

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

FORM 10-Q

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

For the quarterly period ended **June 30, 2025**

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 **001-40621**

MOBIX LABS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

98-1591717

(IRS Employer
Identification No.)

**1 Venture, Suite 220
Irvine, California 92618**

(Address of principal executive offices and zip code)

(949) 808-8888

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.00001 per share	MOBX	Nasdaq Capital Market
Redeemable warrants, each warrant exercisable for one share of Class A Common Stock	MOBXW	Nasdaq Capital Market

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 (Section 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

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

The number of shares of the registrant's Class A Common Stock and Class B Common Stock outstanding as of July 31, 2025 was 49,984,338 and 4,750,000, respectively.

MOBIX LABS, INC.
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Cautionary Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q for Mobix Labs, Inc. (the “Company”, “we”, “us” or “our”) contains “forward-looking statements,” as defined in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements are statements other than historical information or statements of current condition and relate to future events or our future financial performance. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. In this Quarterly Report on Form 10-Q, forward-looking statements include, but are not limited to, any statements regarding:

- our financial and business performance;
- our ability to regain compliance with listing rules of the Nasdaq Stock Market LLC (“Nasdaq”), as well as any decisions that we may make in order to regain compliance;
- our intent to pursue acquisitions of companies and technologies;
- changes in our strategy, future operations, financial position, estimated revenues and losses, forecasts, projected costs, prospects and plans;
- our expectation regarding our ability to continue as a going concern and ability to obtain sufficient liquidity to meet our operating needs and satisfy our obligations;
- the impact of the acquisitions of EMI Solutions, Inc. and RaGE Systems, Inc., and any impact on our business and results of operations;
- the implementation, market acceptance and success of our products and technology in the wireless and connectivity markets and in potential new categories for expansion;
- the demand for our products and the drivers of that demand;
- our opportunities and strategies for growth;
- competition in our industry, the advantages of our products and technology over competing products and technology existing in the market, and competitive factors including with respect to technological capabilities, cost and scalability;
- our ability to scale in a cost-effective manner and maintain and expand our manufacturing and supply chain relationships;
- our expectation that we will incur substantial expenses and continuing losses for the foreseeable future;
- our expectations regarding reliance on a limited number of customers and efforts to diversify our customer base;
- our expectations regarding our ability to obtain and maintain intellectual property protection and not infringe on the rights of others;
- general economic and socio-political conditions and their impact on demand for our technology and on the supply chain on which we rely;
- future capital requirements and sources and uses of cash; and
- the outcome of any known and unknown litigation and regulatory proceedings.

These forward-looking statements are based on information available as of the date of this Quarterly Report on Form 10-Q, and current expectations, forecasts, and assumptions, and involve a number of judgments, risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include:

- the inability to timely regain compliance with Nasdaq listing requirements, including the \$1.00 minimum bid price requirement and to remain in compliance with the other Nasdaq listing requirements;
- the inability to meet future capital requirements and the risk that we will be unable to raise additional capital in the future on attractive terms or at all, as well as the dilutive impact that may have on our stockholders;
- the risk that we are unable to successfully commercialize our products and solutions, or experience significant delays in doing so;
- the risk that we may not be able to generate sufficient income from operations to sustain ourselves;
- the risks concerning our ability to continue as a going concern;
- the risk that we experience difficulties in managing our growth and expanding operations;
- the risk that we may not be able to consummate planned strategic acquisitions, or fully realize anticipated benefits from past or future acquisitions or investments;
- the risk that litigation may be commenced against us;
- the risk that our patent applications may not be approved or may take longer than expected, and we may incur substantial costs in enforcing and protecting our intellectual property;
- our ability to attract new customers and grow our customer base; and
- the risk that the price of our securities may be volatile due to a variety of factors, including changes caused by the recently implemented tariffs in the United States as well as any impact that may have on laws and regulations, changes in the competitive industries in which we operate, variations in performance across competitors, the global supply chain, and macro-economic and social environments affecting our business and changes in our capital structure.

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Some of these risks and uncertainties may in the future be amplified by geopolitical tensions, including the further escalation of war between Russia and Ukraine or the conflict pertaining to the Middle East, and there may be additional risks that we consider immaterial or which are unknown. It is not possible to predict or identify all such risks. However, we encourage you to review our risk factors as set forth herein and in our annual report on Form 10-K for our fiscal year ended September 30, 2024, filed with the Securities and Exchange Commission on December 26, 2024.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Mobix Labs, Inc.

Unaudited Condensed Consolidated Financial Statements

June 30, 2025 and 2024

Condensed Consolidated Balance Sheets as of June 30, 2025 and September 30, 2024 (unaudited)	2
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MOBIX LABS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except share and per share amounts)

	June 30, 2025	September 30, 2024
ASSETS		
Current assets		
Cash	\$ 240	\$ 266
Accounts receivable, net	1,482	2,813
Inventory	1,246	1,725
Prepaid expenses and other current assets	708	467
Total current assets	<u>3,676</u>	<u>5,271</u>
Property and equipment, net	388	1,177
Intangible assets, net	13,926	15,211
Goodwill	16,066	16,066
Operating lease right-of-use assets	295	1,022
Other assets	204	341
Total assets	<u>\$ 34,555</u>	<u>\$ 39,088</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 10,650	\$ 10,833
Accrued expenses and other current liabilities	10,130	10,325
Deferred purchase consideration	2,323	2,380
Notes payable, current	1,980	398
Notes payable – related parties, current	998	1,743
Operating lease liabilities, current	615	428
Total current liabilities	<u>26,696</u>	<u>26,107</u>
Notes payable, noncurrent	—	200
Notes payable – related parties, noncurrent	1,382	1,082
Earnout liability	1,190	1,680
Deferred tax liability	305	320
Operating lease liabilities, noncurrent	700	1,024
Other noncurrent liabilities	3,857	3,145
Total liabilities	<u>34,130</u>	<u>33,558</u>
Commitments and contingencies (Note 13)		
Stockholders' equity		
Class A common stock, \$0.00001 par value, 285,000,000 shares authorized; 48,747,626 and 32,824,230 shares issued and outstanding at June 30, 2025 and September 30, 2024, respectively	—	—
Class B common stock, \$0.00001 par value, 5,000,000 shares authorized; 4,750,000 and 2,129,901 shares issued and outstanding at June 30, 2025 and September 30, 2024, respectively	—	—
Additional paid-in capital	135,284	109,987
Accumulated deficit	(134,859)	(104,457)
Total stockholders' equity	<u>425</u>	<u>5,530</u>
Total liabilities and stockholders' equity	<u>\$ 34,555</u>	<u>\$ 39,088</u>

See accompanying notes to condensed consolidated financial statements.

MOBIX LABS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(unaudited, in thousands, except share and per share amounts)

	Three months ended		Nine months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Net revenue	\$ 2,350	\$ 2,058	\$ 8,030	\$ 3,488
Cost of revenue	1,001	1,327	3,974	2,608
Gross profit	1,349	731	4,056	880
Operating expenses:				
Research and development	486	1,369	1,816	4,328
Selling, general and administrative	8,208	8,710	32,043	31,731
Impairment of long-lived assets	725	—	725	—
Loss from operations	(8,070)	(9,348)	(30,528)	(35,179)
Interest expense	547	127	1,032	1,232
Change in fair value of earnout liability	(210)	(661)	(490)	(30,599)
Change in fair value of warrants	(612)	58	(1,237)	12
Change in fair value of PIPE make-whole liability	—	310	—	(122)
Merger-related transaction costs expensed	—	—	—	4,009
Private placement costs expensed	443	—	443	—
Other non-operating losses, net	36	2	135	1,587
Loss before income taxes	(8,274)	(9,184)	(30,411)	(11,298)
Income tax benefit	(2)	(1,505)	(9)	(2,801)
Net loss and comprehensive loss	(8,272)	(7,679)	(30,402)	(8,497)
Deemed dividend from warrant price adjustment	—	—	—	661
Net loss available to common stockholders	\$ (8,272)	\$ (7,679)	\$ (30,402)	\$ (9,158)
Net loss per share of Class A and Class B Common Stock:				
Basic	\$ (0.17)	\$ (0.25)	\$ (0.72)	\$ (0.35)
Diluted	\$ (0.17)	\$ (0.25)	\$ (0.72)	\$ (0.36)
Weighted-average common shares outstanding:				
Basic	48,785,295	30,552,063	42,474,411	26,350,138
Diluted	48,785,295	30,552,063	42,474,411	26,411,020

See accompanying notes to condensed consolidated financial statements.

MOBIX LABS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Nine months ended June 30,	
	2025	2024
Operating activities		
Net loss	\$ (30,402)	\$ (8,497)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	306	357
Amortization of intangible assets	1,285	1,117
Impairment of long-lived assets	725	—
Issuance of warrants in connection with notes payable, charged to interest expense	—	891
Issuance of warrants to placement agent	280	—
Change in fair value of earnout liability	(490)	(30,599)
Change in fair value of warrants	(1,237)	12
Change in fair value of PIPE make-whole liability	—	(122)
Merger-related transaction costs expensed	—	4,009
Stock-based compensation	20,256	17,768
Deferred income taxes	(15)	(2,803)
Loss on disposal of assets	472	—
Other non-cash items	235	23
Changes in operating assets and liabilities, net of acquisition of business:		
Accounts receivable	1,331	(754)
Inventory	479	(286)
Prepaid expenses and other assets	(104)	(100)
Accounts payable	376	3,590
Accrued expenses and other current liabilities	903	627
Net cash used in operating activities	<u>(5,600)</u>	<u>(14,767)</u>
Investing activities		
Acquisition of EMI Solutions, Inc., net of cash acquired	—	(1,064)
Proceeds from sale of property and equipment	27	—
Acquisition of property and equipment	(16)	(44)
Net cash provided by (used in) investing activities	<u>11</u>	<u>(1,108)</u>
Financing activities		
Proceeds from sale of common stock and warrants in private placement	3,645	—
Proceeds from issuance of common stock	600	3,334
Proceeds from exercise of warrants	17	1
Proceeds from exercise of stock options	—	225
Proceeds from issuance of notes payable	2,575	771
Proceeds from issuance of convertible notes	—	200
Principal payments on notes payable	(655)	(1,310)
Principal payments on notes payable – related parties	(445)	(1,298)
Deferred consideration paid for acquisition of business	(174)	—
Proceeds from the Merger and PIPE	—	21,014
Merger-related transaction costs paid	—	(6,946)
Net cash provided by financing activities	<u>5,563</u>	<u>15,991</u>
Net increase (decrease) in cash	(26)	116
Cash, beginning of period	266	89
Cash, end of period	<u>\$ 240</u>	<u>\$ 205</u>
Supplemental cash flow information		
Cash paid for interest	\$ 757	\$ 454
Cash paid for income taxes	—	—
Non-cash investing and financing activities:		
Settlement of notes payable and other liabilities in common stock	\$ 1,361	\$ —
Issuance of Class A Common Stock for RaGE earnout	1,808	—
Unpaid Merger-related transaction costs	—	1,423
Contingently redeemable convertible stock issued for acquisition of EMI Solutions, Inc.	—	8,856
Class A Common Stock issued for acquisition of RaGE Systems, Inc.	—	7,682
Unpaid purchase consideration for acquisition of businesses	—	3,522
Conversion of SAFEs to common stock	—	1,522
Deemed dividend from warrant price adjustment	—	661
Issuance of warrants in connection with notes payable, recorded as debt discount	—	183

See accompanying notes to condensed consolidated financial statements.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited, in thousands, except share and per share amounts)

Note 1 — Company Information

Mobix Labs, Inc. (“Mobix Labs” or the “Company”), a Delaware corporation based in Irvine, California, designs, develops and sells components and systems for advanced wireless and wired connectivity, radio frequency (“RF”), switching and electromagnetic interference (“EMI”) filtering technologies used in the consumer commercial, industrial, automotive, medical, aerospace, defense and other markets. The Company’s wireless systems solutions include products for advanced RF and millimeter wave (“mmWave”) 5G communications, mmWave imaging, software defined radio and custom RF integrated circuits targeting the commercial, industrial, and defense and aerospace sectors. The Company’s interconnect products, including EMI filter inserts and filtered and non-filtered connectors, are designed for and currently used in aerospace, military, defense and medical applications. The Company’s True Xero active optical cables (“AOCs”) are designed to meet customer needs for high-quality active optical cable solutions at an affordable price. These technologies are designed for large and rapidly growing markets where there is increasing demand for higher performance communication and filtering systems which utilize an expanding mix of both wireless and connectivity technologies.

On December 21, 2023, (the “Closing Date”), Chavant Capital Acquisition Corp. (“Chavant”) consummated the merger pursuant to the Business Combination Agreement, dated November 15, 2022 (as amended, supplemented or otherwise modified, the “Business Combination Agreement”), by and among Chavant, CLAY Merger Sub II, Inc., a Delaware corporation and newly formed, wholly-owned direct subsidiary of Chavant (“Merger Sub”), and Mobix Labs, Inc. (“Legacy Mobix”), a Delaware corporation, pursuant to which, among other things, Merger Sub merged with and into Legacy Mobix, with Legacy Mobix surviving the merger as a wholly-owned direct subsidiary of Chavant (together with the other transactions related thereto, the “Merger”). In connection with the consummation of the Merger (the “Closing”), Chavant changed its name from “Chavant Capital Acquisition Corp.” to “Mobix Labs, Inc.” and Legacy Mobix changed its name from “Mobix Labs, Inc.” to “Mobix Labs Operations, Inc.” As a result of the Merger, the Company raised gross proceeds of \$21,014, including the contribution of \$1,264 of cash held in Chavant’s trust account and the \$19,750 private investment in public equity (“PIPE”) at \$10.00 per share of Chavant’s Class A Common Stock. The common stock and public warrants of the combined company began trading on The Nasdaq Stock Market LLC under the symbols “MOBX” and “MOBXW,” respectively, on December 22, 2023.

Throughout the notes to the condensed consolidated financial statements, unless otherwise noted or otherwise suggested by context, the “Company” refers to Legacy Mobix prior to the consummation of the Merger, and to the Company after the consummation of the Merger.

Going Concern

The condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. Since inception, the Company has incurred operating losses and negative cash flows from operations, primarily as a result of its ongoing investment in product development and other operating expenses. For the nine months ended June 30, 2025 and 2024, the Company incurred losses from operations of \$30,528 and \$35,179, respectively, and as of June 30, 2025, the Company had an accumulated deficit of \$134,859. The Company has historically financed its operations through the issuance and sale of equity securities and the issuance of debt. The Company expects to continue to incur operating losses and negative cash flows from operations for the foreseeable future and will need to raise additional debt or equity financing to fund its operations and satisfy its obligations. Management believes that there is substantial doubt concerning the Company’s ability to continue as a going concern as the Company currently does not have adequate liquidity to meet its operating needs and satisfy its obligations beyond the next approximately ninety days.

While the Company will seek to raise additional capital, there can be no assurance the necessary financing will be available on terms acceptable to the Company, or at all. If the Company raises funds by issuing equity securities, dilution to existing stockholders may result. Any equity securities issued may also provide for rights, preferences or privileges senior to those of holders of common stock. If the Company raises funds by issuing debt securities, such debt securities would have rights, preferences and privileges senior to those of preferred and common stockholders. The terms of debt securities or borrowings may impose significant restrictions on the Company’s operations. The capital markets have in the past, and may in the future, experience periods of volatility that could impact the availability and cost of equity and debt financing.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited, in thousands, except share and per share amounts)

If the Company is unable to obtain additional financing, or if such transactions are successfully completed but do not provide adequate financing, the Company may be required to reduce its operating expenditures, which could adversely affect its business prospects, or the Company may be unable to continue operations. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties. Accordingly, the condensed consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The Merger was accounted for as a reverse recapitalization of the Company because Legacy Mobix has been determined to be the accounting acquirer under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 805 – *Business Combinations*. Under this method of accounting, Chavant is treated as the “acquired” company for financial reporting purposes. This determination was primarily based on holders of Legacy Mobix capital stock comprising a relative majority of the voting power of the Company upon consummation of the Merger and having the ability to nominate the majority of the governing body of the Company, Legacy Mobix senior management comprising the senior management of the Company, and Legacy Mobix operations comprising the ongoing operations of the Company. Accordingly, for accounting purposes, the financial statements of the Company represent a continuation of the financial statements of Legacy Mobix with the Merger being treated as the equivalent of Legacy Mobix issuing shares for the net assets of Chavant, accompanied by a recapitalization. The net assets of Chavant were recognized as of the Closing at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Merger are presented as those of Legacy Mobix and the accumulated deficit of Legacy Mobix has been carried forward after Closing. All issued and outstanding securities of Chavant upon Closing were treated as issuances of securities of the Company upon the consummation of the Merger.

The condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and include the accounts of Mobix Labs, Inc. and its subsidiaries. The Company’s fiscal year ends on September 30. Certain information and disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with the Company’s audited financial statements as of and for the year ended September 30, 2024 and the related notes which provide a more complete discussion of the Company’s accounting policies and certain other information. The September 30, 2024 condensed consolidated balance sheet was derived from the Company’s audited financial statements. These unaudited condensed consolidated financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of the Company’s condensed consolidated financial position as of June 30, 2025 and its condensed consolidated results of operations and cash flows for the periods ended June 30, 2025 and 2024. The condensed consolidated results of operations for the three months and nine months ended June 30, 2025 are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 2025 or for any other future annual or interim period.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited, in thousands, except share and per share amounts)

Use of Estimates

The preparation of the Company's condensed consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts of certain assets and liabilities; the reported amounts of net revenue and expenses for the periods covered and certain amounts disclosed in the notes to the condensed consolidated financial statements. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods. As future events and their effects cannot be determined with precision, actual results could differ materially from those estimates and assumptions. Areas requiring significant estimates and assumptions by the Company include, but are not limited to:

- valuation of stock-based compensation awards;
- valuation of common stock for periods prior to the Merger;
- impairment assessments of goodwill and long-lived assets;
- measurement of liabilities carried at fair value, including the earnout liability, the PIPE make-whole liability and liability-classified warrants;
- purchase price allocations and valuations of net assets acquired in business combinations; and,
- provisions for income taxes and related valuation allowances and tax uncertainties.

Reclassifications

Certain amounts in the prior period condensed consolidated financial statements have been reclassified to conform to the current period presentation.

Cash

As of June 30, 2025 and September 30, 2024, the Company's cash balance consisted of demand deposits held at large financial institutions. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Company had no cash equivalents as of June 30, 2025 or September 30, 2024. The amount of deposits maintained at any financial institution may exceed federally insured limits. The Company places its cash with high credit quality financial institutions and has not experienced any losses on its deposits of cash.

Accounts Receivable, net

Accounts receivable are recorded at the invoiced amount and do not bear interest. For trade accounts receivable from customers, the Company performs ongoing credit evaluations of its customers and maintains an allowance for expected credit losses. The allowance for expected credit losses represents the Company's best estimate based on current and historical information, and reasonable and supportable forecasts of future events and circumstances. Accounts receivable deemed uncollectible are charged against the allowance for expected credit losses when identified. The allowance for expected credit losses as of June 30, 2025 and September 30, 2024 and bad debt expense for the nine months ended June 30, 2025 and 2024 were not material.

Inventory

Inventory is stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value. Inventory costs consist of purchased materials, manufacturing labor, outside manufacturing costs, inbound freight and receiving costs, and capitalized overhead. The Company writes down the carrying value of excess and obsolete inventory, based on available information and the Company's current expectations of future demand, product obsolescence and market conditions. Any such write-downs are charged to cost of revenue and are a permanent reduction of the carrying value of inventory. Write-downs of excess and obsolete inventory for the nine months ended June 30, 2025 and 2024 were not material.

Intangible Assets, net

The Company's intangible assets principally consist of acquired developed technology and customer relationships and have finite lives ranging from one to fifteen years. The Company amortizes intangible assets over their useful lives on a straight-line basis, which the Company believes approximates the pattern in which the economic benefits of the intangible assets are expected to be utilized. To the extent that an acquired developed technology is incorporated in, or used to produce, a product the Company currently produces and sells, the related amortization expense is included in cost of revenue in the condensed consolidated statements of operations and comprehensive loss. Amortization expense on other acquisition-related intangible assets is included in operating expenses.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited, in thousands, except share and per share amounts)

Impairment of Long-Lived Assets

The Company reviews its long-lived assets, consisting of property and equipment and intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company regularly reviews its operating performance for indicators of impairment. Factors considered important that could trigger an impairment review include a significant underperformance relative to expected historical or projected future operating results, or a significant change in the manner of the use of the assets. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows attributable to such assets including any cash flows upon their eventual disposition to their carrying value. If the carrying value of the assets exceeds the forecasted undiscounted cash flows, then the assets are written down to their fair value. The Company recognized impairment losses of \$725 for the three months and nine months ended June 30, 2025. See Note 12, *Leases*.

Goodwill

Goodwill represents the excess of the fair value of purchase consideration of an acquired business over the fair value of the identifiable net assets acquired. Goodwill is not amortized but is tested for impairment at a reporting unit level on an annual basis on July 31, or more frequently if circumstances change or an event occurs that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company did not record any goodwill impairment losses for the nine months ended June 30, 2025 and 2024.

Business Combinations

The Company allocates the purchase price of an acquisition to the tangible assets acquired, liabilities assumed, and intangible assets acquired, based on their estimated fair values. The excess of the purchase price over the fair values of the net assets acquired is recorded as goodwill.

Accounting for business combinations requires that management make significant estimates and assumptions to determine the fair value of assets acquired and liabilities assumed at the acquisition date. Although management believes the assumptions and estimates to be reasonable and appropriate, they are inherently uncertain. Critical estimates in valuing certain acquired assets may include, but are not limited to, expected future cash flows including revenue growth rate assumptions from product sales, customer contracts and acquired technologies, expected costs to develop acquired technology into commercially viable products, estimated cash flows from the projects when completed, including assumptions associated with the technology migration curve and expected selling, general and administrative costs. The discount rates used to discount expected future cash flows to present value are typically derived from a weighted-average cost of capital analysis and are adjusted to reflect inherent risks. Unanticipated events and circumstances may occur that could affect either the accuracy or validity of such assumptions, estimates or actual results.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The Company uses a three-tiered hierarchy for inputs used in measuring fair value that emphasizes the use of observable inputs over the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are market participant assumptions based on market data obtained from sources independent of the Company. Unobservable inputs are the Company's own assumptions of what market participants would use in pricing an asset or liability based on the best information available in the circumstances. The financial and nonfinancial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement.

As a basis for considering such assumptions, a three-tier hierarchy is used in management's determination of fair value based on the reliability and observability of inputs as follows:

Level 1 — Observable inputs that include quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, 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 pricing inputs that are generally less observable from objective sources, such as discounted cash flow models or valuations.

The Company's non-financial assets, including property and equipment, intangible assets and goodwill, are measured at estimated fair value on a nonrecurring basis. These assets are adjusted to fair value only when an impairment is recognized, or in the event an asset is held for sale.

Net Income (Loss) Per Share

Basic and diluted net income (loss) per share attributable to common stockholders is presented using the two-class method required for participating securities. Under the two-class method, net income (loss) is attributed to the Class A and Class B common stock and other participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. Basic net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. For a period in which the Company reports a net loss, diluted net loss per share is similar to basic net loss per share because potentially dilutive common shares are not assumed to have been issued if their effect is antidilutive. See Note 18, *Net Loss Per Share*.

Comprehensive Loss

Comprehensive loss includes the Company's net loss as well as other changes in stockholders' equity (deficit) that result from transactions and economic events other than those with stockholders. There were no differences between the Company's net loss and comprehensive loss for the nine months ended June 30, 2025 and 2024.

Revenue Recognition

The Company accounts for revenue from contracts with customers in accordance with ASC 606, *Revenue from Contracts with Customers*. The Company derives its revenues primarily from product sales to equipment manufacturers. The Company recognizes product revenue when it satisfies performance obligations under the terms of its contracts and upon transfer of control when title transfers (either upon shipment to or receipt by the customer, as determined by the terms of the contract) net of accruals for estimated sales returns and allowances. Such sales returns and allowances were not material for the nine months ended June 30, 2025 and 2024. The Company does not have material variable consideration, and the Company's revenue arrangements do not contain significant financing components. Payment terms are principally net 30 days to net 45 days.

The Company generally offers a limited warranty to customers covering a period of twelve months which obligates the Company to repair or replace defective products. The warranty is not sold separately and does not represent a separate performance obligation. Therefore, the Company accounts for such warranties under ASC Topic 460, *Guarantees*, and the estimated costs of warranty claims are accrued as cost of revenue in the period the related revenue is recorded. The Company accrues for warranty and indemnification issues if a loss is probable and can be reasonably estimated. Warranty and indemnification expenses have historically been insignificant.

The Company includes shipping and handling fees billed to customers as part of net revenue. The Company includes shipping and handling costs associated with outbound freight in cost of revenue. Sales and other taxes the Company collects, if any, are excluded from revenue.

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There were no contract assets recorded on the condensed consolidated balance sheets as of June 30, 2025 or September 30, 2024. In some instances, the Company receives a partial payment of the sales price from the customer at the time an order is placed. Any such prepayments are recorded as a liability included in “Accrued expenses and other current liabilities” on the condensed consolidated balance sheets and are recognized in net revenue when the Company satisfies the related performance obligations, typically as products are shipped. All incremental customer contract acquisition costs are expensed as incurred as the amortization period of the asset that the Company otherwise would have recognized is one year or less in duration.

Accounting Pronouncements Recently Adopted

None.

Recently Issued Accounting Pronouncements Not Yet Adopted

The Company is an “emerging growth company,” as defined in the Securities Act. Under the Jumpstart Our Business Startups Act of 2012, an emerging growth company has the option to adopt new or revised accounting guidance either (i) within the same periods as otherwise applicable to public business entities, or (ii) within the same time periods as non-public business entities, including early adoption when permissible. With the exception of accounting guidance the Company elected to early adopt, when permissible, the Company has elected to adopt new or revised accounting guidance within the same time periods as non-public business entities.

In November 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). ASU 2023-07 expands segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment’s profit or loss and assets. The disclosures required under ASU 2023-07 are also required for public entities with a single reportable segment. The ASU is effective for the Company’s fiscal year beginning October 1, 2024 and for interim periods within the Company’s fiscal year beginning October 1, 2025, with early adoption permitted. The Company does not expect adoption of ASU 2023-07 will have a material impact on its financial position or results of operations.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”). ASU 2023-09 requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. The ASU is effective for the Company’s fiscal year beginning October 1, 2025. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company does not expect adoption of ASU 2023-09 will have a material impact on its financial position or results of operations.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* (“ASU 2024-03”). ASU 2024-03 requires additional disclosure in the notes to the financial statements of specified information about certain costs and expenses. The ASU is effective for the Company’s fiscal year beginning October 1, 2027, and for interim periods within the Company’s fiscal year beginning October 1, 2028, with early adoption permitted. The Company does not expect adoption of ASU 2024-03 will have a material impact on its financial position or results of operations.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Note 3 — Reverse Recapitalization

As discussed in Note 1, *Company Information*, the Closing of the Merger occurred on December 21, 2023. In the Merger, as provided for in the Business Combination Agreement:

- All of Legacy Mobix’s 18,139,258 issued and outstanding shares of common stock were cancelled and converted into the same number of shares of the Company’s Class A Common Stock;
- All of Legacy Mobix’s Founders Redeemable Convertible Preferred Stock and Series A Redeemable Convertible Preferred Stock, totaling 2,254,901 shares, was converted into the same number of shares of the Company’s Class B Common Stock;
- All of Legacy Mobix’s convertible notes were converted into shares of Legacy Mobix common stock immediately prior to Closing and pursuant to their terms, totaling 30,045 shares, which were then cancelled and converted into the same number of shares of the Company’s Class A Common Stock;
- All of Legacy Mobix’s SAFEs were converted into 150,953 shares of the Company’s Class A Common Stock;
- All of Legacy Mobix’s stock options and warrants were assumed by the Company and converted into the same number of stock options or warrants to purchase shares of the Company’s Class A Common Stock, with no change to their exercise prices, vesting conditions or other terms; and
- All of Legacy Mobix’s restricted stock units (“RSUs”) were assumed by the Company and converted into an RSU covering the same number of shares of the Company’s Class A Common Stock.

The other related events that occurred in connection with the Closing include the following:

- The Company entered into the PIPE Subscription Agreements, as described below;
- The Company entered into the Sponsor PIPE Subscription Agreement, Sponsor Warrant and Sponsor Letter Agreement, as described below;
- The Company entered into a non-redemption agreement with a stockholder, as described below;
- The Company entered into an amendment to its Business Combination Marketing Agreement, as described below;
- The Company assumed the 6,000,000 public warrants (“Public Warrants”) and 3,400,000 private placement warrants (“Private Warrants”) originally issued by Chavant in 2021 in connection with its initial public offering, as described in Note 16, *Warrants*;
- The Company adopted the 2023 Employee Stock Purchase Plan and the 2023 Equity Incentive Plan, as described in Note 17, *Stock-Based Compensation*;
- The Company adopted an amended and restated certificate of incorporation and amended and restated bylaws; and
- The Company entered into indemnification agreements with each of its directors and officers.

PIPE Subscription Agreements

In connection with the Merger, Chavant entered into the PIPE Subscription Agreements with certain accredited investors and pursuant to which the investors agreed to purchase an aggregate of 1,975,000 shares of Class A Common Stock of Chavant at a price of \$10.00 per share for an aggregate amount of \$19,750 in cash. The number of shares purchased by the PIPE investors was initially subject to adjustment. See “*Make-Whole Shares*,” below.

The PIPE investors also received warrants to purchase 1,950,000 shares of Class A Common Stock at an exercise price of \$0.01 per share, of which warrants to purchase 200,000 shares are immediately exercisable and warrants to purchase 1,750,000 shares are exercisable upon obtaining stockholder approval, which the Company obtained on January 3, 2025. During the nine months ended June 30, 2025, warrants to purchase 1,500,000 shares of Class A Common Stock were exercised, for net proceeds to the Company of \$15.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Sponsor PIPE Subscription Agreements, Sponsor Warrant and Sponsor Letter Agreement

On December 19, 2023, Chavant entered into the Sponsor PIPE Subscription Agreement with the Sponsor pursuant to which the Sponsor agreed to purchase, in a private placement that closed substantially concurrently with the Closing, 199,737 shares of Class A Common Stock at a price of \$10.00 per share. The aggregate purchase price of \$1,997 was paid through the forgiveness of certain obligations of Chavant. The number of shares purchased by the Sponsor was initially subject to adjustment. See “*Make-Whole Shares*,” below.

In connection with the execution of the Sponsor PIPE Subscription Agreement, Legacy Mobix Labs issued to the Sponsor a warrant to purchase 272,454 shares of Legacy Mobix Labs Stock at an exercise price of \$0.01 per share, exercisable upon the closing of the Sponsor PIPE Subscription Agreement (the “Sponsor Warrant”). The Sponsor Warrant was exercised at the closing of the Sponsor PIPE Subscription Agreement and, following net settlement into 272,182 shares of Legacy Mobix Labs Stock, converted into 272,182 shares of Class A Common Stock of the Company in connection with the Closing.

On December 20, 2023, Chavant also entered into a Sponsor Letter Agreement with the Sponsor pursuant to which, as consideration for the 199,737 shares issued pursuant to the Sponsor PIPE Subscription Agreement described above, the Sponsor agreed to forgive approximately \$1,997 of aggregate outstanding obligations of Chavant. In addition, the Sponsor agreed to forfeit 658,631 Founder Shares and 400,000 Private Warrants that it held, in each case upon the Closing.

Non-Redemption Agreement

On December 20, 2023, Chavant and Mobix Labs entered into a non-redemption agreement with a stockholder of Chavant, pursuant to which the stockholder agreed to withdraw its redemption of 73,706 ordinary shares of Chavant (“Ordinary Shares”) prior to the Merger. In consideration therefor, Mobix Labs issued to the stockholder a warrant to purchase 202,692 shares of Legacy Mobix common stock at an exercise price of \$0.01 per share, exercisable upon the Closing. The warrant was exercised at the Closing and, following net settlement into 202,489 shares of Legacy Mobix Common Stock, converted into 202,489 shares of Class A Common Stock of the Company in connection with the Closing.

Amendment to Business Combination Marketing Agreement

On December 21, 2023, Chavant entered into an amendment to the Business Combination Marketing Agreement, dated as of July 19, 2021 between Chavant and certain advisors wherein the parties agreed to resolve their differences with respect to marketing fees contemplated by the agreement and the advisors agreed to receive, in lieu of any cash payment of fees or reimbursement of expenses, an aggregate of 280,000 shares of Class A Common Stock.

Earnout Shares

In addition to the consideration paid at Closing, certain Legacy Mobix stockholders and certain holders of Legacy Mobix stock options (the “Earnout Recipients”) will be entitled to receive an additional aggregate 3,500,000 shares of Class A Common Stock issuable as earnout shares (the “Earnout Shares”) based on the achievement of trading price targets following the Closing and subject to the terms provided in the Business Combination Agreement. The Earnout Shares have a seven-year “Earnout Period,” commencing on the date that is the one year anniversary of the Closing, pursuant to which up to 1,750,000 shares of Class A Common Stock will be distributed to the Earnout Recipients if the volume-weighted average price (“VWAP”) of the Class A Common Stock exceeds \$12.50 for any twenty trading days within a period of thirty consecutive trading days during the Earnout Period and an additional 1,750,000 shares of Class A Common Stock will be distributed to the Earnout Recipients if the VWAP of the Class A Common Stock exceeds \$15.00 for any twenty trading days within a period of thirty consecutive trading days during the Earnout Period.

The Earnout Shares are accounted for as liability-classified instruments because the events that determine the number of Earnout Shares to which the Earnout Recipients will be entitled include events that are not solely indexed to the Company’s common stock. At the time of Closing, the Company estimated the aggregate fair value of its liability for the Earnout Shares using a Monte Carlo simulation model and recorded a liability of \$33,559. As of June 30, 2025, none of the conditions for the issuance of any Earnout Shares had been achieved and the Company adjusted the carrying amount of the liability to its estimated fair value of \$1,190. As a result of changes in the estimated fair value of the liability, the Company recognized non-cash gains (losses) of \$490 and \$30,599, respectively, for the nine months ended June 30, 2025 and 2024, which are included in “Change in fair value of earnout liability” in the condensed consolidated statements of operations and comprehensive loss.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Make-Whole Shares

Pursuant to the PIPE Subscription Agreements, the Sponsor PIPE Subscription Agreement and the Amendment to Business Combination Marketing Agreement described above, Chavant agreed to issue additional shares of its Class A Common Stock (the “Make-Whole Shares”) to the PIPE Investors, the Sponsor and certain advisors with respect to 2,454,737 shares of the Company’s Class A Common Stock in the event that the VWAP per share of the Class A Common Stock during a specified adjustment period is less than \$10.00 per share. The specified adjustment period ended on August 30, 2024 and the Company issued 1,052,029 shares of its Class A Common Stock in settlement of the liability for the Make-Whole Shares.

The Company accounted for the Make-Whole Shares as liability-classified instruments because the events that determined the number of Make-Whole Shares issuable included events that were not solely indexed to the Company’s common stock. At the time of Closing, the Company estimated the aggregate fair value of its liability for the Make-Whole Shares using a Monte Carlo simulation model and recorded a liability of \$2,071. As a result of subsequent changes in the fair value of the liability, the Company recorded a non-cash gain of \$122 for the nine months ended June 30, 2024, which is included in “Change in fair value of PIPE make-whole liability” in the condensed consolidated statements of operations and comprehensive loss.

See Note 11, *Fair Value Measurements*, for additional information on the Company’s measurements with respect to the financial instruments issued in connection with the foregoing agreements.

Legacy Mobix incurred \$6,363 of transaction costs in connection with the Merger, which was determined to be a capital-raising transaction for Legacy Mobix. The Company allocated this amount between the equity-classified instruments and liability-classified instruments, based on their relative fair values, and during the nine months ended June 30, 2024, the Company recorded the \$2,354 of costs associated with equity-classified instruments as a reduction of additional paid-in capital and charged the remaining \$4,009 of costs associated with liability-classified instruments to expense. The Company also recognized a liability for unpaid transaction costs of Chavant totaling \$3,090, which the Company recorded as a reduction of the proceeds of the Merger at the time of the Closing.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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The following tables reconcile elements of the Merger to the Company's condensed consolidated financial statements, and should be read in conjunction with the footnotes referenced above:

	Shares
Chavant public shares, net of redemptions	111,005
Chavant founder shares, net of shares forfeited	1,341,369
PIPE investors' shares	1,975,000
Settlement of PIPE warrant	199,800
Sponsor PIPE subscription	199,737
Settlement of Sponsor Warrant	272,182
Settlement of warrant to non-redeeming shareholder	202,489
Amendment to Business Combination Marketing Agreement	280,000
Total Chavant shares outstanding immediately prior to the Merger	4,581,582
Legacy Mobix rollover shares	18,139,258
Conversion of Legacy Mobix convertible notes	30,045
Conversion of Legacy Mobix SAFEs	150,953
Total number of Class A common shares issued in the Merger	22,901,838
Closing proceeds:	
Proceeds from Chavant trust fund	\$ 1,264
Proceeds from PIPE investment	19,750
Closing disbursements:	
Legacy Mobix Merger-related transaction costs	(3,747)
Chavant Merger-related transaction costs	(2,219)
Net cash proceeds from the Merger at Closing	15,048
Legacy Mobix Merger-related transaction costs paid prior to closing	(983)
Net cash proceeds	14,065
Non-cash activity:	
Conversion of Legacy Mobix convertible notes to Class A Common Stock	206
Conversion of Legacy Mobix SAFEs to Class A Common Stock	1,522
Conversion of Legacy Mobix redeemable convertible preferred stock to Class B Common Stock	2,300
Unpaid Merger-related transaction costs assumed from Chavant	(871)
Unpaid Merger-related transaction costs of Legacy Mobix	(1,633)
Merger-related transaction costs expensed	4,009
Liability-classified instruments:	
Fair value of earnout liability	(33,559)
Fair value of PIPE make-whole liability	(2,071)
Fair value of Private Warrants	(150)
Net equity impact of the Merger	\$ (16,182)

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Note 4 — Acquisitions

The Company acquired EMI Solutions, Inc. (“EMI Solutions”) in December 2023 and RaGE Systems, Inc. (“RaGE Systems”) in May 2024. The Company accounted for each of the acquisitions as a business combination. The following table summarizes the amount of the aggregate purchase consideration and the allocation to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values.

	EMI Solutions	RaGE Systems
Purchase consideration:		
Contingently redeemable common stock	\$ 8,856	\$ —
Class A Common Stock	—	7,682
Cash consideration (at present value)	2,041	1,836
	\$ 10,897	\$ 9,518
Allocation:		
Cash	\$ 45	\$ 420
Accounts receivable	387	558
Inventory	155	1,146
Other current assets	7	5
Property and equipment	107	275
Intangible asset—customer relationships	4,500	7,400
Intangible asset—developed technology	—	300
Intangible asset—backlog	300	—
Intangible asset—trade name	100	200
Goodwill	6,841	4,008
Operating lease right-of-use asset	—	192
Other assets	30	57
Accounts payable	(228)	(1,647)
Accrued expenses	(263)	(1,622)
Operating lease liability	—	(192)
Deferred tax liability	(1,084)	(1,582)
	\$ 10,897	\$ 9,518

EMI Solutions, Inc.

On December 18, 2023, the Company completed the acquisition of EMI Solutions when the Company acquired all of the issued and outstanding common shares of EMI Solutions, which is accounted for as a business combination. EMI Solutions is a manufacturer of electromagnetic interference filtering products for military and aerospace applications. Consideration for the acquisition consisted of 964,912 shares of the Company’s common stock with an estimated fair value of \$8,856 and \$2,200 in cash. Of the cash portion of the consideration, the Company paid \$155 at the time of the consummation of the acquisition and through June 30, 2025 the Company paid an additional \$1,522. The remaining \$523 cash portion of the consideration is currently payable.

The merger agreement with EMI Solutions provided that in the event that Legacy Mobix did not complete an initial public offering (including the Merger) within twenty-four months following the completion of the acquisition of EMI Solutions, the sellers could require the Company to pay all unpaid cash consideration and provided the sellers a “put right” wherein the sellers could require that the Company repurchase the 964,912 shares of common stock for a cash amount equal to \$6.84 per share. The Company evaluated the terms of the related agreement and concluded that the shares of common stock issued as consideration were contingently redeemable common stock, and required recognition as temporary equity, because the events that determine whether the Company will be required to repurchase the 964,912 shares of its common stock for cash are not within the Company’s control. At the time of completion of the acquisition, the Company estimated the fair value of the contingently redeemable common stock at \$8,856, based upon the fair value of the Legacy Mobix common stock, adjusted to include the fair value of the put right. The Company estimated the fair value of the put right using the Black-Scholes option pricing model with the following assumptions: expected volatility of 55.0%; no expected dividend yield; risk-free interest rate of 4.5%; and a contractual term of two years. The Company included this amount as part of the value of the purchase consideration. After the Closing of the Merger with Chavant on December 21, 2023, the common stock was no longer contingently redeemable, and the Company reclassified the value of the contingently redeemable common stock to permanent equity at its carrying value of \$8,856, with no gain or loss recognized.

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The Company estimated the useful life of customer relationships is fifteen years, the useful life of the trade name is two years and the useful life of the backlog is one year. The goodwill is primarily attributed to expected synergies for the combined operations and is not deductible for income tax purposes.

RaGE Systems, Inc.

On May 21, 2024, the Company completed the acquisition of RaGE Systems when the Company acquired all of the issued and outstanding common shares of RaGE Systems pursuant to a business combination agreement (the “RaGE Business Combination Agreement”). RaGE Systems specializes in developing products for 5G communications, mmWave imaging, and software defined radio targeting the commercial, industrial, and defense and aerospace sectors. Aggregate consideration for the acquisition was \$9,518, consisting of 3,214,045 shares of the Company’s Class A Common Stock having a fair value of \$7,682 and \$2,000 in cash, of which the Company paid \$200 during the year ended September 30, 2024. The remaining \$1,800 is currently payable. The Company also entered into employment agreements with each of the RaGE stockholders.

The Company estimated the useful lives of the customer relationships, developed technology and trade name intangible assets are twelve years, seven years, and two and one-half years, respectively. The goodwill is primarily attributed to expected synergies for the combined operations and is not deductible for income tax purposes.

Pursuant to the RaGE Business Combination Agreement, the RaGE stockholders are entitled to receive possible earnout payments of up to \$8,000, payable in a combination of cash and shares of the Company’s Class A Common Stock, based upon both (i) the attainment of certain financial targets measured over calendar years 2024 and 2025 and (ii) continued employment with the Company (the “RaGE Earnout”). Because the RaGE Earnout arrangement is linked to continued employment with the Company in the post-acquisition period, the Company determined that the related cost must be recognized as an operating expense in the post-acquisition period, and no portion was accounted for as part of the purchase consideration. As of June 30, 2025, the Company estimated the amount of the payments it expects to make under the RaGE Earnout, based upon its expectation of the level of achievement of the financial targets over the measurement period, and for the three months and nine months ended June 30, 2025, the Company recognized expense (benefit) of \$(1,452) and \$767, respectively, which is included in selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive loss. During the nine months ended June 30, 2025, the Company issued the RaGE stockholders 642,809 shares of the Company’s Class A Common Stock in partial settlement of its liability under the RaGE Earnout.

Pro forma information

The following table shows unaudited pro forma net revenue and net loss of the Company for the three months and nine months ended June 30, 2024, as if the acquisitions of EMI Solutions and RaGE Systems had each been completed as of October 1, 2022. The unaudited pro forma information is presented for informational purposes only and is not necessarily indicative of future operations or results had the acquisitions occurred on October 1, 2022.

	Three months ended June 30, 2024	Nine months ended June 30, 2024
Net revenue	\$ 2,014	\$ 7,314
Net loss	(8,380)	(9,919)

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Note 5 — Inventory

Inventory consists of the following:

	<u>June 30, 2025</u>	<u>September 30, 2024</u>
Raw materials	\$ 1,098	\$ 1,550
Finished goods	148	175
Total inventory	<u>\$ 1,246</u>	<u>\$ 1,725</u>

Note 6 — Property and Equipment, net

Property and equipment, net consists of the following:

	<u>Estimated Useful Life (years)</u>	<u>June 30, 2025</u>	<u>September 30, 2024</u>
Equipment and furniture	5 - 7	\$ 417	\$ 948
Laboratory equipment	5	216	687
Leasehold improvements	Shorter of estimated useful life or remaining lease term	41	891
Property and equipment, gross		674	2,526
Less: Accumulated depreciation		(286)	(1,349)
Property and equipment, net		<u>\$ 388</u>	<u>\$ 1,177</u>

Depreciation expense for the three months ended June 30, 2025 and 2024 was \$60 and \$127, respectively. Depreciation expense for the nine months ended June 30, 2025 and 2024 was \$306 and \$357, respectively.

During the nine months ended June 30, 2025, the Company recognized losses of \$472 on the disposal of certain assets, principally consisting of equipment and furniture and leasehold improvements, at a leased office the Company vacated. Such losses are principally included in selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive loss.

Note 7 — Intangible Assets, net

Intangible assets, net consist of the following:

	<u>Estimated Useful Life (years)</u>	<u>June 30, 2025</u>			<u>September 30, 2024</u>		
		<u>Gross</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Gross</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Developed technology	7 – 10	\$ 5,689	\$ (2,652)	\$ 3,037	\$ 5,689	\$ (2,216)	\$ 3,473
Customer relationships	12 – 15	11,900	(1,145)	10,755	11,900	(458)	11,442
Trade names	2 – 2.5	300	(166)	134	300	(68)	232
Backlog	1	—	—	—	300	(236)	64
		<u>\$ 17,889</u>	<u>\$ (3,963)</u>	<u>\$ 13,926</u>	<u>\$ 18,189</u>	<u>\$ (2,978)</u>	<u>\$ 15,211</u>

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Amortization expense related to intangible assets for the three months ended June 30, 2025 and 2024 was \$407 and \$481, respectively. Amortization expense related to intangible assets for the nine months ended June 30, 2025 and 2024 was \$1,285 and \$1,117, respectively. The weighted-average remaining lives of intangible assets as of June 30, 2025 were developed technology 5.2 years; customer relationships 11.9 years; and trade names 1.2 years.

Estimated future amortization expense for intangible assets by fiscal year as of June 30, 2025 is as follows:

Years ending September 30,		
2025 (remaining three months)	\$	408
2026		1,589
2027		1,510
2028		1,498
2029		1,498
Thereafter		7,423
Total	\$	<u>13,926</u>

Note 8 — Goodwill

The following table summarizes changes in the carrying amount of goodwill during the nine months ended June 30, 2025 and 2024.

	Nine months ended June 30,	
	2025	2024
Balance at beginning of period	\$ 16,066	\$ 5,217
Acquisition of EMI Solutions	—	5,542
Acquisition of RaGE Systems	—	4,447
Balance at end of period	<u>\$ 16,066</u>	<u>\$ 15,206</u>

Note 9 — Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	June 30, 2025	September 30, 2024
Accrued compensation and benefits	\$ 2,210	\$ 1,770
Accrued professional fees	280	340
Accrued interest	208	177
Deferred revenue	895	1,076
Committed equity facility fees	1,553	1,553
Unpaid Merger-related transaction costs	1,090	1,090
RaGE Earnout	2,000	2,098
Other	1,894	2,221
Total accrued expenses and other current liabilities	<u>\$ 10,130</u>	<u>\$ 10,325</u>

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Note 10 — Debt

Debt consists of the following:

	June 30, 2025	September 30, 2024
Notes payable	\$ 1,980	\$ 598
7% promissory notes – related parties	2,380	2,495
Notes payable – related parties	—	330
Total debt	4,360	3,423
Less: Amounts classified as current	(2,978)	(2,141)
Noncurrent portion	\$ 1,382	\$ 1,282

Notes Payable

During the nine months ended June 30, 2025, the Company entered into two notes payable with financial institutions for net proceeds of \$545. The notes have terms of seven to eighteen months and require weekly payments totaling \$819, including finance charges. The notes are secured by substantially all of the Company's assets and one note is guaranteed by an officer and director of the Company. The Company also borrowed \$100 from an unrelated investor.

During the nine months ended June 30, 2025, the Company entered into three agreements for the purchase and sale of future receipts with unrelated buyers, pursuant to which the Company agreed to sell to the buyer certain future trade receipts in the aggregate amount of \$2,918 (the "Future Receipts Purchased Amount") for net proceeds to the Company of \$1,930. Under the agreements, the Company granted the buyers a security interest in all of the Company's present and future accounts receivable in an amount not to exceed the Future Receipts Purchased Amount. The Company must repay the Future Receipts Purchased Amount in varying weekly installments through November 2025.

During the nine months ended June 30, 2025, the Company and the holders of three notes agreed to settle the outstanding principal and accrued interest, totaling \$661, for 798,680 shares of the Company's Class A Common Stock. The Company recognized a loss on the extinguishment of debt of \$300, which is included in "Other non-operating losses, net" in the condensed consolidated statements of operations and comprehensive loss.

During the nine months ended June 30, 2024, the Company entered into five promissory notes having an aggregate principal amount of \$775 with unrelated investors to meet its working capital needs. The Company entered into a \$150 note payable with a bank for net proceeds of \$146. The note had a thirteen month term, required weekly payments totaling \$216 and was guaranteed by an officer and director of the Company. The remaining four notes had an aggregate principal amount of \$625, were unsecured, bore interest at rates of 6% to 16% and matured at various dates through December 2024.

During the nine months ended June 30, 2025 and 2024, the Company made principal payments of \$655 and \$1,310 on notes payable.

7% Promissory Notes — Related Parties

The Company has two outstanding promissory notes with related parties which the Company assumed in 2020 as part of an asset acquisition. The promissory notes bear interest at 7% per annum and are unsecured. In October 2024 and May 2025, the Company and the holders of the 7% promissory notes agreed to extend the payment terms. One 7% promissory note, having a principal balance of \$1,212 as of June 30, 2025, is payable in monthly payments of varying amounts through September 2026. The other 7% promissory note, having a principal balance of \$1,168 as of June 30, 2025, no longer bears interest. The outstanding principal and previously accrued interest balance is payable in monthly payments of varying amounts through March 2027, with the remaining principal of \$979 payable on May 15, 2027. As a result of these agreements, the Company has reclassified \$1,382 of the outstanding principal balance of the 7% promissory notes to "Notes payable — related parties, noncurrent" in the condensed consolidated balance sheet as of June 30, 2025. The portion of the 7% promissory notes due within one year is included in "Notes payable — related parties, current" in the condensed consolidated balance sheets. During the nine months ended June 30, 2025 and 2024, the Company made principal payments of \$115 and \$854 on the 7% promissory notes.

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Notes Payable — Related Parties

As of September 30, 2024, the Company had one outstanding note payable to a related party, with a principal balance of \$330. The note matured in November 2024 and the Company repaid the note in April 2025. The note was unsecured and bore interest at 16% per annum. During the nine months ended June 30, 2025 and 2024, the Company made principal payments of \$330 and \$444 on notes payable—related parties.

Note 11 — Fair Value Measurements

The carrying amounts of the Company’s cash, accounts receivable and accounts payable approximate their fair value due to the short-term nature of these instruments. The Company believes the aggregate carrying value of debt approximates its fair value as of June 30, 2025 and September 30, 2024 because the notes payable, the 7% promissory notes - related parties and the notes payable - related parties each mature within one to two years of the respective balance sheet dates.

Fair Value Hierarchy

Liabilities measured at fair value on a recurring basis as of June 30, 2025 are as follows:

	Level 1	Level 2	Level 3	Total
Earnout liability	\$ —	\$ —	\$ 1,190	\$ 1,190
PIPE Common Warrants	—	—	3,456	3,456
Private Warrants	—	—	300	300
Total	\$ —	\$ —	\$ 4,946	\$ 4,946

The Company classifies the earnout liability, the PIPE Common Warrants and the Private Warrants as Level 3 financial instruments due to the judgment required to develop the assumptions used and the significance of those assumptions to the fair value measurement. No financial instruments were transferred between levels of the fair value hierarchy during the nine months ended June 30, 2025 or 2024. The following table provides a reconciliation of the balance of financial instruments measured at fair value on a recurring basis using Level 3 inputs:

<i>Nine months ended June 30, 2025:</i>	Earnout Liability	Liability Classified Warrants
Balance, September 30, 2024	\$ 1,680	\$ 2,139
Sale of warrants in private placement	—	2,853
Modification of warrants in connection with private placement	—	721
Exercise of warrants	—	(720)
Change in fair value included in net loss	(490)	(1,237)
Balance, June 30, 2025	\$ 1,190	\$ 3,756

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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<i>Nine months ended June 30, 2024:</i>	Earnout Liability	Liability Classified Warrants	PIPE Make- Whole Liability	SAFEs
Balance, September 30, 2023	\$ —	\$ —	\$ —	\$ 1,512
Liabilities recognized	33,559	882	2,071	—
Conversion to Class A Common Stock in the Merger	—	—	—	(1,522)
Settlement of liability	—	(332)	—	—
Change in fair value included in net loss	(30,599)	12	(122)	10
Balance, June 30, 2024	\$ 2,960	\$ 562	\$ 1,949	\$ —

Earnout Liability

The Company estimates the fair value of the earnout liability using a Monte Carlo simulation model that utilizes significant assumptions, including volatility, expected term and risk-free rate that determine the probability of achieving the earnout conditions. The following table summarizes the assumptions used in estimating the fair value of the earnout liability at the respective dates:

	June 30, 2025	September 30, 2024
Stock price	\$ 0.77	\$ 1.06
Expected volatility	80.0%	70.0%
Risk-free rate	3.9%	3.6%
Contractual term	6.5 years	7.2 years

PIPE Common Warrants

The Company estimates the fair value of the PIPE Common Warrants using the Black-Scholes option pricing model, which utilizes significant assumptions, including volatility, expected term and risk-free rate. The following table summarizes the assumptions used in estimating the fair value of the PIPE Common Warrants at the respective dates:

	June 30, 2025	September 30, 2024
Stock price	\$ 0.77	\$ 1.06
Expected volatility	59.0%	55.7%
Risk-free rate	3.8 – 4.0%	3.5 – 3.9%
Contractual term	0.8 – 5.0 years	1.1 – 5.1 years

Note 12 — Leases

The Company has entered into operating leases for office space. The leases have remaining terms ranging from four months to 2.2 years and expire at various dates through August 2027. The leases do not contain residual value guarantees or restrictive covenants.

In March 2025, the Company entered into an operating lease for a 2,713 square foot facility in Irvine, California, used as its corporate headquarters. The lease has an initial term of two years, with monthly rent payments of \$7, and requires a security deposit of \$22. In connection with the lease, the Company recognized a right-of-use asset and an operating lease liability of \$145. In May 2025, the Company also entered into a new lease for a 2,400 square foot facility it currently occupies in Newburyport, Massachusetts, used for research and manufacturing. The lease has an initial term of two years, with monthly rent payments of \$3. In connection with the lease, the Company recognized a right-of-use asset and an operating lease liability of \$66. The Company also modified the lease on a property it occupies in Lowell, Massachusetts to reduce the remaining lease term. As a result of the modification, the Company recognized an \$86 reduction in the related ROU asset and operating lease liability.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Also in March 2025, the Company vacated a leased 19,436 square foot office in Irvine, California, having a remaining lease term of 2.4 years and in April 2025 the lease was terminated. As a result of the termination of the lease, the Company recognized an impairment loss of \$725 to reduce the carrying value of this asset group to its estimated fair value. The resulting impairment loss is included in "Impairment of long-lived assets" in the condensed consolidated statements of operations and comprehensive loss.

Effective October 1, 2024, the Company entered into an operating lease with a related party for a 6,149 square foot facility in Irvine, California used for the design, manufacture and sale of the Company's interconnect products. The lease has an initial term of fifteen months, with monthly rent payments of \$12, and requires a security deposit of \$30. Rent paid under the lease was \$35 and \$106 for the three months and nine months ended June 30, 2025. In connection with the lease, the Company initially recognized a right-of-use asset of \$162. As of June 30, 2025, an operating lease liability under this lease of \$69 is included in "Operating lease liabilities, current" in the condensed consolidated balance sheets.

The following lease costs are included in the condensed consolidated statements of operations and comprehensive loss:

	Nine months ended June 30,	
	2025	2024
Operating lease cost	\$ 454	\$ 307
Short-term lease cost	32	88
Total lease cost	<u>\$ 486</u>	<u>\$ 395</u>

Cash paid for amounts included in the measurement of operating lease liabilities for the nine months ended June 30, 2025 and 2024 was \$458 and \$413, respectively. As of June 30, 2025, the weighted-average remaining lease term was 2.0 years, and the weighted-average discount rate was 15.6%. There are no other leases that had not yet commenced as of June 30, 2025 that will create significant additional rights and obligations for the Company.

The following table reconciles the undiscounted cash flows to the operating lease liabilities recorded on the condensed consolidated balance sheet as of June 30, 2025:

Years ending September 30,		
2025 (remaining three months)	\$	219
2026		711
2027		<u>590</u>
Total minimum lease payments		1,520
Less: imputed interest		<u>(205)</u>
Present value of future minimum lease payments		1,315
Less: current obligations under leases		<u>(615)</u>
Long-term lease obligations	\$	<u>700</u>

Note 13 — Commitments and Contingencies

Litigation

From time to time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. The Company does not believe it is currently a party to any material legal proceedings, nor is the Company aware of any other pending or threatened litigation that the Company believes would have a material adverse effect on the Company's business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
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Indemnifications

In the ordinary course of business, the Company often includes standard indemnification provisions in its arrangements with customers, suppliers and vendors. Pursuant to these provisions, the Company may be obligated to indemnify such parties for losses or claims suffered or incurred in connection with its service, breach of representations or covenants, intellectual property infringement or other claims made against such parties. These provisions may limit the time within which an indemnification claim can be made. The Company has not in the past incurred significant expense defending against third party claims, nor has it incurred significant expense under its standard service warranties or arrangements with its customers, suppliers and vendors. Accordingly, the Company has not recognized any liabilities for these indemnification provisions as of June 30, 2025 or September 30, 2024.

Note 14 — Income Taxes

The Company recorded an income tax benefit of \$2 and \$1,505 for the three months ended June 30, 2025 and 2024, respectively, and an income tax benefit of \$9 and \$2,801 for the nine months ended June 30, 2025 and 2024, respectively. The Company calculated the provision (benefit) for income taxes for the three months and nine months ended June 30, 2025 and 2024 using the discrete year-to-date method. For the three months and nine months ended June 30, 2025, the Company's income tax benefit differs from an amount calculated based on statutory tax rates principally due to the Company recording a valuation allowance against the net operating losses it generated during the period. The Company establishes a valuation allowance when necessary to reduce the carrying amount of its deferred tax assets when it is more likely than not that the deferred tax assets will not be realized. In evaluating the Company's ability to realize deferred tax assets, the Company considers all available positive and negative evidence, including historical operating results, potential limitations on the Company's ability to carry forward net operating losses, ongoing tax planning, and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. Based on these factors, the Company has established a valuation allowance to reduce its net deferred tax assets to the amount that is more likely than not to be realized.

In connection with the December 2023 acquisition of EMI Solutions and the May 2024 acquisition of Rage Systems, during the three months and nine months ended June 30, 2024 the Company recognized additional deferred tax liabilities of \$1,582 and \$2,666, respectively, associated with acquired intangible assets. Based on the availability of these tax attributes, the Company determined that it expects to realize a greater portion of its existing deferred tax assets and for the three months and nine months ended June 30, 2024 the Company recognized income tax benefits of \$1,507 and \$2,803 for the resulting reduction of the valuation allowance on its deferred tax assets.

On July 4, 2025, United States President Donald J. Trump signed the One Big Beautiful Bill Act ("OBBBA") into law. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The OBBBA has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company is currently assessing the impact of the OBBBA on its operations and consolidated financial statements.

Note 15 — Equity

In connection with the Merger, the Company adopted its amended and restated certificate of incorporation and amended and restated bylaws. The amended and restated certificate of incorporation authorizes the issuance of preferred stock, Class A Common Stock and Class B Common Stock. As of June 30, 2025, the board of directors had not designated any series of preferred stock, and no shares of preferred stock were issued or outstanding.

During the nine months ended June 30, 2025, the Company sold 521,739 shares of its Class A Common Stock to an unaffiliated investor for net proceeds of \$600. The Company also issued 610,586 shares of its Class A Common Stock to certain vendors in settlement of \$700 of accounts payable. In connection therewith, the Company recognized a gain of \$147. Also during the nine months ended June 30, 2025, holders of 125,000 shares of the Company's Class B Common Stock elected to convert such shares into the same number of shares of the Company's Class A Common Stock.

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During the nine months ended June 30, 2024, Legacy Mobix sold 482,171 shares of its common stock at various dates in private placements for net proceeds of \$3,286. In connection with the issuance of these shares, Legacy Mobix also granted one investor a warrant to purchase 27,413 shares of common stock at a price of \$0.01 per share. The warrant is immediately exercisable and has a term of one year. The Company determined the warrant to be a freestanding equity instrument with no subsequent remeasurement. The Company determined the amount recognized within additional paid-in capital by allocating the proceeds received among the shares of common stock and the warrant issued based on their relative fair values.

As of June 30, 2025, the number of shares of Class A Common Stock available for issuance under the Company's amended and restated articles of incorporation were as follows:

Authorized number of shares of Class A Common Stock	285,000,000
Class A Common Stock outstanding	48,747,626
Reserve for conversion of Class B Common Stock	4,750,000
Reserve for exercise of the Public Warrants and Private Warrants	9,000,000
Reserve for exercise of other common stock warrants	12,708,400
Reserve for Earnout shares	3,500,000
Reserve for RaGE Earnout	642,809
Stock options and RSUs outstanding	8,656,766
Reserve for vested RSUs with deferred delivery	4,260,968
Awards available for grant under 2023 Equity Incentive Plan	5,185,685
Awards available for grant under 2023 Employee Stock Purchase Plan	687,055
Shares of Class A Common stock available for issuance	<u>186,860,691</u>

The Company has never declared or paid any dividends on any class of its equity securities and does not expect to do so in the near future.

Note 16 — Warrants

Outstanding warrants consist of the following:

	<u>June 30, 2025</u>	<u>September 30, 2024</u>
Public Warrants	6,000,000	6,000,000
Private Warrants	3,000,000	3,000,000
PIPE Warrants	250,000	1,750,000
PIPE Common Warrants	5,755,396	5,755,396
Common Warrants	4,876,860	—
Other warrants	1,826,144	2,170,403
Total	<u>21,708,400</u>	<u>18,675,799</u>

April 2025 Offering

On April 4, 2025, the Company entered into a securities purchase agreement (the "2025 Securities Purchase Agreement") with an institutional accredited investor. Pursuant to the 2025 Securities Purchase Agreement, on April 7, 2025 the Company issued 3,850,000 shares of Class A common stock and a pre-funded warrant to purchase up to 1,026,860 shares of Class A Common Stock in a registered direct offering priced at-the-market under Nasdaq rules (the "Registered Direct Offering"). The public offering price for each share was \$0.8202 and the public offering price for each pre-funded warrant was \$0.8201. In addition, in a concurrent private placement (together with the Registered Direct Offering, the "April 2025 Offering"), the Company issued unregistered common stock warrants (the "Common Warrants") to purchase up to 4,876,860 shares of the Company's Class A Common Stock. The pre-funded warrant has an exercise price of \$0.0001 per share, is exercisable immediately and may be exercised at any time. The Common Warrants have an exercise price of \$0.8202, are exercisable upon receipt of stockholder approval of the issuance of the shares of Class A Common Stock underlying the Common Warrants, which was obtained on May 30, 2025 and will expire five years after such stockholder approval on May 30, 2025. The net proceeds to the Company from the April 2025 Offering were \$3,645, after payment of the placement agent's fees of \$355. The Company allocated the transaction costs among the liability-classified and equity-classified securities issued in the April 2025 Offering. The portion of such costs allocated to liability-classified securities is included in "Private placement costs expensed" in the unaudited condensed consolidated statements of operations and comprehensive loss. During the nine months ended June 30, 2025, the investor fully exercised the prefunded warrant.

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In connection with the April 2025 Offering, the Company also amended the outstanding PIPE Common Warrants—comprised of Series A Warrants and Series B Warrants (issued in July 2024) to purchase up to an aggregate of 5,755,396 shares of Class A Common Stock—to reduce the exercise price from \$1.39 per share to \$0.8202 per share, which became exercisable beginning on the effective date of stockholder approval, which was obtained on May 30, 2025. The Company also extended the term of the Series B warrants from January 3, 2026 to April 3, 2026. The term of the Series A Warrants remains unchanged and will expire on January 3, 2030.

The Company also issued the placement agent warrants to purchase an aggregate of 682,760 shares of Class A Common Stock. These warrants have an exercise price of \$0.8202 per share, become exercisable upon stockholder approval, will expire on April 4, 2030 and are not transferable prior to October 1, 2025.

Liability-Classified Warrants

The Company accounts for the Private Warrants as liabilities because they do not meet the derivative scope exception for contracts in the Company's own stock. At the time of Closing, the Company estimated the aggregate fair value of the Private Warrants using the Black-Scholes option-pricing model and recognized a liability of \$150. As of June 30, 2025, all of the Private Warrants remain outstanding and the Company adjusted the carrying amount of the liability to its estimated fair value of \$300. As a result of changes in the fair value of the liability, the Company recorded non-cash gains (losses) of \$30 and \$(412) for the nine months ended June 30, 2025 and 2024, which are included in "Change in fair value of warrants" in the condensed consolidated statements of operations and comprehensive loss.

The Company also accounts for the PIPE Common Warrants (issued in a July 2024 private placement) and the Common Warrants and the prefunded warrants (each issued in the April 2025 Offering) as liabilities because they do not meet the derivative scope exception for contracts in the Company's own stock. As of June 30, 2025, the Company adjusted the carrying amount of the liability for the PIPE Common Warrants and Common Warrants to its estimated fair value of \$3,456, included in "Other noncurrent liabilities" in the condensed consolidated balance sheets. As a result of changes in the fair value of the liability, the Company recorded non-cash gains of \$600 and \$1,207, respectively, for the three months and nine months ended June 30, 2025, which are included in "Change in fair value of warrants" in the condensed consolidated statements of operations and comprehensive loss.

Other Warrants

During the nine months ended June 30, 2025, PIPE Warrants to purchase an aggregate of 1,500,000 shares of the Company's Class A Common Stock were exercised, for net proceeds to the Company of \$15.

In connection with the Merger, all of Legacy Mobix's outstanding warrants were assumed by the Company and converted into the same number of warrants to purchase shares of the Company's Class A Common Stock, with no change to their exercise prices or other terms. Subsequent to the Merger, warrants to purchase an aggregate of 373,031 shares were exercised and converted into 369,671 shares of Class A Common Stock, with no cash proceeds to the Company.

During the nine months ended June 30, 2024, the Company issued warrants to purchase an aggregate of 205,965 shares of its common stock at \$0.01 per share in connection with borrowings and warrants to purchase an aggregate of 27,413 shares of common stock at a price of \$0.01 per share to investors in connection with the sale of shares of its common stock. The Company also issued warrants to purchase 130,000 shares of its Class A Common Stock at \$0.01 per share to a service provider, in respect of services rendered to Legacy Mobix prior to the Merger.

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In addition, during the nine months ended June 30, 2024 Legacy Mobix failed to repay the principal amount of a note payable by its maturity date and was obligated to issue warrants to purchase 103,000 shares of its Class A Common Stock at \$0.01 per share to the lender as additional consideration. During the nine months ended June 30, 2024, the Company recognized \$732 of interest expense for the estimated fair value of these warrants.

Note 17 — Stock-Based Compensation

The Company's 2023 Equity Incentive Plan provides for the issuance of stock options, restricted stock awards, RSUs and other stock-based compensation awards to employees, directors, officers, consultants or others who provide services to the Company. The Company has reserved 10,600,000 shares of its Class A Common Stock for issuance under the terms of the 2023 Equity Incentive Plan. Prior to the Merger, Legacy Mobix had three equity incentive plans which provided for the issuance of stock-based compensation awards.

Restricted Stock Units

In connection with the Merger, all of Legacy Mobix's RSUs were assumed by the Company and converted into an RSU covering the same number of shares of the Company's Class A Common Stock.

Prior to the Merger, Legacy Mobix agreed, contingent upon closing of the Merger, to issue an aggregate of 5,000,000 RSUs (of which 999,999 were subsequently modified to common stock warrants upon the holder's termination of employment) to certain of its officers and key employees over three years, beginning on the first anniversary of the Closing of the Merger. Because the vesting of these awards was subject to both a service condition and a performance condition (the completion of the Merger), the Company determined that vesting of the awards was not probable and did not recognize any stock-based compensation expense for these awards prior to the Closing. Upon Closing, the performance condition was satisfied, and vesting of the awards is subject only to a service condition. As a result, the Company recognizes the value of these awards over the requisite service period and during the nine months ended June 30, 2024, the Company recognized stock-based compensation expense of \$10,858 relating to these RSUs and warrants, representing a catch-up for the portion of the service period that had elapsed from the date of the awards through the Closing.

During the nine months ended June 30, 2025, the Company and a former employee entered into certain agreements wherein the Company agreed to accelerate the vesting of 999,999 common stock warrants and grant the holder an additional 250,000 common stock warrants. The warrants are immediately exercisable and have an exercise price of \$0.01 per share. Subsequently, the Company agreed to cancel 450,000 of these common stock warrants and replace them with the same number of fully vested RSUs. As a result of the acceleration of vesting and the grant of the warrants, during the nine months ended June 30, 2025 the Company recognized additional stock-based compensation expense of \$6,917.

A summary of activity in the Company's RSUs for the nine months ended June 30, 2025 is as follows:

	Number of units	Weighted- Average Grant Date Fair Value per Unit
Outstanding at September 30, 2024	4,463,253	\$ 7.93
Granted	6,951,722	1.03
Forfeited	(17,327)	5.47
Vested	(5,193,502)	0.92
Outstanding at June 30, 2025	<u>6,204,146</u>	<u>6.07</u>

Unrecognized compensation expense related to RSUs was \$15,473 as of June 30, 2025 and is expected to be recognized over a weighted-average period of 2.3 years.

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Restricted Stock Awards

In January 2024, the Compensation Committee approved the grant of restricted stock awards (“RSAs”) for a total of 5,100,000 shares of the Company’s Class A Common Stock to two officers and directors of the Company, subject to stockholder approval which was obtained on January 3, 2025. The restricted stock awards were made pursuant to separate award agreements between the Company and each of the recipients. One RSA will vest in specified quarterly amounts from July 2025 through July 2028; the other RSA will vest over a two-year period and can be accelerated if certain stock price thresholds are met.

Additionally, in May 2025 the board of directors approved, and on May 30, 2025 the Company’s stockholders approved, the grant of RSAs for a total of 2,745,099 shares of the Company’s Class B Common Stock to certain directors and an officer of the Company. The RSAs will vest over five years, with 10% vesting on the first anniversary of the award date and the remaining 90% vesting in equal quarterly installments over the following four years.

Stock Options

Stock option activity for the nine months ended June 30, 2025 is as follows:

	Number of Options	Weighted- Average Exercise Price per Share	Weighted- Average Remaining Contractual Term (years)
Outstanding at September 30, 2024	2,740,846	\$ 4.89	
Expired	(216,953)	4.92	
Forfeited	(71,273)	6.04	
Outstanding at June 30, 2025	2,452,620	4.85	6.1
Exercisable at June 30, 2025	2,297,204	4.72	6.1

Unrecognized stock-based compensation expense related to stock options, totaling \$522 as of June 30, 2025, is expected to be recognized over a weighted-average period of 1.3 years. The aggregate intrinsic value of stock options outstanding and stock options exercisable as of June 30, 2025 was \$388 and \$388, respectively. The total intrinsic value of options exercised during the nine months ended June 30, 2024 was \$4,709. The total fair value of options that vested during the nine months ended June 30, 2025 and 2024 was \$471 and \$1,531, respectively.

The weighted-average grant date fair value of options granted during the nine months ended June 30, 2024 was \$3.50. The fair value of stock options granted was estimated with the following assumptions:

	Nine months ended June 30, 2024	
	Low	High
Expected volatility	54.8%	55.6%
Expected dividend yield	0%	0%
Risk-free interest rate	3.9%	4.4%
Expected term (years)	4.5	5.3

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The condensed consolidated statements of operations and comprehensive loss include stock-based compensation expense as follows:

	Three months ended		Nine months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 64	\$ 27	\$ 122	\$ 27
Research and development	66	161	212	936
Selling, general and administrative	6,972	3,434	19,922	16,805
Total stock-based compensation expense	<u>\$ 7,102</u>	<u>\$ 3,622</u>	<u>\$ 20,256</u>	<u>\$ 17,768</u>

Note 18 — Net Income (Loss) Per Share

The Company computes net income (loss) per share of Class A and Class B Common Stock using the two-class method. Basic net income (loss) per share is computed using the weighted-average number of shares outstanding during the period. Diluted net income (loss) per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities consist of stock options, warrants, RSUs and other contingently issuable shares. The dilutive effect of outstanding stock options, warrants, RSUs and other contingently issuable shares is reflected in diluted earnings per share by application of the more dilutive of (a) the two-class method or (b) the if-converted method and treasury stock method, as applicable. The computation of the diluted net income (loss) per share of Class A Common Stock assumes the conversion of Class B Common Stock, while the diluted net income (loss) per share of Class B Common Stock does not assume the conversion of those shares.

In periods where the Company has a net loss, most potentially dilutive securities are not included in the computation as their impact is anti-dilutive; those potentially dilutive securities whose impact is dilutive are included in the computation. In periods where their effect is dilutive, potentially dilutive securities are included in the computation of diluted income (loss) per share as if the underlying shares had been issued as of the later of the beginning of the fiscal period or the date of issuance of those securities. Inclusion of those securities under the if-converted method increases both the net loss for the period and the number of shares used in the per share computation and is dilutive to the Company's net income (loss) per share.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited, in thousands, except share and per share amounts)

	Three months ended June 30,			
	2025		2024	
	Class A	Class B	Class A	Class B
Basic net loss per share:				
Numerator:				
Net loss available to common stockholders	\$ (7,932)	\$ (340)	\$ (7,112)	\$ (567)
Denominator:				
Weighted-average shares outstanding	46,780,394	2,004,901	28,297,162	2,254,901
Basic net loss per share	<u>\$ (0.17)</u>	<u>\$ (0.17)</u>	<u>\$ (0.25)</u>	<u>\$ (0.25)</u>
Diluted net loss per share:				
Numerator:				
Net loss available to common stockholders	\$ (7,932)	\$ (340)	\$ (7,112)	\$ (567)
Reallocation of net loss as a result of conversion of Class B to Class A Common Stock	(340)	—	(567)	—
Allocation of net loss	<u>\$ (8,272)</u>	<u>\$ (340)</u>	<u>\$ (7,679)</u>	<u>\$ (567)</u>
Denominator:				
Number of shares used in basic earnings per share calculation	46,780,394	2,004,901	28,297,162	2,254,901
Conversion of Class B to Class A Common Stock	2,004,901	—	2,254,901	—
Number of shares used in per share computation	<u>48,785,295</u>	<u>2,004,901</u>	<u>30,552,063</u>	<u>2,254,901</u>
Diluted net loss per share	<u>\$ (0.17)</u>	<u>\$ (0.17)</u>	<u>\$ (0.25)</u>	<u>\$ (0.25)</u>

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited, in thousands, except share and per share amounts)

	Nine months ended June 30,			
	2025		2024	
	Class A	Class B	Class A	Class B
Basic net loss per share:				
Numerator:				
Allocation of net loss	\$ (28,944)	\$ (1,458)	\$ (7,770)	\$ (727)
Deemed dividend from warrant price adjustment	—	—	(604)	(57)
Net loss available to common stockholders	\$ (28,944)	\$ (1,458)	\$ (8,374)	(784)
Denominator:				
Weighted-average shares outstanding	40,437,001	2,037,410	24,095,237	2,254,901
Basic net loss per share	<u>\$ (0.72)</u>	<u>\$ (0.72)</u>	<u>\$ (0.35)</u>	<u>\$ (0.35)</u>
Diluted net loss per share:				
Numerator:				
Net loss available to common stockholders	\$ (28,944)	\$ (1,458)	\$ (8,374)	\$ (784)
Change in fair value of liability-classified warrants	—	—	(366)	(34)
Reallocation of net loss as a result of conversion of Class B to Class A Common Stock	(1,458)	—	(818)	—
Reallocation of net loss	—	—	—	2
Allocation of net loss	\$ (30,402)	\$ (1,458)	\$ (9,558)	\$ (816)
Denominator:				
Number of shares used in basic earnings per share calculation	40,437,001	2,037,410	24,095,237	2,254,901
Shares issuable under liability-classified warrants	—	—	60,882	—
Conversion of Class B to Class A Common Stock	2,037,410	—	2,254,901	—
Number of shares used in per share computation	42,474,411	2,037,410	26,411,020	2,254,901
Diluted net loss per share	<u>\$ (0.72)</u>	<u>\$ (0.72)</u>	<u>\$ (0.36)</u>	<u>\$ (0.36)</u>

For purposes of applying the if converted method or treasury stock method for calculating diluted earnings per share, the Public Warrants, Private Warrants, PIPE Common Warrants, Common Warrants, Placement Agent Warrants, RSUs and stock options result in anti-dilution. Therefore, these securities are not included in the computation of diluted net loss per share. The Earnout Shares and shares issuable under the RaGE Earnout were not included for purposes of calculating the number of diluted shares outstanding because the number of dilutive shares is based on a contingency which had not been met, and the contingency was not resolved, during the periods presented herein.

MOBIX LABS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited, in thousands, except share and per share amounts)

The potential shares of Class A Common Stock that were excluded from the computation of diluted net income (loss) per share attributable to stockholders for the periods presented because including them would have an antidilutive effect were as follows:

	Nine months ended June 30,	
	2025	2024
Public Warrants and Private Warrants	9,000,000	9,000,000
PIPE Common Warrants and Common Warrants	10,632,256	—
Other common stock warrants	1,446,144	1,154,945
Earnout shares	3,500,000	3,500,000
PIPE make-whole shares	—	1,052,030
Shares potentially issuable under RaGE Earnout	642,809	—
Restricted stock	7,845,099	—
RSUs	6,204,146	4,444,192
Stock options	2,452,620	2,792,413
	<u>41,723,074</u>	<u>21,943,580</u>

Note 19 — Concentrations

For the three months ended June 30, 2025, one customer accounted for 33% of the Company's net revenue. For the three months ended June 30, 2024, two customers accounted for 48% of the Company's net revenue. For the nine months ended June 30, 2025, one customer accounted for 55% of the Company's net revenue. For the nine months ended June 30, 2024, two customers accounted for 31% of the Company's net revenue. No other customer accounted for more than 10% of net revenue in the respective periods.

As of June 30, 2025, two customers had balances due that represented 51% of the Company's total accounts receivable. As of September 30, 2024, two customers had balances due that represented 71% of the Company's total accounts receivable.

Note 20 — Geographical Information

Revenues by Geographic Region

The Company's net revenue by geographic region, based on ship-to location, is summarized as follows:

	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
United States	\$ 2,108	\$ 1,598	\$ 7,421	\$ 2,847
China	—	288	—	288
Other	242	172	609	353
Total net revenue	<u>\$ 2,350</u>	<u>\$ 2,058</u>	<u>\$ 8,030</u>	<u>\$ 3,488</u>

Long-Lived Assets

Substantially all of the Company's long-lived assets are located in the United States.

Note 21 — Subsequent Events

In July 2025, the Company entered into loans with two unaffiliated investors for net proceeds of \$600. The loans are unsecured and mature at various dates through June 2026. The Company also entered into a new loan with an existing unaffiliated lender with a principal amount of \$1,150 for net proceeds to the Company (after repayment of an existing loan) of \$611. The loan is payable in weekly installments through February 2026.

In July 2025, the Company also entered into new agreements for the sale and purchase of future receivables with two existing unaffiliated investors. Aggregate net proceeds to the Company, after repayment of amounts owed to the same investors, were \$500. Amounts borrowed under these agreements are payable in weekly installments through March 2026.

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

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements included the Part I, Item 1 of this Quarterly Report on Form 10-Q. The following discussion contains forward-looking statements based upon current beliefs that involve risks, uncertainties, and assumptions, such as statements regarding our plans, objectives, expectations, intentions, and projections. Our actual results and the timing of selected events could differ materially from those described in or implied by these forward-looking statements as a result of several factors, including those set forth under “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. You should carefully read the “Risk Factors” section, the Cautionary Note Regarding Forward-Looking Statements as well as the risks and uncertainties set forth in our other SEC filings to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements.

All amounts in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” are in thousands, except numbers of shares and per share amounts.

Overview

Based in Irvine, California, Mobix Labs designs, develops and sells components and systems for advanced wireless and wired connectivity, radio frequency (“RF”), switching and electromagnetic interference (“EMI”) filtering technologies. Our solutions are used in the consumer commercial, industrial, automotive, medical, aerospace, defense and other markets. To enhance our product portfolio, we also intend to pursue acquisitions of companies with existing revenue which can be scaled, and which possess technologies that accelerate the speed, accessibility, and efficiency of disruptive or more efficient communications solutions, and which will also allow us to expand into strategically aligned industries. Our wireless systems solutions include products for advanced RF and millimeter wave (“mmWave”) 5G communications, mmWave imaging, software defined radio and custom RF integrated circuits (“ICs”) targeting the commercial, industrial, and defense and aerospace sectors. Our interconnect products, including EMI filter inserts and filtered and non-filtered connectors, are designed for and are currently used in aerospace, military, defense and medical applications. Our True Xero active optical cables (“AOCs”) are designed to meet customer needs for high-quality active optical cable solutions at an affordable price. These innovative technologies are designed for large and rapidly growing markets where there is increasing demand for higher performance communication and filtering systems which utilize an expanding mix of both wireless and connectivity technologies.

On December 21, 2023, we consummated the merger pursuant to the business combination agreement, dated November 15, 2022 (as amended, supplemented or otherwise modified, the “Business Combination Agreement”), by and among Chavant, CLAY Merger Sub II, Inc., a Delaware corporation and newly formed, wholly-owned direct subsidiary of Chavant (“Merger Sub”), and Mobix Labs, Inc. (“Legacy Mobix”), a Delaware corporation, pursuant to which, among other things, Merger Sub merged with and into Legacy Mobix, with Legacy Mobix surviving the merger as a wholly-owned direct subsidiary of Chavant (together with the other transactions related thereto, the “Merger”). In connection with the consummation of the Merger (the “Closing”), Chavant changed its name from “Chavant Capital Acquisition Corp.” to “Mobix Labs, Inc.” (the “Company”) and Legacy Mobix changed its name from “Mobix Labs, Inc.” to “Mobix Labs Operations, Inc.”

Throughout this discussion, unless otherwise noted or otherwise suggested by context, all references to “we,” “us” or “our” refer to Legacy Mobix prior to the consummation of the Merger, and to the Company and its subsidiaries after the consummation of the Merger.

We were founded with the goal of simplifying the development and maximizing the performance of wireless mmWave 5G products by designing and developing high performance, cost-effective and ultra-compact semiconductor components and solutions used for signal processing applications in wireless products. Since our inception, our corporate strategy has evolved to encompass the pursuit of acquisitions in diverse industry sectors, including aerospace, military, defense, medical and high reliability (“HiRel”) technology, as part of our commitment to enhancing communication services. We have developed and/or acquired an extensive intellectual property (“IP”) portfolio comprised of patents and trade secrets that are critical to commercializing our communication products and communications technologies. In leveraging our proprietary technology, we aim to scale the growth of revenue for our products by serving large and rapidly growing markets where we believe there are increasing demands for higher performance communication technologies, including both wireless and wired connectivity systems. We are actively pursuing customer engagements with manufacturers of wireless communications, aerospace, military, defense, medical and HiRel products.

In 2021, we completed the acquisition of substantially all of the assets including IP of Cosemi Technologies, Inc. (“Cosemi”), an Irvine, California-based global supplier of high-speed connectivity solutions. The acquired products and IP included a broad range of AOCs and optical engines that deliver optimal connectivity to a wide range of applications—including home entertainment, gaming, augmented reality and virtual reality, video conferencing, medical, mobile devices and monitors—and built the foundation for our current connectivity business. We believe the patented cable technology and AOC optical chip solutions from Cosemi along with our innovative wireless semiconductor technologies provide more opportunities in the wireless C-Band and mmWave 5G market as the need for faster, more reliable data transmission becomes ever more apparent, whether it is for the data center, infrastructure, home entertainment or consumer electronics market.

Recent Developments

April 2025 Offering

On April 4, 2025, we entered into a securities purchase agreement (the “2025 Securities Purchase Agreement”) with an institutional accredited investor. Pursuant to the 2025 Securities Purchase Agreement, on April 7, 2025 we issued 3,850,000 shares of Class A common stock and a pre-funded warrant to purchase up to 1,026,860 shares of our Class A Common Stock in a registered direct offering priced at-the-market under Nasdaq rules (the “Registered Direct Offering”). The public offering price for each share was \$0.8202 and the public offering price for each pre-funded warrant was \$0.8201. In addition, in a concurrent private placement (together with the Registered Direct Offering, the “April 2025 Offering”), we issued unregistered common stock warrants (the “Common Warrants”) to purchase up to 4,876,860 shares of our Class A Common Stock. The pre-funded warrant has an exercise price of \$0.0001 per share, is exercisable immediately and may be exercised at any time. The Common Warrants have an exercise price of \$0.8202 and became exercisable beginning on the effective date of stockholder approval, which was obtained on May 30, 2025 and will expire on May 30, 2030. The net proceeds to us from the April 2025 Offering were \$3,645, after payment of the placement agent’s fees of \$355.

In connection with the April 2025 Offering, we also amended the outstanding PIPE Common Warrants, as discussed below under July 2024 Private Placement.

We also issued the placement agent warrants to purchase an aggregate of 682,760 shares of Class A Common Stock. These warrants have an exercise price of \$0.8202 per share, and became exercisable beginning on the effective date of stockholder approval, which was obtained on May 30, 2025, and will expire on April 4, 2030 and are not transferable prior to October 1, 2025.

In the 2025 Securities Purchase Agreement, we agreed, subject to certain exceptions, not to issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Class A Common Stock or any securities convertible into or exercisable or exchangeable for shares of Class A Common Stock or file any registration statement or prospectus, or any amendment or supplement thereto until sixty days after the stockholder approval date, subject to certain exceptions. In addition, we agreed not to effect or enter into an agreement to effect any issuance of Class A Common Stock or any securities convertible into or exercisable or exchangeable for shares of Class A Common Stock involving a variable rate transaction (as defined in the 2025 Securities Purchase Agreement) until August 29, 2025, subject to certain exceptions.

Nasdaq Delinquency Notice

On April 28, 2025, we received a delinquency notification letter (the “MVLS Notice”) from Nasdaq’s Listing Qualifications Staff (the “Staff”) due to the non-compliance with Nasdaq Listing Rule 5550(b)(2) as a result of our failure to maintain a minimum Market Value of Listed Securities (“MVLS”) of \$35 million (the “MVLS Requirement”). The MVLS Notice stated that, as of its date, the MVLS was below \$35 million for 30 consecutive business days. On May 20, 2025, the Company received a letter from Nasdaq notifying the Company that they were in compliance with the MVLS Requirement.

In addition, on April 28, 2025, we received a delinquency notification letter (the “Bid Price Notice”) from the Staff due to the non-compliance with Nasdaq Listing Rule 5550(a)(2), which requires listed securities to maintain a minimum bid price of \$1.00 per share (the “Minimum Bid Price Requirement”). The Bid Price Notice stated that, as of its date, the stock price of our Class A Common Stock was below \$1.00 for 30 consecutive business days. The Bid Price Notice has no immediate effect on the listing or trading of the shares of Class A Common Stock on Nasdaq. We have until October 27, 2025 to regain compliance. If we are not in compliance with the Minimum Bid Price Requirement by October 27, 2025, we may qualify for a second 180 calendar day compliance period. However, if we fail to timely regain compliance with the Minimum Bid Price Requirement during the second 180 calendar day period our shares will be subject to delisting from Nasdaq.

July 2024 Private Placement

On July 22, 2024, we entered into a securities purchase agreement (the “Securities Purchase Agreement”) with an institutional accredited investor in connection with a private placement (the “Private Placement”). Pursuant to the Securities Purchase Agreement, on July 24, 2024, we issued an unregistered pre-funded warrant (the “Pre-Funded Warrant”) to purchase up to 2,877,698 unregistered shares of our Class A Common Stock. We also issued unregistered warrants to purchase an aggregate of 5,755,396 shares of our Class A Common Stock (“PIPE Common Warrants”). We received gross proceeds from the Private Placement of \$4,000, before payment of fees and expenses to the placement agent of \$415. In August 2024, the investor exercised the Pre-Funded Warrant in full, for net cash proceeds to us of \$3.

The PIPE Common Warrants are comprised of Series A Warrants to purchase up to 2,877,698 shares of Class A Common Stock (the “Series A Warrants”) and Series B Warrants to purchase up to 2,877,698 shares of Class A Common Stock (the “Series B Warrants”). As part of the April 2025 Offering, we amended the outstanding Series A Warrants and Series B Warrants to reduce the exercise price from \$1.39 per share to \$0.8202 per share, which became exercisable beginning on the effective date of stockholder approval, which was obtained on May 30, 2025. We also extended the term of the Series B Warrants from January 3, 2026 to April 3, 2026. The term of the Series A Warrants remains unchanged and will expire on January 3, 2030.

In connection with the Private Placement, we paid the placement agent fees and expenses of \$415 and issued the placement agent warrants to purchase an aggregate of 201,439 shares of our Class A Common Stock (the “Placement Agent Warrants”). The Placement Agent Warrants have an exercise price of \$1.7375 per share, became exercisable beginning on the effective date of stockholder approval, which was obtained on January 3, 2025, and will expire on January 3, 2030. Moreover, upon any exercise for cash of the PIPE Common Warrants, we will pay the placement agent cash fees aggregating 8% of the gross proceeds received from the exercise of the PIPE Common Warrants and will also issue to the placement agent additional Placement Agent Warrants to purchase a number of shares of our Class A Common Stock equal to 7.0% of the aggregate number of shares of our Class A Common Stock issued upon such exercise of the PIPE Common Warrants.

Acquisition of RaGE Systems Inc.

On May 21, 2024, we completed the previously announced acquisition of RaGE Systems. RaGE Systems designs, develops and manufactures wireless systems solutions, including products for 5G communications, mmWave imaging, and software defined radio targeting the commercial, industrial, and defense and aerospace sectors. We believe the acquisition of RaGE Systems expands our expertise in wireless communications and will allow us to deliver solutions that address a wider variety of applications and markets.

Aggregate consideration for the acquisition of RaGE Systems consisted of 3,214,045 shares of our Class A Common Stock, having a fair value of \$7,682 at the closing date, and \$2,000 in cash. We also entered into employment agreements with each of the RaGE Systems stockholders. The RaGE Systems stockholders will also be entitled to receive possible earnout payments of up to \$8,000 over eight fiscal quarters, payable in a combination of cash and shares of our Class A Common Stock, based upon the satisfaction of certain financial metrics and continued employment with us. The RaGE Systems business combination agreement also provides the RaGE Systems stockholders with “piggy-back” registration rights, subject to certain requirements and customary conditions.

Acquisition of EMI Solutions, Inc.

On December 18, 2023, we completed the acquisition of EMI Solutions when we acquired all of the issued and outstanding common shares of EMI Solutions. EMI Solutions is a manufacturer of interconnect products, including electromagnetic interference filtering products for aerospace, military, defense and medical applications. We believe the acquisition of EMI Solutions complements our existing product offerings, expanded our customer base and allows us to deliver solutions that address a wider variety of applications and markets. Consideration for the acquisition of EMI Solutions consisted of 964,912 shares of Legacy Mobix common stock and \$2,200 in cash. We valued the common stock at \$8,856, based on the fair value of the Legacy Mobix common stock at the time of the acquisition.

Financing Activities

During the nine months ended June 30, 2025, we had additional financing activity, consisting of the issuance of notes payable, agreements for the sale and purchase of future receipts and sales of shares of our Class A Common Stock. See “Liquidity and Capital Resources,” below, and our unaudited condensed consolidated financial statements for further details.

The Merger

We accounted for the Merger as a reverse recapitalization. Under this method of accounting, Chavant is treated as the “acquired” company for financial reporting purposes. This determination was primarily based on holders of Legacy Mobix capital stock comprising a majority of the voting power of our common stock upon consummation of the Merger and having the ability to nominate the majority of our board of directors, Legacy Mobix’ senior management comprising our senior management, and Legacy Mobix’ operations comprising our ongoing operations. Accordingly, for accounting purposes, our financial statements represent a continuation of the financial statements of Legacy Mobix with the Merger being treated as the equivalent of Legacy Mobix issuing shares for the net assets of Chavant, accompanied by a recapitalization. We recognized the net assets of Chavant as of the Closing at historical cost, with no goodwill or other intangible assets recorded. Our operations prior to the Merger are presented as those of Legacy Mobix and the accumulated deficit of Legacy Mobix has been carried forward after Closing. All issued and outstanding securities of Chavant at the time of the Closing were treated as issuances of securities by us upon the consummation of the Merger.

As a result of the Merger, we raised gross proceeds of \$21,014, including the contribution of \$1,264 of cash held in Chavant’s trust account and the \$19,750 private investment in public equity (“PIPE”) at \$10.00 per share of Chavant’s Class A Common Stock. Our Class A Common Stock and Public Warrants (“Public Warrants”) began trading on Nasdaq under the symbols “MOBX” and “MOBXW,” respectively, on December 22, 2023.

Results of Operations

Comparison of the Three Months and Nine Months Ended June 30, 2025 and 2024

(dollars in thousands)	Three months ended June 30,		Change	
	2025	2024	\$	%
Net revenue	\$ 2,350	\$ 2,058	\$ 292	14%
Cost of revenue	1,001	1,327	(326)	(25)%
Gross profit	1,349	731	618	85%
Operating expenses:				
Research and development	486	1,369	(883)	(64)%
Selling, general and administrative	8,208	8,710	(502)	(6)%
Impairment of long-lived assets	725	—	725	nm
Loss from operations	(8,070)	(9,348)	1,278	(14)%
Interest expense	547	127	420	331%
Change in fair value of earnout liability	(210)	(661)	451	(68)%
Change in fair value of warrants	(612)	58	(670)	nm
Change in fair value of PIPE make-whole liability	—	310	(310)	(100)%
Private placement costs expensed	443	—	443	nm
Other non-operating losses, net	36	2	34	nm
Loss before income taxes	(8,274)	(9,184)	910	(10)%
Income tax benefit	(2)	(1,505)	1,503	(100)%
Net loss and comprehensive loss	\$ (8,272)	\$ (7,679)	\$ (593)	8%

“nm” indicates amount is not meaningful.

(dollars in thousands)	Nine months ended		Change	
	2025	2024	\$	%
Net revenue	\$ 8,030	\$ 3,488	\$ 4,542	130%
Cost of revenue	3,974	2,608	1,366	52%
Gross profit	4,056	880	3,176	361%
Operating expenses:				
Research and development	1,816	4,328	(2,512)	(58)%
Selling, general and administrative	32,043	31,731	312	1%
Impairment of long-lived assets	725	—	725	nm
Loss from operations	(30,528)	(35,179)	4,651	(13)%
Interest expense	1,032	1,232	(200)	(16)%
Change in fair value of earnout liability	(490)	(30,599)	30,109	(98)%
Change in fair value of warrants	(1,237)	12	(1,249)	nm
Change in fair value of PIPE make-whole liability	—	(122)	122	(100)%
Merger-related transaction costs expensed	—	4,009	(4,009)	(100)%
Private placement costs expensed	443	—	443	nm
Other non-operating losses, net	135	1,587	(1,452)	(91)%
Loss before income taxes	(30,411)	(11,298)	(19,113)	169%
Income tax benefit	(9)	(2,801)	2,792	(99)%
Net loss and comprehensive loss	\$ (30,402)	\$ (8,497)	\$ (21,905)	258%

“nm” indicates amount is not meaningful.

Net Revenue

We derive our net revenue primarily from product sales to equipment manufacturers. We recognize product revenue when we satisfy performance obligations under the terms of our contracts and upon transfer of control when title transfers (either upon shipment to or receipt by the customer, as determined by the contractual shipping terms of the contract), net of accruals for estimated sales returns and allowances (which were not material for the nine months ended June 30, 2025 and 2024). Sales and other taxes we collect, if any, are excluded from net revenue. We include shipping and handling fees we bill to customers as part of net revenue. We include shipping and handling costs associated with outbound freight in cost of revenue. Our net revenue fluctuates based on a variety of factors, including the timing of the receipt of orders from our customers, product mix, competition, global economic conditions, and other factors.

Our net revenue was \$2,350 for the three months ended June 30, 2025 compared to \$2,058 for the three months ended June 30, 2024, an increase of \$292 or 14%. The increase principally reflects increased sales of our interconnect products and the addition of sales of our wireless systems solutions, which we acquired in our May 2024 acquisition of RaGE Systems, partly offset by lower sales of AOCs.

For the nine months ended June 30, 2025, our net revenue was \$8,030 compared to \$3,488 for the nine months ended June 30, 2024, an increase of \$4,542 or 130%. The increase principally reflects the addition of sales of our wireless systems solutions (acquired in our May 2024 acquisition of RaGE Systems) and increased sales of our interconnect products (acquired in our December 2023 acquisition of EMI Solutions).

Cost of Revenue

Cost of revenue includes costs of materials, contract manufacturing services for the assembly, testing and shipping products, inbound freight, amortization of acquired developed technology, inventory obsolescence charges and other product-related costs. Cost of revenue also includes employee compensation and benefits (including stock-based compensation) of employees engaged in engineering services or the manufacture or sourcing of products, facility costs and depreciation.

Cost of revenue was \$1,001 for the three months ended June 30, 2025 compared to \$1,327 for the three months ended June 30, 2024, a decrease of \$326 or 25%. The change principally reflects lower sales of our AOCs, as discussed above, including lower amortization expense for AOC-related intangible assets which the Company impaired subsequent to June 30, 2024.

Cost of revenue was \$3,974 for the nine months ended June 30, 2025 compared to \$2,608 for the nine months ended June 30, 2024, an increase of \$1,366 or 52%. The increase principally reflects the addition of sales of our wireless systems solutions and increased sales of interconnect products. These increases were partly offset by the impact of lower sales of AOCs, including lower amortization expense for AOC-related intangible assets which the Company impaired subsequent to June 30, 2024.

Research and Development Expenses

Research and development expenses represent costs of our product design and development activities, including employee compensation and benefits (including stock-based compensation), outside services, design tools, supplies, facility costs, depreciation and amortization of acquired developed technology. We expense all research and development costs as incurred.

Research and development expenses were \$486 for the three months ended June 30, 2025 compared to \$1,369 for the three months ended June 30, 2024, a decrease of \$883 or 64%. The decrease principally reflects lower costs for outside services, lower employee compensation and benefits and lower stock-based compensation expense resulting from the workforce and cost reduction actions taken during the fiscal year ended September 30, 2024.

Research and development expenses were \$1,816 for the nine months ended June 30, 2025 compared to \$4,328 for the nine months ended June 30, 2024, a decrease of \$2,512 or 58%. The decrease principally reflects lower costs for outside services, lower stock-based compensation expense and lower employee compensation and benefits resulting from the workforce and cost reduction actions taken during the fiscal year ended September 30, 2024. These decreases were partly offset by the addition of research and development expenses of the businesses we acquired during fiscal year 2024.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily include employee compensation and benefits (including stock-based compensation) of executive and administrative staff including human resources, accounting, information technology, sales and marketing, outside professional and legal fees, insurance, advertising and promotional programs, travel and entertainment, and facility costs.

Selling, general and administrative expenses were \$8,208 for the three months ended June 30, 2025 compared to \$8,710 for the three months ended June 30, 2024, a decrease of \$502 or 6%. The decrease principally reflects lower costs under the RaGE Earnout, lower costs for outside legal and accounting services and lower insurance cost. These amounts were largely offset by higher stock-based compensation expense.

Selling, general and administrative expenses were \$32,043 for the nine months ended June 30, 2025 compared to \$31,731 for the nine months ended June 30, 2024, an increase of \$312 or 1%. The increase principally reflects increased stock-based compensation expense, the addition of selling, general and administrative expenses of the businesses we acquired during fiscal 2024 and losses on the disposal of assets. These amounts were partly offset by lower costs for outside professional fees and lower compensation and benefits.

Impairment of Long-Lived Assets

In March 2025, the Company vacated a leased 19,436 square foot office in Irvine, California and in April 2025 the lease was terminated. As a result, during the three months ended June 30, 2025, the Company recognized an impairment loss of \$725 to reduce the carrying value of this asset group to its estimated fair value. See Note 12—*Leases*, of the notes to our unaudited condensed consolidated financial statements included herein.

Interest Expense

Interest expense consists of cash and non-cash interest related to our related and unrelated party promissory notes, notes payable and convertible notes.

Interest expense was \$547 for the three months ended June 30, 2025 compared to \$127 for the three months ended June 30, 2024, an increase of \$420 or 331%. The increase principally reflects higher outstanding borrowings and higher interest rates on borrowings during the three months ended June 30, 2025.

Interest expense was \$1,032 for the nine months ended June 30, 2025 compared to \$1,232 for the nine months ended June 30, 2024, a decrease of \$200 or 16%. The decrease principally reflects higher costs in the nine months ended June 30, 2024 for the value of warrants to purchase shares of our common stock that we issued in connection with borrowings, which were largely offset by higher outstanding borrowings and higher interest rates on borrowings during the three months ended June 30, 2025.

Change in Fair Value of Earnout Liability

In connection with the Merger, certain Legacy Mobix stockholders and certain holders of Legacy Mobix stock options will be entitled to receive an additional aggregate 3,500,000 shares of our Class A Common Stock based on the achievement of trading price targets following the Closing over a seven-year earnout period. We account for the Earnout Shares as liability-classified instruments because the events that determine the number of Earnout Shares to which the earnout recipients will be entitled include events that are not solely indexed to our common stock, and we remeasure the earnout liability to its estimated fair value at the end of each reporting period. Additional information relating to the earnout liability can be found in the notes to our unaudited condensed consolidated financial statements included herein.

We estimated the fair value of the earnout liability as of the Closing of the Merger at \$33,559. As of June 30, 2025, none of the conditions for the issuance of any earnout shares had been achieved and we adjusted the carrying amount of the earnout liability to its estimated fair value of \$1,190. As a result of changes in the estimated fair value of the liability, we recognized non-cash gains of \$210 and \$661, respectively, for the three months ended June 30, 2025 and 2024 and non-cash gains of \$490 and \$30,599, respectively, for the nine months ended June 30, 2025 and 2024. The changes in the estimated fair value of the earnout liability are principally due to changes in price of our Class A Common Stock during the respective periods.

The fair value of the earnout liability is based on a number of factors, including changes in the market price of our Class A Common Stock. We have experienced significant fluctuations in the market price of our Class A Common Stock, and may experience significant fluctuations in the future. Such price fluctuations will increase or decrease the value of the earnout liability, and we may be required to recognize additional losses or gains in our statements of operations and comprehensive loss, the amounts of which may be substantial.

Change in Fair Value of Warrants

We account for the PIPE Common Warrants, the Common Warrants and the Private Warrants as liabilities because they do not meet the derivative scope exception for contracts in our own stock. We estimate the aggregate fair value of the 5,755,396 PIPE Common Warrants and the 4,876,860 Common Warrants using the Black-Scholes option-pricing model. As of June 30, 2025, we adjusted the carrying amount of the liability for the PIPE Common Warrants and the Common Warrants to its estimated fair value of \$3,456. As a result of changes in the fair value of the PIPE Common Warrants and the Common Warrants, for the three months and nine months ended June 30, 2025 we recognized non-cash gains of \$600 and \$1,207, respectively.

At the time of Closing, we estimated the aggregate fair value of the 3,000,000 Private Warrants using the Black-Scholes option-pricing model and recognized a liability of \$150. As of June 30, 2025, all of the Private Warrants remained outstanding and we adjusted the carrying amount of the liability to its estimated fair value of \$300. As a result of changes in the estimated fair value of the liability, we recognized non-cash gains (losses) of \$12 and \$68, respectively, for the three months ended June 30, 2025 and 2024 and non-cash gains (losses) of \$30 and \$(412), respectively, for the nine months ended June 30, 2025 and 2024. The gains and losses are included in “Change in fair value of warrants” in the unaudited condensed consolidated statements of operations and comprehensive loss. Additional information relating to the PIPE Common Warrants and the Private Warrants can be found in the notes to our unaudited condensed consolidated financial statements included herein.

The fair value of the PIPE Common Warrants and the Private Warrants is based on a number of factors, including changes in the market price of our Class A Common Stock. We have experienced significant fluctuations in the market price of our Class A Common Stock, and may experience significant fluctuations in the future. Such price fluctuations will increase or decrease the value of the PIPE Common Warrants and the Private Warrants, and we may be required to recognize additional losses or gains in our statements of operations and comprehensive loss, the amounts of which may be substantial.

Change in Fair Value of PIPE Make-Whole Liability

In connection with the Merger, we agreed to issue additional shares of our Class A Common Stock to the holders of 2,454,737 shares of our Class A Common Stock in the event that the volume-weighted average price per share of our Class A Common Stock in the event that the VWAP per share of the Class A Common Stock during a specified adjustment period is less than \$10.00 per share. The specified adjustment period ended on August 30, 2024 and the Company issued 1,052,029 shares of its Class A Common Stock in settlement of the liability for the Make-Whole Shares.

We accounted for the Make-Whole Shares as liability-classified instruments because the events that determined the number of Make-Whole Shares issuable included events that were not solely indexed to our common stock. At the time of Closing, we estimated the aggregate fair value of the liability for the Make-Whole Shares using a Monte Carlo simulation model and recorded a liability of \$2,071. As a result of subsequent changes in the fair value of the liability, we recorded non-cash gains (losses) of \$(310) and \$122, respectively, for the three months and nine months ended June 30, 2024, which are included in “Change in fair value of PIPE make-whole liability” in the unaudited condensed consolidated statements of operations and comprehensive loss.

Private Placement Costs Expensed

Private placement costs of \$443 for the three months and nine months ended June 30, 2025 represent costs incurred in connection with the April 2025 Offering. The costs consist of outside professional fees and the value of warrants to purchase shares of our Class A Common Stock issued to the placement agent. We allocated the total costs among the liability-classified and equity-classified securities we issued in the April 2025 Offering. The portion of such costs allocated to liability-classified securities is included in “Private Placement Costs Expensed” in the unaudited condensed consolidated statements of operations and comprehensive loss. Additional information relating to the April 2025 Offering can be found in the notes to our unaudited condensed consolidated financial statements included herein.

Other Non-Operating Losses, Net

For the three months ended June 30, 2025, other non-operating losses, net of \$36 consist of a loss from the increase in the fair value of a derivative liability and a loss on the settlement of a note payable in shares of our Class A Common Stock. For the nine months ended June 30, 2025, other non-operating losses, net of \$135 principally consist of net losses recognized upon the settlement of liabilities in shares of our Class A Common Stock.

For the three months and nine months ended June 30, 2024, other non-operating losses, net principally consist of commitment and other fees of \$1,575 payable under the committed equity facility.

Income Tax Benefit

We account for income taxes using the asset and liability method whereby deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the results of operations in the period the new laws are enacted. We record a valuation allowance to reduce the carrying amounts of our deferred tax assets unless it is more likely than not that such assets will be realized.

For the three months and nine months ended June 30, 2025, our income tax benefit differs from an amount calculated based on statutory tax rates principally due to our recording a valuation allowance against the net operating losses we generated during the period because we did not expect that the deferred tax asset arising from our pretax book losses would be realized in the future.

In connection with our December 2023 acquisition of EMI Solutions and our May 2024 acquisition of Rage Systems, during the three months and nine months ended June 30, 2024 we recognized additional deferred tax liabilities of \$1,582 and \$2,666, respectively, associated with acquired intangible assets. Based on the availability of these tax attributes, we determined that we expect to realize a greater portion of our existing deferred tax assets and for the three months and nine months ended June 30, 2024 we recognized income tax benefits of \$1,507 and \$2,803 for the resulting reduction of the valuation allowance on our deferred tax assets.

Liquidity and Capital Resources

Our primary use of cash is to fund operating expenses, working capital requirements, debt service obligations, capital expenditures and other investments.

We have incurred operating losses and negative cash flows as a result of our ongoing investment in product development and other operating expenses we incur. We expect to continue to incur operating losses and negative cash flows from operations associated with research and development expenses, selling, general, and administrative expenses and capital expenditures necessary to expand our operations, product offerings, and customer base with the ultimate goals of growing our business and achieving profitability in the future.

Cash Flows

The following table summarizes our unaudited condensed consolidated cash flows for the nine months ended June 30, 2025 and 2024:

	Nine months ended June 30,		Change \$
	2025	2024	
Net cash used in operating activities	\$ (5,600)	\$ (14,767)	\$ 9,167
Net cash provided by (used in) investing activities	11	(1,108)	1,119
Net cash provided by financing activities	5,563	15,991	(10,428)
Net increase in cash	(26)	116	\$ (142)
Cash, beginning of period	266	89	
Cash, end of period	<u>\$ 240</u>	<u>\$ 205</u>	

Operating Activities

For the nine months ended June 30, 2025, net cash used in operating activities was \$5,600, which included the impact of our net loss of \$30,402, offset by net non-cash charges of \$21,817 and net decreases in working capital items of \$2,985. The net non-cash charges principally consisted of stock-based compensation expense of \$20,256 for stock options and restricted stock units and \$1,591 of depreciation and amortization expense and a \$725 loss on the impairment of long-lived assets. The net working capital decrease principally consisted of increases in accounts payable and accrued expenses together with decreases in accounts receivable and inventory.

For the nine months ended June 30, 2024, net cash used in operating activities was \$14,767, which included the impact of our net loss of \$8,497 and net non-cash credits of \$9,347, partly offset by net decreases in working capital items of \$3,077. The net non-cash credits principally consisted of the \$30,599 gain on the change in fair value of the earnout liability and a deferred income tax benefit of \$2,803, partially offset by stock-based compensation expense of \$17,768, \$4,009 of Merger related transaction costs expensed, \$1,474 of depreciation and amortization expense and \$891 of expense for the issuance of warrants in connection with borrowings. The net working capital decrease principally consists of an increase in accounts payable.

Investing Activities

Net cash provided by investing activities of \$11 for the nine months ended June 30, 2025 consisted of proceeds from the sale of property and equipment, partially offset by payments for the acquisition of property and equipment.

Net cash used in investing activities of \$1,108 for the nine months ended June 30, 2024 principally consisted of payments for the acquisitions EMI Solutions and RaGE Systems, net of acquired cash.

Financing Activities

Net cash provided by financing activities for the nine months ended June 30, 2025 of \$5,563 consisted of \$3,645 in proceeds from the sale of common stock and warrants in the April 2025 Offering, \$600 from the issuance of common stock, \$2,575 in proceeds under agreements for the purchase and sale of future receipts and the issuance of notes payable and proceeds of \$17 from the exercise of warrants to purchase shares of the Company's Class A Common Stock. These amounts were partially offset by principal payments on notes payable of \$1,100 (including payments of \$445 on notes payable—related parties) and the payment of deferred consideration of \$174 for the acquisition of a business.

Net cash provided by financing activities for the nine months ended June 30, 2024 of \$15,991 consisted of the \$21,014 proceeds from the Merger and PIPE, \$3,334 in proceeds from the issuance of common stock, \$971 in proceeds from issuance of notes payable and convertible notes and proceeds from the exercise of stock options of \$225. These amounts were partially offset by the payment of merger-related transaction costs of \$6,946 and \$2,608 of principal payments on notes payable (including payments of \$1,298 on notes payable—related parties).

Liquidity

As of June 30, 2025, our cash balance was \$240 compared to \$266 at September 30, 2024. We had a working capital deficit of \$23,020 as of June 30, 2025 compared to a working capital deficit of \$20,836 at September 30, 2024.

As of June 30, 2025, our debt consists of notes payable with an aggregate amount of \$1,980 and 7% promissory notes—related parties with an aggregate principal amount of \$2,380. Of these amounts, one note having a principal amount of \$125 has reached its maturity date and is currently due. The remainder require weekly or monthly payments in varying amounts through September 2026.

Our total liabilities as of June 30, 2025 were \$34,130 compared to \$33,558 as of September 30, 2024. The increase in our total liabilities is principally due to a \$1,382 increase in notes payable.

Other commitments include (i) non-cancelable operating leases for equipment, office facilities and other property containing future minimum lease payments totaling \$1,519 payable over the next two years, (ii) unpaid commitment and other fees of \$1,575 payable in connection with the committed equity facility, (iii) deferred purchase consideration of \$2,323 related to our acquisitions of EMI Solutions and RaGE Systems which is currently due, and (iv) potential payments of up to \$4,000 under the RaGE Earnout, payable by March 2026.

Going Concern

We incurred a loss from operations of \$30,528 for the nine months ended June 30, 2025, and we incurred losses from operations of \$46,395 and \$35,544 for the years ended September 30, 2024 and 2023, respectively. As of June 30, 2025, we had an accumulated deficit of \$134,859. We have historically financed our operations through the issuance and sale of equity securities and the issuance of debt. We expect to continue to incur operating losses and negative cash flows from operations for the foreseeable future and will need to raise additional debt or equity financing to fund our continuing operations, product development plans and capital expenditure requirements, to service our debt obligations and to make strategic investments. We believe that there is substantial doubt concerning our ability to continue as a going concern as we currently do not have adequate liquidity to meet our operating needs and satisfy our obligations beyond the next approximately ninety days.

While we will seek to raise additional capital, we cannot assure you that we will be able to obtain financing on acceptable terms, or at all, to provide the necessary interim funding to continue our operations and satisfy our obligations. If we raise funds by issuing equity securities, dilution to our existing stockholders may result. Any equity securities we issue may also provide for rights, preferences or privileges senior to those of holders of our common stock. If we raise funds by issuing debt securities, such debt securities would have rights, preferences and privileges senior to those of preferred and common stockholders. The terms of debt securities or borrowings may impose significant restrictions on our operations. The capital markets have in the past, and may in the future, experience periods of volatility that could impact the availability and cost of equity and debt financing. In addition, potential future increases in federal fund rates set by the Federal Reserve, which serve as a benchmark for rates on borrowing, could adversely impact the cost or availability of debt financing.

If we are unable to obtain additional financing, or if such transactions are successfully completed but do not provide adequate financing, we will not be able to continue operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties. Accordingly, the financial statements have been prepared on a basis that assumes we will continue as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

Critical Accounting Policies and Estimates

The preparation of our financial statements and related disclosures in accordance with U.S. GAAP requires that we make judgments, assumptions and estimates that affect the amounts reported in the unaudited condensed consolidated financial statements.

The methods, estimates and judgments we use in applying our accounting policies have a significant impact on the results that we report in our financial statements. Some of our accounting policies require that we make difficult and subjective judgments, often as a result of the need to make estimates regarding matters that are inherently uncertain. We base our estimates and judgments on historical experience, current economic and industry conditions and other factors that we believe to be reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions.

Our most critical accounting estimates include the assumptions we use in the determination of the fair value of the earnout liability, the fair value of common stock, stock-based compensation, the fair value of liability-classified warrants, the provision for income taxes, the accounting for business combinations and the measurement of definite-lived intangible assets and goodwill.

Fair Value of Earnout Liability

We account for the earnout shares as liability-classified instruments because the events that determine the number of earnout shares to which the earnout recipients will be entitled include events that are not solely indexed to our common stock. We remeasure the earnout liability to its estimated fair value at the end of each reporting period.

We estimate the fair value of the earnout liability using a Monte Carlo simulation model that utilizes significant assumptions, including volatility, expected term and risk-free rate that determine the probability of achieving the earnout conditions. The following table summarizes the assumptions used in estimating the fair value of the earnout liability at the respective dates:

	June 30, 2025	September 30, 2024
Stock price	\$ 0.77	\$ 1.06
Expected volatility	80.0%	70.0%
Risk-free rate	3.9%	3.6%
Contractual term	6.5 years	7.2 years

Fair Value of Common Stock

The fair value of our common stock affects the accounting for, and measurement of, a number of transactions, including awards of stock-based compensation, sales of our common and preferred stock or warrants to purchase our common stock and business combinations. For periods subsequent to the Merger, we determine the fair value of our common stock based on quoted market prices. For periods prior to the Merger, there was no public market for our common stock and we determined the fair value of our common stock considering a number of objective and subjective factors, including: third-party valuations of our common stock, the valuation of comparable companies, sales of our common stock to outside investors in arms-length transactions, our forecasted financial performance, operational developments and milestones, the lack of marketability of our common stock, the likelihood of achieving a liquidity event, and the general and industry specific economic outlook, among other factors. We determined the fair value of our common stock in accordance with applicable elements of the American Institute of Certified Public Accountants guide, Valuation of Privately Held Company Equity Securities Issued as Compensation.

The assumptions underlying our valuations represented our best estimates, which involve inherent uncertainties and the application of judgment. As a result, if factors or expected outcomes had changed, or if we had used significantly different assumptions or estimates, our stock-based compensation expense and equity-based valuations or the value of the business we acquired could have been materially different.

Stock-Based Compensation

Our stock-based compensation awards include stock options and restricted stock units. In some cases, other equity transactions, such as the sale of warrants to purchase our common stock are accounted for as equity-classified awards granted to employees. In each case, we must determine the fair value of the equity-based awards.

We estimate the fair value of stock options and warrants to purchase our common stock using the Black-Scholes-Merton (“Black-Scholes”) option-pricing model. The Black-Scholes option pricing model considers several variables and assumptions in estimating the fair value of stock-based awards. These variables include:

- the per share fair value of the underlying common stock;
- the exercise price;
- the risk-free interest rate;
- the expected term;
- expected stock price volatility over the expected term; and
- the expected annual dividend yield.

We recognize the fair value of each stock option award as compensation expense on a straight-line basis over the requisite service period, which is typically four years. We have elected to account for forfeitures as they occur and initially record stock-based compensation expense assuming all option holders will complete the requisite service period. If an employee forfeits an award because they fail to complete the requisite service period, we will reverse previously recognized stock-based compensation expense in the period the award is forfeited.

Our restricted stock units entitle the holder to receive a number of shares of our common stock. The majority of our restricted stock units are subject to both service-based vesting conditions and performance conditions. We establish the fair value of each restricted stock unit based on the grant-date fair value of the underlying shares of our common stock. Our accounting for restricted stock units also requires that we evaluate the probability of achievement of applicable performance conditions. When we conclude that the achievement of a performance condition is not probable, we do not recognize any compensation cost for the restricted stock unit. We continually reevaluate the probability of achievement of performance conditions. If we subsequently determine the achievement of a performance condition is probable, we will be required to record a “catch-up” of previously unrecognized stock-based compensation expense, subject to any applicable time-based vesting.

We have also issued warrants to purchase common stock to employees and service providers in exchange for services to us and we determined that those warrants should be accounted for as equity-classified awards. We determined the fair value of these warrants at the date of issuance using the Black-Scholes option pricing model, based on the variables and assumptions discussed above, and recognized the fair value as stock-based compensation expense in our consolidated statements of operations and comprehensive loss.

We classify stock-based compensation expense in our consolidated statements of operations and comprehensive loss in the same manner in which the award recipient’s salary and related costs are classified or in which the award recipient’s service payments are classified. In future periods, we expect stock-based compensation expense to increase, due in part to our existing unrecognized stock-based compensation expense and as we grant additional stock-based awards to continue to attract and retain employees.

Provision for Income Taxes

We account for income taxes using the asset and liability method, whereby deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We recognize the effect of a change in tax laws on deferred tax assets and liabilities in our results of operations in the period the new laws are enacted. We record a valuation allowance to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized.

We recognize liabilities for uncertain tax positions based on a two-step process regarding recognition and measurement. We recognize a tax benefit only if it is more likely than not the tax position will be sustained on examination by the local taxing authorities based on the technical merits of the position. We measure the amount of tax benefits recognized in the financial statements from such positions based on the largest benefit greater than 50% likely to be realized upon ultimate settlement with the related tax authority. Changes in recognition or measurement of an uncertain tax position are reflected in our statements of operations and comprehensive loss in the period in which the change in estimate occurs, based on new information not previously available.

Business Combinations

We allocate the purchase price of an acquisition to the tangible and intangible assets acquired and the liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair value of the net assets acquired is recorded as goodwill.

Accounting for business combinations requires that we make significant estimates and assumptions to determine the fair value of assets acquired and liabilities assumed at the acquisition date. Although we believe the assumptions and estimates we use to be reasonable and appropriate, they are inherently uncertain. Critical estimates in valuing certain acquired assets may include, but are not limited to, expected future cash flows including revenue growth rate assumptions from product sales, customer contracts and acquired technologies, the expected costs to develop acquired technology into commercially viable products and the estimated cash flows from the projects when completed, including assumptions associated with the technology migration curve and expected selling, general and administrative costs. We derive the discount rates used to discount expected future cash flows to present value using a weighted-average cost of capital analysis adjusted to reflect inherent risks. Unanticipated events and circumstances may occur that could affect either the accuracy or validity of these assumptions, estimates or actual results.

Intangible Assets and Goodwill

We have definite-lived acquisition-related intangible assets consisting of developed technology, customer relationships, tradenames and backlog. We record amortization expense associated with each definite-lived acquisition-related intangible asset based on its estimated useful life. We also review our acquisition-related intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. This includes our regular review of our operating performance for indicators of impairment. Factors considered important that could trigger an impairment review include a significant underperformance relative to expected historical or projected future operating results, or a significant change in the manner of the use of the acquisition-related intangible assets.

We perform impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of the acquisition-related intangible asset is determined by comparing the forecasted undiscounted cash flows attributable to such acquisition-related intangible asset, including any cash flows upon their eventual disposition, to its carrying value. If the carrying value of the acquisition-related intangible asset exceeds the forecasted undiscounted cash flows, then the acquisition-related intangible asset is written down to its fair value.

We also have goodwill totaling \$16,066 as of June 30, 2025, which represents the excess of the fair value of purchase consideration of an acquired business over the fair value of the identifiable net assets acquired. Goodwill is not amortized, but we test goodwill for impairment at a reporting unit level on an annual basis on July 31, or more frequently if circumstances change or an event occurs that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

We assess all relevant qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the assessment indicates that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, a quantitative goodwill impairment test is not necessary. If the assessment of all relevant qualitative factors indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we would perform a quantitative goodwill impairment test. The quantitative impairment test for goodwill consists of a comparison of the fair value of a reporting unit with its carrying value, including the goodwill allocated to that reporting unit. If the carrying value of a reporting unit exceeds its fair value, we will recognize an impairment loss equal to the amount of the excess, limited to the amount of goodwill allocated to that reporting unit.

Our impairment tests require the use of judgment, including the identification of, and assignment of assets and liabilities to, asset groups and/or reporting units and the determination of fair values of asset groups or reporting units. We also must make significant assumptions and estimates, including the amount and timing of future cash flows, discount rates, asset fair values and the expected useful lives of the acquisition-related intangible assets. To make these judgments and estimates, we may use internal undiscounted cash flow estimates, quoted market prices (if available) or other available data.

We did not recognize any impairment charges on intangible assets or goodwill during the nine months ended June 30, 2025 and 2024. However, future cash flows may vary from what was expected, or assumptions and estimates we use in the fair value calculations may change. Any such changes in assumptions or estimates could change the estimates of future cash flows we use to estimate fair values and could result in a decline in the estimated fair value of related assets. Such a decline in our estimates of the fair values of assets may result in future impairment charges.

Emerging Growth Company

We are an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act, and we will take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

Smaller Reporting Company

Additionally, we are a “smaller reporting company,” as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (i) the market value of our common stock held by non-affiliates exceeds \$250 million as of the last business day of our second fiscal quarter, or (ii) our annual revenue exceeded \$100 million during such completed fiscal year and the market value of our common stock held by non-affiliates exceeds \$700 million as of the last business day of our second fiscal quarter. If we continue to be a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from these certain reduced disclosure requirements that are available to smaller reporting companies.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Disclosure Controls and Procedures

In designing and evaluating our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures, pursuant to Rule 13a-15(b) of the Exchange Act, as of June 30, 2025. We identified material weaknesses in our internal control over financial reporting as described below, and, as a result, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were not effective as of June 30, 2025.

Material Weaknesses in Internal Control over Financial Reporting

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses are as follows:

- We did not design and maintain an effective control environment commensurate with our financial reporting requirements. Specifically, we lacked a sufficient complement of personnel with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately. Additionally, our insufficient complement of personnel resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in our finance and accounting functions.
- We did not design and maintain an effective risk assessment process at a precise enough level to identify new and evolving risks of material misstatement in our financial statements. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to our risks of material misstatement to financial reporting.

These material weaknesses contributed to the following additional material weaknesses:

- We did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures, including controls over (i) the preparation and review of account reconciliations and journal entries, (ii) maintaining appropriate segregation of duties, (iii) determining the appropriate grant date for stock options and evaluating the assumptions used within our Black-Scholes model to determine the fair value of option grants, and (iv) the review of the completeness and accuracy of the income tax provision and related disclosures. Additionally, we did not design and maintain controls over the classification and presentation of accounts and disclosures in our financial statements and to ensure revenue transactions are recorded in the correct period.
- We did not design and maintain effective controls to identify and account for certain non-routine, unusual or complex transactions, including the proper application of U.S. GAAP of such transactions. Specifically, we did not design and maintain effective controls to (i) timely identify, account for and value business combinations and asset acquisitions, including the associated tax implications and (ii) timely identify, account for and value our financing arrangements.
- We did not design and maintain effective controls to verify transactions are properly authorized, executed, and accounted for, including transactions related to incentive compensation arrangements.

These material weaknesses resulted in adjustments to revenue, accrued expenses, general and administrative expenses, inventory, costs of products sold, the accounting for and classification of redeemable convertible preferred stock, founders preferred and common stock, stock-based compensation expense, other current assets, income tax expense and deferred tax liabilities, as well as the purchase price allocation for our business combination, as of and for the years ended September 30, 2022 and 2021; and, adjustments to stock-based compensation expense, accrued expenses, other current liabilities and the PIPE make-whole liability, as well as the purchase price allocations for our business combinations as of and for the interim periods ended December 31, 2023 and June 30, 2024, and as of and for the year ended September 30, 2024.

- We did not design and maintain effective information technology (“IT”) general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain (i) program change management controls to ensure that program and data changes are identified, tested, authorized and implemented appropriately, (ii) user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel, (iii) computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored, and (iv) program development controls to ensure that new software development is tested, authorized and implemented appropriately. These deficiencies did not result in a misstatement to our financial statements.

Additionally, these material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement to our annual or interim financial statements that would not be prevented or detected.

Remediation Plan

We have begun an implementation plan to remediate these material weaknesses, which we expect will result in significant future costs for us.

Those remediation measures will include (i) hiring additional accounting and IT personnel to enhance our financial reporting, accounting and IT capabilities; (ii) designing and implementing controls to formalize roles and review responsibilities and designing and implementing controls over segregation of duties; (iii) designing and implementing controls to identify and evaluate changes in our business and the impact on our internal control over financial reporting; (iv) designing and implementing controls over the proper authorization of transactions; (v) designing and implementing controls to identify, account for, and value non-routine, unusual or complex transactions; (vi) designing and implementing formal accounting policies, procedures and controls supporting our financial close process, including controls over account reconciliations and journal entries; (vii) designing and implementing controls over determining the appropriate grant date for stock options and evaluating the assumptions used within the Black-Scholes model; (viii) designing and implementing controls over the completeness and accuracy of the income tax provision and related disclosure; (ix) designing and implementing controls over the classification and presentation of accounts and disclosures in our financial statements and to ensure revenue transactions are recorded in the correct period; (x) implementing a more sophisticated IT system; and (xi) designing and implementing IT general controls.

The material weaknesses will not be considered remediated until our remediation plan as described above has been fully implemented and we determine no further changes to the remediation plan are necessary, the applicable controls operate for a sufficient period of time, and we have concluded, through testing, that the newly implemented and enhanced controls are operating effectively.

Notwithstanding the above, our management believes that the financial statements included in this Quarterly Report on Form 10-Q present fairly in all material respects our financial position, results of operations and cash flows for the periods presented.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Refer to Note 13—*Commitments and Contingencies* of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for disclosures regarding legal proceedings.

Item 1A. Risk Factors.

“Item 1A. Risk Factors” of our Form 10-K for the fiscal year ended September 30, 2024 includes a discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our Form 10-K.

In the event that we are unable to regain compliance with Nasdaq’s continued listing standards, Nasdaq may delist our securities from trading on its exchange, which could limit investors’ ability to make transactions in our securities and subject us to additional trading restrictions.

Currently, our Class A Common Stock and the Public Warrants are traded on Nasdaq. However, we cannot assure you that our securities will continue to be listed on Nasdaq in the future. In order to continue listing our securities on Nasdaq, we are required to maintain certain financial, distribution, and stock price levels. We are required to maintain a minimum bid price of \$1.00 per share (the “Minimum Bid Price Requirement”). On April 28, 2025, we received a delinquency notification letter (the “Notice”) from Nasdaq’s Listing Qualifications Staff (the “Staff”) due to the non-compliance with Nasdaq Listing Rule 5550(a)(2) as a result of our failure to maintain the Minimum Bid Price Requirement. The Notice stated that, as of its date, the stock price of the Class A Common Stock was below \$1.00 for 30 consecutive business days. The Notice has no immediate effect on the listing or trading of our shares of Class A Common Stock on Nasdaq. We have until October 27, 2025 to regain compliance. If we are not in compliance with the Minimum Bid Price Requirement by October 27, 2025, we may qualify for a second 180 calendar day compliance period. However, if we fail to timely regain compliance with the Minimum Bid Price Requirement during the second 180 calendar day period our shares will be subject to delisting from Nasdaq.

If Nasdaq delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A Common Stock is a “penny stock,” which will require brokers trading in our Class A Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as “covered securities.” Since our Class A Common Stock and our Public Warrants are listed on Nasdaq, they are covered securities. If we are no longer listed on Nasdaq, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

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

On April 1, 2025, we issued 297,000 shares of Class A Common Stock to one of the holders of our outstanding warrants upon that holder's exercise pursuant to a cashless exercise provision. The warrant had an exercise price of \$0.01 per share. No underwriting discounts and commissions were paid with respect to the foregoing transaction. We believe the sales and issuances of the above securities were exempt from registration under the Securities Act by virtue of Section 3(a)(9) of the Securities Act because the warrants were exercised pursuant to a cashless exercise and no commission was paid for soliciting the exercise.

On April 10, 2025, we issued 166,875 shares of Class A Common Stock to one of our creditors in exchange for satisfaction of the Company's debt owed to such creditor in the amount of \$115. On May 9, 2025, we issued 79,709 shares of Class A Common Stock to RaGE Systems stockholders as partial settlement of liability under the RaGE Earnout. No underwriting discounts and commissions were paid with respect to the foregoing transactions. We believe the sales and issuances of the above securities were exempt from registration under the Securities Act by virtue of Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder because the issuance of securities to the recipients did not involve a public offering.

Item 5. Other Information.

Equity Grants Issued Outside of the 2023 Equity Incentive Plan

(a) The below events occurred within four business days of the filing date of this periodic report and as such, the Company is disclosing the occurrence of the events under Item 3.02 Unregistered Sales of Equity Securities below instead of in a stand-alone Current Report on Form 8-K:

On August 11, 2025, the Company entered into restricted stock award agreements with each of Frederick Goerner, James Peterson and Keyvan Samini, in which the Company granted 915,033 restricted stock awards of Class B Common Stock ("Class B RSAs") to each of Messrs. Goerner, Peterson and Samini outside of the Company's 2023 Equity Incentive Plan, in accordance with the approval granted by the stockholders of the Company at its Special Meeting of Stockholders on May 30, 2025. The Class B RSAs will vest over five years with 10% vesting on May 30, 2026, and the remaining 90% vesting in equal quarterly installments over the remaining 48 months. The shares of Class B Common Stock are convertible into shares of Class A Common Stock at the option of the holder at any time and will be automatically converted upon (i) a transfer by the holder (other than a permitted transfer) or (ii) the first trading day after the seventh anniversary date of the Closing Date. We believe the sales and issuances of the above securities are exempt from registration under the Securities Act by virtue of Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder because the issuance of securities to the recipients did not involve a public offering.

(c) During the three months ended June 30, 2025, none of our officers (as defined in Rule 16a-1(f) of the Exchange Act) or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit No.	Description
10.1	Retirement and Release Agreement by and among Mobix Labs, Inc. and Fabrizio Battaglia, dated as of July 25, 2025 (incorporated by reference to Exhibit 10.46 of the Registrant's Registration Statement on Form S-1 (File No. 333-287493), filed with the SEC on August 7, 2025).
31.1*	Certification of Principal Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934.
31.2*	Certification of Principal Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

** Furnished herewith

SIGNATURES

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

MOBIX LABS, INC.

Date: August 13, 2025

By: /s/ Keyvan Samini

Keyvan Samini

President and Chief Financial Officer

(Principal Financial Officer and Duly Authorized Officer)

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Philip Sansone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of Mobix Labs, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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: August 13, 2025

By: /s/ Philip Sansone
Philip Sansone
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Keyvan Samini, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of Mobix Labs, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer 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: August 13, 2025

By: /s/ Keyvan Samini
Keyvan Samini
President and Chief Financial Officer
(Principal Financial Officer)

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

In connection with the Quarterly Report of Mobix Labs, Inc. (the "Registrant") on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, in the capacity and on the date indicated below, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 13, 2025

By: /s/ Philip Sansone
Philip Sansone
Chief Executive Officer
(Principal Executive Officer)

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

In connection with the Quarterly Report of Mobix Labs, Inc. (the "Registrant") on Form 10-Q for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, in the capacity and on the date indicated below, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 13, 2025

By: /s/ Keyvan Samini
Keyvan Samini
President and Chief Financial Officer
(Principal Financial Officer)
