

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

(Mark One)

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

For the fiscal year ended June 30, 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: 000-56218

**AELUMA, INC.**

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction  
of Incorporation)

85-2807351

(I.R.S. Employer  
Identification No.)

27 Castilian Drive  
Goleta, California 93117

(Address of Principal Executive Offices)

(805) 351-2707

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of exchange on which registered |
|---------------------|-------------------|--------------------------------------|
| None                | -                 | -                                    |

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.0001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes  No

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, a 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 checked="" 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the registrant's common stock, par value \$0.0001 per share, held by non-affiliates of the registrant as of December 31, 2023, as computed by reference to \$2.90, the price at which the common stock was last sold, was approximately \$29,294,872.

As of September 25, 2024, there were 12,178,424 shares of the issuer's common stock outstanding and no share of preferred stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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## INTRODUCTORY NOTE

Unless otherwise stated or the context otherwise indicates, references to “Aeluma,” the “Company,” “we,” “our,” “us,” or similar terms refer to Aeluma, Inc. and Subsidiary.

### *Special Note Regarding Forward-Looking Statements*

This report contains forward-looking statements and information that are based on the beliefs of our management as well as assumptions made by and information currently available to us. Such statements should not be unduly relied upon. Forward-looking statements include statements about our expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts or that are not present facts or conditions. Forward-looking statements and information can generally be identified by the use of forward-looking terminology or words, such as “anticipate,” “approximately,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “intend,” “may,” “ongoing,” “pending,” “perceive,” “plan,” “potential,” “predict,” “project,” “seeks,” “should,” “views” or similar words or phrases or variations thereon, or the negatives of those words or phrases, or statements that events, conditions or results “can,” “will,” “may,” “must,” “would,” “could” or “should” occur or be achieved and similar expressions in connection with any discussion, expectation or projection of future operating or financial performance, costs, regulations, events or trends. The absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements and information are based on management’s current expectations and assumptions, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. These statements reflect our current view concerning future events and are subject to risks, uncertainties and assumptions. There are important factors that could cause actual results to vary materially from those described in this report as anticipated, estimated or expected, as well as general conditions in the economy, capital markets, Securities and Exchange Commission (the “SEC”) regulations which affect trading in the securities of “penny stocks,” and other risks and uncertainties. Except as required by law, we assume no obligation to update any forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future. Depending on the market for our stock and other conditional tests, a specific safe harbor under the Private Securities Litigation Reform Act of 1995 may be available. Notwithstanding the above, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), expressly state that the safe harbor for forward-looking statements does not apply to companies that issue penny stock. Because we may from time to time be considered to be an issuer of penny stock, the safe harbor for forward-looking statements may not apply to us at certain times.

## PART I

### Item 1. Business.

#### Overview

We develop novel optoelectronic devices for sensing and communications applications. Aeluma has pioneered a technique to manufacture devices using high performance compound semiconductor materials on large-diameter substrates that are commonly used to manufacture mass market microelectronics. This enables cost-effective manufacturing of high-performance photodetectors and photodetector array circuits for imaging applications in mobile devices, as well as other technologies. This technology has the potential to enhance the performance and capability of camera image sensors, light detection and ranging (LiDAR), augmented reality/virtual reality (AR/VR), facial recognition, and other applications.

Because we will leverage compound semiconductor materials, our devices may operate at longer wavelengths than traditional silicon-based image sensors, up to at least 1600 nm, which is advantageous for a number of reasons including eye safety. Beyond 1400 nm is considered eye safe at significantly higher optical power levels relative to that at shorter wavelengths. Therefore, for LiDAR sensing systems, the range (the detectable object distance) can be increased significantly. Operating at specific longer wavelengths (for example, near 1550 nm) also enables imaging both in low light (dark) conditions, as well as in direct sunlight. Therefore, images could be captured outdoors and in various conditions.

Additionally, Aeluma's technology may be used to manufacture other electronic and optoelectronic devices in the future including lasers, transistors, and solar cells.

Aeluma has acquired key manufacturing equipment, and has headquarters in Goleta, California with a manufacturing cleanroom to house this equipment.

#### Recent Events

For the year ended June 30, 2024, we were awarded several contracts, totaling \$1,323,237, some of which is from the U.S. Navy, the Office of the Secretary of Defense, and the Department of Energy, for providing services and for delivering materials. The awards are firm fixed price contracts that shall be paid upon completion of certain milestones, and may include deliveries of samples or materials.

#### Our Strategy

We will continue to develop our technology that includes novel materials and devices based on our core intellectual property. Our primary focus is to manufacture high-performance photodetector array circuits for image sensors and other optoelectronic devices. Initial efforts aim to penetrate the 3D imaging and sensing (mobile and consumer, defense and aerospace, industrial, medical, auto), LiDAR (robotic vehicles, autonomous driving (AD), advanced driver assistance systems (ADAS), topography, wind, industrial), and communications (telecommunications, data center communication, artificial intelligence (AI) communications, and quantum processing and communications) markets.

#### Our Technology

Our technology is based on heterogeneous integration of compound semiconductor materials on large-diameter substrates such as silicon. This heterogeneous integration enables the subsequent device fabrication and manufacturing in large-scale manufacturing environments that are suited to mass markets.

## Competition

There are two primary classes of image sensors for the near infrared and shortwave infrared currently on the market: low-cost silicon-based sensors and high-performance compound semiconductor (ex. indium gallium arsenide or InGaAs) sensors. The major suppliers of silicon CMOS image sensors include Sony, Samsung, Omnivision, Onsemi, ST Microelectronics, Panasonic, Canon, SK Hynix, and others (Source: Yole Development, [www.yole.fr](http://www.yole.fr)). Alternative technologies that can be manufactured on silicon include germanium and colloidal quantum dots. The major suppliers of InGaAs sensors include Hamamatsu, Sumitomo, Teledyne/FLIR, Excelitas, and others (Source: Markets and Markets, [www.marketsandmarkets.com](http://www.marketsandmarkets.com)).

We believe that our technology will be able to compete effectively because we are uniquely positioned to outperform silicon CMOS image sensors, germanium, and colloidal quantum dots while achieving a cost of manufacturing that is lower than that for traditional InGaAs sensors. Compared to silicon, InGaAs demonstrates higher detection sensitivity and a broader wavelength absorption spectrum. Silicon absorbs or detects light in the visible spectral region (400-750 nm) and partially in the near infrared (NIR) spectral region (greater than 750 nm), cutting off near 940 nm. InGaAs not only demonstrates higher absorption in the NIR, but also extends well into the shortwave infrared spectrum (900-1700 nm), cutting off near 1700 nm, with the ability to extend to near 2500 nm.

We believe that we are also positioned to win on price in competing with current InGaAs sensors while having the ability to realize much larger area photodetector arrays because of our ability to manufacture on up to 12-inch silicon substrates, whereas competing InGaAs photodetectors are manufactured on indium phosphide (InP) substrates that are typically between 2 to 4 inches in diameter. Therefore, in addition to realizing many more sensor chips per wafer, we have the ability to realize array sizes that are larger than what is possible with traditional InGaAs manufacturing on InP wafers, and to leverage silicon-based wafer-scale techniques for backend processing, integration, and packaging.

Existing and potential competitors have or could have advantages such as greater name recognition, longer operating histories, broader and deeper product portfolios, larger customer bases, substantially greater financial and other resources, and larger scale manufacturing operations. However, we believe that our products will have the potential to compete because of our unique ability to manufacture high performance devices at scale and at low cost.

## Customers

Aeluma has customer engagements that involve development of wafers, delivery of engineering samples for evaluation, and delivery of small volumes of chips. Aeluma also performs on government-funded R&D projects. Aeluma's technology is broadly applicable. Potential markets include automotive LiDAR, industrial LiDAR, robotics, mobile, AR/VR, AI, communications, and defense and aerospace. Our current strategy is to pursue partnerships with system integrators, including mobile and consumer electronics manufacturers, LiDAR companies and Tier 1 automotive suppliers, module manufacturers, component suppliers, or semiconductor manufacturing companies. Aeluma is pursuing direct sales relationships and strategic partnerships.

Potential customers include those in the mobile market (both mobile phone manufacturers and companies that sell integrated solutions to them), LiDAR for cars and other vehicles, robotics, AR/VR, AI, and defense and aerospace.

## Markets

The CMOS image sensors market is projected to be \$30B in 2026 (Source: Yole Development). Manufacturers of mobile phones, tablets, and LiDAR for automotive vehicles may be prospective customers for Aeluma. In the mobile market, Apple arguably leads in terms of deploying advanced capabilities such as LiDAR sensing in their devices; Apple does not currently use our technology in any of their products. Apple leverages vertical cavity surface emitting lasers (VCSEL) emitters in conjunction with single photon avalanche diode (SPAD) detectors for a LiDAR scanner in smartphones and tablets and such technology "helps to deliver faster, more realistic augmented reality experiences and improves autofocus in low-light scenes in photos and videos" (<https://www.apple.com/newsroom/2021/05/apple-awards-an-additional-410-million-from-its-advanced-manufacturing-fund-to-ii-vi/>). Other major smartphone suppliers include Samsung, Xiaomi, OPPO, vivo, Huawei, and realme (Source: [www.counterpointresearch.com](http://www.counterpointresearch.com)). The automotive LiDAR market is projected to be between \$5-80B in 2030 (<https://www.bloomberg.com/press-releases/2022-05-31/lidar-market-size-to-be-worth-4-71-billion-by-2030-grand-view-research-inc>; AEye Presentation, LD Micro Invitational 2022; Estimate by Velodyne).

## **Intellectual Property**

Aeluma has filed several patent applications with the United States Patent and Trademark Office (USPTO), and several patents have been issued. We have filed trademarks for the name “Aeluma” and the slogan “Sensing Reimagined” with the USPTO. We maintain protection of trade secrets that include “know-how” and process recipes.

### **Our Intellectual Property Approach**

Our strategy for the protection of our proprietary technology is to seek worldwide patent protection with a focus on jurisdictions that represent significant global semiconductor markets. However, we will assess on a case-by-case basis whether it is strategically more favorable to maintain trade secret protection for our inventions and “know-how” rather than pursue patent protection. Generally, patents have a term of twenty years from the earliest priority date, assuming that all maintenance fees are paid, no portion of the patent has been terminally disclaimed, and the patent has not been invalidated. In certain jurisdictions, and in certain circumstances, patent terms can be extended or shortened.

### **Governmental & Environmental Regulations**

Our primary products are anticipated to be compound semiconductor optoelectronic devices manufactured on silicon substrates, including InGaAs photodetectors and photodetector arrays. To the extent that our products are or become subject to U.S. export controls and regulations, these regulations may limit the export of our products and technology, and provision of our services outside of the United States, or may require export authorizations, including by license, a license exception, or other appropriate government authorizations and conditions, including annual or semi-annual reporting. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of our products to embargoed or sanctioned countries, regions, governments, persons, and entities. In addition, various countries regulate the importation of certain products, through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products. The exportation, re-exportation, and importation of our products and technology and the provision of services, including by our partners, must comply with these laws or else we may be adversely affected, through reputational harm, government investigations, penalties, and a denial or curtailment of our ability to export our products and technology. Complying with export control and sanctions laws may be time-consuming and may result in the delay or loss of sales opportunities. Although we take precautions to prevent our products and technology from being provided in violation of such laws, our products and technology may have previously been, and could in the future be, provided inadvertently in violation of such laws, despite the precautions we take. If we are found to be in violation of U.S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us. Export or import laws or sanctions policies are subject to rapid change and have been the subject of recent U.S. and non-U.S. government actions. Changes in export or import laws or sanctions policies, may adversely impact our operations, delay the introduction and sale of our products in international markets, or, in some cases, prevent the export or import of our products and technology to certain countries, regions, governments, persons, or entities altogether, which could adversely affect our business, financial condition and results of operations.

We seek to comply with all applicable statutory and administrative requirements concerning environmental quality. Expenditures for compliance with federal state and local environmental laws have not had, and are not expected to have, a material effect on our capital expenditures, results of operations or competitive position.

In addition, to the extent that our facilities and operations are or become subject to the plant and laboratory safety requirements of various environmental and occupational safety and health laws in the U.S., we believe we are in compliance with all such laws and regulations, and to date, those regulations have not materially restricted or impeded operations. Further, we believe our processes to be highly efficient, generating very low levels of waste and emissions. For this reason, we do not view issues surrounding climate change and any currently foreseeable related regulations as materially impacting our business and financial statements, beyond any inestimable impact on the macro-economic environment.

We are also generally subject to other industry and environmental regulations for electronic and semiconductor products such as the Restriction of Hazardous Substances Directive 2002/95/EC.

## **Manufacturing**

We have established a manufacturing and R&D facility at our headquarters in Goleta, California. We have installed key equipment and we plan to control our core materials manufacturing and development. In addition to our facility, we work with a variety of vendors and are establishing relationships with industrial foundries to build out our manufacturing supply chain.

## **Sales**

We are now delivering wafers and chips to some customers, primarily for R&D and sampling purposes.

## **Marketing**

Marketing activities include direct relationships with potential customers and partners. We are under nondisclosure agreement (NDA) with a number of current and potential customers and partners, several of which have either visited Aeluma or hosted a visit by Aeluma representatives at their sites.

## **Employees & Human Resources**

At June 30, 2024, Aeluma had 11 full-time employees, 2 part-time employees, and consultants. The majority of employees work in engineering. None of our employees are represented by a labor union. We have not experienced any work stoppages, and we consider our relations with our employees to be very good. We plan to hire additional persons on an as-needed basis. On a case-by-case basis, Aeluma may offer stock options to employees for attraction and retention.

## **Sustainability**

We are committed to leveraging our technology for sustainable operations. Recognizing the profound impact of climate change on the global economy, our company, and our stakeholders, we embrace our responsibility to safeguard the planet. Our journey toward sustainability is ongoing, driven by a commitment to understand our environmental footprint and enhance our positive impact.

## **Litigation**

There is no material litigation, arbitration, governmental proceeding or any other legal proceeding currently pending or known to be contemplated against us or any members of our management team in their capacity as such, and we and the members of our management team have not been subject to any such proceeding in the 10 years preceding the date of this Report. We may however be involved, from time to time, in claims and lawsuits incidental to the conduct of our business in the ordinary course. We carry insurance coverage in such amounts as we believe to be reasonable under the circumstances and that may or may not cover any or all of our liabilities in respect of these matters. We do not believe that the ultimate resolution of these matters will have a material adverse impact on our consolidated financial position, cash flows or results of operations, but cannot guarantee the same.

## **Corporate Information**

Aeluma was incorporated in Delaware on August 21, 2020, under the name Parc Investments, Inc.; the name was changed to Aeluma, Inc. in June 2021. Our principal executive offices are located at 27 Castilian Drive, Goleta, California 93117. Our website is located at Aeluma, Inc. (ALMU) and we make available, free of charge, on or through our website all of our periodic reports, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and current reports on Form 8-K, as soon as reasonably practicable after we file such reports with the SEC. Our website and the information contained on our website is not incorporated by reference and is not a part of this Annual Report.



**Item 1A. Risk Factors.**

As a smaller reporting company, we are not required to provide the information called for by this Item. However, we encourage you to review the risk factors included in our registration statement on Form S-1 (File No. 333-273149) that was filed with the SEC on July 6, 2023.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 1C. Cybersecurity.****Risk Management and Strategy**

We periodically assess risks from cybersecurity threats, and monitor our information systems for potential vulnerabilities. However, to date, given the small size of our company and the nature of our operations, our reliance on information systems has been limited to the use of standard off-the-shelf software (such as Google, QuickBooks and Microsoft Office) and the use by our employees of standard personal computers. Accordingly, management has not implemented any formal process for assessing, identifying, and managing risks from cybersecurity threats.

We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As a company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any of these occurrences, or a combination of them, could have adverse consequences on our business and lead to financial loss. However, risks from cybersecurity threats have, to date, not materially affected us, our business strategy, results of operations or financial condition.

**Governance**

As discussed above, given the nature of our current operations and our experience to date, we do not currently perceive cybersecurity as a particularly significant risk to our business. Accordingly, we have not tasked our Board of Directors with any additional cybersecurity oversight duties, or designated any committee of the Board of Directors to specifically oversee cybersecurity risks to our business.

**Item 2. Properties.**

Our principal executive office is located at 27 Castilian Dr., Goleta, California. Effective February 22, 2021, we entered into a triple-net lease agreement with SBR Associates LP for the commercial building at 27 Castilian Dr. Goleta, California for a term of five years, which began on April 1, 2021. The current rent for this property is \$14,014 per month, with a CPI escalation over the initial base rent over the term of the lease. The lease expires on March 31, 2026, with the option to renew the lease with reasonable notice for two 60 months periods.

**Item 3. Legal Proceedings.**

We are not currently involved in any material legal proceedings. From time-to-time we are, and we anticipate that we will be, involved in legal proceedings, claims, and litigation arising in the ordinary course of our business and otherwise. The ultimate costs to resolve any such matters could have a material adverse effect on our financial statements. We could be forced to incur material expenses with respect to these legal proceedings, and in the event that there is an outcome in any that is adverse to us, our financial position and prospects could be harmed.

**Item 4. Mine Safety Disclosures**

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

#### Market Information

Our common stock trades on the OTCQB system under the symbol "ALMU." Our CUSIP number is 00776X. There is currently limited trading volume for our Common Stock.

#### Holders of Record

As of September 25, 2024, we had 12,178,424 shares of our common stock outstanding held by approximately 99 stockholders of record.

#### Dividend Policy

We have never paid any cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon financial condition, results of operations, capital requirements and such other factors as the board of directors deems relevant.

#### Recent Sales of Unregistered Securities

During the periods covered by this Report, we have not issued unregistered securities to any person, except as described below. None of these transactions involved any underwriters, underwriting discounts or commissions, except as specified below, or any public offering, and, unless otherwise indicated below, the Registrant believes that each transaction was exempt from the registration requirements of the Securities Act by virtue of Section 4(a)(2) thereof and/or Rule 506 of Regulation D promulgated thereunder, and/or Regulation S promulgated thereunder regarding offshore offers and sales. All recipients had adequate access, though their relationships with the Registrant, to information about the Registrant.

On November 7, 2022, we issued 150,000 shares of common stock to a consultant for providing consulting services to us.

On December 22, 2022, we issued an aggregate of 517,000 shares of our common stock to 21 accredited investors, for aggregate gross proceeds of \$1,551,000 (the "Offering").

On January 10, 2023, we held a second close of the Offering, pursuant to which we issued an aggregate of 214,667 shares of our common stock for aggregate gross proceeds of \$644,000.

On March 31, 2023, we held the third closing of the Offering, pursuant to which we issued an aggregate of 715,665 shares of our common stock for aggregate gross proceeds of \$2,147,000.

On May 10, 2023, we held the final closing of the Offering, pursuant to which we issued an aggregate of 570,166 shares of our common stock for aggregate gross proceeds of \$1,710,500.

#### Item 6. Reserved.

## **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this filing.

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included in this report. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the disclosure under the heading “Risk Factors” in other filings we make with the SEC for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. You should not place undue reliance on forward-looking statements as predictive of future results.

### **Overview**

We develop novel optoelectronic devices for sensing and communications applications. Aeluma has pioneered a technique to manufacture devices using high performance compound semiconductor materials on large-diameter substrates that are commonly used to manufacture mass market microelectronics. This enables cost-effective manufacturing of high-performance photodetectors and photodetector array circuits for imaging applications in mobile devices, as well as other technologies. This technology has the potential to enhance the performance and capability of camera image sensors, LiDAR, AR/VR, facial recognition, and other applications. Additionally, Aeluma’s technology may be used to manufacture other electronic and optoelectronic devices in the future including lasers, transistors, and solar cells.

### **Private Placements**

Between December 2022 and May 2023, we entered into subscription agreements (the “Subscription Agreement”) with certain accredited investors, pursuant to which we issued an aggregate of 2,017,498 shares of our common stock, par value \$0.0001 per share, at a per share purchase price of \$3.00, for aggregate gross proceeds of \$6,052,500 (the “Offering”).

Pursuant to the Offering, we paid a cash placement agent fee of \$411,015 and issued placement agent warrants to purchase up to 85,653 shares of common stock at an exercise price of \$3.00 per share. We also agreed to pay certain expenses of the placement agent in connection with the Offering.

In connection with the Subscription Agreement, we also entered into a Registration Rights Agreement with the Investors, pursuant to which we agreed to register all of the shares of common stock issued in the Offering, including the shares of common stock underlying the warrant issued to the placement agent in this registration statement.

The closings of the Offering were exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated by the SEC thereunder. The common stock in the Offering was sold to “accredited investors,” as defined in Regulation D, and was conducted on a “reasonable best efforts” basis.

Between August 5, 2024 and August 27, 2024, we issued convertible promissory notes in the aggregate principal amount of \$3,145,000 to 10 accredited investors, pursuant to a private note financing. The Notes mature in June 2026 and do not carry any interest. The Notes are convertible into shares of the Company’s common stock par value \$0.0001 per share (the “Common Stock”) upon the occurrence of certain events, (i.e., qualified financing resulting in at least \$5,000,000 to the Company, if the Common Stock is uplisted to a national securities exchange or if neither of those such events occur prior to the maturity date, (together with Sale of the Company (as hereinafter defined), a “Conversion Event”). The Note also provides that if there is a Sale of the Company, as defined in the Note, the Holder may elect to receive a cash payment equal to the aggregate amount of principal then outstanding under such Holder’s Note or convert the Note into shares of Common Stock equal to 85% of the VWAP of the Common Stock on the OTC Markets for the five trading days immediately prior to the Sale of the Company. Although the conversion price is dependent upon the type of Conversion Event that occurs, the Note does carry a ceiling and floor price: the applicable conversion price will not be lower than 85% of the 5-day VWAP on the applicable Closing Date (the “Floor Price”) nor will the applicable conversion price be higher than \$3.50 per share (the “Ceiling Price”); the Floor Price and Ceiling Price shall automatically adjust in the event of a stock split or consolidation by the Company. The Floor Price for the investors who participated in this initial closing is equal to \$2.68 per share. Since the Floor Price is tied to the Closing Date, the Floor Price may be different for investors that are part of a different closing, should the Company hold additional closings. The Investors were granted piggyback registration rights for the shares of Common Stock underlying the Note.

The NPA also contains customary representation and warranties of the Company and the Investors, indemnification obligations of the Company, termination provisions, and other obligations and rights of the parties.

The foregoing description of the NPA and the Note is qualified by reference to the full text of the forms of NPA and Note, which are filed as Exhibits hereto and incorporated herein by reference.

#### **Departure and Appointment of Directors and Officers**

Mrs. Mehta decided not run for re-election in 2023; such decision was not the result of any disagreements with us on any matter related to the operations, policies, or practices of us. The Board nominated Mr. Craig Ensley to fill the vacancy on the Board; on December 14, 2023, the shareholders voted to elect Mr. Ensley to the board.

#### **Plan of Operations**

We have been developing our materials and characterization capabilities at our headquarters in Goleta, California, in connection with the further development of our business and the implementation of our plan of operations. We have installed key manufacturing equipment at our headquarters and will continue to develop relationships with manufacturing partners to carry out certain steps of our manufacturing processes externally. We have gained access to a rapid prototyping facility and are leveraging this access to fabricate early-stage prototypes. In the future, we intend to implement appropriate quality and manufacturing controls. Some equipment was procured previously, and other equipment is being procured through purchase orders with equipment vendors.

The primary sources of funding for equipment procurement and installation are the seed funding raised prior to becoming a public company and the funding raised from our financings. We have also leveraged funds to continue strengthening our intellectual property including patent applications, trademarks, and development of trade secrets and manufacturing process recipes. We will continue to develop our manufacturing and product development strategy by further engaging customers and strategic partners.

#### **Limited Operating History**

We cannot guarantee that the proceeds from the Offering will be sufficient to carry out all of our business plans. Our business is subject to risks inherent in growing an enterprise, including limited capital resources, risks inherent in the research and development process and possible rejection of our products in development.

If financing is not available on satisfactory terms, we may be unable to carry out all of our operations. Equity financing will result in dilution to existing stockholders.

#### **Components of Results of Operations**

##### Revenue

Our revenue currently consists of commercial product sales and government contracts.

##### Operating Expenses

The cost of revenue consists of costs of materials, as well as direct compensation and expenses incurred to provide deliverables that resulted in payment of our success fee and wafers delivered. We anticipate that our cost of revenue will vary substantially depending on the nature of products and/or services delivered in each customer engagement. Research and development expenses consist primarily of compensation and related costs for personnel, including stock-based compensation and employee benefits, costs associated with design, fabrication, packaging and testing of our devices, and facility lease and utility expenses. We expense research and development expenses as incurred.

General and administrative expenses consist primarily of compensation and related costs for personnel, including stock-based compensation and employee benefits. In addition, general and administrative expenses include third-party consulting, legal, insurance, audit and accounting services.

#### Other Income

Other income, net of other expenses, consists primarily of interest income and income generated from subleasing a portion of our research and development facility. The sub-lease ended in March 2023

#### Income Tax Expense

Income tax expense consists primarily of income taxes in certain state jurisdictions in which we conduct business.

### Results of Operations

#### *Year ended June 30, 2024 compared to the year ended June 30, 2023*

Our results of operations for the year ended June 30, 2024, as compared to the year ended June 30, 2023, were as follows:

|                                | <b>Year Ended June 30,</b> |                       |                   |                 |
|--------------------------------|----------------------------|-----------------------|-------------------|-----------------|
|                                | <b>2024</b>                | <b>2023</b>           | <b>\$ Change</b>  | <b>% Change</b> |
| Revenue                        | \$ 918,554                 | \$ 193,339            | \$ 725,215        | 375.1%          |
| Operating expenses             | (5,481,862)                | (5,703,024)           | 221,162           | -3.9%           |
| Other income                   | 1,013                      | 130,103               | (129,090)         | -99.2%          |
| Loss before income tax expense | (4,562,295)                | (5,379,582)           | 817,287           | -15.2%          |
| Income tax expense             | -                          | -                     | -                 | -               |
| <b>Net loss</b>                | <b>\$ (4,562,295)</b>      | <b>\$ (5,379,582)</b> | <b>\$ 817,287</b> | <b>-15.2%</b>   |

Revenue: Revenue increased \$725,215, or 375.1 %, to \$918,554, of which \$64,756 was from commercial product and service contracts and \$853,798 was from government contracts, for the year ended June 30, 2024 from \$193,339, of which \$15,000 was from commercial product and service contracts and \$178,339 was from government contracts, for the same period in 2023.

Operating expenses: Operating expense decreased \$221,162, or 3.9%, to \$5,481,862 for the year ended June 30, 2024 from \$5,703,024 for the same period in 2023, due primarily to a reduction in consulting expenses, offset partially by increased salaries and stock-based compensation expenses.

Other income: Other income decreased \$129,090, 99.2%, to \$1,013 for the year ended June 30, 2024 from \$130,103 for the same period in 2023. The decrease was due primarily to a \$128,921 decrease in sub-lease income as the sublease ended in March 2023.

Income tax expense: We did not record income tax expense for either of the years ended June 30, 2024 and 2023.

### Capital Resources and Liquidity

Our financial statements have been presented on the basis that are a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As presented in the financial statements, we incurred a net loss of \$4,562,295 and \$5,379,582 for the years ended June 30, 2024 and 2023, respectively, and losses are expected to continue in the near term. The accumulated deficit was \$13,624,361 at June 30, 2024. We have been funding our operations through the sale of common stock in private placement transactions.

Management anticipates that significant additional expenditures will be necessary to develop and expand our business before significant positive operating cash flows can be achieved. Our ability to continue as a going concern is dependent upon our ability to raise additional capital and to ultimately achieve sustainable revenues and profitable operations. At June 30, 2024, we had \$1,291,072 of cash and cash equivalents. These funds are insufficient to complete our business plan and as a consequence, we will need to seek additional funds, primarily through the issuance of debt or equity securities for cash to operate our business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to us. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in the case of equity financing.

Management has undertaken steps as part of a plan to improve operations with the goal of sustaining our operations for the next twelve months and beyond. These steps include (a) raising additional capital and/or obtaining financing; (b) controlling overhead and expenses; (c) executing material sales or research contracts; and (d) pursuing additional sales and contracts. There can be no assurance that we can successfully accomplish these steps and it is uncertain that we will achieve a profitable level of operations and obtain additional financing. There can be no assurance that any additional financing will be available to us on satisfactory terms and conditions, if at all. As of the date of this Report, we have not entered into any formal agreements regarding the above.

In the event we are unable to continue as a going concern, the Company may elect or be required to seek protection from its creditors by filing a voluntary petition in bankruptcy or may be subject to an involuntary petition in bankruptcy. To date, management has not considered this alternative, nor does management view it as a likely occurrence.

We had working capital of \$766,160 and \$4,576,807 at June 30, 2024 and 2023, respectively. Current assets decreased \$3,941,060 to \$1,392,846 at June 30, 2024 from \$5,333,906 at June 30, 2023, primarily due to a \$3,780,618 decrease in cash. Current liabilities decreased \$130,413 to \$626,686 at June 30, 2024 from \$757,099 at June 30, 2023, due primarily to decreases in accounts payable.

The following table shows a summary of our cash flows for the periods presented:

|                                    | Year Ended June 30,   |                     |                       |                |
|------------------------------------|-----------------------|---------------------|-----------------------|----------------|
|                                    | 2024                  | 2023                | \$ Change             | % Change       |
| Net cash provided by (used in)     |                       |                     |                       |                |
| Operating activities               | \$ (3,454,779)        | \$ (3,637,972)      | \$ 183,193            | -5.0%          |
| Investing activities               | (321,838)             | (672,545)           | 350,707               | -52.1%         |
| Financing activities               | (4,001)               | 5,641,485           | (5,645,486)           | -100.1%        |
| <b>Increase (decrease) in cash</b> | <b>\$ (3,780,618)</b> | <b>\$ 1,330,968</b> | <b>\$ (5,111,586)</b> | <b>-384.1%</b> |

Net cash used in our operating activities were \$3,454,779 and \$3,637,972 for the years ended June 30, 2024 and 2023, respectively, due primarily to net losses of \$4,562,295 and \$5,379,582 for the years ended June 30, 2024 and 2023, respectively.

Net cash used in our investing activities was \$321,838 and \$672,545 for the years ended June 30, 2024 and 2023, respectively. Investing activities include purchase of equipment and payment for leasehold improvements.

Net cash used in our financing activities was \$4,001 for the year ended June 30, 2024 and net cash provided by our financing activities was \$5,641,485 for the year ended June 30, 2023. We paid \$4,001 to purchase Lee McCarthy's unvested restricted shares for the year ended June 30, 2024 and received \$5,641,284 from Private Placements, net of \$411,015 offering cost.

#### Recent Accounting Pronouncements

The Company has evaluated all issued but not yet effective accounting pronouncements and determined that they are either immaterial or not relevant to the Company.

#### Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

**Item 8. Financial Statements and Supplementary Data.**

**Index to Consolidated Financial Statements**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of  
Aeluma, Inc.

### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Aeluma, Inc. and Subsidiary (the Company) as of June 30, 2024 and 2023, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended June 30, 2024, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended June 30, 2024, in conformity with accounting principles generally accepted in the United States of America.

### Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred significant operating losses and negative cash flows from operations, and has generated limited revenue. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) "PCAOB" and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Rose, Snyder & Jacobs LLP  
Rose, Snyder & Jacobs LLP

We have served as the Company's auditor since 2021

Encino, California  
September 27, 2024



**Aeluma, Inc. and Subsidiary  
Consolidated Balance Sheets**

|   | June 30,            |                     |
|---|---------------------|---------------------|
|   | 2024                | 2023                |
| <b>Assets</b>   |                     |                     |
| Current assets:   |                     |                     |
| Cash and cash equivalents   | \$ 1,291,072        | \$ 5,071,690        |
| Accounts receivable   | 60,004              | 189,239             |
| Deferred compensation   | 20,133              | 53,034              |
| Prepays and other current assets  | 21,637              | 19,943              |
| <b>Total current assets</b>   | <b>1,392,846</b>    | <b>5,333,906</b>    |
| Property and equipment:   |                     |                     |
| Equipment   | 1,531,494           | 1,209,656           |
| Leasehold improvements  | 546,864             | 546,864             |
| Accumulated depreciation  | (608,630)           | (300,445)           |
| Property and equipment, net   | 1,469,728           | 1,456,075           |
| Intangible assets, net  | 6,833               | 9,833               |
| Right of use asset - operating  | 961,626             | 351,013             |
| Other assets  | 13,014              | 13,014              |
| <b>Total assets</b>   | <b>\$ 3,844,047</b> | <b>\$ 7,163,841</b> |
| <b>Liabilities and stockholders' equity</b>   |                     |                     |
| Current liabilities:  |                     |                     |
| Accounts payable  | \$ 317,237          | \$ 461,797          |
| Accrued expenses and other current liabilities  | 180,706             | 133,092             |
| Lease liability, current portion  | 128,743             | 162,210             |
| Total current liabilities   | 626,686             | 757,099             |
| Lease liability, long term portion  | 941,200             | 296,452             |
| <b>Total liabilities</b>  | <b>1,567,886</b>    | <b>1,053,551</b>    |
| Commitments and contingencies   |                     |                     |
| -   |                     |                     |
| Stockholders' equity:   |                     |                     |
| Preferred stock, \$0.0001 par value: 10,000,000 authorized, and none issued and outstanding at June 30, 2024 and 2023   | -                   | -                   |
| Common stock, \$0.0001 par value: 50,000,000 shares authorized, and 12,178,424 and 12,817,500 shares issued and outstanding at June 30, 2024 and 2023, respectively | 1,218               | 1,282               |
| Additional paid-in capital  | 15,899,304          | 15,171,074          |
| Accumulated deficit   | (13,624,361)        | (9,062,066)         |
| <b>Total stockholders' equity</b>   | <b>2,276,161</b>    | <b>6,110,290</b>    |
| <b>Total liabilities and stockholders' equity</b>   | <b>\$ 3,844,047</b> | <b>\$ 7,163,841</b> |

The accompanying notes are an integral part of these financial statements

**Aeluma, Inc. and Subsidiary**  
**Consolidated Statements of Operations**

|   | <b>June 30,</b>       |                       |
|---|-----------------------|-----------------------|
|   | <b>2024</b>           | <b>2023</b>           |
| Revenue (Note 2)  | \$ 918,554            | \$ 193,339            |
| Operating expenses:   |                       |                       |
| Cost of revenue   | 619,249               | 109,395               |
| Research and development  | 2,506,507             | 2,531,624             |
| General and administrative  | 2,356,106             | 3,062,005             |
| Total operating expenses  | 5,481,862             | 5,703,024             |
| Loss from operations  | (4,563,308)           | (5,509,685)           |
| Other income:   |                       |                       |
| Sub-lease rental income and other income                              | -                     | 128,913               |
| Interest income   | 1,013                 | 1,190                 |
| Total other income, net   | 1,013                 | 130,103               |
| Loss before income tax expense  | (4,562,295)           | (5,379,582)           |
| Income tax expense  | -                     | -                     |
| <b>Net loss</b>   | <b>\$ (4,562,295)</b> | <b>\$ (5,379,582)</b> |
| <b>Loss per share - basic and diluted</b>                             | <b>\$ (0.37)</b>      | <b>\$ (0.47)</b>      |
| <b>Weighted average common shares outstanding - basic and diluted</b> | <b>12,298,355</b>     | <b>11,379,480</b>     |

The accompanying notes are an integral part of these financial statements

**Aeluma, Inc. and Subsidiary**  
**Consolidated Statement of Stockholders' Equity**

|   | <u>Common Stock</u> |                 | <u>Additional<br/>paid-in<br/>capital</u> | <u>Accumulated<br/>Deficit</u> | <u>Total<br/>Stockholders'<br/>Equity</u> |
|---|---------------------|-----------------|---|--------------------------------|---|
|   | <u>Shares</u>       | <u>Amount</u>   |   |                                |   |
| <b>Balance, July 1, 2022</b>  | <b>10,650,002</b>   | <b>\$ 1,066</b> | <b>\$ 8,781,361</b>                       | <b>\$ (3,682,484)</b>          | <b>\$ 5,099,943</b>                       |
| Issuance of common stock, net of offering costs of \$411,015 (Note 3) | 2,017,498           | 201             | 5,641,284                                 | -                              | 5,641,485                                 |
| Issuance of common stock for services (Note 4)                        | 150,000             | 15              | 299,985                                   | -                              | 300,000                                   |
| Stock-based compensation  | -                   | -               | 448,444                                   | -                              | 448,444                                   |
| Net loss  | -                   | -               | -   | (5,379,582)                    | (5,379,582)                               |
| <b>Balance, June 30, 2023</b>   | <b>12,817,500</b>   | <b>\$ 1,282</b> | <b>\$ 15,171,074</b>                      | <b>\$ (9,062,066)</b>          | <b>\$ 6,110,290</b>                       |
| Repurchase of common stock (Note 3)                                   | (649,570)           | (65)            | (3,936)                                   | -                              | (4,001)                                   |
| Stock warrant exercised   | 10,494              | 1               | (1)                                       | -                              | -   |
| Stock-based compensation  | -                   | -               | 732,167                                   | -                              | 732,167                                   |
| Net loss  | -                   | -               | -   | (4,562,295)                    | (4,562,295)                               |
| <b>Balance, June 30, 2024</b>   | <b>12,178,424</b>   | <b>\$ 1,218</b> | <b>\$ 15,899,304</b>                      | <b>\$ (13,624,361)</b>         | <b>\$ 2,276,161</b>                       |

The accompanying notes are an integral part of these financial statements

**Aeluma, Inc. and Subsidiary**  
**Consolidated Statements of Cash Flows**

|   | <b>Year Ended June 30,</b> |                     |
|---|----------------------------|---------------------|
|   | <b>2024</b>                | <b>2023</b>         |
| <b>Operating activities:</b>  |                            |                     |
| Net loss  | \$ (4,562,295)             | \$ (5,379,582)      |
| Adjustments to reconcile net loss to net cash used in operating activities: |                            |                     |
| Issuance of shares for services   | -                          | 258,000             |
| Amortization of deferred compensation                                       | 32,901                     | 662,464             |
| Stock-based compensation expense  | 732,167                    | 448,444             |
| Depreciation and amortization expense                                       | 311,185                    | 206,458             |
| Change in accounts receivable   | 129,235                    | (189,239)           |
| Change in prepaids and other current assets                                 | (1,694)                    | 7,719               |
| Change in accounts payable  | (144,560)                  | 347,697             |
| Change in accrued expenses and other current liabilities                    | 48,282                     | 67                  |
| <b>Net cash used in operating activities</b>                                | <b>(3,454,779)</b>         | <b>(3,637,972)</b>  |
| <b>Investing activities:</b>  |                            |                     |
| Purchase of equipment   | (321,838)                  | (590,043)           |
| Payment for leasehold improvements  | -                          | (82,502)            |
| <b>Net cash used in investing activities</b>                                | <b>(321,838)</b>           | <b>(672,545)</b>    |
| <b>Financing activities:</b>  |                            |                     |
| Repurchase of common stock  | (4,001)                    | -                   |
| Proceeds from Private Placement, net of offering costs                      | -                          | 5,641,485           |
| <b>Net cash (used in) provided by financing activities</b>                  | <b>(4,001)</b>             | <b>5,641,485</b>    |
| <b>Net change in cash</b>   | <b>(3,780,618)</b>         | <b>1,330,968</b>    |
| <b>Cash, beginning of period</b>  | <b>5,071,690</b>           | <b>3,740,722</b>    |
| <b>Cash, end of period</b>  | <b>\$ 1,291,072</b>        | <b>\$ 5,071,690</b> |

The accompanying notes are an integral part of these financial statements

**Aeluma, Inc. and Subsidiary**  
**Notes to Consolidated Financial Statements**

**Note 1 – The Company**

Aeluma, Inc., headquartered in Goleta, California, is engaged in the research and development of infrared (IR) optical sensors to disrupt the market for IR sensors, and using its proprietary technology aims to produce a much higher performance alternative to today's low-cost sensors at much lower prices than would otherwise be possible. The focus of Aeluma, Inc. ("the Company") will be the image sensor market. Initial efforts hope to penetrate the 3D imaging and sensing (mobile and consumer, defense and aerospace, industrial, medical, auto) and LiDAR (robotic vehicles, advanced driver assistance systems vehicles (ADAS), topography, wind, industrial) markets.

Going Concern

The Company incurred a net loss of \$4,562,295 and \$5,379,582 for the years ended June 30, 2024 and 2023, respectively, and has accumulated deficit of \$13,624,361 at June 30, 2024. In addition, the Company is in the research and development stage and has generated limited revenue to date. In order to support its operations, the Company will require additional infusions of cash from the sale of equity instruments or the issuance of debt instruments, or the commencement of profitable revenue generating activities. If adequate funds are not available or are not available on acceptable terms, the Company's ability to fund its operations, develop or enhance its sensors in the future or respond to competitive pressures would be significantly limited. Such limitations could require the Company to curtail, suspend or discontinue parts of its business plan.

These conditions raise doubt about the Company's ability to continue as a going concern. The accompanying financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP"), which contemplate continuation of the Company as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that could result from the outcome of this uncertainty. The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

**Note 2 – Summary of Significant Accounting Policies**

Basis of Presentation

The accompanying consolidated financial statements have been presented in accordance with GAAP. The summary of significant accounting policies presented below is designed to assist in understanding the Company's financial statements. Such financial statements and accompanying notes are the representations of the Company's management, who is responsible for the Company's integrity and objectivity.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported consolidated financial statements.

### Cash and Cash Equivalents

The Company considers cash in banks, deposits in transit, and highly liquid debt instruments purchased with original maturities of three months or less to be cash and cash equivalents.

### Concentration of Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company's accounts are insured by the FDIC but at times may exceed federally insured limits.

### Fair Value of Financial Instruments

As defined in Financial Accounting Standards Board ("FASB") ASC Topic No. 820, "Fair Value Measurements and Disclosures" ("ASC 820"), fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses the market or income approach. Based on this approach, the Company utilizes certain assumptions about the risk inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and the reliability of the information used to determine fair values. As a basis for considering these assumptions, ASC 820 defines a three-tier value hierarchy that prioritizes the inputs used in the valuation methodologies in measuring fair value.

Level 1 – Unadjusted quoted prices in active, accessible market for identical assets or liabilities

Level 2 – Other inputs that are directly or indirectly observable in the marketplace

Level 3 – Unobservable inputs which are supported by little or no market activity

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The carrying values of the Company's cash, accounts receivable, accounts payable, accrued expenses and other current liabilities approximate their fair value due to the relatively short maturity of these items.

### Property and Equipment

Property, equipment and leasehold improvements are reported at historical cost, net of accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the less of the remaining lease term or the estimated useful life of the improvements. Repairs and maintenance to these assets are charged to expenses as incurred; major improvements enhancing the function and/or the asset's useful life are capitalized. When items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses arising from such transactions are recognized.

### Intangible Assets

Intangible assets are associated with the Aeluma.com domain name and are amortized on a straight-line basis over 10 years.

### Revenue Recognition

The Company follows a five-step approach for recognizing revenue, consisting of the following: (1) identifying the contract with a customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations in the contract; and (5) recognizing revenue when, or as, the entity satisfies a performance obligation. Sales and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as expenses. The Company does not have any significant financing components associated with its revenue contracts, as payment is received within one year.

- Commercial product and service contracts: Revenue is currently generated from multiple customers for research and development related services and small-volume orders
- Government contracts: Revenue is principally generated under research and development contracts with agencies of the U.S. government or with prime contractors. These contracts may include cost reimbursement and fixed firm price terms.

For the year ended June 30, 2024, the Company was awarded six government contracts of \$1,323,237 for providing services and delivering materials. The awards are firm fixed contracts that shall be paid upon completion of performance and recognized as revenue over an expected term of 12 months.

For the year ended June 30, 2024, the Company recognized its revenue of \$918,554, of which \$853,798 was from government contracts and \$64,756 was from product sales for sampling purchases. As of June 30, 2024, the aggregate amount to remaining performance obligations for the government contracts was \$690,825.

### Loss Per Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is computed by dividing the net loss attributable to common stockholders by the sum of the weighted average number of common shares outstanding plus potential dilutive common shares outstanding during the period. Potential dilutive securities, comprised of stock warrants and stock options, are not reflected in diluted loss per share because such shares are anti-dilutive. Dilutive impact of potential common shares resulting from common stock equivalents is determined by applying the treasury stock method.

### Stock-Based Compensation

The Company accounts for stock-based compensation arrangements in accordance with guidance issued by the FASB, which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees, consultants, and directors based on estimated fair values.

The Company estimates the fair value of stock-based compensation awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's consolidated statements of operations. The Company estimates the fair value of stock-based compensation awards using the Black-Scholes model. This model requires the Company to estimate the expected volatility and value of its common stock and the expected term of the stock options, all of which are highly complex and subjective variables. For employees and directors, the expected life was calculated based on the simplified method as described by the SEC Staff Accounting Bulletin No. 110, Share-Based Payment. For other service providers, the expected life was calculated using the contractual term of the award. The Company's estimate of expected volatility was based on the volatility of peers. The Company has selected a risk-free rate based on the implied yield available on U.S. Treasury securities with a maturity equivalent to the expected term of the options. The Company accounts for forfeitures upon occurrence.

## Income Taxes

The Company is expected to have net operating loss carryforwards that it can use to offset a certain amount of taxable income in the future. The Company is currently analyzing the amount of loss carryforwards that will be available to reduce future taxable income. The resulting deferred tax assets will be offset by a valuation allowance due to the uncertainty of its realization. The primary difference between income tax expense attributable to continuing operations and the amount of income tax expense that would result from applying domestic federal statutory rates to income before income taxes relates to the recognition of a valuation allowance for deferred income tax assets.

The Company has adopted FASB ASC 740-10, “*Income Taxes*” which clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold of more likely than not as a measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In making this assessment, a Company must determine whether it is more likely than not that a tax position will be sustained upon examination, based solely on the technical merits of the position and must assume that the tax position will be examined by taxing authorities. The Company’s policy is to include interest and penalties related to unrecognized tax benefits in income tax expense. Interest and penalties totaled \$0 for the periods presented. The Company’s net operating loss carryforwards are subject to IRS examination until they are fully utilized, and such tax years are closed.

The Company will file tax returns in the U.S. federal jurisdiction and the state of California. The Company’s federal and state return forms are subject to review by the taxing authorities. The Company is not currently under examination by any taxing authority, nor has it been notified of an impending examination.

## Recent Accounting Pronouncements

The Company has evaluated all issued but not yet effective accounting pronouncements and determined that they are either immaterial or not relevant to the Company.

## **Note 3 – Stockholders’ Equity**

### Authorized Shares

The Company’s Articles of Incorporation authorize the issuance of two classes of shares of stock. The total number of shares which this corporation is authorized to issue is 50,000,000 shares of \$0.0001 par value common stock and 10,000,000 of \$0.0001 par value preferred stock. No preferred shares were issued as of June 30, 2024.

On December 12, 2022, the Company sold an aggregate of 517,000 shares of common stock in a private placement offering (the “Offering”) at a price of \$3.00 per share, with gross proceeds of \$1,551,000 (before deducting placement agent fees and expenses of \$124,385). On January 10, 2023, the Company held a second closing for an additional 214,667 shares of common stock, with gross proceeds of \$644,000 (before deducting placement agent fees and expenses of \$28,640). On March 31, 2023, the Company held a third closing for an additional 715,665 shares of common stock, with gross proceeds of \$2,147,000 (before deducting placement agent fees and expenses of \$117,830). On May 10, 2023, the Company held a fourth and final close for additional 570,166 shares of its common, with gross proceeds of \$1,710,500 (before deducting placement agent fees and expenses of \$140,160). Accordingly, the Company sold a total of 2,017,498 shares of common stock with a total gross proceeds of \$6,052,500 (before deducting total placement agent fees and expenses of \$411,015) in this private placement.

The Offering was exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated by the SEC thereunder. The common stock in the Offering was sold to “accredited investors,” as defined in Regulation D, and was conducted on a “reasonable best efforts” basis.



#### Issued and Vested Shares to Officers

On October 27, 2020, the Company issued 1,623,920 shares of common stock to Jonathan Klamkin, Director and Chief Executive Officer, and 1,623,920 shares of common stock to Lee McCarthy, Director, interim Chief Financial Officer and Chief Operations Officer, for an aggregate sum of \$10,000 each. Initially 20% or 324,784 shares vested on October 27, 2020, and the remaining 1,299,136 shares vest in equal amounts, monthly over the subsequent 4 years. The stock purchase agreement contains a repurchase option whereby unvested shares may be repurchased by the Company, at the Company's option. At June 30 2024, Jonathan Klamkin had 1,515,659 vested shares and 108,261 unvested shares, and Lee McCarthy had 974,350 vested shares. On November 17, 2022, Lee McCarthy left the Company and, on September 10, 2023, the Company exercised its option to purchase 649,570 unvested restricted shares Lee McCarthy held for a total consideration of \$4,001, the initial purchase price of these shares.

#### Registration Rights Agreement

The Company entered into a registration rights agreement that provides for certain liquidated damages upon the occurrence of a "Registration Event," which is defined as the occurrence of any of the following events: (a) the Company fails to file with the Commission the Registration Statement on or before the Registration Filing Date; (b) the Registration Statement is not declared effective by the Commission on or before the Registration Effectiveness Date; (c) after the SEC Effective Date, the Registration Statement ceases for any reason to remain effective or the Holders of Registrable Securities covered thereby are otherwise not permitted to utilize the prospectus therein to resell the Registrable Securities covered thereby, except for Blackout Periods permitted herein; or (d) following the listing or inclusion for quotation on an Approved Market, the Registrable Securities, if issued and outstanding, are not listed or included for quotation on an Approved Market, or trading of the Common Stock is suspended or halted on the Approved Market, which at the time constitutes the principal markets for the Common Stock, for more than three (3) full, consecutive Trading Days (other than as a result of (A) actions or inactions of parties other than the Company or its affiliates or of the Approved Market not reasonably in the control of the Company, or (B) suspension or halt of substantially all trading in equity securities (including the Common Stock) on the Approved Market). The maximum amount of liquidated damages that may be paid by the Company shall be an amount equal to eight percent (8%) of the shares covered by the registration rights agreement. This filing covered 11,010,002 shares. The Company currently expects to satisfy all of its obligations under the Registration Agreement and does not expect to pay any damages pursuant to this agreement; therefore, no liability has been recorded.

#### **Note 4 – Stock-Based Compensation**

##### Restricted Stock Awards

In June 2021, the Company sold 723,008 shares of common stock to certain individuals in exchange for future management advisory services, for discounted prices price ranging from \$.0104 to \$.0195 per share. The shares are subject to restrictions that allow for repurchase of the shares by the Company due to a termination of the service agreement or other certain provisions. This repurchase right declines on a pro-rata basis over vesting periods (corresponding to the service period) ranging from 2-4 years. Related to these issuances, the Company has recorded deferred compensation of \$1,372,435 for the value of the shares in excess of the purchase price paid by the advisors. The deferred compensation was expensed as consulting expense in the consolidated statements of operation over the service period.

In March 2022, the Company signed an agreement to issue 150,000 shares of common stock valued at \$300,000 to a consultant for providing consulting services to the Company for eighteen months. Related to these issuances, the Company has recorded deferred compensation of \$300,000 which was expensed as consulting expense in the consolidated statements of operation over the eighteen months.

For the years ended June 30, 2024 and 2023, \$32,900 and \$920,464, respectively, have been amortized in the consolidated statements of operations. At June 30, 2024, \$20,133 of deferred compensation included in the balance sheets is expected to be expensed within 12 months.

The following is a schedule summarizing restricted stock awards for the periods indicated:

|                                     | Number of<br>Shares | Weighted<br>Average<br>Grant Date<br>Fair Value<br>Per Share |
|-------------------------------------|---------------------|--|
| <b>Outstanding at July 1, 2022</b>  | 344,426             | \$ 1.90  |
| Granted                             | 150,000             | 2.00   |
| Vested                              | (419,133)           | 1.92   |
| Forfeited                           | -                   | -  |
| <b>Outstanding at June 30, 2023</b> | <b>75,293</b>       | <b>\$ 1.97</b>   |
| Granted                             | -                   | -  |
| Vested                              | (64,696)            | 1.98   |
| Forfeited                           | -                   | -  |
| <b>Outstanding at June 30, 2024</b> | <b>10,597</b>       | <b>\$ 1.90</b>   |

#### Stock Options

During the three months ended December 31, 2022, the Company issued 161,000 options to purchase common stock to employees. The options have an exercise price of \$2.00 or \$2.10 and expire in 10 years with various vesting schedules from nine months to 48 months, subject to the continued status as an employee to the Company through each vesting date.

During the three months ended June 30, 2023, the Company issued 163,000 options to purchase common stock to a consultant and employees. The options expire in 10 years and have an exercise price of \$2.60 with immediate vesting or \$3.00 with a vesting schedule of 48 months. Stock options granted to employees are subject to the continued status as an employee to the Company through each vesting date.

During the three months ended September 30, 2023, the Company issued 6,500 options to purchase common stock to consultants. The options expire in 10 years and have an exercise price that range from \$2.90 to \$3.90 with immediate vesting.

During the three months ended December 31, 2023, the Company issued 7,000 options to purchase common stock to a consultant. The options expire in 10 years and have an exercise price that ranges from \$2.50 to \$3.43 with immediate vesting.

During the three months ended March 31, 2024, the Company issued 6,500 options to purchase common stock to consultants. The options expire in 10 years and have an exercise price that range from \$2.99 to \$3.50 with immediate vesting. During the three months ended March 31, 2024, the Company issued 100,821 options to purchase common stock to board of directors. The options expire 10 year and vest in nine months with an exercise price of \$2.99.

The Company estimates the fair value of each option award using the Black-Scholes option-pricing model. The Company used the following assumptions for to estimate the fair value of stock options for the period presented:

|                             | Year Ended June 30,   |                       |
|-----------------------------|-----------------------|-----------------------|
|                             | 2024                  | 2023                  |
| Weighted-average fair value | \$ 2.52               | \$ 2.45               |
| Expected volatility         | 105% - 114%           | 100% - 134%           |
| Expected term               | 5.0 years - 6.2 years | 5.0 years - 7.0 years |
| Dividend yield              | 0.00%                 | 0.00%                 |
| Risk-free interest rate     | 3.94% - 4.92%         | 1.26% - 4.24%         |

For the years ended June 30, 2024 and 2023, stock-based compensation expenses for options granted were \$732,167 and \$448,444, respectively. Unrecognized stock-based compensation expense was \$857,026 and average expected recognition period was 1.1 years as of June 30, 2024.

The following is a schedule summarizing stock option activities for the periods presented:

|                                     | Number of<br>Options | Weighted<br>Average<br>Exercise Price | Aggregate<br>Intrinsic<br>Value (1) |
|-------------------------------------|----------------------|---------------------------------------|-------------------------------------|
| <b>Outstanding at July 1, 2023</b>  | <b>1,034,000</b>     | <b>\$ 2.31</b>                        | <b>\$ 639,775</b>                   |
| Granted                             | 120,821              | 3.01                                  |                                     |
| Exercised                           | -                    | -                                     |                                     |
| Expired/cancelled                   | (201,000)            | 2.08                                  |                                     |
| <b>Outstanding at June 30, 2024</b> | <b>953,821</b>       | <b>\$ 2.45</b>                        | <b>\$ 1,087,178</b>                 |
| <b>Exercisable at June 30, 2024</b> | <b>550,116</b>       | <b>\$ 2.36</b>                        | <b>\$ 673,901</b>                   |

(1) Represents the excess of the fair value on the last day of period (which was \$3.59 as of June 30, 2024) over the exercise price, multiplied by the number of options.

|                                     | Number of<br>Options | Weighted<br>Average<br>Exercise Price | Aggregate<br>Intrinsic<br>Value (1) |
|-------------------------------------|----------------------|---------------------------------------|-------------------------------------|
| <b>Outstanding at July 1, 2022</b>  | <b>817,750</b>       | <b>\$ 2.00</b>                        | <b>\$ -</b>                         |
| Granted                             | 471,250              | 2.68                                  |                                     |
| Exercised                           | -                    | -                                     |                                     |
| Expired/cancelled                   | (255,000)            | 2.00                                  |                                     |
| <b>Outstanding at June 30, 2023</b> | <b>1,034,000</b>     | <b>\$ 2.31</b>                        | <b>\$ 639,775</b>                   |
| <b>Exercisable at June 30, 2023</b> | <b>360,060</b>       | <b>\$ 2.05</b>                        | <b>\$ 309,248</b>                   |

(1) Represents the excess of the fair value on the last day of period (which was \$2.90 as of June 30, 2023) over the exercise price, multiplied by the number of options.

#### Note 5 – Facility Operating Lease

On April 1, 2021, the Company commenced a 5-year operating lease for a facility in Santa Barbara, California with total lease payments of \$781,813. The Company determined the lease constitutes a Right of Use (ROU) asset and has recorded the present value of the lease payments as an asset and liability per ASC 842. The lease agreement waived the first three months of rent with payments commencing July 1, 2021. At the commencement of the lease, the net present value of the lease payments was \$767,553. In addition to these lease payments, the Company is also responsible for its shares of common area operating expenses and electricity. Such expenses are considered variable costs and are not included in the measurement of the lease liability. The lease agreement also provides for the option to extend the lease for two additional sixty-month periods. On July 1, 2023, one of the two options to extend was considered reasonably certain of exercise and the Company remeasured the ROU asset and lease liability. The Company recorded the net present value of \$1,189,606 for both the ROU asset and lease liability on July 1, 2023.

The following table presents maturities of operating lease liabilities on an undiscounted basis as of June 30, 2024:

| <u>For the years ending June 30,</u>      |                   |
|---|-------------------|
| 2025                                      | \$ 169,224        |
| 2026                                      | 173,454           |
| 2027                                      | 177,791           |
| 2028                                      | 182,235           |
| 2029                                      | 186,791           |
| Thereafter                                | 337,732           |
| <b>Total</b>                              | <b>1,227,227</b>  |
| Less imputed interest                     | (157,284)         |
| <b>Total lease liability</b>              | <b>1,069,943</b>  |
| Less: lease liability, current portion    | 128,743           |
| <b>Lease liability, long term portion</b> | <b>\$ 941,200</b> |

The lease term and the discount rate for the lease at June 30, 2024 is 6.8 years and 4.00%, respectively. The total lease expenses were \$167,097 and \$129,437 for the years ended June 30, 2024 and 2023, respectively. The variable costs for common area operating expenses and electricity were \$240,431 and \$264,280 for the years ended June 30, 2024 and 2023, respectively.

In April 1, 2021, the Company subleased a portion of their facility. The sub-lease provided for base monthly rent of \$13,013 through May 31, 2021 and \$8,400 starting June 1, 2021 plus common area operating and utility costs. The sublease was amended again on May 17, 2022 to sublease a smaller portion of the property at a base rental rate of \$5,200 per month effective June 1, 2022. The Company recognized sub-lease income of \$128,921, including reimbursement of common area operating and utility costs, for the year ended June 30, 2023. The sub-lease ended in March 2023.

#### Note 6 – Warrants to Purchase Common Stock

In connection with the Offering held from December 2022 through May 2023, the Company issued warrants of 85,653 to purchase common stock to the Placement Agents. The warrants carry a term of 5 years and an exercise price of \$3.00.

The following warrants to purchase common stock were outstanding as of June 30, 2024:

| Number of Shares | Exercise Price | Expiration Date   |
|------------------|----------------|-------------------|
| 286,672          | \$ 2.00        | June 22, 2026     |
| 37,433           | 2.00           | June 28, 2026     |
| 11,500           | 2.00           | July 1, 2026      |
| 29,067           | 3.00           | December 22, 2027 |
| 4,933            | 3.00           | January 10, 2028  |
| 6,720            | 3.00           | March 31, 2028    |
| 44,933           | 3.00           | May 10, 2028      |
| 421,258          |                |                   |

#### Note 7 – Concentration of Credit Risk and Significant Customers

The Company manages its credit risk associated with exposure to its direct customers on outstanding accounts receivable through the application of credit approvals and other monitoring procedures. The Company closely monitors the aging of accounts receivable from its direct customers. Significant customers are those that represent 10% or more of revenue or accounts receivable.

Total revenues, by percentage, from individual customers representing 10% or more of total revenues in the respective periods were as follows:

|            | Year Ended June 30, |       |
|------------|---------------------|-------|
|            | 2024                | 2023  |
| Customer A | 36.2%               | 92.2% |
| Customer B | 30.5                | *     |
| Customer C | 17.3                | *     |
| Customer D | *                   | *     |
| Customer E | *                   | *     |

\* Less than 10% of total

Accounts receivable, by percentage, from individual customers representing 10% or more of accounts receivable are set forth in the following table:

|            | As of June 30, |       |
|------------|----------------|-------|
|            | 2024           | 2023  |
| Customer A | *              | 94.2% |
| Customer B | *              | *     |
| Customer C | 18.3%          | *     |
| Customer D | 27.7           | *     |
| Customer E | 53.9           | *     |

\* Less than 10% of total

Customer A, B, C and D are government agencies.

#### Note 8 – Subsequent Event

The Company has evaluated subsequent events through the issuance of these financial statements, and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements except for the following:

##### *Note Purchase Agreements*

On August 5, 2024, the Company entered into note purchase agreements (the “NPA”) for an aggregate financing of \$1.8 million with five accredited investors (“Investors”). At the first closing under the NPA, which occurred on August 5, 2024, the Company issued to the investor’s convertible promissory notes in the aggregate principal amount of \$1,800,000 (the “Notes”) to purchase shares of the Company’s common stock, par value \$0.0001 per share. At a second closing under the NPA, which occurred on August 27, 2024, the Company issued convertible promissory notes to five additional accredited Investors in the aggregate principal amount of \$1,345,000 for aggregate proceeds of \$3,145,000. The Company may hold additional closings, but there is no guarantee as to how much additional proceeds, if any, it will receive.

##### *Government Contract*

On September 6, 2024, the Company won \$11.717 million DARPA contract for nano-scale semiconductors to develop heterogeneous integration technology compatible with leading edge and future advanced-node semiconductors. Technology applications include AI, mobile devices and 5G/6G. This DARPA contract to Aeluma is structured with \$5.974 million provided over 18 months, and the \$5.743 million balance provided over the following 18 months as Aeluma meets certain milestones. Teledyne Scientific Company, the Central Research Laboratory of Teledyne, is a proposed subcontractor to assist with defining target materials and with developing strategies for demonstrating program metrics. The University of California Santa Barbara is also a proposed subcontractor to support the implementation of test devices.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

***Disclosure Controls and Procedures***

Disclosure controls and procedures (as defined in Exchange Act Rule 15d-15(e)) are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, such as this report, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our Chief Executive Officer (principal executive officer) and Principal Financial Officer (principal financial officer), based on their evaluation of our disclosure controls and procedures as of June 30, 2024, concluded that our disclosure controls and procedures were ineffective as of that date.

***Internal Control Over Financial Reporting***

*Management's annual report on internal control over financial reporting.* Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Principal Financial Officer (principal financial officer), has assessed the effectiveness of our internal control over financial reporting as of June 30, 2024. In making this assessment, management used the criteria set forth in the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework (2013)*.

Based on the assessment using those criteria, management concluded that, as of June 30, 2024, our internal control over financial reporting was ineffective due to an insufficient number of personnel with appropriate technical accounting and SEC reporting expertise to adhere to certain control disciplines and to evaluate and properly record certain non-routine and complex transactions.

A material weakness in internal control over financial reporting is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements would not be prevented or detected on a timely basis.

*Attestation report of the registered public accounting firm.* This report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Our management's report was not subject to attestation by our independent registered public accounting firm pursuant to the rules of the SEC that permit us to provide only the management's report in this report.

*Changes in internal control over financial reporting.* There were no changes in our internal control over financial reporting (as the term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the year ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information.**

None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not Applicable.

## PART III

### Item 10. Directors, Executive Officers and Corporate Governance.

#### Executive Officers and Directors

The Board of Directors currently consists of four members. As per our amended and restated bylaws, our board of directors is divided into three classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose terms are then expiring, to serve from the time of election and qualification until the third annual meeting following their election or until their earlier death, resignation or removal.

The division of our Board of Directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control. See Exhibit 4.3 - "Description of Securities-Anti-Takeover Provisions" for a discussion of these and other anti-takeover provisions found in our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately the closing of the Merger.

A majority of the authorized number of directors constitutes a quorum of the Board of Directors for the transaction of business. The directors must be present at the meeting to constitute a quorum. However, any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors individually or collectively consent in writing to the action.

Our prior Class II director, Ms. Mehta did not stand for re-election at our 2023 Annual Shareholder Meeting; our Board nominated and our shareholders elected Mr. Craig Ensley to be the Class II director, to serve until the 2026 annual meeting or until his earlier death, resignation or removal.

The following table provides information regarding our executive officers and directors as of the date hereof:

| <u>Name</u>                   | <u>Age</u> | <u>Positions</u>   | <u>Directors Class,<br/>if applicable</u> | <u>Expiration of<br/>Director Term</u> |
|-------------------------------|------------|--|---|--|
| <b>Executive Officers</b>     |            |  |   |  |
| Jonathan Klamkin              | 44         | Chief Executive Officer & Chief Financial Officer & President & Chairman | Class III                                 | 2024                                   |
| <b>Non-Employee Directors</b> |            |  |   |  |
| Craig Ensley                  | 73         | Director   | Class II                                  | 2026                                   |
| Steven P. DenBaars            | 62         | Director   | Class I                                   | 2025                                   |
| John Paglia                   | 56         | Director   | Class I                                   | 2025                                   |

#### *Background of Officers and Directors*

**Jonathan Klamkin** serves as President and Chief Executive Officer and is one of our directors. Mr. Klamkin has been the CEO and Director of Biond Photonics (now Aeluma) since February 28, 2019. He is a Professor of Electrical and Computer Engineering at the University of California, Santa Barbara (2015-present), where his group conducts pioneering research in integrated photonics and optoelectronics for communications and sensing applications. Mr. Klamkin was with BinOptics Corp. (2001-2002), a laser diode manufacturer that was acquired by Macom in 2015. Jonathan is the recipient of numerous awards including the NASA Young Faculty Award, the DARPA Young Faculty Award, and the DARPA Director's Fellowship. He has published more than 200 papers, holds several patents, and has given more than 100 invited presentations to industry, government and the academic community. Mr. Klamkin holds a Bachelor of Science in Electrical and Computer Engineering from Cornell University and a Master of Science in Electrical and Computer Engineering and a Ph.D. in Materials from the University of California, Santa Barbara.

**Steven P. DenBaars** serves as one of our directors. Steven has been on Biond Photonics' (now Aeluma's) Board of Directors since June 5, 2021. He is a Professor of Materials and Electrical and Computer Engineering at the University of California Santa Barbara (1991-pres). Prof. DenBaars has been very active in entrepreneurship, having helped co-found several start-up companies in the field of photonics and electronics. In 1996, he Co-founded Nitres Inc., which was acquired by Cree Inc. in May 2000. In 2013, he Co-Founded SLD Laser, and helped build the company to over 150 employees before being acquired by Kyocera Corporation in 2021. In 2014, he assisted Dr. Jeffrey Shealy in the founding of Akoustis Technologies Inc. (AKTS) for commercialization of RF Filters, and he is currently on the Board of Directors. In 2022 he joined the Board of Directors of SmartKem Ltd., a high-performance organic semiconductor company. He received the IEEE Fellow award in 2005, member of the National Academy of Engineers in 2012, and National Academy of Inventors in 2014. He has authored or co-authored over 980 technical publications, 360 conference presentations, and over 185 patents. Mr. DenBaars has a Bachelor of Science in Metallurgical Engineering from the University of Arizona and a Master of Science and a Ph.D. in Material Science and Electrical Engineering, respectively from the University of Southern California. We believe Mr. DenBaars qualifies as our director because of his entrepreneurial and start-up experience, as well as his engineering knowledge.

**Craig Ensley** serves as one of our directors and chairs compensation committee. Craig Ensley has built and led global semiconductor businesses in Analog & DSP, MEMS & Sensors, Communications (RF/Wireless, Optical, and Wired), and Consumer. Most recently he has been the CEO or President of three venture-backed companies which he repositioned to drive growth, create first profitability, and deliver superior shareholder returns. Previously, he served as SVP of a public firm where he helped lead a successful \$1 billion turnaround & restructuring. Prior, he was an executive helping build two businesses from pre-revenue to \$300-400 million in sales. Mr. Ensley serves as a Board Director of Mentium Technologies, which delivers mission-critical Artificial Intelligence (AI) capabilities to Edge Devices. He also serves on the Governing Council (aka Board of Directors) of the MEMS & Sensors Industry Group, the WW supplier ecosystem. He is an active investor with the Santa Barbara Angel Investor Alliance and an advisor at the Silicon Catalyst incubator. Previously, Mr. Ensley was CEO of Atomica (formerly IMT), where he and the team grew it to become the largest MEMS & Sensor manufacturing foundry in the U.S. Prior to Atomica, he was CEO of DisplayLink, creating an enterprise video networking firm with global leadership. He was President of Peregrine, which built high-volume RF & Wireless devices leading the world's transitions to 3G & 4G wireless. Peregrine invented high volume SOI (Silicon on Insulator) process technology, and took over markets previously served by GaAs. Mr. Ensley's earlier roles were leading strategy, development, and marketing. As SVP, he was on the team to restructure Cirrus Logic from massive losses to profitability and growth. He previously helped start Crystal Semiconductor, which became the world's highest growth analog & mixed signal DSP company. At Rockwell International, Mr. Ensley started and built the communications semiconductor business, which subsequently spun out as 3 public companies: Conexant, Mindspeed, and Jazz. He served on the Boards of Directors of the Consumer Electronics Association Home Networking Division and Audio Division, and the KLRU Austin PBS Television Station. Mr. Ensley holds a Master of Business Administration from Stanford University. He also holds a Bachelor of Science in Applied Physics and a Bachelor of Arts in Economics, both from the University of California at San Diego. We believe Mr. Ensley qualifies as our director because of his entrepreneurial and start-up experience, as well as his engineering knowledge.

**John Paglia** serves as one of our directors. Dr. Paglia is an independent board director and audit committee chair for Simulations Plus, Inc. (NASDAQ: SLP), independent board director and audit committee chair for Cal-X Business Accelerator, Inc. (with 30+ regenerative health technology startups), board director for two not-for-profits (California Amateur Hockey Association and Santa Clarita Flyers Hockey Club), and an advisory board member for both VitaNav, Inc. (a ketone-based beverage company) and The Most Fundable Companies Council. At Pepperdine University's Graziadio Business School, he is a tenured Professor of Finance where his specialty areas are venture capital, private equity, corporate finance, business valuations, and mergers and acquisitions (M&A). In addition, he held a number of leadership positions at Pepperdine University since joining in 2000, most recently as Senior Associate Dean where he had oversight for over 100 full-time business school faculty and key strategic projects, and, prior to that, as executive director of Graziadio Business School's entrepreneurship institute. Dr. Paglia holds a Ph.D. in Finance, an MBA, a B.S. in Finance, and is a Certified Public Accountant, Chartered Financial Analyst, and is NACD Directorship Certified™. Dr. Paglia is a recipient of several prestigious honors for his work on the financing and capital markets. We believe his knowledge of technical accounting issues and business experience qualify him as an expert in financial matters and as a qualified candidate for the Board.



## Corporate Social Responsibility

We believe that social responsibility is essential for a healthy and equitable corporate culture; one that balances the interests of its various worldwide stakeholders, including employees, shareholders, and our potential partners and customers. We are committed to sound corporate citizenship in the way we manage our people, our business and our impact on society and the environment. Furthermore, we acknowledge our responsibility to ensure our products will be designed, developed, and supplied in an environmentally safe and sound manner. We believe that we obey and comply with all laws and regulations that apply to us in the communities where we do business. Last but not least, we value our shareholders' governance view and seek to solicit feedback from our shareholders on a regular basis relating to matters that are important to them, including the compensation of our executive officers and directors and environmental, social and governance ("ESG") topics.

## Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, none of the following events occurred during the past ten years that are material to an evaluation of the ability or integrity of any of our executive officers, directors, Director Nominees or promoters:

(1) A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) Convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

(i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) Engaging in any type of business practice; or

(iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

(4) Subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described by such activity;

(5) Found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

(6) Found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

(7) Subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

(i) Any Federal or State securities or commodities law or regulation; or

(ii) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or

(iii) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

(8) Subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

#### **Director Independence and Board Committees**

We are not currently required under the Securities and Exchange Act to maintain any committees of our Board. We are not currently subject to listing requirements of any national securities exchange or inter-dealer quotation system which has requirements that a majority of the board of directors be “independent” or maintain any committees of our Board and, as a result, we are not at this time required to have our Board of Directors comprised of a majority of “independent directors” or have any committees. However, as of the date hereof, we currently have two independent directors on our board and are operating with three board committees.

Our board of directors shall determine which directors qualify as “independent” directors in accordance with listing requirements of The NASDAQ Stock Market, or NASDAQ. The NASDAQ independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his family members has engaged in various types of business dealings with us.

Our Board of Directors has determined that Mr. Paglia shall be considered independent directors in accordance with the definition of independence applied by the NASDAQ Stock Market.

Although it is not required, we established three standing committees: an audit committee in compliance with Section 3(a)(58)(A) of the Exchange Act, a compensation committee and a nominating and governance committee. We will add independent directors, as needed, to each committee at the necessary time as per the applicable exchange’s rules.

*Audit committee.* Under the national exchange listing standards and applicable SEC rules, we are required to have at least three members of the audit committee, all of whom must be independent, subject to certain phase-in provisions. At this time, Mr. Ensley and Mr. Paglia are the only directors who meet the independent director standard under national exchange listing standards and under Rule 10-A-3(b)(1) of the Exchange Act; Mr. DenBaars also serves on the Audit committee, although he is not considered “independent”. Mr. Paglia was selected to serve as chairman of our audit committee. Each member of the audit committee is financially literate and our Board has determined that Mr. Paglia qualifies as an “audit committee financial expert” as defined in applicable SEC rules.

We adopted an audit committee charter, which will detail the purpose and principal functions of the audit committee, including:

- appoint, compensate, and oversee the work of any registered public accounting firm employed by us;
- resolve any disagreements between management and the auditor regarding financial reporting;
- pre-approve all auditing and non-audit services;
- retain independent counsel, accountants, or others to advise the audit committee or assist in the conduct of an investigation;

- seek any information it requires from employees-all of whom are directed to cooperate with the audit committee's requests-or external parties;
- meet with our officers, external auditors, or outside counsel, as necessary; and
- oversee that management has established and maintained processes to assure our compliance with all applicable laws, regulations and corporate policy.

*Compensation Committee.* The compensation committee consists of Mr. Ensley (Chair), Mr. Paglia and Mr. DenBaars. Under the national exchange listing standards and applicable SEC rules, we are required to have at least two members of the compensation committee, all of whom must be independent, subject to certain phase-in provisions. Mr. Ensley and Mr. Paglia meet the independent director standard under national exchange listing standards applicable to members of the compensation committee.

We adopted a compensation committee charter, which details the purpose and responsibility of the compensation committee, including:

- discharge the responsibilities of the Board relating to compensation of our directors, executive officers and key employees;
- assist the Board in establishing appropriate incentive compensation and equity-based plans and to administer such plans;
- oversee the annual process of evaluation of the performance of our management; and
- perform such other duties and responsibilities as enumerated in and consistent with compensation committee's charter.

The charter will permit the committee to retain or receive advice from a compensation consultant and will outline certain requirements to ensure the consultants, independence or certain circumstances under which the consultant need not be independent. However, as of the date hereof, the Company has not retained such a consultant.

*Nominating and Governance Committee.* The nominating and governance committee consists of Mr. DenBaars (Chair), Mr. Ensley and Mr. Paglia. We adopted a nominating and governance committee charter, which details the purpose and responsibilities of the nominating and governance committee, including:

- assist the Board by identifying qualified candidates for director nominees, and to recommend to the board of directors the director nominees for the next annual meeting of stockholders;
- lead the Board in its annual review of its performance;
- recommend to the board director nominees for each committee of the Board; and
- develop and recommend to the Board corporate governance guidelines applicable to us.

#### **Meetings of the Board of Directors**

During the year ended June 30, 2024, Board meetings were held on September 20, 2023, November 3, 2023, February 9, 2024 and May 9, 2024. The Board also transacted business by unanimous written consent throughout the year.

#### **Family Relationships**

There are no family relationships by between or among the members of the Board or other executive officers of the Company.

## **Indemnification**

Our articles of incorporation and bylaws include provisions limiting the liability of directors and officers and indemnifying them under certain circumstances. See “Indemnification Agreements” for further information. We intend to secure directors’ and officers’ liability insurance following the completion of the Offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the Company pursuant to Delaware law, we are informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## **Board Leadership Structure and Role in Risk Oversight**

Mr. Klamkin serves as our Chief Executive Officer and our Chairman. Although the roles of our Chief Executive Officer and Chairman of our board of directors are currently performed by the same person, we do not have a policy regarding the separation of these roles, as our board of directors believes that it is in the best interests of the Company and our shareholders to make that determination from time to time based upon the position and direction of the Company and the membership of our board of directors.

Our board of directors has determined that our leadership structure is appropriate for the Company and our shareholders as it helps to ensure that the board of directors and management act with a common purpose and provides a single, clear chain of command to execute our strategic initiatives and business plans. In addition, our board of directors believes that a combined role of Chief Executive Officer and Chairman is better positioned to act as a bridge between management and our board of directors, facilitating the regular flow of information. Our board of directors also believes that it is advantageous to have a Chairman with an extensive knowledge of our industry.

## **Delinquent Section 16(a) Reports**

Section 16(a) of the Exchange Act requires that our executive officers and directors, and persons who own more than 10% of our common stock, file reports of ownership and changes of ownership with the SEC. Such directors, executive officers and 10% stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. Based on our review of forms we received, or written representations from reporting persons stating that they were not required to file these forms, we believe that, during the reporting period covered by this Report, all Section 16(a) filing requirements were satisfied on a timely basis.

## **Code of Business Conduct and Ethics**

Our Board of Directors adopted a Code of Ethics, a copy of which is attached herein as Exhibit 14.1, that applies to all of directors and employees, pursuant to rules described in Regulation S-K. The code provides fundamental ethical principles to which these individuals are expected to adhere to and will operate as a tool to help our directors, officers and employees understand the high ethical standards required for employment by, or association with, our Company. This Code constitutes a “code of ethics” as defined by the rules of the SEC. You can review the Code of Ethics by accessing our public filings at the SEC’s web site at [www.sec.gov](http://www.sec.gov). Copies of the code can be also obtained from our website, [www.aeluma.com](http://www.aeluma.com). Any amendments to, or waivers from, a provision of our code of ethics that applies to any of our executive officers will be posted on our website in accordance with the rules of the SEC.

## Shareholder Board Nominations

Pursuant to our amended and restated bylaws adopted on June 22, 2021, nominations of persons for election to the board of directors of the Company shall be made at an annual meeting of shareholders only (A) by or at the direction of the board of directors or (B) by a shareholder of the Company who (1) was a shareholder of record at the time of the giving of the notice required by the bylaws, on the record date for the determination of shareholders entitled to notice of the annual meeting and on the record date for the determination of shareholders entitled to vote at the annual meeting and (2) has complied with the notice procedures set forth in the bylaws. In addition to any other applicable requirements, for a nomination to be made by a shareholder, the shareholder must have given timely notice thereof in proper written form to the secretary of the Company. Such notice must include the information required by Section 2.4(ii) of the amended and restated bylaws and, a nomination to be made by a stockholder must be received by the secretary of the Company at the principal executive offices of the Company not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date on which the Company first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the preceding year's annual meeting; *provided, however*, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then, for notice by the shareholder to be timely, it must be so received by the secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting, or (ii) the tenth day following the day on which Public Announcement (as defined in the bylaws) of the date of such annual meeting is first made. The amended and restated bylaws also set forth procedures for which shareholders can nominate directors at a special shareholder meeting. In addition to the foregoing provisions, a shareholder must also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth, including, with respect to business such shareholder intends to bring before the annual meeting that involves a proposal that such shareholder requests to be included in the Company's proxy statement, the requirements of Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in the bylaws shall be deemed to affect any right of the Company to omit a proposal from the Company's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act.

## Item 11. Executive Compensation.

### Executive Compensation

As an "emerging growth company" as defined in the JOBS Act and a smaller reporting company we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies and smaller reporting companies.

### Summary Compensation Table

The following summary compensation table sets forth all compensation awarded to, earned by, or paid to the named executive officer during the years ended June 30, 2024 and 2023 in all capacities for the accounts of our executive, including the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operations Officer (COO):

| Name and principal position   | Year | Salary<br>(\$) | Bonus<br>(\$) | Stock<br>Awards<br>(\$) | Option<br>Awards<br>(\$) | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(\$) | Nonqualified<br>Deferred<br>Compensation<br>Earnings<br>(\$) | All Other<br>Compensation<br>(\$) | Total (\$) |
|-------------------------------|------|----------------|---------------|-------------------------|--------------------------|---|--|-----------------------------------|------------|
| Jonathan Klamkin              | 2024 | \$ 255,000(1)  | -             | -                       | -                        | -   | -  | -                                 | 255,000    |
| CEO, CFO and Director         | 2023 | \$ 215,000(1)  | -             | -                       | 259,660(2)               | -   | -  | -                                 | 474,660    |
| Lee McCarthy,                 | 2024 | -              | -             | -                       | -                        | -   | -  | -                                 | -          |
| Previous                      |      |                |               |                         |                          |   |  |                                   |            |
| Interim CFO, COO, Director(3) | 2023 | 77,292         | -             | -                       | -                        | -   | -  | -                                 | 77,292     |

(1) The Board of Directors approved an annual base compensation of \$230,000 for Mr. Klamkin effective July 1, 2021. On October 14, 2022, the Board of Directors approved the adjustment of Mr. Klamkin's compensation to \$10,000.00 per month for the period from October 1, 2022 to December 31, 2022, and then back to \$19,166.67 per month (\$230,000 per year) as of January 1, 2023. On November 30, 2022, the Board of Directors approved an increase in Mr. Klamkin's annual salary to \$255,000 and also approved issuing him 100,000 options with a 4-year vesting schedule, with an exercise price of \$2.10 per share, subject to continued service as of each such vesting date.

(2) The dollar amounts in this column reflect the grant date fair value of stock option awards granted during the year ended June 30, 2023. These amounts have been calculated in accordance with FASB Accounting Standards Codification Topic 718.

(3) Mr. McCarthy served as interim Chief Financial Officer and Chief Operating Officer from the Merger until November 2022; he also served as a director from the Merger until November 2021. However, he received five (5) months of his annual salary in the fiscal year ending June 30, 2023.

## Employment and Change in Control Agreements

We do not have an employment agreement with any of our officers. However, pursuant to our advisor agreement with Mr. Denbaars, if there is a change of control, other than the Merger, while he is still retained by the Company as an advisor, all of his unvested shares, per his amended advisor agreement, will vest at the closing of such change in control transaction. Additionally, as per the restricted stock purchase agreements we maintain with Mr. Klamkin and Mr. McCarthy, if either of their respective employment with the Company is terminated by the Company, other than for cause, or is terminated by the individual for Good Reason (as defined in the related agreement), within a year after the Merger, then, effective as of such termination, 100% of such terminated person's unvested shares will vest.

## Outstanding Equity Awards at Fiscal Year End

The following table presents information regarding certain outstanding shares held by each of our named executive officer as of June 30, 2024. These shares were converted into shares of our common stock in connection with the Merger, and the table below reflects all outstanding shares as of June 30, 2024 as if they had been granted by us.

### Outstanding Equity Awards at June 30, 2024

| Name             | Stock Options   |   |   |                             |                        | Stock Awards  |   |   |   |
|------------------|---|---|---|-----------------------------|------------------------|---|---|---|---|
|                  | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) | Option Exercise Prices (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Share or Units of Stock That Have Not Vested (\$) | Equity Incentive Plan Awards: Number of Usernamed Shares, Units or Rights That Have Not Been Issued (#) | Equity Incentive Plan Awards: Markey or Payout Value of Unearned Shares, Units or Rights That Have Not Been Issued (\$) |
| Jonathan Klamkin | 37,500(1)   | 62,500(1)   | -   | 2.10                        | 11/30/2032             | 108,261   | \$ 388,657(2)   | -   | -   |

(1) On November 30, 2022, we granted to Mr. Klamkin a stock option to purchase 100,000 shares of our common stock. The shares will vest in equal quarterly installments over the following four years, subject to continued service as of each such vesting date

(2) These shares were purchased pursuant to Founder's Restricted Stock Purchase Agreement between Mr. Klamkin and the Company on October 27, 2020. Mr. Klamkin purchased a total of 1,623,920 shares (represented 1,250,000 shares of Biond prior to the Merger) pursuant to the agreement. Pursuant to the agreement, 20% of the shares vested on the date the agreement was signed and starting on November 30, 2020 and for every month thereafter until employment termination, 1/48<sup>th</sup> of the remaining shares shall vest on the last day of each succeeding calendar month. The agreement also provides that if there is a change of control, like the Merger, and if Mr. Klamkin is terminated, other than for cause, during the period starting 90 days before the Merger and for a year thereafter, all unvested shares shall vest at the date of termination. Accordingly, as of June 30, 2024, 1,515,659 shares have vested. The market value of the unvested shares was based on \$3.59 per share, which was the closing price of our common stock on June 30, 2024.

## Compensation Paid to Directors

The following table provides a summary of compensation paid to directors, who are not also executive officers, during the fiscal year ended June 30, 2024. The only director who is also an executive director is Mr. Klamkin, whose compensation is included in the Summary Compensation table above.

| Director           | Fees Earned or<br>Paid in Cash<br>(\$) | Stock Awards<br>(\$) | Option Awards<br>(\$)(1)(2) | All Other<br>Compensation<br>(\$) | Total<br>(\$) |
|--------------------|--|----------------------|-----------------------------|-----------------------------------|---------------|
| Steven P. DenBaars | -                                      | -                    | 109,020                     | -                                 | 109,020       |
| Craig Ensley       | -                                      | -                    | 111,066(3)                  | -                                 | 111,066       |
| John Paglia        | -                                      | -                    | 34,170(4)                   | -                                 | 34,170        |

- (1) The dollar amounts in this column reflect the grant date fair value of stock option awards granted during the year ended June 30, 2024. These amounts have been calculated in accordance with FASB Accounting Standards Codification Topic 718.
- (2) On March 1, 2024, we granted Mr. DenBaars, Mr. Ensley and Mr. Paglia stock options to purchase 43,279 shares, 44,004 shares and 13,538 shares, respectively, of our common stock at a price of \$2.99. One quarter of the shares vested immediately and the remaining shares vest quarterly over nine months, subject to continued service as of each such vesting date.
- (3) We entered into an independent director agreement with Mr. Ensley, pursuant to which we issued him 29,014 stock options at a price of \$2.99 per share and provided him with standard indemnification. The terms of the option grants are as follows: 6,514 of the stock options shall vest on February 29, 2024, 7,500 stock options vested on May 31, 2024, 7,500 vested on August 31, 2024 and 7,500 shall vest on November 30, 2024; if Mr. Ensley resigns or is otherwise terminated, any unvested options will be immediately cancelled and he will have 90 days to exercise any earned, vested options. For each year of committee service, Mr. Ensley will receive an additional 15,500 options with vesting in equal quarterly increments. The agreement became effective as of December 14, 2023, and committee service commenced on February 10, 2022. As of June 30, 2024, 20,902 options have vested for Mr. Ensley pursuant to his independent director agreement.
- (4) We entered into an independent director agreement with Mr. Paglia, pursuant to which we issued him 125,000 stock options at a price of \$2.00 per share and provided him with standard indemnification. The terms of the option grants are as follows: 50,000 of the stock options shall vest in equal quarterly increments during the first year of directorship; an additional 37,500 shall vest in equal quarterly increments over the second and third year of the directorship, if re-elected; if the director is not re-elected, any unvested options are cancelled. For each year of committee service, Mr. Paglia will receive an additional 16,750 options with vesting in equal quarterly increments. The agreement became effective as of December 1, 2021, and committee service commenced on February 10, 2022. As of June 30, 2024, 154,912 options have vested for Mr. Paglia pursuant to his independent director agreement.

## Pension, Retirement or Similar Benefit Plans

With the exception of the executive officers that are eligible for participation in the company 401(k) plan, there are currently no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Cash or non-cash compensation may be paid to our executive officers, including stock options, at the discretion of the board of directors or a committee thereof.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of the date hereof, by:

- each of our named executive officers;
- each of our directors;
- all of our current directors and executive officers as a group; and
- each person, or group of affiliated persons, who beneficially owned more than 5% of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares of common stock that they beneficially owned, subject to applicable community property laws.

The percentage of shares beneficially owned is computed on the basis of 12,178,424 shares of common stock outstanding as of September 25, 2024. Shares of common stock that a person has the right to acquire within 60 days of September 25, 2024 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise indicated, the address of each beneficial owner in the table below is c/o Aeluma, 27 Castilian Drive, Goleta, California 93117.

|   | <b>Shares of<br/>Common<br/>Stock<br/>Beneficially<br/>Owned</b> | <b>Percentage<br/>of Common<br/>Stock<br/>Beneficially<br/>Owned</b> |
|---|--|--|
| <b>Directors and Named Executive Officers</b>               |  |  |
| Jonathan Klamkin, CEO, CFO and Director                     | 1,670,745(1)   | 13.7%  |
| Steven P. DenBaars, Director                                | 442,178(2)   | 3.6%   |
| Craig Ensley, Director                                      | 49,296(3)  | *  |
| John Paglia, Director                                       | 180,975(4)   | 1.5%   |
| All directors and executive officers as a group (4 persons) | 2,311,104  | 19.2%  |
| <b>5% Stockholders</b>                                      |  |  |
| Mark Tompkins   | 2,715,833  | 22.3%  |
| Lee McCarthy  | 977,425  | 8.0%   |

\* Less than 1%.

(1) Represents 1,626,995 shares held by Mr. Klamkin and 43,750 shares that vested pursuant to his stock options agreement through the date hereof.

(2) Represents 410,088 shares held by Mr. DenBaars and 32,090 that vested pursuant to Mr DenBaars's stock options and director agreement through the date hereof.

(3) Represents 16,667 shares held by Mr. Ensley and 32,629 that vested pursuant to Mr Ensley's stock options and director agreement through the date hereof.

(4) Represents 12,500 shares held by Mr. Paglia, 168,475 shares that vested pursuant to his stock options and director agreement through the date hereof.



## Securities Authorized for Issuance under Equity Compensation Plans

The following table discloses information as of the end of the period ending June 30, 2024, with respect to compensation plans (including individual compensation arrangements) under which our equity securities are authorized for issuance, aggregated as follows:

### Equity Compensation Plan Information

| Plan category  | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Shares of common stock remaining available for future issuance under equity compensation plans |
|--|---|---|--|
| Equity compensation plans approved by security holders     | 953,821   | \$ 2.45   | 1,732,925 <sup>(1)</sup>   |
| Equity compensation plans not approved by security holders | -   | -   | -  |
| <b>Total</b>   | <b>953,821</b>  | <b>\$ 2.31</b>  | <b>1,732,925</b>   |

(1) The number of shares reserved for issuance under our 2021 Plan (as defined below) was initially 980,000; such amount will increase automatically on January 1 of each of 2022 through 2031 by the number of shares equal to the lesser of 5% of the total number of outstanding shares of our common stock as of the immediately preceding December 31, or a number as may be determined by our board of directors. On January 1, 2023 and 2024, the number of shares reserved for issuance was increased by 565,850 shares and 608,396 shares, respectively. As of June 30, 2024, the number of shares available for future issuance under our 2021 Plan was 1,732,925.

#### Our 2021 Equity Incentive Plan

Pursuant to the Merger Agreement and upon the closing of the Merger, we adopted our 2021 Equity Incentive Plan (the “2021 Plan”), which provides for the issuance of incentive awards of stock options, restricted stock awards, restricted stock units, stock appreciation rights, performance awards, cash awards, and stock bonus awards. We initially reserved 980,000 shares of our common stock for issuance pursuant to awards granted under our 2021 Plan. The number of shares reserved for issuance under our 2021 Plan will increase automatically on January 1 of each of 2022 through 2031 by the number of shares equal to the lesser of 5% of the total number of outstanding shares of our common stock as of the immediately preceding December 31, or a number as may be determined by our board of directors. On January 1, 2023 and 2024, the number of shares reserved for issuance was increased by 565,850 shares and 608,396 shares, respectively. As of June 30, 2024, the number of shares available for future issuance under our 2021 Plan was 1,732,925.

#### Item 13. Certain Relationships and Related Transactions, and Director Independence.

Except as disclosed herein, no director, executive officer, shareholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since July 1, 2021, in which the amount involved in the transaction exceeds the lesser of \$120,000 or one percent of the average of our total assets at the year-end for the last two completed fiscal years.

The Company is party to that certain Advisory Agreement with Mr. DenBaars, one of our directors, dated as of December 31, 2020, pursuant to which Mr. DenBaars shall serve as an advisor to the Company. Under the agreement, as partial compensation for his advisory services, the Company granted Mr. DenBaars the right to purchase 32,805 shares of common stock (represents 25,252 shares of Biond common stock prior to the Merger) at a price \$0.008 per share; the shares have a four-year vesting schedule and Mr. DenBaars purchased such shares on February 4, 2021, prior to being appointed as one of our directors. The Advisory Agreement with Mr. DenBaars was amended on June 10, 2021 to reflect additional advisory services. Under this agreement, as partial compensation for his advisory service, the Company granted Mr. DenBaars the right to purchase an additional 213,198 shares of the Company’s common stock (represents 164,108 shares of Biond common stock prior to the Merger) at a price of \$0.015 per share; the shares have a two-year vesting schedule. Pursuant to the terms of his advisory agreements, 241,903 of the shares have vested as of the date of this Report.

**Participation in the Offering**

Certain of our existing investors, including investors affiliated with certain of our directors and prior directors, have purchased an aggregate of 116,666 shares of our common stock in the Offering, for an aggregate gross purchase price of \$349,998. Such purchases were made on the same terms as the shares that were sold to other investors in the Offering and not pursuant to any pre-existing contractual rights or obligations.

**Indemnification Agreements**

We maintain indemnification agreements with each of our current executive officers. The indemnification agreements and our restated bylaws will require us to indemnify our directors to the fullest extent not prohibited by Delaware General Corporation Law. Subject to very limited exceptions, our restated bylaws will also require us to advance expenses incurred by our directors and officers.

**Promoters and Certain Control Persons**

As per the definition of a “promoter” under the Securities Act, generally defined as anyone involved in the formation of the issuer, Mr. Tompkins, the incorporator of the Company, would be considered a “promoter.” Mr. Tompkins has 2,715,833 shares of the Company’s common stock in connection with incorporation, merger and private offerings. Mr. Tompkins’ shares are currently subject to a lock-up agreement with Aeluma pursuant to which he is restricted from selling or transferring his shares for a period of 18 months from the date shares of our common stock commence trading on the OTCQB or OTCQX market maintained by OTC Markets Group, the Nasdaq Stock Market, the New York Stock Exchange or the NYSE American.

The term “promoter” includes: i) any person who, acting alone or in conjunction with one or more persons, directly or indirectly takes initiative in founding and organizing the business or enterprise of an issue; or ii) any person who, in connection with the founding and organizing of the business or enterprise of an issuer, directly or indirectly receives in consideration of services or property, or both services and property, 10 percent or more of any class securities of the issuer or 10 percent or more of the proceeds from the sale of any class of such securities. However, a person who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this paragraph, if such person does not otherwise take part in founding and organizing the enterprise.

Other than Mr. Tompkins, there are no promoters being used in relation to this offering. No person who may, in the future, be considered a promoter will receive or expect to receive any assets, services or other consideration from the Company. No assets will be or are expected to be acquired from any promoter on behalf of the Company.

**Item 14. Principal Accounting Fees and Services.**

The following table shows the fees that were billed for the years ended June 30, 2024 and 2023.

|                    | Year Ended June 30, |           |
|--------------------|---------------------|-----------|
|                    | 2024                | 2023      |
| Audit fees         | \$ 66,000           | \$ 64,500 |
| Audit-related fees | 6,300               | 13,500    |
| Tax fees           | 7,300               | 7,250     |
| All other fees     | -                   | -         |
| Total              | \$ 86,600           | \$ 82,250 |

*Audit Fees* — This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with engagements for those fiscal years.

*Audit-related Fees* — This category consists of assurance and related services by the independent registered public accounting firm that is reasonably related to the performance of the audit or review of our financial statements and is not reported above under “Audit Fees.” The services for the fees disclosed under this category include consultation regarding our correspondence with the Securities and Exchange Commission, fees related to consents and other accounting consulting.

*Tax Fees* — This category consists of professional services rendered by our independent registered public accounting firm for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

*All Other Fees* — This category consists of fees for other miscellaneous items.

Our board of directors has adopted a procedure for pre-approval of all fees charged by our independent registered public accounting firm. Under the procedure, the board approves the engagement letter with respect to audit and review services. Other fees are subject to pre-approval by the board, or, in the period between meetings, by a designated member of the board. Any such approval by the designated member is disclosed to the entire board at the next meeting.

## PART IV

### Item 15. Exhibit and Financial Statement Schedules

#### (a) Financial Statements

We have filed the financial statements in Item 8. Financial Statements and Supplementary Data as a part of this report on Form 10-K.

#### (b) Exhibits

The following is a list of all exhibits filed or incorporated by reference as part of this report on Form 10-K.

| Exhibit No. | Description   |
|-------------|---|
| 2.1         | <a href="#">Agreement and Plan of Merger and Reorganization among Parc Investments, Inc., Aeluma Operating Co. and Biond Photonics, Inc. (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>   |
| 3.1         | <a href="#">Certificate of Merger relating to the merger of Aeluma Operating Co. with and into Biond Photonics, Inc., filed with the Secretary of State of the State of California on June 22, 2021 (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>      |
| 3.2         | <a href="#">Amended and Restated certificate of incorporation, filed with the Secretary of State of the State of Delaware on June 22, 2021 (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>   |
| 3.3         | <a href="#">Amended and Restated Bylaws (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>  |
| 4.1         | <a href="#">Form of Lock Up Agreement (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>  |
| 4.2         | <a href="#">Form of Placement Agent Warrant (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>  |
| 4.3         | <a href="#">Description of Securities (incorporated by reference to the annual Report on Form 10-K filed on September 25, 2023)</a>   |
| 10.2        | <a href="#">Form of Post-Merger Indemnification Agreement (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>  |
| 10.3        | <a href="#">Form of Pre-Merger Indemnification Agreement (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>   |
| 10.4        | <a href="#">Form of Subscription Agreement, dated June 22, 2021, by and between the Company and the parties thereto (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021) (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a> |
| 10.5        | <a href="#">Registration Rights Agreement, dated June 22, 2021, by and between the Company and the parties thereto (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>   |
| 10.6+       | <a href="#">2021 Equity Incentive Plan and form of award agreements (incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>  |
| 10.7        | <a href="#">Restricted Stock Purchase Agreement between Biond Photonics, Inc. and Mr. Klamkin (incorporated by reference to the Registration Statement on Form S-1/A filed on October 15, 2021)</a>   |
| 10.9        | <a href="#">Advisor Restricted Stock Purchase Agreement between Biond Photonics, Inc. and Mr. DenBaars, dated December 21, 2020 (incorporated by reference to the Registration Statement on Form S-1/A filed on October 15, 2021)</a>   |
| 10.10       | <a href="#">Advisor Restricted Stock Purchase Agreement between Biond Photonics, Inc. and Mr. DenBaars, dated June 10, 2021 (incorporated by reference to the Registration Statement on Form S-1/A filed on October 15, 2021)</a>   |
| 10.11       | <a href="#">Advisory Agreement between Biond Photonics, Inc. and Mr. DenBaars, dated December 31, 2020 (incorporated by reference to the Registration Statement on Form S-1/A filed on October 15, 2021)</a>  |
| 10.12       | <a href="#">Advisory Agreement between Biond Photonics, Inc. and Mr. DenBaars, dated June 10, 2021 (incorporated by reference to the Registration Statement on Form S-1/A filed on October 15, 2021)</a>  |
| 10.14       | <a href="#">Director Agreement by and between the Company and John Paglia (incorporated by reference to the Current Report on Form 8-K filed on November 30, 2021)</a>  |

|         |  |
|---------|--|
| 10.15   | <a href="#">Subscription Agreement (incorporated by reference to the Current Report on Form 8-K filed on December 23, 2022)</a>          |
| 10.16   | <a href="#">Registration Rights Agreement (incorporated by reference to the Current Report on Form 8-K filed on December 23, 2022)</a>   |
| 10.17   | <a href="#">Form of Note Purchase Agreement (incorporated by reference to the Current Report on Form 8-K filed on August 30, 2024)</a>   |
| 10.18   | <a href="#">Form of Note (incorporated by reference to the Current Report on Form 8-K filed on August 30, 2024)</a>                      |
| 14.1    | <a href="#">Code of Ethics (incorporated by reference to the annual Report on Form 10-K filed on September 25, 2023)</a>                 |
| 16.1    | Reserved.  |
| 21.1    | <a href="#">Subsidiaries of the Registrant (Incorporated by reference to the Current Report on Form 8-K filed on June 28, 2021)</a>      |
| 31.1    | <a href="#">Certification of Chief Executive Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002</a>                           |
| 31.2    | <a href="#">Certification of Principal Financial Officer Pursuant to Section 302 of Sarbanes-Oxley Act of 2002</a>                       |
| 32.1    | <a href="#">Certification of Chief Executive Officer Pursuant to Section 906 of Sarbanes-Oxley Act of 2002</a>                           |
| 32.2    | <a href="#">Certification of Principal Financial Officer Pursuant to Section 906 of Sarbanes-Oxley Act of 2002</a>                       |
| 97.1    | <a href="#">Policy Relating to Recovery of Erroneously Awarded Compensation</a>  |
| 99.1    | <a href="#">Audit Committee Charter (incorporated by reference to the annual Report on Form 10-K filed on September 25, 2023)</a>        |
| 99.2    | <a href="#">Nominating Committee Charter (incorporated by reference to the annual Report on Form 10-K filed on September 25, 2023)</a>   |
| 99.3    | <a href="#">Compensation Committee Charter (incorporated by reference to the annual Report on Form 10-K filed on September 25, 2023)</a> |
| 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).  |

+ Indicates a management contract or compensatory plan, contract, or arrangement.

\* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 herewith are deemed to accompany this Form 10-K and will not be deemed filed for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act.

**Item 16. Form 10-K Summary.**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

### Aeluma, Inc.

Date: September 27, 2024

By: /s/ Jonathan Klamkin  
Name: Jonathan Klamkin  
Title: President, Chief Executive Officer and  
Principal Financial Officer (Principal  
Executive Officer and Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and indicated below on September 27, 2024.

| <u>Signature</u>                                | <u>Title</u>  |
|---|---|
| <u>/s/ Jonathan Klamkin</u><br>Jonathan Klamkin | Chairman, Chief Executive Officer, Principal Financial Officer and President<br>(Principal Executive Officer & Principal Financial Officer) |
| <u>/s/ Steven DenBaars</u><br>Steven DenBaars   | Director  |
| <u>/s/ Craig Ensley</u><br>Craig Ensley         | Director  |
| <u>/s/ John Paglia</u><br>John Paglia           | Director  |

I, Jonathan Klamkin, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended June 30, 2024 of Aeluma, 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 quarterly 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: September 27, 2024

/s/ Jonathan Klamkin  
Jonathan Klamkin  
Chief Executive Officer  
(Principal Executive Officer)

I, Jonathan Klamkin, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended June 30, 2024 of Aeluma, 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 quarterly 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: September 27, 2024

/s/ Jonathan Klamkin

Jonathan Klamkin  
Chief Finance Officer  
(Principal Financial and Accounting Officer)



**Certification Pursuant To  
Section 906 of Sarbanes-Oxley Act of 2002**

I, Jonathan Klamkin, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Annual report on Form 10-K of Aeluma, Inc. for the fiscal year ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (U.S.C. 78m or 78o(d)); 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: September 27, 2024

/s/ Jonathan Klamkin

Jonathan Klamkin  
Chief Executive Officer  
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of a separate disclosure document.

**Certification Pursuant To  
Section 906 of Sarbanes-Oxley Act of 2002**

I, Jonathan Klamkin, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Annual report on Form 10-K of Aeluma, Inc. for the fiscal year ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (U.S.C. 78m or 78o(d)); 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: September 27, 2024

/s/ Jonathan Klamkin

Jonathan Klamkin

Chief Finance Officer

(Principal Financial and Accounting Officer)

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of a separate disclosure document.

AELUMA, INC..  
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED INCENTIVE COMPENSATION

Adopted September 27, 2024

**1. INTRODUCTION**

Aeluma, Inc. (the “*Company*”) is adopting this policy (this “*Policy*”) to provide for the Company’s recovery of certain Incentive Compensation (as defined below) erroneously awarded to Affected Officers (as defined below) under certain circumstances.

This Policy is administered by the Compensation Committee (the “*Committee*”) of the Company’s Board of Directors (the “*Board*”). The Committee shall have full and final authority to make any and all determinations required or permitted under this Policy. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all parties. The Board may amend or terminate this Policy at any time.

This Policy is intended to comply with Section 10D of the Securities and Exchange Act of 1934, as amended (the “*Exchange Act*”), Rule 10D-1 thereunder and the applicable rules of any national securities exchange on which the Company’s securities are listed (the “*Exchange*”) and will be interpreted and administered consistent with that intent.

**2. EFFECTIVE DATE**

This Policy shall apply to all Incentive Compensation paid or awarded on or after the date of adoption of this Policy, and to the extent permitted or required by applicable law.

**3. DEFINITIONS**

For purposes of this Policy, the following terms shall have the meanings set forth below:

“*Affected Officer*” means any current or former “officer” as defined in Exchange Act Rule 16a-1, and any other senior executives as determined by the Committee.

“*Erroneously Awarded Compensation*” means the amount of Incentive Compensation received that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the Restatement, computed without regard to any taxes paid. In the case of Incentive Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Restatement, the amount shall reflect a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was received, as determined by the Committee in its sole discretion. The Committee may determine the form and amount of Erroneously Awarded Compensation in its sole discretion.

“*Financial Reporting Measure*” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, whether or not such measure is presented within the financial statements or included in a filing with the Securities and Exchange Commission. Stock price and total shareholder return are Financial Reporting Measures.

“*Incentive Compensation*” means any compensation that is granted, earned or vested based in whole or in part on the attainment of a Financial Reporting Measure. For purposes of clarity, base salaries, bonuses or equity awards paid solely upon satisfying one or more subjective standards, strategic or operational measures, or continued employment are not considered Incentive Compensation, unless such awards were granted, paid or vested based in part on a Financial Reporting Measure.

“*Restatement*” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (i.e., a “Big R” restatement), or that would result in a material misstatement if the error was corrected in the current period or left uncorrected in the current period (i.e., a “little r” restatement).

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#### 4. RECOVERY

If the Company is required to prepare a Restatement, the Company shall seek to recover and claw back from any Affected Officer reasonably promptly the Erroneously Awarded Compensation that is received by the Affected Officer:

- (i) after the person begins service as an Affected Officer;
- (ii) who serves as an Affected Officer at any time during the performance period for that Incentive Compensation;
- (iii) while the Company has a class of securities listed on the Exchange; and

(iv) during the three completed fiscal years immediately preceding the date on which the Company was required to prepare the Restatement (including any transition period within or immediately following those years that results from a change in the Company's fiscal year, provided that a transition period of nine to 12 months will be deemed to be a completed fiscal year).

For purposes of this Policy:

- Erroneously Awarded Compensation is deemed to be received in the Company's fiscal year during which the Financial Reporting Measure specified in the Incentive Compensation is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period; and
- the date the Company is required to prepare a Restatement is the earlier of (x) the date the Board, the Committee or any officer of the Company authorized to take such action concludes, or reasonably should have concluded, that the Company is required to prepare the Restatement, or (y) the date a court, regulator, or other legally authorized body directs the Company to prepare the Restatement.

For purposes of clarity, in no event shall the Company be required to award any Affected Officers an additional payment or other compensation if the Restatement would have resulted in the grant, payment or vesting of Incentive Compensation that is greater than the Incentive Compensation actually received by the Affected Officer. The recovery of Erroneously Awarded Compensation is not dependent on if or when the Restatement is filed.

#### 5. SOURCES OF RECOUPMENT

To the extent permitted by applicable law, the Committee may, in its discretion, seek recoupment from the Affected Officer(s) through any means it determines, which may include any of the following sources: (i) prior Incentive Compensation payments; (ii) future payments of Incentive Compensation; (iii) cancellation of outstanding Incentive Compensation; (iv) direct repayment; and (v) non-Incentive Compensation or securities held by the Affected Officer. To the extent permitted by applicable law, the Company may offset such amount against any compensation or other amounts owed by the Company to the Affected Officer.

**6. LIMITED EXCEPTIONS TO RECOVERY**

Notwithstanding the foregoing, the Committee, in its discretion, may choose to forgo recovery of Erroneously Awarded Compensation under the following circumstances, provided that the Committee (or a majority of the independent members of the Board) has made a determination that recovery would be impracticable because:

- (i) The direct expense paid to a third party to assist in enforcing this Policy would exceed the recoverable amounts; provided that the Company has made a reasonable attempt to recover such Erroneously Awarded Compensation, has documented such attempt and has (to the extent required) provided that documentation to the Exchange;
- (ii) Recovery would violate home country law where the law was adopted prior to November 28, 2022, and the Company provides an opinion of home country counsel to that effect to the Exchange that is acceptable to the Exchange; or
- (iii) Recovery would likely cause an otherwise tax-qualified retirement plan to fail to meet the requirements of the Internal Revenue Code of 1986, as amended.

**7. NO INDEMNIFICATION OR INSURANCE**

The Company will not indemnify, insure or otherwise reimburse any Affected Officer against the recovery of Erroneously Awarded Compensation.

**8. NO IMPAIRMENT OF OTHER REMEDIES**

This Policy does not preclude the Company from taking any other action to enforce an Affected Officer's obligations to the Company, including termination of employment, institution of civil proceedings, or reporting of any misconduct to appropriate government authorities. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer.