



Akoustis Technologies, Inc.

Fourth Quarter 2023 Investor Update Call

September 6, 2023

C O R P O R A T E P A R T I C I P A N T S

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P R E S E N T A T I O N

Operator

Good day ladies and gentlemen, and welcome to the Akoustis Technologies Fiscal 2023 Fourth Quarter Conference Call.

As a reminder, this conference call is being recorded. At the conclusion of the Company's presentation, Akoustis Management will take questions. (Operator Instructions)

A replay of the call will be available on the Investor Relations section of the Akoustis website.

I would now like to turn the floor over to Tom Sepenzis.

Tom Sepenzis

Thank you Operator, and good morning to everyone on the call. Welcome to Akoustis' fourth quarter fiscal 2023 conference call. We are joined today by our Founder and CEO Jeff Shealy, CFO Ken Boller, and EVP of Business Development, Dave Aichele.

Before we begin, please note that today's presentation includes forward-looking statements about our business outlook. All statements other than statements of historical facts included in this conference call, such as expectations regarding our strategies and operations, including the timing and prospects of product development and customer orders and design wins, possible collaborative or partnering relationships, litigation matters, and expected financial and operating results are forward-looking statements.

Such forward-looking statements are predictions based on the Company's expectations as of today and are subject to numerous risks and uncertainties. The Company and our Management Team assume no obligation to update any forward-looking statements made on today's call. Our SEC filings mention important factors that could cause actual results to differ materially. Please refer to our latest Form 10-K and Form 10-Q filed with the SEC to get a better understanding of those risks and uncertainties.

In addition, our presentation today will also refer to certain non-GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measure is presented in our earnings call highlight release, available in the Investors section of akoustis.com.

I would now like to turn the call over to Jeff Shealy, Founder and CEO of Akoustis.

Jeff Shealy

Thank you Tom, and welcome everyone to our fiscal fourth quarter conference call.

During the quarter, we were able to deliver our seventh consecutive quarter of record sales as revenue growth in the June quarter was within our guided range of up 10% to 20% sequentially. This was driven by a 41% sequential growth in filter product revenue with continuing Wi-Fi 6E ramps across the enterprise market, increased activity in service provider and consumer markets, as well as shipments to our Tier 1 5G mobile RF component customer for broad sampling of its multiplexer for 5G mobile devices. Additionally, we experienced a rebound in our SAW filter, automotive and timing control business during the June quarter and expect this business to show further gains moving forward as new products are introduced, which I will describe in greater detail shortly.

During the June quarter, we had two customers that made up greater than 10% of our revenue. XBAW-related sales accounted for the top five customers and six out of the top 10 customers. Our top 10 customers made up 63% of our revenue, our top 25 customers made up 77% of revenue. In terms of regional sales, three out of our top 10 customers were Asia-based. Finally, our top two customers in Q4 increased their sequential revenue with Akoustis by 18% and 3% respectively.

We are experiencing the same challenging end market environment that has been noted by many of our customers and industry peers over the past several weeks as high component inventory levels, weak consumer electronics demand, particularly in mobile handsets, and a slower return to office implementation have negatively impacted multiple segments of the consumer electronics industry. This corresponds with a slower than expected rebound in the automotive, 5G mobile devices and network infrastructure, and Wi-Fi markets, with focused weakness in both consumer and service provider markets. As a result, we expect revenue for the September quarter to be down approximately 15%. Despite these macro challenges, we continue to receive new design wins and introduce new products that we expect will facilitate substantial revenue growth over the next 24 months.

I would now like to take a moment to discuss the recent developments involving the CHIPS and Science Act of 2022.

Regarding CHIPS Act funding, the domestic manufacturing program is being implemented by the Department of Commerce, or DoC. R&D investments in nanotechnology and the creation of regional high tech hubs are being driven by the Department of Defense, or DoD. Akoustis' current activity includes proposal activity with both the DoC and DoD related programs for domestic semiconductor manufacturing, R&D, and the commercialization of leading edge nanotechnologies. As of today, we have submitted one DoD proposal with Akoustis as the lead contractor or hub, focused on electronic warfare, or EW, for defense applications. The proposed five-year contract, if awarded, has an initial program budget of over \$150 million. We currently expect the DoD to announce their award selections by the end of September.

Akoustis is seeking to expand its domestic manufacturing footprint, including both semiconductors and advanced packaging, at our New York 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 by the end of the calendar year and expect a program award in calendar year 2024. We continue to plan our CHIPS application around multiple semiconductor partners which intend to manufacture semiconductor materials, wafers and/or packaging on our New York manufacturing campus.

Next, I would like to discuss several compelling updates in our primary target markets, beginning with Wi-Fi.

One of our milestones during the June quarter was to deliver two additional Wi-Fi design wins, and we received four new wins, all of which are expected to ramp over the next 12 months. These design wins include high frequency Wi-Fi 6E and Wi-Fi 7 XBAW filter solutions, as well as 2.4 gigahertz BAW filter solutions. During the June quarter, we began sampling our new 5.6 and 6.6 gigahertz Wi-Fi 6E and Wi-Fi 7 filter solutions to multiple customers. These new parts offer approximately four times size reduction compared to earlier generation parts and initial feedback has been positive. We have received our first design win for these new filter solutions for a consumer-focused Wi-Fi 6E platform with a multi-user multiple in, multiple out, or MU MIMO architecture. We now have multiple catalog and customer Wi-Fi 6E and Wi-Fi 7 XBAW filter solutions that are currently selling in the market.

While the overall Wi-Fi market has been impacted over the past 12 months by excess inventory driven by component shortages in 2021 and 2022, and slowing Wi-Fi AP demand post COVID, we do expect improvement in the next six months with normalized inventory levels returning in calendar 2024. With our continuing design win traction, as evidenced by the new four new design wins in the June quarter, we expect strong growth in our Wi-Fi business to continue in calendar 2024 and beyond. This will be driven by our expanding portfolio of catalog Wi-Fi products in the spectrum covering 2.4 gigahertz to 7.1 gigahertz, combined with our ability to rapidly deliver customized solutions.

Looking ahead, in the September quarter, we expect to receive a design win for next generation Wi-Fi 7 hardware with a consumer-focused OEM. Further, we also expect to receive a design win for our next generation Wi-Fi 7 solution with a Tier 1 U.S.-based carrier, and finally we plan to secure design wins for our Tier 1 enterprise-class customers' Wi-Fi 7 suite of routers and access points.

Next, I would like to discuss our recent developments in the 5G mobile market.

We continued to ship our initial 5G mobile filter to our Tier 1 customer in the June quarter. The customer has been sampling its multiplexer that uses our filter and has been waiting for its chipset reference design partner to launch its base band into the China market. During the June quarter, our 5G mobile customer brought a Tier 1 smartphone tablet OEM to our Canandaigua, New York fab to perform its own quality audit of our facility and manufacturing process. We successfully passed the audit, including two offshore assembly and test locations, further validating our technology and manufacturing capability. This was our first audit by a Tier 1 handset OEM, so this was a major milestone for our Company.

We delivered two newly developed Wi-Fi 7 filter samples to our Tier 2 mobile customer during the June quarter and we continue to expect these filters to be qualified and ready for production in the first half of calendar 2024. These two new filters are being delivered using our foundry process with the customer creating its own designs using our advanced machine learning-driven AI product development kit, or PDK. Our customer has decided it would like to make minor changes to the first design, and we expect to begin redesign later this year. Our anticipated milestones for the September quarter include we expect to receive an order for a 2.4 gigahertz Wi-Fi filter for our Tier 2 5G mobile RF front end module-making customer.

I will now discuss our progress in our network infrastructure business.

During the June quarter, we continued XBAW filter shipments to our CBRS customers targeting the U.S. market. We are seeing the 5G open radio access network, or ORAN market slow along with the broader RAN market as operators take inventory of existing developments. We do expect the small cell market to improve in calendar 2024 as carriers throughout the U.S., Europe, the Middle East and Africa begin to deploy sub-5 gigahertz networks due to increased data demands. We expect carriers to deploy small cells in greater numbers in 5G networks to expand capacity and improve service.

We had several major developments in our network infrastructure business during the June quarter. First, we successfully delivered samples of 7 gigahertz XBAW filters to a Tier 1 European 5G network infrastructure OEM. We were also awarded a development order for our new high band massive MIMO filter design from the same Tier 1 OEM, aimed at the new 7 gigahertz spectrum for 5G base station applications.

For the September quarter, we expect to secure a fourth design win in 5G from a new massive MIMO customer. Furthermore, we are currently working to engineer new improved samples of our 5G band 41 and 5G U.S. 3.8 gigahertz network infrastructure filter solutions. We expect to finalize the design and provide samples in the December quarter.

Now finally, I would like to provide an update on our defense and other businesses.

During the June quarter, we achieved several milestones in our defense and other market segment. We successfully broadened the sampling of our new automotive C-V2X XBAW filter solution to multiple customers. While we have been involved in the automotive market delivering RFMI, SAW filter and crystal components, the introduction of our new XBAW solution for C-V2X should significantly expand our potential TAM for the automotive market.

Our new C-V2X filter operates between 5.855 and 5.925 gigahertz and allows for device-to-device and device-to-network connections for multiple applications aimed at providing safe and effective communication within vehicles. Our new patented filter delivers low loss performance and enables high power handling capabilities that establish long range connectivity for C-V2X applications. We also successfully delivered the second of two resonators for the timing control market after our customers asked for wider bandwidth performance earlier in the year. We are now working on qualifying this resonator and our customer is finalizing the development of its low jitter oscillator product that is aimed at multiple end markets. During the quarter, we were also able to secure a development order for a new millimeter wave XBAW filter for a Tier 1 defense customer.

Our biggest success in the defense and other market segment was the introduction of our new XP3F technology which incorporates a new revolutionary multi-layer nano material that incorporates our patented single crystal piezoelectric material. This new nano material was developed with funding from the Defense Advanced Research Project Agency, or DARPA, to scale the XBAW technology to frequencies up to 18 gigahertz. The new piezoelectric material stack and the accompanying manufacturing process enables high Q micro-acoustic wide bandwidth filter solutions that will provide improved coexistence compared to competing high frequency LTCC, IPD and PCB solutions. We believe the XP3F technology could present Akoustis with significant opportunities in X-band radar, sat com KU band, and upcoming 5G/6G FR3 spectrum, and we are receiving significant customer interest in both defense and commercial markets.

For the September quarter in the defense and other market segments, we are expecting to secure a design win of at least one of the following: crystal oscillator BAW filter and/or SAW filter used in automotive wireless battery management systems, or WBMS solutions used in a Tier 1 IC-reference design, and we also expect to complete the qualification of the second XBAW resonator for a timing control customer.

Now I would like to hand the call over to Ken to go through our financial highlights.

Ken Boller

Thank you Jeff.

For the fourth quarter ended June 30, 2023, the Company reported revenue of \$8.3 million, which is an increase of more than 13% over the prior quarter ended March 31, 2023 and represents an increase of 60% year-over-year.

On a GAAP basis, operating loss was \$17.9 million for the June quarter, driven by revenue of \$8.3 million offset by labor cost of \$8.6 million, depreciation and amortization of \$3.3 million, and other operational costs totaling \$14.3 million. As a result, GAAP net loss per share was \$0.25.

On a non-GAAP basis, operating loss was \$15 million and non-GAAP net loss per share was \$15.2 million. Reconciliation of these amounts to the corresponding GAAP measures is available in the press release issued this morning, available on the Investors section of our corporate website.

CapEx spending for Q4 was \$1.2 million, a decline from \$2.1 million in the prior quarter as we placed into service the last of our ordered equipment of the Company's New York fab expansion. Cash used in operating activities was \$8.7 million, which represents the second quarter in a row of double-digit improvement as operating cash spending is down another 12% from \$9.9 million in the prior quarter.

The Company exited the June quarter with \$43.1 million of cash and cash equivalents versus \$52.7 million at the end of the previous quarter. In the September quarter, we expect revenue to be down approximately 15% given the broader market weakness, along with associated inventory corrections. Despite these challenges, we continue to receive design wins and introduce new products that we expect will help us grow our revenue substantially moving forward.

I will now turn the call back over to Jeff for his closing comments.

Jeff Shealy

Thank you Ken. Before I wrap up the call, I would like to provide a brief update on pending litigation matters.

With respect to the lawsuit Qorvo filed against Akoustis in Delaware in 2021, work on the case continues. The Company continues to develop its defenses and mitigation strategies and intends to proceed in defending itself vigorously against claims asserted by Qorvo.

Turning to the patent infringement case filed by Akoustis against Qorvo, in the Eastern District of Texas, Qorvo has filed a motion to dismiss the case as well as a motion to strike Akoustis' infringement contentions. These motions are typical tactics used by defendants at this early stage of litigation; for example, in its motion to strike, Qorvo argues that Akoustis should be required to provide individual claim charts for each of the 1,015 Qorvo products accused of infringement in the case. One key takeaway from these updates is the complexity and evolving nature of Akoustis' disputes with Qorvo. Although we can provide no assurance as to the outcome of the disputes with Qorvo, Akoustis remains focused on advancing the interests of the Company and its shareholders in both cases to obtain the best possible outcome.

Now, I would like to finish by stating that notwithstanding a persistent challenging macro environment for the broader semiconductor industry, we are positioned to continue to deliver top line revenue and unit growth over the next 24 months and beyond, driven by 5G mobile, Wi-Fi, automotive, defense and other

markets. During the June quarter, we sampled new products including our 5.6 gigahertz and 6.6 gigahertz Wi-Fi 6E and 7 filters, as well as our new C-V2X filter, and introduced a new resonator for the timing control market. We successfully passed a major milestone with the successful audit at our New York fab facility from one of the largest handset and tablet manufacturers in the world, along with our OSAT (phon) provider.

In conclusion, we believe the market opportunity for our patented high frequency XBAW and XP3F filters is substantial. As of August 25, 2023, we have 104 issued patents and 108 patents pending as we continue to build a substantial IP moat around our technology. We continue to work diligently to achieve each of our stated objectives and we will continue to provide updates on our execution against these objectives going forward.

Finally, I would like to once again thank our employees for their hard work, passion and dedication, which accounts for multiple design wins across the Wi-Fi 5G network infrastructure, automotive and defense markets. We have also experienced exceptional momentum in the 5G mobile market, driven by our industry-leading XBAW filters that operate above 3 gigahertz and our new and expanding wafer-level packaging capabilities.

I also wish to thank our shareholders, who continue to support the Company. With that, I would like to open the call for questions from the investment community. Operator, please go ahead with the first question.

Operator

Thank you. (Operator instructions)

Our first question today is from the line of Anthony Stoss with Craig Hallum. Please proceed with your questions.

Anthony Stoss

Hi Jeff. Congrats, I guess, on all the activity surrounding and the progress.

Three questions I wanted to hear from you today. On the Wi-Fi 7 side, just can you paint a picture of when you expect volume, revenues? Similar question on the smartphone tablet customer that just passed your—audited your facility, then I have a follow-up.

Jeff Shealy

Tony, good morning to you. As we said, we've seen—you know, despite the Wi-Fi slowdown that we're seeing in the carrier and enterprise, we've seen a significant pick-up in the Wi-Fi 7 activity, which is a real bright spot. In terms of the specific customer activity, let me let Dave kind of articulate what's going on there, and also kind of we got him—what he sees in the mobile space.

Dave Aichele

Good morning Tony. On the Wi-Fi 7, where I see the activity of that picking up is Q2 of next year. We've got engagements both in the carrier sector and also in the enterprise sector, active designs that are starting their development runs and then they'll start working through qualifications later this year, so expect Wi-Fi 7, both of those sectors to start in Q2 of next year. There's other activities as well with other customers that may trail a quarter after that, and these are two of our top tier customers that we deal with right now.

On the smartphone tablet, as we highlighted, successful major milestone of passing the audit, and we've had multiple Tier 1 audits from other market segments. This was the first one we've had on the smartphone

side, so huge accomplishment on the Akoustis side and also with our OSAT provider. That one, it's an engagement that we're going to track and watch. We'll be able to give better guidance in later quarters as we see obviously traction with this customer.

Jeff Shealy

Tony, let me add to that, on the mobile front, that is an area where—in the other segments, we actually engaged directly with the OEM. This one is one where we engaged with a third party, so as we previously stated, that—our part goes into a more complex module which then has to be—is sold into a reference design, which we'd previously stated that that's targeting the China market. That China market has limited visibility and also some pretty significant headwinds, as outlined by others in the space.

Anthony Stoss

Got it, and then lastly, probably a bigger question, gross margins remained negative even while revenues have grown. Can you give us a sense of where you expect gross margins to pass over into being positive, what kind of metrics need to get that above 30%, and maybe if you can update us on when you now expect cash flow breakeven on a quarterly basis?

Jeff Shealy

It's a good opportunity to bring Ken in, so Ken, why don't you start?

Ken Boller

Good morning Tony. For gross margins, we are undertaking a number of initiatives to improve our margins to switch over, as you said, to positive. Those are predominantly increased utilization of our New York fab, being one of them as well as decreasing a lot of our back-end costs. Our initial products were larger sizes, mostly 3.5 x 3.5. Our laminate sizes are coming down in size, which dramatically reduces the cost as well as some cost savings with our providers, the OSATs, and our new products are also much smaller size and much lesser back-end costs associated with those products as they come online. So, expect as we improve our laminate reductions and other measures and bring on new products, that those margins will come down and you'll start to see them become positive in the next few quarters, and then as you mentioned, operating cash flow breakeven, we expect that to occur in the October 2024 quarter, still with the same guidance as before where we get to about \$15 million to \$18 million of revenue per quarter.

But also of note, I will say that we've seen operating cash flow decline 12% each quarter for the last two quarters, and we have undertaken a number of prudent but necessary cost saving initiatives recently, which include spending controls and aligning our resources to our current customer—to our current business model. So, I expect that operating cash flow to continue to decline, and we're taking measures to make sure that happens, and then margins will improve as we see new products come online.

Jeff Shealy

Tony, this is Jeff. Just to add to that, I think Ken's previously stated, and just to kind of complete the picture, as we transition those gross margins with these cost savings plans, we expect at the time of cash flow breakeven, the gross margins will be in roughly the 30% range, is what we're projecting and how we're modeling it.

Anthony Stoss

Very good guys, thank you.

Jeff Shealy

Thank you Tony.

Operator

Our next question is from the line of Craig Ellis with B. Riley Securities. Please proceed with your questions.

Craig Ellis

Yes, thanks for taking the question, and Jeff and Ken, congratulations on all the customer progress in the most recent quarter.

I wanted to follow up on the color for September revenues down 15% quarter-on-quarter. Can you talk a little bit about the gives and takes by the different product groups for the September quarter? Then Jeff, can you talk about your confidence that the September quarter would be the bottom in quarterly revenues, or the potential for there to be a further decrease out in the fiscal second quarter timeframe ending in December?

Jeff Shealy

Craig, good morning. Thank you for the comments. Let me just outline, just provide some contrast over what we're seeing relative to Q4.

We expect the September quarter, or our Q1 to experience the following. We're seeing some slowdown in mobile and (inaudible). I mentioned particularly the carrier and enterprise class offset by the Wi-Fi 7 activity pick-up, so we see that softness in the Wi-Fi for a period of one to two quarters. We are seeing and experiencing a seasonal slowdown in some of the foundry services. We have, as some of—as part of our foundry services, we also connect in some of the R&D government contracts that we have. We're right in the middle of transitioning from a Phase 1 program to a Phase 2 program, so we're certainly seeing that hit in the September quarter as we make that transition.

I will point to that DARPA program that I'm referring to. We were extremely successful. I think out of seven participants, we hit every milestone the customer put in front of us related to that P3F technology we were developing, so we're very bullish on that approach going forward.

Then finally, also in the Q1 September quarter, we see some lead time and supply chain constraints, particularly in one of our particular Asia OSATs, so those are—that's really the puts and takes, but that's really the macro environment that we're navigating now.

In terms of confidence—to your second question, in terms of the confidence that September will be a bottom, what we're projecting is one to two quarters. We're seeing—I think we mentioned in the script, particularly in Wi-Fi, there has been some inventory build-up in the channel which needs to clear, and we're projecting one to two quarters. So, I think internally if you look how we model it, I would say we're going to see some softness certainly in the December quarter that's probably comparable to what we're seeing in the September quarter, but then March quarter begins picking back up with the programs that we're currently delivering products to that there are several in the Wi-Fi space, and we see those picking up and see some nice design wins already coming together for those quarters.

I think I've addressed your question. Any follow-up, please go ahead.

Craig Ellis

Yes, thanks for that, and appreciate all the color, Jeff.

The follow-up question may be for Dave, and it's digging into mobile and the potential for some of the successful activity with different customers to move into a production ramp, and I'll just use the China market as an example. If we look out at key China selling seasons, where the leading players would be developing new product, we've got Golden Week early October, Single Day November, Lunar New Year in the January-February timeframe, and then May Day further out in mid-2Q, as you're engaging with your module partners and other players, when does it look like it would be reasonable for investors to expect more of a volume production ramp, if we take those selling seasons as a proxy? Thanks Dave.

Dave Aichele

Yes, thanks for your question, Craig. I think, and Jeff touched on this, our component customer that we've engaged with, we made some shipments last quarter and it's into a multiplexer that's going into the China market on a reference design. We've seen limited activity - right now, I think everybody's aware obviously of the depression state that the China mobile market is in. So, we do not have direct finger on the pulse to the OEMs there. It's something that we have to go through our customer, obviously, to get those visibilities, and so we're getting updates quarterly on the take rate and the traction, so we'll watch that closely. It's hard to really give any strong guidance until we start seeing some positive trends in that mobile market in China.

The other part is the other engagements we have with the RF front end module guys is mainly focused, I think we've guided in the past, focusing on later year models, and that is one that we've been validating the technology. We've shipped—as we've said in previous quarterly calls, that we've shipped solutions that have been validated by them, and it's really navigating a strategy of implementing our technology into those modules, so that's still underway. The guidance right now is (inaudible) years when we would see that take rate. Obviously as we have better visibility to the platforms to be integrated, we can provide more concrete updates.

Jeff Shealy

And Craig, let me just add to that, from the mobile segment, I just want to emphasize, re-emphasize the quality audit we passed, we actually—we did continue making shipments to that customer during the June quarter, and also would add our WLP was part of the supply chain - that's the packaging, critical packaging for that, that was part of the audit that we passed, and so we're prepared to ship the pieces from our end. There's been no delay on our end and that supply chain is working really well, so I just want to emphasize how we're positioned at least to service that market, as we've already demonstrated with shipments the last two quarters.

Craig Ellis

Yes, so certainly it seems like you're executing well on the things that you can control, and it's been very well publicized that the Android market is unusually weak, especially in China.

If I could sneak a last one in, Jeff, nice update on your specific plans with both the CHIPS Act and DoD, and you mentioned some milestones. Are there any intermediate update points that investors could look to as it relates to potential funding for either source? Thanks for taking all the questions, guys.

Jeff Shealy

Yes, thank you Craig. If you look historically from the time that we'd been notified of an award decision, that's—we have to negotiate a contract, and the Company's position is, until we're under contract, we don't make any public announcements because those have to be negotiated, and some of the terms of those have to be worked through. I think the—we certainly will have an update, we'll provide another update. This being the year end for us, it's kind of a short cycle until we're back on with investors after the September quarter, so certainly we think in early October when we report again, that—excuse me, in early November timeframe when we report again, we'll have an update. I would not anticipate we'd be under contract before then.

Craig Ellis

Thanks Jeff, thanks Dave, thanks Ken.

Jeff Shealy

Thank you.

Dave Aichele

Thanks.

Operator

Our next question is from the line of Suji DeSilva with ROTH MKM. Please proceed with your question.

Suji DeSilva

Hi Jeff, hi Dave, Ken. Congrats on the progress here.

Can you give us a sense of the Wi-Fi 7 ramp that's coming, maybe how to size that opportunity as you think about it relative to prior Wi-Fi ramps, perhaps attach rates, penetration metrics, or content per axis point device, or whatever way to think about it that'd be helpful? Thanks.

Jeff Shealy

Let me—thanks for your comments, Suji, and good morning to you. We did mention we delivered two newly developed Wi-Fi filter samples to a Tier 1 mobile customer during the quarter, but in terms of some of the market dynamics, I'll let Dave comment on those for Wi-Fi 7.

Dave Aichele

Yes, good morning Suji. I think a couple comments there. As Ken mentioned earlier, we're releasing a new family of Wi-Fi 6E, Wi-Fi 7 products that are better than previous generation in response, but also smaller in form factor, so making it more attractive both from a size and also a performance standpoint, particularly for these higher MIMO count architectures.

The dollar content per system is actually increasing in the Wi-Fi 7, both with the enterprise sector that we're seeing and also with the carrier side, and I expect the demand to be as same or if not higher in system unit sales. So, overall the revenue should be increased for Akoustis in these Wi-Fi platforms. Some examples is that the filter count can go up 50%, almost 100% based on the architectures that we're seeing right now and how they're developing, so they are fairly complex to previous ones. I think you guys are all aware of the Wi-Fi 7 advantages, particularly this high band selectivity or what they call MO - multilink operation, is

requiring higher performance filters to be able to enable that in the Wi-Fi 7, so this definitely plays in our favor and we're keeping a lead as best as we can from a performance technology-wise, based on the XBAW technology.

We're very bullish about the Wi-Fi 7 market and all the activity is moving in the right direction as far as what we're seeing from customer deployments.

Suji DeSilva

All right, thanks Dave for the color.

Then my other question is on the auto market. You mentioned it in the prepared remarks, just trying to get a sense of the number of customers you may be engaged with, kind of order of magnitude - is it a handful, is it more than that? What is the—are they semis companies, systems companies, module companies, Tier 1s or auto OEMs directly, and what's the timing of revenue ramp opportunity there, just to level set expectations (inaudible)?

Dave Aichele

Suji, I'll take the question. I've been actually on the road, visiting with some of the automotive customers, and pretty excited about the opportunity that it's presenting to us. It will take several years before you see these platforms rolled out, but we're actually—so an example is the wireless battery management system, we've got three components on a reference design with a Tier 1 IC manufacturer, and so we've got good activity going on in Asia. That is starting to move into Europe and expect some of that pick-up in North America, so we're pretty excited about the opportunities there, and I think we said that we'd be announcing some design wins.

Then the C-V2X, we've got greater than five customers that we've been sampling to, and C-V2X is starting to pick up activity-wise, including in Asia, the ETC (phon), so toll collection, so those are things that we're looking at closely. Then we've been working with—you know, recently some North America OEMs on the automotive side that are more traditional ways of going about building their systems, not using subcontractors, doing it more in-house, and see a lot of activity from discrete components, both from the RFMI on oscillators and SAW filters, to our BAW technology for TCUs and other spectrum that we're going after.

There's a lot of activity, and we've got greater than five customers that we're selling to into production, and obviously in Tier 1s to smaller companies, but these new opportunities won't really be panning out for another couple years.

Suji DeSilva

All right, thanks for the color, Dave. Thanks team.

Jeff Shealy

Thanks Suji.

Operator

Thank you. At this time, I'll hand the call back to Jeff Shealy for closing remarks.

Jeff Shealy

I want to take the opportunity to thank everyone for your time today. We look forward to speaking with you on our next update call to discuss the current quarter execution against our milestones and future expectations, and with that, I want to wish everybody a very pleasant day. Thank you for your time.

Operator

This will conclude today's conference. You may disconnect your lines at this time. Thank you for your participation.