

May 3, 2021



Akoustis Reports Record Third Quarter Fiscal 2021 Revenue

- **Revenue Increased 92% Sequentially - 11% Above Analyst Consensus**
- **XBAW Filter Shipments Up Over 100% Sequentially**
- **Growing Customer Activity in 5G Mobile, WiFi, Infrastructure and Other Markets**
- **New Plan to Accelerate Fab Expansion and Boost Capacity by an Additional 2X by CYE 2021 to Approximately 500 Million Filters Per Year**
- **Company to Host Investor Update Call Today at 8:00 am EDT**

Charlotte, N.C., May 03, 2021 (GLOBE NEWSWIRE) -- Akoustis Technologies, Inc. (NASDAQ: [AKTS](#)) ("Akoustis" or the "Company"), an integrated device manufacturer (IDM) of patented bulk acoustic wave (BAW) high-band RF filters for mobile and other wireless applications, announced today record revenue of \$2.5 million for the 2021 fiscal third quarter ended March 31, 2021, 11% above analyst consensus. Quarterly revenue increased over \$1.0 million sequentially, an increase of 92% from the previous December quarter. The Company exited the March quarter with \$90.4 million of cash.

The Company will host an investor call to provide a business update and outlook, followed by a Q & A session this morning at 8:00 a.m. EDT. The call-in numbers are 877-407-3982 (domestic) or +01 201-493-6780 (international). The conference call will be webcast live on the Company's website and will be available for playback at the following URL: <https://ir.akoustis.com/ir-calendar>.

Jeff Shealy, founder and CEO of Akoustis, commented, "We continued to build momentum in the March quarter, and we are in the best position in our history to deliver on significant opportunities across multiple BAW filter markets and to deliver substantial revenue and earnings growth moving forward." Mr. Shealy continued, "We are actively delivering volume production of our WiFi 6 tandem filter solution, delivering initial samples of our new 5G mobile filter solutions, shipping multiple 5G small cell XBAW[®] filter solutions, and we are entering the final stage of qualification with our WiFi 6E coexistence XBAW[®] filter solutions. We currently see WiFi 6E as one of our most compelling near-to-intermediate term market opportunities, while the 5G mobile handset filter market remains our largest potential intermediate-to-long term market opportunity by both unit volume and revenue."

Akoustis is actively delivering volume production of its WiFi 6 tandem filter solutions, shipping multiple 5G small cell XBAW[®] filter solutions, delivering initial designs of its new 5G mobile filter solutions to multiple customers and is now entering the market with its new WiFi 6E coexistence XBAW[®] filter solutions.

Given the rapidly growing sales funnel activity as well as ongoing interaction with customers regarding expected ramps in both 5G mobile and WiFi 6E in calendar 2022, the Company plans to increase the annual production capacity at its New York fab by the end of calendar 2021 to approximately 500 million filters per year.

Recent Business Highlights

- XBAW filter unit shipments up over 100% sequentially
- Shipped first XBAW[®] filter sample to RF front-end module customer for evaluation and characterization
- Completed design and released to fab new XBAW[®] 5G mobile filter for tier-1 RF component customer
- Completed the process flow for our chip-scale-package (CSP) for XBAW[®] filters, aimed at the emerging 5G mobile and WiFi device markets
- Continued engagement with first 5G mobile customer and executed against open purchase orders
- Introduced new 5 GHz WiFi 6E coexistence filter solution with 5.6 GHz and 6.6 GHz XBAW[®] filter modules
- Shipped volume order for 5.5 GHz and 6.5 GHz WiFi 6E filters with new tier-1 customer
- Announced inclusion on multiple WiFi 6E reference designs from two tier-1 SoC makers
- Continued commercial production for tier-1 consumer focused tri-band WiFi 6 product, which is currently available for sale in both online and retail box stores
- Achieved robust sampling of WiFi 6E filters to tier-1 and tier-2 OEMs, ODMs and SoC customers
- Awarded new design win for XBAW[®] filter from new CBRS customer
- Continued DARPA direct-to-phase II (DP2) contract to advance design and manufacturing of XBAW[®] technology for filters and other sensors
- Retired the entire \$25 million principal amount of convertible debt, resulting in a largely debt free balance sheet.
- Expanded XBAW[®] patent portfolio to 47 issued and licensed patents plus 78 patents pending, with 9 new patent issuances in the current calendar year

Akoustis currently has 15 commercial XBAW filters in its product catalog, and recently introduced [5.6 GHz and 6.6 GHz WiFi 6E](#) coexistence filter modules, which when qualified, will bring the number of catalog products to 17. Current product catalog filters include a [5.6 GHz WiFi filter](#), a [5.2 GHz WiFi filter](#), a [5.5 GHz WiFi-6E filter](#), a [6.5 GHz WiFi 6E filter](#), three [small cell 5G network infrastructure filters](#) including two Band n77 filters and one Band n79 filter, a [3.8 GHz filter](#) and [five S-Band filters](#) for defense phased-array radar applications, a [3.6 GHz filter](#) for the CBRS 5G infrastructure market and a C-Band filter for the [unmanned aircraft systems](#) (UAS) market. The Company is also developing several new filters for the sub-7 GHz bands targeting 5G mobile device, network infrastructure, WiFi CPE and defense markets.

Third Fiscal Quarter Financial Performance

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020	For the Nine Months Ended March 31, 2021	For the Nine Months Ended March 31, 2020
Revenue				

Revenue with customers	\$ 2,517	\$ 363	\$ 4,461	\$ 1,424
Cost of revenue	<u>2,973</u>	<u>217</u>	<u>7,224</u>	<u>1,340</u>
Gross profit (loss)	<u>(456)</u>	<u>146</u>	<u>(2,763)</u>	<u>84</u>
Operating expenses				
Research and development	5,225	5,769	17,171	15,736
General and administrative expenses	<u>3,395</u>	<u>2,589</u>	<u>9,683</u>	<u>8,158</u>
Total operating expenses	<u>8,620</u>	<u>8,358</u>	<u>26,854</u>	<u>23,894</u>
Loss from operations	<u>(9,076)</u>	<u>(8,212)</u>	<u>(29,617)</u>	<u>(23,810)</u>
Other (expense) income				
Interest (expense) income	(2,027)	(1,162)	(5,162)	(3,259)
Rental income	—	54	—	164
Change in fair value of contingent real estate liability	—	480	—	446
Change in fair value of derivative liabilities	<u>928</u>	<u>1,066</u>	<u>744</u>	<u>396</u>
Total other (expense) income	<u>(1,099)</u>	<u>438</u>	<u>(4,418)</u>	<u>(2,253)</u>
Net loss	\$ <u>(10,175)</u>	\$ <u>(7,774)</u>	\$ <u>(34,035)</u>	\$ <u>(26,063)</u>
Net loss per common share - basic and diluted	\$ (0.22)	\$ (0.21)	\$ (0.83)	\$ (0.80)
Weighted average common shares outstanding - basic and diluted	45,620,610	36,236,779	41,047,723	32,659,339

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

	<u>March 31,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>
Assets		
Assets:		
Cash and cash equivalents	\$ 90,392	\$ 44,308
Accounts receivable	1,620	351
Inventory	1,446	136
Other current assets	1,572	1,408
Total current assets	<u>95,030</u>	<u>46,203</u>
Property and equipment, net	28,755	23,605
Intangibles, net	579	544
Operating lease right-of-use asset, net	531	699
Restricted cash	—	100
Other assets	282	282
Total Assets	<u>\$ 125,177</u>	<u>\$ 71,433</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 5,163	\$ 5,899
Deferred revenue	123	—
Operating lease liability - current	260	231
Short term loans payable	1,218	—
Total current liabilities	<u>6,764</u>	<u>6,130</u>
Long-term Liabilities:		
Convertible notes payable, net	—	21,628
Operating lease liability - non-current	274	472
Long term loans payable	392	1,591
Other long-term liabilities	117	117
Total long-term liabilities	<u>783</u>	<u>23,808</u>
Total Liabilities	<u>7,547</u>	<u>29,938</u>
Stockholders' Equity		
Preferred stock, par value \$0.001: 5,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized; 50,374,194 and 37,990,380 shares issued and outstanding at March 31, 2021 and June 30, 2020, respectively	50	38
Additional paid in capital	255,230	145,072
Accumulated deficit	<u>(137,650)</u>	<u>(103,615)</u>

Total Stockholders' Equity	<u>117,630</u>	<u>41,495</u>
Total Liabilities and Stockholders' Equity	\$ 125,177	\$ 71,433

The following Non-GAAP measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. These non-GAAP measures exclude significant expenses that are required by GAAP to be recorded in the Company's financial statements and are subject to inherent limitations. Please see reconciliations to comparable GAAP measures below and descriptions of these non-GAAP measures under "Non-GAAP Measures."

Below, Non-GAAP Operating Loss and Non-GAAP Net Loss for the three months ending March 31, 2021 and 2020 were as follows:

Akoustis Technologies, Inc.
Unaudited Reconciliations of Non-GAAP Financial Measures

(in thousands)	<u>Three Months Ended</u>	
	<u>March 31, 2021</u>	<u>March 31,</u>
	\$	\$
GAAP operating loss	(9,076)	(8,212)
Common stock issued for services	1,991	1,803
	\$	\$
Non-GAAP operating loss	(7,085)	(6,409)
	<u>Three Months Ended</u>	
	<u>March 31, 2021</u>	<u>March 31,</u>
	\$	\$
GAAP net loss	(10,175)	(7,774)
Change in fair value of contingent real estate liability	-	(480)
Change in fair value of derivative liabilities	(928)	(1,066)
Debt discount amortization	2,059	842
Common stock issued for services	1,991	1,803
	\$	\$
Non-GAAP net loss	(7,054)	(6,674)
Weighted average common shares outstanding - basic and diluted	45,620,610	36,263,779

Non-GAAP net loss per common share - basic and diluted	\$ (0.15)	\$ (0.18)
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	Nine Months Ended	
(in thousands)	March 31, 2021	March 31,
	\$	\$
GAAP operating loss	(29,617)	(23,810)
Common stock issued for services	6,084	5,108
	\$	\$
Non-GAAP operating loss	(23,534)	(18,702)

	Nine Months Ended	
(in thousands)	March 31, 2021	March 31,
	\$	\$
GAAP net loss	(34,035)	(26,063)
Change in fair value of contingent real estate liability	-	(446)
		\$
Change in fair value of derivative liabilities	(744)	(396)
		\$
Debt discount amortization	4,405	2,333
		\$
Common stock issued for services	6,084	5,108
	\$	\$
Non-GAAP net loss	(24,290)	(19,464)
Weighted average common shares outstanding - basic and diluted	41,047,723	32,659,339
Non-GAAP net loss per common share - basic and diluted	\$ (0.59)	\$ (0.60)

Non-GAAP Measures

We regularly review a number of metrics, including Non-GAAP Operating Loss and Non-GAAP Net Loss, which are not financial measures calculated in accordance with generally accepted accounting principles in the United States ("GAAP"). Non-GAAP Operating Loss represents operating loss before common stock issued for services. Non-GAAP Net Loss represents net loss before change in fair value of contingent real estate liability, change in fair value of derivative liabilities, debt discount amortization and common stock issued for services. The Company believes these non-GAAP measures provide useful information to

management, investors and financial analysts regarding certain financial and business trends relating to the Company's financial condition and results of operations. We use these non-GAAP measures to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

About Akoustis Technologies, Inc.

Akoustis[®] (<http://www.akoustis.com/>) is a high-tech BAW RF filter solutions company that is pioneering next-generation materials science and MEMS wafer manufacturing to address the market requirements for improved RF filters - targeting higher bandwidth, higher operating frequencies and higher output power compared to incumbent polycrystalline BAW technology deployed today. The Company utilizes its proprietary [XBAW[®] manufacturing process](#) to produce bulk acoustic wave RF filters for mobile and other wireless markets, which facilitate signal acquisition and accelerate band performance between the antenna and digital back end. Superior performance is driven by the significant advances of high-purity, single-crystal and associated piezoelectric materials and the resonator-filter process technology which drives electro-mechanical coupling and translates to wide filter bandwidth.

Akoustis plans to service the fast growing multi-billion-dollar RF filter market using its integrated device manufacturer (IDM) business model. The Company owns and operates a 120,000 sq. ft. ISO-9001:2015 registered commercial wafer-manufacturing facility located in Canandaigua, NY, which includes a class 100 / class 1000 cleanroom facility - tooled for 150-mm diameter wafers - for the design, development, fabrication and packaging of RF filters, MEMS and other semiconductor devices. Akoustis Technologies, Inc. is headquartered in the Piedmont technology corridor near Charlotte, North Carolina.

Forward-Looking Statements

This document includes "forward-looking statements" within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements about our estimates, expectations, beliefs, intentions, plans or strategies for the future (including our possible future results of operations, business strategies, competitive position, potential growth opportunities, potential market opportunities and the effects of competition), and the assumptions underlying such statements. Forward-looking statements include all statements that are not historical facts and typically are identified by use of terms such as "may," "might," "would," "will," "should," "could," "project," "expect," "plan," "strategy," "aim," "anticipate," "attempt," "develop," "help," "believe," "think," "estimate," "predict," "intend," "forecast," "seek," "potential," "possible," "continue," "future," and similar words (including the negative of any of the foregoing), although some forward-looking statements are expressed differently. Forward-looking statements are neither historical facts nor assurances of future results, performance, events or circumstances. Instead, these forward-looking statements are based on management's current beliefs, expectations and assumptions and are subject to risks and uncertainties. Factors that could cause actual results to differ materially from those currently anticipated include, without limitation, risks relating to our ability to obtain adequate financing and sustain our status as a going concern; our limited operating history; our inability to generate revenues or achieve profitability; the results of our research and development activities; our inability to achieve acceptance of our products

in the market; the impact of a pandemic or epidemic or a natural disaster, including the COVID-19 pandemic, on our operations, financial condition and the worldwide economy, including its impact on our ability to access the capital markets; general economic conditions, including upturns and downturns in the industry; shortages in supplies needed to manufacture our products, or needed by our customers to manufacture devices incorporating our products; our limited number of patents; failure to obtain, maintain, and enforce our intellectual property rights; our inability to attract and retain qualified personnel; our reliance on third parties to complete certain processes in connection with the manufacture of our products; product quality and defects; existing or increased competition; our ability to successfully manufacture, market and sell products based on our technologies; our ability meet the required specifications of customers and achieve qualification of our products for commercial manufacturing in a timely manner; our ability to successfully scale our New York wafer fabrication facility and related operations while maintaining quality control and assurance and avoiding delays in output; the rate and degree of market acceptance of any of our products; our ability to achieve design wins from current and future customers; contracting with customers and other parties with greater bargaining power and agreeing to terms and conditions that may adversely affect our business; risks related to doing business in foreign countries, including China; any security breaches, cyber-attacks or other disruptions compromising our proprietary information and exposing us to liability; our failure to innovate or adapt to new or emerging technologies; our failure to comply with regulatory requirements; results of any arbitration or litigation that may arise; stock volatility and illiquidity; dilution caused by any future issuance of common stock or securities that are convertible into or exercisable for common stock; our failure to implement our business plans or strategies; and our ability to maintain effective internal control over financial reporting. These and other risks and uncertainties are described in more detail in the Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations sections of the Company's most recent Annual Report on Form 10-K and in subsequently filed Quarterly Reports on Form 10-Q. Considering these risks, uncertainties and assumptions, the forward-looking statements regarding future events and circumstances discussed in this document may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements included in this document speak only as of the date hereof and, except as required by law, we undertake no obligation to update publicly or privately any forward-looking statements, whether written or oral, for any reason after the date of this document to conform these statements to new information, actual results or to changes in our expectations.

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