



Source: Atomera Incorporated

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Atomera Incorporated Provides Second Quarter Update

LOS GATOS, CA--(Marketwired - Aug 8, 2017) - Atomera Incorporated ("Atomera" or the "Company") (NASDAQ: ATOM), a semiconductor materials and intellectual property licensing company focused on deploying its proprietary technology into the semiconductor industry, today provided a corporate update and announced results for the second quarter ended June 30, 2017.

Second Quarter Highlights

- Added new prospective customers to both the planning and the setup phase of the customer engagement cycle bringing Atomera's total engaged customer count to 11. Atomera continues to work with four potential customers in the pivotal phase of evaluating MST[®].
- In the last month, Atomera was issued three patents by the US Patent and Trademark Office, bringing to four the total number of US patents issued in 2017 so far.
- Atomera's new R&D pipeline continues to show great progress with nine new wafer fabrication and test cycles completed in the last quarter -- a total of 17 so far in 2017.
- Filed a universal shelf registration statement on Form S-3 with the SEC earlier today.

Management Commentary

"During the second quarter, we made significant progress across all aspects of the company including new customer acquisition, R&D, and patent generation," commented Scott Bibaud, President and CEO.

Second Quarter Financial Results

During the second quarter of 2017, the Company incurred a net loss of \$3.6 million, or (\$0.30) per share, compared to a net loss of \$3.5 million, or (\$0.29) per share, in the first quarter of 2017, and a net loss of \$2.6 million, or (\$1.61) per share, for the second quarter of 2016. Adjusted EBITDA (a non-GAAP financial measure) in the second quarter of 2017 was a loss of \$2.2 million compared to an adjusted EBITDA loss in the first quarter of 2017 of \$2.4 million, and an adjusted EBITDA loss of \$1.8 million in the second quarter of 2016.

The Company had \$21.7 million in cash and cash equivalents as of June 30, 2017, compared to \$23.8 million as of March 31, 2017.

The total number of shares outstanding was 12,160,637 as of June 30, 2017.

Patents Issued

Atomera continues to build its patent portfolio and earlier this month reached the milestone of 60 issued US patents. Four new US patents have been issued so far in 2017, consisting of:

- "Semiconductor Devices with Enhanced Deterministic Doping and Related Methods"

- "Method for Making Semiconductor Structures in Single-Wafer Processing Chamber with Desired Uniformity Control"
- "Semiconductor Device Including a Superlattice and Replacement Metal Gate Structure and Related Methods"
- "Methods for Making a Semiconductor Device Including Atomic Layer Structures Using N2O as an Oxygen Source"

Including international patents, our portfolio consists of over 110 issued patents.

Universal Shelf Registration Statement

Earlier today Atomera filed a Universal Shelf Registration Statement on Form S-3. The Company has no current plans to issue securities under the registration statement. Scott Bibaud, President and Chief Executive Officer of Atomera said, "we believe this universal shelf registration statement is a prudent proactive move as the filing will provide us increased financial flexibility and more efficient access to the capital markets if we need them in the future to support our growth objectives."

Second Quarter 2017 Conference Call and Webcast

Atomera will host a conference call to discuss its financial results and recent progress. Date: Tuesday, August 8, 2017

Time: 1:30 p.m. PT (4:30 p.m. ET)

Phone: 844-263-8318 (domestic); +1 (213) 358-0960 (international)

Replay: Available until August 15, 2017 (855) 859-2056 (domestic); +1(404) 537-3406 (international); passcode 44045035.

Webcast: Accessible at www.atomera.com

Note about Non-GAAP 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 non-GAAP financial measure. Adjusted EBITDA is determined by taking net loss and eliminating the impacts of interest, taxes, depreciation, amortization, stock-based compensation and the change in fair value of derivative liabilities. Our definition of adjusted EBITDA may not be comparable to the definitions of similarly-titled measures used by other companies. We believe that this non-GAAP financial measure, viewed in addition to and not in lieu of its 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 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.

Safe Harbor

This press release contains forward-looking 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 forward-looking 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 we have not yet commenced revenue producing operations or entered into a definitive agreement with regard to the licensing or commercialization of our MST technology, thus subjecting us to all of the risks inherent in a pre-revenue enterprise; (2) 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; (3) our ability to protect our proprietary technology, trade secrets and know-how, and (4) those other risks disclosed in the section "Risk Factors" included in our Annual Report on Form 10-K for the year ended December, 2016 filed with the SEC on March 31, 2017. We caution readers not to place undue reliance on any forward-looking 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)

	<u>June 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,725	\$ 26,718
Prepaid expenses and other current assets	191	96
Total current assets	21,916	26,814
Property and equipment, net	32	28
Security deposit	37	37
Total assets	\$ 21,985	\$ 26,879
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 277	\$ 353
Accrued expenses	205	168
Accrued payroll related expenses	191	510
Total liabilities	673	1,031
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, authorized 2,500 shares;	-	-

none issued and outstanding at June 30, 2017 and December 31, 2016

Common stock, \$0.001 par value, authorized 47,500 shares; 12,161 shares issued and outstanding at June 30, 2017 and 12,025 issued and outstanding as of December 31, 2016

	12	12
Additional paid-in capital	124,471	121,833
Accumulated deficit	<u>(103,171)</u>	<u>(95,997)</u>
Total stockholders' equity	<u>21,312</u>	<u>25,848</u>

Total liabilities and stockholders' equity	\$ <u>21,985</u>	\$ <u>26,879</u>
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Atomera Incorporated
Condensed Statements of Operations
(Unaudited)
(in thousands, except per share data)

	<u>Three Months ended</u> <u>June 30,</u>		<u>Six Months ended</u> <u>June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Operating expenses:				
Research and development	\$1,444	\$867	\$2,900	\$1,816
General and administrative	1,712	895	3,315	1,756
Selling and marketing	508	91	1,017	210
Total operating expenses	<u>3,664</u>	<u>1,853</u>	<u>7,232</u>	<u>3,782</u>
Loss from operations	(3,664)	(1,853)	(7,232)	(3,782)
Other income/(expense):				
Interest income	36	2	64	2
Interest expense	-	(748)	-	(1,310)
Other expense	(2)	-	(6)	-
Total other income / (expense), net	<u>34</u>	<u>(746)</u>	<u>58</u>	<u>(1,308)</u>
Net loss	<u>\$ (3,630)</u>	<u>\$ (2,599)</u>	<u>\$ (7,174)</u>	<u>\$ (5,090)</u>
Net loss per common share, basic and diluted	<u>\$ (0.30)</u>	<u>\$ (1.61)</u>	<u>\$ (0.59)</u>	<u>\$ (3.15)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>12,137</u>	<u>1,617</u>	<u>12,086</u>	<u>1,617</u>

Atomera Incorporated
Reconciliation to Non-GAAP Adjusted EBITDA
(Unaudited)
(in thousands)

<u>Three Months ended</u> <u>June 30,</u>	<u>Six Months ended</u> <u>June 30,</u>
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	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net loss (GAAP):	\$ (3,630)	\$ (2,599)	\$ (7,174)	\$ (5,090)
Add (subtract) the following items:				
Interest income	(36)	(2)	(64)	(2)
Interest expense	-	748	-	1,310
Depreciation and amortization	4	3	9	6
Stock-based compensation	1,428	49	2,638	109
Adjusted EBITDA (non-GAAP)	<u>\$ (2,234)</u>	<u>\$ (1,801)</u>	<u>\$ (4,591)</u>	<u>\$ (3,667)</u>

Contact Information:

Frank Laurencio
CFO
408.442.5246