

# Atomera Provides First Quarter 2021 Results

Wednesday, April 28, 2021 4:01 PM

Topic: Earnings

## *Recognizes Revenue from JDA Customer*

LOS GATOS, CA / ACCESSWIRE / April 28, 2021 / Atomera Incorporated (NASDAQ:ATOM), a semiconductor materials and technology licensing company, today provided a corporate update and announced financial results for the first quarter ended March 31, 2021.

## **Recent Company Highlights**

- Recognized revenue from Phase 4 manufacturing license of MST technology
- Appointed Sudarsan Srinivasan as Vice President of Engineering
- Positioned MST as potential solution to industry's long-term capacity issues

## **Management Commentary**

"This quarter we reached another major milestone in our efforts to drive commercial adoption of MST by delivering Atomera's MST film recipe to our JDA customer, granting them our first manufacturing license to deposit MST film in their fab using their own tools. Working together with our customer, we look forward to proving the benefit of MST in a

real-world semiconductor manufacturing environment," said Scott Bibaud, President and CEO. "We also augmented our senior leadership team with our recent hire of Sudarsan Srinivasan as our new Vice President of Engineering, who will help drive the commercialization of MST. Sudarsan was most recently with Applied Materials where he led the customer applications technology group. His guidance will be appreciated as we respond to new MST opportunities arising out of current industry production capacity issues."

### **Financial Results**

During the first quarter of 2021, revenue was \$400,000, compared with \$62,000 in the first quarter of 2020. The Company incurred a net loss of (\$3.6) million, or (\$0.16) per basic and diluted share in the first quarter of 2021, compared to a net loss of (\$3.6) million, or (\$0.22) per basic and diluted share, for the first quarter of 2020. Adjusted EBITDA (a non-GAAP financial measure) in the first quarter of 2021 was a loss of (\$2.9) million compared to an adjusted EBITDA loss of (\$2.9) million in the first quarter of 2020.

The Company had \$36.7 million in cash and cash equivalents as of March 31, 2021, compared to \$37.9 million as of December 31, 2020.

The total number of shares outstanding was 23.0 million as of March 31, 2021.

### **First Quarter 2021 Results Webinar**

Atomera will host a live video webinar today to discuss its financial results and recent progress.

Date: Wednesday, Apr. 28, 2021

Time: 2:00 p.m. PT (5:00 p.m. ET)

Webcast: Accessible at <https://ir.atomera.com>

## **Note about NonGAAP Financial Measures**

In addition to the unaudited results presented in accordance with generally accepted accounting principles, or GAAP, in this press release, Atomera presents adjusted EBITDA, which is a nonGAAP financial measure. Adjusted EBITDA is determined by taking net loss and eliminating the impacts of interest, depreciation, amortization and stockbased compensation. Our definition of adjusted EBITDA may not be comparable to the definitions of similarly titled measures used by other companies. We believe that this nonGAAP financial measure, viewed in addition to and not in lieu of our reported GAAP results, provides useful information to investors by providing a more focused measure of operating results. This metric is used as part of the Company's internal reporting to evaluate its operations and the performance of senior management. A table reconciling this measure to the comparable GAAP measure is available in the accompanying financial tables below.

## **About Atomera Incorporated**

Atomera Incorporated is a semiconductor materials and technology licensing company focused on deploying its proprietary, silicon-proven technology into the semiconductor industry. Atomera has developed Mears Silicon Technology™ (MST®), which increases performance and power efficiency in semiconductor transistors. MST can be implemented using equipment already deployed in semiconductor manufacturing facilities and is complementary to other nano-scaling technologies already in the

semiconductor industry roadmap. More information can be found at [www.atomera.com](http://www.atomera.com)

## **Safe Harbor**

This press release contains forwardlooking statements concerning Atomera Incorporated, including statements regarding the prospects for the semiconductor industry generally and the ability of our MST technology to significantly improve semiconductor performance. Those forwardlooking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially. Among those factors are: (1) the fact that, to date, we have only recognized minimal engineering services and licensing revenues and we have not yet commenced principal revenue producing operations or entered into a definitive royalty-based manufacturing and distribution license agreement with regard to our MST technology, thus subjecting us to all of the risks inherent in an early-stage enterprise; (2) risks related our ability to successfully complete the milestones in our joint development agreement or, even if successfully completed, to reach a commercial distribution license with our JDA customer; (3) risks related to our ability to advance the licensing arrangements with our initial integration licensees, Asahi Kasei Microdevices, ST Microelectronics and our fabless licensee, to royalty-based manufacturing and distribution licenses or our ability to add other licensees; (4) risks related to our ability to raise sufficient capital, as and when needed, to pursue the further development, licensing and commercialization of our MST technology; (5) our ability to protect our proprietary technology, trade secrets and

knowhow and (6) those other risks disclosed in the section "Risk Factors" included in our Annual Report on Form 10-K filed with the SEC on February 19, 2021. We caution readers not to place undue reliance on any forwardlooking statements. We do not undertake, and specifically disclaim any obligation, to update or revise such statements to reflect new circumstances or unanticipated events as they occur.

**Atomera Incorporated**  
**Condensed Balance Sheets**  
(in thousands, except per share data)

	March 31, 2021	December 31, 2020
	<u>          </u>	<u>          </u>
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 36,738	\$ 37,942
Accounts receivable, net	66	-
Prepaid expenses and other current assets	811	132
Total current assets	<u>37,615</u>	<u>38,074</u>
Property and equipment, net	164	153
Operating lease right-of-use asset	1,046	705
Long-term prepaid rent	450	450
Security deposit	<u>14</u>	<u>13</u>
<b>Total assets</b>	<b><u>\$ 39,289</u></b>	<b><u>\$ 39,395</u></b>

**LIABILITIES AND STOCKHOLDERS'  
EQUITY**

Current liabilities:

Accounts payable	\$	508	\$	442
Accrued expenses		196		211
Accrued payroll related expenses		288		705
Current operating lease liability		195		90
Total current liabilities		<u>1,187</u>		<u>1,448</u>

Long term operating lease liability		<u>888</u>		<u>602</u>
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<b>Total liabilities</b>		<u>2,075</u>		<u>2,050</u>
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Commitments and contingencies

Stockholders' equity:

Preferred stock \$0.001 par value, authorized 2,500 shares; none issued and outstanding at March 31, 2021 and December 31, 2020		-		-
Common stock: \$0.001 par value, authorized 47,500 shares; 23,073 and 20,971 shares issued March 31, 2021 and December 31, 2020, respectively; 23,027 and 20,971 shares outstanding at March 31, 2021 and		23		22

December 31, 2020,

respectively

Additional paid-in capital	190,951	187,463
Accumulated deficit	(153,760)	(150,140)
Total stockholders' equity	<u>37,214</u>	<u>37,345</u>

**Total liabilities and stockholders'**

<b>equity</b>	<u>\$ 39,289</u>	<u>\$ 39,395</u>
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**Atomera Incorporated**

**Condensed Statements of Operations**

**(Unaudited)**

**(in thousands, except per share data)**

	<b>Three Months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Revenue	<u>\$ 400</u>	<u>\$ 62</u>
Cost of revenue	<u>-</u>	<u>(13)</u>
Gross margin	400	49
Operating expenses		
Research and development	2,229	2,062
General and administrative	1,513	1,445
Selling and marketing	266	225
Total operating expenses	<u>4,008</u>	<u>3,732</u>
Loss from operations	(3,608)	(3,683)

Other income		
Interest income	2	38
Total other income, net	<u>2</u>	<u>38</u>
Net loss before taxes	(3,606)	(3,645)
Provision for income taxes	<u>14</u>	<u>-</u>
Net loss	<u>\$(3,620)</u>	<u>\$(3,645)</u>
Net loss per common share, basic and diluted	<u>\$ (0.16)</u>	<u>\$ (0.22)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>22,090</u>	<u>16,760</u>

**Atomera Incorporated**  
**Reconciliation to Non-GAAP EBITDA**  
**(Unaudited)**

	Three Months ended March 31,	
	<u>2021</u>	<u>2020</u>
Net loss (GAAP)		
Add (subtract) the following items:	\$(3,620)	\$(3,645)
Interest income	(2)	(38)
Provision for income taxes	14	-
Depreciation and amortization	13	10
Warrant modification	-	139
Stock based compensation	<u>731</u>	<u>629</u>



Adjusted EBITDA (non-GAAP)

\$(2,864) \$(2,905)

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**SOURCE:** Atomera, Inc