

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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 26, 2017**

Akoustis Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38029
(Commission File
Number)

33-1229046
(I.R.S. Employer
Identification Number)

9805 Northcross Center Court, Suite H
Huntersville, NC 28078
(Address of principal executive offices, including zip code)

704-997-5735
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On June 30, 2017, Akoustis Technologies, Inc. (the “Company”) filed a Current Report on Form 8-K (the “Prior Report”) with the Securities and Exchange Commission (“SEC”) to report that on June 26, 2017, pursuant to a previously announced Definitive Asset Purchase Agreement and Definitive Real Property Purchase Agreement with The Research Foundation for the State University of New York (“RF-SUNY”) and Fuller Road Management Corporation, an affiliate of RF-SUNY, respectively, the Company completed the acquisition of certain specified assets, including STC-MEMS, a semiconductor wafer-manufacturing operation and microelectromechanical systems business with associated wafer-manufacturing tools, as well as the real estate and improvements associated with the facility located in Canandaigua, New York, which is used in the operation of STC-MEMS (the assets and real estate improvements referred to together herein as the “Acquired Business”). This amendment to the Prior Report is being filed to provide the financial statements and pro forma financial information described in Item 9.01(a) and 9.01(b) below.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

In accordance with Item 9.01(a)(4) of Form 8-K and pursuant to a letter from the staff of the SEC permitting the Company to substitute abbreviated financial statements for the full financial statements of the Acquired Business, the abbreviated financial statements filed as Exhibits 99.1 and 99.2 are incorporated herein by reference.

(b) Pro Forma Financial Information.

In accordance with Item 9.01(a)(4) of Form 8-K, the pro forma financial information filed as Exhibit 99.3 is incorporated herein by reference.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Audited Special Purpose Statement of Assets Acquired and Liabilities Assumed as of June 26, 2017, and audited Special Purpose Combined Statements of Revenues and Direct Expenses of the Acquired Business for the years ended June 30, 2016 and 2015.
99.2	Unaudited Special Purpose Interim Combined Statements of Revenues and Direct Expenses of the Acquired Business Statement of Revenues and Direct Expenses of the Acquired Business for the nine months ended March 31, 2017 and 2016.
99.3	Unaudited pro forma consolidated statements of operations for the fiscal year ended June 30, 2016 and the nine months ended March 31, 2017 and the condensed consolidated pro forma Balance Sheet as of March 31, 2017 and unaudited condensed consolidated pro forma Statement of Operations of the Company and its subsidiaries for the nine months ended March 31, 2017 and the year ended June 30, 2016.

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 hereunto duly authorized.

AKOUSTIS TECHNOLOGIES, INC.

By: /s/ Jeffrey B. Shealy

Name: Jeffrey B. Shealy

Title: Chief Executive Officer

Date: September 11, 2017

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Audited Special Purpose Statement of Assets Acquired and Liabilities Assumed as of June 26, 2017, and audited Special Purpose Combined Statements of Revenues and Direct Expenses of the Acquired Business for the years ended June 30, 2016 and 2015.</u>
<u>99.2</u>	<u>Unaudited Special Purpose Interim Combined Statements of Revenues and Direct Expenses of the Acquired Business Statement of Revenues and Direct Expenses of the Acquired Business for the nine months ended March 31, 2017 and 2016.</u>
<u>99.3</u>	<u>Unaudited pro forma consolidated statements of operations for the fiscal year ended June 30, 2016 and the nine months ended March 31, 2017 and the condensed consolidated pro forma Balance Sheet as of March 31, 2017 and unaudited condensed consolidated pro forma Statement of Operations of the Company and its subsidiaries for the nine months ended March 31, 2017 and the year ended June 30, 2016.</u>

**THE RESEARCH FOUNDATION FOR THE STATE UNIVERSITY OF NEW YORK
AND
FULLER ROAD MANAGEMENT CORPORATION**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Akoustis Technologies, Inc.

Report on the Financial Statements

We have audited the accompanying special purpose combined financial statements of The Research Foundation for the State University of New York and Fuller Road Management Corporation, which comprise the special purpose statement of assets acquired and liabilities assumed as of June 26, 2017, and the related special purpose combined statements of revenues and direct expenses for the years ended June 30, 2016 and 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the special purpose statement of assets acquired and liabilities assumed of The Research Foundation for the State University of New York and Fuller Road Management Corporation as of June 26, 2017, and the related special purpose combined statements of revenues and direct expenses for the years ended June 30, 2016 and 2015 in accordance with accounting principles generally accepted in the United States of America.

/s/ Marcum LLP
Marcum LLP
New York, NY
September 11, 2017

**The Research Foundation for the State University of New York
and
Fuller Road Management Corporation**

**Special Purpose Statement of Assets Acquired and Liabilities Assumed
June 26, 2017**

Assets Acquired	
Land and land improvements	\$ 1,000,000
Building	3,000,000
Equipment	2,124,650
Inventory	96,049
Customer relationships	81,773
Total Assets Acquired	<u>\$ 6,302,472</u>
Liabilities Assumed	
Current Liabilities:	
Contingent real estate liability	\$ 1,730,542
Total Liabilities Assumed	<u>\$ 1,730,542</u>
Total Assets Acquired less Liabilities Assumed	<u>\$ 4,572,020</u>

The accompanying notes are an integral part of these Special Purpose Combined Financial Statements

**The Research Foundation for the State University of New York
and
Fuller Road Management Corporation**

Special Purpose Combined Statements of Revenues and Direct Expenses

	For the Year Ended <u>June 30, 2016</u>	For the Year Ended <u>June 30, 2015</u>
Revenues:		
Fabrication services revenue	\$ 2,872,939	\$ 5,018,139
Grant revenue	1,847,912	200,680
Rental revenue	<u>338,814</u>	<u>230,297</u>
Total revenue	<u>5,059,665</u>	<u>5,449,116</u>
Direct expenses		
Salaries and wages	2,425,079	2,610,765
Utilities	1,132,403	1,248,154
Fringe benefits	1,032,409	1,075,071
Repairs, maintenance and supplies	890,596	836,114
Lease and services equipment	557,156	567,752
General services	273,274	617,253
Other	<u>252,183</u>	<u>313,128</u>
Total Direct expenses	<u>6,563,100</u>	<u>7,268,237</u>
Net loss	<u>\$ (1,503,435)</u>	<u>\$ (1,819,121)</u>

The accompanying notes are an integral part of these Special Purpose Combined Financial Statements

**THE RESEARCH FOUNDATION FOR THE STATE UNIVERSITY OF NEW YORK
AND
FULLER ROAD MANAGEMENT CORPORATION**

NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Background

On March 23, 2017, Akoustis Technologies, Inc. (the “Company”) entered into a Definitive Asset Purchase Agreement (the “AP Agreement”) and a Definitive Real Property Purchase Agreement (the “RP Agreement”) (collectively, the “Agreements”) with The Research Foundation for the State University of New York (“RF-SUNY”) and Fuller Road Management Corporation (“FRMC”), an affiliate of RF-SUNY (collectively, “Sellers”) to acquire certain specified assets, including, the Smart Systems Technology & Commercialization Center (STC-MEMS), as well as the real estate and improvements associated with the facility (collectively the “FRMC Assets”). The facility, located in Canandaigua, New York, houses the operations of STC-MEMs (the assets and real estate and improvements referred to together herein as the “Acquired Business”) which was created in 2010 by RF-SUNY as an economic development project. The purpose of the initiative was to explore different technology opportunities with the goal of being a vertically integrated provider of foundry services that would offer its customers the capacity, infrastructure and operational capabilities of semiconductor and advanced manufacturing for aerospace, biomedical, communications, defense, and energy markets. The Company also agreed to assume substantially all the on-going obligations of the Acquired Business incurred in the ordinary course of business including the 29 employees employed by RF-SUNY. The purchase closed on June 26, 2017.

Pursuant to the Agreements, the Company purchased the semiconductor manufacturing tools of the Acquired Business from RF-SUNY and the 120,000-square foot facility and including 57 acres of real estate from FRMC for a purchase price of \$1.0 million and \$1.75 million, respectively.

The Company is required to pay to FRMC a penalty, as set forth below, if the Company sells the property subject to the RP Agreement within three (3) years after the date of the RP Agreement for an amount in excess of \$1,750,000, subject to certain enumerated exceptions. The penalty imposed shall be equivalent to the amount that the sales price of the property exceeds \$1,750,000 up to the maximum penalty (“Maximum Penalty”) defined below:

	Maximum Penalty
Year 1	\$ 5,960,000
Year 2	\$ 3,973,333
Year 3	\$ 1,986,667

Basis of presentation

The Acquired Business has not historically been accounted for as a separate entity, subsidiary or division of Sellers. In addition, stand-alone financial statements related to the Acquired Business have not been prepared previously as Sellers financial system is not designed to provide complete financial information of the Acquired Business. Therefore, Special Purpose Combined Financial Statements have been prepared to satisfy the financial statement requirements of Rule 3-05 of Regulation S-X in lieu of full financial statements. Thus, the Special Purpose statement of assets acquired and liabilities assumed at June 26, 2017 and statement of revenue and direct expense for the years ended June 30, 2016 and 2015 (the “Special Purpose Combined Financial Statements”) were prepared. Pursuant to a letter dated May 24, 2017 from the staff of the Division of Corporate Finance (the “Division”) of the Securities and Exchange Commission the Division stated that it will not object to the Company’s proposal to provide abbreviated financial statements in satisfaction of the requirements of Rule 3-05 of Regulation S-X.

These Special Purpose Combined Financial Statements have been derived from the accounting records of Sellers using its historical financial information. The Special Purpose Combined Financial Statements do not represent the assets to be sold or liabilities to be assumed or revenues and direct expenses as if the Acquired Business had operated as a separate, stand-alone entity during the periods presented. In addition, the Special Purpose Combined Financial Statements are not meant to be indicative of the financial condition or results of operations of the Acquired Business going forward as a result of future changes in the business and the omission of various operating expenses. The Special Purpose Statement of Assets Acquired and Liabilities Assumed at June 26, 2017, includes only the specific assets and liabilities related to the Acquired Business that were acquired by the Company in accordance with the Agreements, which includes assets and liabilities exclusively related to or used in the Acquired Business. The Special Purpose Statements of Assets and Liabilities assumed are prepared on the fair value basis of the allocation of the Registrant's purchase price of the acquisition date.

All significant intracompany balances and transactions have been eliminated.

Under Sellers cash management approach, generally all cash, investment and debt balances are managed centrally by Sellers treasury function, and accordingly are not presented in these Special Purpose Combined Financial Statements. Historically, Sellers have not maintained separate records for cash, investment and debt balances managed centrally by Sellers related to the Acquired Business and, as such, it is not practical to identify operating or financing, or investing cash flows associated with the Acquired Business.

The revenues included in the accompanying the Special Purpose Combined Statements of Revenues and Direct Expenses represent revenues directly attributable to Acquired Business. The costs and expenses included in the accompanying Special Purpose Combined Statements of Revenues and Direct Expenses include direct and assigned costs and expenses directly related to the Acquired Business.

The costs and expenses were incurred by Sellers and are assigned to the Acquired Business based on direct usage or benefit where identifiable, with the remainder assigned on a pro rata basis of revenue, headcount, or other relevant measures. The Acquired Business considers the expense assignment methodology and results to be reasonable for all periods presented.

The Special Purpose Combined Statements of Revenues and Direct Expenses do not include expenses not directly associated with the Acquired Business such as corporate, shared services, indirect general & administrative expenses, interest income/expense, other income/expense, and income taxes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and assumptions

The preparation of the Special Purpose combined financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Critical accounting estimates are estimates for which (a) the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and (b) the impact of the estimate on financial condition or operating performance is material. The Company's critical accounting estimates and assumptions affecting the financial statements were:

- (1) *Fair value of long-lived assets*: Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives. The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner or use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; and (v) regulatory changes. The Company's evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Land, Building, and Equipment

Land, Building and Equipment are stated at their fair market value as of June 26, 2017. Depreciation expense on Building and Equipment is calculated using the straight-line method on the various asset classes over their estimated useful lives, which for equipment ranges from one to seven years and for the Building is 11 years remaining.

The Company utilized the services of an independent appraisal company to assist it in assessing the fair value of the assets acquired from the Acquired Business. This assessment included an evaluation of the fair value of the real estate and fixed assets in addition to the leasehold interests acquired. The real estate was valued utilizing a combination of the income and cost approaches. The fixed assets were valued utilizing a combination of the market and cost approaches. The intangible assets, customer relationships, were valued utilizing the income approach."

Expenditures for major renewals and betterments that extend the useful lives of building and equipment are capitalized. Expenditures for maintenance and repairs, which do not extend the economic useful life of the related assets, are charged to operations as incurred.

Revenue recognition

The Acquired Business, is a semiconductor wafer-manufacturing operation and micro-electromechanical systems ("MEMS") business with associated wafer-manufacturing tools, as well as the real estate and improvements associated with the facility located in Canandaigua, New York, which is used in the operation of STC-MEMS.

In accordance with GAAP, fabrication services revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured.

Grant revenue is recognized when the reimbursement of expenses covered by the award occurs, the expenses are approved by the sponsor and the cash is received from the Sponsor.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying Special Purpose Combined financial statements.

NOTE 3 – CONCENTRATIONS

For the year ended June 30, 2016, two customers represented 30% and 16% of the Acquired Business's revenues. For the year ended June 30, 2015, two customers represented 42% and 39% of the Acquired Business's revenues.

NOTE 4 – COMMITMENT AND CONTINGENCIES

Real Estate Contingent Liability

In connection with the acquisition of the FRMC Assets, the Company agreed to pay to Fuller Road Management Corporation a penalty, as set forth below, if the Company sells the property subject to the related Definitive Real Property Purchase Agreement within three (3) years after the date of such agreement for an amount in excess of \$1,750,000, subject to certain enumerated exceptions. The penalty imposed shall be equivalent to the amount that the sales price of the property exceeds \$1,750,000 up to the maximum penalty ("Maximum Penalty") defined below:

	Maximum Penalty
Year 1	\$ 5,960,000
Year 2	\$ 3,973,333
Year 3	\$ 1,986,667

The Contingent Real Estate Liability was calculated at fair value by an independent third- party appraisal firm, utilizing a present value calculation based on the probability the Company sells the property triggering the contingent penalty. The outstanding liability as of June 30, 2017 was \$1,730,542.

THE RESEARCH FOUNDATION FOR THE STATE UNIVERSITY OF NEW YORK
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**The Research Foundation for the State University of New York
and
Fuller Road Management Corporation**

Special Purpose Interim Statement of Revenues and Direct Expenses

	For the Nine Months Ended March 31, 2017 (unaudited)	For the Nine Months Ended March 31, 2016 (unaudited)
Revenues:		
Fabrication services revenue	\$ 1,711,180	\$ 2,234,878
Grant revenue	1,140,081	1,847,912
Rental revenue	258,281	256,651
Total revenue	3,109,542	4,339,441
Direct Expenses		
Salaries and wages	1,823,546	1,783,074
Utilities	1,029,803	821,904
Fringe benefits	802,533	759,092
Repairs, maintenance and supplies	712,003	652,342
Lease and services equipment	64,247	503,812
General services	303,126	251,598
Other	172,703	176,846
Total direct expenses	4,907,961	4,948,668
Net loss	\$ (1,798,419)	\$ (609,227)

The accompanying notes are an integral part of these Special Purpose Financial Statements

**THE RESEARCH FOUNDATION FOR THE STATE UNIVERSITY OF NEW YORK
AND
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NOTES TO THE SPECIAL PURPOSE INTERIM STATEMENT OF REVENUE AND DIRECT EXPENSES

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Background

On March 23, 2017, Akoustis Technologies, Inc. (the “Company”) entered into a Definitive Asset Purchase Agreement (the “AP Agreement”) and a Definitive Real Property Purchase Agreement (the “RP Agreement”) (collectively, the “Agreements”) with The Research Foundation for the State University of New York (“RF-SUNY”) and Fuller Road Management Corporation (“FRMC”), an affiliate of RF-SUNY (collectively, “Sellers”) to acquire certain specified assets, including, the Smart Systems Technology & Commercialization Center (STC-MEMS), as well as the real estate and improvements associated with the facility (collectively the “FRMC Assets”). The facility, located in Canandaigua, New York, houses the operations of STC-MEMs (the assets and real estate and improvements referred to together herein as the “Acquired Business”) which was created in 2010 by RF-SUNY as an economic development project. The purpose of the initiative was to explore different technology opportunities with the goal of being a vertically integrated provider of foundry services that would offer its customers the capacity, infrastructure and operational capabilities of semiconductor and advanced manufacturing for aerospace, biomedical, communications, defense, and energy markets. The Company also agreed to assume substantially all the on-going obligations of the Acquired Business incurred in the ordinary course of business including the 29 employees employed by RF-SUNY. The purchase closed on June 26, 2017.

Pursuant to the Agreements, the Company purchased the semiconductor manufacturing tools of the Acquired Business from RF-SUNY and the 120,000-square foot facility and surrounding 57 acres of real estate from FRMC for a purchase price of \$1.0 million and \$1.75 million, respectively.

The Company is required to pay to FRMC a penalty, as set forth below, if the Registrant sells the property subject to the RP Agreement within three (3) years after the date of the RP Agreement for an amount in excess of \$1,750,000, subject to certain enumerated exceptions. The penalty imposed shall be equivalent to the amount that the sales price of the property exceeds \$1,750,000 up to the maximum penalty (“Maximum Penalty”) defined below:

	Maximum Penalty
Year 1	\$ 5,960,000
Year 2	\$ 3,973,333
Year 3	\$ 1,986,667

Basis of presentation

The Special Purpose Interim Statement of Direct Revenue and Expenses should be read in conjunction with the Special Purpose Combined Financial Statements as of June 26, 2017 and for the fiscal years ended June 30, 2016 and 2015. The Special Purpose Interim Statement of Direct Revenue and Expense has been prepared on a basis consistent with the accounting policies described in Note 1 to the Special Purpose Combined Financial Statements as of June 26, 2017 and for the fiscal years ended June 30, 2016 and 2015. Certain information and footnote disclosure normally included in the annual financial statements have been omitted or condensed in the Special Purpose Interim Statement of Direct Revenue and Expenses and does not include all disclosures required by accounting principles generally accepted in the United States of America (“GAAP”).

The Acquired Business has not historically been accounted for as a separate entity, subsidiary or division of Sellers. In addition, stand-alone financial statements related to the Acquired Business have not been prepared previously as Sellers' financial system is not designed to provide complete financial information of the Acquired Business. Therefore, the Special Purpose Interim Statement of Direct Expenses and Revenue has been prepared to satisfy the financial statement requirements of Rule 3-05 of Regulation S-X in lieu of full financial statements. Thus, the Special Purpose Interim Statement of Revenue and Direct Expenses for the Nine Months Ended March 31, 2017 and 2016 (the "Special Purpose Interim Financial Statements") were prepared pursuant to a letter dated May 24, 2017 from the staff of the Division of Corporate Finance (the "Division") of the Securities and Exchange Commission. The Division stated that it will not object to the Company's proposal to provide abbreviated financial statements in satisfaction of the requirements of Rule 3-05 of Regulation S-X.

The Special Purpose Interim Statement of Revenue and Direct Expenses has been derived from the accounting records of Sellers using its historical financial information, and do not represent revenues and direct expenses as if the Acquired Business had operated as a separate, stand-alone entity during the periods presented. In addition, the Special Purpose Interim Statement of Revenue and Direct Expenses are not meant to be indicative of the financial condition or results of operations of the Acquired Business going forward as a result of future changes in the business and the omission of various operating expenses.

The revenues included in the accompanying Special Purpose Interim Statement of Revenues and Direct Expenses represent revenues directly attributable to Acquired Business. The costs and expenses included in the accompanying Special Purpose Interim Statement of Revenue and Direct Expenses related to Acquired Business.

The costs and expenses were incurred by Sellers and are assigned to the Acquired Business based on direct usage or benefit where identifiable, with the remainder assigned on a pro rata basis of revenue, headcount, or other relevant measures. The Acquired Business considers the expense assignment methodology and results to be reasonable for all periods presented.

The Special Purpose Interim Statement of Revenues and Direct Expenses do not include expenses not directly associated with Acquired Business, such as corporate, shared services, indirect general & administrative expenses, interest income/expense, other income/expense, and income taxes.

Summary of Significant Accounting Policies

See Notes 1 and 2, *Organization and Nature of Business and Summary of Significant Accounting Policies*, in the Special Purpose Combined Financial Statements as of June 26, 2017 and for the fiscal years ended June 30, 2016 and 2015 for information on the significant accounting policies, which have been applied in the same manner in preparing the Special Purpose Interim Statement of Revenue and Direct Expenses.

NOTE 3 – CONCENTRATIONS

For the nine months ended March 31, 2017, two customers represented 27% and 21% each of the Acquired Business's revenues. For the nine months ended March 31, 2016, two customers represented 31% and 12% each of the Acquired Business's revenues.

AKOUSTIS TECHNOLOGIES, INC.
PRO FORMA FINANCIAL INFORMATION

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Unaudited condensed consolidated pro-forma financial statements

Unaudited pro forma consolidated balance sheets as of March 31, 2017

	Akoustis As of <u>March 31, 2017</u> (unaudited)	Acquired Business As of <u>March 31, 2017</u> (unaudited)	Consolidated As of <u>March 31, 2016</u> (unaudited)	Proforma AJEs <u>DR (CR)</u>	<u>#</u>	Consolidated As of <u>March 31, 2016</u> (unaudited)
Assets						
Current Assets:						
Cash and cash equivalents	\$ 9,425,699	\$ —	\$ 9,425,699	\$(2,846,049)	<i>1</i>	\$ 6,579,650
Inventory	49,534	—	49,534	96,049	<i>1</i>	145,583
Prepaid expenses	125,714	—	125,714			125,714
Deposits	688,651	—	688,651			688,651
Total Current Assets	<u>10,289,598</u>	<u>—</u>	<u>10,289,598</u>	<u>(2,750,000)</u>		<u>7,539,598</u>
Land	—	—	—	1,000,000	<i>1</i>	1,000,000
Building	—	—	—	3,000,000	<i>1</i>	3,000,000
Property and equipment, net	688,162	—	688,162	2,124,650	<i>1</i>	2,812,812
Intangible assets	117,854	—	117,854	81,773	<i>1</i>	199,627
Other	10,715	—	10,715			10,715
Total Assets	<u>\$ 11,106,329</u>	<u>\$ —</u>	<u>\$ 11,106,329</u>	<u>\$ 3,456,423</u>		<u>\$ 14,562,752</u>
Liabilities and Stockholders' Equity						
Current Liabilities:						
Accounts payable and accrued expenses	\$ 1,271,794	\$ —	\$ 1,271,794	\$ —		\$ 1,271,794
Contingent real estate liability	—	—	—	1,730,542	<i>1</i>	1,730,542
Deferred revenue	30,500	—	30,500			30,500
Total Current Liabilities	<u>1,302,294</u>	<u>—</u>	<u>1,302,294</u>	<u>1,730,542</u>		<u>3,032,836</u>
Total Liabilities	<u>1,302,294</u>	<u>—</u>	<u>1,302,294</u>	<u>1,730,542</u>		<u>3,032,836</u>
Commitments and contingencies						
Stockholders' Equity:						
Preferred stock, par value \$0.001: 5,000,000 shares authorized; none issued and outstanding	—	—	—			—
Common stock, \$0.001 par value; 45,000,000 shares authorized; 18,105,349 shares issued and outstanding	18,105	—	18,105			18,105
Additional paid-in capital	23,993,581	—	23,993,581			23,993,581
Accumulated deficit	(14,207,651)	—	(14,207,651)	1,725,881	<i>1</i>	(12,481,770)
Total Stockholders' Equity	<u>9,804,035</u>	<u>—</u>	<u>9,804,035</u>	<u>1,725,881</u>		<u>11,529,916</u>
Total Liabilities and Stockholders' Equity	<u>\$ 11,106,329</u>	<u>\$ —</u>	<u>\$ 11,106,329</u>	<u>\$ 3,456,423</u>		<u>\$ 14,562,752</u>

Unaudited pro forma consolidated statements of operations for the year ended June 30, 2016

	Akoustis For the Year Ended June 30, 2016 <u>(unaudited)</u>	Acquired Business For the Year Ended June 30, 2016 <u>(unaudited)</u>	Year Ended 6/30/16 Proforma Consolidation <u>(unaudited)</u>	Proforma AJEs DR (CR)	#	Proforma Consolidation <u>(unaudited)</u>
REVENUES						
Revenue	\$ 254,834	\$ 5,059,665	\$ 5,314,499	\$		\$ 5,314,499
Total Revenues	—	5,059,665	5,314,499			5,314,499
OPERATING EXPENSES:						
Research and development	1,758,701	—	1,758,701		2	1,758,701
General and administrative expenses	2,935,299	6,563,100	9,498,399	424,930	3	10,171,515
				103,318	4	
				5,841	5	
				139,017		
Total Operating Expenses	4,694,000	6,563,100	11,257,100	673,106		11,930,206
Loss from Operations	(4,439,166)	(1,503,435)	(5,942,601)	(673,106)		(6,615,707)
Other income (expense)						
Other income	500	—	500			500
Interest income	1,339	—	1,339			1,339
Change in fair value of derivative liabilities	(968,840)	—	(968,840)			(968,840)
Total other income (expense)	(967,001)	—	(967,001)	—		(967,001)
Net Loss	\$ (5,406,167)	\$ (1,503,435)	\$ (6,909,602)	\$(673,106)		\$ (7,582,708)
Net loss per common share - basic and diluted	\$ (0.40)	\$ (0.00)	\$ (0.52)	\$ (0.00)		\$ (0.57)
Weighted average common shares outstanding-basic and diluted	13,349,482	0	13,349,482	—		13,349,482

Unaudited pro forma consolidated statements of operations for the nine months ended March 31, 2017

	Akoustis For the Nine Months Ended 31-Mar-17 <u>(unaudited)</u>	Acquired Business For the Nine Months Ended 31-Mar-17 <u>(unaudited)</u>	Nine Months Ended 3/31/17 Proforma Consolidation <u>(unaudited)</u>	Proforma AJEs DR (CR)	#	Proforma Consolidation <u>(unaudited)</u>
REVENUES						
Revenue	\$ 468,032	\$ 3,109,542	\$ 3,577,574	\$ (48,000)	10	\$ 3,529,574
Total Revenues	468,032	3,109,542	3,577,574	(48,000)		3,529,574
OPERATING EXPENSES:						
Research and development	2,590,698	—	2,590,698			2,590,698
General and administrative expenses	4,533,652	4,907,961	9,441,613	318,698	6	9,898,444
				77,489	7	
				4,381	8	
				104,263	9	
				(48,000)	10	
Total Operating Expenses	7,124,350	4,907,961	12,032,311	456,831		12,489,142
Operating Income (Loss)	(6,656,318)	(1,798,419)	(8,454,737)	(504,831)		(8,959,568)
Other income (expense)						
Interest income	970	—	970			970
Change in fair value of derivative liabilities	(877,490)	—	(877,490)			(877,490)
Total other income (expense)	(876,520)	—	(876,520)	—		(876,520)
Net Income (Loss)	\$ (7,532,838)	\$ (1,798,419)	\$ (9,331,257)	\$ (504,831)		\$ (9,836,088)
Net loss per common share - basic and diluted	\$ (0.46)	\$ (0.00)	\$ (0.57)	\$ (0.00)		\$ (0.60)
Weighted average common shares outstanding-basic and diluted	16,419,225	0	16,419,225	—		16,419,225

AKOUSTIS TECHNOLOGIES, INC.
Notes to Unaudited Pro Forma Consolidated Financial Statements

1. Basis of Presentation

The following unaudited pro forma consolidated financial statements of Akoustis Technologies, Inc., (the “Company”) and the acquired assets from The Research Foundation for the State University of New York (“RF-SUNY”) and Fuller Road Management Corporation (“FRMC”), an affiliate of RF-SUNY (“Acquired Assets”) are provided to assist you in your analysis of the financial aspects of the proposed consolidated entity on a non-generally accepted accounting principle basis.

The unaudited pro forma consolidated statements of operations for the fiscal year ended June 30, 2016 and the nine months ended March 31, 2017 combined the historical statements of operations of the Company for the fiscal year ended June 30, 2016 with the fiscal year end special purpose combined statements of revenues and direct expenses of the Acquired Assets and the nine-month period ended March 31, 2017 of the Company and the nine-month period ended March 31, 2017 of the Acquired Assets.

The unaudited pro forma condensed combined balance sheet combines the historical balance sheets of the Company and the Acquired Assets as of March 31, 2017.

The pro forma is presented as if the below transaction was accounted for as an acquisition.

2. Acquisition of STC-MEMS

On March 23, 2017, Akoustis Technologies, Inc. (the “Company”) entered into a Definitive Asset Purchase Agreement (the “AP Agreement”) and a Definitive Real Property Purchase Agreement (the “RP Agreement”) (collectively, the “Agreements”) with The Research Foundation for the State University of New York (“RF-SUNY”) and Fuller Road Management Corporation (“FRMC”), an affiliate of RF-SUNY (collectively, “Sellers”) to acquire certain specified assets, including, the Smart Systems Technology & Commercialization Center (STC-MEMS), as well as the real estate and improvements associated with the facility (collectively the “FRMC Assets”). The facility, located in Canandaigua, New York, houses the operations of STC-MEMS (the assets and real estate and improvements referred to together herein as the “STC”) which was created in 2010 by RF-SUNY as an economic development project. The purpose of the initiative was to explore different technology opportunities with the goal of being a vertically integrated provider of foundry services that would offer its customers the capacity, infrastructure and operational capabilities of semiconductor and advanced manufacturing for aerospace, biomedical, communications, defense, and energy markets. The Company also agreed to assume substantially all the on-going obligations of STC incurred in the ordinary course of business including the 29 employees employed by RF-SUNY. The purchase closed on June 26, 2017.

The Company acquired STC through its wholly-owned subsidiary, Akoustis Manufacturing New York, Inc., (“Akoustis NY”), a Delaware corporation.

The purchase price paid for the transaction was an aggregate of approximately \$4.48 million consisting of (i) \$2.84 million in cash consideration and (ii) the assumption of contingent real estate liability of approximately \$1.73 million.

3. Pro-forma Adjustments

The pro-forma financial statements give effect to the following transactions as if they had occurred on the first day of the periods presented:

1. To record the payment of \$2,846,049 and the assumption of a contingent real estate liability of \$1,730,542 by Akoustis for the purchase of real estate with an appraised value of \$4,000,000, fixed assets with an appraised value of \$2,124,650; inventory for \$96,049, and customer relationships of \$81,773, resulting in a bargain purchase option of \$1,725,881.
2. To record depreciation of the fixed assets acquired for a full year with a five-year depreciable life on a straight-line basis as if they were acquired at the beginning of the fiscal year.
3. To record depreciation of the building acquired for a full year with a twenty-five-year depreciable life on a straight-line basis as if they were acquired at the beginning of the fiscal year
4. To record amortization of the customer relationships acquired for a full year with a fourteen-year amortizable life on a straight-line basis as if they were acquired at the beginning of the fiscal year
5. To record amortization of the leasehold interests acquired for a full year with a three-year amortizable life on a straight-line basis as if they were acquired at the beginning of the fiscal year
6. To record depreciation of the fixed assets acquired for the nine-month period with a five-year depreciable life on a straight-line basis as if they were acquired at the beginning of the interim nine-month period ending March 31, 2017.
7. To record depreciation of the building acquired for the nine-month period with a twenty-five-year depreciable life on a straight-line basis as if they were acquired at the beginning of the interim nine-month period ending March 31, 2017.
8. To record amortization of the customer relationships acquired for the nine-month period with a fourteen-year amortizable life on a straight-line basis as if they were acquired at the beginning of the interim nine-month period ending March 31, 2017.
9. To record amortization of the leasehold interests acquired for the nine-month period with a three-year amortizable life on a straight-line basis as if they were acquired at the beginning of the interim nine-month period ending March 31, 2017.
10. To eliminate related party transactions of \$48,000 for Akoustis Inc. payment of fabrication services invoices to RF-SUNY in the nine-month period ending March 31, 2017.