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ATOM.OQ - Q2 2026 Atomera Inc Earnings Call

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Hello, everyone. Welcome to Atomera's second-quarter 2026 update call.

I'd like to remind everyone that this call and webinar are being recorded. A replay will be available on Atomera's IR website for one year.

I'm Mike Bishop, with the company's Investor Relations.

As in prior quarters, we are using Zoom. We will follow traditional presentation format, with participants in a listen-only mode. We will open with prepared remarks from Scott Bibaud, Atomera's President and CEO; and Frank Laurencio, Atomera's CFO. Then, we will open the call to questions.

If you are joining by telephone, you may follow a slide presentation to accompany our remarks on the Events & Presentations section of our Investor Relations page on our website.

Before we begin, I would like to remind everyone that, during today's call, we will make forward-looking statements. These forward statements, whether in prepared remarks or during the Q&A, are subject to risks and uncertainties.

These risks and uncertainties are detailed in the Risk Factor sections of our filings with the Securities and Exchange Commission, specifically in the company's annual report on Form 10-K, filed with the SEC on February 24, 2026.

Except as otherwise required by federal securities laws, Atomera disclaims any obligations to update or make revisions to such forward-looking statements contained herein or elsewhere to reflect changes in expectations with regards to those events, conditions, and circumstances.

Also, please note, during this call, we will be discussing non-GAAP financial measures, as defined by SEC Regulation G. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in today's press release, which is posted on our website.

Now, I would like to turn the call over to our President and CEO, Scott Bibaud. Go ahead, Scott.

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Thanks, Mike. Good afternoon, everyone.

Q2 was a quarter of real momentum. Our customer engagements advanced across each of our target markets. We've had promising signs of new markets developing. Again, we turned a technical breakthrough into the early stages of a genuine commercial pipeline.

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Today, I'll move through Gate-All-Around; our broader customer activity; the growing pull we're seeing in memory; and then, I'll spend real time on GaN, where I believe we may be witnessing the opening of a significantly new market for Atomera.

Let me start with Gate-All-Around. By now, you all know why this technology transition is so important so I'll go straight to the news:

We continue to work with two of the four players in this space. This quarter, we passed a significant milestone with one of the two active Gate-All-Around customers, opening the door to further work on their unique silicon structures.

These customers typically ask for a sequence of demonstrations before they'll accept a new material into their process flow. Clearing this stage is a meaningful step, rather than a formality. It directly answers the manufacturability questions this customer had put in front of us.

We remain in active discussions with the other two of our four target GAA customers. Our strategic partner continues to provide both the advanced test infrastructure and the ecosystem credibility that enables us to get in the door and helps us to stay there.

Memory is an area where interest is clearly accelerating. The large memory manufacturers are under real pressure to add both capacity and performance. They have the budgets to evaluate options that can help them get there.

Up until recently, we had significant interest from DRAM customers, focused on our value proposition for planar periphery enhancements.

Then, suddenly, our customers' direction changed. The major underlying factor was that AI demand accelerated and pushed DRAM manufacturers to the vertical-scaling era, including [$4F^2$]; and [3D DRAM]; and other advanced architectures.

We can be confident from our interactions, however, that the technical merit of our value proposition for planar periphery is strong. Today, we've established a new value proposition for $4F^2$ DRAM, validated through discussions with multiple customers.

We have shown that an MST-starting wafer enables a vertical-DRAM access transistor to be built using a next-generation DRAM fabrication process that is much cheaper than most of the DRAM industry is currently pursuing.

Our new concept solves fundamental device challenges in $4F^2$, while offering significant cost savings by leveraging MST's precise doping-profile control capabilities.

In addition to meeting with customers, we have completed a TCAD simulation study, demonstrating its feasibility. The results have been accepted to be presented at an IEEE conference in September.

Traditionally, the technology in NAND flash memory's periphery circuit have lagged far behind DRAM, even though NAND memory cells, themselves, moved to 3D structures many years ago.

In the history of Atomera, we have never established a serious value proposition for flash memory. However, that situation may be changing because, in the last few weeks, we have learned from a major NAND supplier that AI is now pushing NAND to the point that they need the planar periphery boost that MST can provide.

We have spent the last five years perfecting this value proposition for DRAM. Now, it is applicable to NAND. If adopted by NAND flash manufacturers, this more than doubles the TAM for MST, which would obviously be very commercially significant.

Turning to the rest of our pipeline, our large IDM-customer program continues to progress according to plan. We're now at a stage where new device-test data is coming in, even as the next batch of experiments gets underway.

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Development efforts are moving fast. Our teams are working closely together. We are also working with other companies and engagements in power. Our trench FET and HBT development continues to advance, aimed squarely at the efficiency and high-frequency demands emerging from AI data centers.

In RF-SOI, wafers are still running with our second JDA partner. We remain confident they will replicate the positive results we've demonstrated on other-customer silicon.

Internally, our work on a high-throughput manufacturing process for RF-SOI, where the substrate supply chain is crucial, is also going well and may be applicable to multiple other applications.

RF manufacturers have long relied on the characteristics of RF-SOI substrates for switch and LNA performance. But they're also interested in future designs using gallium nitride due to its significant performance advantages, including the potential for fully integrated RF front ends, including power amplifiers.

Unfortunately, due to silicon-substrate parasitics, GaN RF development has been mostly limited to GaN-on-silicon carbide, which is a very expensive specialty-starting wafer, which brings me to the exciting news regarding their preferred starting material, GaN-on-silicon:

In our May update call, we shared how MST could help solve parasitic-channel problems in GaN-on-silicon. But we hadn't gotten the RF test results that could completely illustrate MST's effect.

Later that month, performance data finally arrived. We announced a technical breakthrough: MST makes GaN-on-silicon for RF devices commercially attractive.

Our characterization partner, Incize, has now delivered RF data for MST-enabling GaN-on-silicon that is frankly outstanding.

The devices deliver, effectively, lossless RF, together with outstanding harmonic-distortion performance, leading to exceptional linearity.

At the benchmark-drive level, linearity is roughly 1,000 times better than the GaN-on-silicon reference. That improvement remains two to three orders of magnitude across the full sweep of power. We know of no other GaN-on-silicon substrate that can duplicate these findings.

Just as important: These results approach the linearity and loss figures of advanced trap-rich RF-SOI, the technology RF designers typically reach for, when they need this class of performance.

Our partners at Incize independently confirmed these benefits on their own world-class baseline, which is exactly the third-party validation customers appreciate.

For more details on our GaN-on-silicon test results, please see the white paper on our website.

In June, we took this data to IMS -- the International Microwave Symposium -- and the results were terrific. Our announcement generated real enthusiasm on the show floor. As a direct result, we are now working with several new potential customers who want to evaluate MST GaN-on-silicon in their own designs.

Here's why this matters strategically: Because our GaN-on-silicon results are now approaching RF-SOI class performance but on a low-cost silicon substrate; and with the inherent power and frequency headroom that GaN provides, we believe some designs that would traditionally be built in RF-SOI could, instead, move to GaN-on-silicon.

That would be a meaningful shift in how RF front-end designs get built. MST's performance may well be the catalyst that sets it in motion.

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If new RF-design activity begins migrating towards GaN-on-silicon, Atomera would be positioned right at the start of a new high-growth market. It's worth underscoring that MST is the enabler on both sides of that shift. Whichever path a customer chooses, Atomera benefits.

To summarize, we cleared a key Gate-All-Around milestone; established a new next-gen value proposition for DRAM; opened a new front in memory with NAND; kept our pipeline moving across power and RF-SOI; and turned our GaN breakthrough into hard RF-performance data, real industry enthusiasm, and new customers, with the potential to seed an entirely new RF market.

This is an exciting time to be at Atomera. With that, I'll turn the call over to our CFO, Frank Laurencio, to review our financials.

Francis Laurencio - *Atomera Inc - Chief Financial and Accounting Officer*

Thank you, Scott.

At the close of the market today, we issued a press release, announcing our results for the second quarter of 2026. This slide shows our summary financials.

Revenue in the second quarter was $158,000, consisting of fees for wafer deliveries to customers, primarily to our large IDM customer.

Our GAAP net loss for the second quarter of 2026 was $6.3 million or $0.17 per share compared to a net loss of $5 million, also $0.17 per share, in the second quarter of 2025.

On a non-GAAP basis, our loss for the second quarter was $5 million compared to a loss of $4 million in the second quarter of 2025.

GAAP operating expenses were $6.9 million in the second quarter of 2026, an increase of approximately $1.7 million from $5.2 million in the second quarter of 2025.

Stock-based compensation, which is excluded from our non-GAAP results, increased by approximately $463,000 year over year and was $1.7 million in the second quarter of 2026 compared to $1.3 million in Q2 2025.

In the second quarter of 2026, as compared to the prior-year period, non-GAAP R&D expenses increased by $188,000; G&A expenses increased by $828,000; and sales and marketing expenses increased by $225,000. The increase in sales and marketing was mainly due to new executive hires in Q4 2025 and Q1 2026.

Turning to our sequential results, second-quarter GAAP operating expenses of $6.9 million compared to $6.2 million in the first quarter of 2026.

On a non-GAAP basis, operating expenses increased sequentially by $350,000 to $5.1 million in the second quarter from $4.8 million in Q1, primarily reflecting higher G&A expense, offset, partly, by lower R&D expenses.

These sequential fluctuations largely reflected timing of expenses for IP legal costs in G&A, which were heavier in Q2; and outsourced metrology activity in R&D, which was more concentrated in Q1.

Our balance of cash, cash equivalents, and short-term investments on June 30, 2026, was $38.4 million, compared to $41.1 million on March 31, 2026.

We used $3.9 million of cash in operating activities in Q2 compared to $4.8 million in Q1 and $3.5 million in Q2 of last year. We did not sell any shares under our [ATM] during the second quarter of 2026. As of June 30, 2026, we had 39 million shares outstanding.

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We believe our current cash, which includes $23.6 million of net proceeds from the registered direct offering we closed in Q1 puts us in a strong position to execute on the opportunities ahead of us. We will continue to be disciplined about controlling costs.

However, we are experiencing cost increases, particularly in our outsourced engineering work. The recent very rapid growth in the semiconductor industry has tightened supply. Our costs of tool leases, metrology, and device fabrication are going up.

On our last two calls, I said we expected 2026 annual non-GAAP operating expense to be approximately $18.5 million. We budget for a range of plus or minus $250,000 around that number. We now expect that we will end the year in the high end of that range.

With that, let me turn the call back over to Scott for a few summary remarks, before we open the call up to questions. Scott?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Thanks, Frank.

Before we take questions, I want to thank our employees, our customers, and our shareholders for their continued support.

We're excited about the progress we made this quarter, clearing a key GAA milestone, broadening our memory opportunity in NAND, and turning our GaN breakthrough into real RF results.

We remain focused on translating our growing body of simulation and customer silicon evidence into commercial agreements that drive long-term repeatable revenue and a strong, sustainable business.

We're happy to have you along for the ride. Mike, we will now take questions.

QUESTIONS AND ANSWERS

Mike Bishop - *Bishop IR LLC - Investor Relations*

Thank you, Scott.

(Event Instructions)

Richard Shannon, Craig-Hallum.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Great. Thanks, Mike. Thanks, Scott and Frank, for letting me ask a few questions here.

A lot of interesting comments here on your prepared remarks, Scott. Let me jump into those here:

First, on Gate-All-Around, here, you're characterizing the -- and please correct my language here; I probably didn't get a good transcription of exactly what you said -- but I think you essentially said that one of these customers has accepted a new material into their ecosystem here.

Can you convey the importance and difficulty of this? Like, can you compare it to other dynamics of a similar type in the past in the advanced logic space here?

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And then, how would you describe the next steps here? How many other significant steps? Can you describe them? What has the customer told you about what they expect to do and to see from you next?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Great. Let me clear up any language from your quasi-transcription there:

What we talked about this time is that we've cleared a hurdle with our Gate-All-Around customers, where they have -- I'm glad we're actually shown a picture of a Gate-All-Around structure here. It shows you just how complicated it is.

What we expect that Gate-All-Around customers will do is they will ask us to prove that we can deposit MST in a structure like this, both physically -- and have a positive electrical result on that, over time.

One of the milestones that we passed this quarter is that we did actually show one of those steps that I just talked about.

They'll ask us to do a few more. But, at some point, when we've deposited our technology into one of their structures, the next step for them is to take it into their own fab and deposit it on their own structure.

They'll keep that secret from us. Those are the very, very critical IP that they would not share with us. And so, in order to do that, they would need to take a license from us and then, install it in their fab.

I think, hopefully, that's a clear example of exactly where we are with them and what's left to be done before they would license it and start working towards production.

The other thing you asked is, how is that comparable to how other materials are introduced, right?

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Yes.

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

It's unusual to have a material introduced by a third party like us. But it is more common for a company like, let's say, Applied Materials or ASM or Lam to introduce a new material to a customer.

They might say, okay, we know you're having this problem here. We've figured out how you can use our tool and deposit some material in such a way that we think it will solve it for you.

The way that an OEM typically approaches that is that they talk about it with the customer. The customer asks them to do the same thing they're asking us to do. We need to see a demonstration of how that will work. They will demonstrate it in their own labs.

And then, what frequently happens is that they'll go to one of these OEMs and say, okay, we need you to install a tool -- a multimillion-dollar tool -- in our factory so that we can test it in our own flow. And then, if we like what we see, then we'll buy the tool from you and we'll buy more of them, when we go to production.

And so that's a very typical next step. You can see there's advantages for the equipment OEM. They get a real good chance to sell more tools. For the customer, the advantage is that they get to try it out without having a commitment.

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We don't quite have that flexibility. The next step for them will be to license from us; install it on one of their tools in their own fab; and do that testing.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. Scott, does that mean you're currently in some level of negotiation with the end customer here? Or do you expect that to start to happen soon?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Yeah. We've been in discussions with them about what that would imply and what our license terms would look like since we started working with them.

As we get close to the end of this, then it will accelerate so that we can close the deal. But we've already got terms on the table.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. I'm assuming you would expect this to not be a short sales cycle -- and unclear, exactly, how long this will take.

Is that a fair conclusion? Or any perspective you can offer on timeframe and chances of success there?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Yeah. I think, so far, we've passed a lot of hurdles with them; and done some, I think, pretty impressive work. I think if we can complete this cycle and get good electrical results out of that, then we would move on to discussions about installing in the next step.

That could happen. It's not going to happen in the next two months. But it could, actually -- if things went really well -- happen as early as over the course of late this year or a little beyond.

Now, the other thing that could happen is that we get the results and they say, oh, these results are good but they're not great. We need to do another round to prove because something went wrong. We have to fix it and try again. That could stretch it out by another nine months or so.

That's why we're very hesitant to ever predict, exactly, when we'd get around to closing those deals.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Always makes sense to be safe there. That makes a lot of sense.

Let's step over to the DRAM space here. Just want to make sure I'm interpreting your comments correctly, Scott, here.

It sounds like the technology transition process here within the DRAM space has probably restarted an investigation and testing cycle here. We're resetting a little bit here.

Is that a fair conclusion of what I heard?

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Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

In DRAM, yeah. The big opportunity for us in DRAM was in the periphery circuits. DRAMs have -- you could generally break them down into two parts:

There's the memory cell, which is very, very advanced. The periphery circuits are analog-like circuits that tended to lag the technology node of the memory cells by quite a bit.

One of the reasons they lagged it so much is because they needed to contend with variability across a wide set of process conditions and across the whole wafer.

That's one of the things that MST could help to solve. We have proven that; and had a bunch of papers on it; and worked with a number of customers on that.

But what's happened is the emphasis in DRAM manufacturers has moved from advancing just regular DRAM to the next generation but, now, starting to think a lot more about how can they actually solve the big capacity and performance issues that are in front of them?

It's most likely that their next steps will go to 3D because DRAMs, right now, are still planar on a single plane. They're talking about 3D structures.

The first 3D structure they would build is something they call $4F^2$. In $4F^2$, as I mentioned on my remarks, we have some very compelling technology, where MST, through our doping-control capabilities, can really help them to simplify their manufacturing process and make it much more viable to make these things at a cost-effective manner.

And so we presented that to a few of them. They agree with the concept. And so we'll start moving further ahead with them in the near future.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. Fair enough. On the DRAM space, now, it did sound like -- if I heard your comments right -- you've made some great progress on the planar -- again, my transcription of your comments probably isn't perfect here -- but something regarding the planar mechanism within DRAM here that can be applied to the NAND flash space here.

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Yes.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

It sounds like that worked. While DRAM may be resetting here, it's actually a great dynamic here in the NAND flash.

Am I interpreting that correctly?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Yes. Exactly. Yeah. In DRAM, as mentioned earlier, we have the great technology for their planar periphery.

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But, in NAND, they never really cared that much about the planar periphery. It wasn't a pressing issue for them. But, now, it's suddenly a pressing issue. They need to really amp up performance on their periphery.

And so all that work that we've done for DRAM is now interesting to the guys in NAND flash, which is an entirely new TAM that we've never considered before because we didn't really think we had something to offer to the flash.

As a matter of fact, I think you've asked me before if there are any parts of the semiconductor market we didn't think we were applicable to and I probably answered that it was flash memory. We didn't see a path. But, now, we see a real path. That's amazing.

NAND actually manufactures more wafers per year than DRAM, although I think DRAM revenue is higher. But, for us, where we're selling products, based on wafer shipments, that's a really good opportunity.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. Great. That is helpful on those topics.

Let me touch on RF and GaN here, which is really interesting. Again, my transcription of your comments here about getting linearity 1,000 times better than the GaN-on-silicon reference seems an amazing accomplishment.

I had never thought that anyone would consider using GaN-on-silicon as a replacement for RF-SOI. I know that space well enough to know that that goes into a lot of cell phones.

Are you basically saying that people are now considering using GaN-on-silicon?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

There's no doubt, if you've gone to technical conferences for RF-SOI for the last few years, they're all talking about how it's reaching its maximum performance headroom that it can get to. By that, they mean the high-frequency performance and the ability to handle higher powers.

They're looking at all kinds of different ways of trying to keep that roadmap, going forward. But one of the most promising is GaN because GaN does handle high-frequency RF performance much better and high power.

What we have just demonstrated -- now, okay -- but, last call, we talked about how GaN-on-silicon carbide is what people have been using for RF in the past.

But it's a very expensive substrate. It's specialty product. You're never going to start making fully integrated front ends for mobile phones with that substrate.

But GaN-on-silicon can be used to do that. It has the cost levels that you could do. But it was having problems with RF. Now, we seem to have solved the RF problems.

This data that I showed in the call here is actually a great example of some of the big benefits that we are getting.

I will point out that, the end of May, we put out a white paper, explaining how MST improves GaN-on-silicon. And then, we did a press release, based on getting new data. We put that into our white paper.

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But this data I'm showing here is even newer data than what's in our white paper, showing how incredible the improvement in harmonic distortion is over a controlled GaN-on-silicon wafer.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. It looks impressive, from what I understand, which is probably only a small subset of what's really important here. But it seems like a very impressive achievement here.

What do you think are the (multiple speakers) --

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Let me -- one last statement because you had asked about RF-SOI designs. The one thing that RF-SOI has not been able to do is to support power amplifiers because it just didn't handle the high-power performance.

But what you can see here in this data, especially in the lower plot, is that our MST can handle -- a GaN-on-silicon, enabled by MST, can handle extremely high power levels.

Then, you could make a single design that's a fully integrated RF front end, including the switches; and the LNA; and the power amplifiers. That's a key breakthrough.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Interesting. Okay. Okay.

My understanding is that the amount of power-amp content versus the RF-SOI probably leans towards the power-amp side. If you can include that content in there, it would seem to be a big increase in your TAM, then.

Is that how you see it?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

I think so. I don't know, exactly, how much of the power-amplifier market this could take over. This is brand-new data. We haven't even dug in as far as we need to yet. But it seems like a very promising opportunity.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. Thinking about where such products might be made here, do you look at guys who are making RF-SOI today as the obvious place to adopt these solutions?

Do we need different infrastructure, different customer base, different material systems, et cetera, to commercialize this technology?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Certainly, I think the key designers that are leading, I don't see that changing too much because they understand the marketplace. They understand the RF challenges.

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But the manufacturing infrastructure may change, if you go to GaN-on-silicon. All of the RF-SOI manufacturers today don't necessarily have a GaN-on-silicon capability. But it is something that we could work with them to enable by licensing our technology.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. All right. Some great stuff here, Scott.

I think Frank is getting a little bored so I want to engage him for one question here. A very simple one, Frank, is on the OpEx here.

Essentially, are you telling us that your $18.5 million OpEx number is now going to be closer to $21 million for the year? Is that what you're telling us?

Francis Laurencio - *Atomera Inc - Chief Financial and Accounting Officer*

No. I said plus or minus $250,000 (multiple speakers) --

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Oh.

Francis Laurencio - *Atomera Inc - Chief Financial and Accounting Officer*

-- is how we budget.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

$250,000? Okay.

Francis Laurencio - *Atomera Inc - Chief Financial and Accounting Officer*

But I think That is a range of $18.25 million to $18.75 million. It will be more on that $18.75 million range.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. I got the decimal point in the wrong place there so I'm glad I asked that question.

Francis Laurencio - *Atomera Inc - Chief Financial and Accounting Officer*

Yeah.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

How do we think about go-forward from this year? Is there any way we would annualize the step-up here? Or any other adds we need to have as we're -- sounds like we're having some great success across a number of different applications.

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Should we think about $1 million or $2 million step-up, as we get to next year?

Francis Laurencio - *Atomera Inc - Chief Financial and Accounting Officer*

Yeah. I'm not giving guidance, really, for next year. But I think what you'll see is, particularly next quarter -- you'll see some of these structural increases in cost go through our P&L. You'd be able to model that, going forward.

But I would characterize the increases as significant from the costs our service providers are imposing on us. We haven't closed off negotiations on all of those. Those tend to be long-term contracts.

We have two major tool leases to support our development and activities. One of those is still in progress. I'm not ready to say where it's going to come out.

But we've been spending about $1.8 million a year for one of our tool leases. That was in all of our 10-Q disclosure. I would expect that to go up pretty significantly. I don't have a number to land on that, yet.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Okay. Fair enough.

Francis Laurencio - *Atomera Inc - Chief Financial and Accounting Officer*

That'll really be a 2027, not as much in the second half of this year.

Richard Shannon - *Craig-Hallum Holdings LLC - Analyst*

Got it. Okay. That's some good perspective. That's all from me, guys.

Congratulations on all the great work here. That's all from me.

Mike Bishop - *Bishop IR LLC - Investor Relations*

Thank you, Richard. A few questions coming in here on the Q&A line.

First of all, is there an update on the PowerAmerica relationship?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Yeah. For those of you who are not aware, we made a proposal to PowerAmerica in early this year to do a partnership with a few other companies to do a development of a GaN power device and testing.

Our understanding is that that program would be awarded in May. We have not heard that we have been awarded that program. We also haven't heard we haven't been awarded it.

But I presume that we did not get it, based on the timing. I have heard that other companies -- although, I don't know who they are -- were awarded that.

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Although disappointing, I would say a few things about that:

First of all, that was a program in GaN-on-power. Early this year, we did think GaN-on-power was our primary focus.

But, as of the recent test data that we've gotten, we're more focused on GaN-on-RF. In some ways, I'm almost glad that my engineering team will be more focused on that primary market.

Second thing I'll say is, it was a good opportunity to partner with a number of people and show off our stuff. But it wasn't really a financially significant program for us. I think the entire program would've only brought in about $300,000 for us, if we had won it.

We will continue to try to join in on CHIPS Act and other proposals that we think will benefit us in our target spaces. But, unfortunately, that one didn't come through.

Mike Bishop - *Bishop IR LLC - Investor Relations*

Okay. Thank you.

Is there an update on the relationship with STMicroelectronics?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

There's not really an update. Last quarter, we said that we were still working with their business units. We had hoped that we would put together a deal with them.

That's still on the table. But we don't have anything to announce at this time.

Mike Bishop - *Bishop IR LLC - Investor Relations*

Okay. Thank you. A follow-up question on GAA: Specifically, what process does the major milestone at one customer refer to?

And then, a follow-up to that would be: How long does it take? Can it be said to lead into license negotiations?

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Yeah. The goal of completing this demonstration is, absolutely, to lead into license negotiations. That would be what we hope will be our next step.

I can try to describe -- well, I think I described earlier but let me try to make a little bit clearer:

In the early stages of making a Gate-All-Around transistor, you are building that very complicated structure that we showed a picture of. We need to grow MST conformally all along those different structures inside there.

And then, the customer has to grow; fill in silicon that's doped to a certain level -- and every single piece of that has to -- our MST affects the doping level and what will happen there.

All the different pieces of that have to come together so that, if we can deposit it all properly and if we understand through TCAD modeling what the impact on the doping levels will be, then that will lead to an electrical result that's significantly better.

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And so that's what we're working on. We've done a lot of work on doing those depositions. We've got a bunch of the fill work done. We're working on that electrical result that we'll ultimately get to.

Hopefully, if we can do that in one try, then it will lead to license discussions fairly soon. It may take more than one try, as I mentioned earlier to Richard.

Mike Bishop - *Bishop IR LLC - Investor Relations*

Okay. Thanks, Scott.

If you want to proceed with any closing comments, I think that's all the time we have for Q&A, right now.

Scott Bibaud - *Atomera Inc - President, Chief Executive Officer, Director*

Oh. Okay. Well, let me thank you all for joining us to hear the progress within Atomera.

Please continue to look for our news articles, white papers, and blog posts, which are available, along with investor alerts, on our website, atomera.com.

Should you have additional questions, please contact Mike Bishop, who will be happy to follow up.

Thank you, again, for your support. We look forward to our next update call.

Mike Bishop - *Bishop IR LLC - Investor Relations*

Thank you. This concludes the Atomera call.

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