NASDAQ:ATOM Q3 2025 Earnings Call Transcript

Generated on 6/10/2026

Mike Bishop | Investor Relations:

Hello, everyone, and welcome to Adam Ayer's third 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 Ayer's 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 a listen-only mode. We will open with prepared remarks from Scott Bebo, Atomera's President and CEO, and Frank Lorenzio, Atomera's CFO. Then we will open the call to questions. If you are joining by telephone, you may follow a slide presentation to accompany our remarks on the Events 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-looking 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 end report on Form 10-K filed with the SEC on March 4th, 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'd like to turn the call over to our President and CEO, Scott Bebo. Go ahead, Scott.

Scott Bebo | President and CEO:

Thanks a lot, Mike, and good afternoon, all. This has been a quarter of both challenge and validation. one that underscores the reality of bringing a new material technology to market and the opportunities that come when you solve fundamental problems for the semiconductor industry. I'll start by addressing our update with SE Microelectronics, then depart from our regular format to review the broader picture, the momentum we're building with new customers and the different market opportunities that Atomer's technology is being used to address. As many of you have seen in our announcement, our work with SU Microelectronics on their smart power platform reached an inflection point this quarter. During this program, we were tackling a very difficult performance trade-off for their 200 millimeter platform. We achieved what we set out to do, significant performance improvements in key device metrics. However, that higher performance came with a corresponding reduction in device lifetime, often referred to as reliability, which failed to meet all of ST's specifications. Over many months, our two teams worked closely to resolve this trade-off. Then ST, as part of a reshaping of its manufacturing footprint, announced they would discontinue development on 200 millimeter wafers to focus exclusively on 300 millimeter for the next generation BCD110 platform. At about the same time, Adam Ayer discovered a new MST implementation validated through our TCAD simulations that doubled our performance improvement without the associated reduction in device lifetime. In other words, we found a way around the trade-off, an improvement only made possible by using MST. Over the last few months, ST validated our findings for the new implementation. However, because this new version required a device architecture change that would take multiple learning cycles to validate, they determined that they could not incorporate it and still meet their aggressive BCD 110 launch schedule. Therefore, ST informed us that they will take BCD 110 to market without MST, and currently they have no plan for a future variant that includes it. That means we no longer have a line of sight to royalty revenue at ST for this particular program. While that outcome is certainly disappointing, there are several important positives I want to emphasize. First, at STMicro, we demonstrated significant performance gains and proved MST's integration capability inside a

tier one production fab. Second, we've now developed a very high performance solution that eliminates the performance reliability trade-off, which is a significant new differentiator for us going forward. One that we are already actively discussing with other players in this market. And third, ST has reiterated their intent to continue working with us in other technology areas where MST could add value. Under their license with us, they continue to run experiments across several different businesses. This chapter with ST underscores that moving a new material into mass production is rarely linear. The learning from this effort gives us a stronger foundation as we engage with others in the same power market segment, including with a very large existing customer and even a new engagement that began this past quarter. Customers are now evaluating MST for power devices between 5 and 48 volts. It's important to keep in perspective that ST is only one of many large customers we're working with today to take MST into production in the power area. We also have three other very active technology focus areas. In the gate all around space, there are three large competitors and one that's still emerging. We're working with or in discussions with all three of them. I mean, all four of them. In the DRAM space, there are three large manufacturers and we are engaged with two of them right now and have a good relationship with the third. In the RFSOI area, we're doing integration work with four different fabs and a fabless player right now with many of them running wafers. So you can see that we have no lack of opportunities across several different segments. Indeed, during the last three months, we processed a record number of wafers for our customers. When we look at all these opportunities, it's helpful to understand how we prioritize our business in terms of revenue potential. The first being the fastest time to market, second being the highest return on investment, and the third being breakthrough long-term growth. One of the fastest ways to get Atomera's technology to market is through applications which use MST deposited on top of the starting wafer rather than inserted into the middle of the manufacturing line. There are many reasons why this can accelerate revenue. First, customers can simply acquire an MST starting wafer and run it through their standard production flow with very few process modifications for an easy experiment. They don't have to install MST, deal with the complications of wafers being transferred in and out of their fab, make major changes to their process to integrate it, or complete a license agreement. The price of MST can be built into the cost of the starting wafer, which gives Atomera the same revenue, but the customer will not view the cost as a royalty. And it's certainly faster to get MST starting wafers qualified than something integrated into the middle of the process. Today, we use MST starting wafers in our work in RFSOI, in GAN, and possibly soon in next generation DRAM. we actively seek out these implementations because of the relatively easier integration and shorter path to revenue. The second set of applications have enormous revenue potential, but the development process can be more demanding because MSD is inserted into the middle of a complex set of production steps. It is worth it though, because the upside represents a massive return on investment, including in the areas of data around logic, DRAM, power devices, and other memory products. One design win here will ensure the future success of the company. And as I mentioned earlier, we have at least six or seven of those efforts underway today. In GATE All-Around and Advanced Memory, our partnership with a leading capital equipment company announced earlier this year is showcasing our competence at advanced nodes. Using their test infrastructure, we've been able to validate MST's ability to reduce contact resistance, improve channel reliability, and be deposited in the tiny structures of nanosheet transistors. We are very excited by the deep cooperation and customer interest generated through this partnership. This quarter will be hitting the road on joint visits with our customers to persuade them that issues in the manufacturing process can be solved using MST. The weight of our partners endorsement cannot be overstated. Finally, we have an abundance of new breakthrough materials enabled by MST under development in the background through commercial partnerships and university collaborations. For many of them, we've already filed fundamental patents and we're now in the process of making prototypes and understanding their capabilities. This is the type of program, for instance, which launched our GAN work. We have a dozen similar initiatives in early investigation, several of which might become near-term disruptive technology announcements in areas like quantum computing, AI server power, high bandwidth memory architectures, piezoelectric devices, optical networking, and a variety of other areas which have the potential to enable entirely new applications. Farming out the early R&D whenever possible allows Atomera's core team to keep a laser focus on the nearer-term revenue opportunities and apply more resources only when we see the potential of these innovations coming to fruition. Our gallium nitride initiative continues to deliver exciting progress. In collaboration with Sandia National Labs, we're in the process of completing device fabrication to highlight our

improved electrical performance. Prior results have confirmed MST's ability to enhance GAN growth on silicon substrates, a major barrier for high-volume production, and have garnered interest from our first commercial customers. We hope to release a complete dataset publicly later this year, which will be the precursor to a full-scale rollout. As we continue our GAN work with Sandia, they are now seeking to expand the areas of R&D engagement on a range of Atomera technologies, corresponding to their highest priority development areas. The semiconductor industry is clearly entering a new materials innovation cycle. Across logic, memory, power, and RF, engineers are hitting the limits of conventional scaling. They're searching for material solutions that can boost performance, improve reliability, and reduce variability, exactly where MSD delivers value. This is particularly true in AI infrastructure and data centers. where the demand for power efficiency and thermal management is driving renewed focus on device-level innovation, which MST can deliver. One of our principal challenges is to ensure that potential customers know about MST, and that is why I'm so excited to welcome Wei Na as our new VP of Sales. Wei has had experience growing a semiconductor technology licensing business, very much like Atomera, from scratch. selling to the exact same customers we are addressing, and we believe his leadership will help us both grow sales and convert existing opportunities into licenses. Our priorities remain clear. Emphasize MSD starting wafer products like RFSOI and existing engagements to get to production and revenue as quickly as possible. Two, leverage our strategic OEM partnership to advance active engagements in gate all-around logic memory, and power through our comprehensive silicon test results and early licenses. Three, bring MST for GAN technology to a customer-ready stage with shareable electrical data. And four, maintain fiscal discipline as we transition from R&D validation and integration to revenue-generating licenses. Our mission hasn't changed. It's to enable better, faster, and more efficient semiconductors through advanced materials engineering. That mission remains as relevant as ever. I want to thank our employees, our customers, and our shareholders for their continued confidence and support. Every quarter, we move closer to the point where MST's impact will be felt across multiple product lines and foundries worldwide. With that, I'll turn the call over to our CFO, Frank Lorenzio, to review our financials.

Frank Lorenzio | Chief Financial Officer:

Thanks, Scott. At the close of the market today, we issued a press release announcing our results for the third quarter of 2025. Our summary financials are shown on this slide. Our gap net loss for the third quarter of 2025 was $5.6 million, or 17 cents per share, compared to a net loss of $4.6 million, which was also 17 cents per share in Q3 of last year. Gap operating expenses in the third quarter of this year were $5.7 million, an increase of $857,000 from $4.8 million in Q3 of 2024. This was due to a $544,000 increase in R&D expenses, reflecting both higher outsourced device fabrication work and increased compensation expenses, and a $353,000 increase in G&A expenses, primarily consisting of higher stock compensation expense. Sales and marketing expenses were basically flat. Non-GAAP net loss in Q3 2025 was $4.4 million compared to a loss of $3.9 million in Q3 of last year due to a $423,000 increase in non-GAAP operating expense, primarily reflecting the higher R&D expenses I just discussed. Stock compensation expense, which is the main difference between GAAP and non-GAAP operating expenses, was $1.3 million in Q3 of 2025 and $907,000 in Q3 2024. The increase in stock compensation expense, which is non-cash, reflects the adoption of performance-based RSUs or PSUs for executive equity-based compensation in March of last year. PSUs vest over three years rather than four years, as is the case for time-based RSUs. However, PSUs will only vest if we deliver shareholder returns that meet minimum targets relative to the Russell 2000 Index. Sequentially, Q3 2025 non-GAAP net loss of $4.4 million compares to a $4 million net loss in Q2, primarily due to higher R&D expenses. Our balance of cash and cash equivalents as of September 30th, 2025 was $20.3 million compared to $22 million as of June 30, 2025. We used $3.4 million of cash in operating activities during Q3 compared to 3.5 million in the second quarter of this year. During Q2, sorry, during Q3, we raised approximately $2 million under our ATM facility net of commissions and expenses by selling approximately 393,000 shares at an average price of $5.23. Since the end of the quarter, we've raised an additional $836,000 from sales of approximately 171,000 shares at an average price of $5.03. As of today's date, we have 31.7 million shares outstanding. In Q4, we expect to recognize between $75,000 and $125,000

of NRE revenue from wafer shipments to customers running the demos that Scott mentioned in his remarks. Those shipments and the associated revenue recognition will happen in Q4 as well as into next year. Gross margin was negative this quarter because a portion of the cost for MST deposition on those wafers was incurred during this quarter, but the revenue will be recognized as we ship the wafers going forward. Moving to expenses, I expect our non-GAAP operating expense for the full year 2025 to be in the range of 17 and a quarter to 17 and a half million dollars. Sales and marketing expenses ticked up last quarter in connection with recruiting for both sales and marketing leadership roles. The compensation expenses associated with those roles are built into our plan. Our recruiting efforts have started to pay off with the hiring of Wei Na as our VP of sales. With that, I'll turn the call back over to Scott for a few summary remarks before we open the call up to questions. Scott?

Scott Bebo | President and CEO:

Sorry, a little trouble with the Zoom controls here. Thanks, Frank. Across all of our technology focus areas, we have strong developments underway with the leaders of the industry. I hope today we've given you a sense of our wide and deep potential to deliver important material solutions that will ultimately make Atomera a financially successful technology provider across many different semiconductor segments. I appreciate you taking the journey with us. Mike, we will now take questions.

Mike Bishop | Investor Relations:

All right. 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. Right now, our first question comes from Richard Shannon of Craig Helm. Richard, if you would kindly unmute and you may begin.

Richard Shannon | Analyst, Craig-Hallum:

All right, great. Hopefully, am I muted here, Mike? You got it. Thanks. All right, excellent. Thanks, Scott. Frankfurt, let me ask a few questions here. Scott, maybe let's do a redux on STMicro. So I guess my first question here is, so it sounds like you did a new design on 300 millimeters that you validated in your simulations, but there would have been multiple cycles of learning to validate for ST. So is that trying to match your simulation to, you know, the real world and to their simulations to make sure that it worked and that cycle time was just too much, uh, to fit within their timeframe and getting to 300 millimeter. Is that the kind of the dynamic here that led them to their decision?

Scott Bebo | President and CEO:

Yeah. So first of all, the work, the, uh, the new implementation we came up with, uh, would have worked on 200 millimeter or 300 millimeter. Um, um, And actually, if you let me digress one second here, Richard, because I've gotten a number of questions that have come in where people were asking, you know, when did you know about this trade-off between the reliability and performance? Every time you do a development, it's about trade-offs. you're doing a trade-off on one thing. I mean, you get, that's why we always talk about cycles of learning. You get some big improvement in one area, it breaks something else. And then you have to go in and you have to work to fix the other thing and try to get to a point where it's all balanced out. So this trade-off work that we were doing is not at all unusual. It's what we do with every customer all the time. What is unusual is that because they made the transition from 200 to 300, we lost the ability to bring in that ultimate solution and get it done for them in time. Because the 300 delayed their development efforts and then they needed to get into production fast. And so they just didn't have time to run the validation runs to get our new

thing proven out. I'm not sure that answered your whole question. Let me know.

Richard Shannon | Analyst, Craig-Hallum:

You know, I guess the point here is that it sounded like they were confident that this solved not only the performance, but the reliability issue that you discovered in 200 millimeter. And it was just the timeframe that was too tight for them to want to continue right now.

Scott Bebo | President and CEO:

Yeah, that's right. Originally you asked about the simulation work. So we do simulation based on what we believe a customer's process needs manufacturing processes, but that's usually very secretive. They don't give anybody that information exactly. We can make our best approximation. And so we made a TCAD simulation that showed, yeah, we really got this great improvement. And we gave it to them in this summer. And then they spent the next two months running their own simulations. Their simulations are very exact to their own manufacturing process. And so what they did was they put in all the improvements we saw, we proposed, and they came back and they said, you know what, when we run our simulation, it also brings that level of improvement. So ultimately, I mean, the good news here is that they confirmed it. It makes us feel very confident to bring it out into the market as a new product. And it also makes us confident that at some point in time, we're hopeful we can re-engage with SD on that particular product and have them uh you know take it forward and make it put it into their uh process

Richard Shannon | Analyst, Craig-Hallum:

All right, fair enough. Let me follow up on one other comment you made related to STMicro and then we'll move on to some other topics here. So what seems obvious and you just commented on is the ability to take some of the learnings from the process with ST and take it to other customers in the power space here. What have you been able to do so far? Can you use similar kind of structures that you've built with ST and use those with other power customers? Maybe just kind of give us a sense of the benefits you can see from the situation.

Scott Bebo | President and CEO:

Yeah. Sorry. Exactly. So what we did with ST, there's a technique in architecture that the industry has known about for some time, but it hasn't been implementable. When someone builds it, it causes too many things to break, and nobody's ever been able to get it to work. But because of the way MST works, because of the way it prevents dopants from diffusing uncontrollably, we believed that we could get that process to work so this is not like something no one's ever heard of it's it's something that one of those theoretical things that no one has been able to get work working well and now we can get it to work well and so yeah it's we're not taking anything from like any proprietary st information this is like a standard tech design technique that we can suddenly make work because of mst and so yeah we can take that out to other customers and they kind of understand the concept immediately

Richard Shannon | Analyst, Craig-Hallum:

All right, fair enough. Let's move on here. The last number of quarters, you've talked about transformative customers here. And unless I missed something, you didn't use naturally use that phrase here today in your prepared remarks. But I think you did mention a large demo run, which I think refers to one of them. And I think it's also contributing to some of the revenues this year. I will ask a question of Frank on the revenue

side here in a second here, but maybe it's kind of detail where we're sitting with the transformative customers. And I do want to hit on one specific point that I had a question on actually asked Mike Bishop offline early today. And he said to ask this question of you, which is you've talked about. two or maybe three of these customers i want to make sure how many we're talking about and which ones are still ongoing versus any ones that may be stalled so if you can if you can enumerate that first and then discuss uh what's going on with this large demonstration you talked about last quarter and i think you briefly mentioned today that would be great okay yeah uh i know everybody is frustrated with the code words and i am too but we so in

Scott Bebo | President and CEO:

In January or February, we unfortunately had to announce that one customer that we had called transformative had discontinued our, we were negotiating a deal and they had backed out of the deal. And that customer, we continue to have good relations with them. We talk with them regularly, but we are not on an active engagement with that customer right now. In that same call, which I think was early, was in February, we mentioned two new transformative customers that were getting underway. And yes, we are working very actively with them. When we talked about a record number of wafers that we're processing, it includes those two customers that we called transformative back then. And so... Now, today, I mentioned these four different segments and how we're working with a lot of customers. And then I broke it down by revenue potential. And the folks in the middle, folks that are doing gate all around, folks that are doing DRAM, the really big players who are doing power and other memory architectures, they are all massive. And they're all customers that I would call transformative and So we're working with more than just those two that I mentioned on the call.

Richard Shannon | Analyst, Craig-Hallum:

More than just the two that you would refer to as transformative? Is that what you're saying, Scott? Yeah.

Scott Bebo | President and CEO:

To discontinue the term transformative, these two customers I spoke about as transformative in February are just very, very large revenue potential customers with very big processes that we hope to get going on. But we're also working with other customers who are also very large and have the potential to be transformative.

Richard Shannon | Analyst, Craig-Hallum:

Okay. Well, let's talk about the specific transformative customer you talked about last quarter that you're doing a large demo run here. What's the update on what's going there? And is that leading to at least some contribution to the revenues you're guiding to this quarter?

Scott Bebo | President and CEO:

Yes. Maybe I'll let Frank answer that. But so one of the there's some trickiness about about when we book revenues. And so we have a lot of customers, the revenue that we're putting out this quarter is based on several customers. I can't answer whether that specific one is, is in Q3 or it will be in the guidance that Frank gave for Q4, but it's, but it's, you know, we're getting revenue from wafer runs with that customer.

Frank Lorenzio | Chief Financial Officer:

Yeah, that's right. I mean, the revenue guidance actually covers multiple customers, three different customers, and it's spaced out over time. And while I don't like to... show negative gross margin, the timing issue gives a little bit more visibility in the sense that we do a bunch of the deposition work, which is when we incur the costs of our tools, the metrology, and the labor associated with it. And oftentimes, these can get matched up pretty quickly with the revenue because it's a small number of wafer runs. And that's been true in the past. But we've been talking now for a couple of calls that we've been working with a very large customer on the largest wafer run that we've ever done. And we also have other customers. So now what you're seeing is we do a lot of that work. We don't ship all of those wafers out. We don't necessarily do all the deposition because the nature of these engagements is it can be iterative. You may do some wafers for setup. You run a series of tests, the customer validates those, you get some feedback, you then do another run with slightly different conditions, either, you know, on the MST or how the customer processes it with implants and things of that nature. So you can get, you know, a lot of activity in one quarter and then the wafers will ship out, you know, over time. And, you know, one of the challenges in sort of giving guidance is it isn't set in a schedule of we're going to ship, you know, 25 wafers this month and 25 wafers two months after that. Sometimes it really depends on what the customer learns in the process of evaluating that, setting up a new set of experiments, and then we ship out more. So yeah, there's multiple customers here, and these are important engagements in different application areas.

Richard Shannon | Analyst, Craig-Hallum:

Okay. All right, that's helpful, Frank. I'll probably follow up with you a little later on that one. Maybe two more questions, I will jump out of line here. First of all, Scott, in your prepared remarks here, and I'm sure we'll review these in detail when the transfer comes out here, but you talked about kind of segmenting your opportunity based on where in the stack your MST is applied here, and you're talking about on top of the wafer versus somewhere in the middle. Certainly, it's layers in the middle, or I think it's fairly understood, especially for me who's not a device guy per se, that that's very complicated, but vice versa, if you can apply just on the top, That seems to be a much simpler process, which also implies it might be an area whereby which you might expect to see or hope to see your first license here just from a time to market perspective. So two questions for you is, I think I miss the applications areas that that specifically applied for. And B, would you agree that that's a very... a somewhat likely or very likely situation by which you first reach, first, you know, manufacturing, licensing, commercial production?

Scott Bebo | President and CEO:

Yeah. So first of all, yeah, you're right about being deposited on top of the wafer makes it much easier. The applications that we specifically spoke about that do that is RFSOI and gallium nitride and also In the future, we have some ideas on next generation DRAM that could use it. So one thing to understand very briefly is when we deposit MST in the bottom layer, it has to be on a process that doesn't use incredibly high heat for long periods of time. So if, if we deposited if it was on a MST starting wafer, and then someone put the wafer into an annealing step that was 1100 degrees for an hour, then that would really damage the MST itself, and it wouldn't work. So the only time we use MST on the starting on the start of a wafer is on manufacturing processes are going to be lower temperature. And there's a lot of those, like RFSOI is run at very low temperatures. The new gate all around lys processes, they're trying to run them at very low temperatures. So in theory, MST could be on the base, on the starting wafer for those. Gallium nitride, we put MST on bottom before it grows the gallium nitride on top of it. That one isn't quite as low temperature, but it doesn't matter. The MST still works as a starting wafer. So I think... A layman might say, well, why don't you just do every process as a starting wafer if it's much easier and faster time to revenue? Well, it has to fit a certain dynamic, which has to do with this temperature range. You had a second half of your question and I've talked all this time and forgotten it.

Richard Shannon | Analyst, Craig-Hallum:

You hit the applications. I think you've answered most of it. So I think that's very helpful. Last question for me, I'll jump out of line. You talked about this large capital equipment partner. And I think today you mentioned about going on a roadshow here. Maybe just kind of give us a sense of how broad the engagements are with this company. I think in the past you've mentioned too, I don't know if that was the limit or there were more you just didn't mention, but how do we understand the scope and breadth of your interaction with customers through or with them?

Scott Bebo | President and CEO:

Okay, so the stated aim of our partnership is in the gate all around market. And that was what we announced in our press release. However, I have to say that there's great value in this partner working with us in everything. And there's value in us working with them in everything. So we have talked to them a lot and done some work on DRAM as well. So basically, yeah, I would say our primary focus right now is gate all around and DRAM. And when we go out on the road, that's who we'll be really targeting most closely.

Richard Shannon | Analyst, Craig-Hallum:

OK, fair enough. That makes sense. I will jump on the line, guys. Thank you.

Mike Bishop | Investor Relations:

OK, thanks, Richard. A number of questions have come in on the Q&A line, and I will aggregate them and ask some of the more common ones. So first one is about the gate all around projects and when, you know, there's a number of current projects underway that are expected to launch soon. And how many years do you expect the target process you are currently collaborating on to enter production?

Scott Bebo | President and CEO:

Yeah. So first of all, working with a few different customers, so there might be a different answer for each customer. In general, The guys working on GATE all around, the great news is it's amazing working with them because they have armies of people working on this stuff, lots and lots of resources to test out your material. And the bad news on that is that they come back with a ton of requests for more information and more testing. But they're almost always working towards some kind of a launch that you would be built into. Some of them, I would say the the majority are looking at a launch that's still a few years out. There's some of them that are actually looking at using MST to improve yield on processes that are in production today. I can't exactly say, well, if or how long it would take to get into production on those processes, but my guess is if they integrated MST, they would have to do some qualification work on it. But if it did indeed improve their yield, which I think is what the majority of them are looking at for the current timing processes, they would try to move it into production very quickly. As long as it didn't break anything in the specifications of their production wafers, they would have every incentive to get it into production as soon as possible to improve yield.

Mike Bishop | Investor Relations:

All right. In the past, you've talked about JDA1 and the Fabless RF licensee. Have you been doing wafer runs for those? And what do those results look like?

Scott Bebo | President and CEO:

Yeah. So the answer is yes, we are doing wafer runs with them. Unfortunately, we don't have the results yet. I can't really commit that I'll be able to give you results from each customer. But generally, what happens is when the results come out, that's the timing when we'll be able to start driving towards licenses and transitions to production. Generally speaking, we have a number of different customers with wafers underway right now. None of them are coming out in the next few months. I would say we might have some coming out at the end of the year, but more likely into the first quarter before we'd start seeing a lot of results from those runs.

Mike Bishop | Investor Relations:

Okay. And one for Frank. So the InSize partnership for GAN testing, can you talk about the economics there of who's paying for the runs or for the testing? You shed a little light on that.

Frank Lorenzio | Chief Financial Officer:

Yeah. I mean, at this stage, this is a... an arrangement with RFN says where we're each bearing our own costs and we'll, you know, hopefully achieve a result that would lead us to some, you know, further activity. But right now it's, you know, we're not paying them to run testing, nor are they, you know, paying us for wafers. So it's, you know, it's early stage. And I think our hope right now would be to generate good RF data because that's something notoriously difficult. RF testing is complex. It's not something that we can typically do ourselves. So a lot of the work on RF SOI that we can do is kind of physical characteristics of, you know, our film. But when you get into, you know, some of the testing of actual devices on, you know, kind of RF feed, different figures of merit, then those are more specialized tests. And so getting more insight into that is very helpful from a marketing standpoint. And, you know, our view is, you know, there's some question on, you know, work with soy tech and wafer based products. The more information that we have to market to, you know, the ultimate customers of RFSOI devices, you know, the better it is in terms of building a relationship with SoyTech, who's a wafer manufacturer. So, you know, the more end demand that they see, the closer the collaboration is with us. So I kind of see it as a means to an end there.

Mike Bishop | Investor Relations:

Okay. And then, Scott, going back to a topic we've touched on in the past, but is there an update on JDA2?

Scott Bebo | President and CEO:

JDA2 is running way first with us. And they're one of the ones that I talked about that we, you know, we'd hope to get some results at the beginning of the year and hopefully see if we can turn that into a license and then plan to go to production.

Mike Bishop | Investor Relations:

Okay. And then with regard to the STM news, we had a number of questions on Disclosure Channel. And can you talk about, you know, why you chose to put the news out on a blog post?

Scott Bebo | President and CEO:

Yeah. Um, yeah. And we, we, we went back and forth on that. So I just want to be clear, you know, we, we were in discussions with, uh, with ST all through, um, you know, August, September, and into October about, about implementing this new, uh, uh, version of new architecture we had. and moving forward on 300 millimeter. And we were waiting to find out from them what the plan was, when that work would start, when they planned that it would be tried to take it to production. And it was really just a week and a half ago that we had a call with them. And that's when they told us that they did not have a plan in place to use MST to do that new architecture. So immediately after that call, we got off the phone and we started talking about, okay, we have an earnings call in a week and a half, but it seems too long to wait for a week and a half before we notify investors. And so on the following Monday, we actually started speaking with ST to make sure that when we disclose this, we would be following their internal guidelines on what we could say and couldn't say. And then on Tuesday, we put out the blog post. We could have put out a press release, but press releases tend to be, at least in our opinion, much more black and white about news that you're giving. In this case, we see it as a much more nuanced message. STU is telling us we don't have a plan to use you guys on this next run. Yeah, very bad news because I know all the investors want to know when the royalties will start flowing, and so do we. But they didn't say they'll never use us. And they also reassured us again and again that they are continuing work using our technology on other projects. on other process areas. So we felt that using a blog would allow us to give a little more nuance than a press release. And we know that the channels of communication that we have with a blog, we push it immediately out to all of our investors that are at least registered with us. And so we felt it was a good channel of communication in this particular case. And the most important thing to us was to get it out there as soon as we can within the restrictions of making sure we were working everything out with ST and so forth.

Mike Bishop | Investor Relations:

All right, thanks. And one more question here. Is there any chance of government funding now that Atomair has been working with Sandia for a while?

Scott Bebo | President and CEO:

You know, I talked a little bit on this call, which I've never done much about in the past, about all of the different R&D efforts that we have underway. And You know, many of them are, as I mentioned, through academia, through outside commercial partners so that we don't have to burden our internal team with too much of it. But Sandia is very interested in many of those technologies, and they have government programs that are interested in implementing things that would use those. So, yes, there's a lot of interest through Sandia. And we also continue to work with the government and with the CHIPS Act, infrastructure such as it is to see what we can do to kind of deliver some of our technology in through that channel and get some near-term revenue that way as well.

Mike Bishop | Investor Relations:

Okay. Thank you, Scott. At this time, we'll turn the call to Scott for closing comments.

Scott Bebo | President and CEO:

Oh, gee, thanks, Mike. Okay. Yeah, thanks for joining us and listening to our progress that we've been making here at Atomera. Next month, we'll be attending the Craig Hallam Alpha Select Conference in New York, and we look forward to seeing some of you there if you'll also be attending. 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, who'll be happy to follow up. Thanks again for your support, and we look forward to our next update call.

Mike Bishop | Investor Relations:

Thank you. This concludes the conference call.