

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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-38029



AKOUSTIS TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

33-1229046

(IRS Employer
Identification No.)

9805 Northcross Center Court , Suite A
Huntersville , NC

(Address of principal executive offices)

28078

(Postal Code)

Registrant's telephone number, including area code: 1-704-997-5735

Securities registered under Section 12(b) of the Act:

Title of Each Class:	Trading Symbol	Name of each exchange on which registered:
Common Stock, \$0.001 par value	AKTS	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

Securities registered under Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

As of February 9, 2024, there were 98,602,957 shares of the registrant's common stock, \$0.001 par value per share, issued and outstanding.

AKOUSTIS TECHNOLOGIES, INC.
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2023

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

**Akoustis Technologies, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share data)
(Unaudited)**

	December 31, 2023	June 30, 2023
Assets		
Assets:		
Cash and cash equivalents	\$ 12,875	\$ 43,104
Accounts receivable, net	4,808	4,753
Inventory	5,476	7,548
Other current assets	2,859	4,440
Total current assets	26,018	59,845
Property and equipment, net	56,198	57,826
Goodwill	14,559	14,559
Intangibles, net	13,876	15,241
Operating lease right-of-use asset, net	1,158	1,374
Other assets	74	72
Total Assets	\$ 111,883	\$ 148,917
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 13,748	\$ 17,027
Deferred revenue	56	105
Operating lease liability	478	439
Total current liabilities	14,282	17,571
Long-term Liabilities:		
Convertible notes payable, net	41,653	43,347
Promissory notes payable	1,333	667
Operating lease liability	729	976

Other long-term liabilities	117	117
Total Long-Term liabilities	43,832	45,107
Total Liabilities	58,114	62,678
Commitments and Contingencies (Note 14)		
Stockholders' Equity		
Preferred stock, par value \$ 0.001 ; 5,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$ 0.001 par value; 175,000,000 shares authorized; 75,435,479 , and 72,154,647 shares issued and outstanding at December 31, 2023 and June 30, 2023, respectively	75	72
Additional paid in capital	360,090	356,522
Accumulated deficit	(306,396)	(270,355)
Total Stockholders' Equity	53,769	86,239
Total Liabilities and Stockholders' Equity	\$ 111,883	\$ 148,917

See accompanying notes to the condensed consolidated financial statements

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Akoustis Technologies, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	For the Three Months Ended December 31, 2023	For the Three Months Ended December 31, 2022	For the Six Months Ended December 31, 2023	For the Six Months Ended December 31, 2022
Revenue	\$ 7,017	\$ 5,865	\$ 14,019	\$ 11,432
Cost of revenue	6,336	5,274	14,422	11,727
Gross profit (loss)	681	591	(403)	(295)
Operating expenses				
Research and development	6,411	7,645	16,758	17,730
General and administrative expenses	9,294	5,838	19,518	12,833
Total operating expenses	15,705	13,483	36,276	30,563
Loss from operations	(15,024)	(12,892)	(36,679)	(30,858)
Other (expense) income				
Interest (expense) income	(679)	(702)	(1,164)	(1,445)
Other (expense) income	1	5	—	(9)
Change in fair value of contingent consideration	—	1,616	—	1,170
Change in fair value of derivative liabilities	(7)	818	2,006	839
Total other (expense) income	(685)	1,737	842	555
Net loss before income taxes	\$ (15,709)	\$ (11,155)	\$ (35,837)	\$ (30,303)
Income Taxes	2	1	3	(56)
Net Loss	\$ (15,711)	\$ (11,156)	\$ (35,840)	\$ (30,247)
Net loss per common share - basic and diluted	\$ (0.21)	\$ (0.19)	\$ (0.49)	\$ (0.53)
Weighted average common shares outstanding - basic and diluted	73,084,663	57,583,844	72,695,676	57,369,118

See accompanying notes to the condensed consolidated financial statements.

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Akoustis Technologies, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(In thousands)
(Unaudited)

	For the Three Months Ended December 31, 2023			
	Common Stock Shares	Par Value	Additional Paid In Capital	Accumulated Deficit
Balance, September 30, 2023	72,463	\$ 72	\$ 358,405	\$ (290,685)
				\$ 67,792

Stock-based compensation	488	1	315	—	316
ESPP Purchase	108	—	52	—	52
Common stock issued in payment of note interest	2,376	2	1,318	—	1,320
Net loss	—	—	—	(15,711)	(15,711)
Balance, December 31, 2023	<u>75,435</u>	<u>\$ 75</u>	<u>\$ 360,090</u>	<u>\$ (306,396)</u>	<u>\$ 53,769</u>

For the Three Months Ended December 31, 2022

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance, September 30, 2022	57,341	\$ 57	\$ 312,519	\$ (225,889)	\$ 86,687
Stock-based compensation	329	1	1,894	—	1,895
ESPP purchases	89	—	288	—	288
Common stock issued in payment of note interest	402	—	1,364	—	1,364
Net loss	—	—	—	(11,156)	(11,156)
Balance, December 31, 2022	<u>58,161</u>	<u>\$ 58</u>	<u>\$ 316,065</u>	<u>\$ (237,045)</u>	<u>\$ 79,078</u>

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Akoustis Technologies, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(In thousands)
(Unaudited)

For the Six Months Ended December 31, 2023

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance, June 30, 2023	72,155	\$ 72	\$ 356,522	\$ (270,355)	\$ 86,239
Cumulative-effect adoption of ASU 2016-13	—	—	—	(201)	(201)
Stock-based compensation	695	1	2,198	—	2,199
ESPP Purchase	209	—	52	—	52
Common stock issued in payment of note interest	2,376	2	1,318	—	1,320
Net loss	—	—	—	(35,840)	(35,840)
Balance, December 31, 2023	<u>75,435</u>	<u>\$ 75</u>	<u>\$ 360,090</u>	<u>\$ (306,396)</u>	<u>\$ 53,769</u>

For the Six Months Ended December 31, 2022

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance, June 30, 2022	57,079	\$ 57	\$ 310,171	\$ (206,798)	\$ 103,429
Stock-based compensation	591	1	4,243	—	4,244
ESPP purchases	89	—	288	—	288
Common stock issued in payment of note interest	402	—	1,364	—	1,364
Net loss	—	—	—	(30,247)	(30,247)
Balance, December 31, 2022	<u>58,161</u>	<u>\$ 58</u>	<u>\$ 316,065</u>	<u>\$ (237,045)</u>	<u>\$ 79,078</u>

See accompanying notes to the condensed consolidated financial statements.

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Akoustis Technologies, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands, except per share data)
(Unaudited)

	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (35,840)	\$ (30,247)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,235	5,092
Stock-based compensation	2,199	4,244
Amortization of debt discount	312	290
Amortization of operating lease right of use asset	216	171
Non-cash interest payments	1,320	1,364
Change in fair value of derivative liabilities	(2,006)	(839)
Change in fair value of contingent consideration	—	(1,170)
(Gain) Loss on disposal of fixed assets & intangibles	268	16
Changes in operating assets and liabilities:		
Accounts receivable	(256)	622
Inventory	2,072	(1,713)
Other current assets	1,581	(1,200)
Accounts payable and accrued expenses	(957)	(2,469)
Lease liabilities	(209)	(155)
Other long term liabilities	667	—
Deferred revenue	(49)	(226)
Net Cash Used in Operating Activities	(24,447)	(26,220)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for property, plant and equipment	(5,834)	(7,985)
Net Cash Used in Investing Activities	(5,834)	(7,985)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from employee stock purchase plan	52	289
Net Cash Provided by Financing Activities	52	289
Net Increase (Decrease) in Cash and Cash Equivalents	(30,229)	(33,916)
Cash and Cash Equivalents - Beginning of Period	43,104	80,485
Cash and Cash Equivalents - End of Period	\$ 12,875	\$ 46,569
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash Paid During the Period for:		
Income taxes	—	40
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Fixed assets included in accounts payable and accrued expenses	(2,322)	100
Cumulative-effect adoption of ASU 2016-13	(201)	—
Operating lease right-of-use asset, net	—	133
Operating lease liability	—	(133)
Common stock issued in payment of interest	1,320	1,364

See accompanying notes to the condensed consolidated financial statements

AKOUSTIS TECHNOLOGIES, INC.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Organization

Akoustis Technologies, Inc. (the "Company") was incorporated on April 10, 2013 and effective December 15, 2016, the Company changed its state of incorporation to the State of Delaware. Through its wholly-owned subsidiary, Akoustis, Inc. (a Delaware corporation), the Company, headquartered in Huntersville, North Carolina, is focused on developing, designing, and manufacturing innovative radio frequency ("RF") filter products for the wireless industry, including for products such as smartphones and tablets, cellular infrastructure equipment, Wi-Fi Customer Premise Equipment ("CPE"), and military and defense communication applications. Located between the device's antenna and its digital backend, the RF front-end ("RFFE") is the circuitry that performs the analog signal processing and contains components such as amplifiers, filters and switches. To construct the resonator devices that are the building blocks for its RF filters, the Company has developed a family of novel, high purity acoustic piezoelectric materials as well as a unique microelectromechanical system ("MEMS") wafer semiconductor process, collectively referred to as XBAW® technology. The Company leverages its integrated device manufacturing ("IDM") business model to develop and sell high performance RF filters using its XBAW® technology. Filters are critical in selecting and rejecting signals, and their performance enables differentiation in the modules defining the RFFE. Additionally, through RFM Integrated Device, Inc. ("RFMi"), a wholly-owned subsidiary of Akoustis, Inc., the Company makes sales of complementary surface acoustic wave ("SAW") resonators, RF filters, crystal (Xtal) resonators and oscillators, and ceramic products branded as "RFMi" products. We also offer back-end semiconductor supply chain services through our wholly owned subsidiary, Grinding & Dicing Services, Inc., which we acquired in January 2023.

Note 2. Liquidity

As of December 31, 2023, the Company had cash and cash equivalents of \$ 12.9 million and working capital of \$ 11.7 million.

The Company's short-term and long-term liquidity requirements primarily arise from funding (i) research and development expenses, (ii) G&A expenses including salaries, bonuses, and commissions, (iii) working capital requirements, (iv) business acquisitions and investments we may make from time to time, and (v) interest and principal payments related to our \$ 44.0 million aggregate principal amount of outstanding convertible notes and \$ 4.0 million promissory note.

The Company has incurred losses and negative cash flow from operations since inception. Our operations thus far have been funded primarily with sales of equity and debt securities, as well as contract research and government grants, revenue with customers, foundry services and engineering services. In November 2023, we announced that we had undertaken significant expense reductions and cost-saving measures to reduce our operating cash flow burn. As a result of these cost-savings initiatives, the operating expenditures supporting the future growth of our manufacturing capabilities and expansion of our product offerings have decreased, along with decreases in research and development and headcount costs. Additionally, the Company estimates that approximately \$ 1.6 million of additional cash is needed to complete construction in progress assets that are currently not in service, which construction has been paused as part of these cost-savings initiatives. The Company is actively managing and controlling its cash outflows to mitigate liquidity risks.

We are experiencing financial and operating challenges. Although we believe we currently have sufficient resources to fund operations and planned investments for at least the next twelve months from the date of filing this report, there is no assurance that the Company's projections and estimates are accurate. Until we are able to generate sufficient cash flow from operations to achieve and maintain profitability and meet our obligations as they come due, we will need to raise significant additional capital to sustain our business through, among other means, public or private equity offerings (including sales of our common stock under our at-the-market equity offering program), debt financings, real estate- or equipment-based financing arrangements, corporate collaborations and/or licensing arrangements. In January 2024, we completed a public offering of our common stock raising \$ 10.4 million in net proceeds.

Except for the \$ 48.0 million of common stock remaining available to be sold under its ATM Sales Agreement with Oppenheimer & Co. Inc., Craig-Hallum Capital Group LLC, and Roth Capital Partners, LLC, the Company has no commitments or arrangements to obtain any additional funds, and there can be no assurance such funds will be available on acceptable terms or at all.

If the Company is unable to obtain additional financing in a timely fashion and on acceptable terms, its financial condition and results of operations may be materially adversely affected and it may not be able to continue operations or execute its stated commercialization plan.

Note 3. Summary of Significant Accounting Policies

Basis of Presentation

The Company's unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. In the opinion of management, all adjustments (consisting of normal accruals) considered necessary for a fair presentation have been included. The Company has evaluated subsequent events through the filing of this Form 10-Q. Operating results for the quarter ended December 31, 2023 are not necessarily indicative of the results that may be expected for the year ending June 30, 2024 or any future interim period. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Form 10-K filed with the SEC on September 6, 2023 (the "2023 Annual Report").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as of December 31, 2023, Akoustis, Inc., RFM Integrated Device, Inc., and Grinding & Dicing Services, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Significant Accounting Policies and Estimates

The Company's significant accounting policies are disclosed in Note 3. Summary of Significant Accounting Policies in the 2023 Annual Report. Since the date of the 2023 Annual Report, there have been no material changes to the Company's significant accounting policies. The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and the accompanying notes thereto. The policies, estimates and assumptions include valuing equity securities, derivative liabilities, deferred taxes and related valuation allowances, contingent consideration, goodwill, intangible assets, revenue recognition, and the fair values of long-lived assets. Actual results could differ from the estimates.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," which requires a current lifetime expected credit loss methodology to be used to measure impairments of accounts receivable and other financial assets. Using this methodology will result in earlier recognition of losses than under the previous incurred loss approach, which requires waiting to recognize a loss until it is probable of being incurred. The Company adopted the standard, which applies to its accounts receivables, in the first quarter of fiscal 2024.

Under this new standard, trade receivables are now evaluated on a collective (pool) basis and aggregated on the basis of similar risk characteristics. These aggregated risk pools will be reassessed at each measurement date. A combination of factors is considered in determining the appropriate estimate of expected credit losses which include broad-based economic indicators as well as customers' financial strength, credit standing, payment history and any historical defaults.

The adoption of this standard using the modified retrospective transition method resulted in a cumulative-effect adjustment to retained earnings of \$ 201 thousand.

Note 4. Revenue Recognition from Contracts with Customers

Disaggregation of Revenue

The Company's primary revenue streams include fabrication services and product sales across multiple geographic regions, primarily the Americas, Asia and Europe.

Fabrication Services

Fabrication services revenue includes Non-Recurring Engineering ("NRE") and backend packaging services. Under these contracts, products are delivered to the customer at the completion of the service which represents satisfaction of the performance obligation as well as transfer of title. Depending on language with regards to enforceable right to payment for performance completed to date, related revenue will either be recognized over time or at a point in time.

Product Sales

Product sales revenue consists of sales of RF filters and amps which are sold with contract terms stating that title passes, and the customer takes control, at the time of shipment. Revenue is then recognized when the devices are shipped, and the performance obligation has been satisfied. If devices are sold under contract terms that specify that the customer does not take ownership until the goods are received, revenue is recognized when the customer receives the goods.

The following table summarizes the revenues of the Company's reportable segments by geographic region for the three months ended December 31, 2023 (in thousands):

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	\$ 3,151	\$ 166	\$ 3,317
Asia	134	2,628	2,762
Europe	13	925	938
Total	<u>\$ 3,298</u>	<u>\$ 3,719</u>	<u>\$ 7,017</u>

The following table summarizes the revenues of the Company's reportable segments by geographic region for the six months ended December 31, 2023 (in thousands):

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	\$ 5,435	\$ 882	\$ 6,317
Asia	403	5,665	6,068
Europe	122	1,512	1,634
Total	<u>\$ 5,960</u>	<u>\$ 8,059</u>	<u>\$ 14,019</u>

The following table summarizes the revenues of the Company's reportable segments by geographic region for the three months ended December 31, 2022 (in thousands):

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	\$ 1,143	\$ 1,223	\$ 2,366
Asia	748	1,759	2,507
Europe	—	992	992
Total	<u>\$ 1,891</u>	<u>\$ 3,974</u>	<u>\$ 5,865</u>

The following table summarizes the revenues of the Company's reportable segments by geographic region for the six months ended December 31, 2022 (in thousands):

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	\$ 1,849	\$ 2,136	\$ 3,985
Asia	975	4,834	5,809
Europe	—	1,628	1,628
Other	—	10	10
Total	<u>\$ 2,824</u>	<u>\$ 8,608</u>	<u>\$ 11,432</u>

Performance Obligations

The Company has determined that contracts for product sales revenue and fabrication services revenue involve one performance obligation, which is delivery of the final product.

Contract Balances

The following table summarizes the changes in the opening and closing balances of the Company's contract asset (included in Other current assets on the Consolidated Balance Sheet) and contract liability (included as Deferred revenue on the Consolidated Balance Sheet) for the first six months of fiscal years 2024 and 2023 (in thousands):

	Contract Assets	Contract Liability
Balance, June 30, 2023	\$ 1,894	\$ 70
Closing, December 31, 2023	1,253	56
Increase/(Decrease)	\$ (641)	\$ (14)
Balance, June 30, 2022	\$ 923	\$ 286
Closing, December 31, 2022	2,334	60
Increase/(Decrease)	\$ 1,411	\$ (226)

The Company records a receivable when the title for goods has transferred. Generally, all sales are contract sales (with either an underlying contract or purchase order), resulting in all receivables being contract receivables. When invoicing occurs prior to revenue recognition a contract liability is recorded (as deferred revenue on the Condensed Consolidated Balance Sheets). The amount of revenue recognized in the six months ended December 31, 2023, that was included in the opening contract liability balance was \$ 70 thousand which related to timing of shipments.

Contract assets are recorded when revenue recognized exceeds the amount invoiced. The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the timing difference between the Company's performance and the customer's payment. The amount of contract assets invoiced in the six months ended December 31, 2023, that was included in the opening contract asset balance was \$ 1.8 million, which primarily related to non-recurring engineering services.

Backlog of Remaining Customer Performance Obligations

As of December 31, 2023, the Company had partially unsatisfied performance obligations related to contracts with an original expected duration of greater than one year. Revenue expected to be recognized from these performance obligations was \$ 1.7 million as of December 31, 2023. The Company's backlog may vary significantly each reporting period based on the timing of major new contract commitments. In addition, our customers have the right, under some infrequent circumstances, to terminate contracts or defer the timing of the Company's services and their payments to us.

Note 5: Inventory

Inventory, net of reserves, consisted of the following as of December 31, 2023 and June 30, 2023 (in thousands):

	December 31, 2023	June 30, 2023
Raw Materials	\$ 1,736	\$ 1,574
Work in Process	1,289	3,741
Finished Goods	2,451	2,233
Total Inventory	\$ 5,476	\$ 7,548

Note 6. Property and Equipment, net

Property and equipment, net consisted of the following as of December 31, 2023 and June 30, 2023 (in thousands):

	Estimated Useful Life	December 31, 2023	June 30, 2023
Land	n/a	\$ 1,000	\$ 1,000
Building and leasehold improvements	*	9,399	9,016
Equipment	2 - 10 years	74,437	71,151
Computer Equipment & Software	3 - 5 years	2,795	3,168
Total		87,631	84,335
Less: Accumulated Depreciation		(31,433)	(26,509)
Total		\$ 56,198	\$ 57,826

(*) Leasehold improvements are amortized on a straight-line basis over the term of the lease or the estimated useful lives, whichever is shorter. Buildings are amortized on a straight-line basis between 11 and 39 years.

The Company recorded depreciation expense of \$ 2.6 million and \$ 2.3 million for the three months ended December 31, 2023 and 2022, respectively. The Company recorded depreciation expense of \$ 4.9 million and \$ 4.4 million for the six months ended December 31, 2023 and 2022, respectively.

As of December 31, 2023, equipment with a net book value totaling \$ 7.4 million had not been placed in service and therefore was not depreciated during the period. As of June 30, 2023, fixed assets with a net book value totaling \$ 7.1 million had not been placed in service and therefore was not depreciated during the period.

Note 7. Business Acquisition

Grinding & Dicing Services, Inc.

On January 1, 2023 (the "Closing Date"), the Company and its wholly-owned subsidiary, Akoustis, Inc. (the "Purchaser"), entered into a Stock Purchase Agreement (the "Purchase Agreement") with GDSI and the stockholders of GDSI (the "Sellers"). Pursuant to the Purchase Agreement, the Purchaser acquired all of the outstanding capital stock of GDSI (such acquisition, the "Transaction"). The acquisition is expected to support a strategy to reshore operations to the United States, improve rapid prototype and development cycle time, and provide prototype cost savings.

The total consideration paid to the Sellers at closing of the Transaction consisted of \$ 13.9 million in cash and approximately \$ 1.7 million of shares of the Company's common stock. In addition, the Company issued a secured promissory note (the "Promissory Note") in the original principal amount of \$ 4.0

million issued by the Purchaser to the Sellers' representative with the terms described under 10. Notes Payable below.

Pro Forma Results

The following unaudited pro forma financial information summarizes the results of operations for the three and six months ended December 31, 2023 and 2022 as if the GDSI acquisition had been completed as of July 1, 2022 (in thousands). The pro forma results were calculated applying the Company's accounting policies and include the effects of adjustments related to the amortization charges from the acquired intangibles. The unaudited pro forma information does not purport to be indicative of the results that would have been obtained if the acquisition had actually occurred at the beginning of the year prior to acquisition, nor of the results that may be reported in the future.

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
	Unaudited Proforma	Unaudited Proforma	Unaudited Proforma	Unaudited Proforma
Revenues	\$ 7,017	\$ 7,619	\$ 14,019	\$ 15,012
Net Loss	\$ (15,711)	\$ (11,068)	\$ (35,840)	\$ (30,047)
Net Loss per Share	\$ (0.21)	\$ (0.19)	\$ (0.49)	\$ (0.52)

Note 8. Goodwill

The Company performs an annual test for goodwill impairment during its last fiscal quarter. The Company will also test for impairment between annual test dates if an event occurs or circumstances change that would indicate the carrying amount may be impaired.

During the second quarter ended December 31, 2023, the Company observed continuing declines in its stock price (with increases and decreases throughout the fiscal year) from a high of \$ 3.20 on July 3, 2023 to a low of \$ 0.48 on October 30, 2023, which led it to conclude that a triggering event had occurred and therefore the Company performed a quantitative test for its two reporting units. Based on the results of the impairment analyses, the Company concluded that the fair values of the reporting units exceed their respective carrying values; therefore, there was no goodwill impairment. However, for the RF Filter reporting unit, the fair value of the reporting unit exceeded its carrying value by less than 10 %, indicating that the goodwill of this reporting unit may be at risk of impairment.

Note 9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at December 31, 2023 and June 30, 2023 (in thousands):

	December 31, 2023	June 30, 2023
Accounts payable	\$ 3,187	\$ 3,979
Accrued salaries and benefits	2,534	4,781
Accrued goods received not invoiced	1,250	3,700
Accrued professional fees	6,279	2,248
Other accrued expenses	498	2,319
Totals	\$ 13,748	\$ 17,027

Note 10. Notes Payable

Convertible Senior Notes due 2027

The following table summarizes convertible debt as of December 31, 2023 (in thousands):

	Maturity Date	Stated Interest Rate	Conversion Price	Face Value	Remaining Debt (Discount)	Fair Value of Embedded Derivatives	Carrying Value
Long Term convertible notes payable							
6.0% convertible senior notes	06/15/2027	6.00%	\$ 4.71	\$ 44,000	\$ (2,421)	\$ 74	\$ 41,653
Ending Balance as of December 31, 2023				<u>\$ 44,000</u>	<u>\$ (2,421)</u>	<u>\$ 74</u>	<u>\$ 41,653</u>

The following table summarizes convertible debt as of June 30, 2023 (in thousands):

	Maturity Date	Stated Interest Rate	Conversion Price	Face Value	Remaining Debt (Discount)	Fair Value of Embedded Derivatives	Carrying Value
Long Term convertible notes payable							
6.0% convertible senior notes	06/15/2027	6.00%	\$ 4.71	\$ 44,000	\$ (2,733)	\$ 2,080	\$ 43,347
Ending Balance as of June 30, 2023				<u>\$ 44,000</u>	<u>\$ (2,733)</u>	<u>\$ 2,080</u>	<u>\$ 43,347</u>

Interest expense on the Convertible Notes during the three months ended December 31, 2023 included contractual interest of \$ 660 thousand and debt discount amortization of \$ 158 thousand. Interest expense on the Convertible Notes during the six months ended December 31, 2023 included contractual interest of \$ 1,320 thousand and debt discount amortization of \$ 312 thousand.

Promissory Note

The Company issued a secured promissory note (the "Promissory Note") in the original principal amount of \$ 4.0 million issued by Akoustis, Inc. to the Sellers' representative in connection with the Company's acquisition of GDSI in January 2023. The Sellers' representative is a current employee of the Company. The Promissory Note does not bear interest, is subject to partial prepayment (reduction of the outstanding principal amount down to \$ 1.3 million) on the second anniversary of the Closing Date, and is payable in full on the third anniversary of the Closing Date. The Purchaser can reduce the

principal amount of the Promissory Note (i) to satisfy the Sellers' indemnification obligations under the Purchase Agreement, and (ii) if GDSI's President is terminated for cause or due to disability or resigns without good reason prior to maturity the Promissory Note will be cancelled in its entirety. The Promissory Note is secured by certain of the Purchaser's and GDSI's assets. In the event of certain events of default, including failure to pay amounts due under the Promissory Note and certain bankruptcy events, the outstanding principal amount of the Promissory Note will become immediately due. The Promissory Note will be recognized on a straight line basis over the term of the Promissory Note as compensation expense. The Company recorded compensation expense totaling \$ 333 thousand and \$ 667 thousand for the three and six months, respectively, ended December 31, 2023 in "General and administrative expenses" in the Condensed Consolidated Statements of Operations with the associated liability included in "Promissory notes payable" in the Condensed Consolidated Balance Sheets.

Note 11. Concentrations

Customers

Customer concentration as a percentage of revenue for the three months ended December 31, 2023 and 2022 are as follows:

	Three Months 12/31/2023	Three Months 12/31/2022
Customer 1	—	15%
Customer 2	—	12%
Customer 3	—	12%
Customer 4	17%	—
Customer 5	13%	—

Customer concentration as a percentage of revenue for the six months ended December 31, 2023 and 2022 are as follows:

	Six Months 12/31/2023	Six Months 12/31/2022
Customer 1	—	21%
Customer 2	—	10%
Customer 3	—	10%
Customer 4	21%	—

Customer concentration as a percentage of accounts receivable at December 31, 2023 and June 30, 2023 are as follows:

	December 31, 2023	June 30, 2023
Customer 1	23%	21%
Customer 2	—	15%
Customer 3	10%	—

Vendors

Vendor concentration as a percentage of purchases for the three months ended December 31, 2023 and 2022 are as follows:

	Three Months 12/31/2023	Three Months 12/31/2022
Vendor 1	20%	—

Vendor concentration as a percentage of purchases for the six months ended December 31, 2023 and 2022 are as follows:

	Six Months 12/31/2023	Six Months 12/31/2022
Vendor 1	18%	10%

Note 12. Equity

Underwritten Offering of Common Stock

On January 29, 2024, the Company closed an underwritten public offering of 23,000,000 shares of its common stock at a price to the public of \$ 0.50 per share pursuant to an underwriting agreement with Roth Capital Partners, LLC. The shares of common stock issued at closing included 3,000,000 shares issued pursuant to the underwriters' over-allotment option, which was exercised in full. Gross proceeds totaled \$ 11.5 million before deducting the underwriting discount and offering expenses of approximately \$ 1.1 million resulting in net proceeds from the offering of approximately \$ 10.4 million. Certain of the Company's directors, officers and employees participated in the offering by purchasing an aggregate of \$ 1.0 million of shares on the same terms and conditions as other investors.

Equity Incentive Plans

During the six months ended December 31, 2023, the Company granted employees options to purchase an aggregate of approximately 0.26 million shares of common stock. The fair values of the Company's options were estimated at the dates of grant using a Black-Scholes option pricing model with the following assumptions:

	Six Months Ended December 31, 2023
Exercise price	\$ 0.59 – 0.97
Expected term (years)	4.00 – 4.75
Volatility	71 – 75%
Risk-free interest rate	4.42 – 4.66%
Dividend yield	0%
Weighted Average Grant Date Fair Value of Options granted during the period	\$ 0.35

During the six months ended December 31, 2023 the Company awarded certain employees and directors grants of an aggregate of approximately 1.6 million restricted stock units ("RSUs") with a weighted average grant date fair value of \$ 0.81 . The RSUs will be expensed over the requisite service period. The terms of the RSUs include vesting provisions based solely on continued service. If the service criteria are satisfied, the RSUs will generally vest over 4 – 5 years.

During the six months ended December 31, 2023 the Company awarded certain employees grants of an aggregate of approximately 0.55 million restricted stock units with market value appreciation conditions ("MVSUs") with a weighted average grant date fair value of \$ 1.41 . The MVSUs will be expensed over the requisite service period. The terms of the MVSUs include vesting provisions based on continued service. The number of shares of the Company's common stock earned at vesting is based on the Company's stock price performance with amounts earned subject to a vesting multiplier ranging from 0 % to 200 %. If the service criteria are satisfied, the MVSUs will vest over 3 years.

Compensation expense related to our stock-based awards described above was as follows (in thousands):

	Three Months Ended December 31,		Six months ended December 31,	
	2023	2022	2023	2022
Research and Development	\$ 119	\$ 883	\$ 652	\$ 2,051
General and Administrative	\$ 135	\$ 1,012	\$ 1,423	\$ 2,193
Cost of Revenue	\$ 62	—	\$ 124	
Total	\$ 316	\$ 1,895	\$ 2,199	\$ 4,244

Unrecognized stock-based compensation expense and weighted-average years to be recognized are as follows (in thousands):

	As of December 31, 2023	
	Unrecognized stock-based compensation	Weighted- average years to be recognized
Options	\$ 974	1.73
Restricted stock units	\$ 7,519	1.99

Nasdaq Stock Market notification

On October 24, 2023, the Company received notification from the Listing Qualifications Department of The Nasdaq Stock Market, or Nasdaq, stating that the Company did not comply with the minimum \$ 1.00 bid price requirement for continued listing set forth in Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Requirement"). In accordance with Nasdaq listing rules, the Company has been afforded 180 calendar days (until April 22, 2024) to regain compliance with the Bid Price Requirement (the "Initial Compliance Period"). To regain compliance, the closing bid price of the Company's common stock must meet or exceed \$1.00 per share for a minimum of ten consecutive business days during this additional 180-day period, all as described in more detail in the Current Report on Form 8-K filed with the SEC on October 27, 2023. If the Company does not regain compliance by April 22, 2024, the Company may be eligible for an additional grace period. To qualify, the Company must, as of the final day of the Initial Compliance Period, meet the applicable market value of publicly held shares requirement for continued listing and all other applicable standards for initial listing on the Capital Market (except the Bid Price Requirement) based on the Company's most recent public filings and market information and must notify Nasdaq of its intent to cure this deficiency. If the Company meets these requirements, the Nasdaq staff would be expected to grant an additional 180 calendar days for the Company to regain compliance with Bid Price Requirement.

Note 13. Leases

The Company leases office space in Huntersville, NC, Carrollton, TX, San Jose, CA and Taiwan and leases equipment in Canandaigua, NY. Its leases have remaining lease terms of up to five years , some of which include options to extend the leases for up to twenty-four months. Following adoption of ASC 842, lease expense excludes capital area maintenance and property taxes.

The components of lease expense were as follows:

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022
Operating Lease Expense	\$ 149	\$ 106	\$ 304	\$ 201

Supplemental balance sheet information related to leases was as follows (in thousands):

	Classification on the Condensed Consolidated Balance Sheet	December 31, 2023	June 30, 2023
Assets			
Operating lease assets	Other non-current assets	\$ 1,158	\$ 1,374

Liabilities			
Operating lease liabilities	Current liabilities	478	439
Operating lease liabilities	Long term liabilities	729	976
Weighted Average Remaining Lease Term:			
Operating leases		2.54 Years	2.97 Years
Weighted Average Discount Rate:			
Operating leases		12.88%	12.77%

The following table outlines the minimum future lease payments for the next five years and thereafter (in thousands):

For the year ending June 30,	
2024	\$ 299
2025	606
2026	374
2027	66
Thereafter	79
Total lease payments (undiscounted cash flows)	1,424
Less imputed interest	(217)
Total	\$ 1,207

Note 14. Commitments and Contingencies

Ontario County Industrial Development Authority Agreement

On February 27, 2018, the Company entered into a Lease and Project Agreement (the "Lease and Project Agreement") and a Company Lease Agreement (the "Company Lease Agreement" and together with the Lease and Project Agreement, the "Agreements"), each dated as of February 1, 2018, with the Ontario County Industrial Development Agency, a public benefit corporation of the State of New York (the "OCIDA"). Pursuant to the Agreements, the Company will lease for \$1.00 annually to the OCIDA an approximately 9.995 acre parcel of land in Canandaigua, New York, together with the improvements thereon (including the Company's New York fabrication facility), and transfer title to certain related equipment and personal property to the OCIDA (collectively, the "Facility"). The OCIDA will lease the Facility back to the Company for annual rent payments specified in the Lease and Project Agreement for the Company's primary use as research and development, manufacturing, warehouse and professional office space in its business, and to be subleased, in part, by the Company to various existing tenants. The Company estimates substantial tax savings during the term of the Agreements, which expire on December 31, 2028. In addition, subject to the terms of the Lease and Project Agreement, certain purchases and leases of eligible items will be exempt from the imposition of sales and use taxes. Subject to the terms of the Lease and Project Agreement, the OCIDA has also granted to the Company an exemption from certain mortgage recording taxes for one or more mortgages securing an aggregate principal amount not to exceed \$ 12.0 million, or such greater amount as approved by the OCIDA in its sole and absolute discretion. Benefits totaling approximately \$ 0.4 million provided to the Company through December 31, 2023 pursuant to the terms of the Lease and Project Agreement are subject to claw back over the life of the Agreements upon certain recapture events, including certain events of default.

Litigation, Claims and Assessments

Qorvo Inc. vs. Akoustis Technologies, Inc., DE Case 1:21-cv-01417-JPM

On October 4, 2021, the Company was named as a defendant in a complaint filed by Qorvo, Inc. ("Qorvo") in the United States District Court for the District of Delaware alleging, among other things, infringement of U.S. Patent No. 7,522,018 ("the '018 Patent") and U.S. Patent No. 9,735,755 ("the '755 Patent"), false advertising, false patent marking, and unfair competition. The complaint alleges that the defendants misappropriated proprietary information, made misleading statements about the characteristics of certain of its products, and sold products infringing on certain of the plaintiff's patents. The plaintiff seeks an injunction enjoining the Company from the alleged infringement and damages, including punitive and statutory enhanced damages, in an unspecified amount. The Company filed a motion to dismiss all of the claims other than the direct patent infringement claims, but the court permitted the plaintiff to file an amended complaint which the court subsequently determined was sufficient for pleading purposes. The Court denied the Company's motion in May 2022. The Court held a claims construction hearing in November 2022, issuing its claim construction order on March 15, 2023. On February 8, 2023, Qorvo filed a second amended complaint adding allegations of misappropriation of trade secrets, racketeering activities, and civil conspiracy. Fact discovery closed on November 15, 2023 and expert discovery closed on January 26, 2024.

On February 1, 2024, the Company filed a motion for partial summary judgment in its favor with respect to Qorvo's claims of false advertising, false patent marking, unfair competition, misappropriation of trade secrets, violation of the RICO Act, and civil conspiracy. In its motion, the Company also moved for summary judgment in its favor regarding Qorvo's claim of infringement regarding its '755 Patent with respect to newer designs of certain Company BAW filters. That same day, Qorvo filed a motion seeking partial summary judgment in its favor with respect to the Company's defenses of invalidity regarding the '018 Patent and the '755 Patent.

The Company continues to develop its defenses and mitigation strategies, and intends to proceed in defending itself vigorously against the claims asserted by Qorvo. However, the Company can provide no assurance as to the outcome of such dispute, and such action may result in judgments against the Company for an injunction, significant damages or other relief, such as future royalty payments to Qorvo or restrictions on certain of the Company's activities. A trial date has been scheduled for May 6, 2024.

Akoustis Technologies, Inc. vs. Qorvo, Inc., TX Case 2:23-cv-00180-JRG-RSP

On April 20, 2023, the Company filed a complaint against Qorvo in the United States District Court for the Eastern District of Texas alleging infringement by Qorvo of U.S. Patent No. 7,250,360 ("the '360 Patent"), a patent licensed exclusively to the Company by Cornell University. The complaint alleges Qorvo's willful infringement of the Cornell patent and seeks remedies including enhanced damages and attorneys' fees. On July 24, 2023, Qorvo filed a motion to dismiss the complaint.

On August 11, 2023, Qorvo filed a motion to strike Akoustis' infringement contentions. On January 10, 2024, the Court denied Qorvo's motion to strike and Qorvo agreed to respond to the Company's interrogatories and document requests relating to the accused products listed in the Company's infringement contentions.

The Company intends to vigorously pursue its claims against Qorvo but can provide no assurance as to the outcome of this dispute.

Resolution of each of the matters described above has been prolonged and costly, and the ultimate result or judgment is uncertain due to the inherent uncertainty in litigation and other proceedings. An adverse result in the matters described above would have a material adverse effect on the Company and its business. Even if ultimately settled or resolved in the Company's favor, the matters described above and other possible future actions have resulted in significant expenses, diversion of management and technical personnel attention and disruptions and delays in the Company's business and product development, and other collateral consequences. Any out-of-court settlement of the above matters or other actions may also have an adverse effect on the Company's business, financial condition and results of operations, including, but not limited to, substantial expenses, the payment of royalties, licensing or other fees payable to third parties, or restrictions on its ability to develop, manufacture, and sell its products.

From time to time, the Company may become involved in other lawsuits, investigations, and claims that arise in the ordinary course of business. The Company believes it has meritorious defenses against such other pending claims and intends to vigorously pursue them. While it is not possible to predict or determine the outcomes of any such other pending actions, the Company believes the amount of liability, if any, with respect to such other pending actions, would not materially affect its financial position, results of operations, or cash flows.

Tax Credit Contingency

The Company accrues a liability for indirect tax contingencies when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. The Company reviews these accruals and adjusts them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel and other relevant information. To the extent new information is obtained and the Company's views on the probable outcomes of claims, suits, assessments, investigations or legal proceedings change, changes in the Company's accrued liabilities would be recorded in the period in which such determination is made.

The Company's gross unrecognized indirect tax credits totaled \$ 0.1 million as of December 31, 2023 and \$ 0.1 million as of June 30, 2023 and are recorded on the Consolidated Balance Sheet as a long-term liability.

Note 15. Segment Information

Operating segments are defined as components of an enterprise about which separate financial information is available and evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is its Chief Executive Officer. The Company operates in two segments, Fabrication Services, which consists of engineering review services and backend packaging services, and RF Filters, which consists of filter product sales.

The Company evaluates performance of its operating segments based on revenue and operating profit (loss). Segment information for the three and six months ended December 30, 2023 and 2022 are as follows (in thousands):

	Fabrication Services	RF Filters	Total
Three months ended December 31, 2023			
Revenue	\$ 3,298	\$ 3,719	\$ 7,017
Cost of revenue	2,253	4,083	6,336
Gross margin	1,045	(364)	681
Research and development	—	6,411	6,411
General and administrative	903	8,391	9,294
Income (Loss) from Operations	\$ 142	\$ (15,167)	\$ (15,024)
Three months ended December 31, 2022			
Revenue	\$ 1,891	\$ 3,974	\$ 5,865
Cost of revenue	1,126	4,148	5,274
Gross margin	765	(174)	591
Research and development	—	7,645	7,645
General and administrative	—	5,838	5,838
Income (Loss) from Operations	\$ 765	\$ (13,657)	\$ (12,892)
Six months ended December 31, 2023			
Revenue	\$ 5,960	\$ 8,059	\$ 14,019
Cost of revenue	3,800	10,622	14,422
Gross margin	2,160	(2,563)	(403)
Research and development	—	16,758	16,758
General and administrative	2,201	17,317	19,518
Income (Loss) from Operations	\$ (41)	\$ (36,638)	\$ (36,679)
Six months ended December 31, 2022			
Revenue	\$ 2,823	\$ 8,609	\$ 11,432
Cost of revenue	2,018	9,709	11,727
Gross margin	805	(1,100)	(295)
Research and development	—	17,730	17,730
General and administrative	—	12,833	12,833
Income (Loss) from Operations	\$ 805	\$ (31,663)	\$ (30,858)
As of December 31, 2023			
Accounts receivable	\$ 1,529	\$ 3,279	\$ 4,808
Property and equipment, net	2,206	53,992	56,198

As of June 30, 2023

Accounts receivable	\$	1,124	\$	3,629	\$	4,753
Property and equipment, net		2,394		55,432		57,826

Note 16. Loss Per Share

Basic net loss per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, which is the case for the three and six months ended December 31, 2023 and December 31, 2022 presented in these condensed consolidated financial statements, the weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive.

The Company had the following common stock equivalents at December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Convertible Notes	9,341,825	9,341,825
Options	3,214,687	3,217,400
Warrants	—	41,103
Total	<u>12,556,512</u>	<u>12,600,328</u>

Note 17. Fair Value Measurement

Fair value is defined as the price that would be received upon selling an asset or the price paid to transfer a liability on the measurement date. It focuses on the exit price in the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants. A three-tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair values are as follows:

Level 1: Observable prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The following table classifies the liabilities measured at fair value on a recurring basis into the fair value hierarchy as of December 31, 2023:

	Fair value at December 31, 2023	Level 1	Level 2	Level 3
Derivative liabilities	\$ 74	\$ —	\$ —	\$ 74
Total fair value	<u>\$ 74</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 74</u>

The following table classifies the liabilities measured at fair value on a recurring basis into the fair value hierarchy as of June 30, 2023:

	Fair value at June 30, 2023	Level 1	Level 2	Level 3
Derivative liabilities	\$ 2,080	\$ —	\$ —	\$ 2,080
Total fair value	<u>\$ 2,080</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,080</u>

The following table sets forth a summary of the changes in the fair value of Level 3 derivative liabilities that are measured at fair value on a recurring basis:

	December 31, 2023
Derivative liabilities	
Beginning balance	\$ 2,080
Change in fair value of derivative liabilities	(2,006)
Ending balance	<u>\$ 74</u>

There were no transfers between Level 1, 2, or 3 valuation classifications during the three or six months ended December 31, 2023.

The fair value of the embedded derivatives in our convertible notes that were classified as Level 3 in the table above were estimated using a with and without approach on a lattice model framework with significant inputs that are not observable in the market and thus represent a Level 3 fair value measurement as defined in ASC 820. The significant inputs in the Level 3 measurement not supported by market activity include the probability and timing assessments of expected future change of control events, the volatility of our share price and the discount rate used to present value future cash payments under the convertible debt obligation. The development and determination of the unobservable inputs for Level 3 fair value measurements and the fair value calculations are the responsibility of the Company's chief financial officer and are approved by the chief executive officer.

The fair value of the embedded derivatives in our convertible notes as of December 31, 2023 and June 30, 2023 were valued with the following assumptions:

	December 31, 2023	June 30, 2023
Stock Price	\$ 0.83	\$ 3.18
Volatility of stock price	80%	70%
Risk free interest rate	3.97%	4.32%
Debt yield	40.5%	40.6%
Remaining term (years)	3.5	4.0

Note 18. Subsequent Events

Underwritten Offering of Common Stock

On January 29, 2024, the Company closed an underwritten public offering of 23,000,000 shares of its common stock at a price to the public of \$ 0.50 per share pursuant to an underwriting agreement with Roth Capital Partners, LLC. The shares of common stock issued at closing included 3,000,000 shares issued pursuant to the underwriters' over-allotment option, which was exercised in full. Net proceeds from the offering were approximately \$ 10.4 million. Certain of the Company's directors, officers and employees participated in the offering by purchasing an aggregate of \$ 1.0 million of shares on the same terms and conditions as other investors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References in this report to "Akoustis," the "Company," "we," "us," and "our" refer to Akoustis Technologies, Inc. and its consolidated subsidiaries.

Cautionary Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements that relate to our plans, objectives, estimates, and goals. Any and all statements contained in this report that are not statements of historical fact may be deemed to be forward-looking statements. Terms such as "may," "will," "might," "would," "should," "could," "project," "estimate," "predict," "potential," "strategy," "anticipate," "attempt," "develop," "plan," "help," "seek," "believe," "continue," "intend," "expect," "future," and terms of similar import (including the negative of any of the foregoing) may identify forward-looking statements. However, not all forward-looking statements may contain one or more of these identifying terms. Forward-looking statements in this report may include, without limitation, statements regarding (i) the plans and objectives of management for future operations, including plans or objectives relating to the development of commercially viable radio frequency ("RF") filters, (ii) projections of income (including income/loss), earnings (including earnings/loss) per share, capital expenditures, dividends, capital structure or other financial items, (iii) our future financial performance, including any such statement contained in this management's discussion and analysis of financial condition or in the results of operations included pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"), (iv) our ability to efficiently utilize cash and cash equivalents to support our operations for a given period of time, (v) our ability to engage customers while maintaining ownership of our intellectual property, and (vi) the assumptions underlying or relating to any statement described in (i), (ii), (iii), (iv) or (v) above.

Forward-looking statements are not meant to predict or guarantee actual results, performance, events or circumstances and may not be realized because they are based upon our current projections, plans, objectives, beliefs, expectations, estimates, and assumptions and are subject to a number of risks and uncertainties and other influences, many of which are beyond our control. Actual results and the timing of certain events and circumstances may differ materially from those described by the forward-looking statements as a result of these risks and uncertainties. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation, our limited operating history; our inability to generate revenues or achieve profitability; the failure of our common stock to meet the minimum requirements for continued listing on the Nasdaq Capital Market, the impact of a pandemic or epidemic or natural disaster, including the COVID-19 pandemic, the Russian-Ukrainian and Middle East conflicts and other sources of volatility on our operations, financial condition and the worldwide economy, including our ability to access the capital markets; increases in prices for raw materials, labor, and fuel caused by rising inflation; our inability to obtain adequate financing and sustain our status as a going concern; the results of our research and development ("R&D") activities; our inability to achieve acceptance of our products in the market; general economic conditions, including upturns and downturns in the industry; existing or increased competition; our inability to successfully scale our New York wafer fabrication facility and related operations while maintaining quality control and assurance and avoiding delays in output; contracting with customers and other parties with greater bargaining power and agreeing to terms and conditions that may adversely affect our business; the possibility that the anticipated benefits from business acquisitions will not be realized in full or at all or may take longer to realize than expected; the possibility that costs or difficulties related to the integration of acquired businesses' operations will be greater than expected and the possibility of disruptions to our business during integration efforts and strain on management time and resources; risks related to doing business in foreign countries, including rising tensions between the United States and China; any cybersecurity breaches or other disruptions compromising our proprietary information and exposing us to liability; our limited number of patents; failure to obtain, maintain, and enforce our intellectual property rights; claims of infringement, misappropriation or misuse of third party intellectual property, including the lawsuit filed by Qorvo, Inc. in October 2021, that, regardless of merit, has resulted in significant expense; our inability to attract and retain qualified personnel; the outcome of current and any future litigation; our reliance on third parties to complete certain processes in connection with the manufacture of our products; product quality and defects; our inability to successfully manufacture, market and sell products based on our technologies; our ability to meet the required specifications of customers and achieve qualification of our products for commercial manufacturing in a timely manner; our failure to innovate or adapt to new or emerging technologies, including in relation to our competitors; our failure to comply with regulatory requirements; stock volatility and illiquidity; our failure to implement our business plans or strategies; our failure to maintain effective internal control over financial reporting; our failure to obtain or maintain a Trusted Foundry accreditation or our New York fabrication facility; and shortages in supplies needed to manufacture our products, or needed by our customers to manufacture devices incorporating our products.

These and other risks and uncertainties, which are described in more detail in Part II, Item 1A. "Risk Factors" of this report and in our Annual Report on Form 10-K, filed with the SEC on September 6, 2023 (the "2023 Annual Report"), could cause our actual results to differ materially from those expressed or implied by the forward-looking statements in this report. Readers are cautioned not to place undue reliance on forward-looking statements because of the risks and uncertainties related to them. Except as may be required by law, we do not undertake any obligation to update the forward-looking statements contained in this report to reflect any new information or future events or circumstances or otherwise.

Overview

Akoustis® is an emerging commercial product company focused on developing, designing, and manufacturing innovative RF filter solutions for the

wireless industry, including for products such as smartphones and tablets, network infrastructure equipment, Wi-Fi Customer Premise Equipment (“CPE”) and defense applications. Filters are critical in selecting and rejecting signals, and their performance enables differentiation in the modules defining the RF front-end (“RFFE”). Located between the device’s antenna and its digital backend, the RFFE is the circuitry that performs the analog signal processing and contains components such as amplifiers, filters and switches. We have developed a proprietary microelectromechanical system (“MEMS”) based bulk acoustic wave (“BAW”) technology and a unique manufacturing process flow, called “XBAW[®]”, for our filters produced for use in RFFE modules. Our XBAW[®] filters incorporate optimized high purity piezoelectric materials for high power, high frequency and wide bandwidth operation. We are developing RF filters for 5G, Wi-Fi and defense bands using our proprietary resonator device models and product design kits (PDKs). As we qualify our RF filter products, we are engaging with target customers to evaluate our filter solutions. Our initial designs target UHB, sub 7 GHz 5G, Wi-Fi and defense bands. We expect our filter solutions will address problems (such as loss, bandwidth, power handling, and isolation) created by the growing number of frequency bands in the RFFE of mobile devices, infrastructure and premise equipment to support 5G, and Wi-Fi. We have prototyped, sampled and begun commercial shipment of our single-band low loss BAW filter designs for 5G frequency bands and 5 GHz and 6 GHz Wi-Fi bands which are suited to competitive BAW solutions and historically cannot be addressed with low-band, lower power handling surface acoustic wave (“SAW”) technology. Additionally, through our wholly owned subsidiary, RFMi, we operate a fabless business whereby we make sales of complementary SAW resonators, RF filters, crystal (“Xtal”) resonators and oscillators, and ceramic products—addressing opportunities in multiple end markets, such as automotive and industrial applications. We also offer back end semiconductor supply chain services through our wholly owned subsidiary, GDSI, which we acquired in January 2023.

We own and/or have filed applications for patents on the core resonator device technology, manufacturing facility and intellectual property (“IP”) necessary to produce our RF filter chips and operate as a “pure-play” RF filter supplier, providing discrete filter solutions direct to Original Equipment Manufacturers (“OEMs”) and aligning with the front- end module manufacturers that seek to acquire high performance filters to expand their module businesses. We believe this business model is the most direct and efficient means of delivering our solutions to the market.

Technology. Our device technology is based upon bulk-mode acoustic resonance, which we believe is superior to surface-mode resonance for high-band and ultra-high- band (“UHB”) applications that include 4G/LTE, 5G, Wi-Fi, and defense applications. Although some of our target customers utilize or manufacture the RFFE module, they may lack access to critical UHB filter technology that we produce, which is necessary to compete in high frequency applications.

Manufacturing. We currently manufacture Akoustis’ high-performance RF filter circuits, using our first generation XBAW[®] wafer process, in our 125,000-square foot wafer-manufacturing facility located in Canandaigua, New York (the “NY Facility”), which we acquired in June 2017. Our SAW-based RF filter products are manufactured by a third party and sold either directly or through a sales distributor.

Intellectual Property. As of February 2, 2024, our IP portfolio included 103 patents, including a blocking patent that we have licensed from Cornell University. Additionally, as of February 2, 2024, we have 86 pending patent applications. These patents cover our XBAW[®] RF filter technology from raw materials through the system architectures. Given the significance of the Company’s intellectual property to its business, the Company enforces its intellectual property rights and protects its patent portfolio, which may include filing lawsuits against companies that the Company believes are infringing upon its patents. The Company considers protecting its intellectual property rights to be central to its business model and competitive position in the RF filter industry.

By designing, manufacturing, and marketing our RF filter products to mobile phone OEMs, defense OEMs, network infrastructure OEMs, and Wi-Fi CPE OEMs, we seek to enable broader competition among the front-end module manufacturers.

Since we own and/or have filed applications for patents on the core technology and control access to our intellectual property, we expect to offer several ways to engage with potential customers. First, we intend to engage with multiple wireless markets, providing standardized filters that we design and offer as standard catalog components. Second, we expect to deliver unique filters to customer-supplied specifications, which we will design and fabricate on a customized basis. Finally, we may offer our models and design kits for our customers to design their own filters utilizing our proprietary technology.

We expect to continue to incur substantial costs for commercialization of our technology on a continuous basis because our business model involves materials and solid-state device technology development and engineering of catalog and custom filter design solutions. To succeed across our combined portfolio of Akoustis, XBAW, and RFMi products, we must convince customers in a wide range of industries including mobile phone OEMs, RFFE module manufacturers, network infrastructure OEMs, Wi-Fi CPE OEMs, medical device makers, automotive and defense customers to use our products in their systems and modules. For example, since there are two dominant BAW filter suppliers in the industry that have high-band technology, and both utilize such technology as a competitive advantage at the module level, we expect customers that lack access to high-band filter technology will be open to engage with our company for XBAW filters.

To help drive our XBAW filter business, we plan to continue to pursue RF filter design and R&D development agreements and potentially joint ventures with target customers and other strategic partners, although we cannot guarantee we will be successful in these efforts. These types of arrangements may subsidize technology development costs and qualification, filter design costs, and offer complementary technology and market intelligence and other avenues to revenue. However, we intend to retain ownership of our core XBAW technology, intellectual property, designs, and related improvements. Across our combined portfolio of Akoustis, XBAW, and RFMi products, we expect to continue development of catalog designs for multiple customers and to offer such catalog products in multiple sales channels.

Business Environment and Current Trends

Impact of COVID-19 on our Business

The COVID-19 pandemic has significantly impacted business activity across the globe. In particular, COVID-19 contributed to delays we observed in certain suppliers’ shipment of materials necessary for us to manufacture our products and in certain vendors’ ability to deliver equipment for installation at our facilities. Although the effects of COVID-19 and its impact on our supply chain have eased since the peak of the pandemic and related lock-down protocols imposed by local governments, including China, we will continue to actively monitor the situation and may take further actions altering our business operations that we determine are in the best interests of our employees, customers, partners, suppliers, and stakeholders, or as required by federal, state, or local authorities. The effect that any such alterations or modifications may have on our business, including the effects on our customers, employees, and prospects, or on our financial results for fiscal year 2024 or beyond is unclear.

Semiconductor Shortages and Supply Chain Issues

The global silicon semiconductor industry is experiencing a shortage in supply and difficulties in ability to meet customer demand. This shortage has led to an increase in lead-times of production of semiconductor chips and components. As our business depends in significant part upon manufacturers of products requiring semiconductors, as well as the current and anticipated production of these products, we have sought to manage the impact of supply shortages though carefully maintaining and increasing key inventory levels. In some cases, we have incurred higher costs to secure available inventory, or have extended our purchase commitments or placed non-cancellable orders with suppliers, which introduces inventory risk if our forecasts and

assumptions are inaccurate. We believe the global supply chain challenges and their adverse impact on our business and financial results will persist through calendar year 2024. We expect these constrained supply conditions to increase our costs of goods sold and increase uncertainty with respect to the timing of delivery of specific customer orders.

Effects of Inflation and Recession Fears

Inflation and other macroeconomic pressures in the U.S. and the global economy such as rising interest rates, energy prices and recession fears are creating a complex and challenging business environment. Inflationary pressures, including increased costs of labor and goods included in our supply chain, have negatively impacted our revenue, operating margins and net income and may continue to do so through the remainder of the fiscal year. Additionally, we have observed certain customers reduce or defer orders, citing negative economic forecasts.

Recent Legislation

On August 9, 2022, President Biden signed into law the CHIPS and Science Act of 2022, which appropriates funds to support the construction of semiconductor plants in the United States and advancement of United States semiconductor research and development. The Company is seeking to expand its domestic manufacturing footprint including both semiconductors and advanced packaging at our NY campus under the DoC Chips for America program. We are currently awaiting feedback on our pre-application from the DoC and we expect to file a final application in calendar year 2024.

Recent Developments

On November 10, 2023, we announced that we had received a purchase order from a Tier-2 5G mobile and Wi-Fi access point (AP) RF front-end module customer for design iterations of three previously shipped designs.

On November 16, 2023, we announced that we had successfully completed Phase 1 of our contract with the Defense Advanced Research Projects Agency (DARPA) to pursue new materials and device manufacturing methods that can scale our XBAW® technology to 18 GHz, and we were awarded a new multi-year, multi-million dollar contract for Phase 2 of the DARPA Compact Front-end Filters at the EElement-level (COFFEE) program.

On December 6, 2023, we announced that a leading commercial SATCOM company placed a new development order bringing our active foundry customer count to four.

On December 18, 2023, we announced that our patented XBAW® filters were designed into a new tri-band Wi-Fi 6E consumer access point (AP) platform.

On December 20, 2023, we announced that we, along with HPE Aruba Networking, had been awarded the 8th Annual Wi-Fi NOW Awards Gala for the Best Enterprise Wi-Fi Solution.

Critical Accounting Policies

Other than as described, below, there have been no material changes to our critical accounting policies and estimates from the information provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our 2023 Annual Report.

Goodwill

The Company performs goodwill impairment analysis annually during its last fiscal quarter, or more often if events or circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit is below its carrying value. During the second quarter ended December 31, 2023, the Company observed continuing declines in its stock price (with increases and decreases throughout the fiscal year) from a high of \$3.20 on July 3, 2023 to a low of \$0.48 on October 30, 2023, which led it to conclude that a triggering event had occurred and therefore the Company performed a quantitative test for its two reporting units.

The fair value of the reporting units were based upon an equal weighting of the income approach and a market based approach: the guideline public company method. The income approach utilizes a discounted cash flow analysis. The guideline public company approach utilizes comparable public company information, key valuation multiples, and considers a market control premium associated with cost synergies and other cash flow benefits that arise from obtaining control over a reporting unit, and guideline transactions, when applicable. The significant assumptions used in these approaches include revenue growth rates, profit margins, projected future cash flows and discount rates under the income approach as well as valuation multiples derived from comparable public trading companies under the market approach. The discount rate used in the income approach is based on the weighted average cost of capital and ranged between 21.0% for Fabrication Services and 23.5% for RF Filters, which was derived from the financial structures of comparable companies corresponding to the industry of each reporting unit.

Based on the Company's interim impairment test of goodwill, it was determined for the RF Filter and the Fabrication Services reporting units that the respective reporting units' fair value was in excess of its respective carrying value as of December 31, 2023; however, for the FR Filter unit the fair value of the reporting unit exceeded its carrying value by less than 10%, indicating that the goodwill of this reporting unit may be at risk of impairment.

The estimated fair value of a reporting unit is highly sensitive to changes in management's estimates and assumptions, the most sensitive of which are the revenue growth rate, discount rate and valuation multiples. Therefore, in some instances, changes in these assumptions could impact whether the fair value of a reporting unit is greater than its carrying value. Ultimately, future potential changes in these assumptions may impact the estimated fair value of a reporting unit and cause the fair value of the reporting unit to be below its carrying value. Additionally, a reporting unit's carrying value could change based on market conditions, change in the underlying makeup of the reporting unit, or the risk profile of those reporting units, which could impact whether the fair value of a reporting unit is less than carrying value. If actual results of the reporting units are not consistent with its estimates or assumptions, the Company may be required to record future non-cash impairment charges related to goodwill that could materially adversely impact our consolidated financial position and results of operations.

Results of Operations

Three Months Ended December 31, 2023 and 2022

Revenue

The Company recorded revenue of \$7.0 million for the three months ended December 31, 2023 as compared to \$5.9 million for the three months ended December 31, 2022. The increase of \$1.1 million, or 20%, was primarily due to an increase in fabrication service revenue by \$1.4 million or 74%, which includes revenue from sales of GDSI services.

Cost of Revenue

Cost of revenue includes direct labor, material, net realizable value (NRV) adjustments, and facility costs primarily associated with manufacturing of filter products and engineering services. The Company recorded cost of revenue of \$6.3 million for the three months ended December 31, 2023 as compared to \$5.3 million for the three months ended December 31, 2022. The \$1.0 million increase is primarily due to costs associated with fabrication services, which increased by \$1.1 million, and which includes cost of revenue from services provided by GDSI.

Research and Development Expenses

R&D expenses were \$6.4 million for the three months ended December 31, 2023, as compared to \$7.6 million for the three months ended December 31, 2022, a decrease of \$1.2 million or 16.1%. The decrease was driven by a \$1.3 million decrease in material and equipment related costs and a \$0.5 million decrease in personnel costs related to R&D activities. This decrease was partially offset by an increase in facility costs of \$0.5 million.

General and Administrative Expense

General and administrative ("G&A") expenses include salaries and wages for executive and administrative staff, stock-based compensation, professional fees, insurance costs and other general costs associated with the administration of our business. G&A expenses for the three months ended December 31, 2023 were \$9.3 million, which is an increase of \$3.5 million compared to the \$5.8 million for the three months ended December 31, 2022. Year-over-year changes within G&A expenses include an increase in general expenses such as professional fees and intangible amortization which increased by \$3.5 million. This was partially offset by a decrease in employee compensation (including stock-based compensation) of \$0.4 million.

Other (Expense)/Income

Other expense for the three months ended December 31, 2023 was \$0.7 million, compared to other income of \$1.7 million for the three months ended December 31, 2022. The expense increase of \$2.4 million was comprised of a reduction in the gain on the value of derivative liabilities of \$0.8 million plus a reduction in the gain on the value of contingent consideration of \$1.6 million.

Net Loss

The Company recorded a net loss of \$15.7 million for the three months ended December 31, 2023, compared to a net loss of \$11.2 million for the three months ended December 31, 2022. The period-over-period incremental loss of \$4.5 million, or 40.8%, was primarily driven by an increase in G&A expenses of \$3.5 million and an increase in other expense of \$2.4 million. These expense increases were offset by a decrease in R&D expense \$1.2 million.

Six months ended December 31, 2023 and 2022

Revenue

The Company recorded revenue of \$14.0 million for the six months ended December 31, 2023 as compared to \$11.4 million for the six months ended December 31, 2022. The increase of \$2.6 million was primarily due to an increase in fabrication revenue of \$3.1 million or 111%, which includes revenue from sales of GDSI services.

Cost of Revenue

Cost of revenue includes direct labor, material, net realizable value (NRV) adjustments, and facility costs primarily associated with manufacturing of filter products and engineering services. The Company recorded cost of revenue of \$14.4 million for the six months ended December 31, 2023 as compared to \$11.7 million for the six months ended December 31, 2022. The \$2.7 million increase is primarily due to costs related to fabrication services which increased by \$1.8 million or 88%, which includes cost of revenue from services provided by GDSI.

Research and Development Expenses

R&D expenses were \$16.8 million for the six months ended December 31, 2023, as compared to \$17.7 million for the six months ended December 31, 2022, a decrease of \$0.9 million or 5.5%. Personnel costs, including stock-based compensation, were \$8.1 million compared to \$9.1 million in the prior year period, a decrease of \$1.0 million or 10.5%. In addition, material and equipment related costs were \$1.1 million or 30.7% lower than the prior period. These decreases were partially offset by an increase in facility costs of \$1.1 million or 25%.

General and Administrative Expense

G&A expenses include salaries and wages for executive and administrative staff, stock-based compensation, professional fees, insurance costs and other general costs associated with the administration of our business. G&A expenses for the six months ended December 31, 2023 were \$19.5 million, which is an increase of \$6.7 million compared to the \$12.8 million for the six months ended December 31, 2022. Year-over-year changes within G&A expenses include an increase in personnel costs, including stock compensation, of \$0.3 million or 6.0%. In addition, general expenses of \$6.4 million including professional fees and intangible amortization, increased by \$5.7 million, or 88.9%.

Other (Expense)/Income

Other income for the six months ended December 31, 2023 was \$0.8 million, compared to other income of \$0.6 million for the six months ended December 31, 2022. The income increase of \$0.2 million was comprised of a decrease in interest expense of \$0.3 million and an increase in the gain on the value of derivative liabilities of \$1.2 million offset by a reduction in the gain on the value of contingent consideration of \$1.2 million.

Net Loss

The Company recorded a net loss of \$35.8 million for the six months ended December 31, 2023, compared to a net loss of \$30.2 million for the six months ended December 31, 2022. The period-over-period incremental loss of \$5.6 million, or 18.5%, was primarily driven by an increase in G&A expenses of \$6.7 million. These expense increases were partially offset by a decrease of R&D expenses of \$1.0 million.

Liquidity and Capital Resources

Overview

The Company's short-term and long-term liquidity requirements primarily arise from funding (i) research and development expenses, (ii) G&A expenses including salaries, bonuses, and commissions, (iii) working capital requirements, (iv) business acquisitions and investments we may make from time to time, and (v) interest and principal payments related to our \$44.0 million aggregate principal amount of outstanding convertible notes and \$4.0 million promissory note.

The Company has incurred losses and negative cash flow from operations since inception. Our operations thus far have been funded primarily with sales of equity and debt securities, as well as contract research and government grants, revenue from customers, foundry services and engineering services. In November 2023, we announced that we had undertaken significant expense reductions and cost-saving measures to reduce our operating cash flow burn. As a result of these cost-savings initiatives, the operating expenditures supporting the future growth of our manufacturing capabilities and expansion of our product offerings have decreased, along with decreases in research and development and headcount costs. Additionally, the Company estimates that approximately \$1.6 million of additional cash is needed to complete construction in progress assets that are currently not in service, which construction has been paused as part of these cost-savings initiatives.

We are experiencing financial and operating challenges. Although we believe we currently have sufficient resources to fund operations and planned investments for at least the next twelve months from the date of filing this report, until we are able to generate sufficient cash flow from operations to achieve and maintain profitability and meet our obligations as they come due, we will need to raise significant additional capital to sustain our business. In January 2024, we completed a public offering of our common stock raising \$10.4 million in net proceeds. We have access to an at-the-market offering program pursuant to which we may sell up to \$50.0 million of Common Stock. As of the date of this Quarterly Report, the Company had sold \$2.0 million of Common Stock under such at-the-market offering program and previously announced that it was suspending sales under the at-the-market offering program. If, in the future, the Company determines to resume sales under the at-the-market offering program, it intends to notify investors by the filing of a Current Report on Form 8-K, 10-Q, 10-K, or other public announcement.

Balance Sheet and Working Capital

The Company had \$12.9 million of cash and cash equivalents on hand as of December 31, 2023, which reflects a decrease of \$30.2 million compared to \$43.1 million as of June 30, 2023. The decrease is primarily due to cash used in operations of \$24.4 million, and cash used for investing activities of \$5.8 million. The Company estimates that cash on hand will be sufficient to fund its operations as currently conducted, including current capital expense commitments, for at least the next twelve months from the date of filing of this Form 10-Q. However, the Company has historically incurred recurring operating losses and will continue to do so until it generates sufficient revenues from operations; as a result, we are actively exploring obtaining additional capital through, among other means, public or private equity offerings (including sales of our common stock under our at-the-market equity offering program), debt financings, real estate- or equipment-based financing arrangements, corporate collaborations and/or licensing arrangements. There is no assurance that the Company's projections and estimates are accurate. The Company is actively managing and controlling its cash outflows to mitigate liquidity risks.

December 31, 2023 compared to June 30, 2023

As of December 31, 2023, the Company had current assets of \$26.0 million, made up primarily of cash on hand of \$12.9 million. As of June 30, 2023, current assets were \$59.8 million comprised primarily of cash on hand of \$43.1 million.

Property, Plant and Equipment was \$56.2 million as of December 31, 2023 as compared to a balance of \$57.8 million as of June 30, 2023.

Total assets as of December 31, 2023 and June 30, 2023 were \$111.9 million and \$148.9 million, respectively.

Current liabilities as of December 31, 2023 and June 30, 2023 were \$14.3 million and \$17.6 million, respectively.

Long-term liabilities totaled \$43.8 million as of December 31, 2023, compared to \$45.1 million as of June 30, 2023.

Stockholders' equity was \$53.8 million as of December 31, 2023, compared to \$86.2 million as of June 30, 2023, a decrease of \$32.4 million, or 37.7%. This decrease was primarily due to the net loss for the six months ended December 31, 2023 of \$35.8 million which was partially offset by the increase in additional paid-in-capital ("APIC") of \$3.6 million. The increase in APIC was primarily due to common stock issued for note interest of \$1.3 million and common stock issued for services of \$2.2 million.

Cash Flow Analysis

Operating activities used cash of \$24.4 million during the six months ended December 31, 2023 and \$26.2 million during the comparative period ended December 31, 2022. The \$1.8 million period-over-period decrease in cash used was primarily attributable to reductions in other current assets.

Investing activities used cash of \$5.8 million for the six months ended December 31, 2023 compared to \$8.0 million for the comparative period ended December 31, 2022. The decrease of \$2.2 million was primarily due to a \$2.2 million decrease in purchases of capital equipment.

Cash proceeds from financing activities decreased by \$0.2 million compared to the six months ended December 31, 2022 primarily due to the decrease in proceeds from the employee stock purchase plan.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable to smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of December 31, 2023, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our Chief Executive Officer and Chief Financial Officer have concluded based upon the evaluation described above that, as of December 31, 2023, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 2023, there were no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may have an adverse effect on our business, financial condition or results of operations and prospects.

Except for the matters described under "Litigation, Claims and Assessments" in "Note 14. – Commitments and Contingencies" of the condensed consolidated financial statements in Item 1 of Part I of this Quarterly Report on Form 10-Q, which description is incorporated in this "Item 1. Legal Proceedings" by reference, we are currently not aware of any material pending legal proceedings to which we are a party or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by any governmental authority.

ITEM 1A. RISK FACTORS.

In addition to the risk factor set forth below and the other information set forth in this report, you should carefully consider the factors discussed under Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023. These factors could materially adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by the forward-looking statements contained in this report. Except as disclosed below, there have been no material changes to the risk factors described in Part I, Item 1A, "Risk Factors," included in our 2023 Annual Report.

We are subject to claims of infringement, misappropriation or misuse of third party intellectual property that have resulted in significant expense and, regardless of merit, could result in loss of our intellectual property rights and severe disruption to our business, and we may become subject to similar claims in the future.

The semiconductor industry is characterized by the vigorous pursuit and protection of intellectual property rights. We have not undertaken a comprehensive review of the rights of third parties in our field. From time to time, we may be named in lawsuits or receive notices or inquiries from third parties regarding our products or the manner in which we conduct our business suggesting that we may be infringing, misappropriating or otherwise misusing patent, copyright, trademark, trade secret and other intellectual property rights. Any claims that our technology infringes, misappropriates or otherwise misuses the rights of third parties, regardless of their merit or resolution, could be expensive to litigate or settle and could divert the efforts and attention of our management and technical personnel, cause significant delays and materially disrupt the conduct of our business. We may not prevail in such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If such proceedings result in an adverse outcome, we could be required to:

- pay substantial damages, including treble damages if we were held to have willfully infringed;
- cease the manufacture, offering for sale or sale of the infringing technology or processes;
- expend significant resources to develop non-infringing technology or processes;
- obtain a license from a third party, which may not be available on commercially reasonable terms, or may not be available at all; or
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property against others.

On October 4, 2021, the Company was named as a defendant in a complaint filed by Qorvo, Inc. ("Qorvo") in the United States District Court for the District of Delaware alleging, among other things, patent infringement, false advertising, false patent marking, and unfair competition (the "Delaware Proceeding"). The complaint alleges that the defendants misappropriated proprietary information, made misleading statements about the characteristics of certain of its products, and sold products infringing on certain of the plaintiff's patents. The plaintiff seeks an injunction enjoining the Company from the alleged infringement and damages, including punitive and statutory enhanced damages, in an unspecified amount. On February 8, 2023, Qorvo filed an amended complaint adding allegations of misappropriation of trade secrets, racketeering activities, and civil conspiracy. The Company has developed defenses and mitigation strategies in response to the complaints, and on February 1, 2024, filed a motion for summary judgment to seek ruling in the Company's favor on the claims made by Qorvo in its complaints except for Qorvo's claims of patent infringement. The Company's motion also seeks a ruling that certain of its recent designs do not infringe one of the patents asserted by Qorvo.

On April 20, 2023, the Company filed a complaint against Qorvo in the United States District Court for the Eastern District of Texas alleging infringement by Qorvo of a patent licensed exclusively to the Company by Cornell University. The complaint alleges Qorvo's willful infringement of the Cornell patent and seeks remedies including enhanced damages and attorneys' fees. On July 24, 2023, Qorvo filed a motion to dismiss the complaint, which remains pending. On August 11, 2023, Qorvo filed a motion to strike Akoustis' infringement contentions, which was denied by the court at a hearing held on January 10, 2024. The Company intends to vigorously pursue its claims against Qorvo but can provide no assurance as to the outcome of this dispute.

The litigation described above has been prolonged and resulted in significant expenses, diversion of management and technical personnel attention,

disruptions and delays in the Company's business and product development, and other collateral consequences. The ultimate result or judgment of each of these matters is uncertain due to the inherent uncertainty in litigation and other proceedings and, as the Company cannot currently predict the results of the proceedings, no corresponding accrual has been recorded in the financial statements included in this Form 10-Q. However, a significant judgment against the Company in the Delaware Proceeding would have a material adverse effect on the Company's business, which could result in the Company needing to curtail or cease operations and seek protection by filing a voluntary petition for relief under the Bankruptcy Code. Any settlement of the Delaware Proceeding or other actions may also have an adverse effect on the Company's business, financial condition and results of operations, including, but not limited to, substantial expenses, the payment of royalties, licensing or other fees payable to third parties, or restrictions on its ability to develop, manufacture, and sell its products.

From time to time, the Company may become involved in other lawsuits, investigations, and claims that arise in the ordinary course of business. The Company believes it has meritorious defenses against such other pending claims and intends to vigorously pursue them. While it is not possible to predict or determine the outcomes of any such other pending actions, the Company believes the amount of liability, if any, with respect to such other pending actions, would not materially affect its financial position, results of operations, or cash flows.

In addition, our agreements with prospective customers and manufacturing partners may require us to indemnify such customers and manufacturing partners for third party intellectual property infringement claims. Pursuant to such agreements, we may be required to defend such customers and manufacturing partners against certain claims that could cause us to incur additional costs. While we endeavor to include as part of such indemnification obligations a provision permitting us to assume the defense of any indemnification claim, not all of our current agreements contain such a provision and we cannot provide any assurance that our future agreements will contain such a provision, which could result in increased exposure to us in the case of an indemnification claim.

Our failure to meet the minimum bid price for continued listing on The Nasdaq Capital Market could adversely affect our ability to publicly or privately sell equity securities and the liquidity of our common stock.

On October 24, 2023, we received notification from the Listing Qualifications Department of The Nasdaq Stock Market, or Nasdaq, stating that the Company did not comply with the minimum \$1.00 bid price requirement for continued listing set forth in Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Requirement"). In accordance with Nasdaq listing rules, the Company has been afforded 180 calendar days (until April 22, 2024) to regain compliance with the Bid Price Requirement (the "Initial Compliance Period"). To regain compliance, the closing bid price of the Company's common stock must meet or exceed \$1.00 per share for a minimum of ten consecutive business days during this additional 180-day period, all as described in more detail in the Current Report on Form 8-K filed with the SEC on October 27, 2023. If the Company does not regain compliance by April 22, 2024, the Company may be eligible for an additional grace period. To qualify, the Company must, as of the final day of the Initial Compliance Period, meet the applicable market value of publicly held shares requirement for continued listing and all other applicable standards for initial listing on the Capital Market (except the Bid Price Requirement) based on the Company's most recent public filings and market information and must notify Nasdaq of its intent to cure this deficiency. If the Company meets these requirements, the Nasdaq staff would be expected to grant an additional 180 calendar days for the Company to regain compliance with Bid Price Requirement.

The closing price of our common stock was \$0.66 on February 8, 2024. There can be no assurance that we will regain compliance with the Bid Price Requirement by the April 22, 2024 deadline, or that we will be eligible for the second 180 day compliance period. Our inability to regain compliance with the Bid Price Requirement would materially impair our ability to raise capital. Moreover, if we were unable to regain compliance with the Bid Price Requirement, our common stock would likely then trade only in the over-the-counter market and the market liquidity of our common stock could be adversely affected and its market price could decrease. If our common stock were to trade on the over-the-counter market, selling our common stock could be more difficult because smaller quantities of shares would likely be bought and sold, transactions could be delayed, and we could face significant material adverse consequences, including: a limited availability of market quotations for our securities; reduced liquidity with respect to our securities; a determination that our shares are a "penny stock," which will require brokers trading in our securities to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our securities; a reduced amount of news and analyst coverage; and a decreased ability to issue additional securities or obtain additional financing in the future. These factors could result in lower prices and larger spreads in the bid and ask prices for our common stock and would substantially impair our ability to raise additional funds and could result in a loss of institutional investor interest and fewer development opportunities for us.

We have a history of operating losses and will need to raise significant additional capital to continue our business and operations. If we are unable to raise capital or secure financing on favorable terms, or at all, to meet our future capital and operating needs, we may be forced to further delay, reduce or eliminate our R&D plan or other operating activities, which would have a material adverse effect on our business and your investment.

We are experiencing financial and operating challenges. As of December 31, 2023, we had \$12.9 million of cash and cash equivalents. To remain viable, we estimate that we will require significant additional liquidity to fund our cash requirements until we can achieve and maintain profitability that will sustain our operations.

We are actively exploring additional sources of liquidity and may seek to raise such capital through, among other means, public or private equity offerings (including sales of our common stock under our at-the-market equity offering program, which we previously suspended but are able to resume at any time, subject to any applicable lock-up restrictions in the our January 2024 underwriting agreement with Roth Capital Partners, LLC), debt financings, real estate- or equipment-based financing arrangements, corporate collaborations and/or licensing arrangements. However, general market conditions or the market price of our common stock may not support these capital raising transactions on terms favorable to us, or at all. In November 2023, we announced that we had undertaken significant expense reductions and cost-saving measures to reduce our operating cash flow burn. If we are unable to obtain adequate financing or financings on terms satisfactory to us when we require it, we may be forced to undertake additional measures, which may include delaying or reducing our R&D plan and/or manufacturing and sales activities, materially curtailing or eliminating our operations, selling or disposing of our rights or assets, pursuing sale or other strategic transactions, or undergoing restructuring or insolvency proceedings. Factors that could limit our ability to raise additional capital after this offering include, among other matters:

- the expectation that we will continue to incur losses and generate negative cash flows from operations;
- our substantially limited liquidity and capital resources to meet our obligations as they become due;
- the potential that our common stock will be delisted by Nasdaq in the event we fail to regain compliance in a timely manner with the minimum bid price requirement;

- the lawsuit filed by Qorvo, Inc. in October 2021 alleging claims of infringement, misappropriation and misuse of intellectual property and related expenses and disruptions to our business;
- the amounts outstanding under our \$44.0 million principal amount of our 6.0% Convertible Senior Notes due 2027 and a \$4.0 million promissory note issued in connection with our acquisition of GDSI (including the potential we may experience one or more defaults or events of default under such instruments); and
- risks and uncertainties that are described in more detail in the Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our most recent Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q.

Any inability to raise adequate funds on commercially reasonable terms could have a material adverse effect on our business, results of operation and financial condition, including the possibility that a lack of funds causes our business to fail and liquidate, resulting in our stockholders losing some or all of their investment.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Unregistered Sales of Equity Securities

Other than any sales previously reported in the Company's Current Reports on Form 8-K, the Company did not sell any unregistered securities during the period covered by this report.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None

ITEM 6. EXHIBITS.

The exhibits in the Exhibit Index below are filed or furnished, as applicable, as part of this report.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Articles of Conversion of the Company, as filed with the Nevada Secretary of State on December 15, 2016 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on December 16, 2016)
3.2	Certificate of Conversion of the Company, as filed with the Delaware Secretary of State on December 15, 2016 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on December 16, 2016)
3.3	Certificate of Incorporation, as filed with the Delaware Secretary of State on December 15, 2016 (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed with the SEC on December 16, 2016)
3.4	Certificate of Amendment to the Certificate of Incorporation, as filed with the Delaware Secretary of State on November 4, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 6, 2019)
3.5	Certificate of Amendment to the Certificate of Incorporation of the Company, filed with the Delaware Secretary of State on November 10, 2022 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 14, 2022)
3.6	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Delaware Secretary of State on November 2, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 2, 2023)
3.7	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 1, 2020)
10.1†	Amendment to Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 2, 2023)
31.1*	Rule 13(a)-14(a)/15(d)-14(a) Certification of Principal Executive Officer
31.2*	Rule 13(a)-14(a)/15(d)-14(a) Certification of Principal Financial Officer
32.1**	Section 1350 Certification of Principal Executive Officer
32.2**	Section 1350 Certification of Principal Financial Officer
101*	Interactive Data Files of Financial Statements and Notes

101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

** Furnished herewith

† Management contract or compensatory plan or arrangement

SIGNATURES

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

Dated: February 13, 2024

Akoustis Technologies, Inc.

By: /s/ Kenneth E. Boller
Kenneth E. Boller
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Jeffrey B. Shealy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Akoustis Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2024

/s/ Jeffrey B. Shealy

Jeffrey B. Shealy
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Kenneth E. Boller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Akoustis Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2024

/s/ Kenneth E. Boller

Kenneth E. Boller
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Akoustis Technologies, Inc. (the "Company") on Form 10-Q for the quarterly period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey B. Shealy, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2024

/s/ Jeffrey B. Shealy

Jeffrey B. Shealy
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Akoustis Technologies, Inc. (the "Company") on Form 10-Q for the quarterly period ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth E. Boller, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2024

/s/ Kenneth E. Boller
Kenneth E. Boller
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.