

# ASTROTECH CORP

## FORM 10-Q (Quarterly Report)

Filed 05/14/25 for the Period Ending 03/31/25

Address	2105 DONLEY DR. SUITE 100 AUSTIN, TX, 78758
Telephone	5124859530
CIK	0001001907
Symbol	ASTC
SIC Code	3826 - Laboratory Analytical Instruments
Industry	Electronic Equipment & Parts
Sector	Technology
Fiscal Year	06/30

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

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

**For the quarterly period ended March 31, 2025**

**or**

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 001-34426**



**Astrotech Corporation**

**(Exact Name of Registrant as Specified in its Charter)**

**Delaware**

**91-1273737**

State or Other Jurisdiction of  
Incorporation or Organization

I.R.S. Employer Identification No.

**2105 Donley Drive, Suite 100, Austin, Texas**

**78758**

Address of Principal Executive Offices

Zip Code

**(512) 485-9530**

Registrant's Telephone Number, Including Area Code

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.001 par value per share	ASTC	NASDAQ Stock Market, LLC

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

As of May 12, 2025, the number of shares of the registrant’s common stock outstanding was: 1,693,953.

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**ASTROTECH CORPORATION AND SUBSIDIARIES**  
**QUARTERLY REPORT ON FORM 10-Q**  
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**PART I: FINANCIAL INFORMATION**
**ITEM 1. Condensed Consolidated Financial Statements**

**ASTROTECH CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
(In thousands, except share and per share data)

	March 31, 2025 (Unaudited)	June 30, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 2,812	\$ 10,442
Short-term investments	18,057	21,474
Accounts receivable	516	77
Contract Asset	7	—
Inventory, net:		
Raw materials	2,296	2,038
Work-in-process	146	66
Finished goods	310	370
Prepaid expenses and other current assets	431	261
<b>Total current assets</b>	<b>24,575</b>	<b>34,728</b>
Property and equipment, net	2,486	2,763
Intangible asset, net	50	—
Operating lease right-of-use assets, net	35	119
Other assets, net	346	30
<b>Total assets</b>	<b>\$ 27,492</b>	<b>\$ 37,640</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 616	\$ 373
Payroll related accruals	928	1,174
Accrued expenses and other liabilities	882	754
Lease liabilities, current	66	227
<b>Total current liabilities</b>	<b>2,492</b>	<b>2,528</b>
Accrued expenses and other liabilities, net of current portion	193	232
Lease liabilities, net of current portion	55	73
<b>Total liabilities</b>	<b>2,740</b>	<b>2,833</b>
Commitments and contingencies (Note 14)		
<b>Stockholders' equity</b>		
Convertible preferred stock, \$0.001 par value (2,500,000 shares authorized; 280,898 shares of Series D issued and outstanding at March 31, 2025, and June 30, 2024)	—	—
Common stock, \$0.001 par value (250,000,000 shares authorized at March 31, 2025, and June 30, 2024, respectively; 1,704,269 and 1,712,045 shares issued at March 31, 2025, and June 30, 2024, respectively; 1,693,953 and 1,701,729 shares outstanding at March 31, 2025, and June 30, 2024, respectively)	190,643	190,643
Treasury shares (10,316 shares at March 31, 2025, and June 30, 2024)	(119)	(119)
Additional paid-in capital	83,109	82,480
Accumulated deficit	(247,940)	(237,020)
Accumulated other comprehensive loss	(941)	(1,177)
<b>Total stockholders' equity</b>	<b>24,752</b>	<b>34,807</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 27,492</b>	<b>\$ 37,640</b>

*See accompanying notes to unaudited condensed consolidated financial statements.*

**ASTROTECH CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Operations and Comprehensive Loss**  
(In thousands, except per share data)  
(Unaudited)

	<b>Three Months Ended March 31,</b>		<b>Nine Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Revenue	\$ 534	\$ 50	\$ 829	\$ 1,590
Cost of revenue	297	42	428	867
<b>Gross profit</b>	<b>237</b>	<b>8</b>	<b>401</b>	<b>723</b>
Operating expenses:				
Selling, general and administrative	2,115	1,833	5,842	5,501
Research and development	1,989	1,708	6,375	5,158
<b>Total operating expenses</b>	<b>4,104</b>	<b>3,541</b>	<b>12,217</b>	<b>10,659</b>
<b>Loss from operations</b>	<b>(3,867)</b>	<b>(3,533)</b>	<b>(11,816)</b>	<b>(9,936)</b>
Other income and expense, net	234	379	896	1,229
<b>Net loss</b>	<b>\$ (3,633)</b>	<b>\$ (3,154)</b>	<b>\$ (10,920)</b>	<b>\$ (8,707)</b>
Weighted average common shares outstanding:				
Basic and diluted	1,665	1,633	1,663	1,632
<b>Basic and diluted net loss per common share:</b>				
Net loss per common share	\$ (2.18)	\$ (1.93)	\$ (6.57)	\$ (5.34)
<b>Other comprehensive loss, net of tax:</b>				
Net loss	\$ (3,633)	\$ (3,154)	\$ (10,920)	\$ (8,707)
Available-for-sale securities:				
Net unrealized gain	139	13	236	284
<b>Total comprehensive loss</b>	<b>\$ (3,494)</b>	<b>\$ (3,141)</b>	<b>\$ (10,684)</b>	<b>\$ (8,423)</b>

*See accompanying notes to unaudited condensed consolidated financial statements.*

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

	Preferred Stock		Common Stock						
	Series D								
	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	—	—	—	—	—	—	—	316	316
Stock-based compensation	—	—	—	—	—	216	—	—	216
Net loss	—	—	—	—	—	—	(3,278)	—	(3,278)
Balance at September 30, 2024	281	\$ —	1,702	\$ 190,643	\$ (119)	\$ 82,696	\$ (240,298)	\$ (861)	\$ 32,061
Net change in available-for-sale marketable securities	—	—	—	—	—	—	—	(219)	(219)
Stock-based compensation	—	—	—	—	—	261	—	—	261
Net loss	—	—	—	—	—	—	(4,009)	—	(4,009)
Balance at December 31, 2024	281	\$ —	1,702	\$ 190,643	\$ (119)	\$ 82,957	\$ (244,307)	\$ (1,080)	\$ 28,094
Net change in available-for-sale marketable securities	—	—	—	—	—	—	—	139	139
Stock-based compensation	—	—	—	—	—	152	—	—	152
Cancellation of restricted stock	—	—	(8)	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(3,633)	—	(3,633)
Balance at March 31, 2025	281	\$ —	1,694	\$ 190,643	\$ (119)	\$ 83,109	\$ (247,940)	\$ (941)	\$ 24,752

	Preferred Stock		Common Stock						
	Series D								
	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, 2023	281	\$ —	1,682	\$ 190,643	\$ (119)	\$ 81,002	\$ (225,354)	\$ (1,453)	\$ 44,719
Net change in available-for-sale marketable securities	—	—	—	—	—	—	—	(54)	(54)
Stock-based compensation	—	—	—	—	—	364	—	—	364
Issuance of restricted stock	—	—	20	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	(2,912)	—	(2,912)
Balance at September 30, 2023	281	\$ —	1,702	\$ 190,643	\$ (119)	\$ 81,366	\$ (228,266)	\$ (1,507)	\$ 42,117
Net change in available-for-sale marketable securities	—	—	—	—	—	—	—	325	325
Stock-based compensation	—	—	—	—	—	473	—	—	473
Net loss	—	—	—	—	—	—	(2,641)	—	(2,641)
Balance at December 31, 2023	281	\$ —	1,702	\$ 190,643	\$ (119)	\$ 81,839	\$ (230,907)	\$ (1,182)	\$ 40,274
Net change in available-for-sale marketable securities	—	—	—	—	—	—	—	13	13
Stock-based compensation	—	—	—	—	—	438	—	—	438
Net loss	—	—	—	—	—	—	(3,154)	—	(3,154)
Balance at March 31, 2024	281	\$ —	1,702	\$ 190,643	\$ (119)	\$ 82,277	\$ (234,061)	\$ (1,169)	\$ 37,571

*See accompanying notes to unaudited condensed consolidated financial statements.*

**ASTROTECH CORPORATION AND SUBSIDIARIES**
**Condensed Consolidated Statements of Cash Flows**

(In thousands)

(Unaudited)

	<b>Nine Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (10,920)	\$ (8,707)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	629	1,275
Depreciation and amortization	718	507
Amortization of operating lease right-of-use assets	107	107
Interest on financing leases	4	10
Loss on disposal of asset	97	—
Changes in assets and liabilities:		
Accounts receivable	(439)	24
Contract asset	(7)	—
Inventory, net	(278)	(349)
Income tax payable	—	1
Accounts payable	243	66
Other assets and liabilities	(627)	(13)
Operating lease liabilities	(118)	(113)
<b>Net cash used in operating activities</b>	<b>(10,591)</b>	<b>(7,192)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(485)	(353)
Purchases of intangible assets	(50)	—
Proceeds from short-term investments	3,653	2,005
<b>Net cash provided by investing activities</b>	<b>3,118</b>	<b>1,652</b>
<b>Cash flows from financing activities:</b>		
Repayment of financing liability in connection with internal-use software	(70)	(45)
Repayments on finance lease liabilities	(87)	(136)
<b>Net cash used in financing activities</b>	<b>(157)</b>	<b>(181)</b>
<b>Net change in cash and cash equivalents</b>	<b>\$ (7,630)</b>	<b>\$ (5,721)</b>
Cash and cash equivalents at beginning of period	10,442	14,208
<b>Cash and cash equivalents at end of period</b>	<b>\$ 2,812</b>	<b>\$ 8,487</b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest	\$ 9	\$ 21
Income taxes paid	\$ —	\$ 2
<b>Non-cash financing activities:</b>		
Finance lease expenditures incurred but not paid for as of the end of the period	\$ 21	\$ —

*See accompanying notes to unaudited condensed consolidated financial statements.*



## ASTROTECH CORPORATION AND SUBSIDIARIES

### Notes to Condensed Consolidated Financial Statements (Unaudited)

#### (1) General Information

##### Business Overview

The terms “Astrotech”, “the Company”, “we”, “us”, or “our” refer to Astrotech Corporation (Nasdaq: ASTC), a Delaware corporation organized in 1984.

Our mission is to expand access to mass spectrometry (“MS”) 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. The Astrotech Mass Spectrometer Technology™ (“AMS Technology”) platform achieves our mission through simplifying the user interface, automating the complicated calibration process, ruggedizing the critical components to endure MS field work, and enabling multiple configurations for sample intake options.

We are commercializing the AMS Technology through application specific, wholly owned subsidiaries described below.

- Astrotech Technologies, Inc. (“ATI”) owns and licenses the intellectual property related to the AMS Technology.
- 1st Detect Corporation (“1st Detect”) is a manufacturer of explosives trace detectors (“ETDs”) and narcotics 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 developing a breath analysis tool 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.
- EN-SCAN, Inc. (“EN-SCAN”) is developing advanced environmental testing and monitoring solutions, integrating gas chromatography and mass spectrometry technology in rugged, portable designs. EN-SCAN’s products are expected to support industrial, environmental, and regulatory applications, helping organizations meet compliance requirements and environmental safety. EN-SCAN will use 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.
- 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.

##### Principles of Consolidation and Basis of Presentation

The accompanying condensed consolidated financial statements of Astrotech Corporation and Subsidiaries (collectively the “Company”) have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and disclosures required by accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations. These condensed financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the results of operations of the Company for the period presented. The results of operations for the three and nine months ended March 31, 2025, are not necessarily indicative of the results that may be expected for any future period or the fiscal year ending June 30, 2025 and should be read in conjunction with the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024, filed with the SEC.

## Segment Information

The Company has determined that it does not meet the criteria of Accounting Standards Codification (“ASC”) 280 “Segment Reporting”. Operating segments are identified as components of an enterprise about which separate discrete financial information is evaluated by the chief operating decision maker (“CODM”), or decision-making group, in making decisions regarding resource allocation and assessing performance. Our CODM is our chief executive officer. We have chosen to organize the Company based on the type of products sold. We have one operating segment which is “Mass Spectrometry Equipment”. The Company, which uses consolidated financial information in determining how to allocate resources and assess performance, has concluded that our mass spectrometry products compete in similar economic markets and similar circumstances. All the Company’s assets are in the United States. We sell our products both domestically and internationally.

## Accounting Pronouncements

In July 2023, the FASB issued ASU No 2023-03, “Presentation of Financial Statements (Topic 205), Income Statement—Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation—Stock Compensation (Topic 718)” pursuant to SEC Staff Accounting Bulletin No. 120, which adds interpretive guidance for public companies to consider when entering into share-based payment transactions while in possession of material non-public information. The effective date of this update is for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The adoption of this on July 1, 2024, did not have a material impact on its financial statements.

In August 2020, the FASB issued ASU No. 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20), and Derivatives and Hedging—Contracts in an Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity. The amendments in ASU No. 2020-06 simplify the complexity associated with applying GAAP for certain financial instruments with characteristics of liabilities and equity. More specifically, the amendments focus on the guidance for convertible instruments and derivative scope exceptions for contracts in an entity’s own equity. For smaller reporting companies, ASU 2020-06 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The adoption of this on July 1, 2024, did not have a material impact on its financial statements.

In November 2023, the FASB issued Accounting Standards Update 2023-07—Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. All public entities will be required to report segment information in accordance with the new guidance starting in annual periods beginning after December 15, 2023. The adoption of this on July 1, 2024, did not have a material impact on its financial statements.

## Recently Issued Accounting Standards Not Yet Adopted

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. We are assessing the impact of this guidance on our disclosures.

In November 2024, the FASB also issued ASU 2024-03, Disaggregation of Income Statement Expenses, which will require the disclosure of additional information about specific expense categories in the notes to the financial statements. The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. For us, annual reporting requirements will be effective for our fiscal year 2028 beginning on July 1, 2027, and interim reporting requirements will be effective beginning with our first quarter of fiscal year 2029. Early adoption is permitted. We are currently evaluating the impact of this amended disclosure guidance.

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.

## (2) Investments

The following tables summarize gains and losses related to the Company's investments as of March 31, 2025, and June 30, 2024, respectively:

Available-for-Sale Investments (In thousands)	March 31, 2025			
	Adjusted Cost	Unrealized Gain	Unrealized Loss	Fair Value
Mutual Funds - Corporate & Government Debt	\$ 11,623	\$ —	\$ (693)	\$ 10,930
ETFs - Corporate & Government Debt	7,375	—	(248)	7,127
<b>Total</b>	<b>\$ 18,998</b>	<b>\$ —</b>	<b>\$ (941)</b>	<b>\$ 18,057</b>

  

Available-for-Sale Investments (In thousands)	June 30, 2024			
	Adjusted Cost	Unrealized Gain	Unrealized Loss	Fair Value
Mutual Funds - Corporate & Government Debt	\$ 15,276	\$ —	\$ (850)	\$ 14,426
ETFs - Corporate & Government Debt	7,375	—	(327)	7,048
<b>Total</b>	<b>\$ 22,651</b>	<b>\$ —</b>	<b>\$ (1,177)</b>	<b>\$ 21,474</b>

As of March 31, 2025, and June 30, 2024, the Company had no long-term investments. For more information about the fair value of the Company's financial instruments, see footnote 9.

The following table presents the carrying amounts of certain financial instruments as of March 31, 2025, and June 30, 2024, respectively:

(In thousands)	Carrying Value		Carrying Value	
	Short-Term Investments		Long-Term Investments	
	March 31, 2025	June 30, 2024	March 31, 2025	June 30, 2024
<b>Money Market Funds</b>				
Mutual Funds - Corporate & Government Debt	\$ 10,930	\$ 14,426	\$ —	\$ —
ETFs - Corporate & Government Debt	7,127	7,048	—	—
<b>Total</b>	<b>\$ 18,057</b>	<b>\$ 21,474</b>	<b>\$ —</b>	<b>\$ —</b>

## (3) Leases

On April 27, 2021, Astrotech entered into a lease for a research and development facility of approximately 5,960 square feet in Austin, Texas (the "R&D Facility") that includes a laboratory, a small production shop, and offices for staff, although many of the Company's employees continue to work remotely. The lease commenced on June 1, 2021, and had a lease term of 36 months. On November 11, 2022, the Company signed a lease extension agreement for the R&D Facility, extending the term of the lease through April 30, 2025. On January 20, 2025, entered into the Donley Facilities Lease Extension as further described below.

On November 22, 2022, Astrotech entered into a sublease agreement for an additional facility directly adjacent to the R&D facility (the "Subleased Facility"). The Subleased Facility consists of approximately 3,900 square feet and provides the space needed for the Company to launch its AgLAB products and continues its R&D efforts at ATI and BreathTech. The sublease commenced on December 1, 2022, and had a lease term of 29 months through April 30, 2025. On January 20, 2025, entered into the Donley Facilities Lease Extension as further described below.

The R&D Facility and the Subleased Facility are collectively referred to herein as the "Donley Facilities." On January 20, 2025, the Company entered into a lease extension to extend the terms of the leases associated with the Donley Facilities effective May 1, 2025, and terminating June 30, 2025 ("Donley Facilities Lease Extension"), with an option to continue the lease on a month-to-month basis. Astrotech expects to continue renewing the lease after June 30, 2025. The monthly rent for the Donley Facilities will be \$14,186 during the initial extension period.

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 judgement 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. Total depreciation and amortization expense includes finance lease right-of-use asset amortization of \$7 thousand and \$31 thousand for each of the three months ended March 31, 2025, and 2024, respectively. Total depreciation and amortization expense includes finance lease right-of-use asset amortization of \$69 thousand and \$94 thousand for each of the nine months ended March 31, 2025, and 2024, respectively.

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

(In thousands)	Classification on the Condensed Consolidated Balance Sheet	March 31, 2025	June 30, 2024
<b>Assets:</b>			
Operating lease assets	Operating leases, right-of-use assets, net	\$ 35	\$ 119
Financing lease assets	Property and equipment, net	85	366
<b>Total lease assets</b>		<b>\$ 120</b>	<b>\$ 485</b>
<b>Liabilities:</b>			
Current:			
Operating lease obligations	Lease liabilities, current	\$ 43	\$ 138
Financing lease obligations	Lease liabilities, current	23	89
Non-current:			
Operating lease obligations	Lease liabilities, non-current	—	—
Financing lease obligations	Lease liabilities, non-current	55	73
<b>Total lease liabilities</b>		<b>\$ 121</b>	<b>\$ 300</b>

Future minimum lease payments as of March 31, 2025, under non-cancellable leases are as follows (in thousands):

(In thousands)	Operating Leases	Financing Leases	Total
<b>For the Year Ended June 30,</b>			
2025	\$ 43	\$ 7	\$ 50
2026	—	27	27
2027	—	27	27
2028	—	25	25
<b>Total lease obligations</b>	<b>43</b>	<b>86</b>	<b>129</b>
Less: imputed interest	—	(8)	(8)
<b>Present value of net minimum lease obligations</b>	<b>43</b>	<b>78</b>	<b>121</b>
Less: lease liabilities - current	(43)	(23)	(66)
<b>Lease liabilities - non-current</b>	<b>\$ —</b>	<b>\$ 55</b>	<b>\$ 55</b>

Other information as of March 31, 2025, is as follows:

<b>Weighted-average remaining lease term (years):</b>	
Operating leases	0.3
Financing leases	3.3
<b>Weighted-average discount rate:</b>	
Operating leases	6.1%
Financing leases	6.1%

Cash payments for operating leases for the three months ended March 31, 2025, and 2024 were \$43 thousand and \$41 thousand, respectively. Cash payments for financing leases for the three months ended March 31, 2025, and 2024, were \$9 thousand and \$45 thousand respectively.

Cash payments for operating leases for the nine months ended March 31, 2025, and 2024 were \$128 thousand and \$124 thousand, respectively. Cash payments for financing leases for the nine months ended March 31, 2025, and 2024, were \$87 thousand and \$136 thousand respectively.

#### (4) Property and Equipment, net

As of March 31, 2025, and June 30, 2024, property and equipment, net consisted of the following, respectively:

(In thousands)	March 31, 2025	June 30, 2024
Furniture, fixtures, equipment & leasehold improvements	\$ 3,939	\$ 3,613
Software	943	881
Capital improvements in progress	—	1
<b>Gross property and equipment</b>	<b>4,882</b>	<b>4,495</b>
Accumulated depreciation and amortization	(2,396)	(1,732)
<b>Property and equipment, net</b>	<b>\$ 2,486</b>	<b>\$ 2,763</b>

Depreciation and amortization expense of property and equipment was \$247 thousand and \$206 thousand for the three months ended March 31, 2025, and 2024, respectively. Depreciation and amortization expense of property and equipment was \$718 thousand and \$507 thousand for the nine months ended March 31, 2025, and 2024, respectively. Total depreciation and amortization expense includes finance lease right-of-use asset amortization of \$69 thousand and \$94 thousand for each of the nine months ended March 31, 2025, and 2024, respectively.

#### (5) Intangible Assets, net

As of March 31, 2025, and June 30, 2024, intangible assets, net consisted of the following, respectively:

(In thousands)	March 31, 2025	June 30, 2024
Indefinite-life intangible asset	\$ 50	\$ —
Accumulated amortization	—	—
<b>Intangible Assets, net</b>	<b>\$ 50</b>	<b>\$ —</b>

The indefinite-life intangible asset consists of a license from a national laboratory for technology used in gas chromatographic products.

#### (6) Warranty Reserve

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 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 condensed consolidated balance sheets. The warranty reserve balance was \$212 thousand and \$184 thousand of as March 31, 2025, and June 30, 2024, respectively.

#### (7) Stockholders' Equity

##### *Preferred Stock*

The Company has issued 280,898 shares of Series D convertible preferred stock ("Series D Preferred Shares"), all of which are issued and outstanding as of March 31, 2025. Series D Preferred Shares are convertible to common stock on a one-to-thirty basis. If the Series D Preferred Shares were converted to common stock, it would result in an additional 9,364 common stock shares issued and outstanding. 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.

**Common Stock**

The Company has issued 1,704,269 shares of common stock and has outstanding shares of common stock of 1,693,953 as of March 31, 2025. Treasury shares of 10,316 are the difference between issued and outstanding shares.

We did not issue common stock during the nine months ended March 31, 2025.

**Rights Plan**

On December 21, 2022, the Company's Board of Directors adopted a limited duration stockholder rights plan (the "Rights Plan") initially 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 Rights Agreement between the Company and Equiniti Trust Company, as Rights Agent (the "Rights Agent"), which extended 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 the Rights Agreement between the Company and the Rights Agent (the "Amendment"), which extends 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. All other terms and conditions of the Rights Plan remain unchanged.

**Warrants**

A summary of the common stock warrant activity for the nine months ended March 31, 2025, is presented below:

	<b>Number of Shares Underlying Warrants (In thousands)</b>	<b>Weighted Average Exercise Price</b>	<b>Aggregate Fair Market Value at Issuance (In thousands)</b>	<b>Weighted Average Remaining Contractual Term (Years)</b>
Outstanding June 30, 2024	<b>80</b>	<b>\$ 72.10</b>	<b>\$ 3,747</b>	<b>1.60</b>
Warrants issued	—	—	—	—
Warrants exercised	—	—	—	—
Warrants expired	(3)	154.13	(194)	—
Outstanding March 31, 2025	<b>77</b>	<b>\$ 69.04</b>	<b>\$ 3,553</b>	<b>0.88</b>

**(8) Net Loss per Share**

Basic net loss per share is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is computed based on the weighted average number of common shares outstanding 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:

(In thousands, except per share data)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
<b>Numerator:</b>				
Net loss	\$ (3,633)	\$ (3,154)	\$ (10,920)	\$ (8,707)
<b>Denominator:</b>				
Denominator for basic and diluted net loss per share — weighted average common stock outstanding	1,665	1,633	1,663	1,632
<b>Basic and diluted net loss per common share:</b>				
Net loss per common share	\$ (2.18)	\$ (1.93)	\$ (6.57)	\$ (5.34)

All unvested restricted stock awards and convertible Series D preferred shares for the nine months ended March 31, 2025, are not included in diluted net loss per share, as the impact to net loss per share would be anti-dilutive. Options to purchase 208,748 shares of common stock at exercise prices ranging from \$6.04 to \$175.50 per share outstanding as of March 31, 2025, were not included in diluted net loss per share, as the impact to net loss per share would be anti-dilutive.

## (9) 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 the Company 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. Revenue was recognized at a point in time consistent with the guidelines in Topic 606.

### *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 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.

Revenue under long-term government contracts are 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.*

In cases where the Company is responsible for shipping after the customer has obtained control of the goods, the Company has elected to treat the shipping activities as fulfillment activities rather than as a separate performance obligation. Additionally, the Company has elected to capitalize the cost to obtain a contract only if the period of amortization would be longer than one year. The Company only considers whether a customer agreement has a financing component if the period between transfer of goods and services and customer payment is greater than one year.

*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 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.

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 an 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 to it including its 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.

## **(10) 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 Topic 820 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.



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The following tables present the carrying amounts, estimated fair values, and valuation input levels of certain financial instruments as of March 31, 2025, and June 30, 2024:

	March 31, 2025				
(In thousands)	Carrying Amount	Fair Value Measured Using			Fair Value
		Level 1	Level 2	Level 3	
Available-for-Sale Investments					
Short-Term Investments					
Mutual Funds - Corporate & Government Debt	10,930	10,930	—	—	10,930
ETFs - Corporate & Government Debt	7,127	7,127	—	—	7,127
Total Available-for-Sale Investments	\$ 18,057	\$ 18,057	\$ —	\$ —	\$ 18,057
	June 30, 2024				
(In thousands)	Carrying Amount	Fair Value Measured Using			Fair Value
		Level 1	Level 2	Level 3	
Available-for-Sale Investments					
Short-Term Investments					
Mutual Funds - Corporate & Government Debt	14,426	14,426	—	—	14,426
ETFs - Corporate & Government Debt	7,048	7,048	—	—	7,048
Total Available-for-Sale Investments	\$ 21,474	\$ 21,474	\$ —	\$ —	\$ 21,474

The value of available-for-sale securities with Level 1 inputs is based on pricing from third-party pricing vendors, who use quoted prices in active markets for identical assets. The fair value measurements used for time deposits are considered Level 2 and use pricing from third-party pricing vendors who use quoted prices for identical or similar securities in both active and inactive markets.

The carrying amounts reported in the condensed consolidated balance sheets for cash and cash equivalents, short-term investments, accounts receivable, accounts payable, and accrued expenses and other liabilities at fair value or cost, which approximates fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rates of interest.

As of the unaudited condensed consolidated balance sheets date, certain investment securities are required to be recorded at fair value with the change in fair value during the period being recorded as an unrealized gain or loss.

#### (11) Business Risk and Credit Risk Concentration Involving Cash

The Company had one customer that materially comprised all the Company's revenue for the three months ended March 31, 2025, and two customers that materially comprised all the Company's revenue for the nine months ended March 31, 2025. The Company had one customer that materially comprised all the Company's revenue for the three months ended March 31, 2024, and three customers that materially comprised all the Company's revenue for the nine months ended March 31, 2024.

The Company maintains funds in bank accounts that may exceed the limit insured by the Federal Deposit Insurance Corporation (the "FDIC"). 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.

#### (12) Stock-Based Compensation

We have granted equity incentives to employees and directors in the form of stock options and restricted stock awards. The total stock-based compensation expense for all equity incentives was \$152 thousand and \$438 thousand for the three months ended March 31, 2025, and March 31, 2024, respectively. The total stock-based compensation expense for all equity incentives was \$629 thousand and \$1.3 million for the nine months ended March 31, 2025, and March 31, 2024, respectively.

### Stock Options

The Company's stock option activity for the nine months ended March 31, 2025, is as follows:

	Shares	Weighted Average Exercise Price
<b>Outstanding at June 30, 2024</b>	<b>156,628</b>	<b>\$ 14.18</b>
Granted	86,610	10.07
Exercised	—	—
Canceled or expired	(34,490)	10.45
<b>Outstanding at March 31, 2025</b>	<b>208,748</b>	<b>\$ 13.09</b>

The aggregate intrinsic value was \$0 for all of options exercisable and for all unvested options at March 31, 2025, because the fair value of the Company's common stock was less than the exercise prices of these options.

The table below details the Company's stock options outstanding as of March 31, 2025:

Range of exercise prices	Number Outstanding	Options Outstanding Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Exercisable	Options Exercisable Weighted-Average Exercise Price
\$ 6.04 - 19.20	206,123	8.67	\$ 11.32	56,830	\$ 13.33
\$ 55.50 - 84.90	418	3.63	61.48	418	61.48
\$ 159.00 - 175.50	2,207	2.11	168.97	2,207	168.97
<b>\$ 6.04 - 175.50</b>	<b>208,748</b>	<b>8.59</b>	<b>\$ 13.09</b>	<b>59,455</b>	<b>\$ 19.39</b>

Compensation costs recognized related to stock option awards were \$126 thousand and \$134 thousand for each of the three months ended March 31, 2025, and 2024, respectively. Compensation costs recognized related to stock option awards were \$480 thousand and \$338 thousand for each of the nine months ended March 31, 2025, and 2024, respectively. The remaining stock-based compensation expense of \$973 thousand related to stock options will be recognized over a weighted-average period of 2.92 years.

### Restricted Stock

The Company's restricted stock activity for the nine months ended March 31, 2025, is as follows:

	Shares	Weighted Average Grant Date Fair Value
<b>Outstanding at June 30, 2024</b>	<b>43,773</b>	<b>\$ 15.36</b>
Granted	—	—
Vested	(7,385)	10.27
Canceled or expired	(7,776)	10.97
<b>Outstanding at March 31, 2025</b>	<b>28,612</b>	<b>\$ 17.87</b>

Stock compensation expenses related to restricted stock were \$26 thousand and \$304 thousand for the three months ended March 31, 2025, and 2024, respectively. Stock compensation expenses related to restricted stock were \$149 thousand and \$937 thousand for the nine months ended March 31, 2025, and 2024, respectively. The remaining stock-based compensation expense of \$317 thousand related to restricted stock awards granted will be recognized over a weighted-average period of 1.92 years.

### **(13) 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 March 31, 2025, the Company has a valuation allowance against all of its net deferred tax assets.

For the nine months ended March 31, 2025, and 2024, the Company incurred pre-tax losses in the amount of \$10.9 million and \$8.7 million, respectively. The total effective tax rate was approximately 0% for nine months ended March 31, 2025, and 2024.

For each of the nine months ended March 31, 2025, and 2024, the Company's effective tax rate differed from the federal statutory rate of 21%, primarily due to the valuation allowance placed against its net deferred tax assets.

FASB ASC 740, "Income Taxes" addresses the accounting for uncertainty in income tax 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 currently has approximately \$593 thousand of uncertain tax positions as of March 31, 2025, all of which are accounted as contra-deferred tax assets. The Company does not expect any significant changes to its uncertain tax positions in the coming 12 months.

Loss carryovers are generally subject to modification by tax authorities until three years after they have been utilized; as such, the Company is subject to examination for the fiscal years ended 2001 through present for federal purposes and fiscal years ended 2006 through present for state purposes.

### **(14) Commitments and Contingencies**

The Company is not subject to any litigation at the present time.

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 several of factors including experience with similar matters, history, precedents, relevant financial and other evidence and facts specific to the matter. Notwithstanding the uncertainty as to the 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.

However, we cannot predict the outcome or effect of any of the potential litigation, claims or disputes.

### **(15) Subsequent Events**

We have assessed our operations through the filing date of this Quarterly Report on Form 10-Q and determined that there were no material subsequent events requiring adjustment to, or disclosure in, our condensed consolidated financial statements for the nine months ended March 31, 2025

## FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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. 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:

- The adverse impact of recent inflationary pressures, including significant increases in fuel costs, global economic conditions and events related to these conditions, including the ongoing wars in Ukraine and the Middle East;
- Our ability to successfully pursue our business plan and execute our strategy;
- 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.

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 Quarterly Report on Form 10-Q will prove to be accurate. Considering 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 in our 2024 Form 10-K, elsewhere in this Quarterly Report on Form 10-Q, or those discussed in other documents we filed with the SEC. 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 Quarterly Report on Form 10-Q and in prior or subsequent communications.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following information should be read in conjunction with the unaudited condensed consolidated financial statements and the accompanying notes included in Part I, Item 1 of this Report.*

### **Business Overview**

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™, TRACER 1000™ NTD, and Pro-Control 1000™ along with related accessories and consumables.

Our mission is to expand access to mass spectrometry (“MS”) 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 achieve our mission through simplifying the user interface, automating the complicated calibration process, ruggedizing the critical components to endure MS field work, and enabling multiple configurations for sample intake options.

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

### **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 less expensive, 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 16 patents granted along with extensive trade secrets. With several diverse market opportunities for our core technology, ATI is structured to license our intellectual property for different fields of use. ATI currently licenses the AMS Technology to our wholly-owned subsidiaries 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 to Pro-Control for use in production applications and EN-SCAN, Inc. for use for on-site, real-time air, water and soil analysis.

## 1st Detect Corporation

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 explosives trace detector (“ETD”) certified by the European Civil Aviation Conference (“ECAC”) and approved by the Transportation Security Administration (“TSA”) for air cargo. The TRACER 1000 was designed to outperform the ETDs currently used at airports, cargo, other secured facilities, and borders worldwide. We believe that ETD customers are unsatisfied with currently deployed ETD technology, which is driven by ion mobility spectrometry (“IMS”). We 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 an extensive 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 and certain other countries. We currently sell the TRACER 1000 to customers who accept ECAC certification. As of March 31, 2025, we have the TRACER 1000 in approximately 32 locations in 15 countries throughout the United States of America, Europe and Asia.

In June of 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.

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. For the fiscal year 2023, the U.S. federal government had a budget of over 6,000 ETD units at checkpoint and baggage screening points for which we believe that the TSA would benefit from utilizing our AMS Technology.

We are currently accepting orders for the TRACER 1000 ETD and narcotics trace detector (“NTD”) which are listed in the U.S. General Services Administration (“GSA”) IT Schedule 70 under Contract No. GS-35F-250GA with SRI Group LLC, Special Item Number 334290. The TRACER 1000 ETD and NTD are high-performance laboratory instruments 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 U.S. federal government, one of the largest buyers of goods and services in the world.

On January 14, 2025, our wholly owned subsidiary, 1st Detect Corporation, announced that it has been awarded research and development contract 'ORSAT24CB0000015 with the U.S. Department of Homeland Security (“DHS”) to research, develop and mature the TRACER 1000 for DHS next generation explosives trace detection.

On January 23, 2025, we announced that 1st Detect received a purchase order for its TRACER 1000™ ETDs from Intuitive Research and Technology Corporation a TSA contractor. The purchase order was valued at \$429 thousand and was recognized as revenue during the three months ended March 31, 2025.

On March 10, 2025, we announced the TRACER 1000 NTD has been configured to screen for a range of synthetic opiates and novel psychoactive substances delivering accuracy and speed to counter the global drug crisis.

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

## **AgLAB Inc.**

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 large, worldwide industry. 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 the Company’s 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.

AgLAB announced the presentation of the AgLAB Maximum Value Processing at MJBizCon. The AgLAB MVP is an innovative process control system proven to increase the potency of ending-weight yields and increase revenue. 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 approximately 15% to 30% depending on application. We believe these ongoing field trials demonstrate the solution can be a valuable tool for cannabis and hemp oil processors worldwide.

On June 13, 2024, AgLAB and SC Laboratories (“SC Labs”) entered into a master lease agreement providing for the joint marketing of the AgLAB 1000-D2™ mass spectrometer and the AgLAB Maximum Value Process™ testing method to SC Labs’ clients.

## **BreathTech Corporation**

BreathTech Corporation (“BreathTech”) is an exclusive licensee of ATI for use in breath analysis applications. In October 2020, we entered into a Joint Development Agreement with The Cleveland Clinic Foundation (“CCF JDA”) to develop a rapid breath test for coronavirus infection or related indicators using BreathTech’s license for the AMS Technology and collection of data through a clinical study. The CCF JDA expired on April 30, 2025.

In conjunction with the CCF JDA, BreathTech entered into an Investigator-Initiated Study Agreement with The Cleveland Clinic Foundation (“CCF IISA”), 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 believe additional studies will be required to continue exploration of technologies which may provide non-invasive methods of monitoring and studying lung and systemic diseases.

We believe commercialization of this application with the AMS Technology will require many years and significant investment due to regulatory requirements and 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.

#### **EN-SCAN, Inc.**

On February 28, 2025, we announced the formation of our new wholly owned subsidiary, EN-SCAN, to manufacture and sell a new line of instruments built for environmental testing using its proprietary ATi Gas Chromatograph ("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 Rugged Lab GC-MS, EN-SCAN Fenceline Monitor, and EN-SCAN Handheld GC. Each of these three testing solutions are designed for specific applications.

#### **Pro-Control, Inc.**

On December 12, 2023, we announced the formation of our new wholly owned subsidiary, 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, and pressure) while significantly improving 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.

#### **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. 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 the Company's 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 that the following accounting policies require us to make significant judgments and estimates in the preparation of our consolidated financial statements.



## Results of Operations

### Three months ended March 31, 2025, compared to three months ended March 31, 2024:

Selected consolidated financial data for the three months ended March 31, 2025, and 2024 is as follows:

(In thousands)	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 534	\$ 50
Cost of revenue	297	42
<b>Gross profit</b>	<b>237</b>	<b>8</b>
<b>Gross margin</b>	<b>44%</b>	<b>16%</b>
Operating expenses:		
Selling, general and administrative	2,115	1,833
Research and development	1,989	1,708
<b>Total operating expenses</b>	<b>4,104</b>	<b>3,541</b>
<b>Loss from operations</b>	<b>(3,867)</b>	<b>(3,533)</b>
Other income and expense, net	234	379
<b>Net loss</b>	<b>\$ (3,633)</b>	<b>\$ (3,154)</b>

**Revenue** – Total revenue increased by \$484 thousand during the third quarter of fiscal year 2025, compared to the third quarter of fiscal year 2024. In the third quarter of fiscal year 2025, revenue was primarily derived from sales of our TRACER 1000, a government grant and ongoing consumable and recurring maintenance services of the TRACER 1000. In the third quarter of fiscal year 2024, revenue was primarily derived from ongoing consumables and recurring maintenance services of the TRACER 1000. The increase in revenue is the result of selling more devices during the third quarter of fiscal year 2025 than were sold in the third quarter of fiscal year 2024.

**Cost of Revenue** – Gross profit is comprised of revenue less cost of revenue. Our costs of revenue include materials, overhead, warranty expenses, shipping, and labor. Cost of revenue increased by \$255 thousand during the third quarter of fiscal year 2025, compared to the third quarter of fiscal year 2024, primarily due to the increase in device sales. Gross margin increased by 28% in the third quarter of fiscal year 2025, compared to the third quarter of fiscal year 2024. The device sales in fiscal year 2025 had a higher margin compared to the device sales in fiscal year 2024 which resulted in an increase in gross margin.

**Operating Expenses** – Operating expenses increased \$563 thousand, or 15.9%, during the third quarter of fiscal year 2025, compared to the third quarter of fiscal year 2024. Significant changes to operating expenses include the following:

- Selling, general and administrative expenses increased \$282 thousand or 15.4% during the third quarter of fiscal year 2025, compared to the third quarter of fiscal year 2024 due to an increase in sales consulting and the hiring of additional employees.
- Research and development expenses increased \$281 thousand, or 16.5%, during the third quarter of fiscal year 2025, compared to the third quarter of fiscal year 2024, largely driven by increased spending on contractors and employees to support the development of our mass spectrometry offering and expenses related to cross-platform improvements to our technology.

**Other Income and Expense, net** – Other income and expense, net decreased \$145 thousand during the third quarter of fiscal year 2025, compared to the third quarter of fiscal year 2024, due to less investments earning interest income.

## Nine months ended March 31, 2025, compared to nine months ended March 31, 2024:

Selected consolidated financial data for the nine months ended March 31, 2025, and 2024 is as follows:

(In thousands)	Nine Months Ended March 31,	
	2025	2024
Revenue	\$ 829	\$ 1,590
Cost of revenue	428	867
<b>Gross profit</b>	<b>401</b>	<b>723</b>
<b>Gross margin</b>	<b>48%</b>	<b>45%</b>
Operating expenses:		
Selling, general and administrative	5,842	5,501
Research and development	6,375	5,158
<b>Total operating expenses</b>	<b>12,217</b>	<b>10,659</b>
<b>Loss from operations</b>	<b>(11,816)</b>	<b>(9,936)</b>
Other income and expense, net	896	1,229
<b>Net loss</b>	<b>\$ (10,920)</b>	<b>\$ (8,707)</b>

**Revenue** – Total revenue decreased by \$761 thousand during the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024. In the nine months ended March 31, 2025, revenue was primarily derived from sales of our TRACER 1000, a government grant and ongoing consumable and recurring maintenance services of the TRACER 1000. In the nine months ended March 31, 2024, revenue was primarily derived from sales of our TRACER 1000 along with ongoing consumable and recurring maintenance services of the TRACER 1000. The decrease in revenue is the result of selling fewer devices during fiscal year 2025 compared to fiscal year 2024.

**Cost of Revenue** – Gross profit is comprised of revenue less cost of revenue. Our costs of revenue include materials, overhead, warranty expenses, shipping, and labor. Cost of revenue decreased by \$439 thousand during the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, primarily due to a decrease in device sales. Gross margin increased by 3% during the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024. This increase was primarily due to the device sales in fiscal year 2025 having a higher margin compared to the device sales in fiscal year 2024. In addition, grant revenue had a minimal cost of revenue and lower costs of revenue due to a sales mix. These factors resulted in an increase in gross margin.

**Operating Expenses** – Operating expenses increased \$1.6 million, or 14.6%, during the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024. Significant changes to operating expenses include the following:

- Selling, general and administrative expenses increased \$341 thousand, or 6.2% during the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, due to an increase in sales consulting and the hire of additional employees.
- Research and development expenses increased \$1.2 million, or 23.6%, during the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, largely driven by increases in contractors personnel count to support the development of our mass spectrometry offering and expenses related to cross-platform improvements to our technology.

**Other Income and Expense, net** – Other income and expense, net decreased \$333 thousand during the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, due to less investments earning interest income.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash Flows

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

(In thousands)	Nine Months Ended March 31,		
	2025	2024	Change
Change in cash and cash equivalents:			
Net cash used in operating activities	\$ (10,591)	\$ (7,192)	\$ (3,399)
Net cash provided by investing activities	3,118	1,652	1,466
Net cash used in financing activities	(157)	(181)	24
<b>Net change in cash and cash equivalents</b>	<b>\$ (7,630)</b>	<b>\$ (5,721)</b>	<b>\$ (1,909)</b>

### Cash and Cash Equivalents

As of March 31, 2025, we held cash and cash equivalents of \$2.8 million, and our working capital was approximately \$22.1 million. As of June 30, 2024, we had cash and cash equivalents of \$10.4 million, and our working capital was approximately \$32.2 million. Cash and cash equivalents decreased \$7.6 million as of March 31, 2025, compared to June 30, 2024, due to funding our operating losses.

### Operating Activities

Cash used in operating activities increased \$3.4 million for the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, due to increased use of cash to fund operating losses and working capital.

### Investing Activities

Cash provided by investing activities increased \$1.5 million for the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024, due primarily to selling short-term time deposit investments.

### Financing Activities

Cash used in financing activities was slightly lower for the nine months ended March 31, 2025, compared to the nine months ended March 31, 2024.

We did not have any material off-balance sheet arrangements as of March 31, 2025.

### Liquidity

There have been no material updates to our expectations for our short- and long-term liquidity and operating capital requirements since our 2024 Form 10-K.

### Income Taxes

#### Provision for Income Tax

The Company's effective tax rate is 0% for income tax for the nine months ended March 31, 2025, and the Company expects that its effective tax rate for the full fiscal year 2025 will be 0%. Based on the weight of available evidence, including net cumulative losses and expected future losses, the Company has determined that it is more likely than not that its U.S. federal and state deferred tax assets will not be realized and therefore a full valuation allowance has been provided on the U.S. federal and state net deferred tax assets.

In general, if the Company experiences a greater than 50 percentage point aggregate change in ownership over a three-year period (a Section 382 ownership change), utilization of its pre-change net operating loss (NOL) carryforwards are subject to an annual limitation under Section 382 of the Internal Revenue Code. Generally, U.S. state laws have laws similar to Internal Revenue Code Section 382. The annual limitation generally is determined by multiplying the value of the Company's stock at the time of such ownership change (subject to certain adjustments) by the applicable long-term tax-exempt rate. Such limitations may result in expiration of a portion of the NOL carryforward before utilization.

The Company files U.S. federal and state income tax returns. The Company is not currently subject to any income tax examinations. The Company has net operating loss carryovers dating back to the June 2002 year, which generally allows all tax years to remain open to income tax examinations for all years for which there are loss carryforwards.

#### ***Uncertain Tax Positions***

The Company recognizes the financial statement effects of a tax position when it becomes more likely than not, based upon the technical merits, that the position will be sustained upon examination. The Company currently has approximately \$593 thousand of uncertain tax positions as of March 31, 2025, all of which are accounted as contra-deferred tax assets. The Company does not expect any significant changes to its uncertain tax positions in the coming 12 months.

#### ***Income Taxes***

There is a \$1 thousand provision for state minimum tax expense during the nine months ended March 31, 2025. There was \$2 thousand provision for income taxes during the nine months ended March 31, 2025.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable to smaller reporting companies.

### **ITEM 4. 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 Quarterly Report on Form 10-Q. 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 March 31, 2025, at the reasonable assurance level.

#### **Changes in Internal Controls over Financial Reporting**

There have been no changes in our internal controls over financial reporting that occurred during our last fiscal quarter ended March 31, 2025, that materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## PART II: OTHER INFORMATION

### ITEM 1. 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 several factors including experience with similar matters, history, precedents, relevant financial and other evidence and facts specific to the matter. Notwithstanding the uncertainty as to the 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 1A. RISK FACTORS

Our business, financial condition, results of operations, and cash flows may be impacted by several factors, many of which are beyond our control, including those set forth in our 2024 Form 10-K and our subsequently filed Form 10-Qs, the occurrence of any one of which could have a material adverse effect on our actual results.

Except as set forth below, there have been no material changes to the risk factors and other cautionary statements described under the heading "Item 1A Risk Factors" included in our 2024 Form 10-K.

***Our manufacturing operations are dependent upon third party suppliers, including single source suppliers, making us vulnerable to external factors such as trade restrictions, 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 tariffs and other trade restrictions, 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. 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 because of serious supply problems with these suppliers. Additionally, the U.S. has recently enacted and proposed to enact significant new tariffs on certain goods or countries and may have new or retaliatory tariffs imposed on the U.S., which could increase the cost of raw materials and components we purchase. There can be no assurance that our supply of 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 several 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.

***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.***

The recent change 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. 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.

## **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

## **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

## **ITEM 4. MINE SAFETY DISCLOSURE**

Not applicable.

## **ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>	<b>Incorporation by Reference</b>
3.1	<a href="#">Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware.</a>	Exhibit 3.1 to Form 8-K filed on December 28, 2017.
3.2	<a href="#">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).</a>	Exhibit 3.1 to Form 8-K filed on August 1, 2023.
3.3	<a href="#">Certificate of Designations of Series A Junior Participating Preferred Stock, as filed with the Secretary of State of the State of Delaware.</a>	Exhibit 3.3 to Form 8-K filed on December 28, 2017.
3.4	<a href="#">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.</a>	Exhibit 3.2 to Form 8-K filed on April 23, 2019.
3.5	<a href="#">Certificate of Amendment to the Certificate of Incorporation of Astrotech Corporation.</a>	Exhibit 3.1 to Form 8-K filed on July 1, 2020.
3.6	<a href="#">Certificate of Amendment to the Certificate of Incorporation of Astrotech Corporation.</a>	Exhibit 3.1 to Form 8-K filed on October 12, 2021.
3.7	<a href="#">Third Certificate of Amendment to the Certificate of Incorporation of Astrotech Corporation.</a>	Exhibit 3.1 to Form 8-K filed on November 23, 2022.
4.1	<a href="#">Rights Agreement between the Company and American Stock Transfer &amp; Trust Company, LLC, as Rights Agent, dated as of December 21, 2022.</a>	Exhibit 4.1 to Form 8-K filed on December 21, 2022.
4.2	<a href="#">Amendment No. 1 to Rights Agreement dated as of December 18, 2023, to the Rights Agreement between the Company and Equiniti Trust Company, as Rights Agent, dated as of December 21, 2022.</a>	Exhibit 4.2 to Form 8-K filed on December 18, 2023.
4.3	<a href="#">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.</a>	Exhibit 4.3* to Form 8-K filed on December 12, 2024.
10.1 †	<a href="#">Independent Contractor Agreement by and between the Company and Jaime Hinojosa, dated January 21, 2025.</a>	Exhibit 10.1 to Form 8-K filed on January 24, 2025.
10.2 †	<a href="#">Independent Contractor Agreement by and between the Company and Ryan Polk, dated January 22, 2025.</a>	Exhibit 10.3 to Form 8-K filed on January 24, 2025.

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Exhibit No.	Description	Incorporation by Reference
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</a>	Filed herewith.
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</a>	Filed herewith.
32.1	<a href="#">Certification pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934.</a>	Furnished herewith.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed herewith.
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, has been formatted in Inline XBRL.	
†	Management contract or compensatory plan arrangement	



**SIGNATURES**

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

Date: May 14, 2025

Astrotech Corporation

/s/ Ryan Polk

\_\_\_\_\_  
Ryan Polk

Chief Financial Officer, Treasurer and Secretary  
(Principal Financial and Accounting Officer)

**Certification of Chief Executive Officer**  
**Section 302 Certification**

I, Thomas B. Pickens III, certify that:

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

Date: May 14, 2025

/s/ Thomas B. Pickens III

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Thomas B. Pickens III  
Chief Executive Officer, Chief Technology Officer, and  
Chairman of the Board  
(Principal Executive Officer)

**Certification of Chief Financial Officer**  
**Section 302 Certification**

I, Ryan Polk, certify that:

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

Date: May 14, 2025

/s/ Ryan Polk

Ryan Polk  
Chief Financial Officer, Treasurer and Secretary  
(Principal Financial and Accounting Officer)

**Certification Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Thomas B. Pickens III, the Chief Executive Officer, and Jaime Hinojosa, the Chief Financial Officer, of Astrotech Corporation (the “Company”), hereby certify, that, to their knowledge:

1. The Quarterly Report on Form 10-Q for the period ended March 31, 2025 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2025

/s/ Thomas B. Pickens III

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Thomas B. Pickens III  
Chief Executive Officer, Chief Technology Officer, and  
Chairman of the Board  
(Principal Executive Officer)

/s/ Ryan Polk

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Ryan Polk  
Chief Financial Officer, Treasurer and Secretary  
(Principal Financial and Accounting Officer)