

November 8, 2017



Energous Corporation Reports Third Quarter 2017 Financial Results

SAN JOSE, CA -- (Marketwired) -- 11/08/17 --[Energous Corporation](#) (NASDAQ: WATT), the developer of WattUp[®], a revolutionary wire-free, over-the-air, power-at-a-distance charging technology, today announced financial results for the third quarter ended September 30, 2017, and provided an update on its operational progress.

Recent Highlights

- Energous completed first ever commercial shipment of silicon chips in October through its partner Dialog Semiconductor
- Increased its patent count to 89 (33 patents / 56 allowed applications) as of November 8, from 69 as of September 30, and 54 as of June 30

Third Quarter Highlights

- Continued toward FCC certification for Mid Field transmitter with Energous successful completion of additional tests
- Introduced GaN-based high power near field charging solution, designed for larger devices such as smartphones, tablets and smart speakers
- Received additional \$15 Million investment from strategic component supplier, Dialog Semiconductor
- Successfully completed key engineering milestone projects with the company's Tier 1 strategic partner
- Recognized \$250,000 in engineering services revenue for the 2017 third quarter
- Reduced cash burn rate to \$7.8 million in the quarter, on lower cash expenses

"Energous recently marked another major milestone by shipping, through our partner Dialog, our first ever WattUp chipsets in October. In the third quarter we worked with our Telecommunications Certification Board, or TCB, to successfully complete additional tests and provide additional documentation in the form of a compliance document to the FCC as part of the certification process for the first at-a-distance wireless charging transmitter. We also focused our resources on a sub-set of opportunities that represent the fastest path to shipment of WattUp enabled consumer products and meaningful revenues," said Stephen R. Rizzone, president and CEO. "We continue to execute on the long-term vision of delivering the next generation of wireless power solutions that provide high power, fast charging contact-based solutions along with the unique ability to charge at-a-distance, offering the utility and flexibility consumers are seeking."

Unaudited 2017 Third Quarter Financial Results

For the third quarter ended September 30, 2017, Energous recorded:

- Revenue of \$250,000
- Operating expenses of \$13.0 million (GAAP), comprised of \$8.7 million in research and development, \$3.1 million in general and administrative costs, and \$1.1 million in sales and marketing expenses
- Net loss of \$12.7 million, or a loss of \$0.58 per basic and diluted share
- Adjusted EBITDA (a non-GAAP financial measure) loss of \$7.9 million
- \$20.2 million in cash and cash equivalents at the end of the third quarter, with no debt, inclusive of the investment by Dialog Semiconductor

2017 Third Quarter Conference Call

Energous will host a conference call to discuss its financial results, recent progress and prospects for the future.

When : Wednesday, November 8, 2017

Time: 1:30 p.m. PT (4:30 p.m. ET)

Phone: 866-235-9911 (domestic); 412-317-1083 (international)

Replay: Accessible through November 15, 2017

877-344-7529 (domestic); 412-317-0088 (international); passcode 10113490

Webcast: Accessible at Energous.com; archive available for approximately one year

Note about Non-GAAP Financial Measures

In addition to the unaudited results presented in accordance with generally accepted accounting principles, or GAAP, in this press release, Energous presents adjusted EBITDA, which is a non-GAAP financial measure. Adjusted EBITDA is determined by taking net loss and eliminating the impacts of interest, taxes, depreciation, amortization, and stock-based compensation. The company's definition of adjusted EBITDA may not be comparable to the definitions of similarly-titled measures used by other companies. Energous believes that this non-GAAP financial measure, viewed in addition to and not in lieu of its reported GAAP results, provides useful information to investors by providing a more focused measure of operating results. This metric is used as part of the company's internal reporting to evaluate its operations and the performance of senior management. A table reconciling this measure to the comparable GAAP measure is available in the accompanying financial tables below.

About Energous Corporation

Energous Corporation is the developer of WattUp® -- an award-winning, wire-free charging technology that will transform the way consumers and industries charge and power electronic devices at home, in the office, in the car and beyond. WattUp is a revolutionary radio frequency (RF) based charging solution that delivers intelligent, scalable power via radio bands, similar to a Wi-Fi router. WattUp differs from older wireless charging systems in that it delivers contained power, at a distance, to multiple devices -- thus resulting in a wire-free experience that saves users from having to remember to plug in their devices. For more information, please visit Energous.com.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the "safe harbor" created by those sections. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "will," "should," "could," "seek," "intend," "plan," "estimate," "anticipate" or other comparable terms. All statements in this release that are not based on historical fact are "forward-looking statements." Examples of forward-looking statements include, among others, our statements about our ability to develop and successfully commercialize important new technology, and the timing for receipt of required regulatory approvals, chipset orders and customers' product launches. While management has based its forward-looking statements in this release on its current expectations, the information on which those expectations were based may change. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: our ability to develop a commercially feasible technology; receipt of necessary regulatory approvals; timing and amount of new revenues; dependence on an exclusive component provider for WattUp technology for sales and distribution; ability to find and maintain development partners and licensees, market acceptance of our technology, the amount and nature of competition in our industry; our ability to protect our intellectual property; and the other risks and uncertainties described in the Risk Factors and in Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our most recent annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q. We urge you to consider those risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Except as otherwise required by the federal securities laws, we disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

-- Financial Tables Follow --

Energous Corporation
BALANCE SHEETS
(Unaudited)

	As of	
	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,223,859	\$ 31,258,637

Accounts receivable	250,500	149,500
Prepaid expenses and other current assets	719,931	1,374,585
Prepaid rent, current	80,784	80,784
Total current assets	<u>21,275,074</u>	<u>32,863,506</u>
Property and equipment, net	1,724,500	2,209,475
Prepaid rent, non-current	76,864	137,452
Other assets	32,512	48,507
Total assets	<u>\$ 23,108,950</u>	<u>\$ 35,258,940</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 2,169,930	\$ 4,707,763
Accrued expenses	1,658,816	1,867,995
Deferred revenue	29,136	131,959
Total current liabilities	<u>3,857,882</u>	<u>6,707,717</u>

Stockholders' equity:

Preferred Stock, \$0.00001 par value,
10,000,000 shares authorized at September 30,
2017 and

December 31, 2016; no shares issued
or outstanding.

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Common Stock, \$0.00001 par value, 50,000,000
shares authorized at September 30, 2017 and
December 31, 2016; 22,162,643
and 20,367,929 shares issued and outstanding
at
September 30, 2017 and December 31, 2016,
respectively.

220 202

Additional paid-in capital

181,915,820 153,075,595

Accumulated deficit

(162,664,972) (124,524,574)

Total stockholders' equity

19,251,068 28,551,223

Total liabilities and stockholders' equity

\$ 23,108,950 \$ 35,258,940

Energous Corporation **STATEMENTS OF OPERATIONS** **(Unaudited)**

For the Three Months Ended		For the Nine Months Ended	
September 30,		September 30,	
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>

Revenue:

Engineering product

development	\$ 250,000	\$ 1,003,973	\$ 1,124,874	\$ 1,322,155
Total revenue	<u>250,000</u>	<u>1,003,973</u>	<u>1,124,874</u>	<u>1,322,155</u>
Operating expenses:				
Research and development	8,743,434	7,944,465	25,788,621	23,080,918
Sales and marketing	1,141,852	736,751	3,924,617	2,189,995
General and administrative	<u>3,116,337</u>	<u>2,450,778</u>	<u>9,560,651</u>	<u>7,266,843</u>
Total operating expenses	<u>13,001,623</u>	<u>11,131,994</u>	<u>39,273,889</u>	<u>32,537,756</u>
Loss from operations	(12,751,623)	(10,128,021)	(38,149,015)	(31,215,601)
Other income (expense):				
Loss on sales of property and equipment, net	-	-	(726)	-
Interest income	<u>3,375</u>	<u>2,958</u>	<u>9,343</u>	<u>9,441</u>
Total	<u>3,375</u>	<u>2,958</u>	<u>8,617</u>	<u>9,441</u>
Net loss	<u>\$ (12,748,248)</u>	<u>\$ (10,125,063)</u>	<u>\$ (38,140,398)</u>	<u>\$ (31,206,160)</u>
Basic and diluted net loss per common share	<u>\$ (0.58)</u>	<u>\$ (0.57)</u>	<u>\$ (1.81)</u>	<u>\$ (1.83)</u>
Weighted average shares outstanding, basic and diluted	<u>21,958,729</u>	<u>17,912,743</u>	<u>21,034,391</u>	<u>17,016,717</u>

Energous Corporation
Reconciliation of Non-GAAP Information
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net loss (GAAP)	\$ (12,748,248)	\$ (10,125,063)	\$ (38,140,398)	\$ (31,206,160)
Add (subtract) the following items:				
Interest income	(3,375)	(2,958)	(9,343)	(9,441)
Depreciation and amortization	317,411	254,041	999,396	628,613
Stock-based compensation	<u>4,568,716</u>	<u>1,860,697</u>	<u>12,472,870</u>	<u>5,405,908</u>

Adjusted EBITDA (non-
GAAP)

\$ (7,865,496) \$ (8,013,283) \$ (24,677,475) \$ (25,181,080)

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Source: Energous Corporation