
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): February 12, 2019

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 February 12, 2019, Atomera Incorporated issued a press release announcing its financial results for the three and twelve months ended December 31, 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 February 12, 2019 Atomera Incorporated](#)
- 99.2 [Investor presentation February 12, 2019 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: February 12, 2019

Atomera Provides Fourth Quarter and Annual 2018 Results

LOS GATOS, Calif. Feb. 12, 2019 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 fourth quarter and fiscal year ended December 31, 2018.

Company Highlights

- Recognized engineering services revenue as well as our first license revenue
- Moved two customers into phase three, bringing the number of engagements in this critical phase to 13, with a total of 21 engagements at 17 customers
- Strengthened balance sheet by raising \$11.4 million in net proceeds through a public offering of common stock

Management Commentary

“Atomera expanded its pipeline and recognized both license and engineering services revenue in the quarter,” said Scott Bibaud, President and CEO. “We are aggressively taking the necessary steps to implement MST into semiconductor foundries and IDMs globally, and our progress is evidence of our commitment to grow revenue and capture the opportunity. We are seeing excellent technical results with our internal wafer runs as well as increased traction with our customers, which we believe will lead to additional licenses and, more importantly, progress by our customers to commercialize MST.”

Fourth Quarter and Fiscal Year 2018 Financial Results

During the fourth quarter of 2018, revenue was \$150,000, compared with \$110,000 in the fourth quarter of 2017. The Company incurred a net loss of \$(3.2) million, or \$(0.22) per basic and diluted share, compared to a net loss of \$2.6 million, or \$(0.22) per basic and diluted share, for the fourth quarter of 2017. Adjusted EBITDA (a non-GAAP financial measure) in the fourth quarter of 2018 was a loss of \$(2.7) million compared to an adjusted EBITDA loss of \$(2.1) million in the fourth quarter of 2017.

For fiscal year 2018, revenue was \$246,000, compared with \$110,000 in fiscal 2017. Net loss was \$(12.9) million, or \$(1.02) per basic and diluted share, for fiscal 2018, compared to \$(13.1) million, or \$(1.11) per basic and diluted share in fiscal 2017. Adjusted EBITDA for fiscal 2018 was a loss of \$(10.7) million compared to an adjusted EBITDA loss of \$(9.1) million in fiscal 2017.

The Company had \$18.9 million in cash and cash equivalents as of December 31, 2018, compared to \$17.4 million as of December 31, 2017.

The total number of shares outstanding was 15.0 million as of December 31, 2018.

2018 Fourth Quarter and Fiscal Year 2018 Results Conference Call and Webcast

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

Date: Tuesday, Feb. 12, 2019

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

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

Replay: Available until Feb. 19, 2018; (855) 859-2056 (domestic); +1(404) 537-3406 (international); passcode 3199098.

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 knowhow 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)

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,933	\$ 17,369
Accounts receivable	185	110
Prepaid expenses and other current assets	170	248
Total current assets	<u>19,288</u>	<u>17,727</u>
Property and equipment, net	56	67
Security deposit	<u>13</u>	<u>13</u>
Total assets	<u><u>\$ 19,357</u></u>	<u><u>\$ 17,807</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 348	\$ 198
Accrued expenses	224	239
Accrued payroll related expenses	984	512
Deferred revenue	<u>55</u>	<u>—</u>
Total liabilities	<u>1,611</u>	<u>949</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, authorized 2,500 shares; none issued and outstanding at December 31, 2018 and December 31, 2017	—	—
Common stock, \$0.001 par value, authorized 47,500 shares; 15,034 and 12,161 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively.	15	12
Additional paid-in capital	139,693	125,911
Accumulated deficit	(121,962)	(109,065)
Total stockholders' equity	<u>17,746</u>	<u>16,858</u>
Total liabilities and stockholders' equity	<u><u>\$ 19,357</u></u>	<u><u>\$ 17,807</u></u>

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

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Revenue	\$ 150	\$ 110	\$ 246	\$ 110
Cost of revenue	(35)	(39)	(148)	(39)
Gross margin	115	71	98	71
Operating expenses				
Research and development	1,968	1,324	7,318	5,826
General and administrative	1,175	1,107	4,956	5,796
Selling and marketing	262	292	957	1,659
Total operating expenses	3,405	2,723	13,231	13,281
Loss from operations	(3,290)	(2,652)	(13,133)	(13,210)
Other income/(expense)				
Interest income	91	42	236	148
Other expense	—	—	—	(6)
Total other income/(expense), net	91	42	236	142
Net loss	<u>\$ (3,199)</u>	<u>\$ (2,610)</u>	<u>\$ (12,897)</u>	<u>(13,068)</u>
Net loss per common share, basic and diluted	<u>\$ (0.22)</u>	<u>\$ (0.22)</u>	<u>\$ (1.02)</u>	<u>\$ (1.11)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>14,364</u>	<u>12,036</u>	<u>12,655</u>	<u>11,773</u>

Atomera Incorporated
Reconciliation to Non- GAAP EBITDA

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net loss (GAAP)	\$ (3,199)	\$ (2,610)	\$ (12,897)	\$ (13,068)
Add (subtract) the following items:				
Interest income	(91)	(42)	(236)	(148)
Depreciation and amortization	9	6	33	19
Stock-based compensation	629	524	2,425	4,078
Adjusted EBITDA (non-GAAP)	<u>\$ (2,652)</u>	<u>\$ (2,122)</u>	<u>\$ (10,675)</u>	<u>\$ (9,119)</u>

Investor Contact:

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investor@atomera.com



Q4 2018

Conference Call

February 12, 2019

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
\$450B semiconductor market

Strong, Growing and
Defensible
Patent Portfolio



**Top Tier
Management Team**

High Leverage IP
Licensing Business Model

**Mears Silicon
Technology (MST®)**
Quantum Engineered Materials

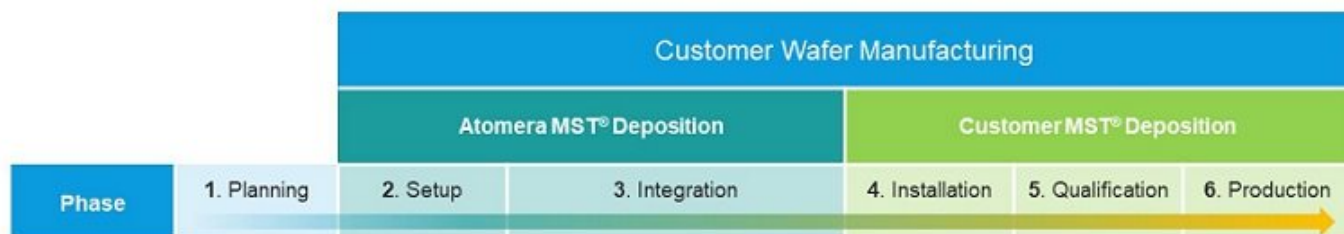
Royalties

License Fees

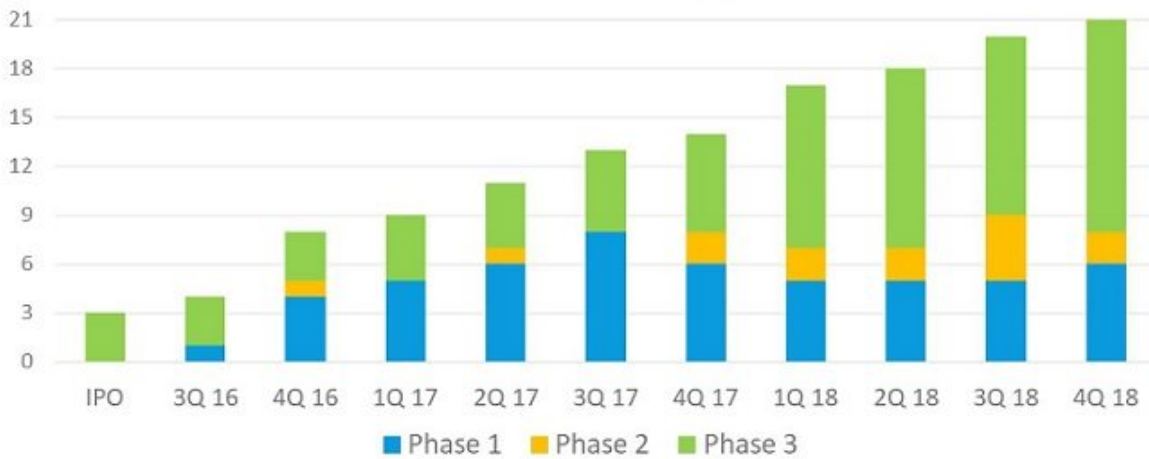
- Integration licenses
- Manufacturing licenses
- Distribution licenses

Engineering Service Fees

- MST deposition on customer wafers
- Integration consulting



Number of Customer Engagements



- 17 customers, 21 engagements

- Working with 50% of the world's top semiconductor makers*

* 10 of the top 20 (IC Insights, McClean Report 2017)

Financial Overview



	Q4 2017	2018				FY 2017	FY 2018
		Q1	Q2	Q3	Q4		
GAAP Results							
Revenue	\$0.1M	-	\$0.1M	-	\$0.15M	\$0.1M	\$0.25M
Gross Profit	\$0.1M	-	(\$0.02M)	-	\$0.12M	\$0.1M	\$0.10M
Operating Expense	(\$2.7M)	(\$3.1M)	(\$3.2M)	(\$3.5M)	(\$3.4M)	(\$13.3M)	(\$13.2M)
Net Loss	(\$2.6M)	(\$3.1M)	(\$3.2M)	(\$3.4M)	(\$3.2M)	(\$13.1M)	(\$12.9M)
Loss Per Share	(\$0.21)	(\$0.26)	(\$0.26)	(\$0.28)	(\$0.22)	(\$1.11)	(\$1.02)
Reconciliation between GAAP & Non-GAAP							
Net Loss (GAAP)	(\$2.6M)	(\$3.1M)	(\$3.2M)	(\$3.4M)	(\$3.2M)	(\$13.1M)	(\$12.9M)
Stock-Based Compensation	\$0.5M	\$0.5M	\$0.6M	\$0.6M	\$0.6M	(\$4.0M)	\$2.4M
Adjusted EBITDA (Non-GAAP)*	(\$2.1M)	(\$2.6M)	(\$2.6M)	(\$2.8M)	(\$2.6M)	(\$9.1M)	(\$10.7M)
Cash at December 31, 2018	\$18.9M						
Shares Outstanding at December 31, 2018	15.0M						

* Adjusted EBITDA is a non-GAAP financial measure. A full reconciliation of GAAP and non-GAAP results is contained in our press release. Some figures do not total exactly due to rounding.

- Good progress in Q4
 - Record license and engineering service revenue
 - Growth and advancement in customer engagements
 - Successfully closed a financing
- Very successful 2018
 - First two commercial licenses
 - 50% increase in the number of customers
 - 117% increase in Phase 3 customers
 - 24% increase in Patents granted and pending
- MST is critically needed and available now

198 Patents Granted and Pending





atomera

Thank You