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 September 30, 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	**33-1229046**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
9805 Northcross Center Court, Suite A Huntersville, NC	**28078**
(Address of principal executive offices)	(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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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 November 9, 2023, there were 72,483,715 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 SEPTEMBER 30, 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)

	September 30, 2023	June 30, 2023
Assets		
Assets:		
Cash and cash equivalents	$ 25,787	$ 43,104
Accounts receivable, net	3,942	4,753
Inventory	6,182	7,548
Other current assets	2,672	4,440
Total current assets	38,583	59,845
Property and equipment, net	58,140	57,826
Goodwill	14,559	14,559
Intangibles, net	14,531	15,241
Operating lease right-of-use asset, net	1,261	1,374
Other assets	73	72
Total Assets	**$ 127,147**	**$ 148,917**
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	$ 15,124	$ 17,027
Deferred revenue	312	105
Operating lease liability	460	439
Total current liabilities	15,896	17,571
Long-term Liabilities:		
Convertible notes payable, net	41,488	43,347
Operating lease liability	854	976
Promissory note payable	1,000	667
Other long-term liabilities	117	117
Total long-term liabilities	43,459	45,107
Total Liabilities	59,355	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, $0.001 par value; 125,000,000 shares authorized (175,000,000 as of 11/2/23); 72,463,465, and 72,154,647 shares issued and outstanding at September 30, 2023 and June 30, 2023, respectively	72	72
Additional paid in capital	358,405	356,522
Accumulated deficit	(290,685)	(270,355)
Total Stockholders' Equity	67,792	86,239
Total Liabilities and Stockholders' Equity	**$ 127,147**	**$ 148,917**

See accompanying notes to the condensed consolidated financial statements

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

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022
Revenue	$ 7,002	$ 5,566
Cost of revenue	8,086	6,453
Gross profit (loss)	**(1,084)**	**(887)**
Operating expenses		
Research and development	10,346	10,097
General and administrative expenses	10,224	6,982
Total operating expenses	**20,570**	**17,079**
Loss from operations	**(21,654)**	**(17,966)**
Other (expense) income		
Interest (expense) income	(485)	(743)
Other (expense) income	(3)	(14)
Change in fair value of contingent consideration	—	(446)
Change in fair value of derivative liabilities	2,014	21
Total other (expense) income	1,526	(1,182)
Net loss before income taxes	**$ (20,128)**	**$ (19,148)**
Income Taxes	1	(57)
Net Loss	**$ (20,129)**	**$ (19,091)**
Net loss per common share - basic and diluted	$ (0.28)	$ (0.33)
Weighted average common shares outstanding - basic and diluted	72,306,689	57,154,393

See accompanying notes to the condensed consolidated financial statements.

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

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Stockholders' 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	207	—	1,883	—	1,883
ESPP Purchase	101	—	—	—	—
Net loss	—	—	—	(20,129)	(20,129)
Balance, September 30, 2023	72,463	$ 72	$ 358,405	$ (290,685)	$ 67,792

	Common Stock		Additional Paid In Capital	Accumulated Deficit	Stockholders' Equity
	Shares	Par Value			
Balance, June 30, 2022	57,079	$ 57	$ 310,171	$ (206,798)	$ 103,430
Stock-based compensation	262	—	2,348	—	2,348
Net loss	—	—	—	(19,091)	(19,091)
Balance, September 30, 2022	57,341	$ 57	$ 312,519	$ (225,889)	$ 86,687

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (20,129)	$ (19,091)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,017	2,450
Stock-based compensation	1,883	2,348
Amortization of debt discount	155	143
Amortization of operating lease right of use asset	113	97
Change in fair value of derivative liabilities	(2,014)	(21)
Change in fair value of contingent consideration	—	446
Loss on disposal of fixed assets	66	1
Changes in operating assets and liabilities:		
Accounts receivable, net	610	817
Inventory	1,366	(431)
Other current assets	1,765	(952)
Accounts payable and accrued expenses	(380)	(569)
Lease liabilities	(101)	(88)
Other long term liabilities	333	(1)
Deferred revenue	208	(138)
Net Cash Used in Operating Activities	(13,108)	(14,989)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for property, plant and equipment	(4,209)	(4,832)
Net Cash Used in Investing Activities	(4,209)	(4,832)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(17,317)	(19,821)
Cash, Cash Equivalents and Restricted Cash - Beginning of Period	43,104	80,485
Cash, Cash Equivalents and Restricted Cash - End of Period	$ 25,787	$ 60,664
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	850	686

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. (“GDSI"), which we acquired in January 2023.

Note 2. Liquidity

As of September 30, 2023, the Company had cash and cash equivalents of $25.8 million and working capital of $22.7 million. The Company has historically incurred recurring operating losses and experienced net cash used in operating activities.

The Company expects cash and cash equivalents to be sufficient to fund its operations beyond the next twelve months from the date of filing of this Form 10-Q. These funds will be used to fund the Company’s operations, including capital expenditures, R&D, commercialization of our technology, development of our patent strategy and expansion of our patent portfolio, as well as to provide working capital and funds for other general corporate purposes. 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 in the future the Company is unable to obtain additional financing in a timely fashion and on acceptable terms when such financing is needed, 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 September 30, 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, 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 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 September 30, 2023 (in thousands):

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	$ 2,282	$ 716	$ 2,998
Asia	269	3,045	3,314
Europe	103	587	690
Total	$ 2,654	$ 4,348	$ 7,002

The following table summarizes the revenues of the Company's reportable segments by geographic region for the three months ended September 30, 2022 (in thousands):

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	$ 706	$ 913	$ 1,619
Asia	227	3,075	3,302
Europe	—	635	635
Other	—	10	10
Total	$ 933	$ 4,633	$ 5,566

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 three months of fiscal years 2024 and 2023 (in thousands):

	Contract Assets	Contract Liability
Balance, June 30, 2023	$ 1,894	$ 105
Closing, September 30, 2023	720	312
Increase/(Decrease)	$ (1,174)	$ 207
Balance, June 30, 2022	$ 923	$ 286
Closing, September 30, 2022	1,661	147
Increase/(Decrease)	$ 738	$ (139)

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 three months ended September 30, 2023, that was included in the opening contract liability balance was $25 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 three months ended September 30, 2023, that was included in the opening contract asset balance was $1.5 million, which primarily related to non-recurring engineering services.

Backlog of Remaining Customer Performance Obligations

Revenue expected to be recognized and recorded as sales during the remainder of this fiscal year from the backlog of performance obligations that are unsatisfied (or partially unsatisfied) at September 30, 2023 was $2.4 million. 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 consisted of the following as of September 30, 2023 and June 30, 2023 (in thousands):

	September 30, 2023	June 30, 2023
Raw Materials	$ 1,657	$ 1,574
Work in Process	1,636	3,741
Finished Goods	2,889	2,233
Total Inventory	**$ 6,182**	**$ 7,548**

Note 6. Property and Equipment, net

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

	Estimated Useful Life	September 30, 2023	June 30, 2023
Land	n/a	$ 1,000	$ 1,000
Building and leasehold improvements	*	9,312	9,016
Equipment	2-10 years	73,900	71,151
Computer Equipment & Software	3-5 years	2,799	3,186
Total		87,011	84,335
Less: Accumulated Depreciation		(28,871)	(26,509)
Total		**$ 58,140**	**$ 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 $2.4 million and $2.1 million for the three months ended September 30, 2023 and 2022, respectively.

As of September 30, 2023, equipment with a net book value totaling $7.3 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. 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 certain post-closing adjustments to the Transaction purchase price, (ii) to satisfy the Sellers' indemnification obligations under the Purchase Agreement, and (iii) 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.

Pro Forma Results

The following unaudited pro forma financial information summarizes the results of operations for three months ended September 30, 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 September 30,	
	2023	2022
	Unaudited Proforma	Unaudited Proforma
Revenues	$ 7,002	$ 7,394
Net Loss	$ (20,129)	$ (18,979)
Net Loss per Share	$ (0.28)	$ (0.33)

Note 8. Goodwill

We perform an annual test for goodwill impairment during our last fiscal quarter. We 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 three months ended September 30, 2023, we did not identify any events or circumstances that would require an interim goodwill impairment test. We do not amortize goodwill as it has been determined to have an indefinite useful life. The carrying amount of goodwill as of September 30, 2023 was $14.6 million.

Note 9. Accounts Payable and Accrued Expenses

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

	September 30, 2023	June 30, 2023
Accounts payable	$ 6,023	$ 3,979
Accrued salaries and benefits	2,808	4,781
Accrued goods received not invoiced	1,555	3,700
Accrued professional fees	3,579	2,248
Other accrued expenses	1,159	2,319
Totals	**$ 15,124**	**$ 17,027**

Note 10. Notes Payable

Convertible Senior Notes due 2027

The following table summarizes convertible debt as of September 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	$ (2,578)	$ 66	$ 41,488
Ending Balance as of September 30, 2023				**$ 44,000**	**$ (2,578)**	**$ 66**	**$ 41,488**

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				**$ 44,000**	**$ (2,733)**	**$ 2,080**	**$ 43,347**

Interest expense on the Notes during the three months ended September 30, 2023 included contractual interest of $660 thousand and debt discount amortization of $155 thousand.

GDSI Acquisition 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 certain post-closing adjustments to the Transaction purchase price, (ii) to satisfy the Sellers' indemnification obligations under the Purchase Agreement, and (iii) 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 for the three months ended September 30, 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 September 30, 2023 and 2022 are as follows:

	Three Months 09/30/2023	Three Months 09/30/2022
Customer 1	—	28%
Customer 2	26%	12%
Customer 3	—	11%

Customer concentration as a percentage of accounts receivable for the three months ended September 30, 2023 and 2022 are as follows:

	Three Months 09/30/2023	Three Months 09/30/2022
Customer 1	—	25%
Customer 2	—	13%
Customer 3	11%	13%
Customer 4	10%	—

Vendors

Vendor concentration as a percentage of payments for the three months ended September 30, 2023 and 2022 are as follows:

	Three Months 09/30/2023	Three Months 09/30/2022
Vendor 1	17%	11%
Vendor 2	11%	—

Note 12. Stockholders' Equity

Equity Incentive Plans

During the three months ended September 30, 2023, the Company granted employees options to purchase an aggregate of approximately 2 thousand 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:

	Three Months Ended September 30, 2023
Exercise price	$ 0.97
Expected term (years)	4.75
Volatility	71%
Risk-free interest rate	4.42%
Dividend yield	0%
Weighted Average Grant Date Fair Value of Options granted during the period	$ 0.59

During the three months ended September 30, 2023 the Company awarded certain employees and directors grants of an aggregate of approximately 979 thousand restricted stock units ("RSUs") with a weighted average grant date fair value of $0.95. 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 three months ended September 30, 2023 the Company awarded certain employees grants of an aggregate of approximately 550 thousand 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 September 30,			
	2023		2022	
Research and Development	$	533	$	1,168
General and Administrative		1,288	$	1,181
Cost of revenue		62		—
Total	$	1,883	$	2,349

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

	As of September 30, 2023		
	Unrecognized stock-based compensation		Weighted-average years to be recognized
Options	$	1,344	1.90
Restricted stock units	$	9,343	2.15

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 September 30, 2023		Three Months Ended September 30, 2022	
Operating Lease Expense	$	156	$	102

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

	Classification on the Condensed Consolidated Balance Sheet	September 30, 2023		June 30, 2023	
Assets					
Operating lease assets	Other non-current assets	$	1,261	$	1,374
Liabilities					
Other current liabilities	Current liabilities		460		439
Operating lease liabilities	Other non-current liabilities		854		976
Weighted Average Remaining Lease Term:					
Operating leases			2.77 Years		2.97 Years
Weighted Average Discount Rate:					
Operating leases			12.84%		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	$	446
2025		606
2026		374
2027		66
Thereafter		79
Total lease payments (undiscounted cash flows)		1,571
Less imputed interest		(257)
Total	$	1,314

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 September 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

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 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. 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.

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. On August 11, 2023, Qorvo filed a motion to strike Akoustis' 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 may be 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 may result 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, all of which could have a material adverse effect on its business, financial condition, and results of operations. 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 September 30, 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 amplifier and filter product sales.

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

	Fabrication Services	RF Filters	Total
Three months ended September 30, 2023			
Revenue	$ 2,665	$ 4,337	$ 7,002
Cost of revenue	1,547	6,539	8,086
Gross margin	1,118	(2,202)	(1,084)
Research and development	—	10,346	10,346
General and administrative	1,298	8,926	10,224
Income (Loss) from Operations	**$ (180)**	**(21,474)**	**(21,654)**
Three months ended September 30, 2022			
Revenue	$ 932	$ 4,634	$ 5,566
Cost of revenue	892	5,561	6,453
Gross margin	40	(927)	(887)
Research and development	—	10,097	10,097
General and administrative	—	6,982	6,982
Income (Loss) from Operations	**$ 40**	**(18,006)**	**(17,966)**
As of September 30, 2023			
Accounts receivable, net	$ 1,093	$ 2,849	$ 3,942
Property and equipment, net	2,300	55,840	58,140
As of June 30, 2023			
Accounts receivable, net	$ 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 months ended September 30, 2023 and September 30, 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 September 30, 2023 and 2022:

	September 30, 2023	September 30, 2022
Convertible Notes	9,341,825	9,341,825
Options	3,123,137	3,012,639
Warrants	—	41,103
Total	12,464,962	12,395,567

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 September 30, 2023:

	Fair value at September 30, 2023	Level 1	Level 2	Level 3
Derivative liabilities	66	—	—	66
Total fair value	$ 66	$ —	$ —	$ 66

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	$ 2,080	$ —	$ —	$ 2,080

There were no transfers between Level 1, 2, or 3 valuation classifications during the three months ended September 30, 2023.

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

Fair Value of Embedded Derivatives	September 30, 2023
Beginning balance	$ 2,080
Change in fair value of convertible note derivatives	(2,014)
Ending balance	**$ 66**

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 September 30, 2023 and June 30, 2023 were valued with the following assumptions:

	September 30, 2023	June 30, 2023
Stock Price	$ 0.75	$ 3.18
Volatility of stock price	75%	70%
Risk free interest rate	4.73%	4.32%
Debt yield	41.8%	40.6%
Remaining term (years)	3.7	4.0

Note 18. Subsequent Events

Nasdaq 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"). 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. 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 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.

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.

Authorized Share Increase

On November 2, 2023, the Company's Stockholders approved a Certificate of Amendment (the "Certificate of Amendment") to its Certificate of Incorporation with the Secretary of State of the State of Delaware for the purpose of increasing the number of authorized shares of Common Stock, from 125,000,000 shares to 175,000,000 shares. The Certificate of Amendment became effective on November 2, 2023 upon filing with the Secretary of State.

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 impact of the COVID-19 pandemic, Russian-Ukrainian conflict 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 our business acquisitions (including the acquisition of RFM Integrated Device, Inc. ("RFMi") and Grinding and Dicing Services, Inc. ("GDSI")) 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' (including RFMi's and GDSI's) 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, could result in significant expense and negatively impact our business results; 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 October 31, 2023, our IP portfolio included 105 patents, including a blocking patent that we have licensed from Cornell University. Additionally, as of October 31, 2023, we have 107 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, WiFi 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 July 20, 2023, we announced that we had shipped two new BAW filters using the XBAW® foundry process to a 5G mobile and Wi-Fi router RF front-end module customer.

On July 27, 2023, we introduced a new, advanced, single-crystal AlScN on Si wafer XBAW® technology.

On August 17, 2023, we announced that we had shipped samples of a new advanced single-crystal XBAW® filter solution to a tier-1 enterprise-class Wi-Fi access point customer.

On September 29, 2023, we announced that we had started sampling new Wi-Fi 6E and Wi-Fi 7 coexistence filter solution, covering the stringent rejection requirements of U-NII 1-3 bands.

Critical Accounting Policies

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.

Results of Operations

Three Months Ended September 30, 2023 and 2022

Revenue

The Company recorded revenue of $7.0 million for the three months ended September 30, 2023 as compared to $5.6 million for the three months ended September 30, 2022. The increase of $1.4 million was primarily due to an increase in fabrication service revenue by $1.7 million or 182%, 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 $8.1 million for the three months ended September 30, 2023 as compared to $6.5 million for the three months ended September 30, 2022. The $1.6 million increase is primarily due to costs associated with RF product revenue which increased by $1.0 million as well as costs associated with fabrication services revenue which increased by $0.7 million, and includes cost of revenue from sales of GDSI services.

Research and Development Expenses

R&D expenses were $10.3 million for the three months ended September 30, 2023, as compared to $10.1 million for the three months ended September 30, 2022, an increase of $0.3 million or 2.6%. Personnel costs, including stock-based compensation, were $4.8 million compared to $5.3 million in the prior year period, a decrease of $0.5 million or 9.0%. Facility costs, including depreciation, of $2.9 million primarily associated with the NY Facility were $0.6 million higher than the prior period. Lastly, R&D material costs were $0.2 million higher than the prior period.

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 September 30, 2023 were $10.2 million, which is an increase of $3.2 million compared to the $7.0 million for the three months ended September 30, 2022. Year-over-year changes within G&A expenses include an increase in employee compensation (including stock-based compensation) of $0.7 million as well as increased general expenses of $2.3 million, primarily professional fees and intangible amortization.

Other (Expense)/Income

Other income for the three months ended September 30, 2023 was $1.5 million, compared to other expense of $1.2 million for the three months ended September 30, 2022. The income increase of $2.7 million was comprised of a gain related to the change in fair value of derivative liabilities of $2.0 million and a gain in the fair value of contingent consideration of $0.4 million.

Net Loss

The Company recorded a net loss of $20.1 million for the three months ended September 30, 2023, compared to a net loss of $19.1 million for the three months ended September 30, 2022. The period-over-period incremental loss of $1.0 million, or 5.2%, was primarily driven by an increase in cost of revenue of $1.6 million, an increase in G&A expenses and R&D expenses of $3.5 million. These expense increases were partially offset by a revenue increase of $1.4 million and an increase in other income of $2.7 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, commissions and stock-based compensation, (iii) working capital requirements, (iv) business acquisitions and investments we may make from time to time, including potential performance based payments related to our acquisition of RFMi, and (v)interest and principal payments related to our $44.0 million aggregate principal amount of outstanding convertible notes. Additionally, in the near-term, the Company makes capital expenditures in connection with the expansion of the capacity of its manufacturing facility in Canandaigua, New York.

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, foundry services and engineering services. As a result of recent cost savings initiatives, we expect the operating expenditures supporting the future growth of our manufacturing capabilities and expansion of our product offerings to decrease, along with decreases in research and development and headcount costs to support this growth. We believe we currently have sufficient resources to fund operations and planned investments for at least the next twelve months. However, 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 may need to raise additional capital to support our business. In January 2023, we completed a public offering of our common stock raising $32.0 million in net proceeds. Also in January 2023, approximately $13.9 million in cash was paid to the sellers in the GDSI acquisition as mentioned in Footnote 7. Additionally, the Company estimates that approximately $1.1 million of additional cash is needed to complete construction in progress assets that are currently not in service. 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 or other public announcement.

Balance Sheet and Working Capital

The Company had $25.8 million of cash and cash equivalents on hand as of September 30, 2023, which reflects a decrease of $17.3 million compared to $43.1 million as of June 30, 2023. The decrease is primarily due to cash used in operations of $13.1 million and cash used for investing activities of $4.2 million. The Company estimates that cash on hand will be sufficient to fund its operations, including current capital expense commitments, beyond 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 may need to obtain additional capital through the sale of additional equity securities, debt, or otherwise, to fund operations past that date. There is no assurance that the Company's projections and estimates are accurate. The Company is actively managing and controlling the Company's cash outflows to mitigate liquidity risks.

September 30, 2023 compared to June 30, 2023

As of September 30, 2023, the Company had current assets of $38.6 million, made up primarily of cash on hand of $25.8 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 $58.1 million as of September 30, 2023 as compared to a balance of $57.8 million as of June 30, 2023.

Total assets as of September 30, 2023 and June 30, 2023 were $127.1 million and $148.9 million, respectively.

Current liabilities as of September 30, 2023 and June 30, 2023 were $15.9 million and $17.6 million, respectively.

Long-term liabilities totaled $43.4 million as of September 30, 2023, compared to $45.1 million as of June 30, 2023.

Equity was $67.8 million as of September 30, 2023, compared to $86.2 million as of June 30, 2023, a decrease of $18.4 million, or 21%. This decrease was primarily due to the net loss for the three months ended September 30, 2023 of $20.1 million which was partially offset by the increase in additional paid-in-capital ("APIC") of $1.9 million. The increase in APIC was primarily due to common stock issued for services.

Cash Flow Analysis

Operating activities used cash of $13.1 million during the three months ended September 30, 2023 and $15.0 million during the comparative period ended September 30, 2022.

Investing activities used cash of $4.2 million for the three months ended September 30, 2023 compared to $4.8 million for the comparative period ended September 30, 2022. Investing activities for the three months ended September 30, 2023 consisted of purchases of property, plant and equipment.

There were no financing activities during the three months ended September 30, 2023 or in the comparative period.

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 September 30, 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 September 30, 2023, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 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 this 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.

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 $0.56 on November 7, 2023. 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.

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	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*†	Second Amendment to the Employment Agreement, dated as of June 15, 2015 and amended as of September 26, 2023, by and between the Company and Jeffrey B. Shealy
10.2*†	First Amendment to the Offer Letter from the Company to David M. Aichele, dated May 12, 2017 and amended as of August 7, 2022
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: November 13, 2023

Akoustis Technologies, Inc.

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

Exhibit 10.1

**SECOND AMENDMENT TO
EMPLOYMENT AGREEMENT**

This Second Amendment to Employment Agreement (this "Amendment") is entered into as of September 26, 2023, by and between Akoustis Technologies, Inc., a Delaware corporation (the "Company"), and Jeffrey Shealy. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Employment Agreement (as defined below).

RECITALS

A. WHEREAS, the Company and the Executive are parties to that certain Employment Agreement entered into as of June 15, 2015, and amended as of September 6, 2017 (the "Employment Agreement"); and

B. WHEREAS, the parties desire to amend certain provisions of the Employment Agreement, as more particularly set forth herein.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

1. Amendment and Restatement of Section 3.1. The first sentence of Section 3.1 of the Employment Agreement is hereby amended and restated in its entirety as follows:

> "3.1. Base Salary. Effective August 6, 2023, the Executive shall be entitled to receive a salary from the Company during the Employment Period at a rate per year of $550,000 (the "Base Salary"), payable in U.S. dollars in bi-weekly installments in accordance with the Company's customary payroll practices."

2. Amendment and Restatement of Section 3.2(a). Section 3.2(a) of the Employment Agreement is hereby amended and restated in its entirety as follows:

> "(a) The Executive shall be eligible to receive a target annual cash bonus (the "Annual Bonus") equal to 100% of the then applicable Base Salary payable at or about the same time as when annual bonuses are paid to the Company's executives generally. The maximum Annual Bonus with respect to Fiscal Year 2024 shall equal 145% of the Executive's Base Salary, all in accordance with the Company's Annual Bonus plan as in effect for executives generally. The Executive's Annual Bonus (if any) shall be in such amount as the Board may determine in its sole discretion. The Board may or may not determine that all or any portion of the Annual Bonus shall be earned upon the achievement of operational, financial or other milestones ("Milestones") established by the Board in consultation with the Executive and that all or any portion of any Annual Bonus shall be paid in cash, securities or other property. For Fiscal Year 2024, the Executive shall be eligible to receive a supplemental Annual Bonus of up to 50% of the then applicable Base Salary (i) based on such factors and (ii) payable at such time as the Board may determine in each case its sole discretion, all with the effect that the Executive's maximum Annual Bonus potential for Fiscal Year 2024 shall not exceed 195% of Executive's Base Salary."

3. Addition of Section 3.4. Article 3 of the Employment Agreement is hereby amended by adding the following new Section 3.4:

"(a) Retention Bonus. The Executive shall be eligible to earn a lump-sum cash bonus of $200,000 if the Executive remains employed with the Company through the earlier of (x) June 30, 2024 and (y) the date of a Change of Control. Notwithstanding the forgoing sentence, the Executive shall be deemed to have earned such bonus if the Executive's employment is terminated (x) by the Company for any reason, (y) by the Executive for Good Reason, or (z) due to the Executive's death, in each case before such earlier date. If earned, such bonus shall be paid as soon as practicable after the date it is earned (and in any event within 30 calendar days following such date).

(b) Equity Incentive Awards. The Executive's equity incentive awards for Fiscal Year 2024 shall be in the form of a time-based restricted stock unit award (the "RSU Award") and a performance-based restricted stock unit award with market value appreciation conditions (the "MVSU Award"). The RSU Award shall cover 80,000 shares of Company Common Stock. The MVSU Award shall cover at target 120,000 shares of Company Common Stock. The RSU Award shall be eligible to vest as to 20% of the shares covered thereby on each of the first five anniversaries of September 13, 2023. The MVSU Award shall be eligible to vest pursuant to the terms and conditions established by the Company for Company management under the Company's Fiscal Year 2024 market value appreciation restricted stock unit program. The RSU Award and the MVSU Award shall otherwise be subject to the same terms and conditions as the annual equity incentive awards granted to Company management, except as otherwise expressly provided under this Agreement.

(c) Qualifying Termination before June 30, 2024. For purposes of calculating severance in Section 5.1(a)(ii)(A), Section 5.1(c), and Section 5.1(e), in the event of a termination that qualifies for such severance and occurs before June 30, 2024, "Base Salary" shall equal $750,000."

4. Amendment of Section 9.4(b). Section 9.4(b) of the Employment Agreement is hereby amended and restated in its entirety as follows:

"(b) to the Executive at:

Jeffrey Shealy
17811 Largo Place
Cornelius, NC 28031"

5. Addition of Section 10. The Employment Agreement is hereby amended by adding the following new Section 10:

a. "**10. Clawback**. Notwithstanding any provisions to the contrary under this Agreement or otherwise, the Executive shall be subject to any clawback policy of the Company as may be established and/or amended from time to time to comply with applicable laws."

6. Addition of Section 11. The Employment Agreement is hereby amended by adding the following new Section 11:

"**11. Section 409A Matters**. For purposes of this Agreement, no payment shall be made to the Executive upon termination of the Executive's employment unless such termination constitutes a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 1.409A-l(h) of the regulations promulgated thereunder. To the extent any payments to which the Executive becomes entitled under this Agreement, or any agreement or plan referenced herein, in connection with the Executive's separation from service from the Company constitute deferred compensation subject to Section 409A of the Code (the "Deferred Payments") and if the Executive is deemed at the time of such separation from service to be a "specified employee" under Section 409A of the Code, then any Deferred Payment(s) shall not be made or commence until the earliest of (i) the expiration of the 6-month period measured from the date of the Executive's "separation from service" (as such term is at the time defined in Treasury Regulations under Section 409A of the Code) with the Company or (ii) the date of the Executive's death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to the Executive, including (without limitation) the additional 20% tax for which the Executive would otherwise be liable under Section 409A(a)(l)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to the Executive or the Executive's beneficiary in one lump sum. Each payment and benefit payable hereunder is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations."

7. Amendment and Ratification. Except as specifically amended hereby, all terms, conditions, covenants, representations, and warranties contained in the Employment Agreement shall remain in full force and effect and shall be binding upon the parties.

8. Entire Agreement. The Employment Agreement, as amended hereby, together with the documents incorporated therein, constitute the entire agreement (and supersede all prior written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements, communications and understandings) between the parties with respect to the subject matter thereof and hereof. Nothing in this Amendment guarantees or shall be construed of as a guaranty by the Company or the Affiliates of compensation to the Executive for fiscal years on or after Fiscal Year 2024.

9. Counterparts. This Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

10. Facsimile or .pdf Signature. This Amendment may be executed by facsimile or .pdf signature and a facsimile or .pdf signature shall constitute an original for all purposes.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first written above.

AKOUSTIS TECHNOLOGIES, INC.

By: /s/ Jerry Neal

Name: Jerry Neal

Title: Chairman of the Board

EXECUTIVE

/s/ Jeffrey Shealy

Jeffrey Shealy

[SIGNATURE PAGE TO AMENDMENT TO EMPLOYMENT AGREEMENT]

Employee Change Form

Today's Date: 8/7/2022	
Effective Date of Change(s): 8/7/2022	
Employee Name: David M. Aichele	
Employee Department: Sales-Marketing	
Employee Job Title: EVP Business Development	

Action Requested				
Type		From	To	Comments
□	Business Title Change			
	*Updated on SharePoint Training Site □			
□	Department Change			
	*Updated on SharePoint Training Site □			
□	Supervisor Change			
	*Updated on SharePoint Training Site □			
□	Pay Change	□ Hourly ________	□ Hourly __________	
		□ Annual: ________	□ Annual: __________	
□	Pay Grade Change (1-14)			
□	Shift Change			
□	Status Change (Regular/Temp)			
□	Status Change (PT/FT)			
□	Number of standard weekly work hours			
Notify Todd B. & Holly J for the changes below:				
☒	Bonus % Change	**50%**	**60%**	
□	Equity Grant (RSUs) *notify Todd B. & Holly J.	Amount:		
		Vesting Schedule:		
		Grant Date:		
□	Equity Grant (Options) *notify Todd B. & Holly J.	Amount:		
		Vesting Schedule:		
		Grant Date:		

Approvals		
Direct Manager	***Functional Vice President of Department***	***Human Resources Manager***
Signature: /s/ Jeffrey B. Shealy	Signature: /s/ Jeffrey B. Shealy	Signature: /s/ Holly Johnson
Name: Jeffrey B. Shealy	Name: Jeffrey B. Shealy	Name: Holly Johnson
Date: 8/7/2022	Date: 8/7/2022	Date: 8/7/2022

Exhibit 31.1

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: November 13, 2023

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

Exhibit 31.2

**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: November 13, 2023

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

Exhibit 32.1

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 September 30, 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: November 13, 2023	/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.

Exhibit 32.2

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 September 30, 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: November 13, 2023	/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.