



Atomera Provides First Quarter 2022 Results

LOS GATOS, Calif. April 27, 2022 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, 2022.

Recent Company Highlights

- Entered into new Joint Development Agreement (JDA) with a leading foundry partner
- Successfully met requirements of first JDA opening the door to integration with business units and application areas
- Recognition of revenue of \$375,000 from our first JDA customer and a separate, previously announced licensee

Management Commentary

“Progress in our last quarter demonstrates Atomera’s momentum toward commercialization of MST, including a new JDA, advancing numerous licensees and the opportunity for the beginning of validated engagements with our first JDA partner,” said Scott Bibaud, President and CEO. “We continue to see broad industry recognition of the value of Atomera’s technology as a critical ingredient to address the challenges presented to the semiconductor industry in an environment of high future growth forecasts.”

Financial Results

During the first quarter of 2022, revenue was \$375,000, compared with \$400,000 in the first quarter of 2021. The Company incurred a net loss of (\$4.1) million, or (\$0.18) per basic and diluted share in the first quarter of 2022, compared to a net loss of (\$3.6) million, or (\$0.16) per basic and diluted share, for the first quarter of 2021. Adjusted EBITDA (a non-GAAP financial measure) in the first quarter of 2022 was a loss of (\$3.3) million compared to an adjusted EBITDA loss of (\$2.9) million in the first quarter of 2021.

The Company had \$24.5 million in cash and cash equivalents as of March 31, 2022, compared to \$28.7 million as of December 31, 2021.

The total number of shares outstanding was 23.4 million as of March 31, 2022.

First Quarter 2022 Results Webinar

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

Date: Wednesday, April 27, 2022

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

Webcast: Accessible at <https://ir.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, depreciation, amortization and stock-based 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 non-GAAP 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

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, 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 to our ability to successfully complete the milestones in our joint development agreements or, even if successfully completed, to reach a commercial distribution license with our JDA customers; (3) risks related to our ability to advance the licensing arrangements with our initial integration licensees 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 know-how 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 15, 2022. 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.

-- Financial Tables Follow --

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

| | <u>March 31,</u> <u>2022</u> | <u>December 31,</u> <u>2021</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------|
| | <u>(Unaudited)</u> | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 24,451 | \$ 28,699 |
| Accounts receivable | 300 | – |
| Prepaid expenses and other current assets | 846 | 309 |
| Total current assets | 25,597 | 29,008 |
| Property and equipment, net | 192 | 196 |
| Long-term prepaid maintenance and supplies | 91 | 91 |
| Security deposit | 14 | 14 |
| Operating lease right-of-use asset | 850 | 900 |
| Financing lease right-of-use-asset | 5,532 | 5,851 |
| | 5,532 | 5,851 |
| Total assets | \$ 32,276 | \$ 36,060 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 380 | \$ 338 |
| Accrued expenses | 241 | 203 |
| Accrued payroll related expenses | 260 | 601 |
| Current operating lease liability | 217 | 216 |
| Current financing lease liability | 1,396 | 1,395 |
| Total current liabilities | 2,494 | 2,753 |
| Long-term operating lease liability | 725 | 768 |
| Long-term financing lease liability | 3,870 | 4,158 |
| | 3,870 | 4,158 |
| Total liabilities | 7,089 | 7,679 |
| Commitments and contingencies | | |
| | – | – |
| Stockholders' equity: | | |
| Preferred stock \$0.001 par value, authorized 2,500 shares; none issued and outstanding at March 31, 2022 and December 31, 2021 | – | – |
| Common stock: \$0.001 par value, authorized 47,500 shares; 23,393 and 23,207 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively; | 23 | 23 |
| Additional paid-in capital | 195,104 | 194,212 |
| Accumulated deficit | (169,940) | (165,854) |
| Total stockholders' equity | 25,187 | 28,381 |
| Total liabilities and stockholders' equity | \$ 32,276 | \$ 36,060 |

Atomera Incorporated
Condensed Statements of Operations
(Unaudited)
(in thousands, except per share data)

| | Three Months Ended March 31, | |
|-------------------------------------------------------------------------|-----------------------------------------|-------------|
| | 2022 | 2021 |
| Revenue | \$ 375 | \$ 400 |
| Cost of revenue | 81 | — |
| Gross margin | 294 | 400 |
| Operating expenses | | |
| Research and development | 2,339 | 2,229 |
| General and administrative | 1,648 | 1,513 |
| Selling and marketing | 325 | 266 |
| Total operating expenses | 4,312 | 4,008 |
| Loss from operations | (4,018) | (3,608) |
| Other income (expense) | | |
| Interest income | 3 | 2 |
| Interest expense | (71) | — |
| Total other income (expense), net | (68) | 2 |
| Net loss before income taxes | (4,086) | (3,606) |
| Provision for income taxes | — | 14 |
| Net loss | \$ (4,086) | \$ (3,620) |
| Net loss per common share, basic and diluted | \$ (0.18) | \$ (0.16) |
| Weighted average number of common shares outstanding, basic and diluted | 22,853 | 22,090 |

Atomera Incorporated
Reconciliation to Non- GAAP EBITDA
(Unaudited)

| | Three Months Ended | |
|-------------------------------|---------------------------|-------------------|
| | March 31, | |
| | 2022 | 2021 |
| Net loss (GAAP) | \$ (4,086) | \$ (3,620) |
| Depreciation and amortization | 20 | 13 |
| Stock-based compensation | 726 | 731 |
| Interest income | (3) | (2) |
| Interest expense | 71 | - |
| Provision for income taxes | - | 14 |
| Adjusted EBITDA (non-GAAP) | <u>\$ (3,272)</u> | <u>\$ (2,864)</u> |

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