# NASDAQ:ALMU Q3 2026 Earnings Call Transcript

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### Operator | Conference Operator:

Good day and thank you for standing by. Welcome to Illuma's third quarter fiscal year 2026 earnings conference call. At this time, all participants are in listen-only mode. After the speaker's presentation, there will be a question and answer session. Please be advised that today's conference call is being recorded. At this time, I would like to turn the call over to Alex Vialta, Illuma Investor Relations. Please go ahead.

### Alex Vialta | Investor Relations, Illuma:

Good afternoon and welcome to Illuma's third quarter fiscal 2026 earnings call. I'm here today with founder and CEO Dr. Jonathan Clampkin and CFO Christopher Stewart. Today's discussions and responses to questions may include forward-looking statements, which are subject to various risks and uncertainties that could cause our actual results to differ materially from these statements. These risks and uncertainties are detailed in the earnings press release issued today along with the reports filled with the United States Securities and Exchange Commission. These reports, along with today's earnings release, can be found under the Investors section of our website. ALUMA assumes no obligation to update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this call. Throughout the discussion, the company will refer to non-GAAP financial measures, including EBITDA and adjusted EBITDA. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures is included in our earnings press release and SEC filings. Now, I'll turn the call over to Illuma's CEO, Jonathan Clampkin.

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

Thank you, Alex, and thank you all for joining today's call. Today, I'll begin with a recap of the Optical Fiber Communication Conference, or OFC, which took place this March in Los Angeles, and how Illuma's engagements in the AI Datacom market have accelerated. OFC is the premier optical networking and communication conference. And this year, there was a notable emphasis on the massive build-out of data centers for AI. Data center CapEx investments continue to surge. This has placed an historic demand on high performance photonics for interconnects, and the supply chain wasn't prepared. In response, NVIDIA made three investments each of $2 billion in Lumentum, Coherent, and Marvell to secure supply of key components, especially lasers, and $3.2 billion in Corning for components and packaging. Major laser suppliers are sold out. Therefore, investments are being made to scale indium phosphide fab capacity. However, some major hurdles stand in the way. First, adding fab capacity may require several years. Second, although efforts are being made to transition to 6-inch indium phosphide, many claim this won't provide sufficient supply to meet market demand. And last, there is a major shortage of indium phosphide substrates of all sizes. Suppliers are sold out for years, with only limited increase in capacity expected in the near term, and geopolitics adding a degree of uncertainty. When we commenced operations in 2021, we shared foresight with the investment community. We stated that indium was in short supply, that indium phosphide substrates were too small, expensive, and fragile, and that indium phosphide manufacturing doesn't scale to large volumes. We suggested a different path to address the future needs of Datacom and consumer electronics. Don't use indium phosphide substrates. put the detector and laser materials on lower cost, larger diameter substrates, and leverage volume microelectronics manufacturing. GaN on silicon became a mainstream technology for power electronics. Why not work toward indium phosphate on silicon? So we put our heads down to mature our technology. We instilled a philosophy of setting and then beating milestones.

We attracted strategic government and commercial partners, and we grew our talented team to continue building traction across AI, mobile, defense and aerospace, and other key markets. This laid the groundwork for the high degree of interest in our technology at the recent OFC conference. The industry is hungry for a solution to address near-term demand and supply chain constraints and to enable future generation integrated microsystems such as co-packaged optics or CPO. Encouragingly, the industry is thinking long-term. They are taking measures to address near-term needs while also anticipating massive future growth opportunities. The growing demand for 200G per lane transceivers and the transition to 400G per lane provide opportunities for Aluma's high-speed in-gas photodiodes. By not using indium phosphide substrates, we can overcome supply constraints and win on cost. The so-called slow and wide architectures driven by micro LEDs, micro Vixels, and other technologies require new high-speed photodiode array formats. Illuma has been developing such photodiodes on non-indium phosphide substrates for a defense customer, anticipating the dual-use applicability of the technology for commercial markets. Right now, high-power lasers for transceivers are a bottleneck in commercial applications. Customers want more power and better reliability to withstand the stringent requirements for data centers. Lasers are failing at high power and high temperature. The interest in quantum dot lasers has surged for their potential to improve power handling, increase reliability, and eliminate optical isolators. Illuma is the first company to offer MOCVD quantum dot lasers. Compared to MBE, a technique used by others, MOCVD has much higher throughput and is the industry standard for volume production. For example, MOCVD is used exclusively for large volume Vixel manufacturing for facial recognition in mobile phones. Given all the moving pieces in the supply chain, a common question is, where does Aluma fit in the ecosystem? We sit at the intersection of semiconductor materials, photonic component design, and manufacturing, and this is a rarefied and strategic position. Our proprietary platform combines the performance advantages of compound semiconductors with scalable microelectronics manufacturing. We can produce photonics at large volumes with an outsourced supply chain, or we can partner with customers that have their own manufacturing infrastructure. And for very large markets such as mobile, we may license our intellectual property as a go-to-market strategy. Allow me to go into more detail on the tailwinds driving our target markets, which are illustrated in slide two. AI infrastructure and data centers. AI is driving a major build-out of data centers. As mentioned in our last call, the top four hyperscalers invested more than $300 billion in data center CapEx in 2025. This number will approach $700 billion in 2026 and is expected to surpass $1 trillion in 2029. Optical networking will be approximately 15% of this investment. This is the huge opportunity for photonics, and it's fueling a breadth of activity in this space. While photonic components were developed in the 1990s for telecom networks to connect people, today they are needed for AI to connect machines at scale. This market is propelling Illuma's photonics product roadmap forward. Customers are considering our technology to address current supply gaps and for long-term growth opportunities. This provides us with an ideal combination of near-term revenue paths to drive production ramp and qualification plans and to develop longer-term strategic partnership opportunities. This is an exciting time for the photonics industry because higher performance requirements are accelerating innovation. Existing technologies are being pushed to their limits and new technologies are being evaluated for adoption. Photonic components of all shapes and sizes are needed across the data center for slow and wide and fast and narrow transceiver formats. Many of these traditionally depend on indium phosphide technology, which has become a critical bottleneck. Illumis product offerings manufactured with non-indium phosphide substrates are illustrated in slide three. For slow and wide applications, candidates being considered on the transmit side are micro LEDs, micro Vixels, and silicon micro ring modulators. ALUMA's non-indium-phosphide high-speed in-gas photodiode arrays compare with any of these transmitter technologies. For fast and narrow transmitters, indium-phosphide EMLs are being pushed to 400 G per lane performance, as are thin-film lithium niobate modulators and silicon moxender modulators. Aluma's non-indium phosphide high-speed in-gas photodiodes can also pair with any of these transmitter technologies. For silicon photonic CPO transceivers, indium phosphide lasers are a bottleneck due to supply constraints, performance requirements, and packaging complexity. Alternative gallium arsenide quantum dot lasers are being considered to address these challenges. Illuma's MOCVD quantum dot lasers offer high power handling, scalability, and the potential for better reliability. As customers continue to evaluate our photodiode and laser technologies for AI data centers, and we navigate this highly active market, we have gained increasing confidence in our manufacturing approach and go-to-market strategy. Mobile and

consumer electronics. Mobile OEMs are gearing up to adopt shortwave infrared, or SWIR, for image sensors in smartphones. SWIR sensors improve eye safety, achieve high resolution imaging, and can be positioned behind the OLED display, thereby preserving important screen real estate. InGas is the gold standard for SWIR, but it is manufactured on indium phosphide substrates and therefore is expensive and doesn't scale. Alternative SWIR technologies were evaluated but showed subpar performance. Early in Illuma's history, we explained that the winning approach for broad market adoption is to combine the best-in-class SWIR material, ingas, with scalable manufacturing. Our ingas photodiode arrays on non-indium phosphide substrates are optimized for performance and scale and deliver on key technical metrics such as dark current and sensitivity. We have been engaged across the supply chain from the OEMs to the tier one and tier two suppliers. To execute our capital light model, we are partnering with established manufacturers and where appropriate, we can license our technology for this high volume application. While qualification and production will require a multi-year effort, our engagements in this target market are progressing steadily through evaluation and feasibility. At the same time, we continue to mature our technology with foundry partners. The sheer scale of this market is massive, and one that will drive to silicon substrate sizes. This is an exciting growth opportunity for Aluma, and we are carefully positioning our company and technology to capitalize. Defense and aerospace. Aluma's technology is truly dual use. It is high performance technology engineered for the rigors of defense systems, but also applicable to commercial markets. We successfully attracted strategic non-diluted funding from government agencies for development. These programs were leveraged to mature our technology and to gain traction with the government, prime contractors, private defense tech companies, and commercial customers. In several cases, these contracts have progressed to later stage programs focused on technology transition that will benefit both defense and commercial sectors. We recently announced new contracts to advance quantum dot lasers and quantum nonlinear materials, along with partnerships with Tower Semiconductor and Sumitomo Chemical Advanced Technologies. A stated strategic priority for fiscal year 26 was to win three to seven new development contracts for non-diluted funding for R&D and growth of partnership opportunities. We have met this goal, having secured six contracts to date, totaling well over 5 million in value. Supply chain and scaling. On supply chain, we have been working with fabrication foundries, materials companies, integration and packaging partners for several years. A disruptive semiconductor company's supply chain is proprietary information. As an example, in the public domain, earlier this year, quantum company IonQ announced its intention to acquire Skywater, a pure play U.S. semiconductor foundry. IonQ was presumably already working with Skywater as a foundry partner, yet I don't believe this information was disclosed prior to the acquisition announcement. Alluma works with several supply chain partners. These include fabrication foundries, some of which are compound semiconductor fabs and others silicon fabs. Some are capable of 100 millimeter wafer fabrication, some 200 millimeter, and some up to 300 millimeter. For many of our target markets, 150 millimeter wafers are sufficient. Even so, Illuma's use of non-indium phosphide substrates at this size provides a path to scale and meet demand, while overcoming supply chain constraints and winning on cost. Illuma produces starting wafers in-house, but also works with partners such as Sumitomo Chemical Advanced Technologies to enable scaling. For some next generation Datacom microsystems, as well as quantum, integration on silicon is desirable. This is where partnerships with foundries like Tower Semiconductor are key. And lastly, for large volume consumer markets, 200 and even 300 millimeter silicon manufacturing are foreseeable. In summary, we have been working strategically with a variety of supply chain partners to match the technology to market opportunity to manufacturing approach, all the while increasing manufacturing readiness to ensure we are positioned to intersect market adoption timelines. To support our strategic priorities, which include operations and go-to-market execution, our team also continues to expand. In early March, we welcomed Dr. Christiane Poblenz as VP of Materials Operations. Christiane brings 25 years of experience commercializing semiconductor wafers and laser products for consumer markets, including next-generation displays and automotive. She is now leading efforts to scale production of Illuma's large-diameter epitaxial wafers and expand operations. We also recently welcomed Dr. Willie Rachmady as VP of Strategic Partnerships and Ecosystem, Willy was a technical and strategic leader at Intel, driving product roadmaps, intellectual property development, strategic investments, and ecosystem partnerships. At Illuma, Willy will lead foundry and ecosystem partnerships, customer engineering, and technology commercialization strategy. Lastly, on the commercial pipeline and commercial sales. Looking forward, our enthusiasm continues to grow. We

described the wealth of activity across AI Datacom, mobile and consumer, and defense and aerospace. There is also a noticeable uptick in engagements from prospective Quantum customers. Overall, the quality and precision of our engagements have increased, and this is driving our product roadmap execution and discussions with strategic partners. We are prioritizing the most impactful and clearly defined opportunities while qualifying products to meet industry standards and customer specifications. It is highly motivating to see Illuma's vision come to life as we move toward broad commercialization. Now I'll turn the call over to our CFO, Chris Stewart, to discuss the financials.

## Christopher Stewart | Chief Financial Officer:

Thank you Jonathan moving on to our financial results for the fiscal third quarter revenue was $1.2 million compared to 1.3 million in the third quarter of last year and 1.3 million in the second quarter of fiscal 2026. Government R&D contracts were the principal source of revenue for the quarter and continue to provide non dilutive capital to advance our technology and expand our strategic relationships. Gap net loss for the fiscal third quarter was $1.8 million or $0.10 per basic and diluted share compared to net income of $1.5 million or $0.12 per share in the prior year period and a net loss of $1.9 million or $0.11 per share in the prior quarter. Non-gap net loss for the quarter was $701,000 or $0.04 per share compared to break-even in the third quarter last year and a loss of $797,000 also $0.04 per share, last quarter. The year-over-year change in GAAP net income was primarily due to a one-time $2.3 million gain in the fair value of derivative liabilities that we recorded in the third quarter of 2025. Employee-related costs and R&D spending have increased year-over-year as we have added key positions to expand our capabilities and scale our operations. Adjusted EBITDA loss for the third quarter was $911,000 compared to a gain of $109,000 in the same period last year and in line with our prior quarter. We closed the quarter with a strong balance sheet, including $37.8 million in cash and cash equivalents and no long-term debt. Cash decreased $792,000 from the close of the December quarter, reflecting increased spending on new hires and investments in R&D. Going forward, we expect to increase spending as we continue to add additional resources and increase our R&D investments to capitalize on the opportunities in our commercial pipeline. In March, we established an ATM facility to provide us with the flexibility to raise capital when market conditions warrant, and when we believe it is in the best interest of the company and our shareholders. In establishing the ATM, we did not register any additional shares. We simply allocated $50 million of our existing shelf capacity to an ATM. To date, we have not sold any shares through this facility. As an early stage growth company, we believe having an ATM in place is a prudent financial measure that positions us for strategic growth and can serve as a way to attract targeted institutional investors through reverse inquiries. We remain committed to operating in a disciplined capital efficient manner, while ensuring that we are sufficiently capitalized for execution on the value creation opportunities for our shareholders. Turning to guidance, we are updating our full-year revenue guidance to $4.2 million to $4.6 million, narrowed from the previous range of $4 to $6 million. The updated range is primarily the result of delays in the execution of several government contracts and the subsequent start of work for these new programs. Government shutdowns and other factors led to these delays. As we have stated, our government contracts are a great source of non-dilutive funding for development, but they do come with a degree of uncertainty in quarter-to-quarter and even year-to-year revenue. These contracts have enabled our technology development and directly led to commercial traction. As shared in previous earnings calls this year, our focus is on commercializing our technology to capitalize on several high-growth market opportunities, including AI Datacom. Therefore, any future government bids will emphasize later stage development and transition opportunities versus fundamental development and feasibility. To echo Jonathan's sentiment, we are very excited about the momentum that is building across our target markets and the progress we are making with customers and supply chain partners. Interest in Illumis technology has never been higher, and our strong value proposition is being amplified by the explosive growth in the data center market, which is putting a spotlight on the shortcomings of traditional indium phosphide-based photonics. With that, I'll turn the call back over to Jonathan for his closing remarks before we open the call to your questions.

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

Thank you, Chris. To summarize, this quarter further reinforced that Illumis is gaining traction and momentum. We continue to execute our strategic priorities, strengthen our technical foundation, accelerate our go-to-market plan, and expand operations to scale. Building on the momentum from the OFC conference, our customer engagements are strengthening and driving our transition to commercialization. As always, I want to thank our incredible team for their hard work and dedication, and want to thank all of you for your unwavering support and enthusiasm. Operator, you can now open the call to questions.

### Operator | Conference Operator:

Thank you. We will now begin the question and answer session. To ask a question, you may press star then 1 on your telephone keypad. If you're using a speakerphone, please pick up your handset before pressing the keys. If at any time your question has been addressed and you would like to withdraw your question, please press star then 2. At this time, we will pause momentarily to assemble our roster. The first question today comes from Richard Shannon with Craig Hollow. Please go ahead.

### Richard Shannon | Analyst, Craig-Hallum:

Well, thanks, Jonathan, and Christopher, let me ask you a few questions. Jonathan, your commentary on the AI Data Center is very interesting. Not surprised at all about the interest in your roadmaps in the long term, but filling near-term gaps is really interesting. Would love to understand kind of the dynamics around that, and that statement kind of implies that you're your maturity is getting to the point where you could see a, you know, some sort of contract and a win here in the fairly short term. So I want to get a sense of to what degree that conclusion is fair or correct.

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

Thanks for the question, Richard. So I think we're very well positioned because of that balance that's coming, especially from that market. And as I mentioned, There are some supply constraints and certain components are just not being provided by incumbent suppliers at scale. As you know, some laser suppliers are sold out for some time. Indium phosphide substrate suppliers are sold out. And so that's an opportunity for Illuma because we can build some of those components that are traditionally supplied on indium phosphide substrates with our non-indium phosphide substrate technology. So we can overcome supply chain constraints. In the near term, we can scale to larger volumes. There is very strong demand in that market. And ultimately, we believe we would win on cost because of the lower substrate technology. So there are opportunities to build components that already exist, in some cases, The industry is asking for even better performance, like more power out of lasers, but many of these components already exist, already deployed in things like pluggable optics packages. They just need more of them and there are supply constraints right now. So that's a good opportunity for us in terms of near term. And then just very briefly, longer term, as you know, New technologies are required. Technologies need to be really pushed to their limits in terms of things like power handling for lasers, in terms of speed for modulator and detector technologies. And in some cases, the end customer would like to package and integrate these technologies in a different way. than how they're traditionally integrated and packaged in pluggable optics modules. And there, because there is a long-term commitment to continue to build out these AI data centers, customers are interested in making investments in technology development. So I think we're positioned to address some near-term needs for components that may go into pluggable optics modules, as well as sort of long-term growth opportunities where things are going to be carried out in a different way than they have been traditionally.

### Richard Shannon | Analyst, Craig-Hallum:

Okay, Jonathan, that's helpful. Thanks for that perspective. My second question is in the mobile space here. So last quarter, you had mentioned that conversations had been shifting from, you know, product-oriented questions more to, pricing and delivery um didn't hear an update on that but love to hear if there's any progress along those lines here and tying that into your comment today um where you're saying the industry is kind of settled on moving to swear i'd love to get a sense of whether you have specific confidence in any particular time frame for those transitions taking place okay yeah thanks for the question um

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

So the mobile opportunity, as we know, this is a very large volume opportunity, and that industry has wanted to adopt SWIR for quite some time. And several technologies have been developed. I mean, in-gas SWIR, traditional SWIR technology has been around for some time, but the industry looked at other technologies that could potentially enable scaling like colloidal quantum dots or germanium detectors. And what we've seen in direct feedback from our customers is that the performance is just not quite there. It doesn't compete with traditional ingas and doesn't compete with our ingas that's manufactured on a different type of substrate. So I can say with some confidence that the industry very much wants to adopt ingest swear. That doesn't mean that more than one technology won't get adopted or deploy in mobile and consumer electronics. But I think the industry believes and understands and accepts that ingest gives you the best performance. So now can it scale? I can't comment on specifics in terms of timeline, but there are activities happening in the market, meaning the end customers are, no pun intended, sort of mobilizing the supply chain to propose the right solution to this technology deploying in mobile and consumer electronics.

### Richard Shannon | Analyst, Craig-Hallum:

Okay, that's all for Jonathan. Thanks for that. My last quick question is just on the announcement last month about partnerships with Tower and Sumitomo on wafer fabrication or wafer production and fabrication. Curious, do we think of those two specific partners in working with you in certain specific markets? And if so, can you kind of elaborate on those? Thank you.

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

Yeah, also a great question. Thanks, Richard. So we've disclosed information about those two partners. As I mentioned in the past and on the call today, we've been working with several foundries for several years. And in some cases, we're doing manufacturing on smaller substrates for development and small volume. And that might be 100 or 150 millimeter substrate sizes. For some markets, the 150 millimeter substrate size is sufficient, maybe for defense and aerospace and for AI data comm in some cases. For very large volume markets, switching or shifting to 200 and even 300 millimeter does help quite a bit. At the end of the day, some of the chips that might deploy in these large volume markets, like an image sensor in consumer electronics, it's not a chip. And so the sheer number of wafers that would be required to meet the volumes of that market is large. And you see the economics in moving from, say, 150 millimeter instead to 200 or even 300 millimeter. millimeter. So those specific partners, Sumitomo Chemical Advanced Technologies, primarily for wafer production. As you know, we produce epi wafers in-house. We have taken some steps to increase capacity internally, but we've always said that eventually we might be fabless or very fab-lite that if an opportunity comes that requires multiple of the MOCBD tools that we have, we're probably not going to make that capex investment ourselves. We're not going to install, you know, a few or five or 10 MOCBD systems in our headquarters in Santa Barbara, California. We would do that with partners whereby We might transfer technology. We might leverage the tools at a partner site. And Sumitomo Chemical Advanced Technology is an example there to scale wafer production capacity. Tower Semiconductor, as you know, is a pure clay fab. And they have several fabs around the world. They have 200 millimeter fab in California. And that Foundry

partnership actually enables manufacturing for us for more than one market, AI Datacom, potentially mobile and consumer electronics, and also quantum and defense.

### Operator | Conference Operator:

The next question comes from Daniel Germacamp with Freedom Broker. Please go ahead.

### Daniel Germacamp | Analyst, Freedom Broker:

hey guys thanks for the presentation my first question is about the fiscal 2026 guidance that was narrowed down so basically how much of it of that cut is just timing pushing into the next year and how much is permanent and out of six new contracts you signed this year how much of them going to contribute in the q4 or is that all in next year

### Christopher Stewart | Chief Financial Officer:

Yeah, I'd say the vast majority, if not all of it, is timing related. And it has to do with a number of contracts that we have been working on with the government for quite a while. Really just getting through the contracting process and getting these programs kicked off, which allows us to kind of start the work and obviously start the invoicing and revenue just got delayed over the course of this year. Of course, that means that those programs are going to continue longer and we'll see that revenue come through next year. so so really um you know i'd say none of it is permanent loss and it's all just a result of delays in um in getting these things across the line and i think your other question daniel was on uh how much of the new contracts might impact uh the q4 revenue um

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

probably not all that much if you look at revenue to date and the range that we narrowed to. We're a month and a half away from the end of our fiscal year. So as Chris mentioned, several of these contracts started work a bit late, in some cases very recently, in some cases haven't even started yet. So some of that revenue is just going to get pushed into fiscal 27.

### Daniel Germacamp | Analyst, Freedom Broker:

Yeah, I think that makes sense a lot. The second question that you mentioned over 20 active engagements last quarter, and could you just provide more color? How many of them have moved into qualification and how does the new appointments help to that? And is there any production decision that could be made over the next 12 months? Thank you.

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

Thank you. Yeah, a few good questions in there. In terms of engagement, maybe I'll just make one comment. The number of engagements continues to grow. We've mentioned 20 customer engagements. That number in our pipeline is probably upwards of 30 engagements now. But that doesn't necessarily mean 20 that we spoke of before and say 10 new. There's probably more than 15 new engagements. which means some of the earlier engagements may have been deprioritized in favor of others that we see as just being very promising, high quality, and have very clear outlooks and timelines. And some of these newer engagements, many of them do stem from AI Datacom. You would ask something about uh, qualification, what I would say

is that, um, there's two aspects of qualification. There's, uh, qualifying to, uh, industry standards and then qualifying to customer specific, um, specifications. Um, we've done some of our own internal work to qualify toward industry standards. And, um, but for, you know, in terms of customer specific customer qualifications, uh, we have not been qualified by a customer. Customers are mostly evaluating performance metrics at this stage and providing what the requirements would be should we move into qualification with them. But that said, as I mentioned in the discussion with Richard a moment ago, some of what we're developing addresses near-term needs. And in some cases, we're building components that exist in nature that other suppliers already build. They just can't keep up with demand. And so we took it upon ourselves to start qualification work for products that we expect to be somewhat standard products on the shelf. And that takes a little bit of time, but the initial results look very promising. And then in terms of customer qualification, customers might have different requirements that may or may not be synergistic with industry standards, but we are not fully qualified by a specific customer at this time.

### Daniel Germacamp | Analyst, Freedom Broker:

Yeah, thanks. Thanks a lot. I think that's it for my side.

### Christopher Stewart | Chief Financial Officer:

Thanks, Daniel. Great to have you. Thank you. Great to have you on.

### Operator | Conference Operator:

Again, if you have a question, please press star then 1. The next question comes from Tim Savijo with Northland Capital Markets. Please go ahead.

### Tim Savijo | Analyst, Northland Capital Markets:

Hey, good afternoon. Sounds like there's been a lot going on since LFC. It appears you've talked about it a couple times. You know, lasers are the big pain point. I think maybe historically you've described that opportunity, at least for QD lasers, as maybe a little farther out. And so my question is sort of twofold. You know, since OOC or recently, is it safe to say maybe that opportunity has pulled in? And it sounds like, based on your answer to the last question, you may be thinking about making other types of lasers that are currently in short supply. Would that be fair to say as well?

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

Good questions. Thanks, Tim. So I would say that QD Laser has probably been pulled in a bit just because leading up to the OFC conference and since the customer interest has really grown quite a bit and that is for a number of reasons that I think you sort of pointed out. Very large demand for lasers, stringent requirements for lasers in terms of output power, power handling, high temperature operation. And it goes across the chain. Like if there's anything you can do to simplify integration and packaging, you know, it's not just a laser chip itself that that matters. It's getting the light off the chip and ensuring the performance. So quantum dots show potential for isolator-free packaging. And so what I would say has happened over the last few months is that the industry has started to seriously evaluate quantum dot laser technology. And now I don't think that they will rush in adopting any technology. I mean, we're hearing a lot about thin-film lithium niobate on the modulator side and other technologies. But it's clear to us that the AI data market intends to adopt more than one technology and intends to have, in some cases, more than one supplier for each of those technologies. So right now, we're seeing very strong interest in the quantum dot technology. We've been sharing more and

more data with customers. Customers really want to evaluate. the quantum dot laser technology. It might take a little bit of time, but because of the strong interest, we at least internally have made efforts to sort of ramp up our maturation of our quantum dot lasers, maybe a little bit earlier than we initially intended. The other components where we are working to address more near-term needs is probably primarily around photodiodes, high-speed photodiodes, and even photodiode arrays, which requires some customization for those slow and wide applications. I can't say that we are going to start manufacturing traditional lasers. We see more of an opportunity to intersect the market with some newer technology or newer ways of manufacturing technology like the quantum dot lasers.

### Tim Savijo | Analyst, Northland Capital Markets:

Got it. And whether it's on the detector side or on the laser side, I mean, at this point, I guess, how quickly do you feel like, you know, you could scale if, you know, customer decides to go forward? You know, you've got the tower relationship. I guess you've been working that for a while. I would suggest not too far off, but, you know, if customer makes a qualification decision, you know, today, How long would it take you to get to scale to volume production?

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

So I would say that really depends on the qualification requirements of the customer and how quickly we move. Also depends a little bit on the customer profile, because in some cases, our engagements are such that customers just want us to build, you know, scale and supply. In some cases, they want to partner with us, like they might want to leverage the supply chain that we've established, but they have some of their own supply chain partners or some of their own internal manufacturing capacity. So I would say it really depends on the customer profile, but in many cases, we do expect that the partnership with the customers is gonna help accelerate things. Okay, thanks. Thanks, Tim.

### Operator | Conference Operator:

This concludes our question and answer session. I would like to turn the conference back over to Dr. Jonathan Clampkin for closing remarks.

### Dr. Jonathan Clampkin | Founder and Chief Executive Officer:

Thank you all for joining our call today. We look forward to connecting in the future and hope you have a great day.

### Operator | Conference Operator:

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.