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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 1, 2018

Atomera Incorporated

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37850
(Commission File
Number)

30-0509586
(I.R.S. Employer
Identification Number)

750 University Avenue, Suite 280
Los Gatos, California 95032
(Address of principal executive offices) (zip code)

(408) 442-5248
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☒

Item 2.02 Results of Operations and Financial Condition

On November 1, 2018, Atomera Incorporated issued a press release announcing its financial results for the three and nine months ended September 30, 2018. The Company also intends to conduct an earnings call over which it will distribute an investor presentation. The text of the press release is attached hereto as Exhibit 99.1 and the investor presentation is attached hereto as Exhibit 99.2, both are incorporated by reference herein.

The information in this Current Report, including the exhibits attached hereto, is furnished pursuant to Item 2.02 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information in this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

- 99.1 [Press release dated November 1, 2018 Atomera Incorporated](#)
- 99.2 [Investor presentation November 1, 2018 Atomera Incorporated](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

ATOMERA INCORPORATED

By: /s/ Francis Laurencio

Francis Laurencio
Chief Financial Officer

Date: November 1, 2018

Atomera Provides Third Quarter 2018 Results

LOS GATOS, CA Nov 1, 2018 Atomera Incorporated (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 financial results for the third quarter ended Sept. 30, 2018.

Company Highlights

- Signed integration license agreements with Asahi Kasei Microdevices and STMicroelectronics
- Added two new customers to reach 20 engagements underway with 16 different customers
- Strengthened balance sheet with \$11.5 million of net proceeds from equity offering
- Four new patents granted

Management Commentary

“With the first two licenses executed, and a robust balance sheet, Atomera is stronger than ever and well positioned to deliver meaningful shareholder value as we deploy MST into semiconductor foundries and IDMs,” said Scott Bibaud, President and CEO. “Further, we continue to augment our intellectual property portfolio with four new US patents allowed during the quarter and improvements to MST that will bring new value to our customers. We achieved these results while holding our cash consumption basically flat compared to Q2.”

Third Quarter 2018 Financial Results

During the third quarter of 2018 the Company incurred a net loss of \$3.4 million, or (\$0.28) per basic and diluted share, compared to a net loss of \$3.3 million, or (\$0.28) per basic and diluted share, for the third quarter of 2017. Adjusted EBITDA (a non-GAAP financial measure) in the third quarter of 2018 was a loss of \$2.8 million compared to an adjusted EBITDA loss of \$2.4 million in the third quarter of 2017.

The Company had \$10.0 million in cash and cash equivalents as of Sept. 30, 2018, compared to \$12.3 million as of June 30, 2018 and \$17.4 million as of December 31, 2017. The Company’s equity financing closed on October 15, 2018 adding \$11.5 million to Atomera’s cash balance.

The total number of shares outstanding was 12,408,525 as of Sept. 30, 2018. After completion of the Company’s equity offering on October 15, 2018, shares outstanding were 15,033,525.

2018 Third Quarter Results Conference Call and Webcast

Atomera will host a conference call today to discuss its financial results and recent progress.

Date: Thursday, Nov. 1, 2018

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

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

Replay: Available until Nov. 16, 2018; 855-859-2056 (domestic); +1(404) 537-3406 (international); passcode 8164979.

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, the change in fair value of derivative liabilities, and the gain on the extinguishment of debt. 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, 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 a pre-revenue enterprise; (2) risks related to our ability to advance the licensing arrangements with our initial integration licensees, Asahi Kasei Microdevices and STM Microelectronics, to royalty-based manufacturing and distribution licenses; (3) 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; (4) our ability to protect our proprietary technology, trade secrets and know-how and (5) those other risks disclosed in the section "Risk Factors" included in our Prospectus Supplement Filed with the SEC pursuant to Rule 424(b)(5) on October 11, 2018. 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)

	September 30, 2018	December 31, 2017
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,957	\$ 17,369
Accounts receivable	75	110
Prepaid expenses and other current assets	227	248
Total current assets	<u>10,259</u>	<u>17,727</u>
Property and equipment, net	63	67
Deferred offering costs	73	—
Security deposit	<u>13</u>	<u>13</u>
Total assets	<u><u>\$ 10,408</u></u>	<u><u>\$ 17,807</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 354	\$ 198
Accrued expenses	319	239
Accrued payroll related expenses	703	512
Deferred revenue	<u>75</u>	<u>—</u>
Total liabilities	<u>1,451</u>	<u>949</u>
Commitments and contingencies (see Note 8)		
Stockholders' equity:		
Preferred stock, \$0.001 par value, authorized 2,500 shares; none issued and outstanding at September 30, 2018 and December 31, 2017	—	—
Common stock, \$0.001 par value, authorized 47,500 shares; 12,409 and 12,161 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively.	12	12
Additional paid-in capital	127,708	125,911
Accumulated deficit	<u>(118,763)</u>	<u>(109,065)</u>
Total stockholders' equity	<u>8,957</u>	<u>16,858</u>
Total liabilities and stockholders' equity	<u><u>\$ 10,408</u></u>	<u><u>\$ 17,807</u></u>

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

	Three Months ended September 30,		Nine Months ended September 30,	
	2018	2017	2018	2017
Revenue	\$ —	\$ —	\$ 96	\$ —
Cost of revenue	—	—	(113)	—
Gross margin	—	—	(17)	—
Operating expenses				
Research and development	1,922	1,602	5,350	4,502
General and administrative	1,324	1,374	3,781	4,689
Selling and marketing	237	350	695	1,367
Total operating expenses	<u>3,483</u>	<u>3,326</u>	<u>9,826</u>	<u>10,558</u>
Loss from operations	(3,483)	(3,326)	(9,843)	(10,558)
Other income/(expense)				
Interest income	48	42	145	106
Other expense	—	—	—	(6)
Total other income/(expense), net	<u>48</u>	<u>42</u>	<u>145</u>	<u>100</u>
Net loss	<u>\$ (3,435)</u>	<u>\$ (3,284)</u>	<u>\$ (9,698)</u>	<u>(10,458)</u>
Net loss per common share, basic and diluted	<u>\$ (0.28)</u>	<u>\$ (0.28)</u>	<u>\$ (0.80)</u>	<u>\$ (0.90)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>12,117</u>	<u>11,862</u>	<u>12,079</u>	<u>11,684</u>

Atomera Incorporated
Reconciliation to Non- GAAP EBITDA
(Unaudited)

	Three Months ended September 30,		Nine Months ended September 30,	
	2018	2017	2018	2017
Net loss (GAAP)	\$ (3,435)	\$ (3,284)	\$ (9,698)	\$ (10,458)
Add (subtract) the following items:				
Interest income	(48)	(42)	(145)	(106)
Depreciation and amortization	8	4	24	13
Stock-based compensation	630	916	1,796	3,554
Adjusted EBITDA (non-GAAP)	<u>\$ (2,845)</u>	<u>\$ (2,406)</u>	<u>\$ (8,023)</u>	<u>\$ (6,997)</u>

Investor Contact:

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Mike Bishop
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investor@atomera.com



This presentation contains forward-looking statements concerning Atomera Incorporated ("Atomera," the "Company," "we," "us," and "our"). The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan," "expect" and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the "Risk Factors" section of our Prospectus Supplement filed pursuant to Rule 424(b)(5) with the SEC on October 11, 2018 (the "Prospectus Supplement"). In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in our forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur.

This presentation contains only basic information concerning Atomera. The Company's filings with the Securities Exchange Commission, including the Prospectus Supplement, include more information about factors that could affect the Company's operating and financial results. We assume no obligation to update information contained in this presentation. Although this presentation may remain available on the Company's website or elsewhere, its continued availability does not indicate that we are reaffirming or confirming any of the information contained herein.

Transistor enhancement
technology for the
\$400B semiconductor market

Strong, Growing and
Defensible
Patent Portfolio



**Top Tier
Management Team**

High Leverage IP
Licensing Business Model

Technology at the Atomic Level

- **Atomera Licenses MST to Asahi Kasei Microdevices (AKM) – Sept 25, 2018**

- *Japanese manufacturer of high end ICs for consumer, automotive and industrial*
- *Division of Asahi Kasei Chemical Group*
- *Long time partner of Atomera*
- *First commercial licensee of Atomera's MST technology*
 - *Integration License*

AsahiKASEI

- **Atomera Licenses MST to STMicroelectronics – October 2, 2018**

- *One of the world's largest semiconductor companies*
 - *2017 revenue: \$8.3B*
- *Leading IDM making solutions for Smart Driving, Internet of Things*
- *Working with MST for less than two years*
- *Integration License*



- Successfully closed \$12.5 public stock offering on October 15, 2018
 - Net proceeds \$11.5M after underwriting fees and expenses
 - 2,625,000 shares sold, now have 15.0M shares outstanding
- Underwriters and advisors
 - Roth Capital: sole book running manager
 - National Securities: co-manager
 - Loop Capital: financial advisor
- Use of proceeds
 - Engineering headcount additions for increased customer support
 - Additional EPI tools and metrology testing



Number of Customer Engagements



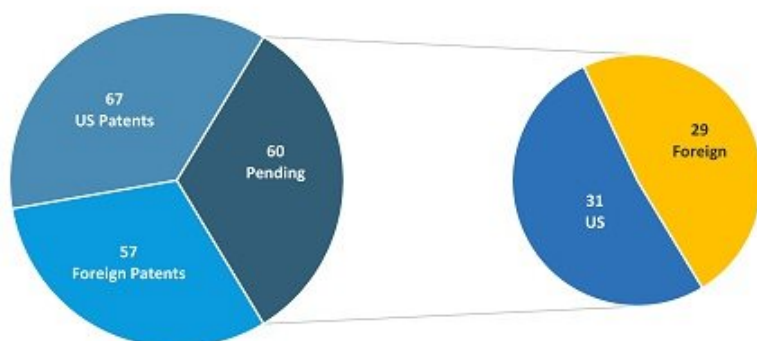
- 16 customers, 20 engagements
- Working with 50% of the world's top semiconductor makers*

Customer Engagement & License Model



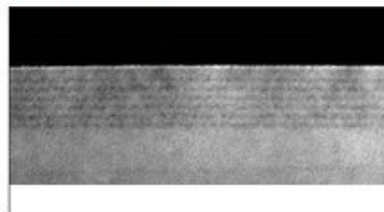
Comprehensive

184 Patents Granted and Pending



Core MST Method and Device
MST Enabled Devices/Architecture
Next-Gen Architectures using MST

Discoverable



These distinctive layers are visible on products using MST

Extensive know-how

Extends life and value of patents

	2017		2018 YTD		
	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
GAAP Results					
Revenue	-	\$0.1M	-	\$0.1M	-
Gross Profit	-	\$0.1M	-	(\$0.02M)	-
Operating Expense	(\$3.3M)	(\$2.7M)	(\$3.1M)	(\$3.2M)	(\$3.5M)
Net Loss	(\$3.3M)	(\$2.6M)	(\$3.1M)	(\$3.2M)	(\$3.4M)
Loss Per Share	(\$0.28)	(\$0.21)	(\$0.26)	(\$0.26)	(\$0.28)
Reconciliation between GAAP & Non-GAAP					
Net Loss (GAAP)	(\$3.3M)	(\$2.6M)	(\$3.1M)	(\$3.2M)	(\$3.4M)
Interest Expense	-	-	-	-	-
Stock-Based Compensation	\$0.9M	\$0.5M	\$0.5M	\$0.6M	\$0.6M
Adjusted EBITDA (Non-GAAP)*	(\$2.4M)	(\$2.1M)	(\$2.6M)	(\$2.6M)	(\$2.8M)
Cash at September 30, 2018	\$10.0M				
Shares Outstanding at September 30, 2018	12.4M				

* Adjusted EBITDA is a non-GAAP financial measure. A full reconciliation of GAAP and non-GAAP results is contained in our press release.

- Signed first two customer licenses with AKM and STMicroelectronics
- Completed financing, strengthening our balance sheet
- 20 total engagements with 16 different customers
- Strengthened patent and know-how portfolio
- Entered company's commercialization phase



Thank You