), $219 thousand (24%), and $201 thousand (22%), respectively. The Company operates as a single reporting segment. Additionally, the material amount of the Company's receivables was comprised by four companies for the fiscal year ended June 30, 2026 and two companies for the fiscal year ended June 30, 2025.

The Company maintains funds in bank accounts that may exceed the limit insured by the Federal Deposit Insurance Corporation. The risk of loss attributable to these uninsured balances is mitigated by depositing funds in what the Company believes to be high credit quality financial institutions. The Company has not experienced any losses in such accounts. The general insurance limit is $250,000 per separately insured depositor. These balances as of June 30, 2026, are $7.8 million across three financial institutions.

The Company's ability to raise capital through its ATM program depends on market conditions, trading volume, and other factors beyond its control. Sales under the program may result in dilution to existing stockholders, and the availability of additional shares for issuance could create an overhang on the Company's common stock. If market conditions are unfavorable, the Company may not be able to access the program on attractive terms, or at all.

(9) Common Stock Incentive, Stock Purchase Plans, and Other Compensation Plans

Stock Option Activity Summary

The Company's stock option activity for the years ended June 30, 2026 and 2025 was as follows:

	Shares	Weighted Average Exercise Price
Outstanding at June 30, 2024	**156,628**	$ **14.18**
Granted	102,260	9.43
Exercised	—	—
Canceled or expired	(45,775)	12.10
Outstanding at June 30, 2025	**213,113**	$ **12.35**
Granted	78,250	4.84
Exercised	(40,770)	8.42
Canceled or expired	(56,937)	7.62
Outstanding at June 30, 2026	**193,656**	$ **11.67**

Range of exercise prices	Number Outstanding	Options Outstanding Weighted-Average Remaining Contractual Life (years)	Options outstanding intrinsic value	Weighted-Average Exercise Price	Number Exercisable	Options Exercisable Weighted-Average Exercise Price	Options exercisable intrinsic value
$4.73 – $9.69	65,400	8.92	$ 354,721	$ 5.49	5,636	$ 8.24	$ 15,069
$10.10 – $11.27	60,462	7.25	48,974	10.10	36,155	10.10	29,286
$11.51– $19.20	65,853	7.17	—	14.57	37,551	16.86	—
$159– $175.50	1,941	0.86	—	170.33	1,941	170.33	—
$4.73 – $175.50	**193,656**	**7.72**	**403,695**	**$ 11.67**	**81,283**	**$ 16.92**	**44,355**

Compensation costs recognized related to vested stock option awards during the years ended June 30, 2026 and 2025 were $527 thousand and $622 thousand, respectively. As of June 30, 2026, there was $389 thousand of total unrecognized compensation cost related to non-vested stock option awards, which is expected to be recognized over a weighted average period of 1.5 years.

Restricted Stock

The Company's restricted stock activity for the years ended June 30, 2026 and 2025, was as follows:

	Shares	Weighted Average Grant-Date Fair Value
Outstanding at June 30, 2024	**43,773**	$ **15.36**
Granted	65,000	5.90
Vested	(15,163)	14.85
Canceled or expired	(7,776)	10.97
Outstanding at June 30, 2025	**85,834**	$ **14.11**
Granted	30,030	5.90
Vested	(62,413)	6.62
Canceled or expired	—	—
Outstanding at June 30, 2026	**53,451**	$ **8.42**

Compensation costs recognized related to vested restricted stock awards during the years ended June 30, 2026 and 2025 were $393 thousand and $208 thousand, respectively. As of June 30, 2026, there was $363 thousand of unrecognized compensation cost related to restricted stock, which is expected to be recognized over a weighted average period of 6.57 years.

Stock-based Compensation in Operating Expenses

The Company's stock-based compensation by category for the years ended June 30, 2026 and 2025 was as follows:

(in thousands)	Year Ended June 30, 2026	Year Ended June 30, 2025
Selling, Administration and General	$ 251	$ 665
Research & Development	670	165
Total	**$ 921**	**$ 830**

Fair Value of Stock-Based Compensation

Stock-based compensation costs are generally based on the fair value calculated from the Black-Scholes model on the date of the grant of stock options. The fair values of stock options are amortized as compensation expense on a straight-line basis over the vesting period of the grants. The Company recognizes forfeitures as they occur. The assumptions used for the years ended June 30, 2026 and 2025 and the resulting estimates of weighted-average fair value per share of options granted or modified are summarized in the following table:

	Year Ended June 30, 2026	Year Ended June 30, 2025
Expected Dividend Yield	—	—
Expected Volatility	121.03%	100.06%
Risk-Free Interest Rates	4.44%	4.24%
Expected Option Life (in years)	3.5	3.5
Weighted-average grant-date fair value of options awarded	$ 10.51	$ 15.80

- The expected dividend yield is based on the Company's current dividend yield and the best estimate of projected dividend yield for future periods within the expected life of the option, which is currently 0%.
- The Company estimated volatility using the historical share price performance over the expected life. Management believes the historical estimated volatility is materially indicative of expectations about future volatility.
- The estimate of the risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant.
- For the years ended June 30, 2026 and 2025, the Company used the simplified method of calculating the expected life of the options.

(10) Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Valuation allowances are established, when necessary, to reduce deferred tax assets to amounts that are more likely than not to be realized. As of June 30, 2026 and 2025, the Company had established a full valuation allowance against all of its net deferred tax assets.

For the fiscal years ended June 30, 2026, 2025, and 2024, the Company incurred losses from operations in the amount of $14.4 million, $13.8 million, and $11.7 million, respectively. The effective tax rates for fiscal years 2026, 2025, and 2024 were (0.03%), (0.01%), and (0.01%), respectively. There is materially no current state tax expense.

FASB ASC 740, Income Taxes addresses the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken or expected to be taken on a tax return. The Company had unrecognized tax benefit of $848 thousand as of June 30, 2026, all of which has been accounted for as contra deferred tax assets.

For the years ended June 30, 2026 and 2025, the Company's effective tax rate differed from the federal statutory rate of 21%, primarily due to tax credits and the valuation allowance against its net deferred tax assets.

Income Tax Expense and Effective Tax Rate

The components of income tax benefit/ (expense) from operations are as follows:

	Year Ended June 30,	
(In thousands)	**2026**	**2025**
Current		
Federal	$ —	$ —
State and local	(3)	(2)
Total current tax benefit/ (expense)	$ (3)	$ (2)
Deferred		
Federal	(1)	—
State and local	—	—
Total deferred tax benefit/ (expense)	$ (1)	$ —
Total tax benefit/ (expense)	$ (4)	$ (2)

The $3 thousand and $2 thousand of current state tax expense for the June 2026 and 2025 years, respectively, relate to state minimum taxes.

Net Cash Paid for Income Taxes

The following table presents the net cash paid by the Company for income taxes during the year ended June 30, 2026:

(In thousands)	**2026**
Domestic	
Federal	$ —
States	
Massachusetts	$ 3
Other	1
Foreign	—
Total	$ **4**

The table below provides the income tax rate reconciliation for the year ended June 30, 2025, prepared in accordance with the disclosure requirements in effect prior to the Company's adoption of ASU 2023-09. As the Company adopted ASU 2023-09 on a prospective basis, the rate reconciliation for periods prior to the year ended June 30, 2025 has not been recast to reflect the updated categories and disaggregation requirements of ASU 2023-09. See Note 2. Summary of Significant Accounting Policies —Recent Accounting Pronouncements for additional details on the adoption of ASU 2023-09

A reconciliation of the reported income tax benefit to the amount that would result by applying the U.S. Federal statutory rate to the loss before income taxes to the actual amount of income tax benefit for the June, 2025 year follows:

Reconciliation of Income Tax Expense (Benefit) at the U.S. Federal Statutory Rate to Income Tax Expense (Benefit)

	Year Ended June 30,
(In thousands)	**2025**
Expected benefit	$ 2,908
State tax expense	(2)
Tax credits	347
Change in valuation allowance	(3,127)
Stock-based compensation	(118)
Prior year true-up	—
Expiration of net operating loss carryovers	(1)
Other permanent items	(9)
Total income tax benefit/ (expense)	$ **(2)**

The table below provides the updated requirements of ASU 2023-09 for 2026. See *Summary of Significant Accounting Policies - Recent accounting pronouncements* for additional details on the adoption of ASU 2023-09.

The effective income tax rate for the year ended June 30, 2026 differs from the statutory federal income tax rate as follows (in thousands, except percentages):

Reconciliation of Income Tax Expense (Benefit) at the U.S. Federal Statutory Rate to Income Tax Expense (Benefit)

	Year Ended June 30, 2026	
	Amount	**Percent**
Tax at Federal Statutory Rate	(3,029)	21%
State and local income tax, net of federal (national) income tax effect[1]	3	(0.02)%
Foreign tax effects:	N/A	0.0%
Effect of cross-border tax laws	N/A	0.0%
Tax credits		
Federal R&D Credit	(187)	1.30%
Changes in valuation allowances	2,973	(20.62)%
Nontaxable or nondeductible items	69	(0.48)%
Changes in unrecognized tax benefits (report all jurisdictions)	N/A	0.0%
Other adjustments		
Expiration of NOL and Charitable Contribution C/O	264	(1.83)%
Other	(89)	0.62%
Provision (Benefit) for Income Taxes	**4**	**(0.03)%**

(1) State taxes in Massachusetts and Oregon made up the majority (greater than 50%) of the tax effect in this category.

Deferred Tax Assets and Liabilities

The Company's deferred tax assets as of June 30, 2026 and 2025 consist of the following:

	Year Ended June 30,	
(In thousands)	**2026**	**2025**
Deferred tax assets:		
Net operating loss carryforwards	$ 24,226	$ 20,975
Tax credit carryforwards	2,363	2,166
Lease liability - current and non-current	485	563
Unrealized loss on securities	67	182
IRC Section 174 R&D Expense Capitalization	2,130	2,952
Accrued expenses and other timing	351	126
Stock-based compensation	219	112
Total gross deferred tax assets	$ **29,841**	$ **27,076**
Less — valuation allowance	(29,356)	(26,482)
Net deferred tax assets	$ **485**	$ **594**
Deferred tax liabilities:		
Right-of-use assets	$ (385)	$ (468)
Property and equipment, principally due to differences in depreciation	(101)	(126)
Total gross deferred tax liabilities	**(486)**	**(594)**
Net deferred tax assets	$ (1)	$ —

The Company files consolidated returns for federal, California, Florida, Massachusetts, Oregon and Texas.

In assessing the need for a valuation allowance, management considers whether it is more likely than not that some portion or all of the net deferred tax assets will be utilized to offset future tax liabilities. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. As of June 30, 2026, the Company provided a full valuation allowance of approximately $29.4 million against its net deferred tax assets. The valuation allowance increased by approximately $3 million for the year ended June 30, 2026. The Company has $1 thousand net deferred tax liability due to a deferred tax liability on an indefinite lived intangible asset as of June 30, 2026.

At June 30, 2026, the Company had net operating loss carryforwards of approximately $113.5 million with approximately $36.5 million ($7.7 million, tax effected) for federal income tax purposes that are available to offset future regular taxable income set to expire between the years of 2026 and 2037. The Company also had net operating loss carryforwards with indefinite lives of approximately $77.0 million ($16.2 million, tax effected) for federal income tax purposes that are available to offset future regular taxable income. For net operating losses with indefinite carryforward lives, generated beginning after December 31, 2017, the Tax Cuts and Jobs Act limits the amount of net operating losses to be utilized and deducted by the taxpayer to 80% of the taxpayer's taxable income. Utilization of some of these net operating losses is limited due to the changes in stock ownership of the Company associated with the October 2007 Exchange Offer; as such, the benefit from these losses may not be realized.

The Company has federal research and development income tax credit carryovers of $1.9 million as of June 30, 2026. These credits will expire between the years 2035 and 2046. The Company also has $60 thousand of California research and development income tax credit carryovers as of June 30, 2026, which credits never expire.

At June 30, 2026, the Company also has accumulated state net operating loss carryforwards of approximately $7.5 million ($0.4 million, tax effected) that are available to offset future state taxable income. These net operating loss carryforwards expire between the years 2026 and 2036. These losses may also be subject to utilization limitations; as such, the benefit from these losses may not be realized.

Loss carryovers are generally subject to modification by tax authorities until three years after they have been utilized.

The Company has a temporary credit for business loss carryovers that may be utilized to offset its Texas margin tax. At June 30, 2026, the credit amount is $0.5 million ($0.4 million, tax effected). These credits may be used to offset $13 thousand of state tax liability each year and will expire in 2027.

Uncertain Tax Positions

The Company had unrecognized tax benefits of $848 thousand as of June 30, 2026, all of which have been accounted for as contra deferred tax assets. A roll forward of the beginning and ending amount of unrecognized tax benefits from July 1, 2025 to June 30, 2026 is as follows:

	Year Ended June 30,	
(In thousands)	**2026**	**2025**
Fiscal year beginning balance	$ 762	$ 604
Additions for tax positions of current period	86	157
Additions for tax positions of prior years	—	1
Decreases for tax positions of prior years	—	—
Fiscal year ending balance	$ **848**	$ **762**

The Company recognizes interest and penalties related to income tax matters in income tax expense, as incurred. For the years ended June 30, 2026 and 2025, the Company did not recognize any interest expense for uncertain tax positions.

(11) Net Loss per Share

Basic loss per share is computed on the basis of the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed on the basis of the weighted average number of shares of common stock plus the effect of potentially dilutive common shares outstanding during the period using the treasury stock method and the if-converted method. Potentially dilutive common shares include outstanding stock options and share-based awards.

The following table reconciles the numerators and denominators used in the computations of both basic and diluted net loss per share

	Year Ended June 30,	
	2026	**2025**
Numerator:		
Net loss	$ (14,427)	$ (13,850)
Denominator:		
Denominator for basic and diluted net loss per share — weighted average common stock outstanding	1,700	1,665
Basic and diluted net loss per common share:		
Net loss	$ **(8.49)**	$ **(8.32)**

All unvested restricted stock awards for the years ended June 30, 2026 and 2025 are not included in diluted net loss per share, as the impact to net loss per share is anti-dilutive. Options to purchase 193,656 shares of common stock at exercise prices ranging from $4.73 to $175.50 per share outstanding for the year ended June 30, 2026 and options to purchase 213,113 shares of common stock at exercise prices ranging from $5.50 to $175.50 per share outstanding for the year ended June 30, 2025 were not included in diluted net loss per share, as the impact to net loss per share is anti-dilutive.

(12) Employee Benefit Plans

Astrotech has a defined contribution retirement plan, which covers substantially all employees and officers. For the years ended June 30, 2026 and 2025, the Company made matching contributions of $105 thousand and $92 thousand, respectively, to the plan. The Company has the right, but not an obligation, to make additional contributions to the plan in future years at the discretion of the Company's Board of Directors. The Company has not made any additional contributions for the years ended June 30, 2026 and 2025.

(13) Commitments and Contingencies

Legal Proceedings

From time to time, the Company is subject to legal and administrative proceedings, settlements, investigations, claims and actions. The Company's assessment of the likely outcome of litigation matters is based on its judgment of a number of factors including experience with similar matters, past history, precedents, relevant financial and other evidence and facts specific to the matter. Notwithstanding the uncertainty as to the final outcome, based upon the information currently available, management does not believe any matters, individually or in aggregate, will have a material adverse effect on the Company's financial position or results of operations.

The Company establishes reserves for the estimated losses on specific contingent liabilities, for regulatory and legal actions where the Company deems a loss to be probable and the amount of the loss can be reasonably estimated. In other instances, the Company is not able to make a reasonable estimate of liability because of the uncertainties related to the outcome or the amount or range of potential loss.

Related Party Transactions

Compensation to a related party consultant, Jordan Dinwiddy, son-in-law of the Company's Chief Executive Officer, for the years ended June 30, 2026 and 2025, consisted of consulting fees approximately $290 thousand and $235 thousand, respectively. Mr. Dinwiddy was engaged as a software consultant. All fees paid or accrued under this consulting arrangement were recorded as research and development expense in the accompanying Consolidated Statements of Operations and Comprehensive Loss.

(14) Subsequent Events

At-the-Market Offering Program ("ATM")

Subsequent to June 30, 2026, the Company filed a prospectus supplement pursuant to which the Company may offer and sell up to $50.0 million of shares of its common stock through H.C. Wainwright & Co., LLC, acting as sales agent. This prospectus supplement replaced and superseded the Company's prior at-the-market offering prospectus supplement filed in June 2026. As of August 6, 2026, the Company had issued 86,876 shares, under the ATM program, generating gross proceeds of approximately $921 thousand.

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating and implementing possible controls and procedures. Management, including our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures were effective as of June 30, 2026, at the reasonable assurance level.

Management's Annual Report on Internal Controls over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our principal executive and financial officers, we conducted an evaluation of the effectiveness of our internal controls over financial reporting as of June 30, 2026, based on the frame-work in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework"). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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.

Based on our evaluation under the COSO Framework, our management concluded that our internal controls over financial reporting were effective as of June 30, 2026.

This annual report does not include an attestation report of our registered public accounting firm regarding internal controls over financial reporting. Management's report was not subject to attestation by our registered accounting firm pursuant to §989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which exempts the Company from the requirement that it include an attestation report of the Company's registered public accounting firm regarding internal controls over our management's assessment of internal controls over financial reporting.

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal controls over financial reporting that occurred during the fiscal year ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information

Insider Trading Policy

During the quarter ended June 30, 2026, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408 of Regulation S-K.

PART III

As set forth below, the information required by Part III (Items 10, 11, 12, 13, and 14) is incorporated herein by reference to the Company's definitive proxy statement to be used in connection with its 2026 Annual Meeting of Stockholders and which will be filed with the SEC not later than 120 days after the end of the Company's fiscal year ended June 30, 2026 (the "2026 Proxy Statement"), in accordance with General Instructions G(3) of Form 10-K.

Item 10. Directors, Executive Officers, and Corporate Governance

The information required by Item 10 will be contained in, and is hereby incorporated by reference to, the 2026 Proxy Statement.

Item 11. Executive Compensation

The information required by Item 11 will be contained in, and is hereby incorporated by reference to, the 2026 Proxy Statement.

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

The information required by Item 12 will be contained in, and is hereby incorporated by reference to, the 2026 Proxy Statement.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by Item 13 will be contained in, and is hereby incorporated by reference to, the 2026 Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required by Item 14 will be contained in, and is hereby incorporated by reference to, the 2026 Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

The following documents are filed as part of the report:

(a) Financial Statements.

The following consolidated financial statements of Astrotech Corporation and its wholly-owned subsidiaries and related notes, are set forth herein as indicated below.

	Page
Report of RBSM LLP, Independent Registered Public Accounting Firm (PCAOB ID: 587)	60
Consolidated Balance Sheets	61
Consolidated Statements of Operations and Comprehensive Loss	62
Consolidated Statement of Changes in Stockholders' Equity	63
Consolidated Statement of Cash Flows	64
Notes to Consolidated Financial Statements	65
Exhibits	89

(b) Financial Statement Schedules.

No financial statement schedules are provided because the information called for is not required or is shown in the financial statements or the notes thereto.

(c) Exhibits

Exhibit No.	Description of Exhibit
3.1	Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on December 28, 2017).
3.2	Certificate of Amendment to the Certificate of Incorporation of Astrotech Corporation (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on July 1, 2020).
3.3	Certificate of Amendment to the Certificate of Incorporation of Astrotech Corporation (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on October 12, 2021).
3.4	Third Certificate of Amendment to the Certificate of Incorporation of Astrotech Corporation (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on November 23, 2022).
3.5	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on August 1, 2023).
3.6	Certificate of Designations of Series A Junior Participating Preferred Stock, as filed with the Secretary of State of the State of Delaware (incorporated by reference to Exhibit 3.3 of the Registrant's Form 8-K. filed with the Securities and Exchange Commission on December 28, 2017).
3.7	Certificate of Designations of Preferences, Rights and Limitations of Series D Convertible Preferred Stock, as filed with the Delaware Secretary of State on April 17, 2019 (incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on April 23, 2019).
4.1 *	Description of Securities.

4.2	Form of Placement Agent's Warrant, issued on October 23, 2020 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on October 23, 2020).
4.3	Form of Placement Agent's Warrant, issued on October 30, 2020 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on October 30, 2020).
4.4	Form of Placement Agent's Warrant, dated February 16, 2021 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on February 16, 2021).
4.5	Astrotech Corporation 2021 Omnibus Equity Incentive Plan (incorporated by reference to Appendix A to the Registrant's Proxy Statement on Schedule 14A filed on April 5, 2021).
4.6	Form of Underwriter Warrant, dated April 12, 2021 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on April 12, 2021).
4.7	Rights Agreement between the Company and American Stock Transfer & Trust Company, LLC, as Rights Agent, dated as of December 21, 2022 (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on December 21, 2022).
4.8	Amendment No. 1 to Rights Agreement by and between the Company and American Stock Transfer & Trust Company, LLC, as Rights Agent, dated as of December 18, 2023 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on December 18, 2023).
4.9	Amendment No. 2 to Rights Agreement dated as of December 12, 2024, to the Rights Agreement between the Company and Equiniti Trust Company, as Rights Agent, dated as of December 21, 2022. (incorporated by reference to Exhibit 4.3 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on December 12, 2024.)
4.10	Amendment No. 3 to Rights Agreement dated as of December 12, 2025, to the Rights Agreement between the Company and Equiniti Trust Company, as Rights Agent, dated as of December 21, 2022. (incorporated by reference to Exhibit 4.4 of the Registrant's Form 8-K filed with Securities and Exchange Commission on December 17, 2025.)

10.1	Letter of Agreement, dated March 24, 2021 (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 30, 2021).
10.2	Amendment No. 1 to Letter of Agreement, dated September 22, 2021, by and between Sanmina Corporation and Astrotech Technologies, Inc. (incorporated by reference to Exhibit 10.6 of the Registrant's Form 10-K filed with the Securities and Exchange Commission on September 26, 2025)
10.3	Amendment No. 2 to Letter of Agreement, dated December 1, 2021, by and between Sanmina Corporation and Astrotech Technologies, Inc. (incorporated by reference to Exhibit 10.7 of the Registrant's Form 10-K filed with the Securities and Exchange Commission on September 26, 2025)
10.4	Amendment No. 3 to Letter of Agreement, dated October 12, 2022, by and between Sanmina Corporation and Astrotech Technologies, Inc. (incorporated by reference to Exhibit 10.8 of the Registrant's Form 10-K filed with the Securities and Exchange Commission on September 26, 2025)
10.5+	Amendment No. 4 to Letter of Agreement, dated July 1, 2025 by and between Sanmina Corporation and Astrotech Technologies, Inc. (incorporated by reference to Exhibit 10.9 of the Registrant's Form 10-K filed with the Securities and Exchange Commission on September 26, 2025)
10.6†	Employment Agreement, effective October 6, 2008 between SPACEHAB, Incorporated and Thomas B. Pickens, III (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on November 21, 2008).
10.7†	Form of Amended and Restated Indemnification Agreement of Astrotech Corporation (incorporated by reference to Exhibit 10.1 of the Registrant's Report on Form 8-K filed with the Securities and Exchange Commission on December 19, 2024).
10.8	Astrotech Corporation Transaction Bonus Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on November 12, 2025).
10.9	At the Market Offering Agreement, dated June 2, 2026, by and between Astrotech Corporation and H.C. Wainwright & Co, LLC (incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on June 3, 2026).
19.1	Insider Trading Policy (incorporated by reference to Exhibit 19.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on February 13, 2026).

21.1*	Astrotech Corporation and Subsidiaries — Subsidiaries of the Registrant.
23.1*	Consent of RBSM LLP.
31.1*	Certification of Thomas B. Pickens III, the Company's Chief Executive Officer and Principal Financial Officer, in accordance with 18 U.S.C. Section 1350, as adopted by Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Thomas B. Pickens III, the Company's Chief Executive Officer and Principal Financial Officer, in accordance with 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Astrotech Corporation Compensation Recovery Policy, adopted November 17, 2023 (incorporated by reference to Exhibit 97.1 of the Registrant's Form 10-K filed with the Securities and Exchange Commission on September 20, 2024).
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Schema Document
101.CAL	Inline XBRL Calculation Linkbase Document
101.DEF	Inline XBRL Definition Linkbase Document
101.LAB	Inline XBRL Labels Linkbase Document
101.PRE	Inline XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

†	Management contract or compensatory plan arrangement.
*	Filed herewith.
+	Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Securities and Exchange Commission or its staff upon request. If indicated on the first page of such agreement, certain confidential information have been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K. Such excluded information is not material and is the type that the company treats as private or confidential.
**	The certification attached as Exhibit 32.1 is not deemed "filed" with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Astrotech Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

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.

Astrotech Corporation

Date September 25, 2026

By: /s/ Thomas B. Pickens III
Thomas B. Pickens III
Chief Executive Officer, Chief Technology Officer and Chairman of the Board
(Principal Executive Officer and Principal Financial Officer)

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

/s/ Thomas B. Pickens III Thomas B. Pickens III	Chief Executive Officer, Chief Technology Officer, and Chairman of the Board (Principal Executive Officer and Principal Financial Officer)	September 25, 2026
/s/ Charles Winn Charles Winn	Director	September 25, 2026
/s/ Tom Wilkinson Tom Wilkinson	Director	September 25, 2026
/s/ John Halinski John Halinski	Director	September 25, 2026
/s/ Bob McFarland Bob McFarland	Director	September 25, 2026
/s/ Eric Stober Eric Stober	Director	September 25, 2026
/s/ Matthew Kreps Matthew Kreps	Director	September 25, 2026

EXHIBIT 4.1

Astrotech Corporation
DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the material terms and provisions of our capital stock, Certificate of Incorporation (as amended, the "Certificate of Incorporation"), Amended and Restated Bylaws (as amended, the "Bylaws"), Certificate of Designations of Series A Junior Participating Preferred Stock (the "Series A Certificate of Designations"), Certificate of Designations of Preferences, Rights and Limitations of Series D Convertible Preferred Stock (the "Series D Certificate of Designations") and certain provisions of the Delaware General Corporation Law (the "DGCL"). The following descriptions do not purport to be complete and are qualified in their entirety by reference to the relevant provisions of our Certificate of Incorporation, Bylaws, Certificate of Designations and the DGCL. You should refer to our Certificate of Incorporation, Certificate of Amendment to Certificate of Incorporation, Second Certificate of Amendment to Certificate of Incorporation, Third Certificate of Amendment to Certificate of Incorporation, Amended and Restated Bylaws, Series A Certificate of Designations and Series D Certificate of Designations, which are filed as Exhibits 3.1, 3.2, 3.3, 3.4, 3.5, 3.6 and 3.7, respectively, to this Annual Report on Form 10-K, and the DGCL.

As of September 23, 2026, Astrotech Corporation, a Delaware corporation (the "Company," "we," "our" or "us"), had authorized capital stock consisting of 250,000,000 shares of common stock, $0.001 par value, and 2,500,000 shares of preferred stock, $0.001 par value ("Preferred Shares"). Our Board of Directors (the "Board") may establish the rights and preferences of the preferred stock from time to time. As of September 23, 2026, there were 2,110,980 shares issued and 2,100,664 shares outstanding of our common stock and 280,898 shares of Series D Preferred Stock (as defined below) issued and outstanding.

Common Stock

Holders of our common stock are entitled to one vote per share. Our Certificate of Incorporation does not provide for cumulative voting. Holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared by our Board out of legally available funds. However, the current policy of our Board is to retain earnings, if any, for the operation and expansion of our Company. Upon liquidation, dissolution or winding-up, the holders of our common stock are entitled to share ratably in all of our assets which are legally available for distribution, after payment of or provision for all liabilities. The holders of our common stock have no preemptive, subscription, redemption or conversion rights.

Our common stock is presently listed on The Nasdaq Capital Market under the ticker symbol ASTC.

Preferred Stock

Series D Preferred Stock

The Board has designated 280,898 shares as Series D Convertible Preferred Stock (the "Series D Preferred Stock"). Holders of Series D Preferred Stock shall be entitled to receive, and the Company shall pay, dividends on the Series D Preferred Stock equal (on an as-if-converted-to-common-stock basis) to and in the same form as dividends actually paid on shares of the common stock when, as and if such dividends are paid on shares of the common stock. No other dividends shall be paid on the Series D Preferred Stock.

Except as otherwise provided in the Series D Certificate of Designations or as otherwise required by law, the Series D Preferred Stock shall have no voting rights. However, as long as any Series D Preferred Stock is outstanding, the Company shall not, without the affirmative vote of the holders of the Series D Preferred Stock (a) alter or change adversely the powers, preferences or rights given to such series or alter or amend the Series D Certificate of Designations, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a liquidation senior to, or otherwise pari passu with, such series, (c) amend its Certificate of Incorporation or other charter documents in any manner that adversely affects any rights of the respective holders, (d) increase the number of authorized Series D Preferred Stock or (e) enter into any agreement with respect to any of the foregoing.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "Liquidation"), each holder of Series D Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to the Stated Value (as defined in the Series D Certificate of Designations), plus any other fees or liquidated damages then due and owing thereon under the Series D Certificate of Designations, for Series D Preferred Stock before any distribution or payment shall be made to the holders of any Junior Securities (as defined in the Series D Certificate of Designations). A Fundamental Transaction or Change of Control Transaction (each as defined in the Series D Certificate of Designations) shall be deemed a Liquidation.

If, at any time while the Series D Preferred Stock is outstanding, upon a Fundamental Transaction (as defined in the Series D Certificate of Designations), each holder shall have the right to receive, for each Conversion Share (as defined in the Series D Certificate of Designations) that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the number of shares of common stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any Alternate Consideration (as defined in the Series D Certificate of Designations) receivable as a result of such Fundamental Transaction by a holder of the number of shares of common stock for which the Series D Preferred Stock is convertible immediately prior to such Fundamental Transaction. For purposes of any such conversion, the determination of the Conversion Price (as defined in the Series D Certificate of Designations) shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of common stock in such Fundamental Transaction.

As of September 23, 2026, the 280,898 shares of Series D Preferred Stock are convertible to common stock on a one-for-thirty basis of common stock at the option of the holder. Series D Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of Series D Preferred Stock are not callable by the Company.

Additional Series of Preferred Stock

Our Certificate of Incorporation provides that our Board may by resolution, without further vote or action by the stockholders, establish one or more classes or series of preferred stock having the number of shares and relative voting rights, designation, dividend rates, liquidation, and other rights, preferences, and limitations as may be fixed by them without further stockholder approval. Once designated by our Board, each series of preferred stock will have specific financial and other terms that will be described in a prospectus supplement. The description of the preferred stock that is set forth in any prospectus supplement is not complete without reference to the documents that govern the preferred stock. These include our Certificate of Incorporation and any certificates of designation that the Board may adopt. Prior to the issuance of shares of each series of preferred stock, the Board is required to adopt resolutions and file a certificate of designation with the Secretary of State of the State of Delaware. The certificate of designation fixes for each class or series the designations, powers, preferences, rights, qualifications, limitations and restrictions, including, but not limited to, some or all of the following:

- the distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board in creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by resolution of the Board;
- the rate and manner of payment of dividends payable on shares of such series, including the dividend rate, date of declaration and payment, whether dividends shall be cumulative, and the conditions upon which and the date from which such dividends shall be cumulative;
- whether shares of such series shall be redeemed, the time or times when, and the price or prices at which, shares of such series shall be redeemable, the redemption price, the terms and conditions of redemption, and the sinking fund provisions, if any, for the purchase or redemption of such shares;
- the rights including the amount payable on shares of such series and the rights of holders of such shares in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company;
- the rights, if any, of the holders of shares of such series to convert such shares into, or exchange such shares for, shares of common stock, other securities, or shares of any other class or series of preferred stock and the terms and conditions of such conversion or exchange;
- the voting rights, if any, and whether full or limited, of the shares of such series, which may include no voting rights, one vote per share, or such higher number of votes per share as may be designated by the Board; and
- the preemptive or preferential rights, if any, of the holders of shares of such series to subscribe for, purchase, receive, or otherwise acquire any part of any new or additional issue of stock of any class, whether now or hereafter authorized, or of any bonds, debentures, notes, or other securities of the Company, whether or not convertible into shares of stock with the Company.

The issuance of preferred stock may delay, deter or prevent a change in control.

The description of preferred stock above is not complete. Please refer to any applicable certificate of designation for complete information.

Warrants

As of June 30, 2026, there were no warrants to purchase shares of common stock outstanding.

Options

As of September 23, 2026, we had options issued and outstanding to purchase 184,573 shares of our common stock at a weighted average price of $12 per share issued under the Company's 2008 Stock Incentive Plan, 2011 Stock Incentive Plan and 2021 Stock Incentive Plan.

Rights Plan

On December 21, 2022, we entered into a Rights Agreement (the "Rights Agreement") with American Stock Transfer & Trust Company, LLC, a New York limited liability company, as rights agent (the "Rights Agent").

On December 21, 2022, the Board declared a dividend of one Preferred Share purchase right (a "Right") for each share of common stock, par value $0.001 per share, of the Company (the "Common Shares"), outstanding on January 5, 2023 (the "Record Date"). The Rights were issued to the stockholders of record on such date. Each Right entitles the registered holder to purchase from the Company one one-thousandth ($1/1000^{th}$) of a Preferred Share, at a price of $58.00 per one one-thousandth of a Preferred Share (the "Purchase Price"), subject to adjustment.

On December 18, 2023, the Company entered into Amendment No. 1 to Rights Agreement between the Company and Equiniti Trust Company, as Rights Agent (the "Amendment"), which extends the Final Expiration Date (as defined in the Rights Plan) to December 20, 2024, unless the Final Expiration Date is further extended by the Company or the rights subject to the Rights Plan are earlier redeemed or exchanged by the Company in accordance with the terms of the Rights Plan. All other terms and conditions of the Rights Plan remain unchanged.

On December 12, 2024, the Company entered into Amendment No. 2 to Rights Agreement between the Company and Equiniti Trust Company, as Rights Agent (the "Amendment"), which extends the Final Expiration Date (as defined in the Rights Plan) to December 20, 2025, unless the Final Expiration Date is further extended by the Company or the rights subject to the Rights Plan are earlier redeemed or exchanged by the Company in accordance with the terms of the Rights Plan. All other terms and conditions of the Rights Plan remain unchanged.

On December 12, 2025, the Company entered into Amendment No. 3 to the Rights Agreement with the Rights Agent, which extends the Final Expiration Date (as defined in the Rights Agreement) to 5:00 P.M., New York City time, on December 20, 2026, unless the Final Expiration Date is further extended by the Company or the rights subject to the Rights Agreement are earlier redeemed or exchanged by the Company in accordance with the terms of the Rights Agreement. All other terms and conditions of the Rights Agreement remain unchanged.

Issuance of Rights

Each outstanding Common Share on the Record Date will receive one Right. For so long as the Rights are attached to the Common Shares (as described below), the Company will issue one Right with each Common Share it issues, so that all such shares have attached Rights. 250,000 Preferred Shares have been reserved for issuance upon exercise of the Rights.

Transfer and Detachment

Until the Distribution Date (as defined below), the Rights will be evidenced, with respect to any certificates representing Common Shares outstanding as of January 5, 2023, by such Common Share certificates.

As defined in the Rights Agreement, "Distribution Date" means the earlier to occur of (i) ten days following (a) a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired "beneficial ownership" (as defined below) of 15% or more of the outstanding Common Shares (or, in the event an exchange is effected in accordance with Section 24(f) of the Rights Agreement and the Board determines that a later date is advisable, then such later date that is not more than 20 days after such public announcement) or (b) such earlier date as a majority of the Board becomes aware of the existence of an Acquiring Person, and (ii) ten business days (or such later date as may be determined by the Board prior to such time as any person becomes an Acquiring Person) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 15% or more of the outstanding Common Shares.

For purposes of the Rights Agreement, a person is deemed to be the "Beneficial Owner" of any securities: (i) which such person beneficially owns, directly or indirectly; (ii) in respect to which such person has or shares voting or investment power; (iii) which such person has the right or obligation to acquire; (iv) which are "beneficially owned" (within the meaning of clauses (ii) and (iii) above) by any person with whom the first person has an agreement for the purpose of acquiring, holding, voting or disposing of any securities of the Company, provided, however, that in no case shall an officer or director of the Company be deemed (x) the Beneficial Owner of any securities beneficially owned by another officer or director of the Company solely by reason of actions undertaken by such persons in their capacity as officers or directors of the Company or (y) the Beneficial Owner of securities held of record by any entity or trustee holding Common Shares for or pursuant to the terms of any employee benefit plan of the Company or its subsidiaries or for the purpose of funding any such plan or funding other employee benefits for employees of the Company or its subsidiaries, for the benefit of any employee of the Company or its subsidiaries, other than the officer or director, by reason of any influence that such officer or director may have over the voting of securities held in the plan; or (v) which are the subject of a derivative transaction entered into by, or derivative securities acquired by, such person, which gives such person the economic equivalent of ownership of an amount of such securities due to the fact that the value of the derivative is explicitly determined by reference to the price or value of such securities.

The Rights Agreement provides that, until the Distribution Date, the Rights will be transferred with and only with the Common Shares. Until the Distribution Date (or earlier redemption or expiration of the Rights), new Common Share certificates issued after the Record Date will contain a notation incorporating the Rights Agreement by reference. Until the Distribution Date (or earlier redemption or expiration of the Rights), the surrender for transfer of any Common Share certificates in respect of which Rights have been issued will also constitute the transfer of the Rights associated with such Common Shares. As soon as practicable after the Distribution Date, separate certificates evidencing the Rights ("Right Certificates") will be mailed to holders of record of the Common Shares as of the close of business on the Distribution Date, and thereafter such separate Right Certificates alone will evidence the Rights.

Exercisability of Rights

The Rights are not exercisable until the Distribution Date. The Rights will expire at 5:00 P.M., New York City time, on December 20, 2026 (the "Expiration Date"), unless the Expiration Date is extended or unless the Rights are earlier redeemed or exchanged by the Company.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

Right to Acquire Stock at Half Price

In the event that a person becomes an Acquiring Person, each holder of a Right, other than Rights beneficially owned by the Acquiring Person and its affiliates and associates (which will thereafter be void), will thereafter have the right to receive upon exercise that number of Common Shares having a market value of two times the Purchase Price then in effect. If the Company does not have a sufficient number of Common Shares to satisfy such obligation to issue Common Shares, or if the Board so elects, the Company will deliver upon payment of the Purchase Price an amount of cash or securities equivalent in value to the Common Shares issuable upon exercise of a Right; provided that, if the Company fails to meet such obligation within 30 days following the date a person becomes an Acquiring Person, the Company must deliver, upon exercise of a Right but without requiring payment of the Purchase Price, Common Shares (to the extent available) and cash equal in value to the difference between the value of the Common Shares otherwise issuable upon the exercise of a Right and the Purchase Price then in effect. The Board may extend the 30-day period described above for up to an additional 90 days to permit the taking of action that may be necessary to authorize sufficient additional Common Shares to permit the issuance of Common Shares upon the exercise in full of the Rights.

In the event that, at any time after a person becomes an Acquiring Person, the Company is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power are sold, proper provision will be made so that each holder of a Right will thereafter have the right to receive, upon the exercise thereof at the then current Purchase Price, that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the Purchase Price. In the event that the Company is the surviving corporation of a merger and its Common Shares are changed or exchanged, proper provision will be made so that each holder of a Right will thereafter have the right to receive upon exercise that number of shares of common stock of the other party to the transaction having a market value of two times the Purchase Price.

Adjustment of Purchase Price

The Purchase Price payable, and the number of Preferred Shares or other securities or property issuable, upon the exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Shares, (ii) upon the grant to holders of the Preferred Shares of certain rights or warrants to subscribe for or purchase Preferred Shares at a price, or securities convertible into Preferred Shares with a conversion price less than the then current market price of the Preferred Shares or (iii) upon the distribution to holders of the Preferred Shares of evidences of indebtedness or assets (excluding regular periodic cash dividends paid out of earnings or retained earnings or dividends payable in Preferred Shares) or of subscription rights or warrants (other than those referred to above).

The number of outstanding Rights and the number of one one-thousandths of a Preferred Share issuable upon exercise of each Right are also subject to adjustment in the case of a stock split of the Common Shares or a stock dividend on the Common Shares payable in Common Shares or subdivisions, consolidations or combinations of the Common Shares occurring, in any such case, prior to the Distribution Date.

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments require an adjustment of at least 1% in the Purchase Price. No fractional Preferred Shares will be issued (other than fractions which are integral multiples of one one-thousandth of a Preferred Share, which may, at the election of the Company, be evidenced by depositary receipts) and, in lieu thereof, an adjustment in cash will be made based on the market price of the Common Shares on the last trading date immediately prior to the date of such exercise.

Redemption or Exchange

At any time prior to the Distribution Date, the Board may redeem the Rights, in whole but not in part, at a price of $0.0001 per Right (the “Redemption Price”). The redemption of the Rights may be made effective at such time, on such basis and with such conditions as the Board in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

At any time after a person becomes an Acquiring Person and prior to the acquisition by any person of 50% or more of the outstanding Common Shares, the Board may exchange the Rights (other than Rights beneficially owned by such person, which will have become void), in whole or in part, for Common Shares, at an exchange ratio of one Common Share per Right (subject to adjustment).

Preferred Shares

The Preferred Shares purchasable upon exercise of the Rights will be junior to any other series of preferred shares the Company may issue (unless otherwise provided in the terms of such preferred shares or in the Company's Certificate of Incorporation). The Preferred Shares will not be redeemable. Each Preferred Share will be entitled to a quarterly dividend payment in an amount per share equal to the greater of (a) $10 or (b) 1,000 times the aggregate dividend per Common Share declared during the applicable quarter. In the event of liquidation, the holders of the Preferred Shares will be entitled to an aggregate payment equal to (x) $1,000 per Preferred Share and (y) 1,000 times the aggregate amount per Common Share to be paid in such liquidation. Each Preferred Share will have 1,000 votes, voting together with the Common Shares. In the event of any merger, consolidation or other transaction in which Common Shares are exchanged, each Preferred Share will be entitled to receive 1,000 times the amount per Common Share received in such transaction. These rights of the Preferred Shares are protected by customary anti-dilution provisions.

Because of the nature of the Preferred Shares' dividend, liquidation and voting rights, the value of the one one-thousandth interest in a Preferred Share purchasable upon exercise of each Right should approximate the value of one Common Share.

Amendment

For so long as the Rights are then redeemable, the Company may, except with respect to the Redemption Price, amend the Rights Agreement in any manner. After the Rights are no longer redeemable, the Company may, except with respect to the Redemption Price, amend the Rights Agreement in any manner that does not adversely affect the interests of holders of the Rights (other than holders of Rights owned by or transferred to any person who is or becomes an Acquiring Person or affiliates and associates of an Acquiring Person and certain transferees thereof).

Anti-Takeover Effects of Certain Provisions of our Certificate of Incorporation, Bylaws and the Delaware General Corporation Law

We are governed by the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly traded Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A business combination includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An interested stockholder is a person who, together with affiliates and associates, owns (or within three years, did own) 15% or more of the corporation's voting stock, subject to certain exceptions. The statute could have the effect of delaying, deferring or preventing a change in control of our company.

Furthermore, our Certificate of Incorporation and Bylaws may have the effect of discouraging potential acquisition proposals or making a tender offer or delaying or preventing a change in control, including changes a stockholder might consider favorable. Such provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. In particular, the Certificate of Incorporation and Bylaws, as applicable, among other things:

- provide the Board with the ability to alter the Bylaws without stockholder approval; and
- provide that vacancies on the Board may be filled by a majority of the directors in office, although less than a quorum.

These provisions are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to first negotiate with its Board. These provisions may delay or prevent someone from acquiring or merging with us, which may cause our market price of our common stock to decline.

Blank Check Preferred. Our Board is authorized to create and issue from time to time, without stockholder approval, up to an aggregate of 2,500,000 shares of preferred stock in one or more series and to establish the number of shares of any series of preferred stock and to fix the designations, powers, preferences and rights of the shares of each series and any qualifications, limitations or restrictions of the shares of each series. The authority to designate preferred stock may be used to issue series of preferred stock, or rights to acquire preferred stock, that could dilute the interest of, or impair the voting power of, holders of the common stock or could also be used as a method of determining, delaying or preventing a change of control. Our Board has designated 300,000 shares as Series A Junior Participating Preferred Stock, none of which were issued and outstanding as of September 23, 2026. Our Board has also designated 280,898 shares as Series D Preferred Stock, all of which were issued and outstanding as of September 23, 2026.

Advance Notice Bylaws. The Bylaws contain an advance notice procedure for stockholder proposals to be brought before any meeting of stockholders, including proposed nominations of persons for election to our Board. Stockholders at any meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our corporate secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. The Bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Limitations on Liability, Indemnification of Officers and Directors and Insurance

Our Certificate of Incorporation contains provisions that limit the liability of our current and former directors for monetary damages to the fullest extent permitted by the DGCL. The DGCL provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases, or redemptions as provided in Section 174 of the DGCL; or
- any transaction from which the director derived an improper personal benefit.

This limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our Certificate of Incorporation provides that we are authorized to indemnify our directors and officers to the fullest extent permitted by the DGCL. Our Bylaws provide that we are required to indemnify our directors and executive officers to the fullest extent permitted by the DGCL. Our Bylaws require that, upon satisfaction of certain conditions, we are required to advance expenses incurred by a director or executive officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of the DGCL. Our amended and restated bylaws will also provide our board of directors with discretion to indemnify our other officers and employees when determined appropriate by our board of directors. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by the board of directors. With certain exceptions, these agreements provide for indemnification for related expenses, including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our Certificate of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. We may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Transfer Agent and Registrar

The Transfer Agent and Registrar for our common stock is Equiniti Trust Company LLC.

EXHIBIT 21.1

Subsidiaries of the Registrant	State of Incorporation
1) Astrogenetix, Inc.	Delaware
2) 1st Detect Corporation	Delaware
3) Agriculture Technology Corporation	Delaware
4) Medikinetix, Inc.	Delaware
5) Astrotech Technologies, Inc.	Delaware
6) BreathTech Corporation	Delaware
7) AgLAB Inc.	Delaware
8) Cargo Security Center International, Inc.	Delaware
9) AgLAB Remediation Company, LLC	Delaware
10) Pro-Control, Inc.	Delaware
11) En-Scan, Inc.	Delaware
12) Lunar Power and Light Corporation	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-297144, 333-253835 and 333-293023) and Form S-8 (Nos. 333-260401, 333-222623, 333-200706 and 333-151752) of our report dated September 26, 2026, relating to the consolidated financial statements of Astrotech Corporation, appearing in this Annual Report on Form 10-K of Astrotech Corporation for the year ended June 30, 2026.

RBSM LLP
Austin, Texas

September 25, 2026

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
IN ACCORDANCE WITH 18 U.S.C. SECTION 1350,
AS ADOPTED BY SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas B. Pickens III, certify that:

(1) I have reviewed this Annual Report on Form 10-K of Astrotech Corporation, a Delaware corporation (the "registrant") for the period ended June 30, 2026;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 25, 2026

by: /s/ Thomas B. Pickens III
Thomas B. Pickens III
Chief Executive Officer, Chief Technology Officer, and
Chairman of the Board
(Principal Executive Officer and Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
AND PRINCIPAL FINANCIAL OFFICER
IN ACCORDANCE WITH
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Astrotech Corporation (the "Company") for the fiscal year ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "report"), I, Thomas B. Pickens, III, in my capacity as Chief Executive Officer (Principal Executive Officer and Principal Financial Officer) of the Company and not in my individual capacity, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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 as of, and for, the periods presented in the report.

/s/ Thomas B. Pickens III
Thomas B. Pickens III
Chief Executive Officer, Chief Technology Officer, and Chairman of the Board
(Principal Executive Officer and Principal Financial Officer)
September 25, 2026

The foregoing certification is being furnished as an exhibit to the report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the report for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

CORPORATE INFORMATION

DIRECTORS AND EXECUTIVE OFFICERS

Thomas B. Pickens III
Chief Executive Officer, Chief Technology Officer and Chairman of the Board of Directors

Scott Bartley
Interim Chief Financial Officer, Treasurer and Secretary

Nihanth Badugu
Chief Operations Officer

Tom Wilkinson
Director
Managing Partner, Coleridge Advisors
Chief Executive Officer, Wilkinson & Company, LLP

Robert McFarland
Director

Eric Stober
Director
Chief Financial Officer, Innventure

Charles Winn
Director
Chief Executive Officer and President, Winn Exploration LLC

John Halinski
Director
Chief Executive Officer, SRI Group, LLC

Matthew Kreps
Director
Senior Vice President Capital Markets and Investor Relations, HydroGraph Clean Power Inc.
Managing Director, Darrow Associates

CORPORATE HEADQUARTERS

1817 West Braker Lane, Suite 400
Austin, Texas 78758

STOCK LISTING

Nasdaq Capital Market: ASTC

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR ENDING JUNE 30, 2027

RBSM LLP
7915 FM 1960 West, Suite 220
Houston, Texas 77070

TRANSFER AGENT AND REGISTRAR

Equiniti Trust Company, LLC
28 Liberty Street, 53rd Floor
New York, New York 10005
Telephone: 800-937-5449

ANNUAL MEETING OF STOCKHOLDERS

The 2026 Annual Meeting of Stockholders will be held at 9:00 a.m., Central Time, on December 4, 2026 at 1817 West Braker Lane, Suite 400 Austin, Texas 78758.

Holders of record of our common stock on October 13, 2026, are entitled to notice of and to vote at the 2026 Annual Meeting.

COMPANY WEBSITE

www.astrotechcorp.com