

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 March 31, 2024

or

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

For the transition period from _____ to _____

Commission File Number: 001-38029



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

Delaware

(State or other jurisdiction of
incorporation or organization)

9805 Northcross Center Court, Suite A
Huntersville, NC

(Address of principal executive offices)

33-1229046

(IRS Employer
Identification No.)

28078

(Postal Code)

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

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

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

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

None

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

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

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

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

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

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

As of May 8, 2024, there were 98,669,282 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 MARCH 31, 2024

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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)

	<u>March 31,</u> <u>2024</u>	<u>June 30,</u> <u>2023</u>
Assets		
Assets:		
Cash and cash equivalents	\$ 15,200	\$ 43,104
Accounts receivable, net	4,448	4,753
Inventory	5,104	7,548
Other current assets	3,811	4,440
Total current assets	<u>28,563</u>	<u>59,845</u>
Property and equipment, net	53,198	57,826
Goodwill	6,508	14,559
Intangibles, net	13,220	15,241
Operating lease right-of-use asset, net	1,039	1,374
Other assets	71	72
Total Assets	<u>\$ 102,599</u>	<u>\$ 148,917</u>
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 15,968	\$ 17,027
Deferred revenue	95	105
Promissory note payable	1,667	—
Operating lease liability	498	439
Total current liabilities	<u>18,228</u>	<u>17,571</u>
Long-term Liabilities:		
Convertible notes payable, net	41,753	43,347
Promissory notes payable	—	667
Operating lease liability	596	976
Other long-term liabilities	117	117
Total Long-Term liabilities	<u>42,466</u>	<u>45,107</u>
Total Liabilities	<u>60,694</u>	<u>62,678</u>
Commitments and Contingencies (Note 14)		
Stockholders' Equity		
Preferred stock, par value \$0.001; 5,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$0.001 par value; 175,000,000 shares authorized; 98,654,282, and 72,154,647 shares issued and outstanding at March 31, 2024 and June 30, 2023, respectively	99	72
Additional paid in capital	371,510	356,522
Accumulated deficit	(329,704)	(270,355)
Total Stockholders' Equity	<u>41,905</u>	<u>86,239</u>
Total Liabilities and Stockholders' Equity	<u>\$ 102,599</u>	<u>\$ 148,917</u>

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 March 31, 2024	For the Three Months Ended March 31, 2023	For the Nine Months Ended March 31, 2024	For the Nine Months Ended March 31, 2023
Revenue	\$ 7,510	\$ 7,356	\$ 21,529	\$ 18,788
Cost of revenue	<u>7,161</u>	<u>8,472</u>	<u>21,583</u>	<u>20,200</u>
Gross profit (loss)	<u>349</u>	<u>(1,116)</u>	<u>(54)</u>	<u>(1,412)</u>
Operating expenses				
Research and development	5,971	7,349	22,729	25,079
General and administrative expenses	8,935	8,817	28,453	21,650
Other operating expenses	8,051	—	8,051	—
Total operating expenses	<u>22,957</u>	<u>16,166</u>	<u>59,233</u>	<u>46,729</u>
Loss from operations	<u>(22,608)</u>	<u>(17,282)</u>	<u>(59,287)</u>	<u>(48,141)</u>
Other (expense) income				
Interest (expense) income	(745)	(510)	(1,909)	(1,955)
Other (expense) income	(5)	(2)	(4)	(10)
Change in fair value of contingent consideration	—	268	—	1,438
Change in fair value of derivative liabilities	52	(383)	2,058	456
Total other (expense) income	<u>(698)</u>	<u>(627)</u>	<u>145</u>	<u>(71)</u>
Net loss before income taxes	<u>\$ (23,306)</u>	<u>\$ (17,909)</u>	<u>\$ (59,142)</u>	<u>\$ (48,212)</u>
Income Taxes	(2)	2,364	(5)	2,420
Net Loss	<u>\$ (23,308)</u>	<u>\$ (15,545)</u>	<u>\$ (59,147)</u>	<u>\$ (45,792)</u>
Net loss per common share - basic and diluted	<u>\$ (0.26)</u>	<u>\$ (0.23)</u>	<u>\$ (0.75)</u>	<u>\$ (0.75)</u>
Weighted average common shares outstanding - basic and diluted	<u>91,281,779</u>	<u>68,195,181</u>	<u>78,845,986</u>	<u>60,925,124</u>

See accompanying notes to the condensed consolidated financial statements.

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

	For the Three Months Ended March 31, 2024				
	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance, December 31, 2023	75,435	\$ 75	\$ 360,090	\$ (306,396)	\$ 53,769
Common stock issued for cash, net of issuance costs	23,000	23	10,384	—	10,407
Stock-based compensation	99	1	945	—	946
Common stock issued for services	120	—	91	—	91
Net loss	—	—	—	(23,308)	(23,308)
Balance, March 31, 2024	98,654	\$ 99	\$ 371,510	\$ (329,704)	\$ 41,905

	For the Three Months Ended March 31, 2023				
	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance, December 31, 2022	58,161	\$ 58	\$ 316,065	\$ (237,045)	\$ 79,078
Common stock issued for cash, net of issuance costs	12,545	13	32,013	—	32,026
Stock-based compensation	313	—	3,210	—	3,210
Common stock issued in acquisition	606	1	1,689	—	1,690
Net loss	—	—	—	(15,545)	(15,545)
Balance, March 31, 2023	71,625	\$ 72	\$ 352,977	\$ (252,590)	\$ 100,459

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

	For the Nine Months Ended March 31, 2024				
	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance, June 30, 2023	72,155	\$ 72	\$ 356,522	\$ (270,355)	\$ 86,239
Cumulative-effect adoption of ASU 2016-13	—	—	—	(201)	(201)
Common stock issued for cash, net of issuance costs	23,000	23	10,384	—	10,407
Stock-based compensation	794	1	3,143	—	3,144
Common stock issued for services	120	—	91	—	91
ESPP Purchase	209	—	52	—	52
Common stock issued in payment of note interest	2,376	2	1,318	—	1,320
Net loss	—	—	—	(59,147)	(59,147)
Balance, March 31, 2024	<u>98,654</u>	<u>\$ 99</u>	<u>\$ 371,510</u>	<u>\$ (329,704)</u>	<u>\$ 41,905</u>
	For the Nine Months Ended March 31, 2023				
	Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance, June 30, 2022	57,079	\$ 57	\$ 310,171	\$ (206,798)	\$ 103,429
Common stock issued for cash, net of issuance costs	12,545	13	32,013	—	32,026
Stock-based compensation	904	1	7,453	—	7,454
ESPP purchases	89	—	288	—	288
Common stock issued in acquisition	606	1	1,689	—	1,690
Common stock issued in payment of note interest	402	—	1,364	—	1,364
Net loss	—	—	—	(45,792)	(45,792)
Balance, March 31, 2023	<u>71,625</u>	<u>\$ 72</u>	<u>\$ 352,977</u>	<u>\$ (252,590)</u>	<u>\$ 100,459</u>

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)

	Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (59,147)	\$ (45,792)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	9,492	8,193
Stock-based compensation	3,144	7,454
Common stock issued for services	91	—
Amortization of debt discount	464	421
Amortization of operating lease right of use asset	335	282
Non-cash interest payments	1,320	1,364
Deferred income taxes	—	(2,365)
Goodwill impairment	8,051	—
Change in fair value of derivative liabilities	(2,058)	(456)
Change in fair value of contingent consideration	—	(1,438)
(Gain) Loss on disposal of fixed assets & intangibles	268	(105)
Changes in operating assets and liabilities:		
Accounts receivable	105	427
Inventory	2,444	(3,464)
Other current assets	1,273	(31)
Accounts payable and accrued expenses	1,310	(516)
Other current liabilities	1,667	—
Lease liabilities	(321)	(255)
Other long term liabilities	(667)	333
Deferred revenue	(9)	(172)
Net Cash Used in Operating Activities	(32,238)	(36,120)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for property, plant and equipment	(6,125)	(10,170)
Acquisition of business, net of cash acquired	—	(13,882)
Cash received from the sale of fixed assets	—	122
Net Cash Used in Investing Activities	(6,125)	(23,930)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of issuance costs	10,407	32,026
Proceeds from employee stock purchase plan	52	288
Net Cash Provided by Financing Activities	10,459	32,314
Net Increase (Decrease) in Cash and Cash Equivalents	(27,904)	(27,736)
Cash and Cash Equivalents - Beginning of Period	43,104	80,485
Cash and Cash Equivalents - End of Period	\$ 15,200	\$ 52,749
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash Paid During the Period for:		
Income taxes	—	40
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Fixed assets included in accounts payable and accrued expenses	(2,368)	654
Cumulative-effect adoption of ASU 2016-13	(201)	—
Operating lease right-of-use asset, net	—	133
Operating lease liability	—	(133)
Common stock issued in payment of interest	1,320	1,364
Acquisition of business		
Tangible assets, excluding cash	—	3,904
Intangibles	—	8,289
Goodwill	—	6,479
Deferred tax liability	—	(2,365)
Liabilities assumed	—	(1,124)
Liabilities cancelled	—	88
Issuance of common stock for acquisition	—	(1,690)

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”), automotive and defense 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”) and recently introduced foundry 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. The Company also offers back-end semiconductor supply chain services through its wholly owned subsidiary, Grinding & Dicing Services, Inc.(GDSI), which it acquired in January 2023.

Note 2. Going Concern and Liquidity

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of March 31, 2024, the Company had cash and cash equivalents of \$15.2 million and working capital of \$10.3 million. In the absence of additional liquidity, the Company anticipates that its existing cash resources, with a continued focus on cash conservation, is sufficient to fund its operations into the third quarter of fiscal 2025. There is no assurance that the Company’s projections and estimates are accurate. Furthermore, an adverse judgment against the Company in the trial with respect to *Qorvo Inc. vs. Akoustis Technologies, Inc. DE Case 1:21-cv-01417-JPM*, as described below under Note 14. Commitments and Contingencies (the “Delaware Trial”), would reduce the amount of time that the Company could continue operating with its current cash resources, and create an urgent need for additional liquidity or result in the Company’s curtailing or ceasing operations and seeking protection by filing a voluntary petition for relief under the Bankruptcy Code. These matters raise substantial doubt about the Company’s ability to continue as a going concern within one year from the date of this filing. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company’s short-term and long-term liquidity requirements primarily arise from funding (i) research and development expenses, (ii) G&A expenses including salaries, bonuses, and commissions, (iii) working capital requirements, (iv) business acquisitions and investments it may make from time to time, and (v) interest and principal payments related to its \$44.0 million aggregate principal amount of outstanding convertible notes and \$4.0 million promissory note. Additionally, the Delaware Trial is currently in process. To the extent that the outcome of the trial includes judgments against the Company for significant damages or other relief, the Company’s liquidity will be additionally and severely constrained.

The Company has incurred losses and negative cash flow from operations since inception and is experiencing financial and operating challenges. Its operations thus far have been funded primarily with sales of equity and debt securities, as well as contract research and government grants, revenue with customers, foundry services and engineering services. In November 2023, the Company announced that it had undertaken significant expense reductions and cost-saving measures to reduce its operating cash flow burn. As a result of these cost-savings initiatives, the operating expenditures supporting the future growth of its manufacturing capabilities and expansion of our product offerings have decreased, along with decreases in research and development and headcount costs. Additionally, the Company estimates that approximately \$0.7 million of additional cash is needed to complete construction in progress assets that are currently not in service, which construction has been paused as part of these cost-savings initiatives. The Company is actively managing and controlling its cash outflows to mitigate liquidity risks.

Until the Company is able to generate sufficient cash flow from operations to achieve and maintain profitability and meet obligations as they come due, the Company will need to raise significant additional capital to sustain its business through, among other means, public or private equity offerings (including sales of our common stock under our at-the-market equity offering program, described below), debt financings, real estate- or equipment-based financing arrangements, corporate collaborations and/or licensing arrangements.

In January 2024, the Company completed a public offering of its common stock raising \$10.4 million in net proceeds. Additionally, the Company is re-activating its at-the-market equity offering program pursuant to that certain ATM Sales Agreement, dated May 2, 2022, with Oppenheimer & Co. Inc., Craig-Hallum Group LLC and Roth Capital Partners, LLC (the “ATM Sales Agreement”).

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

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

Note 3. Summary of Significant Accounting Policies

Basis of Presentation

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

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as of March 31, 2024, 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 March 31, 2024 (in thousands):

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	\$ 2,427	\$ 487	\$ 2,914
Asia	284	3,335	3,619
Europe	38	939	977
Total	<u>\$ 2,749</u>	<u>\$ 4,761</u>	<u>\$ 7,510</u>

The following table summarizes the revenues of the Company's reportable segments by geographic region for the nine months ended March 31, 2024 (in thousands):

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	\$ 7,863	\$ 1,369	\$ 9,232
Asia	687	9,000	9,687
Europe	159	2,452	2,611
Total	<u>\$ 8,709</u>	<u>\$ 12,821</u>	<u>\$ 21,530</u>

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

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	\$ 3,064	\$ 992	\$ 4,056
Asia	271	2,420	2,691
Europe	63	546	609
Total	<u>\$ 3,398</u>	<u>\$ 3,958</u>	<u>\$ 7,356</u>

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

	Fabrication Services Revenue	Product Sales Revenue	Total Revenue with Customers
Americas	\$ 4,914	\$ 3,123	\$ 8,037
Asia	1,244	7,254	8,498
Europe	63	2,179	2,242
Other	—	11	11
Total	<u>\$ 6,221</u>	<u>\$ 12,567</u>	<u>\$ 18,788</u>

Performance Obligations

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

Contract Balances

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

	Contract Assets	Contract Liability
Balance, June 30, 2023	\$ 1,894	\$ 70
Closing, March 31, 2024	1,121	96
Increase/(Decrease)	\$ (773)	\$ 26
Balance, June 30, 2022	\$ 908	\$ 286
Closing, March 31, 2023	1,358	114
Increase/(Decrease)	\$ 450	\$ (172)

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 nine months ended March 31, 2024, that was included in the opening contract liability balance was \$70 thousand which related to timing of shipments.

Contract assets are recorded when revenue recognized exceeds the amount invoiced. The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the timing difference between the Company's performance and the customer's payment. The amount of contract assets invoiced in the nine months ended March 31, 2024, that was included in the opening contract asset balance was \$1.8 million, which primarily related to non-recurring engineering services.

Backlog of Remaining Customer Performance Obligations

As of March 31, 2024, the Company had partially unsatisfied performance obligations related to contracts with an original expected duration of greater than one year. Revenue expected to be recognized from these performance obligations was \$1.0 million as of March 31, 2024. The Company's backlog may vary significantly each reporting period based on the timing of major new contract commitments. In addition, the Company's customers have the right, under some infrequent circumstances, to terminate contracts or defer the timing of the Company's services and their payments to it.

Note 5: Inventory

Inventory, net of reserves, consisted of the following as of March 31, 2024 and June 30, 2023 (in thousands):

	March 31, 2024	June 30, 2023
Raw Materials	\$ 1,774	\$ 1,574
Work in Process	1,149	3,741
Finished Goods	2,181	2,233
Total Inventory	\$ 5,104	\$ 7,548

Note 6. Property and Equipment, net

Property and equipment, net consisted of the following as of March 31, 2024 and June 30, 2023 (in thousands):

	Estimated Useful Life	March 31, 2024	June 30, 2023
Land	n/a	\$ 1,000	\$ 1,000
Building and leasehold improvements	*	9,807	9,016
Equipment	2-10 years	73,630	71,151
Computer Equipment & Software	3-5 years	2,796	3,168
Total		87,233	84,335
Less: Accumulated Depreciation		(34,035)	(26,509)
Total		\$ 53,198	\$ 57,826

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

The Company recorded depreciation expense of \$2.6 million and \$2.4 million for the three months ended March 31, 2024 and 2023, respectively. The Company recorded depreciation expense of \$7.5 million and \$6.8 million for the nine months ended March 31, 2024 and 2023, respectively.

As of March 31, 2024, equipment with a net book value totaling \$1.7 million had not been placed in service and therefore was not depreciated during the period. As of June 30, 2023, fixed assets with a net book value totaling \$7.1 million had not been placed in service and therefore was not depreciated during the period.

Note 7. Business Acquisition

Grinding & Dicing Services, Inc.

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

The total consideration paid to the Sellers at closing of the Transaction consisted of \$13.9 million in cash and approximately \$1.7 million of shares of the Company’s common stock. In addition, the Company issued a secured promissory note (the “Promissory Note”) in the original principal amount of \$4.0 million issued by the Purchaser to the Sellers’ representative with the terms described under Note 10. Notes Payable below.

Pro Forma Results

The following unaudited pro forma financial information summarizes the results of operations for the three and nine months ended March 31, 2024 and 2023 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 March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
	Unaudited Proforma	Unaudited Proforma	Unaudited Proforma	Unaudited Proforma
Revenues	\$ 7,510	\$ 7,356	\$ 21,530	\$ 22,369
Net Loss	\$ (23,308)	\$ (15,545)	\$ (59,147)	\$ (45,575)
Net Loss per Share	\$ (0.26)	\$ (0.23)	\$ (0.75)	\$ (0.74)

Note 8. Goodwill

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

During the third quarter ended March 31, 2024, the Company observed continuing declines in its stock price (with increases and decreases throughout the fiscal year) from a high of \$3.20 on July 3, 2023 to a low of \$0.48 on October 30, 2023, which led it to conclude that a triggering event had occurred and therefore the Company performed a quantitative test for its two reporting units. Based on the results of the impairment analyses, the Company concluded that it was more likely than not that the fair value of the Fabrication Services reporting unit exceeded its carrying value; therefore, there was no goodwill impairment. However, for the RF Filter reporting unit, the Company determined that the carrying value exceeded the fair value of the reporting unit which resulted in a goodwill impairment charge of approximately \$8.1 million (representing the entire goodwill assigned to this reporting unit) and is included in “Other operating expenses” in the Condensed Consolidated Statements of Operations.

Note 9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at March 31, 2024 and June 30, 2023 (in thousands):

	March 31, 2024	June 30, 2023
Accounts payable	\$ 4,796	\$ 3,979
Accrued salaries and benefits	2,171	4,781
Accrued goods received not invoiced	960	3,700
Accrued professional fees	6,797	2,248
Other accrued expenses	1,244	2,319
Totals	\$ 15,968	\$ 17,027

Note 10. Notes Payable

Convertible Senior Notes due 2027

The following table summarizes convertible debt as of March 31, 2024 (in thousands):

	<u>Maturity Date</u>	<u>Stated Interest Rate</u>	<u>Conversion Price</u>	<u>Face Value</u>	<u>Remaining Debt (Discount)</u>	<u>Fair Value of Embedded Derivatives</u>	<u>Carrying Value</u>
Long Term convertible notes payable							
6.0% convertible senior notes	06/15/2027	6.00%	\$ 4.71	\$ 44,000	\$ (2,269)	\$ 22	\$ 41,753
Ending Balance as of March 31, 2024				<u>\$ 44,000</u>	<u>\$ (2,269)</u>	<u>\$ 22</u>	<u>\$ 41,753</u>

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

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

Interest expense on the Convertible Notes during the three months ended March 31, 2024 included contractual interest of \$660 thousand and debt discount amortization of \$152 thousand. Interest expense on the Convertible Notes during the nine months ended March 31, 2024 included contractual interest of \$1,980 thousand and debt discount amortization of \$464 thousand.

Promissory Note

The Company's wholly-owned subsidiary, Akoustis, Inc. issued a secured promissory note (the "Promissory Note") in the original principal amount of \$4.0 million to the Sellers' representative in connection with the Company's acquisition of GDSI in January 2023. The Sellers' representative is a current employee of the Company. The Promissory Note does not bear interest, is subject to partial prepayment (reduction of the outstanding principal amount down to \$1.3 million) on the second anniversary of the Closing Date, and is payable in full on the third anniversary of the Closing Date. The Purchaser can reduce the principal amount of the Promissory Note (i) to satisfy the Sellers' indemnification obligations under the Purchase Agreement, and (ii) if GDSI's President is terminated for cause or due to disability or resigns without good reason prior to maturity the Promissory Note will be cancelled in its entirety. The Promissory Note is secured by certain of the Purchaser's and GDSI's assets. In the event of certain events of default, including failure to pay amounts due under the Promissory Note and certain bankruptcy events, the outstanding principal amount of the Promissory Note will become immediately due. The Promissory Note will be recognized on a straight line basis over the term of the Promissory Note as compensation expense. The Company recorded compensation expense totaling \$333 thousand and \$1.0 million for the three and nine months, respectively, ended March 31, 2024 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 March 31, 2024 and 2023 are as follows:

	Three Months 03/31/2024	Three Months 03/31/2023
Customer 1	23%	15%
Customer 2	—	13%
Customer 3	13%	—

Customer concentration as a percentage of revenue for the nine months ended March 31, 2024 and 2023 are as follows:

	Nine Months 03/31/2024	Nine Months 03/31/2023
Customer 1	—	16%
Customer 2	22%	11%
Customer 3	—	11%

Customer concentration as a percentage of accounts receivable at March 31, 2024 and June 30, 2023 are as follows:

	March 31, 2024	June 30, 2023
Customer 1	18%	21%
Customer 2	—	15%

Vendors

Vendor concentration as a percentage of purchases for the three months ended March 31, 2024 and 2023 are as follows:

	Three Months 03/31/2024	Three Months 03/31/2023
Vendor 1	14%	—

Vendor concentration as a percentage of purchases for the nine months ended March 31, 2024 and 2023 are as follows:

	Nine Months 03/31/2024	Nine Months 03/31/2023
Vendor 1	17%	—

Note 12. Equity

Underwritten Offering of Common Stock

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

Equity Incentive Plans

During the nine months ended March 31, 2024, the Company granted employees options to purchase an aggregate of approximately 0.26 million shares of common stock. The fair values of the Company's options were estimated at the dates of grant using a Black-Scholes option pricing model with the following assumptions:

	Nine Months Ended March 31, 2024
Exercise price	\$ 0.59 – 0.97
Expected term (years)	4.00 – 4.75
Volatility	71 – 75%
Risk-free interest rate	4.42 – 4.66%
Dividend yield	0%
Weighted Average Grant Date Fair Value of Options granted during the period	\$ 0.35

During the nine months ended March 31, 2024 the Company awarded certain employees and directors grants of an aggregate of approximately 1.7 million restricted stock units ("RSUs") with a weighted average grant date fair value of \$0.81. The RSUs will be expensed over the requisite service period. The terms of the RSUs include vesting provisions based solely on continued service. If the service criteria are satisfied, the RSUs will generally vest over 4 to 5 years.

During the nine months ended March 31, 2024 the Company awarded certain employees grants of an aggregate of approximately 0.55 million restricted stock units with market value appreciation conditions ("MVSUs") with a weighted average grant date fair value of \$1.41. The MVSUs will be expensed over the requisite service period. The terms of the MVSUs include vesting provisions based on continued service. The number of shares of the Company's common stock earned at vesting is based on the Company's stock price performance with amounts earned subject to a vesting multiplier ranging from 0% to 200%. If the service criteria are satisfied, the MVSUs will vest over 3 years.

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Research and Development	\$ 132	\$ 1,120	\$ 783	\$ 3,171
General and Administrative	\$ 777	\$ 2,090	\$ 2,201	\$ 4,283
Cost of Revenue	\$ 35	—	\$ 159	
Total	\$ 944	\$ 3,210	\$ 3,144	\$ 7,454

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

	As of March 31, 2024	
	Unrecognized stock-based compensation	Weighted- average years to be recognized
Options	\$ 757	1.61
Restricted stock units	\$ 6,039	1.84

Nasdaq Stock Market notification

On October 24, 2023, the Company received notification from the Listing Qualifications Department of The Nasdaq Stock Market, or Nasdaq, stating that the Company did not comply with the minimum \$1.00 bid price requirement for continued listing set forth in Nasdaq Listing Rule 5550(a)(2) (the “Bid Price Requirement”). In accordance with Nasdaq listing rules, the Company was 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. Since the Company did not regain compliance by April 22, 2024, the Company requested, and was granted, an additional 180 calendar days for the Company to regain compliance with Bid Price Requirement expiring October 21, 2024. The Company intends to monitor the closing bid price of its common stock and consider available options to regain compliance with the Bid Price Requirement which could include seeking to effect a reverse stock split.

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 March 31, 2024	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2023
Operating Lease Expense	\$ 149	\$ 159	\$ 453	\$ 360

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

	Classification on the Condensed Consolidated Balance Sheet	March 31, 2024	June 30, 2023
Assets			
Operating lease assets	Other non-current assets	\$ 1,039	\$ 1,374
Liabilities			
Operating lease liabilities	Current liabilities	498	439
Operating lease liabilities	Long term liabilities	596	976
Weighted Average Remaining Lease Term:			
Operating leases		2.04 Years	2.97 Years
Weighted Average Discount Rate:			
Operating leases		12.92%	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	\$ 150
2025	606
2026	374
2027	66
Thereafter	79
Total lease payments (undiscounted cash flows)	<u>1,275</u>
Less imputed interest	(181)
Total	<u>\$ 1,094</u>

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 March 31, 2024 pursuant to the terms of the Lease and Project Agreement are subject to claw back over the life of the Agreements upon certain recapture events, including certain events of default.

Litigation, Claims and Assessments

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

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

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

On February 9, 2024, the Company filed Motions to Exclude Expert Testimony of Qorvo’s damages expert. That same day, Qorvo filed Motions to Exclude Expert Testimony of the Company’s damages expert and one of the Company’s technical experts.

On April 25, 2024, the court granted the Company’s Motion for Partial Summary Judgment with respect to Qorvo’s false patent marking and RICO claims, but denied the remainder of the Company’s motion. That same day, the court granted in part Qorvo’s Motion to Exclude Testimony of one of Akoustis’ expert technical witnesses. On April 30, 2024, the court denied each party’s Motion to Exclude the Expert Witness Testimony of the other party’s damages expert.

On May 2, 2024, the court granted Qorvo’s Motion for Partial Summary Judgment with respect to the validity of the ‘018 Patent and the ‘755 Patent.

The trial for *Qorvo Inc. vs. Akoustis Technologies, Inc., DE Case 1:21-cv-01417-JPM* commenced on May 6, 2024. The Company can provide no assurance as to the outcome of such trial, and the result may include 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 U.S. Patent No. 7,250,360 (“the ‘360 Patent”), a patent licensed exclusively to the Company by Cornell University. The complaint alleges Qorvo’s willful infringement of the Cornell patent and seeks remedies including enhanced damages and attorneys’ fees. On July 24, 2023, Qorvo filed a motion to dismiss the complaint.

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

In connection with the litigation, the Company issued subpoenas to certain suppliers of Qorvo. On March 1, 2024, a supplier of Qorvo filed an inter partes review with the Patent Trial and Appeal Board challenging the validity of the ‘360 Patent and, on April 17, 2024, Qorvo made a similar filing.

On May 1, 2024, the Company filed a motion for leave to amend its complaint to add Cornell University as a co-plaintiff, as well as a motion to compel financial discovery.

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

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

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

Tax Credit Contingency

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

The Company’s gross unrecognized indirect tax credits totaled \$0.1 million as of March 31, 2024 and \$0.1 million as of June 30, 2023 and are recorded on the Consolidated Balance Sheet as a long-term liability.

Note 15. Segment Information

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

The Company evaluates performance of its operating segments based on revenue and operating profit (loss). Segment information for the three and nine months ended March 31, 2024 and 2023 are as follows (in thousands):

	<u>Fabrication Services</u>	<u>RF Filters</u>	<u>Total</u>
Three months ended March 31, 2024			
Revenue	\$ 2,749	\$ 4,761	\$ 7,510
Cost of revenue	2,068	5,093	7,161
Gross margin	681	(332)	349
Research and development	—	5,971	5,971
General and administrative	1,212	7,723	8,935
Other operating expenses	—	8,051	8,051
Income (Loss) from Operations	\$ (531)	\$ (22,077)	\$ (22,608)
Three months ended March 31, 2023			
Revenue	\$ 3,397	\$ 3,959	\$ 7,356
Cost of revenue	2,009	6,463	8,472
Gross margin	1,388	(2,504)	(1,116)
Research and development	—	7,349	7,349
General and administrative	2,018	6,799	8,817
Income (Loss) from Operations	\$ (630)	\$ (16,652)	\$ (17,282)
Nine months ended March 31, 2024			
Revenue	\$ 8,709	\$ 12,820	\$ 21,529
Cost of revenue	5,868	15,715	21,583
Gross margin	2,841	(2,895)	(54)
Research and development	—	22,729	22,729
General and administrative	3,413	25,040	28,453
Other operating expenses	—	8,051	8,051
Income (Loss) from Operations	\$ (572)	\$ (58,715)	\$ (59,287)
Nine months ended March 31, 2023			
Revenue	\$ 6,248	\$ 12,540	\$ 18,788
Cost of revenue	4,027	16,173	20,200
Gross margin	2,221	(3,633)	(1,412)
Research and development	—	25,079	25,079
General and administrative	2,018	19,632	21,650
Income (Loss) from Operations	\$ 203	\$ (48,344)	\$ (48,141)
As of March 31, 2024			
Accounts receivable	\$ 1,213	\$ 3,235	\$ 4,448
Property and equipment, net	2,112	51,086	53,198
As of June 30, 2023			
Accounts receivable	\$ 1,124	\$ 3,629	\$ 4,753
Property and equipment, net	2,394	55,432	57,826

Note 16. Loss Per Share

Basic net loss per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, which is the case for the three and nine months ended March 31, 2024 and March 31, 2023 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 March 31, 2024 and 2023:

	March 31, 2024	March 31, 2023
Convertible Notes	9,341,825	9,341,825
Options	3,031,625	3,232,112
Warrants	—	41,103
Total	<u>12,373,450</u>	<u>12,615,040</u>

Note 17. Fair Value Measurement

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

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

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

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

The following table classifies the liabilities measured at fair value on a recurring basis into the fair value hierarchy as of March 31, 2024:

	Fair value at March 31, 2024	Level 1	Level 2	Level 3
Derivative liabilities	\$ 22	\$ —	\$ —	\$ 22
Total fair value	<u>\$ 22</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 22</u>

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

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

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

Derivative liabilities	March 31, 2024
Beginning balance	\$ 2,080
Change in fair value of derivative liabilities	(2,058)
Ending balance	\$ 22

There were no transfers between Level 1, 2, or 3 valuation classifications during the three or nine months ended March 31, 2024.

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 March 31, 2024 and June 30, 2023 were valued with the following assumptions:

	March 31, 2024	June 30, 2023
Stock Price	\$ 0.59	\$ 3.18
Volatility of stock price	85%	70%
Risk free interest rate	4.38%	4.32%
Debt yield	42.87%	40.6%
Remaining term (years)	3.2	4.0

Note 18. Subsequent Events

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

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

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

Cautionary Note Regarding Forward-Looking Statements

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

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

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

Overview

Akoustis® is an emerging commercial product company focused on developing, designing, and manufacturing innovative RF filter solutions for the wireless industry, including for products such as smartphones and tablets, network infrastructure equipment, Wi-Fi Customer Premise Equipment (“CPE”), automotive 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, automotive 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, automotive 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, GDSSI, 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, automotive 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 May 1, 2024, our IP portfolio included 103 patents, including a blocking patent that we have licensed from Cornell University. Additionally, as of May 1, 2024, we have 79 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, automotive OEMs and Wi-Fi CPE OEMs, we seek to enable broader competition among the front-end module manufacturers.

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

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

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

Business Environment and Current Trends

Impact of COVID-19 on our Business

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

Semiconductor Shortages and Supply Chain Issues

The global silicon semiconductor industry is experiencing a shortage in supply and difficulties in ability to meet customer demand. This shortage has led to an increase in lead-times of production of semiconductor chips and components. As our business depends in significant part upon manufacturers of products requiring semiconductors, as well as the current and anticipated production of these products, we have sought to manage the impact of supply shortages though carefully maintaining and increasing key inventory levels. In some cases, we have incurred higher costs to secure available inventory, or have extended our purchase commitments or placed non-cancellable orders with suppliers, which introduces inventory risk if our forecasts and assumptions are inaccurate. We believe the global supply chain challenges and their adverse impact on our business and financial results will persist through calendar year 2024. We expect these constrained supply conditions to increase our costs of goods sold and increase uncertainty with respect to the timing of delivery of specific customer orders.

Effects of Inflation and Recession Fears

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

Recent Legislation

On August 9, 2022, President Biden signed into law the CHIPS and Science Act of 2022, which appropriates funds to support the construction of semiconductor plants in the United States and advancement of United States semiconductor research and development. The Company is seeking to expand its domestic manufacturing footprint including both semiconductors and advanced packaging at our NY campus under the DoC Chips for America program. We have received feedback on our pre-application from the DoC and we expect to file a final application in calendar year 2024. In addition, during the quarter ended March 31, 2024, the Company claimed \$644 thousand of investment tax credit which will be realized over the useful life of the claimed property.

Recent Developments

On January 10, 2024, we announced that five of our patented XBAW® filters are being designed into a new quad-band enterprise Wi-Fi access point (AP) platform.

On January 29, 2024, we announced that we had secured a Tier-1 design win for a wireless Battery Management System (wBMS) chipset in Electric Vehicles (EVs) from a leading automotive product supplier directly supplying the OEM.

On February 8, 2024, we announced multiple narrowband and wideband patented XBAW® filters are being designed into two new programs with an enterprise Wi-Fi access point (AP) solutions provider.

On February 12, 2024, we announced that two of our patented XBAW® filters are being integrated into a Wi-Fi 7 router platform with a leading US-based carrier, catering to more than 32 million residential customers.

On April 3, 2024, we announced two new bandedge RF filter products for Wi-Fi Automotive and Access Point applications. These filters are expected to ramp into production in the second half of calendar year 2024.

On April 8, 2024, we announced that our high-performance narrowband patented XBAW® filters are being designed into a new program with an enterprise-class original equipment manufacturer (OEM).

Critical Accounting Estimates

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

Goodwill

The Company performs goodwill impairment analysis annually during its last fiscal quarter, or more often if events or circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit is below its carrying value. During the third quarter ended March 31, 2024, the Company observed continuing declines in its stock price (with increases and decreases throughout the fiscal year) from a high of \$3.20 on July 3, 2023 to a low of \$0.48 on October 30, 2023, which led it to conclude that a triggering event had occurred and therefore the Company performed a quantitative test for its two reporting units.

The fair values of the reporting units were based upon an equal weighting of the income approach and a market based approach: the guideline public company method. The income approach utilizes a discounted cash flow analysis. The guideline public company approach utilizes comparable public company information, key valuation multiples, and considers a market control premium associated with cost synergies and other cash flow benefits that arise from obtaining control over a reporting unit, and guideline transactions, when applicable. The significant assumptions used in these approaches include revenue growth rates, profit margins, projected future cash flows and discount rates under the income approach as well as valuation multiples derived from comparable public trading companies under the market approach. The discount rate used in the income approach is based on the weighted average cost of capital and ranged between 17.5% for Fabrication Services and 15.5% for RF Filters, which was derived from the financial structures of comparable companies corresponding to the industry of each reporting unit.

Based on the Company's interim impairment test of goodwill, in connection with the preparation of the financial statements included with this report, it was determined for the Fabrication Services reporting units that the reporting units' fair value was in excess of its respective carrying value as of March 31, 2024; however, for the RF Filter unit it was determined that the carrying value of the reporting unit exceeded its fair value which resulted in a goodwill impairment charge of approximately \$8.1 million (representing the entire goodwill assigned to this reporting unit).

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

Results of Operations

Three Months Ended March 31, 2024 and 2023

Revenue

The Company recorded revenue of \$7.5 million for the three months ended March 31, 2024 as compared to \$7.4 million for the three months ended March 31, 2023. The increase of \$0.1 million, or 2%, was primarily due to an increase in filter revenue of \$0.8 million or 20%, offset by a decrease in fabrication services revenue of \$0.7 million or 19%.

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 \$7.2 million for the three months ended March 31, 2024 as compared to \$8.5 million for the three months ended March 31, 2023. The \$1.3 million decrease is primarily due to a reduction in inventory adjustment costs associated with filter revenue.

Research and Development Expenses

R&D expenses were \$6.0 million for the three months ended March 31, 2024, as compared to \$7.3 million for the three months ended March 31, 2023, a decrease of \$1.3 million or 17.8%. The decrease was driven by a \$0.5 million decrease in material and equipment related costs and a \$1.5 million decrease in personnel costs related to R&D activities. This decrease was partially offset by an increase in facility costs of \$0.6 million.

General and Administrative Expense

General and administrative ("G&A") expenses include salaries and wages for executive and administrative staff, stock-based compensation, professional fees, insurance costs and other general costs associated with the administration of our business. G&A expenses for the three months ended March 31, 2024 were \$8.9 million, which is a decrease of \$0.1 million compared to the \$8.8 million for the three months ended March 31, 2023. Year-over-year changes within G&A expenses include a decrease in employee compensation (including stock-based compensation) of \$2.0 million. This was partially offset by an increase in general expenses such as professional fees and property tax which increased by \$1.9 million.

Other Operating Expenses

Other operating expense for the three months ended March 31, 2024 was \$8.1 million, compared to other operating expense of \$0.0 million for the three months ended March 31, 2023. The expense increase of \$8.1 million was primarily due to an increase in goodwill impairment of \$8.1 million.

Other (Expense)/Income

Other expense for the three months ended March 31, 2024 was \$0.7 million, compared to other expense of \$0.6 million for the three months ended March 31, 2023. The expense increase of \$0.1 million was comprised of an increase in interest expense of \$0.2 million, and a decrease in the gain on contingent liabilities of \$0.2 million, offset by a reduction in the loss on the value of derivative liabilities of \$0.4 million.

Net Loss

The Company recorded a net loss of \$23.3 million for the three months ended March 31, 2024, compared to a net loss of \$15.5 million for the three months ended March 31, 2023. The period-over-period increase in the loss of \$7.8 million, or 49.9%, was primarily driven by an increase in gross profit of \$1.5 million along with a decrease in R&D expense \$1.3 million. The increase in gross profit and decrease in expenses were partially offset by a decrease in the income tax benefit of \$2.4 million and an increase in goodwill impairment expenses of \$8.1 million.

Nine months ended March 31, 2024 and 2023

Revenue

The Company recorded revenue of \$21.5 million for the nine months ended March 31, 2024 as compared to \$18.8 million for the nine months ended March 31, 2023. The increase of \$2.7 million was primarily due to an increase in fabrication revenue of \$2.5 million or 40%, 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 \$21.6 million for the nine months ended March 31, 2024 as compared to \$20.2 million for the nine months ended March 31, 2023. The \$1.4 million increase is primarily due to costs related to fabrication services which increased by \$1.8 million or 46%, which includes cost of revenue from services provided by GDSI.

Research and Development Expenses

R&D expenses were \$22.7 million for the nine months ended March 31, 2024, as compared to \$25.1 million for the nine months ended March 31, 2023, a decrease of \$2.4 million or 9.6%. Personnel costs, including stock-based compensation, were \$10.8 million compared to \$13.3 million in the prior year period, a decrease of \$2.5 million or 18.8%. In addition, material and equipment related costs were \$1.5 million or 33.2% lower than the prior period. These decreases were partially offset by an increase in facility costs of \$1.7 million or 28.3%.

General and Administrative Expense

G&A expenses include salaries and wages for executive and administrative staff, stock-based compensation, professional fees, insurance costs and other general costs associated with the administration of our business. G&A expenses for the nine months ended March 31, 2024 were \$28.4 million, which is an increase of \$6.8 million compared to the \$21.6 million for the nine months ended March 31, 2023. Year-over-year changes within G&A expenses include a decrease in personnel costs, including stock compensation, of \$1.6 million or 15.9%. In addition, general expenses including professional fees, sales commissions, property taxes and intangible amortization, increased by \$8.1 million, or 98%.

Other Operating Expenses

Other operating expense for the nine months ended March 31, 2024 was \$8.1 million, compared to other operating expense of \$0.0 million for the nine months ended March 31, 2023. The expense increase of \$8.1 million was primarily due to an increase in goodwill impairment of \$8.1 million.

Other (Expense)/Income

Other income for the nine months ended March 31, 2024 was \$0.1 million, compared to other expense of \$0.1 million for the nine months ended March 31, 2023. The expense increase of \$0.2 million was primarily comprised of a reduction in the gain on the value of contingent consideration of \$1.4 million offset by an increase in the gain on the value of derivative liabilities of \$1.6 million.

Net Loss

The Company recorded a net loss of \$59.1 million for the nine months ended March 31, 2024, compared to a net loss of \$45.8 million for the nine months ended March 31, 2023. The period-over-period incremental loss of \$13.4 million, or 29.2%, was primarily driven by an increase in goodwill impairment of \$8.1 million, an increase in G&A expenses of \$6.8 million and a decrease in income tax benefit of \$2.4 million. These expense increases were partially offset by an increase in gross profit of \$1.4 million and a decrease of R&D expenses of \$2.4 million.

Liquidity and Capital Resources

Overview

We are experiencing financial and operating challenges. In the absence of additional liquidity, we anticipate that existing cash resources, with our continued focus on cash conservation, will be sufficient to fund our operations into the third quarter of fiscal 2025. Furthermore, an adverse judgment against the Company in its ongoing trial with respect to *Qorvo Inc. vs. Akoustis Technologies, Inc. DE Case 1:21-cv-01417-JPM*, as described above under Note 14. Commitments and Contingencies (the “Delaware Trial”), would reduce the amount of time that the Company could continue operating with its current cash resources, and create an urgent need for additional liquidity or result in the Company’s curtailing or ceasing operations and seeking protection by filing a voluntary petition for relief under the Bankruptcy Code. These matters raise substantial doubt about the Company’s ability to continue as a going concern within one year from the date of this filing.

The Company has incurred losses and negative cash flow from operations since inception. Our operations thus far have been funded primarily with sales of equity and debt securities, as well as contract research and government grants, revenue from customers, foundry services and engineering services. In November 2023, we announced that we had undertaken significant expense reductions and cost-saving measures to reduce our operating cash flow burn. As a result of these cost-savings initiatives, the operating expenditures supporting the future growth of our manufacturing capabilities and expansion of our product offerings have decreased, along with decreases in research and development and headcount costs. Additionally, the Company estimates that approximately \$0.7 million of additional cash is needed to complete construction in progress assets that are currently not in service, which construction has been paused as part of these cost-savings initiatives.

The Company’s short-term and long-term liquidity requirements primarily arise from funding (i) research and development expenses, (ii) G&A expenses including salaries, bonuses, and commissions, (iii) working capital requirements, (iv) business acquisitions and investments we may make from time to time, and (v) interest and principal payments related to our \$44.0 million aggregate principal amount of outstanding convertible notes and \$4.0 million promissory note. Additionally, to the extent that the outcome of the Delaware Trial includes judgments against the Company for significant damages or other relief, the Company’s liquidity will be additionally and severely constrained.

In January 2024, we completed a public offering of our common stock raising \$10.4 million in net proceeds. We have access to an at-the-market offering program pursuant to which we may sell up to \$50.0 million of Common Stock. As of the date of this Quarterly Report, the Company had sold \$2.0 million of Common Stock under such at-the-market offering program is re-activating the at-the-market offering program. However, the sales agents are under no obligation to make any sales of our Common Stock under the at-the-market offering program and we may not be able to access all, or any portion, of the potential funding represented by the facility, or access sufficient funding quickly enough to meet our short-term liquidity needs.

Balance Sheet and Working Capital

The Company had \$15.2 million of cash and cash equivalents on hand as of March 31, 2024, which reflects a decrease of \$27.9 million compared to \$43.1 million as of June 30, 2023. The decrease is primarily due to cash used in operations of \$32.2 million, and cash used for investing activities of \$6.1 million. These uses of cash were partially offset by cash proceeds related to the January 2024 equity raise of \$10.4 million. The Company estimates that cash on hand will be sufficient to fund its operations as currently conducted, including current capital expense commitments, for at least the next twelve months from the date of filing of this Form 10-Q. However, the Company has historically incurred recurring operating losses and will continue to do so until it generates sufficient revenues from operations; as a result, we are actively exploring obtaining additional capital through, among other means, public or private equity offerings (including sales of our common stock under our at-the-market equity offering program), debt financings, real estate- or equipment-based financing arrangements, corporate collaborations and/or licensing arrangements. There is no assurance that the Company’s projections and estimates are accurate. The Company is actively managing and controlling its cash outflows to mitigate liquidity risks; however, these efforts may not be successful.

March 31, 2024 compared to June 30, 2023

As of March 31, 2024, the Company had current assets of \$28.6 million, made up primarily of cash on hand of \$15.2 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 \$53.2 million as of March 31, 2024 as compared to a balance of \$57.8 million as of June 30, 2023.

Total assets as of March 31, 2024 and June 30, 2023 were \$102.6 million and \$148.9 million, respectively.

Current liabilities as of March 31, 2024 and June 30, 2023 were \$18.2 million and \$17.6 million, respectively.

Long-term liabilities totaled \$42.5 million as of March 31, 2024, compared to \$45.1 million as of June 30, 2023.

Stockholders' equity was \$41.9 million as of March 31, 2024, compared to \$86.2 million as of June 30, 2023, a decrease of \$44.3 million, or 51.4%. This decrease was primarily due to the net loss for the nine months ended March 31, 2024 of \$59.1 million which was partially offset by the increase in additional paid-in-capital ("APIC") of \$15.0 million. The increase in APIC was primarily due to common stock issued in the equity raise of \$10.4 million, common stock issued for note interest of \$1.3 million and common stock issued for services of \$3.2 million.

Cash Flow Analysis

Operating activities used cash of \$32.2 million during the nine months ended March 31, 2024 and \$36.1 million during the comparative period ended March 31, 2023. The \$3.9 million period-over-period decrease in cash used was primarily attributable to reductions in inventory.

Investing activities used cash of \$6.1 million for the nine months ended March 31, 2024 compared to \$23.9 million for the comparative period ended March 31, 2023. The decrease of \$17.8 million was primarily due to a \$13.9 reduction in cash paid for investment in subsidiaries and a \$4.0 million decrease in purchases of capital equipment.

Cash proceeds from financing activities decreased by \$21.9 million compared to the nine months ended March 31, 2023 primarily due to the decrease in proceeds from the issuance of common stock.

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 March 31, 2024, 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 March 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2024, there were no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

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

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

ITEM 1A. RISK FACTORS.

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

We have a history of operating losses and will need to raise significant additional capital to continue our business and operations. Additionally, the trial with respect to Qorvo Inc. vs. Akoustis Technologies, Inc. DE Case 1:21-cv-01417-JPM is currently in process. An adverse outcome in this trial will severely constrain our liquidity. If we are unable to raise capital or secure financing on favorable terms, or at all, in the near term to meet our capital and operating needs, we may be forced to further delay, reduce or eliminate our operating activities, or cease operations and seek protection by filing a voluntary petition for relief under the Bankruptcy Code, which would have a material adverse effect on our business and could cause you to lose all of your investment.

We are experiencing financial and operating challenges. As of March 31, 2024, we had \$15.2 million of cash and cash equivalents. As disclosed in Note 2 to the accompanying condensed consolidated financial statements, we believe there is substantial doubt about our ability to continue as a going concern. To remain viable, we will require significant additional liquidity to fund our cash requirements until we can achieve and maintain profitability that will sustain our operations. Furthermore, an adverse judgment against the Company in its ongoing trial with respect to *Qorvo Inc. vs. Akoustis Technologies, Inc. DE Case 1:21-cv-01417-JPM* (the “Delaware Proceeding”), as described above under Note 14. Commitments and Contingencies and in the risk factor immediately below, would reduce the amount of time that the Company could continue operating with its current cash resources, and create an urgent need for additional liquidity or result in the Company’s curtailing or ceasing operations and seeking protection by filing a voluntary petition for relief under the Bankruptcy Code.

We are actively exploring additional sources of liquidity and may seek to raise such capital through, among other means, public or private equity offerings (including sales of our common stock under our at-the-market equity offering program, which we are re-activating, debt financings, real estate- or equipment-based financing arrangements, corporate collaborations and/or licensing arrangements. However, general market conditions or the market price of our common stock may not support these capital raising transactions on terms favorable to us, or at all. If we are unable to obtain adequate financing or financings on terms satisfactory to us in the near term, we may be forced to undertake additional measures, which may include delaying or reducing our R&D plan and/or manufacturing and sales activities, materially curtailing or eliminating our operations, selling or disposing of our rights or assets, pursuing sale or other strategic transactions, or undergoing restructuring or insolvency proceedings. Factors that could limit our ability to raise additional capital after this offering include, among other matters:

- the expectation that we will continue to incur losses and generate negative cash flows from operations;
- our substantially limited liquidity and capital resources to meet our obligations as they become due;
- the potential that our common stock will be delisted by Nasdaq in the event we fail to regain compliance in a timely manner with the minimum bid price requirement;
- the lawsuit filed by Qorvo, Inc. in October 2021, which is currently in trial, alleging claims of infringement, misappropriation and misuse of intellectual property and related expenses and disruptions to our business;
- the amounts outstanding under our \$44.0 million principal amount of our 6.0% Convertible Senior Notes due 2027 and a \$4.0 million promissory note issued in connection with our acquisition of GDSI (including the potential we may experience one or more defaults or events of default under such instruments); and
- risks and uncertainties that are described in more detail in the Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations sections of our most recent Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q.

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

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

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

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

On October 4, 2021, the Company was named as a defendant in the Delaware Proceeding 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. On February 8, 2023, Qorvo filed an amended complaint adding allegations of misappropriation of trade secrets, racketeering activities, and civil conspiracy. The Company developed defenses and mitigation strategies in response to the complaints, and on February 1, 2024, filed a motion for summary judgment to seek ruling in the Company's favor on the claims made by Qorvo in its complaints except for Qorvo's claims of patent infringement. The Company's motion also sought a ruling that certain of its recent designs do not infringe one of the patents asserted by Qorvo. That same day, Qorvo filed a motion seeking partial summary judgment in its favor with respect to the Company's defenses of invalidity regarding the '018 Patent and the '755 Patent. On February 9, 2024, each of the Company and Qorvo filed a motion to exclude expert testimony of certain damages and technical experts. On April 25, 2024, the court granted the Company's motion for summary judgment with respect to Qorvo's false patent marking and RICO claims, but denied the remainder of the Company's motion. Additionally on February 9, 2024, the court granted Qorvo's motion to exclude testimony of one of the Company's technical experts and denied each party's motion to exclude testimony of the other's damages expert. On May 2, 2024, Qorvo's motion for partial summary judgment with respect to the '018 Patent and the '755 Patent was granted. The trial with respect to the Delaware Proceeding commenced on May 6, 2024.

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 "360 Patent"). The complaint alleges Qorvo's willful infringement of the Cornell patent and seeks remedies including enhanced damages and attorneys' fees. On July 24, 2023, Qorvo filed a motion to dismiss the complaint, which remains pending. On August 11, 2023, Qorvo filed a motion to strike Akoustis' infringement contentions, which was denied by the court at a hearing held on January 10, 2024. On March 1, 2024, a supplier of Qorvo subpoenaed by the Company filed an inter partes review challenging the validity of the '360 Patent and, on April 17, 2024, Qorvo made a similar filing. On May 1, 2024, the Company filed a motion for leave to file an amended complaint to add Cornell University as a co-plaintiffs, as well as a motion to compel financial discovery. The Company intends to vigorously pursue its claims against Qorvo but can provide no assurance as to the outcome of this dispute.

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

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

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

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

On October 24, 2023, we received notification from the Listing Qualifications Department of The Nasdaq Stock Market, or Nasdaq, stating that the Company did not comply with the minimum \$1.00 bid price requirement for continued listing set forth in Nasdaq Listing Rule 5550(a)(2) (the “Bid Price Requirement”). In accordance with Nasdaq listing rules, the Company was 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. Since the Company did not regain compliance by the Initial Compliance Period, the Company requested, and was granted, an additional 180 calendar days for the Company to regain compliance with Bid Price Requirement expiring October 21, 2024. The Company intends to monitor the closing bid price of its common stock and consider available options to regain compliance with the Bid Price Requirement, which could include seeking to effect a reverse stock split

The closing price of our common stock was \$0.60 on May 1, 2024. There can be no assurance that we will regain compliance with the Bid Price Requirement by the second compliance period deadline of October 21, 2024. Our inability to regain compliance with the Bid Price Requirement would materially impair our ability to raise capital. Moreover, 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.

On May 2, 2022, the Company entered into an ATM Sales Agreement (the "Sales Agreement") with Oppenheimer & Co. Inc., Craig-Hallum Group LLC and Roth Capital Partners, LLC (each, a "Sales Agent" and, together, the "Sales Agents"). Pursuant to the terms of the Sales Agreement, the Company may sell from time to time through the Sales Agents shares of Common Stock having an aggregate offering price of up to \$50,000,000 (the "Shares"). Effective May 24, 2022, the Company suspended sale under the Sales Agreement after making sales of \$2.0 million of Common Stock thereunder. Effective with the filing of this Quarterly Report on Form 10-Q, the Company is re-activating its at-the-market offering program under the Sales Agreement.

ITEM 6. EXHIBITS.

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

EXHIBIT INDEX

Exhibit Number	Description
3.1	Articles of Conversion of the Company, as filed with the Nevada Secretary of State on December 15, 2016 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on December 16, 2016).
3.2	Certificate of Conversion of the Company, as filed with the Delaware Secretary of State on December 15, 2016 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on December 16, 2016).
3.3	Certificate of Incorporation, as filed with the Delaware Secretary of State on December 15, 2016 (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed with the SEC on December 16, 2016).
3.4	Certificate of Amendment to the Certificate of Incorporation, as filed with the Delaware Secretary of State on November 4, 2019 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 6, 2019).
3.5	Certificate of Amendment to the Certificate of Incorporation of the Company, filed with the Delaware Secretary of State on November 10, 2022 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 14, 2022).
3.6	Certificate of Amendment to the Certificate of Incorporation of the Company, as filed with the Delaware Secretary of State on November 2, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 2, 2023).
3.7	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 1, 2020).
10.1†	Form of Director Indemnification Agreement
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: May 13, 2024

Akoustis Technologies, Inc.

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

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of January 19, 2024, by and between Akoustis Technologies, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee"). This Agreement supersedes and replaces any and all previous Agreements between the Company and Indemnitee covering the subject matter of this Agreement.

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, the Certificate of Incorporation, as amended (the "Certificate of Incorporation"), and the Amended and Restated Bylaws of the Company (the "Bylaws") provide for mandatory indemnification and advancement of expenses of the Company's current and former directors and officers. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL"). The Certificate of Incorporation, Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the DGCL, the Certificate of Incorporation, the Bylaws and any resolutions adopted pursuant thereto, as well as any rights of Indemnitees under any directors' and officers' liability insurance policy, and this Agreement shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, Indemnitee does not regard the protection available under the DGCL, the Certification of Incorporation, the Bylaws and insurance as adequate in the present circumstances, and may not be willing to serve or continue to serve as a director or officer without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to continue to serve as a director and/or an officer of the Company or, at the request of the Company, as a director and/or an officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 2. Definitions. As used in this Agreement:

a) References to “agent” shall mean any person who is or was a director, officer, or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

b) A “Change in Control” shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

- i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company’s then outstanding securities;
- ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii), 2(b)(iv) or 2(b)(v)) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was approved by such directors, cease for any reason to constitute at least a majority of the members of the Board;
- iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the Surviving Entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Surviving Entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such Surviving Entity;

- iv. Liquidation. The approval by the stockholders of the Company of a dissolution or liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and
- v. Other Events. Other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

- (A) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.
 - (B) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation or other entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.
 - (C) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.
 - (D) "Surviving Entity" shall mean the surviving entity in a merger or consolidation or any entity that controls, directly or indirectly, such surviving entity.
- c) "Corporate Status" describes the status of a person who is or was a director, trustee, partner, managing member, officer, employee, agent or fiduciary of the Company, a subsidiary of the Company or of any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

d) “Disinterested Director” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

e) “Enterprise” shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, employee, agent or fiduciary.

f) “Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs (including trials and appeals), fees and other costs of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, federal, state, local and foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements, obligations or expenses of the types customarily incurred in connection with, or as a result of, prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a deponent or witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, (ii) Expenses incurred in connection with recovery under any directors’ and officers’ liability insurance policies maintained by the Company, regardless of whether Indemnitee is ultimately determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be, (iii) amounts paid in settlement by Indemnitee, and (iv) for purposes of Section 14(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, the Certificate of Incorporation, the Bylaws or under any directors’ and officers’ liability insurance policies maintained by the Company, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee’s counsel as being reasonable in the good faith judgment of such counsel shall be presumed conclusively to be reasonable.

g) “Independent Counsel” shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party or related party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

h) The term “Proceeding” shall include any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, audit, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, legislative, regulatory or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, a potential party, non-party witness or otherwise by reason of Indemnitee’s Corporate Status, by reason of any action taken by Indemnitee (or a failure to take action by Indemnitee) or of any action (or failure to act) on Indemnitee’s part while acting pursuant to Indemnitee’s Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph .

i) Reference to “other enterprise” shall include employee benefit plans; references to “fines” shall include any excise tax assessed with respect to any employee benefit plan; and references to “serving at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Company” as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines, and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement), actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding had no reasonable cause to believe that Indemnitee’s conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation provided by the Certificate of Incorporation, the Bylaws, vote of the Company’s stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Chancery Court of the State of Delaware (the "Delaware Court") or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses, actually and reasonably incurred by or on behalf of Indemnitee in connection therewith. If Indemnitee is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness is or was made (or asked) to respond to discovery requests in a Proceeding, or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, judgments, fines, and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement), but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification and Contribution.

a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) by reason of Indemnitee's Corporate Status .

b) For purposes of Section 8(a), the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

- i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification or advancement rights by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and
- ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify or advance expenses to its officers and directors.

c) Whether or not the indemnification provided in Sections 3, 4, 5 or 8(a) is available, in respect of any threatened, pending or completed action, suit or Proceeding in which the Company is jointly, jointly and severally or severally liable with Indemnitee (or would be if joined in such action, suit or Proceeding), the Company shall pay, in the first instance, the entire amount of any judgment, fines, and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) of such action, suit or Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any action, suit or Proceeding in which the Company is jointly, jointly and severally or severally liable with Indemnitee (or would be if joined in such action, suit or Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee and waives, releases and discharges all claims, demands, causes of action, fees, liabilities and Expenses (including attorneys fees) of any kind whatsoever, whether known or unknown, which currently exists or may exist in the future under any possible legal theory.

d) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or Proceeding in which the Company is jointly, jointly and severally or severally liable with Indemnitee (or would be if joined in such action, suit or Proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly, jointly and severally or severally liable with Indemnitee (or would be if joined in such action, suit or Proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to applicable law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly, jointly and severally or severally liable with Indemnitee (or would be if joined in such action, suit or Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such Expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which the applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly, jointly and severally or severally liable with Indemnitee (or would be if joined in such action, suit or Proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

e) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution and waives, releases and discharges all claims, demands, causes of action, fees, liabilities and Expenses (including attorneys fees) of any kind whatsoever, whether known or unknown, which currently exists or may exist in the future under any possible legal theory, which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly, jointly and severally or severally liable with Indemnitee.

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification payment in connection with any claim:

a) for which payment has actually been made to or on behalf of Indemnitee under another indemnity provision or otherwise, provided that the Company shall remain obligated in accordance with the terms hereof to provide indemnity for any excess beyond the amount paid under such other indemnity provision; or

b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act) or (iii) any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act; or

c) except as provided in Section 14, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) such payment arises in connection with any counterclaim or cross claim brought or raised by Indemnitee in any Proceeding (or any part of any Proceeding), or (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advancement of Expenses. Notwithstanding any provision of this Agreement to the contrary, the Company shall advance, to the extent not prohibited by law, the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Such statement or statements shall be accompanied by supporting documentation from Indemnitee's counsel which reasonably evidence the Expenses incurred by Indemnitee. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. In accordance with Section 14(d), advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) by the Company pursuant to this Section 10, if and only to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification and Defense of Claim.

a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such action, suit or Proceeding. The omission by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, unless and solely to the extent the Company is actually and materially prejudiced by such delay, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

b) The Company will be entitled to participate in the Proceeding at its own expense.

c) The Company shall not settle any Proceeding (in whole or in part) if such settlement would impose any Expense, judgment, liability, fine, penalty or limitation on Indemnitee in respect of which Indemnitee is not entitled to be indemnified hereunder without Indemnitee's prior written consent.

Section 12. Procedure Upon Application for Indemnification.

a) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 11(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, (A) if the Indemnitee so requests in writing, by a majority vote of the Disinterested Directors, even though less than a quorum of the Board or (B) otherwise by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, at the Board's election, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board; (B) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (C) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors even though less than a quorum; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by or on behalf of Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Delaware Court or by such other person as the Delaware Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

c) If the Company disputes a portion of the amounts for which indemnification is requested, the undisputed portion shall be paid and only the disputed portion withheld pending resolution of any such dispute.

Section 13. Presumptions and Effect of Certain Proceedings.

a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent permitted by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall, to the fullest extent permitted by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent permitted by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, sanctions, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors, officers or employees of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser, financial advisor, auditor or other expert selected with reasonable care by or on behalf of the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

e) For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, Indemnitee shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company if Indemnitee's actions or omissions to act are taken in good faith reliance upon the records of the Company, including its financial statements, or upon information, opinions, reports or statements furnished to Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board or by any other Person (including legal counsel, accountants and financial advisors) as to matters Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnity hereunder. The provisions of this Section 13(e) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

Section 14. Remedies of Indemnitee.

a) Subject to Section 14(e), in the event that: (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement; (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement; (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification; (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor; (v) payment of indemnification pursuant to Section 3, 4 or 7 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or (vi) the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by the Delaware Court of Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication within one hundred and eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 13(a). The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 13 shall be conducted in all respects as a de novo trial, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving by clear and convincing evidence that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

d) The Company shall be precluded (to the fullest extent permitted by law) from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in the Delaware Court that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by or on behalf of Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company.

e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-Exclusivity; Survival of Rights; Subrogation.

a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement (i) shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders, or a resolution of directors, rights under any directors' and officers' liability insurance policy, or otherwise and (ii) shall be interpreted independently of, and without reference to, any other such rights to which Indemnitee may at any time be entitled. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate of Incorporation, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

b) The Company hereby acknowledges that Indemnitee may have certain rights to indemnification and advancement of expenses provided by third parties (collectively, the "Third-Party Indemnitors"). The Company hereby agrees (i) that it is the indemnitor of first resort with respect to indemnification (i.e., its obligations to Indemnitee are primary and any obligation of the Third-Party Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of Expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, fines, amounts paid in settlement, penalties, and resulting taxes to the extent legally permitted and as required by the terms of this Agreement, the Certificate of Incorporation, or the Bylaws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Third-Party Indemnitors, and (iii) it irrevocably waives, relinquishes and releases the Third-Party Indemnitors from any and all claims against the Third-Party Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Third-Party Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Third-Party Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Third-Party Indemnitors are express third-party beneficiaries of the terms of this Section 15(b).

c) The Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Enterprise, and Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. The Company, and any emerging entity after a Change in Control, agrees to maintain in full force and effect this coverage or substantially similar coverage with terms and conditions at least as favorable as the existing policies throughout the statute of limitations periods applicable to potential claims, regardless of when the underlying conduct occurred, including conduct that occurred prior to a Change in Control. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company shall give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all reasonable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

d) Except as provide in Section 14(d) above, in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

e) Except as provided in Section 14(d) above, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

f) Except as provide in Section 14(d) above, the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as an officer or director of the Company or (b) one (1) year after the final termination of any Proceeding pending as of the date that Indemnitee shall have ceased to serve as an officer or director of the Company in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding (including any appeal thereof) commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto. The indemnification and advancement of Expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise, and shall inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives. The Company shall require and shall cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to, by written agreement, expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to continue to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director or officer of the Company.

b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws, any directors' and officers' insurance maintained by the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder or under any other prior written agreement to which the Company or its predecessors, on the one hand, and Indemnitee and Indemnitee's affiliates, on the other, are a party.

Section 19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 21. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if: (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed; (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed; (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed; or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

b) If to the Company to:

Akoustis Technologies, Inc.
9805 Northcross Center Court
Suite A
Huntersville, NC 28078
Tel: (704) 997-5735
Email: dwright@akoustis.com
Attention: General Counsel

With a copy (which shall not constitute notice) to:

K&L Gates LLP
300 South Tryon Street
Suite 1000
Charlotte, NC 28202
Tel: (704) 331-7406
Email: sean.jones@klgates.com
coleman.wombwell@klgates.com
Attention: Sean M. Jones
Coleman Wombwell

or to any other address as may have been furnished to Indemnitee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect: (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and any claim, action or proceeding arising out of or in connection with this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally: (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country; (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court; and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

Akoustis Technologies, Inc.

By: _____
Name: _____
Title _____

Indemnitee

By: _____
Name: _____
Address: _____

**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: May 13, 2024

/s/ Jeffrey B. Shealy

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

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

I, Kenneth E. Boller, certify that:

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

Date: May 13, 2024

/s/ Kenneth E. Boller

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

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

In connection with the Quarterly Report of Akoustis Technologies, Inc. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2024, 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: May 13, 2024

/s/ Jeffrey B. Shealy

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

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

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

In connection with the Quarterly Report of Akoustis Technologies, Inc. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2024, 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: May 13, 2024

/s/ Kenneth E. Boller

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

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