



Energous Corporation Reports Fourth Quarter and Full Year 2017 Financial Results

SAN JOSE, CA -- (Marketwired) -- 02/15/18 -- [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 fourth quarter and full year ended Dec. 31, 2017, and provided an update on its operational progress.

Recent Highlights

- Completed \$40 million at-the-market equity offering
- Bolstered regulatory expertise with the appointment of Daniel Lawless, VP of Regulatory Affairs, and added Sheryl Wilkerson to its Board of Advisors
- Increased patent count to 125 (75 patents/50 allowed applications as of Feb. 14, 2018)
- Demonstrated latest WattUp Enabled products at CES 2018 from Myant and SK Telesys/Delight

Fourth Quarter Highlights

- Achieved FCC Part 18 Certification for its Mid Field WattUp transmitter, which sends focused, RF-based power to devices at a distance
- Introduced customers who are integrating WattUp technology into products that are expected to begin commercial shipments in 2018
- Reduced quarterly cash burn to \$7.8 million, on lower cash expenses

"With our recent FCC Part 18 certification and the completion of a \$40 million equity transaction, Energous is well-positioned to continue executing on the vision of a WattUp-enabled wireless charging ecosystem," said Stephen R. Rizzone, president and CEO. "Capitalizing on the momentum from an exceptionally strong CES, our focus in 2018 is to continue the expansion of our customer engagements with the expectation of seeing multiple WattUp-enabled products launched to the global market, resulting in significant revenue growth."

Unaudited 2017 Fourth Quarter Financial Results

For the fourth quarter ended Dec. 31, 2017, Energous recorded:

- Revenue of approximately \$29,000
- Operating expenses of \$11.3 million (GAAP), comprised of \$7.4 million in research and development, \$2.5 million in general and administrative costs, and \$1.3 million

in sales and marketing expenses

- Net loss of \$11.2 million, or a loss of \$0.50 per basic and diluted share
- Adjusted EBITDA (a non-GAAP financial measure) loss of \$7.6 million
- \$12.8 million in cash and cash equivalents at the end of the fourth quarter, with no debt, exclusive of the \$40 million at-the-market equity offering in January

Unaudited 2017 Full-Year Financial Results

For the year ended Dec. 31, 2017, Energous recorded:

- Revenue of approximately \$1.2 million
- Operating expenses of \$50.5 million, comprised of \$33.2 million in research and development, \$12.1 million in general and administrative costs, and \$5.2 million in sales and marketing
- Net loss of \$49.4 million, or a loss of \$2.31 per basic and diluted share
- Adjusted EBITDA (a non-GAAP financial measure) loss of \$32.3 million

2017 Fourth Quarter and Year End Conference Call

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

When : Thursday, Feb. 15, 2018

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

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

Replay: Accessible through Feb. 28, 2018

877-344-7529 (domestic); 412-317-0088 (international); passcode 10117030

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 the timing of required regulatory approvals, number and timing of potential orders and customers' product launches, and commercialization of our technology. While management bases 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 commercially feasible technologies; receipt of necessary regulatory approvals; timing and amount of new orders and revenue recognition; dependence on an exclusive component provider for WattUp technology for sales and distribution; market acceptance of our technology; the extent of competition in our industry; our ability to protect our intellectual property; and 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 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 | |
|---|----------------------|----------------------|
| | December 31, 2017 | December 31, 2016 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 12,795,254 | \$ 31,258,637 |
| Accounts receivable | - | 149,500 |
| Prepaid expenses and other current assets | 1,026,310 | 1,374,585 |
| Prepaid rent, current | 80,784 | 80,784 |
| Total current assets | <u>13,902,348</u> | <u>32,863,506</u> |
| Property and equipment, net | 1,413,917 | 2,209,475 |
| Prepaid rent, non-current | 56,668 | 137,452 |
| Other assets | 32,512 | 48,507 |
| Total assets | <u>\$ 15,405,445</u> | <u>\$ 35,258,940</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|---|----------------------|----------------------|
| Current liabilities: | | |
| Accounts payable | \$ 2,024,690 | \$ 4,707,763 |
| Accrued expenses | 1,622,025 | 1,867,995 |
| Deferred revenue | - | 131,959 |
| Total current liabilities | <u>3,646,715</u> | <u>6,707,717</u> |
| Stockholders' equity: | | |
| Preferred Stock, \$0.00001 par value, 10,000,000 shares authorized at December 31, 2017 and December 31, 2016; no shares issued or outstanding. | - | - |
| Common Stock, \$0.00001 par value, 50,000,000 shares authorized at December 31, 2017 and December 31, 2016; 22,584,588 and 20,367,929 shares issued and outstanding at December 31, 2017 and December 31, 2016, respectively. | 225 | 202 |
| Additional paid-in capital | 185,659,954 | 153,075,595 |
| Accumulated deficit | <u>(173,901,449)</u> | <u>(124,524,574)</u> |
| Total stockholders' equity | <u>11,758,730</u> | <u>28,551,223</u> |
| Total liabilities and stockholders' equity | <u>\$ 15,405,445</u> | <u>\$ 35,258,940</u> |

Energous Corporation
STATEMENTS OF OPERATIONS
(Unaudited)

| For the Three Months Ended | | For the Twelve | |
|----------------------------|------|---------------------------|------|
| December 31, | | Months Ended December 31, | |
| 2017 | 2016 | 2017 | 2016 |

| | | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| Revenue: | | | | |
| Engineering product development | \$ 29,135 | \$ 129,786 | \$ 1,154,009 | \$ 1,451,941 |
| Total revenue | <u>29,135</u> | <u>129,786</u> | <u>1,154,009</u> | <u>1,451,941</u> |
| Operating expenses: | | | | |
| Research and development | 7,442,047 | 9,751,759 | 33,230,668 | 32,832,677 |
| Sales and marketing | 1,283,129 | 1,011,554 | 5,207,746 | 3,201,549 |
| General and administrative | <u>2,542,772</u> | <u>3,981,592</u> | <u>12,103,423</u> | <u>11,248,435</u> |
| Total operating expenses | <u>11,267,948</u> | <u>14,744,905</u> | <u>50,541,837</u> | <u>47,282,661</u> |
| Loss from operations | (11,238,813) | (14,615,119) | (49,387,828) | (45,830,720) |
| Other income (expense): | | | | |
| Interest income | 2,336 | 3,885 | 11,679 | 13,326 |
| Loss on sales of property and equipment, net | <u>-</u> | <u>-</u> | <u>(726)</u> | <u>-</u> |
| Total | <u>2,336</u> | <u>3,885</u> | <u>10,953</u> | <u>13,326</u> |
| Net loss | <u>\$ (11,236,477)</u> | <u>\$ (14,611,234)</u> | <u>\$ (49,376,875)</u> | <u>\$ (45,817,394)</u> |
| Basic and diluted net loss per common share | <u>\$ (0.50)</u> | <u>\$ (0.75)</u> | <u>\$ (2.31)</u> | <u>\$ (2.60)</u> |
| Weighted average shares outstanding, basic and diluted | <u>22,258,769</u> | <u>19,532,158</u> | <u>21,343,001</u> | <u>17,649,013</u> |

Energous Corporation
Reconciliation of Non-GAAP Information
(Unaudited)

| | For the Three Months Ended December 31, | | For the Twelve Months Ended December 31, | |
|-------------------------------------|--|-----------------|---|-----------------|
| | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> |
| Net loss (GAAP) | \$ (11,236,477) | \$ (14,611,234) | \$ (49,376,875) | \$ (45,817,394) |
| Add (subtract) the following items: | | | | |
| Interest income | (2,336) | (3,885) | (11,679) | (13,326) |
| Depreciation and amortization | 310,584 | 329,223 | 1,309,980 | 957,836 |
| Stock-based | | | | |

| | | | | |
|----------------------------|-----------------------|------------------------|------------------------|------------------------|
| compensation | <u>3,329,949</u> | <u>4,102,267</u> | <u>15,802,819</u> | <u>9,508,175</u> |
| Adjusted EBITDA (non-GAAP) | <u>\$ (7,598,280)</u> | <u>\$ (10,183,629)</u> | <u>\$ (32,275,755)</u> | <u>\$ (35,364,709)</u> |

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