NASDAQ:ATOM Q2 2025 Earnings Call Transcript

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spk00:

Hello, everyone, and welcome to Adam Ayers' second quarter 2025 update call. I'd like to remind everyone that this call and webinar are being recorded, and a replay will be available on Adam Ayers' IR website for one year. I'm Mike Bishop with the company's investor relations. As in prior quarters, we are using Zoom, and we will follow a similar presentation format with participants in the listen-only mode. We will open with prepared remarks from Scott Bebo, Atom Air's president and CEO, and Frank Florencio, Atom Air'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 and 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 session, are subject to inherent risks and uncertainties. These risks and uncertainties are detailed in the risk factor section 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 March 4, 2025. Except as otherwise required by federal securities laws, Atom Air disclaims any obligation 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 that 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 Vivo. Go ahead, Scott.

spk02:

Thanks, Mike. Right now, there are a number of macro factors in the semiconductor industry that are in favor of our product initiatives. For this reason, wafer activity at Atomera and customers is currently running at a much higher level than we typically experience, which reflects the number of ions Atomera has in the fire. On today's call, I'd like to give you a flavor of our activity and how new applications of MST are driving our business. Let me start with a review of our work with licensees. A few months ago, SCMicro announced a new initiative to reshape their manufacturing footprint to 300mm silicon production. It was not entirely clear to us how this would affect the smart power segment. Originally, the first BCD110 process with MST was to launch using 200mm wafers, and later the process would be ported to 300mm. We just heard recently, as part of their reshaping initiative, that ST has changed plans and decided to go directly to 300 millimeter, which will delay the rollout of BCD 110 with MST. We do not have a revised schedule, but it's now clear that we will not enter process qualification in 2025. While the delay is disappointing, ST's ambitions for advanced BCD are definitely very aggressive, targeting a significantly higher 300mm wafer capacity at full belt out than we initially expected. We are very excited by the revenue potential represented by those numbers. The move to 300mm wafers is logical since they are fundamentally less expensive than 200mm, which hopefully should assist adoption. As mentioned on our last call, ST has continued to support the adoption of MST and multiple other applications, with more BU's expressing new interest this past quarter as well. We've reached a new high watermark on customer wafer runs at both our facility and our customers' fabs. Many of our licensees are in the process of doing demo runs with us that we hope would lead to production decisions. And during the last quarter, we were able to deliver to them new insights into incremental improvements they can get with MST. Let me provide a few updates on some important customers. At JDA1, meetings with a new senior level management team in conjunction with support from our capital equipment partner, makes us believe that the wafers we are working on for them will drive a decision to use MST in a new application. Both JDA2 and our Fabless licensee are in the process of doing wafer runs with us. We believe these will be critical in

reaching a production decision once they've been able to test the final devices. At our foundry licensee, we are currently in a TCAT exercise to define our next steps as well. Two calls ago, I spoke about a couple new, potentially transformative customers we had started working with. Each of these customers is now running wafers with MST, one in a large-scale demo plan encompassing two business units, and the other engaged on multiple wafer runs to test out different MST applications. Several other customers are in various stages of investigating MST for their products as well. As I said at the beginning of the call, our team is very busy right now, and this is a real positive for our future business. A substantial part of our activity is targeting the advanced gate-all-around and DRAM areas where our source drain diffusion blocking capabilities are particularly interesting, but by no means the only solution we are offering. In these new nodes, everyone is focused on yields, and MST is a tool that can help improve yields. In the power area, our ability to simulate different architectures and integration techniques using TCAD and our own internally developed AI tools has allowed us to propose solutions to customers which we do not believe are possible to implement without MST and have led to potential breakthrough levels of performance. Our work with Sandia and other partners on gallium nitride is making great progress. This past quarter, we've come to understand Even better, how MST can benefit GAN devices, causing us to expand our focus from exclusively GAN for power to also include GAN for RF. To accelerate this work, during the last quarter, we announced a strategic collaboration with Insize, a well-recognized and respected RF test house. They will help us characterize this technology in terms that the market will appreciate, making it easier for designers to translate our process changes to RF electrical spec improvements. We believe RF will be an important growth area for GAN in the future, and several potential customers have already stepped forward expressing an interest in our work. Finally, in RF SOI, we have expanded our offerings to also include the key devices for low-noise amplifiers, or LNAs. I'd like to take a few minutes to give some background on why this LNA offering is so important. Historically, we've worked with RF SOI customers primarily on RF power switches. Last year, many of those customers started asking if we could help improve LNAs in their mobile phone front-end products. LNAs are the technology used by cellular phones to receive and amplify small signals. There are a number of reasons why LNAs need further improvement at this time. Carrier aggregation was introduced in LTE Advanced to increase peak data rates and network capacity by combining multiple spectrum chunks, or component carriers, into a single data channel. Manufacturers have been aggregating up to four carriers, but in the future we expect to see six carriers, which means that more LNAs must be turned on to receive these signals, significantly increasing power consumption. New frequency bands associated with the evolution of 5G and 6G cellular are also driving the need for more active LNAs. The net result is that to bring features that customers are demanding for new phones to market, a solution to lower LNA power consumption must be found. That's where MST comes in. We took existing MST RFSOI transistor components silicon test data, and then use TCAD to re-optimize implants for the LNA devices. We determined that MSD can significantly improve the performance of LNAs by lowering the circuit bias current, and hence the power consumption. We believe based on market reaction, we have started promoting this capability just at the right time. Recently, we presented our findings at an RF technical conference and it has generated lots of inbound interest. Indeed, during the last few months, we've worked with several different RFSOI manufacturers to start new wafer runs using our partner, Soitec's special ultra-thin RFSOI wafers to prove out those LNA benefits. We'll be working hard to shore up this evidence with more data to entice customers to take it to market quickly. What is particularly exciting is that we can provide this LNA benefit in addition to the power switch benefit on RF front ends with a single deposition of MSD on a wafer. So our customer can get two much-needed solutions for the cost of one, which should make it even more attractive. We expect that this type of high-visibility solution with end-customer pull should go to market more quickly than a general performance improvement. I'm always impressed by the amazingly high levels of creativity and innovation demonstrated by Atomera employees across many diverse fields. And today I've spoken about some of the solutions we found for industry problems. You can also measure this innovation by the number of patents we file and have approved. This past quarter, our tally of issued and pending patents exceeded 400, which is quite a milestone for a company of our size. We are definitely punching above our weight. In the last month, we also joined the National Semiconductor Technology Center, which has a goal of extending U.S. leadership in semiconductor technology. There, we expect to provide important contributions, but also benefit from the NSTC focus on reducing the time and cost to prototype new semiconductor technologies like the ones Atomair is bringing to

market. We believe this organization will help create the ecosystem necessary to continue the advancement of Moore's Law. Finally, I'll just reiterate how many active engagements we have underway at Atomera and how we feel on the brink of several of them turning into commercial agreements. The team is working hard. Indeed, we are looking to hire several additional team members, but morale is high and we're excited to see our innovations getting into production. When that happens, we continue to believe that Adam Miller will see increased adoption rates and shorter time to market as competitors race to catch up with those who are already using MST to get market advantage. We are working hard to make that day come as soon as possible. Now, Frank will review our financials.

spk03:

Thank you, Scott. At the close of the market today, we issued a press release announcing our results for the second quarter of 2025. Our summary financials are shown on this slide. Our gap net loss for the second quarter of 2025 was $5 million, or 17 cents per share, compared to a net loss of $4.4 million in Q2 of last year, which was 16 cents per share. GAAP operating expenses in the second quarter of this year were $5.2 million, which was an increase of $565,000 from $4.6 million in Q2 2024. The increase in OPEX was due to a $415,000 increase in R&D expenses, reflecting both higher outsourced device fabrication work and increased payroll costs, and a $215,000 increase in G&A expense, primarily due to higher payroll costs. These were partly offset by a decline in sales and marketing expense due to lower headcount. Non-GAAP net loss in Q2 2025 was $4 million, compared to a loss of $3.6 million in Q2 of last year, due to a $275,000 increase in non-GAAP OPEX, reflecting the same factors I just discussed. Stock compensation expense, which is the main difference between GAAP and non-GAAP operating expenses, was $1.3 million in Q2 2025 and $1 million in Q2 2024. Sequentially, Q2 2025 non-GAAP net loss of $4 million compares to a $4.4 million loss in Q1. primarily due to lower payroll expenses reflecting lower headcount in sales and marketing, as well as 401k timing issues. Our balance of cash and cash equivalents as of June 30, 2025, was $22 million, compared to $24.1 million as of March 31st. We used $3.5 million of cash in operating activities during Q2 compared to $4.8 million in the first quarter. The first quarter of every year has higher cash outweighs for items that are expensed throughout the year. During Q2, we raised approximately $800,000 under our ATM facility, net of commissions and expenses of filing our shelf registration. by selling approximately 185,000 shares at an average price of $5.21. Since the end of the quarter, we've raised an additional $2 million from sales of approximately 392,000 shares at an average price of $5.23, putting our current cash balance higher than at the end of Q2, which will allow us to be selective in accessing the market going forward. For Q3, we expect to recognize a small amount of NRE revenue from wafer shipments to our faultless licensee and to the customer running a large-scale demo that Scott mentioned in his remarks. Timing of that revenue will depend on when wafers are shipped out to those customers. Given FST's shift to rolling out BCD 110 only on 300 millimeter wafers, we do not expect that milestone payments for process qualification will happen until next year. Moving to expenses, on our last call, I narrowed our expected range of non-GAAP OPEX for 2025 to a range of $17.25 to $17.75 million. I'm maintaining that guidance, though we are tracking to the low end of the range. We've spread our outsourced fabrication work over multiple vendors to enable us to address the range of technology areas we're working on, and this spending should trend back to our prior spending levels with TSI Semiconductor. We're also making solid progress in adding new leadership in sales and marketing and bolstering our engineering staff to support our unprecedented level of customer activity. With that, we'll turn the call back over to Scott for a few summary remarks before we open the call up for questions. Scott?

spk02:

Thanks, Frank. Today, Atomera is offering the market several innovative solutions to problems that are difficult to solve without MST. I believe we're in a better position than ever to enable new capabilities for today's challenging electronic devices. With the amount of engagements we have today with top semiconductor manufacturers, it's only a matter of time before that effort turns into the commercial success that will make Atomera a semiconductor technology licensing powerhouse. I appreciate your support as we

work hard to turn this vision into a reality. Mike, we can now take questions.

spk00:

Thank you, Scott. If you wish to ask a question, please click the Q&A button at the bottom of the Zoom window. Then feel free to type in your question. I will do my best to aggregate the incoming queries and relay them to management. Alternatively, you can click the Raise Hand button, and we may call on you to ask your question live. And right now, our first question comes from Richard Shannon of Craig Hallam. Richard, you may go ahead.

spk01:

Great. Thanks, Mark. And thanks, Scott and Frank, for letting me ask a few questions here. I guess I'll ask the first one on STMicro. Certainly a disappointment to see this delay, but obviously a need for STMicro here. I guess my first question is, to what degree is the work you've done with the material millimeter will be useful and be leveraged to 300 millimeter, or to what degree do we have to kind of restart things? Frank, in his comments, said something about not expecting a milestone payment this year, but next year. So it doesn't sound like it's necessarily two years, initial two years, but maybe characterize that somehow, please.

spk02:

Yeah, I think it's important to know that – When we started working with STMicro, they had to learn a lot of things. They had to learn how to deposit MST using EPI and get that working really well and looking very good, and then the manufacturability efforts they've been going through and trying to figure out how to deposit it at, you know, faster speeds so that they can have higher throughput in production. All of that work is – is useful for going to 300 millimeter as well. So at this point, STMicro is an expert on depositing MST, analyzing the results, figuring out how to optimize throughput with that. Manufacturability in general, I should say. On the other side, there's the integration work that has to happen with MST. That's also work that kind of started fresh at the beginning of the contract, and we've done a number of different wafer iterations with them. where they've simulated the MST and then run it and got the electrical results. And at this point, they're quite good at that as well. So I don't think it's at all, I mean, I should say, I think they have got a lot of learnings under their belt that will help them move to 300 millimeter relatively quickly and painlessly. Now, there are some impediments to moving to 300 millimeter. They have to put MST on a 300 millimeter tool. In the past, they've had it installed on 200 millimeter tools, and so they have to obtain that, get it done, and then tune that up, and then be ready to stop making wafers with it. And then I'm sure they're making other changes to the BCD110 technology when they're moving to 300 millimeter, and there will be some integration changes that have to happen, but nothing close to the amount that they were having to do when they started from scratch at the beginning. So, yeah, I'm hopeful that we can move pretty quickly.

spk01:

Okay, but just to be clear, Frank's comments were about expecting the milestone payments next year. That sounds like a fairly high level of confidence in that statement. Is that accurate, Seth?

spk02:

Well, I feel confident. I mean, what I can tell you is that we have shown ST some performance levels that I think would be you know, very, very compelling for them to take to production next year in this 300. And so I think they're going to move as fast as they can to make that happen. And, yeah, I think it'll – Yeah, I hesitate

to make any kind of a statement about when they will get into process qualification, because I'm restricted on that. But I don't if they can get access to the 30 millimeter tool. And by the way, we have 300 millimeter tools, and we've offered to them already that we can do the work of depositing on wafers until they have it ready. And if they can do all that quickly, then I think yes, we we have a chance of doing that. You know, relatively quickly.

spk01:

Okay. Fair enough. Thanks for that detail here. Maybe another question related to STMicro, which is, as we have sort of expected in the years we've been covering you, getting to that first licensee who's committed to it and perfecting it and taking it to production is obviously the really hard move here. and a lot of companies are risk-averse and would rather see somebody else do that first. To what degree have you had conversations in the two years since you announced this partnership with STMicro to move what seemed like a pretty far down the road here with them so far? Have you had any other conversations with potential engagements saying, as soon as you get that done with STMicro, we're willing to go forward?

spk02:

Yeah, I think – People don't say it quite as explicitly as that, Richard, but they say things that are similar to that all the time. And it's definitely true that since we started working with ST and people can see we were getting very close to the end, we've had others that have kind of joined in and said, yeah, okay, we've got to do this as well. So you're talking about kind of the domino effect that I've been talking about for a long time. Once we get with one guy, we'll get with others. And we've seen real evidence of that in the past, yes.

spk01:

Okay, fair enough. Scott, I would love for you to maybe restate and describe a little bit more about this dynamic with one of the transformative customers. I didn't catch the language you mentioned about two – where did I put it here? Two large-scale demos with two different business units and different applications. Maybe explain or restate that and explain a little bit more about what's going on.

spk02:

Yeah, so we – I think in the call in February – I mentioned that we had two new customers who are put in the category of transformative. If they can get to production with us, it will be a very, very significant event. So one of them is doing a very large demo run, the biggest we've ever done, meaning more wafers, more different splits and things that they're trying to test out. And that's fantastic. If they're doing a lot of wafers, what that means is they can get – they can get a lot of cycles of learning. So you take a certain subset of those wafers and you run some tests, and even maybe before you get, you may not even have to wait until those wafers come out at the end before you start running new tests. So if you have a big pile of wafers at your disposal, you can keep doing those and get more and more cycles of learning in a shorter period of time. And so that's what they're planning to do. So we're excited about that. And they're also doing the same type of thing with two different business units at the same time. So, yeah, both very exciting.

spk01:

Okay. When do you expect, you know, you know, I don't know, some sort of conclusion about how successful these runs have been. Maybe we'll hear it on the next call or just take a little bit longer. I know some of these sweepers can take much longer.

spk02:

I think it'll take longer than the next call. We're doing the runs right now. We probably – I think maybe we might see first results if everything goes really well by the end of the year. And then, you know, these things are frequently iterative, so we don't know if they'll get those first results and say, okay, we've got to do another one because we, you know – We need to try something different. But, yeah, I'm hopeful that they'll get something relatively quickly. And it's not like we're just starting from fresh, either. We've been working with these guys for some time on a TCAD level, and so they've got simulations, and we think we're guiding them in a path that will make them successful pretty quickly. Okay. Fair enough. Yeah, the other transformative customer you asked about also with them, they also are, they're working on multiple wafer runs in multiple different application areas. So definitely different than the first, it's an entirely different area that they're in. And we've proposed a number of things they could do with MST. And so they're trying out a few of them. And so That's pretty exciting as well, and we're giving them a lot of support.

spk01:

Okay. Sounds great. We'll look forward to more updates there. Scott, let me ask about something I think we talked about in the last call about this unnamed equipment vendor partner that you've been working with. And I think specifically you mentioned, I think it's related to JDA1, where they've been helping you there. Maybe just talk a little bit more broadly about what kind of engagements you've been working on with them. And I'm not sure if I – I don't think I asked this last quarter of you, but what kind of application areas are we talking about here? Is this leading edge, wireless, or RF, or just any way you can characterize where they're focused with you?

spk02:

Okay, so a number of questions there, which I'll be happy to dive into. So first of all, the applications areas. We announced a strategic partnership with them – for gate-all-around devices. And so that's where ostensibly the focus was supposed to be. But now that we're getting deeply involved with them, it's natural that we're kind of expanding into other areas because once you start talking to someone about trying to, you know, work on a customer and you need help, you can pull them in. to help you in a number of different ways. But the strategic collaboration is around GATE all around, okay? So I think the first part of your question was how is that going? Is that right?

spk01:

Yes, yeah, and maybe describe the breadth of the engagements in any way.

spk02:

Yeah, so shortly after our announcement, we started having management-level meetings with them to talk about exactly – How do we want to try to focus on addressing this segment? We've done a lot of work in that area, so it isn't like we're starting from ground zero. As a matter of fact, we've done some work with them. They've also done a lot of work. And so we defined a number of different areas where we're going to work together to develop the test data that's necessary to really convince customers to use this and to take it to production. And we're doing a lot of work with them, since then. As a matter of fact, we have weekly meetings and constant updates to what we're working on and how the progress there is going. Separately, we're also talking with their executive management about kind of customer relationship type of engagements, like who do we need to talk to at what customers? How can we jointly go in there and offer a better solution together than we could separately? And so those discussions are underway. We've had a few meetings with

customers. I hope to have a lot more as we come out of the kind of summer slow season.

spk01:

Fair enough. Let me ask one question of Frank, and I'll jump out of line here. Frank, I think you mentioned for your OPEX guidance that you're keeping the same but kind of angling towards the low end here, yet you're talking about a number of hires here. Maybe, A, can you kind of describe some of the needs here from an OPEX point of view, especially, I guess, more on the engineering side, what do you need there? And then does this extrapolate into a noticeable or meaningful growth as we look into calendar 26?

spk03:

Yeah, I think that the reason I'm kind of keeping the guidance where it was but also talking about new hires is really just on the timing. We're into the second half of the year. You know, obviously when our VP of marketing left, that wasn't anticipated, and we had, you know, planned on adding an additional headcount in sales and marketing. So now we're sort of, you know, still doing that and backfilling that person who left. And so those are two hires that were kind of planned, you know, from the beginning, and now we've sort of spent less in the first part of the year, and we'll kind of trend back to that. You know, in engineering, this is just consistent with the amount of customer activity that we have. You know, some of the folks that are supporting, you know, our customers, you know, Our, you know, the teams are a little bit lacking in depth on the bench. And so we just, you know, we're kind of overwhelmed with the work that we need to do. And so we need to add there. But I wouldn't read into that to say that we're going to, you know, you can draw a line there and that we'd continue to grow, you know, in years going forward. I think this is really just, you know, catching up to the demand and on the sales and marketing side, we're really backfilling on positions that we used to have full if you sort of turn the clock back a year ago.

spk01:

Got it. Okay. That is helpful, Frank, and that's all for me, guys. Thank you. Thanks, Richard.

spk00:

Thank you, Richard. And some questions coming in on the Q&A chat here, Scott and Frank.

spk02:

um the first one is do you anticipate other existing customers moving from moving on from current 200 work and instead focusing on 300 million um yeah i don't i wouldn't say uh it's necessarily an industry-wide trend it's not a bad trend for us i think it uh the Setback with ST is primarily because we had initially started doing work in 200 and are going to transition to 300. But I would say for the majority of our customers today, we start working on 300 from the beginning. Our technology works perfectly fine in both of them. And, yeah, I would say the threat that some of our others move from 200 to 300 is relatively low.

spk00:

And, you know, you mentioned to Richard a little bit about, you know, the hoarding of MST to 300 millimeters at ST. Is that a heavy lift to move? Or, you know, can you talk a little bit more about or expand on what you said to Richard about moving?

spk02:

Yeah, I don't think – so as I always explain to Richard, there's two pieces to the – to the move one piece is changing is moving the epi side which i really don't think is a is a heavy lift from an engineering perspective now the challenge there is that you need to have a tool that you can convert over to run mst And so for some people who don't have a tool that can be an impediment, you know, I'm not going to comment on ST's capability, but they're a very big company with lots of resources. And so if they could get a 300-millimeter tool, they could convert it over very quickly to be able to run MST, and their EPI engineers are already fully trained. On the other side, the integration – Again, I don't think it's a heavy lift. They understand MST. They know how it works. They know how to integrate it into their devices. The only question there is whether they're planning some other changes to the 300 millimeter that we need to make some changes to MST to react to. I'm not sure what's happening there. This is kind of all new and new information, and we will – but I don't – on balance, I would say – these guys understand what they need to do and there's no major impediments.

spk00:

Great. Thank you. And can you provide, and you touched on this a little bit with Richard, but can you provide an update on the collaboration with the equipment partner that was announced last quarter? And are you seeing synergies from the partnerships and specifically in GATE all around?

spk02:

Yeah, I mean, we're already getting some benefit from, so first thing, that we did with this partner after the announcement was to get together and start thinking about what customers do we want to go after and what are the key applications that need, that the customers are looking for and how can MST help in those. We did identify a prioritized list of application areas that we wanted to address, some of which I would say the most important ones we were already working on, but then there are some others they raised that we hadn't really started too much work on. The good news is we immediately set out to create an engineering plan where we would do the testing and process development to be able to test those things out and give the data to the customers so we can win the customers. So I think that's been something we've already done quite a bit of work on and will continue to. That's going to be the long-term trend of how a partnership works here. And on the other side, we need to do more on the business side. I think the business side is lagging a little bit, the technical development, which is natural because we need to have the kind of the data to do a marketing pitch to a customer, and we're working on that together. But I think very soon we'll start to do a lot more at the kind of senior level customer relationship.

spk00:

Great. Thank you. And given the explosive demand for data centers, what's the market demand for MST, SPX, and what are Atomair's plans to capitalize on the trend?

spk02:

Yeah, I mean, everything we're doing in power, which is MST-SVX and gallium nitride, all the gallium nitride power work we're doing is definitely well targeted at the data center. And both of those technologies will help to seriously reduce power consumption, make our customers' power products much more efficient, and we think that's a big opportunity. We also – I may have mentioned this on an earlier phone call, but we have some early stage work on 48-volt power devices, which is – what the new AI data centers are moving to as the standard for the rack power supply voltage. And we think we might be able to provide some real benefits to the trench vets that are used to make those type of devices. And so, you know, we're talking to a number

of customers about that now as well. Great.

spk00:

Thank you. And here's another question. They'd like an update on the progress of contract discussions with memory customers for DRAM and high bandwidth memory. And any recent patents seem to suggest you're proposing a new memory architecture interconnect architecture. So he asks if he's curious if this is part of a process to create new IP for memory device structures beyond MST.

spk02:

So first part of the question about the contract, so we won't comment on, you know, contract discussions until we actually have a contract closed. So I'll probably pass on that part of the question. But, you know, the second part, Yes, we're constantly looking at important market needs and then trying to figure out how to create IP to take advantage of those needs. So if we figure out a Customer has some demand, and MST can help to support that. The first thing we do internally is we do some development efforts and try to come up with a solution, and then we patent that solution, and then we bring it out to the market and start pitching it to customers. And so... If you really go in and analyze our data, you can see some of the ways that we've looked at different markets. In this case, you're asking about the memory market. We have been offering solutions in the memory market for sense amps for several years. We also have some of the same technologies that are advantageous for gate all around. We'll also be advantageous for some of the new the newest DRAM nodes that are coming out. We also have some technology around new architectures that are either enabled by MST or are just great ideas in general that we may have patented. And all of those are things that we'll be out marketing to the customers in the future. And I don't know if you want to add anything to that, Frank, but

spk03:

No, no, I think that you've covered it. I mean, there are a number of recent patents, both on specifically MST-enabled solutions for DRAM that we've been talking to customers about for a while, and there are a set of patents. new technologies that we have patented. You know, those do offer, you know, potential other revenue streams in the future beyond just sort of the MST film, but that's very early days. And it's important in those kinds of technologies to get the patents completely filed and issued before we'd be ready to talk to customers because, you know, In our business model, what's the real kind of core IP for us is the MST film. But when we start getting out into other kind of architectural type patents, you really need to have those completely filed and issued before you talk to customers. So, you know, the person asking the question is right to sort of focus on the patents. I think that's important, but that's more of a future activity.

spk00:

Okay, thanks. Another question. Does becoming an official member of the NSTC increase the possibility of receiving CHIPS Act subsidies?

spk03:

I think the answer is yes, but one of the primary reasons for it is not necessarily the chips act directly in terms of getting direct funding on it. One of the issues that you face in our business is when we had TSI Semiconductor, it was great because we could run a lot of test chips, but it was on a very old technology, 180 nanometers. Now that we see that we're working with a lot more kind of advanced transistor structures, gate

all around, DRAM, et cetera, one of the biggest challenges that we have is finding places where we can affordably test MST on those kinds of structures. And historically, there have been very few labs, and access to them is extremely expensive. With NSTC, and particularly in the current phase of the CHIPS Act, which is more around R&D and prototyping of new materials and new devices, our hope is that we will get access to... more testing and metrology that's required to test MST on those kind of structures. That being said, it also puts you much more in the conversation of where – it does give you a look at where there are funding opportunities coming up that we could apply for. So I do think it increases the chances of getting chipset subsidy, but I think indirectly the ability to get access to prototyping and those kinds of services is almost more important.

spk00:

All right. Well, thanks, Frank. Scott, at this point, we'll turn the call back to you for closing comments.

spk02:

All right. Well, thanks. Thanks, Mike. And thank you all for joining us to hear the progress being made at Atomera. Please continue to look for our news, articles, and blog posts, which are available along with investor alerts on our website, atomera.com. Should you have additional questions, please contact Mike Bishop. We'll be happy to follow up. Thanks again for your support, and we look forward to our next update call.

spk00:

Thank you. This concludes the Atomera conference call.