
**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 December 31, 2024

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

For the transition period from _____ to _____

Commission file number: 001-36379



ENERGIOUS CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

3590 North First Street, Suite 210, San Jose, CA
(Address of Principal Executive Offices)

46-1318953
(I.R.S. Employer Identification No.)

95134
(Zip Code)

(408) 963-0200
(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 each exchange on which registered
Common Stock, \$0.00001 par value	WATT	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

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 Section 15(d) of the 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 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
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

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

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 in Rule 12b-2 of the Act): Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter was \$7,047,030. Solely for the purposes of this calculation, shares held by directors, executive officers and 10% owners of the registrant have been excluded. Such exclusion should not be deemed a determination or an admission by the registrant that such individuals are, in fact, affiliates of the registrant.

As of February 26, 2025, there were 30,436,726 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates certain information by reference from the registrant's proxy statement for the 2025 annual meeting of stockholders to be filed with the Securities and Exchange Commission no later than 120 days after the end of the registrant's fiscal year ended December 31, 2024.

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K (this “Report”) of the Company 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 other than statements of historical facts included in this Report regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding proposed business strategy; market opportunities; regulatory approval; expectations for current and potential business relationships; expectations for revenues, cash flows and financial performance; payment of future dividends; use of our at-the-market (“ATM”) offering program; our liquidity position and capital resources; the impact of certain market risk exposures on our financial condition, results of operations or cash flows; and anticipated results of research and development efforts. These forward-looking statements are based on our current information and beliefs. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are unpredictable and many of which are outside of our control. Actual results may differ materially from what is anticipated, so you should not rely on these forward-looking statements. Important factors that could cause actual outcomes to differ materially from those indicated in the forward-looking statements include, among others, the following: our ability to successfully execute our commercialization strategy for our products that have received regulatory certification; receipt of necessary regulatory approval; our ability to find and maintain development partners; market acceptance of our technology; competition in our industry; protection of our intellectual property; and other risks and uncertainties described in the Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations sections of this Report and our subsequently filed Quarterly Reports on Form 10-Q. We undertake no obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

As used in this Report, unless the context otherwise requires, the terms “we,” “us,” “our,” and “Energous” refer to Energous Corporation, a Delaware corporation (d/b/a Energous Wireless Power Solutions).

ENERGOUS CORPORATION
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PART I

Item 1. Business

Overview

We have developed a scalable, over-the-air Wireless Power Network (“WPN”) technology that integrates advanced semiconductor chipsets, software controls, hardware designs, and antenna systems to enable radio frequency (“RF”)-based charging for Internet of Things (“IoT”) devices. Our WPN technology provides a comprehensive suite of capabilities designed to power the next generation of wireless energy networks, seamlessly delivering power and data across diverse, battery-free device ecosystems. This innovation enhances operational visibility, control, and intelligent business automation.

Our solutions support both near-field and at-a-distance wireless charging, supplying power at multiple levels across varying distances. By enabling continuous wireless power transmission, our transmitter and receiver technologies facilitate the use of battery-free IoT devices, transforming asset and inventory tracking across multiple industries. Key applications include retail sensors, electronic shelf labels, asset trackers, air quality monitors, motion detectors, and other smart monitoring solutions.

We believe our technology represents a breakthrough in wireless power delivery, offering a differentiated approach to charging IoT devices via RF technology. To date, we have developed and released multiple transmitter and receiver solutions, including prototypes and partner production designs. Our transmitters vary in form factor, power specifications, and operating frequencies, while our receivers are engineered to support a wide range of wireless charging applications across multiple device categories, including:

Device Type	Application
RF Tags	Cold Chain, Asset Tracking, Medical IoT
IoT Sensors	Cold Chain, Logistics, Asset Tracking
Electronic Shelf Labels	Retail and Industrial IoT

The first WPN-enabled end product featuring our technology entered the market in 2019. In the fourth quarter of 2021, we commenced shipments of our first at-a-distance wireless PowerBridge transmitter systems for commercial IoT applications and proof-of-concept deployments. As we continue to innovate our technology applications, we anticipate the release of additional wireless power-enabled products.

Our common stock is listed on The Nasdaq Capital Market under the symbol “WATT.” Incorporated in Delaware in 2012, our corporate headquarters is located at 3590 North First Street, Suite 210, San Jose, CA 95134. Additional information is available on our website at www.energous.com. The information contained on, or that may be obtained from our website, is not, and shall not be deemed to be, part of this Report.

Our Business Strategy

We believe that a large market opportunity lies in wire-free, low-power charging at-a-distance, which might develop as the Wi-Fi ecosystem develops. The goal is to ensure interoperability between transmitters and receivers that are based on our technology, regardless of who makes them, installs them into finished goods, or markets them. The implementation of previous ubiquitous solutions, such as Wi-Fi and Bluetooth, illustrates our goal. For example, Wi-Fi routers, regardless of their designer or manufacturer, work with Wi-Fi receivers installed in consumer electronics, regardless of manufacturer. We endeavor to:

- Build multiple integrated circuits (“ICs”) to advance our technology;
- Develop, license, and manufacture a complete transmitter system solutions to enable wireless power network growth;
- Develop reference designs to reduce early adopter risks, enable easier integration at lower costs, and foster adoption;

- Continue to build additional value by converging networking, power, and data to provide smarter vertical solutions in the retail, industrial, healthcare, and logistic markets through our PowerBridge products designed for powering next generation IoT devices. Our first applications include RF tags, electronic shelf labels (“ESLs”) and IoT sensors;
- Partner with leading technology providers, systems integrators, and value-added resellers (“VARs”);
- Provide cost effective benefits to customers in terms of utility and convenience;
- Develop and execute a strategy to gain global regulatory approval for ubiquitous unlimited distance charging; and
- Support the AirFuel Alliance (“AFA”), which recently announced that AirFuel RF, the radio frequency-based wireless charging technology from AFA, is now an industry standard, underpinning the compatibility of our WPN technology across a variety of vendors and development of a common user experience at the application level.

For our technology to become a ubiquitous solution for charging at-a-distance, we intend to pursue and build an ecosystem strategy, engaging not only potential customers for our transmitter, receiver, and power amplifier IC’s and solutions but also their upstream and downstream value chain partners. We intend to capitalize on our first-to-market advantage and prioritize protection of our intellectual property portfolio, as we believe this strategy will increase the barrier to entry for a competing platform to gain a solid foothold in the RF-based wireless charging market and compete with our technology in a meaningful way.

To engage with potential customers, we offer several evaluation kits consisting of a transmitter and a receiver along with a custom software application, allowing potential strategic partners to test the technology in their labs. The kits form a base “building block” component that is scalable to meet the needs of specific applications.

To validate our technology, we originally engaged with customers that were smaller, more nimble early adopters with relatively short product cycles, with the aim of shipping fully integrated WPN solutions to customers as quickly as possible. As the market and our technology reaches a more mature phase, we are now engaging larger, top-tier customers able to use our WPN solutions in mass quantities. We are also working with companies with much longer product cycles in multiple vertical markets to integrate our technology into a cost-effective strategic solution specific to their respective use cases.

Impact of Current Global Economic Conditions on Our Business

Uncertainty in the global economy presents significant risks to our business. We are subject to continuing exposure relating to the current macroeconomic environment, including inflation and rising interest rates, geopolitical factors, including the ongoing conflict between Russia and Ukraine as well as in the Middle East and the responses thereto, and supply chain disruptions. We are closely monitoring the impact of these factors on all aspects of our business, including their impact on our operations, financial position, cash flow, inventory, supply chains, global regulatory approvals, purchasing trends, customer payments, and the industry in general, in addition to the impact on our employees.

Our Technology

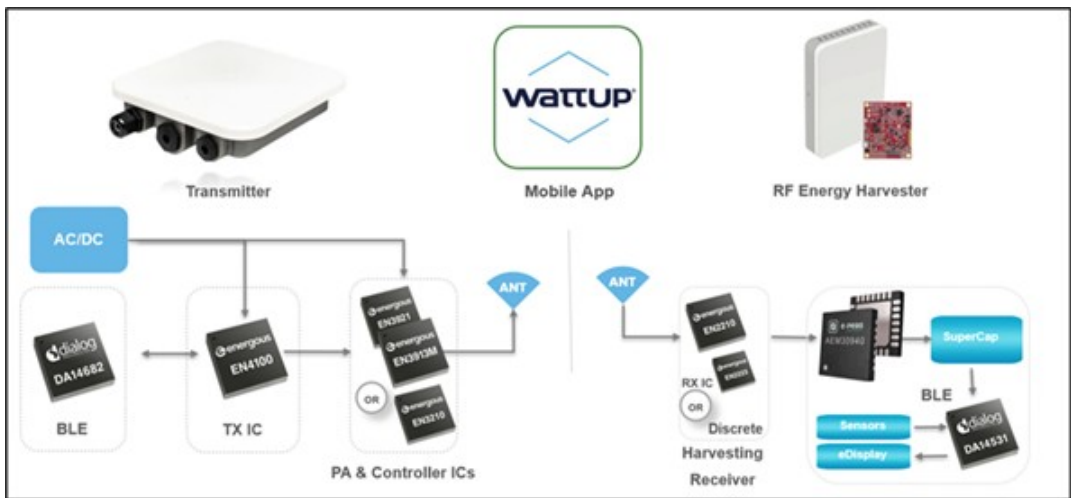
Our award-winning, RF-based, scalable WPN solutions enable wireless charging, ranging from contact-based applications to at-a-distance applications, that charge over the air, transforming the way electronic devices are charged and powered.

Figure 1 below shows the current IC product line for Energy Wireless Power Solutions:



Our small form factor antenna and one-transmitter-to-multiple receivers capabilities produce significant advantages over RF-beamforming transmitters, which are larger, and higher cost wireless power technology implementations. Our current generation ICs have significantly reduced the size and cost of both our transmitter technology and our receiver technology, and products under development are designed to further reduce size and cost. In addition, our ICs are designed for both lower-power and higher-power applications, efficiency and faster synchronization, while working within the constraints of multiple international regulatory environments.

Figure 2 below shows the block diagram for our Energy PowerBridge PRO Transmitter System



Our Competition

Competing methods for charging battery-powered devices include wall plug-in charging, inductive charging, magnetic resonance charging and more. To our knowledge, almost all consumer electronics equipped with a rechargeable battery come bundled with a charging method, such as a power cord. We believe the advantages of our wireless power network technology - including size, cost, mobility, foreign object detection, and portability - coupled with the unique capability to charge devices both on contact as well as at-a-distance in a fully compatible ecosystem, will foster broad adoption of the technology over time.

A variety of wireless charging technologies are on the market or under development today. These competitive technologies fall into the following short-range categories:

Inductive Coil Charging. Inductive coil charging uses a magnetic coil to create resonance, which can transmit energy over very short distances. Essentially this is a contact technology whereby the transmitter and receiver need to be closely aligned to charge. Power is delivered as a function of coil size (the larger the coil, the more power), and coils must be directly paired (one receiver coil to one transmitter coil = directly coupled pair). Products utilizing magnetic induction have been available for 10+ years in products such as rechargeable electronic toothbrushes.

Magnetic Resonance. Magnetic resonance is similar to magnetic induction, as it uses magnetic coils to transmit energy. This technology uses coils that range in size depending on the power levels being transmitted. It has the ability to transmit power at distances up to ~11 inches (30cm) which can be increased with the use of resonance repeaters. It also has more flexibility of placement than magnetic induction.

Energy Harvesting. There are multiple companies looking at harvesting energy that may be present in certain environments. The energy harvested may come from a variety of sources, including Solar, Kinetic and Passive RF. Passive RF harvesting refers to using antennas and devices to harvest RF that may already be present in an environment, such as Wi-Fi, mobile phones, cordless phones and other RF emitting devices.

Laser. Laser charging technology uses very short wavelengths of light to create a collimated beam that maintains its size over distance, using what is described as distributed resonance to deliver power to an optical receiver.

Our Target Markets

We categorize our target markets as transmitter markets and receiver markets.

Transmitter System Target Markets

Transmitters are devices that broadcast RF energy that can be accessed by WPN technology-enabled receivers for IoT applications. We believe our transmitter target market can be divided into three distinct applications for our technology:

- Stand-alone transmitters that are either sold independently or bundled as part of a pairing with wireless power technology-enabled receiver devices;
- Transmitters that are integrated into third party industrial, medical and enterprise devices; and
- Transmitters that can be integrated into Bridge and Wi-Fi routers to form a single device that provides both connectivity and wire-free power for a particular area.

To date we have released stand-alone transmitters in both near field and far field applications. Our plan in the future is to integrate our WPN technology in third party devices:

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Near Field Transmitters:

Because of its advantages over other forms of contact-based wireless charging, including incorporation into multiple form factors and potential compatibility with future distance transmitters, we expect transmitters using our Near Field wireless power technology to be the first wireless transmitter products on the market. These contact-based charging solutions are ideally suited for many electronic devices in both consumer and industrial markets such as wearables, IoT devices and other small electronics that require a small form factor receiver and a low-cost charging solution. They are also suitable for larger, more power-hungry devices such as smart watches and tablets. Initially these transmitters will be one-to-one (one transmitter to one receiver), with future versions being single transmitters for multiple receivers.

Far Field Transmitters:

Transmitters based on the Energo Far Field technology, which we refer to as the Wireless PowerBridge, are expected to provide low power charging for multiple devices with the capability of extending the range through the deployment of multiple Energo PowerBridge transmitters. We expect that our PowerBridge transmitter systems will have the ability to broadcast wireless power to wireless power enabled receiving devices for charging. Our PowerBridge transmitters may play a significant role in the charging of low power IoT devices— such as ESLs, RF tags, and IoT sensors.

Transmitters Integrated into Third Party Devices:

The “building block” core architecture developed for the wireless power network technology is suited to a broad range of third-party devices in both industrial and consumer markets. The flexibility of the architecture in terms of size, power, distance, and cost affords Energo customers the opportunity to match our technology with specific requirements and limitations typically found with complex integrations. For example, the wireless power transmitter technology could be integrated into a Wi-Fi router on the ceiling of a manufacturing floor or hospital ward, providing both internet connectivity and wireless power to any devices within range.

PowerBridge Transmitters:

We see the combination of wireless power routers and wireless bridges as a natural integration point and a synergistic application of both technologies. Energo PowerBridge transmitters provide the bridge to Wi-Fi, 5G and other Wide Area network technologies while also providing wireless power to in-range receiver devices. Our PowerBridge transmitters share a number of technical characteristics with Wi-Fi routers in that: (1) both devices operate in the airwaves in the unlicensed industrial, scientific and medical bands, (2) both devices owe their success to the utility and convenience they bring to the consumer, (3) both devices rely on antennas, and (4) both devices “pair” or provide hand off capabilities which allow for networks to provision large sites.

Receiver Target Markets

We believe there are many potential uses for our receiver technology, including:

- IoT devices including asset trackers, sensors, retail displays, security devices
- Smart home, medical, industrial, and other sensors
- ESLs
- Logistics and asset tracking tags and sensors
- Peripheral devices such as computer mice and keyboards
- Remote controls
- Gaming consoles and controllers

- Hearing aids
- Rechargeable batteries
- Automotive accessories
- Smart textiles
- Wearables
- Medical devices

This list is meant to be illustrative only; we cannot guarantee that we will address any of these markets, and we may decide to address a market that is not on the list. We intend to continue to evaluate our target markets and identify new markets based on factors including (but not limited to) time-to-market, market size and growth, and the strength of our value proposition for a specific application.

Our Intellectual Property

Our most valuable asset is our intellectual property. This includes U.S. and foreign patents, patent applications and know-how. We have implemented an aggressive intellectual property strategy and are continuing to pursue patent protection for new innovations. As of February 15, 2025, the Energous IP portfolio contained over 250 issued patents organized along five (5) critical paths to implementation that we believe a competitor may have to navigate to commercialize wireless power technology. The paths are: Processing Algorithms, Antenna Designs, Transmitter and Receiver ASICs, Other Software Controls (e.g., Bluetooth Management and Hardware (e.g., Board Layout). Further, we have additional pending patent applications in the U.S. and abroad. We intend to file for patent protection for the most valuable of our inventions, as well as for other new inventions that we expect to develop. This is a significant annual expense and we continually monitor the costs and benefits of each patent application and issued patent to ensure we pursue those that we believe are most protective for our business and expand our core value. So long as we make the business decision to continue paying maintenance and/or annuity fees, our issued patents have terms that would not expire earlier than 2030.

Government Regulation

Our wire-free charging technology involves the transmission of power using RF energy, which is subject to regulation by the Federal Communications Commission (“FCC”), international regulators and may be subject to regulation by other federal, state, local and international agencies. Our technology has been tested against U.S. and international safety requirements which has consistently demonstrated that our technology is safe. We continue to work with regulatory bodies to establish processes, standards and spectrum allocation to ensure devices incorporating our technology can secure required domestic and international approvals.

As part of the regulatory approval process, devices incorporating our technology must obtain approvals under FCC Part 15 and/or FCC Part 18 in the U.S., depending on the specific application. Energous has received Part 15 and Part 18 FCC approvals our products and has received regulatory approvals from many international agencies.

Current FCC Approvals for Energo Technology

FCC ID	Description	Grant Date
2ADNG-MLA1599	Digital Transmission System Bluetooth Accessory 2.4GHz	12/30/2014
2ADNG-MT100	Close Coupled 5.8 GHz Charger Pad	05/24/2016
2ADNG-NF130	RF Wireless Charger and Receiver 5.8 GHz	05/02/2017
2ADNG-NF130	Digital Transmission System for Bluetooth 2.4 GHz	05/02/2017
2ADNG-MS300	Wireless Charger 913 MHz	12/26/2017
2ADNG-MS300	Digital Transmission System for Bluetooth 2.4 GHz	12/26/2017
2ADNG-MS300A	WPT Client Device 913 MHz	01/05/2018
2ADNG-MS300A	Digital Transmission System WPT Client Device with BLE 2.4 GHz	01/05/2018
2ADNG-NF230	RF Wireless Charger 918 MHz	04/09/2018
2ADNG-NF230	Digital Transmission System for Bluetooth 2.4 GHz	04/09/2018
2ADNG-NF330	RF Wireless Charger 918MHz	07/29/2019
2ADNG-NF330	Digital Transmission System for Bluetooth 2.4 GHz	07/29/2019
2ADNG-MS550	RF Wireless Charger 918MHz	04/21/2020
2ADNG-MS550	Digital Transmission System for Bluetooth 2.4 GHz	04/21/2020
2ADNG-MS550	RF Wireless Charger 918MHz	09/30/2020
2ADNG-MS550	Digital Transmission System for Bluetooth 2.4 GHz	09/30/2020
2ADNG-VN15	RF Wireless Charger 918MHz	10/19/2021
2ADNG-VN15	Digital Transmission System for Bluetooth 2.4 GHz	10/19/2021
2ADNG-VN1810	RF Wireless Charger 918MHz	11/30/2021
2ADNG-VN1810	Digital Transmission System for Bluetooth 2.4 GHz	11/30/2021
2ADNG-VN25	RF Wireless Charger 918MHz	01/14/2022
2ADNG-VN25	Digital Transmission System for Bluetooth 2.4 GHz	01/14/2022
2ADNG-VN55	RF Wireless Charger 918MHz	06/02/2022
2ADNG-VN55	Digital Transmission System for Bluetooth/Zigbee 2.4 GHz	06/02/2022
2ADNG-VN1820	RF Wireless Charger 918MHz	08/10/2022
2ADNG-VN1820	Digital Transmission System for Bluetooth 2.4 GHz	08/10/2022
2ADNG-VN55	RF Wireless Charger 918MHz	11/14/2023
2ADNG-VN55	Digital Transmission System for Bluetooth/Zigbee 2.4 GHz	11/14/2023
2ADNG-YND1800	RF Wireless Charger 918MHz	08/21/2024
2ADNG-YND1800	Digital Transmission System for Bluetooth 2.4 GHz	08/21/2024

As of December 31, 2024, we announced completion of the regulatory process for our PowerBridge wireless charging technology in the U.S., Canada, Europe, India, China, UK, Korea, Australia and New Zealand, for unlimited distance wireless charging. As of February 15, 2025, products integrating this technology had received international regulatory approvals in over 110 countries.

Manufacturing

As a fabless semiconductor company in the research and development stage, we foresee our manufacturing strategy to follow an outsourced manufacturing process. We are engaged with contract manufacturing partners in the United States and internationally.

Human Capital

As of February 15, 2025, we had 26 full-time employees, 14 of whom are engineers. None of these employees are covered by a collective bargaining agreement, and we believe our relationship with our employees is good. We also employ consultants, including technical advisors, on an as-needed basis, for their technical expertise. Consultants and technical advisors provide us with expertise in electrical engineering, software development, market research and accounting.

We are committed to maintaining a workplace free from discrimination and harassment on the basis of color, race, gender, age, disability, sexual orientation, religion, expression, or any other status protected by applicable law. Our management and employees are expected to exhibit and promote honest, ethical and respectful conduct in the workplace.

Seasonality

The industrial markets in which we are involved have minimal seasonal impact. The consumer markets for the commercial products that we anticipate our technology can be used in, including the markets in which we currently have proof of concept deployments, vary in their seasonal impact. Overall, we do not foresee a material seasonal impact to our revenue at this time.

Available Information

We file annual, quarterly and current reports, proxy statements and other documents with the Securities and Exchange Commission, or SEC, under the Securities Exchange Act of 1934, as amended, or Exchange Act. The SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov. Copies of each of our filings with the SEC can also be viewed and downloaded free of charge at our website, <https://ir.energous.com/>, after the reports and amendments are electronically filed with or furnished to the SEC.

Item 1A. Risk Factors

We are subject to many risks that may harm our business, prospects, results of operations and financial condition. This discussion highlights some of the risks that might adversely affect our future operating results in material ways. We believe these are the risks and uncertainties that are the most important ones we face. We cannot be certain that we will successfully address these risks, and if we are unable to address them, our business may not grow, our stock price may suffer and you could lose the value of your investment in the Company. Other risks and uncertainties that we do not currently recognize as material risks, or that are similar to risks faced by other companies in our industry, may also impair our business, prospects, results of operations and financial condition. The risks discussed below include forward-looking statements, and our actual results may differ substantially from what is in these forward-looking statements.

Summary of Risk Factors

Risks Related to Our Financial Condition

- We have no history of generating meaningful product revenue, and we may never achieve or maintain profitability.
- We will need additional financings to achieve our long-term business plans, and there is no guarantee that it will be available on acceptable terms, or at all.
- Our short-term or future indebtedness could adversely affect our business, financial condition, and results of operations, as well as the ability to meet payment obligations.
- We may be adversely affected by the effects of inflation.

Risks Related to Our Technology and Products

- We may not be able to develop all the features we seek to include in our technology.
- We have and will continue to make significant investments in our products, but may be unable to demonstrate the commercial feasibility of the full capability of our technology or achieve profitability.
- Expanding our business operations as we intend will impose new demands on our financial, technical, operational and management resources.
- If products incorporating our technology are launched commercially but do not achieve widespread market acceptance, we will not be able to generate the revenue necessary to support our business.

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- Our products, or the products of our licensing partners, could be susceptible to errors, defects, or unintended performance problems that could result in lost revenue, liability or delayed or limited market acceptance.
- As products incorporating our technology are launched commercially, we may experience seasonality or other unevenness in our financial results in consumer markets or a long and variable sales cycle in enterprise markets.
- Future products based on our technology may require the user to purchase additional products to use with existing devices. To the extent these additional purchases are inconvenient or costly, the adoption of our technology under development or other future products could be slowed or delayed, which would harm our business.
- Laboratory conditions differ from field conditions, which could reduce the effectiveness of our technology under development or other future products. Failures to move from laboratory to the field effectively would harm our business.
- Safety concerns and legal action by private parties may affect our business.
- Our industry is subject to intense competition and rapid technological change, which may result in technology that is more advanced or superior to ours. If we do not keep pace with changes in the marketplace and the direction of technological innovation and customer demands, our technology and products may become less useful or obsolete and our operating results will suffer.
- If the quality of our products does not meet the expectations of our licensing partners or the end users of our licensing partners' products or regulatory or industry standards, then our sales and operating earnings, and ultimately our reputation, could be negatively impacted.
- If our products do not effectively interoperate with wireless networks and the wireless devices that integrate them, future sales of our products could be negatively affected.
- We require third-party components, including components from limited or sole source suppliers, to build our products. The unavailability of these components could substantially disrupt our ability to manufacture our products and fulfill sales orders.
- Our dependence on commodities and certain components subjects us to cost volatility and potential availability constraints.
- Changes in U.S. and international trade policies may adversely impact our business.
- Our products rely on the availability of unlicensed RF spectrum and if such spectrum were to become unavailable through overuse or licensing, the performance of our products could suffer and our revenues from their sales could decrease.
- Reliance upon a few major customers may adversely affect our revenue and operating results.
- If our licensing partners do not effectively manage inventory of their products which integrate our technology, fail to timely resell such products or overestimate expected future demand, they may reduce purchases in future periods, causing our revenues and operating results to fluctuate or decline.
- If we are not able to effectively forecast demand or manage our inventory, we may be required to record write-downs for excess or obsolete inventory.

Risks Related to Our Intellectual Property and Other Legal Risks

- It is difficult and costly to protect our intellectual property and our proprietary technologies, and we may not be able to ensure their protection.

- We depend upon a combination of patents, trade secrets, copyright and trademark laws to protect our intellectual property and technology.
- We may be subject to patent infringement or other intellectual property lawsuits that could be costly to defend.
- We could become subject to product liability claims, product recalls, and warranty claims that could be expensive, divert management's attention and harm our business.
- Our business is subject to data security risks, including security breaches.
- If we are not able to satisfy data protection, security, privacy and other government- and industry-specific requirements or regulations, our business, results of operations and financial condition could be harmed.
- If we are not able to secure advantageous license agreements for our technology, our business and results of operations will be adversely affected.

Risks Related to Regulation of Our Business

- Domestic and international regulators may deny approval for our technology, and future legislative or regulatory changes may impair our business.

Risks Related to Personnel

- We are highly dependent on key members of our executive management team. Our inability to retain these individuals could impede our business plan and growth strategies, which could have a negative impact on our business and the value of your investment.
- Our success and growth depend on our ability to attract, integrate and retain high-level engineering talent.
- We are subject to risks associated with our utilization of engineering consultants.

Risks Related to Ownership of Our Common Stock

- We are a "smaller reporting company," and the reduced disclosure requirements applicable to smaller reporting companies could make our common stock less attractive to investors.
- If we are unable to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy of our financial reports.
- You might lose all or part of your investment.
- We have not paid dividends in the past and have no immediate plans to pay dividends.
- We expect to continue to incur significant costs as a result of being a public reporting company and our management will be required to devote substantial time to meet our compliance obligations.
- We may be subject to securities litigation, which is expensive and could divert management attention.
- Our ability to use Federal net operating loss carryforwards to reduce future tax payments may be limited if our taxable income does not reach sufficient levels.
- Our charter documents and Delaware law may inhibit a takeover that stockholders consider favorable.

- Our warrants that are accounted for as liabilities and the changes in value of our warrants could have a material effect on the market price of our common stock or our financial results.

General Risk Factors

- We may not satisfy Nasdaq's requirements for continued listing of our common stock. If we cannot satisfy these requirements, Nasdaq could delist our common stock.
- Adverse macroeconomic conditions, natural disasters or reduced technology spending could adversely affect our business, operating results, and financial condition.
- If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline.

Risks Related to Our Financial Condition

We have no history of generating meaningful product revenue, and we may never achieve or maintain profitability.

We have a limited operating history upon which investors may rely in evaluating our business and prospects. We have generated limited revenues to date, and as of December 31, 2024, we had an accumulated deficit of approximately \$400.4 million. Our ability to generate revenues and achieve profitability will largely depend on our ability to execute our business plan, complete the development and approval of our technology, incorporate the technology into products that customers wish to buy, and, if necessary, secure additional financing. There can be no assurance that our technology will be adopted widely, that we will ever earn revenues sufficient to support our operations, or that we will ever be profitable. Furthermore, there can be no assurance that we will be able to raise capital as and when we need it to continue our operations. If we are unable to raise sufficient additional capital, we may be required to delay, reduce or severely curtail our research and development or other operations, which could have a material adverse effect on our business, operating results, financial condition, long-term prospects and ability to continue as a viable business. If we are unable to generate revenues of sufficient scale to cover our costs of doing business, our losses will continue and we may not achieve profitability, which could negatively impact the value of your investment in our securities.

We will need additional financings to achieve our long-term business plans, and there is no guarantee that it will be available on acceptable terms, or at all.

We may not have sufficient funds to fully implement our long-term business plans. We will need to raise additional capital through new financings, even if we begin to generate meaningful commercial revenue. For example, new product development for business partners may require considerable expense in advance of any substantial revenue being earned for such products. Such financings could include equity financing, which may be dilutive to our current stockholders, and debt financing, which could restrict our operations and ability to borrow from other sources. In addition, such securities may contain rights, preferences or privileges senior to those of current stockholders. As a result of current macroeconomic conditions and general global economic uncertainty (including as a result of, among other things, regional conflicts around the world, increases in inflation, fluctuating interest rates, disruptions to global supply chains, recent turmoil in the global banking sector, volatile global financial markets, the potential for government shutdowns and uncertainty regarding the federal budget and debt ceiling), political change, labor market shortages and other factors, we do not know whether additional capital will be available when needed, or that, if available, we will be able to obtain additional capital on reasonable terms. If we are unable to raise additional capital due to the volatile global financial markets, recent turmoil in the global banking sector, general economic uncertainty or any other factor, we may be required to curtail development of our technology or reduce operations as a result, or to sell or dispose of assets. Any inability to maintain or raise adequate funds on commercially reasonable terms or at all could have a material adverse effect on our business, results of operations and financial condition, including the possibility that a lack of funds could cause our business to fail and liquidate with little or no return to investors.

Our short-term or future indebtedness could adversely affect our business, financial condition, and results of operations, as well as the ability to meet payment obligations.

As of December 31, 2024, we had short-term indebtedness outstanding of approximately \$0.8 million with a maturity date of July 17, 2025. The use of indebtedness to finance our operations could reduce our liquidity and could cause us to place more reliance on cash generated from operations to pay principal and interest on our debt, thereby reducing the availability of our cash flow for working capital and capital expenditure needs or to pursue other potential strategic plans.

Although we currently have sufficient resources to meet current debt obligations, future debt obligations could have important consequences, including the following:

- making it more difficult for us to meet our obligations with respect to our debt;
- reducing the availability of cash flow to fund future working capital, capital expenditures, or other general corporate purposes;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, or other general corporate purposes;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, or other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates for borrowings at variable rates of interest;
- placing us at a disadvantage compared to other, less leveraged competitors;
- increasing our cost of borrowing; and
- limiting our flexibility in planning for changes in our business and reacting to changes in the industry in which we compete.

Furthermore, if we are unable to meet our debt service obligations or should we fail to comply with any financial and other negative covenants contained in the agreements governing the indebtedness, we may be required to refinance all or part of our debt, sell important strategic assets at unfavorable prices, incur additional indebtedness or issue common stock or other equity securities. We may not be able to, at any given time, refinance our debt, sell assets, incur additional indebtedness or issue equity securities on terms acceptable to us, in amounts sufficient to meet our needs. Our inability to service our obligations or refinance future debt could have a material and adverse effect on our business, financial condition or operating results. In addition, future debt obligations may limit our ability to make required investments in capacity, technology, or other areas of our business, which could have a material adverse effect on our business, financial condition, or operating results.

Any of these factors could have an adverse effect on our business, financial condition, and results of operations and our ability to meet our debt payment obligations.

We may be adversely affected by the effects of inflation.

Inflation has adversely affected our liquidity, business, financial condition and results of operations by increasing our overall cost structure and may continue to do so in the future. The U.S. capital markets have experienced and continue to experience extreme volatility and disruption. Inflation rates in the U.S. have increased significantly in recent years resulting in federal action to increase interest rates, adversely affecting capital markets activity. We expect certain inflationary elements to ease, with a moderate increase in other areas in 2025. However, the existence of inflation in the economy has resulted in, and may continue to result in, higher interest

rates and capital costs, shipping costs, supply shortages, increased costs of labor, labor shortages, weakening exchange rates and other similar effects. As a result of inflation, we have and may continue to experience cost increases, including increases in our supply chain costs. Although we may take measures to mitigate the impact of this inflation, if these measures are not effective, our business, financial condition, results of operations and liquidity could be materially adversely affected. Even if such measures are effective, any positive impact on our results of operations could be delayed and not immediately apparent. Additionally, because we purchase component parts from our suppliers, we may be adversely impacted by their inability to adequately mitigate inflationary, industry, or economic pressures. Similarly, inflationary pressures may also negatively impact consumer purchasing power, which could result in reduced demand for our products.

Risks Related to Our Technology and Products

We may not be able to develop all the features we seek to include in our technology.

We have developed commercial products, as well as working prototypes, that utilize our technology. Additional features and performance specifications we seek to include in our technology have not yet been developed. For example, some customer applications may require specific combinations of cost, footprint, efficiencies and capabilities at various frequencies, charging power levels and distances. We believe our research and development efforts will yield additional functionality and capabilities for our products over time. However, there can be no assurance that we will be successful in achieving any of the features we are targeting, and our any inability to do so may limit the appeal of our technology to consumers.

We have and will continue to make significant investments in our products but may be unable to demonstrate the commercial feasibility of the full capability of our technology or achieve profitability.

We have developed both commercial products and working prototypes that use our technology at differing power levels and charging distances, but additional research and development is required to realize the potential of our technology for applications at increasing power levels and distances that can be successfully integrated into commercial products. Research and development of new technologies is, by its nature, unpredictable. We could encounter unanticipated technical problems, fail to identify products utilizing our technology that will be in demand with customers or be successful in getting our technology designed into those products, encounter setbacks or other issues in designing products for manufacturability, face regulatory hurdles or have difficulty achieving acceptable price points for final products. Although we intend to undertake development efforts with commercially reasonable diligence, there can be no assurance that our available resources will be sufficient to enable us to develop our technology to the extent needed to create future revenues to sustain our operations.

Our technology must satisfy customer expectations and be suitable for use in consumer applications. Any delays in developing our technology that arise, as a result of the factors described herein or otherwise, could aggravate our exposure to the risk of having inadequate capital to fund the research and development needed to complete development of our products. Technical problems leading to delays, for example, would cause us to incur additional expenses that would increase our operating losses. If we experience significant delays in developing our technology and products based on it for use in potential commercial applications, particularly after incurring significant expenditures, our business may fail, and you could lose all or part of the value of your investment in our stock.

In addition, we have made and will continue to make significant investments in the research and development of new and existing technologies and products. Investments in new technologies and enhancements to our existing technologies are speculative and technological feasibility may not be achieved. Commercial success depends on many factors including demand for innovative technology, availability of materials and equipment, a selling price the market is willing to bear, competition and effective licensing or product sales. We may not achieve significant revenue from certain of our product investments for a number of years, if at all. Moreover, new technologies and products may not be profitable, and even if they are profitable, operating margins for new products may not be as high as the margins we originally anticipated. If we fail to develop practical and economical commercial products based on our technology, or are unable to achieve profitability in commercializing those products, our business may fail and you could lose all or part of the value of your investment in our stock.

Expanding our business operations as we intend will impose new demands on our financial, technical, operational and management resources.

Our ability to grow our business involves various risks, including the need to invest significant resources in unfamiliar and new markets and the possibility that we may not realize a return on our investments in the near future or at all. To date we have operated primarily in the research and development phase of our business. To be successful in commercializing our product offerings, we will need to expand our business operations, which will require us to incur significant expenses before we generate any material revenue and will impose new demands on our financial, technical, operational and management resources. For example, if we do not invest in developing and upgrading our technical, administrative, operating and financial control systems, or if unexpected expansion difficulties arise, including issues relating to our research and development activities, then retention of experienced scientists, managers and engineers could become more challenging and have a material adverse effect on our business, results of operations and financial condition.

If products incorporating our technology are launched commercially but do not achieve widespread market acceptance, we will not be able to generate the revenue necessary to support our business.

We may successfully complete the technical development of our products, but still fail to develop a commercially successful product. Market acceptance of an RF-based charging system as a preferred method for charging electronic devices will be crucial to our success. The following factors, among others, may affect the level of market acceptance of RF-based charging systems and our products:

- the price of products incorporating our technology relative to other products or competing technologies;
- the rate of innovation of competing technologies;
- user perceptions of the convenience, safety, efficiency and benefits of our technology;
- the effectiveness of sales and marketing efforts of our commercialization partners and of our competitors;
- the support and rate of acceptance of our technology and solutions with our development partners;
- press and blog coverage, social media coverage, and other publicity factors that are not within our control; and
- regulatory developments and the failure to obtain any required regulatory approvals for the use of our products or the products of our licensing partners.

If we are unable to successfully commercialize, including to achieve or maintain market acceptance of our technology, and if related products do not win widespread market acceptance, our business will be significantly harmed.

Our products, or the products of our licensing partners, could be susceptible to errors, defects, or unintended performance problems that could result in lost revenue, liability or delayed or limited market acceptance.

Despite our quality assurance testing, our technology may contain undetected defects or errors that may affect the proper use of our products or the products of our licensing partners which incorporate them. Because our products are embedded in other end-use products and rely on stable transmissions, the performance of our products could unintentionally jeopardize the performance of our licensing partners' products. Defects or errors in our technology may discourage existing and future partners from using our technology to develop a range of commercial products. These defects or errors could also result in product liability, service level agreement claims or warranty claims. Any such defects, errors, or unintended performance problems in our products, and any inability to meet the expectations of our licensing partners or retail consumers in a timely manner, could adversely impact our sales and result in loss of revenue or market share, failure to achieve market acceptance, diversion of development resources, injury to our reputation, increased insurance costs and increased service costs, any of which could materially harm our business.

As products incorporating our technology are launched commercially, we may experience seasonality or other unevenness in our financial results in consumer markets or a long and variable sales cycle in enterprise markets.

Our strategy depends on our customers developing successful commercial products using our technology and selling them into the retail, industrial, healthcare and smart/home office markets. We anticipate that demand for our technology will vary based on the specific use cases of our customers. Such consumer deployments may be seasonal, with peaks in and around the December holiday season and the August-September back-to-school season. Enterprise and commercial customers may have annual or other budgeting and buying cycles that could affect us, particularly if we are designated as a capital improvement project, we may have a long or unpredictable sales cycle.

Future products based on our technology may require the user to purchase additional products to use with existing devices. To the extent these additional purchases are inconvenient or costly, the adoption of our technology under development or other future products could be slowed or delayed, which would harm our business.

For rechargeable devices that utilize our receiver technology, the technology may be embedded in a sleeve, case or other enclosure. For example, products such as remote controls or toys equipped with replaceable AA size or other batteries would need to be outfitted with enhanced batteries and other hardware enabling the devices to be rechargeable by our system. In each case, an end user would be required to retrofit the device with a receiver and may be required to upgrade the battery technology used with the device (unless, for example, compatible battery technology and a receiver are built into the device). These additional steps and expenses may offset the convenience of our products for users and discourage customers from licensing our technology. Such factors may inhibit adoption of our technology, which could harm our business. We have not developed an enhanced battery for use in devices with our technology, and our ability to enable use of our technology with devices that require an enhanced battery will depend on our ability to develop a commercial version of such a battery that could be manufactured at a reasonable cost. If a commercially practicable enhanced battery of this nature is not developed, our business could be harmed, and we may need to change our strategy and target markets, which could have a material adverse impact on our financial condition and results of operations.

Laboratory conditions differ from field conditions, which could reduce the effectiveness of our technology under development or other future products. Failures to move from laboratory to the field effectively would harm our business.

When used in the field, our technology may not perform as expected based on performance under controlled laboratory conditions. For example, in the case of distance charging, a laboratory configuration of transmission obstructions will be arranged for testing, but in consumer use receivers may be obstructed in many different and unpredictable ways. These conditions may significantly diminish the power received at the receiver or the effective range of the transmitter. The failure of products using our technology to meet the expectations of users in the field could harm our business.

Safety concerns and legal action by private parties may affect our business.

We believe that our technology is safe. However, it is possible that we could discover safety issues with our technology or that third-parties may raise concerns relating to RF-based charging in a similar manner as has occurred with some other wireless technologies as they were put into residential and commercial use, such as the safety concerns that were raised by some regarding the use of cellular telephones and other devices to transmit data wirelessly in close proximity to the human body. In addition, while we believe our technology is safe, users of our technology under development or other future products who suffer from medical ailments may blame the use of products incorporating our technology for the triggering or worsening of those ailments, as occurred with a small number of users of cellular telephones. A discovery of safety issues relating to our technology could have a material adverse effect on our business and any legal action against us claiming that our technology caused harm could be expensive, divert management attention and adversely affect us or cause our business to fail, whether or not such legal actions were ultimately successful.

Even if they are not real, perceived safety issues could result in reduced sales, as could safety incidents or reports occurring solely with respect to the products of our competitors or licensing partners, which could negatively impact attitudes towards our technology and similar technologies. Any real or perceived safety issues relating to our products, our licensing partners' products or competing technologies in the marketplace could negatively affect our business, revenue, and profits.

Our industry is subject to intense competition and rapid technological change, which may result in technology that is more advanced or superior to ours. If we do not keep pace with changes in the marketplace and the direction of technological innovation and customer demands, our technology and products may become less useful or obsolete and our operating results will suffer.

The consumer electronics industry in general, and the charging segments in particular, are subject to intense competition and rapidly evolving technologies, evolving regulations and industry standards and frequent introductions of new products and services. If, among other things, our products are not cost effective, brought to market in a timely manner, compliant with evolving industry standards, accepted in the market or recognized as meeting our licensing partners' or retail consumers' requirements, we could experience a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, because products incorporating our technology are expected to have long development cycles, we must anticipate changes in the marketplace and the direction of technological innovation and customer demands. To compete successfully, we will need to demonstrate the advantages of our products and technologies over established alternatives and other emerging methods of power delivery. Traditional wall plug-in recharging remains an inexpensive alternative to our technology. Directly competing technologies such as inductive charging, magnetic resonance charging, conductive charging, ultrasound and other yet unidentified solutions may have greater consumer acceptance than the technology we have developed. Furthermore, some competitors may have greater resources than we have and may be better established in the market than we are. We cannot be certain which other companies may have already decided to or may in the future choose to enter our markets. For example, consumer electronics products companies may invest substantial resources in wireless power or other recharging technologies and may decide to enter our target markets. Successful developments of competitors that result in new approaches for recharging could reduce the attractiveness of our products and technologies or render them obsolete.

Our future success will depend in large part on our ability to establish and maintain a competitive position in current and future technologies. Rapid technological development may render our technology or future products based on our technology obsolete. Many of our competitors have more corporate, financial, operational, sales and marketing resources than we have, as well as more experience in research and development. We cannot assure you that our competitors will not develop or market technologies that are more effective, economical or commercially attractive than our products or that would render our technologies and products obsolete. In addition, we may not have the financial resources, technical expertise, marketing, distribution or support capabilities to compete successfully in the future.

Our competitive position also depends on our ability to:

- generate widespread awareness, acceptance and adoption by the consumer and enterprise markets of our technology under development and future products;
- design a product that may be sold at an acceptable price point;
- develop new or enhanced technologies or features that improve the convenience, efficiency, safety or perceived safety, and productivity of our technology under development and future products;
- properly identify existing and evolving customer needs and deliver new products or product enhancements to address those needs;
- limit the time required from proof of feasibility to routine production;
- limit the timing and cost of regulatory approvals;
- adapt to evolving regulatory requirements;
- attract and retain qualified personnel;
- protect our inventions with patents or otherwise develop proprietary products and processes; and

- secure sufficient capital resources to expand both our continued research and development, and sales and marketing efforts.

If our technology does not compete well based on these or other factors, our business could be materially and adversely harmed.

If the quality of our products does not meet the expectations of our licensing partners or the end users of our licensing partners' products or regulatory or industry standards, then our sales and operating earnings, and ultimately our reputation, could be negatively impacted.

Some of the products we sell, and some of the products our licensing partners sell which integrate our products, may have quality issues resulting from the design or manufacture of our products, or from the software, hardware or components used in those products. Sometimes, these issues may be caused by components we purchase from our suppliers. Any such issues identified prior to the shipment of the products may cause delays in shipping products to customers, or even the cancellation of orders by customers. If quality issues are discovered in our products after they have been shipped to our customers, we would be required to resolve such issues in a timely manner that is the least disruptive to our customers. Such pre-shipment and post-shipment quality issues can have legal, financial and reputational ramifications, including: (i) delays in the recognition of revenue, loss of revenue or future orders, (ii) customer-imposed penalties for failure to meet contractual requirements, (iii) increased costs associated with repairing or replacing products, and (iv) a negative impact on our reputation.

In some cases, if the quality issue affects the product's performance, safety or regulatory compliance, then such a "defective" product may need to be "stop-shipped" or recalled. Depending on the nature of the quality issue and the number of products in the field, it could cause us to incur substantial recall or corrective field action costs, in addition to the costs associated with the potential loss of future orders and the damage to our reputation. In addition, we may be required, under certain customer contracts, to pay damages for failed performance that might exceed the revenue that we receive from the contracts. Recalls and field actions involving regulatory non-compliance could also result in fines and additional costs. Recalls and field actions could result in third-party litigation by persons or companies alleging harm or economic damage as a result of the use of the products. In addition, privacy advocacy groups and other technology and industry groups have established or may establish various new or different self-regulatory standards that may place additional obligations on us. Our customers may expect us to meet voluntary certifications or adhere to other standards established by third-parties. If we are unable to maintain these certifications or meet these standards, it could reduce demand for our products and adversely affect our business.

If our products do not effectively interoperate with wireless networks and the wireless devices that integrate them, future sales of our products could be negatively affected.

Our products are designed to interoperate with wireless networks using Wi-Fi technology and certain wireless devices produced by our licensing partners. These networks and devices have varied and complex specifications. As a result, we must ensure that our products interoperate effectively with these existing and planned networks and devices. To meet these requirements, we must continue development and testing efforts that require significant capital and employee resources. We may not accomplish these development efforts quickly or cost-effectively, or at all. If our products do not interoperate effectively, orders for our products could be delayed or cancelled, which would harm our revenue, operating results and reputation, potentially resulting in the loss of existing and potential licensing partners. The failure of our products to interoperate effectively with wireless devices may result in significant warranty, support and repair costs, divert the attention of our engineering personnel from our product development efforts and cause significant customer relations problems. In addition, our licensing partners may require our products to comply with new and rapidly evolving security or other certifications and standards. If our products are late in achieving or fail to achieve compliance with these certifications and standards, or our competitors first achieve compliance with these certifications and standards, such end customers may not purchase our products, which would harm our business, operating results, financial condition and cash flows.

We require third-party components, including components from limited or sole source suppliers, to build our products. The unavailability of these components could substantially disrupt our ability to manufacture our products and fulfill sales orders.

We rely on third-party components to build our products, and we generally rely on our third-party manufacturers to obtain the components necessary for the manufacture of our products. We use our forecast of expected demand to determine our material requirements. Lead times for materials and components we order vary significantly, and depend on factors such as the specific

supplier, contract terms and demand for a component at a given time. If forecasts exceed orders, we may have excess and/or obsolete inventory, which could have a material adverse effect on our business, operating results and financial condition. If orders exceed forecasts, or available supply, we may have inadequate supplies of certain materials and components, which could have a material adverse effect on our ability to meet customer delivery requirements and to recognize revenue. If we underestimate our requirements or our third-party suppliers are not able to timely deliver components, our third-party manufacturers may have inadequate materials and components required to produce our products. This could result in an interruption in the manufacture of our products, delays in shipments and fulfillment of customer orders, and deferral or loss of revenues.

Our third-party manufacturers may not be able to secure sufficient components at reasonable prices or of acceptable quality to build our products in a timely manner, adversely impacting our ability to meet demand for our products. In addition, if our component suppliers cease manufacturing needed components, we could be required to redesign our products to incorporate components from alternative sources or designs, a process which could cause significant delays in the manufacture and delivery of our products. Unpredictable price increases for such components may also occur. The unavailability of these components could substantially disrupt our ability to manufacture our products and fulfill sales orders.

We currently depend on a limited number of suppliers for several critical components for our products, and in some instances, we use sole or single source suppliers for our components to simplify design and fulfillment logistics. Neither we nor our third-party manufacturers carry substantial inventory of our product components. Many of these components are also widely used in other product types. Shortages are possible and our ability to predict the availability of such components may be limited. In the event of a shortage or supply interruption from our component suppliers, we may not be able to develop alternate or second sources in a timely manner, on commercially reasonable terms or at all, and the development of alternate sources may be time-consuming, difficult and costly. Any resulting failure or delay in shipping products could result in lost revenues and a material and adverse effect on our operating results. If we are unable to pass component price increases along to our end customers or maintain stable pricing, our gross margins could be adversely affected and our business, financial condition, results of operations and prospects could suffer.

Our dependence on commodities and certain components subjects us to cost volatility and potential availability constraints.

Our profitability may be materially affected by changes in the market price and availability of certain raw materials and components, some of which are linked to the commodity markets. The principal raw materials and components used in our products are aluminum, copper, steel, bimetals, optical fiber, plastics and other polymers, capacitors, memory devices and silicon chips. Prices for some of these materials have experienced significant volatility as a result of changes in the levels of global demand, supply disruptions, including port, transportation and distribution delays or interruptions, tariffs, and other factors. As a result, we have seen a significant increase in costs that has negatively impacted our results of operations. We have adjusted our prices for our products, but we may have to adjust prices again in the future. Delays in implementing price increases or a failure to achieve market acceptance of price increases could have a material adverse impact on our results of operations. Conversely, in an environment of falling commodities prices, we may be unable to sell higher-cost inventory before implementing price decreases, which could have a material adverse impact on our business, financial condition and results of operations.

Changes in U.S. and international trade policies may adversely impact our business.

The U.S. government has recently made statements and taken certain actions that may lead to changes to U.S. and international trade policies, including imposing tariffs affecting steel and aluminum imports and certain products manufactured in China and other countries. Any unfavorable government policies on international trade, such as export controls, capital controls, trade protectionism and tariffs, may increase the cost of the materials and components we use to manufacture our technology and could adversely affect the demand for our technology and our financial condition. If any new tariffs, export controls, legislation and/or regulations are implemented, or if any retaliatory trade actions arise, such changes could have an adverse effect on our business, financial condition and results of operations.

Our products rely on the availability of unlicensed RF spectrum and if such spectrum were to become unavailable through overuse or licensing, the performance of our products could suffer and our revenues from their sales could decrease.

Our products are designed to operate in unlicensed RF spectrum, which is used by a wide range of consumer devices and is becoming increasingly crowded. If such spectrum usage continues to increase through the proliferation of consumer electronics and products competitive with our products, the resultant higher levels of noise in the bands of operation our products use could decrease

the effectiveness of our products, which could adversely affect our ability to sell our products, including as a result of reduced sales of our licensing partners' products. Our business could be further harmed if currently unlicensed RF spectrum becomes licensed in the United States or elsewhere. We and our licensing partners that use our products in manufacturing their own may be unable to obtain licenses for RF spectrum. Even if the unlicensed spectrum remains unlicensed, existing and new governmental regulations may require we make changes in our products. The operation of our products in the United States or elsewhere in a manner not in compliance with local law could result in fines, operational disruption, or harm to our reputation.

Reliance upon a few major customers may adversely affect our revenue and operating results.

We rely on a relatively small number of customers for a significant portion of our revenue. Our top two customers represented approximately 76% of our revenue for the year ended December 31, 2024. It is possible that we will continue to derive a significant portion of our revenue from a concentrated group of customers in the future. If, among other things, a major customer fails to pay us or reduces their order volume, our revenue would be impacted and our operating results and financial condition could be materially harmed. Additionally, if we were to lose any material customer or our customers were to consolidate or merge with other companies, we may not be able to maintain product sales at similar volume or pricing levels and such loss or reduced sales volume or pricing could have a material adverse effect on our business, cash flows and results of operations.

If our licensing partners do not effectively manage inventory of their products which integrate our technology, fail to timely resell such products or overestimate expected future demand, they may reduce purchases in future periods, causing our revenues and operating results to fluctuate or decline.

Our licensing partners purchase and maintain inventories of their products, which integrate our products, to meet future demand and have only limited rights to return the products they have purchased from us. If our licensing partners purchase more product from us than is required to meet demand in a particular period, causing their inventory levels to grow, they may delay or reduce additional future purchases, causing our quarterly results to fluctuate and adversely impacting our ability to accurately predict future earnings.

If we are not able to effectively forecast demand or manage our inventory, we may be required to record write-downs for excess or obsolete inventory.

We maintain inventory of our products and, to a lesser extent, raw materials that we believe are sufficient to allow timely fulfillment of sales, subject to the impact of supply shortages. Growth in our sales and new product launches may require us to build inventory in the future. Higher levels of inventory expose us to a greater risk of carrying excess or obsolete inventory, which may in turn lead to write-downs. We may also record write-downs in connection with the end-of-life for specific products. Decisions to increase or maintain higher inventory levels are typically based upon uncertain forecasts or other assumptions. Because the markets in which we compete are volatile, competitive and subject to rapid technology and price changes, if the assumptions on which we base these decisions turn out to be incorrect, our financial performance could suffer and we could be required to write-off the value of excess products or components inventory. In addition, in order to manage manufacturing lead times and help ensure adequate component supply, we enter into agreements with suppliers that allow them to procure inventory based upon criteria as defined by us, such as forecasted demand. We may be liable to purchase excess product or aged material from our suppliers following reasonable mitigation efforts, resulting in an adverse impact on our cash flows, operating expenses, results of operation and financial condition.

Risks Related to Our Intellectual Property and Other Legal Risks

It is difficult and costly to protect our intellectual property and our proprietary technologies, and we may not be able to ensure their protection.

Our success depends significantly on our ability to obtain, maintain and protect our proprietary rights to our technologies. Patents and other proprietary rights provide uncertain protections, and we may be unable to protect our intellectual property. For example, we may be unsuccessful in defending our patents and other proprietary rights against third party challenges. If we do not have the resources to defend our intellectual property, the value of our intellectual property and our licensed technology will decline. In addition, some companies that integrate our technology into their products may acquire rights in the technology that limit our business or increase our costs. If we are not successful in protecting our intellectual property effectively, our financial results may be adversely affected and the price of our common stock could decline.

We depend upon a combination of patents, trade secrets, copyright and trademark laws to protect our intellectual property and technology.

We rely on a combination of patents, trade secrets, copyright and trademark laws in the United States and similar laws in other countries, nondisclosure agreements, noncompetition covenants and other contractual provisions and technical security measures to protect our intellectual property rights and proprietary information. However, these protections may not be available in all jurisdictions and may be inadequate to prevent our competitors or other third-party manufacturers from copying, reverse engineering or otherwise obtaining and using our technology, proprietary rights or products, which would adversely affect our ability to compete in the market.

Although we are attempting to obtain patent coverage for our technology where available and where we believe appropriate, there are aspects of the technology for which patent coverage may never be sought or received. We may not possess the resources to or may not choose to pursue patent protection outside the United States or any or every country other than the United States where we may eventually decide to sell our products. Our ability to prevent others from making or selling duplicate or similar technologies will be impaired in those countries in which we would have no patent protection. Although we have patent applications on file in the United States and elsewhere, the patents might not issue, might issue only with limited coverage, or might issue and be subsequently successfully challenged by others and held invalid or unenforceable.

Similarly, even if patents are issued based on our applications or future applications, any issued patents may not provide us with any competitive advantages. There can be no assurance that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology or design around our proprietary rights. Competitors may be able to design around our patents or develop products that provide outcomes comparable or superior to ours. Our patents may be held invalid or unenforceable as a result of legal challenges or claims of prior art by third parties, and others may challenge the inventorship or ownership of our patents and pending patent applications. In addition, if we secure protection in countries outside the United States, the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States. In the event a competitor infringes upon our patent or other intellectual property rights, enforcing those rights may be difficult and time consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time consuming and could divert our management's attention. We may not have sufficient resources to enforce our intellectual property rights or to defend our patents against a challenge.

Our strategy is to deploy our technology into the market by licensing patent and other proprietary rights to third parties and customers. Disputes with our licensees may arise regarding the scope and content of these licenses. Further, our ability to expand into additional fields with our technologies may be restricted by existing licenses or licenses we may grant to third parties in the future.

The policies we use to protect our trade secrets might not be effective in preventing misappropriation of our trade secrets by others. In addition, confidentiality and other restrictive agreements executed by our customers, employees, consultants and advisors might not be enforceable or might not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure. Litigating a trade secret claim is expensive and time consuming, and the outcome is unpredictable. Moreover, our competitors may independently develop equivalent knowledge methods and know-how. If we are unable to protect our intellectual property rights, we may be unable to prevent competitors from using our own inventions and intellectual property to compete against us, and our business may be harmed.

We may be subject to patent infringement or other intellectual property lawsuits that could be costly to defend.

Because our industry is characterized by competing intellectual property, we may become involved in litigation based on claims that we have violated the intellectual property rights of others. Determining whether a product infringes a patent involves complex legal and factual issues, and the outcome of patent litigation actions is often uncertain. No assurance can be given that third party patents containing claims covering our products, parts of our products, technology or methods do not exist, have not been filed, or could not be filed or issued. Because of the number of patents issued and patent applications filed in our technical areas or fields (including some pertaining specifically to wireless charging technologies), our competitors or other third parties may in the future assert that our products and technology and the methods we employ in the use of our products and technology are covered by United States or foreign patents held by them. In addition, because patent applications can take many years to issue and because publication schedules for pending applications vary by jurisdiction, there may be applications now pending which may result in issued patents that our technology under development or other future products would infringe. Also, because the claims of published patent applications

can change between publication and patent grant, there may be published patent applications that may ultimately issue with claims that we infringe. There could also be existing patents that one or more of our technologies, products or parts may infringe and of which we are unaware. As the number of competitors in the market for wire-free power and alternative recharging solutions increases, and as the number of patents issued in this area grows, the possibility of patent infringement claims against us increases. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

If we become subject to a patent infringement or other intellectual property lawsuit and if the relevant patents or other intellectual property are upheld as valid and enforceable, we could be prevented from selling any infringing products of ours unless we could obtain a license or were able to redesign the product to avoid infringement. If we are unable to obtain a license or successfully redesign, we might be prevented from selling our technology under development or other future products. If there is a determination that we have infringed the intellectual property rights of a competitor or other person, we may be required to pay damages, pay a settlement, or pay ongoing royalties, or be enjoined. In these circumstances, we may be unable to sell our products or license our technology at competitive prices or at all, and our business and operating results could be harmed. Even if there is a determination that we have not infringed the intellectual property rights of a competitor or other person, litigation can be a significant distraction to management and could subject us to significant legal costs, adversely affecting our cash flows and operating results.

We could become subject to product liability claims, product recalls, and warranty claims that could be expensive, divert management's attention and harm our business.

Our business exposes us to potential liability risks that are inherent in the marketing and sale of products used by consumers. We may be held liable if our technology causes injury or death or is found otherwise unsuitable. While we believe our technology is safe, users could allege and possibly prove defects (some of which could be alleged or proved to cause harm to users or others) because we design our technology to perform complex functions involving RF energy in close proximity to users. A product liability claim, regardless of its merit or eventual outcome, could result in significant legal defense costs and reduced demand for our products. The coverage limits of the insurance policies we may choose to purchase to cover related risks may not be adequate to cover future claims. If sales of products incorporating our technology increase or we suffer future product liability claims, we may be unable to maintain product liability insurance in the future at satisfactory rates or with adequate amounts. A product liability claim, any product recalls or excessive warranty claims, whether arising from defects in design or manufacture or otherwise, could negatively affect our sales or require a change in the design or manufacturing process, any of which could harm our reputation, harm our relationship with licensors of our products, result in a decline in revenue and harm our business.

In addition, if a product that we or a licensing partner design is defective, whether due to design or manufacturing defects, improper use of the product or other reasons, we or our licensing partner may be required to notify regulatory authorities and/or to recall the product. A required notification to a regulatory authority or recall could result in an investigation by regulatory authorities into the products incorporating our technology, which could in turn result in required recalls, restrictions on the sale of such products or other penalties. The adverse publicity resulting from any of these actions could adversely affect the perceptions of our customers and potential customers. These investigations or recalls, especially if accompanied by unfavorable publicity, could result in our incurring substantial costs, losing revenues and damaging our reputation, each of which would harm our business.

The ability of our products to operate effectively can be negatively impacted by many different elements unrelated to our products. Although certain technical problems experienced by consumers of the products incorporating our products may not be caused by our products, users may perceive them to be the underlying cause of poor performance of the wireless network. This perception, even if incorrect, could harm our business.

Our business is subject to data security risks, including security breaches.

We collect, process, store and transmit substantial amounts of information, including information about our customers. We take steps to protect the security and integrity of the information we collect, process, store and transmit, but there is no guarantee that inadvertent or unauthorized use or disclosure will not occur or that third parties will not gain unauthorized access to this information despite such efforts. Security breaches, computer malware, computer hacking attacks, ransomware and other compromises of information security measures have become more prevalent in the business world and may occur on our systems or those of our vendors in the future. Large Internet companies and websites have from time to time disclosed sophisticated and targeted attacks on

portions of their websites, and an increasing number have reported such attacks resulting in breaches of their information security. We and our third-party vendors are at risk of suffering from similar attacks and breaches. Although we take steps to maintain confidential and proprietary information on our information systems, these measures and technology may not adequately prevent security breaches and we rely on our third-party vendors to take appropriate measures to protect the security and integrity of the information on those information systems. Because techniques used to obtain unauthorized access to or to sabotage information systems change frequently and may not be known until launched against us, we may be unable to anticipate or prevent these attacks. In addition, a party that is able to illicitly obtain a customer's identification and password credentials may be able to access our customer's accounts and certain account data.

We rely on email and other electronic means of communication to connect with our existing and potential customers. Our customers may be targeted by parties using fraudulent spoofing and phishing emails to misappropriate passwords, payment information or other personal information or to introduce viruses through Trojan horse programs or otherwise through our customers' computers, smartphones, tablets or other devices. Despite our efforts to mitigate the effectiveness of such malicious email campaigns through product improvements, spoofing and phishing may damage our brand and increase our costs.

Any actual, perceived or suspected security breach or other compromise of our security measures or those of our third-party vendors, whether as a result of hacking efforts, denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering or otherwise, could harm our reputation and business, damage our brand and make it harder to retain existing customers or acquire new ones, require us to expend significant capital and other resources to address the breach, and result in a violation of applicable laws, regulations or other legal obligations. We could also be exposed to a risk of loss or litigation and potential liability under laws, regulations and contracts that protect the privacy and security of personal information. Our insurance policies may not be adequate to reimburse us for direct losses caused by any such security breach or indirect losses due to resulting customer attrition. Any of these events or circumstances could materially adversely affect our business, financial condition and operating results.

If we are not able to satisfy data protection, security, privacy and other government- and industry-specific requirements or regulations, our business, results of operations and financial condition could be harmed.

The regulatory frameworks relating to privacy, data protection and information security matters are rapidly evolving and are likely to remain uncertain for the foreseeable future. The cost of compliance with, and other burdens imposed by new privacy and data security laws may limit the use and adoption of our products and could have an adverse impact on our business, results of operations and financial condition. Although we work to comply with applicable privacy and data security laws and regulations, industry standards, contractual obligations and other legal obligations, those laws, regulations, standards and obligations are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another. As such, we cannot assure ongoing compliance with all such laws, regulations, standards and obligations. Any failure or perceived failure by us to comply with applicable laws, regulations, standards or obligations, or any actual or suspected security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of personally identifiable information or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity, and could cause our licensing partners to lose trust in us, which could have an adverse effect on our reputation and business.

If we are not able to secure advantageous license agreements for our technology, our business and results of operations will be adversely affected.

We may pursue the licensing of our technology as a primary means of revenue generation. Creating a licensing business relationship often takes substantial effort, as we expect to have to convince the counterparty of the efficacy of our technology, meet design and manufacturing requirements, satisfy marketing and product needs, and comply with selection, review, and contracting requirements. It is critical that we continue to evolve our intellectual property portfolio, particularly in 5G. If we do not maintain a strong portfolio that is applicable to current and future standards, products and services, our future licensing revenues could be negatively impacted. There can be no assurance that we will be able to gain access to potential licensing partners, or that they will ultimately decide to integrate our technology with their products. We also cannot guarantee that existing licensing partners will continue their relationships with us. We may not be able to secure license agreements with customers on advantageous terms, and the timing and volume of revenue earned from license agreements will be outside of our control. If the license agreements we enter into do not prove to be advantageous to us, our business and results of operations will be adversely affected.

Risks Related to Regulation of Our Business

Domestic and international regulators may deny approval for our technology, and future legislative or regulatory changes may impair our business.

Our charging technology involves power transmission using RF energy, which is subject to regulation by the FCC in the United States and by comparable regulatory agencies worldwide. It may also be subject to regulation by other agencies. Regulatory concerns include whether human exposure to RF emissions falls below specified thresholds. Higher levels of exposure require separate approval. For example, transmitting more power over a certain distance or transmitting power over a greater distance may require separate regulatory approvals. In addition, we design our technology to operate in a RF band that is also used for Wi-Fi routers and other wireless consumer electronics, and we also design it to operate at different frequencies as demanded for some customer applications. Applications at different frequencies may require separate regulatory approvals. Efforts to obtain regulatory approval for devices using our technology are costly and time consuming, and there can be no assurance that requisite regulatory approvals will be obtained. If approvals are not obtained in a timely and cost-efficient manner, our business and operating results could be materially adversely affected. In addition, legal or regulatory developments could impose additional restrictions or costs on us that could require us to redesign our technology or future products, or that are difficult or impracticable to comply with, all of which would adversely affect our revenues and financial results.

Risks Related to Personnel

We are highly dependent on key members of our executive management team. Our inability to retain these individuals could impede our business plan and growth strategies, which could have a negative impact on our business and the value of your investment.

Our ability to implement our business plan depends, to a critical extent, on the continued efforts and services of a very small number of key executives. If we lose the services of any of the key members of our executive management team, we could be required to expend significant time and money in the pursuit of replacements, which may result in a delay in the implementation of our business plan and plan of operations. If it becomes necessary to replace any key executives, we can give no assurance that we could find satisfactory permanent replacements for these individuals at all or on terms that would not be unduly expensive or burdensome to us. We do not currently carry any key-person life insurance that would help us recoup our costs in the event of the death or disability of any of these executives.

Our success and growth depend on our ability to attract, integrate and retain high-level engineering talent.

Because of the highly specialized and complex nature of our business, our success depends on our ability to attract, hire, train, integrate and retain high-level engineering talent. Competition for such personnel is intense because we compete for talent against many large profitable companies and our inability to adequately staff our operations with highly qualified and well-trained engineers could render us less efficient and impede our ability to develop and deliver a commercial product. Further, in recent years, the increased availability of hybrid or remote working arrangements has expanded the pool of companies that can compete for our employees and employment candidates. A number of such competitors for talent are significantly larger than us and/or offer compensation in excess of what we offer or other benefits that we do not offer. Such a competitive market could put upward pressure on labor costs for engineering talent. We may incur significant costs to attract and retain highly qualified talent, and we may lose new employees to our competitors or other technology companies before we realize the benefit of our investment in recruiting and training them. Volatility or lack of performance in our stock price may also affect our ability to attract and retain qualified personnel.

We are subject to risks associated with our utilization of engineering consultants.

To improve productivity and accelerate our development efforts while we build out our own engineering team, we use experienced consultants to assist in selected development projects. We take steps to monitor and regulate the performance of these independent third parties. However, arrangements with third party service providers may make our operations vulnerable if these consultants fail to satisfy their obligations to us as a result of their performance, changes in their own operations, financial condition, or other matters outside of our control. Effective management of our consultants is important to our business and strategy. The failure of our consultants to perform as anticipated could result in substantial costs, divert management's attention from other strategic activities, or create other operational or financial problems for us. Terminating or transitioning arrangements with key consultants

could result in additional costs and a risk of operational delays, potential errors and possible control issues as a result of the termination or during the transition.

Risks Related to Ownership of Our Common Stock

We are a “smaller reporting company,” and the reduced disclosure requirements applicable to smaller reporting companies could make our common stock less attractive to investors.

We are a “smaller reporting company,” meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a “smaller reporting company,” and have either: (i) a public float of less than \$250 million or (ii) annual revenues of less than \$100 million during the most recently completed fiscal year and a public float of less than \$700 million. As a “smaller reporting company,” we are subject to reduced disclosure obligations in our SEC filings compared to other issuers, including with respect to disclosure obligations regarding executive compensation in our periodic reports and proxy statements. Until such time as we cease to be a “smaller reporting company,” such reduced disclosure in our SEC filings may make it harder for investors to analyze our operating results and financial prospects.

If some investors find our common stock less attractive as a result of any choices to reduce future disclosure we may make, there may be a less active trading market for our common stock and our stock price may be more volatile.

If we are unable to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy of our financial reports.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Although our management has determined that our internal control over financial reporting was effective as of December 31, 2024, we cannot assure you that we will not identify any material weakness in our internal control in the future.

We qualify as a “smaller reporting company” and are therefore not required to file an auditor attestation report. If we experience a material weakness in our internal controls, we may fail to detect errors in our financial accounting, which may require a financial statement restatement or otherwise harm our operating results, cause us to fail to meet our SEC reporting obligations or listing requirements of The Nasdaq Stock Market, (“Nasdaq”), adversely affect our reputation, cause our stock price to decline or result in inaccurate financial reporting or material misstatements in our annual or interim financial statements. Further, if there are material weaknesses or failures in our ability to meet any of the requirements related to the maintenance and reporting of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and that could cause the price of our common stock to decline. We could become subject to investigations by Nasdaq, the SEC or other regulatory authorities, which could require additional management attention and financial resources which could adversely affect our business.

In addition, our internal control over financial reporting will not prevent or detect all errors and fraud. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

Our stock price is likely to continue to be volatile.

The market price of our common stock has fluctuated significantly since our initial public offering in 2014. The price of our common stock is likely to continue to fluctuate significantly in response to many factors that are beyond our control, including:

- regulatory announcements and approvals;
- actual or anticipated variations in our operating results;
- general macroeconomic, political, industry and market conditions, including increases in inflation, fluctuating interest rates, volatile global financial markets, the potential of government shutdowns and uncertainty regarding the federal

budget and debt ceiling, disruptions to global supply chains and transportation, and perceptions of future economic growth prospects in the economy at large;

- recent uncertainty in the global banking sector;
- regional conflicts around the world, terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters and other calamities, including global pandemics and other public health crises;
- changes in the economic performance and/or market valuations of other technology companies;
- our announcements of significant strategic partnerships, regulatory developments and other events;
- announcements, innovations and other developments by other companies in our industry;
- articles published or rumors circulated by third parties regarding our business, technology or licensing partners;
- additions or departures of key personnel; and
- sales or other transactions involving our capital stock or securities exercisable or convertible for our capital stock.

We have not paid dividends in the past and have no immediate plans to pay dividends.

We plan to reinvest all of our earnings, to the extent we have earnings, in order to market our products and technology and to cover operating costs and to otherwise become and remain competitive. We do not plan to pay any cash dividends with respect to our securities in the foreseeable future. We cannot assure you that we would, at any time, generate sufficient surplus cash that would be available for distribution to the holders of our common stock as a dividend.

We expect to continue to incur significant costs as a result of being a public reporting company and our management will be required to devote substantial time to meet our compliance obligations.

As a public reporting company, we incur significant legal, accounting and other expenses. We are subject to reporting requirements of the Exchange Act and rules subsequently implemented by the SEC that require us to establish and maintain effective disclosure controls and internal controls over financial reporting, as well as some specific corporate governance practices. Our management and other personnel are expected to devote a substantial amount of time to compliance initiatives associated with our public reporting company status. Those costs will increase significantly if we cease to qualify as a smaller reporting company.

We may be subject to securities litigation, which is expensive and could divert management attention.

Our stock price has fluctuated in the past, reacting to news such as our past announcements of FCC approvals and it may be volatile in the future. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation, and we may be the target of litigation of this sort in the future. Securities litigation is costly and can divert management attention from other business concerns, which could seriously harm our business and the value of your investment in our company.

Our ability to use Federal net operating loss carry forwards to reduce future tax payments may be limited if our taxable income does not reach sufficient levels.

As of December 31, 2024, we had Federal and State net operating loss (“NOL”) carryforwards of approximately \$ 320.2 million and \$294.9 million, respectively. Under the Internal Revenue Code of 1986, as amended, NOLs arising in tax years ending on or before December 31, 2017 can generally be carried forward to offset future taxable income for a period of 20 years, and NOLs arising in tax years ending after December 31, 2017 can generally be carried forward indefinitely. Our ability to use our NOLs will be dependent on our ability to generate taxable income, and the NOLs that arose in tax years ending on or before December 31, 2017

could expire before we generate sufficient taxable income to take advantage of the NOLs. As of December 31, 2024, based on our history of operating losses it is possible that a portion of our NOLs will not be fully realizable.

Our charter documents and Delaware law may inhibit a takeover that stockholders consider favorable.

Provisions of our certificate of incorporation and bylaws, and applicable Delaware law, may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. The provisions in our certificate of incorporation and bylaws:

- authorize our Board to issue preferred stock without stockholder approval and to designate the rights, preferences and privileges of each class; if issued, such preferred stock would increase the number of outstanding shares of our capital stock and could include terms that may deter an acquisition of us;
- limit who may call stockholder meetings;
- do not permit stockholders to act by written consent;
- do not provide for cumulative voting rights; and
- provide that all vacancies may be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

In addition, Section 203 of the Delaware General Corporation Law may limit our ability to engage in any business combination with a person who beneficially owns 15% or more of our outstanding voting stock unless certain conditions are satisfied. This restriction lasts for a period of three years following the share acquisition. These provisions may have the effect of entrenching our management team and may deprive you of the opportunity to sell your shares to potential acquirers at a premium over prevailing prices. This potential inability to obtain a control premium could reduce the price of our common stock.

Our warrants that are accounted for as liabilities and the changes in value of our warrants could have a material effect on the market price of our common stock or our financial results.

We account for our outstanding warrants in accordance with the guidance contained in Accounting Standards Codification (“ASC”) 815, Derivatives and Hedging. Such guidance provides that, because our warrants do not meet the criteria for equity treatment thereunder, each warrant must be recorded as a liability. Accordingly, we classify each warrant as a liability at its fair value. This liability is subject to re-measurement at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the statements of operations. With each such remeasurement, the warrant liability is adjusted to fair value, with the change in fair value recognized in our statement of operations and therefore our reported earnings. As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly based on factors which are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non-cash gains or losses on the warrants each reporting period and that the amount of such gains or losses could be material. The impact of changes in fair value on earnings may have an adverse effect on the market price of our common stock.

General Risk Factors

We may not satisfy Nasdaq’s requirements for continued listing of our common stock. If we cannot satisfy these requirements, Nasdaq could delist our common stock.

Our common stock is listed on the Nasdaq Capital Market under the symbol “WATT.” To continue to be listed on the Nasdaq Capital Market, we are required to satisfy a number of conditions. As previously disclosed, on December 4, 2024, we received notice from the staff of the Listing Qualifications department (the “Staff”) of Nasdaq that we were not in compliance with the with the minimum stockholders’ equity requirement for continued listing as set forth in Nasdaq Listing Rule 5550(b)(1) (the “Stockholders’ Equity Requirement”), and on August 29, 2024, we received a separate notice that we were not in compliance with the \$1.00

minimum bid price requirement for continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2) (the “Bid Price Rule”).

While we were notified by the Staff on January 21, 2025 that we regained compliance with the Stockholders’ Equity Requirement, we may be subject to future delisting if we fail to evidence compliance with the Stockholders Equity Requirement in our quarterly report for the first quarter of 2025. On February 27, 2025, we received a letter from the Staff granting us an additional 180 calendar days, or until August 25, 2025, to regain compliance with the Bid Price Rule. We cannot assure you that we will be able to maintain compliance with the Stockholders’ Equity Requirement or that we will regain compliance with the Bid Price Rule, which are conditions for continued listing on the Nasdaq Capital Market, or that we will continue to satisfy these or other Nasdaq Capital Market listing requirements in the future. Our failure to maintain or regain compliance, as applicable, with any Nasdaq Listing Rule could result in delisting. If we are delisted from the Nasdaq Capital Market, trading in our shares of common stock may be conducted, if available, on the “OTC Bulletin Board Service” or, if available, via another market. In the event of such delisting, our stockholders would likely find it significantly more difficult to dispose of, or to obtain accurate quotations as to the value of the shares of our common stock, and our ability to raise future capital through the sale of the shares of our common stock or other securities convertible into or exercisable for our common stock could be severely limited. This could have a long-term impact on our ability to raise future capital through the sale of our common stock and adversely affect any investment in our common stock.

Adverse macroeconomic conditions, natural disasters or reduced technology spending could adversely affect our business, operating results, and financial condition.

Our business depends on the overall demand for our technology and on the economic health of our current and prospective customers and retail consumers generally. In addition, the purchase of our products is often discretionary and may involve a significant commitment of capital and other resources. Weak global and regional macroeconomic conditions, including labor shortages, supply chain and transportation disruptions, rising interest rates and inflation, low spending environments, geopolitical instability, warfare and uncertainty, tariffs, trade protectionism or other barriers to trade, weak economic conditions in certain regions or a reduction in technology spending regardless of macroeconomic conditions, including as a result of the ongoing conflict between Russia and the Ukraine and the global response thereto, could adversely affect our business, operating results, and financial condition, including resulting in longer sales cycles, a negative impact on our ability to attract and retain new customers or expand our platform or sell additional products to our existing customers, lower prices for our products, higher default rates among our current suppliers and customers and reduced sales to new or existing customers.

There have been disruptions and uncertainty in the global banking system in recent years. For example, in the first half of 2023, Silicon Valley Bank (“SVB”), Signature Bank and First Republic were closed by state regulators and the Federal Deposit Insurance Corporation (the “FDIC”) was appointed as receiver for each bank. While we do not have any exposure to SVB, Signature Bank, or First Republic, we do maintain our cash at financial institutions, often in balances that exceed the current FDIC insurance limits. If other banks and financial institutions in which we hold funds for working capital and operating expenses enter receivership or become insolvent in the future, our ability to access our cash and cash equivalents, including transferring funds, making payments or receiving funds, may be threatened and could have a material adverse effect on our business and financial condition. Moreover, such events, in addition to the global macroeconomic conditions discussed above, may cause further turbulence and uncertainty in the capital markets, which may adversely affect the trading price of our common stock and potentially our results of operations. Further, deterioration of the global macroeconomic environment and any regulatory action taken in response thereto may also adversely affect our business, operating results, and financial condition.

Further, natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could have an adverse effect on us. Our business operations are also subject to, among other things, interruption by fire, power shortages, flooding, and other events beyond our control. In the event of a natural disaster, including a major earthquake, blizzard, or hurricane, or a catastrophic event such as a fire, power loss, cyberattack, or telecommunications failure, we may be unable to continue our operations, the products which embody our technology may not function properly or at all, and we may endure system interruptions, reputational harm, delays in development of our products, lengthy interruptions in service, breaches of data security, loss of critical data, and reduced sales, all of which could have an adverse effect on our operating results. Climate change could result in an increase in the frequency or severity of such natural disasters. For example, our corporate offices are located in California, a state that frequently experiences earthquakes, wildfires, heatwaves and droughts.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. There can be no assurance that analysts will continue to cover us or provide favorable coverage. If one or more of the analysts who cover us downgrade our stock or change their opinion of our stock, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

Risk Management and Strategy

We believe cybersecurity is critical to supporting our vision and enabling our strategy. We face a multitude of cybersecurity threats that are common to most industries, such as ransomware and denial-of-service. Our customers, suppliers, and partners face similar cybersecurity threats and, while we have not been materially affected to date, a cybersecurity incident impacting us or any of these entities could materially adversely affect our operations, performance, and results of operations. These cybersecurity threats and related risks make it imperative that we maintain a strong focus on cybersecurity.

We assess, identify and manage material risks from cybersecurity threats through various policies, procedures and processes of our information technology (“IT”) department, which include 1) review of IT security policy and change management policy review, 2) IT control procedures, 3) firewall reviews, 4) system backups and 5) procurement of cyber liability insurance.

The Company also engages an IT consultant to frequently review and monitor policies, procedures and processes designed to mitigate the risk of cybersecurity threats. The IT consultant has regular communication with the Company’s Chief Executive Officer and Chief Financial Officer to address any issues or concerns that may arise.

Governance

The Board of Directors oversees the risks of cybersecurity threats and communicates with the Chief Executive Officer and Chief Financial Officer regarding controls in place. The Board of Directors receives periodic briefings from the Chief Executive Officer and Chief Financial Officer, concerning cybersecurity, information security and technology risks, and our related risk mitigation programs. Any material cybersecurity threats, breaches or other concerns are immediately communicated to the Board of Directors.

Item 2. Properties

In 2014, we entered into a lease agreement for our corporate headquarters located at Northpointe Business Center, 3590 North First Street in San Jose, California. A new lease on this same property was signed in May 2022 for a term of three years starting from October 1, 2022. This space, with a total of 21,188 square feet, is used for our headquarters and for research and development efforts. In September 2021, we entered into a lease agreement for office space in Costa Mesa, CA, starting from October 1, 2021, which was utilized by our engineers residing in Southern California and had a total of 1,387 square feet. This lease expired on September 30, 2023 and was not renewed.

Item 3. Legal Proceedings

We are not currently a party to any legal proceedings that we believe will have a material adverse effect on our business or financial conditions. We may, however, be subject to various claims and legal actions arising in the ordinary course of business from time to time.

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 for Common Stock

Our common stock began trading on The Nasdaq Capital Market under the symbol “WATT” on March 31, 2014. Prior to that date, there was no public trading market for our common stock.

Holders of Record

As of February 1, 2025, there were 5 stockholders of record of our common stock, and we believe we have significantly more beneficial owners of our common stock.

Dividend Policy

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

Issuer Purchases of Equity Securities

None

Item 6. Reserved

Not applicable.

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

Overview

We have developed a scalable, over-the-air WPN technology that integrates advanced semiconductor chipsets, software controls, hardware designs, and antenna systems to enable RF-based charging for IoT devices. Our WPN technology provides a comprehensive suite of capabilities designed to power the next generation of wireless energy networks, seamlessly delivering power and data across diverse, battery-free device ecosystems. This innovation enhances operational visibility, control, and intelligent business automation.

Our solutions support both near-field and at-a-distance wireless charging, supplying power at multiple levels across varying distances. By enabling continuous wireless power transmission, our transmitter and receiver technologies facilitate the use of battery-free IoT devices, transforming asset and inventory tracking across multiple industries. Key applications include retail sensors, electronic shelf labels, asset trackers, air quality monitors, motion detectors, and other smart monitoring solutions.

We believe our technology represents a breakthrough in wireless power delivery, offering a differentiated approach to charging IoT devices via RF technology. To date, we have developed and released multiple transmitter and receiver solutions, including prototypes and partner production designs. Our transmitters vary in form factor, power specifications, and operating frequencies, while our receivers are engineered to support a wide range of wireless charging applications across multiple device categories, including:

Device Type	Application
RF Tags	Cold Chain, Asset Tracking, Medical IoT
IoT Sensors	Cold Chain, Logistics, Asset Tracking
Electronic Shelf Labels	Retail and Industrial IoT

The first WPN-enabled end product featuring our technology entered the market in 2019. In the fourth quarter of 2021, we commenced shipments of our first at-a-distance wireless PowerBridge transmitter systems for commercial IoT applications and proof-of-concept deployments. As we continue to innovate our technology applications, we anticipate the release of additional wireless power-enabled products.

Impact of Current Global Economic Conditions on Our Business

Uncertainty in the global economy presents significant risks to our business. We are subject to continuing exposure relating to the current macroeconomic environment, including inflation and rising interest rates, geopolitical factors, including the ongoing conflict between Russia and Ukraine as well as in the Middle East and the responses thereto and supply chain disruptions. We are closely monitoring the impact of these factors on all aspects of our business, including their impact on our operations, financial position, cash flows, inventory, supply chains, global regulatory approvals, purchasing trends, customer payments, and the industry in general, in addition to the impact on our employees.

Critical Accounting Estimates and Policies

The following discussion and analysis of financial condition and results of operations is based upon our financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America. Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Please see Note 3 to our financial statements for a more complete description of our significant accounting policies.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements as well as the reported expenses during the reporting periods.

Some of these judgments can be subjective and complex, and, consequently, actual results may differ from these estimates. Although we believe that its estimates and assumptions are reasonable, they are based upon information available at the time the estimates and assumptions were made. Actual results could differ from those estimates.

Going Concern. Accounting Standards Codification (“ASC”) 205-40 *Presentation of Financial Statements - Going Concern*, requires management to assess our ability to continue as a going concern. In accordance with this guidance, we have evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the financial statements are issued. We have determined that there was substantial doubt about our ability to continue as a going concern, but it was alleviated based on financing received in 2025, as well as current operating levels and further cost reductions implemented in the first quarter of 2025. We anticipate cash flows generated from operations and our cash and cash equivalents will be sufficient to meet our liquidity needs for at least the next 12 months.

Determining the extent to which conditions or events raise substantial doubt about our ability to continue as a going concern requires significant judgment and estimation by us. Our significant estimates related to this analysis may include identifying business factors used in the forecasted financial results and liquidity. We believe that the estimated values used in our going concern analysis are based on reasonable assumptions. However, such assumptions are inherently uncertain and actual results could differ materially from those estimates.

Warrants. We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, "Distinguishing Liabilities from Equity" ("ASC 480"), and ASC 815, "Derivatives and Hedging" ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as a liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The fair value of the warrants is estimated using an appropriate valuation model. Such warrant classification is also subject to re-evaluation at each reporting period.

Offering costs associated with warrants classified as liabilities are expensed as incurred and are presented as offering cost related to warrant liability in the statement of operations. Offering costs associated with the sale of warrants classified as equity are charged against proceeds.

Revenue Recognition. We follow ASC 606, "Revenue from Contracts with Customers" ("Topic 606"). In accordance with Topic 606, we recognize revenue using the following five-step approach:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price of the contract.
4. Allocate the transaction price to the performance obligations of the contract.
5. Recognize revenue when or as the performance obligations are satisfied.

Our revenue consists of its single segment of wireless charging system solutions. The wireless charging system revenue consists of revenue from product development projects and production-level systems.

We record revenue associated with product development projects that we enter into with certain customers. In general, these product development projects are complex, and we do not have certainty about our ability to achieve the project milestones. The achievement of a milestone is dependent on our performance obligation and requires acceptance by the customer. We recognize this revenue at the point in time at which the performance obligation is met. The payment associated with achieving the performance obligation is generally commensurate with our effort or the value of the deliverable and is nonrefundable. Any deferred revenue is recognized upon achievement of the performance obligation or expiration of a support agreement.

Results of Operations

Costs and Expenses

Cost of revenue consists of direct materials, direct labor and overhead for our production-level wireless charging systems. Research and development expenses include costs associated with our efforts to develop our technology, including personnel

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compensation, consulting, engineering supplies and components, intellectual property costs, regulatory expense and general office expenses specifically related to the research and development department. Sales and marketing expenses include costs associated with selling and marketing our technology to our customers, including personnel compensation, public relations, graphic design, tradeshow, engineering supplies utilized by the sales team and general office expenses specifically related to the sale and marketing department. General and administrative expenses include costs for general and corporate functions, including personnel compensation, facility fees, travel, telecommunications, insurance, professional fees, consulting fees, general office expenses, and other overhead.

For the Years Ended December 31, 2024 and 2023

The following table sets forth selected Condensed Statements of Operations data (in thousands) and such data as a percentage of revenue:

	For the year ended December 31,			
	2024		2023	
Revenue	\$ 768	100 %	\$ 474	100 %
Cost of revenue	756	98 %	279	59 %
Gross profit	12	2 %	195	41 %
Operating expenses:				
Research and development	8,275	1,077 %	10,811	2,281 %
Sales and marketing	3,066	399 %	3,852	813 %
General and administrative	5,704	743 %	7,272	1,534 %
Severance expense	1,377	179 %	359	76 %
Total operating expenses	18,422	2,399 %	22,294	4,703 %
Loss from operations	(18,410)	(2,397)%	(22,099)	(4,662)%
Other income (expense), net:				
Offering costs related to warrant liability	—	—	(592)	(125)%
Change in fair value of warrant liability	262	34 %	2,515	531 %
Interest income, net	—	—	809	171 %
Loss on extinguishment of short-term debt	(219)	(29)%	—	—
Other expense	(31)	(4)%	—	—
Total other income (expense), net	12	2 %	2,732	576 %
Net loss	\$ (18,398)	(2,396)%	\$ (19,367)	(4,086)%

Revenues. During 2024 and 2023, we recorded revenue of \$0.8 million and \$0.5 million, respectively. The increase in revenue in 2024 is primarily due to an increase in commercial sales of our PowerBridge transmitters, driven primarily by the delivery of transmitters to fulfill an initial order from a Fortune 10 retailer in the fourth quarter of 2024. In contrast, revenue recorded for 2023 was primarily attributable to engineering services, integrated circuit sales, and PowerBridge transmitters for use in proofs of concept.

Cost of Revenue:

	For the year ended December 31,			
	2024	2023	\$ Change	% Change
Cost of revenue	\$ 756	\$ 279	\$ 477	171 %
Percent of total revenue	98 %	59 %		

Cost of revenue was \$0.8 million and \$0.3 million, respectively, for 2024 and 2023. The increase is primarily due to the cost of transmitters sold, as the initial sales of 2-watt PowerBridge transmitters that were shipped during 2024 were built in-house. We believe the cost of producing these transmitters will decrease in future quarters, as we utilize a contract manufacturer to build in larger production volumes. During 2023, revenue generated by transmitter sales represented a small percentage of the total revenue for that period, as the revenue for 2023 consisted mainly of non-recurring engineering fees for which the associated cost was included in research and development costs.

Operating expenses and Loss from Operations. Operating expenses are made up of research and development, sales and marketing, general and administrative, and severance expense. Loss from operations was \$18.4 million and \$22.1 million, respectively, for 2024 and 2023.

Research and Development Costs:

	<u>For the year ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2024</u>	<u>2023</u>		
Research and development	\$ 8,275	\$ 10,811	\$ (2,536)	(23)%
Percent of total revenue	1,077 %	2,281 %		

Research and development costs for 2024 and 2023 were \$8.3 million and \$10.8 million, respectively. The decrease of \$2.5 million is primarily due to a \$1.7 million decrease in employee compensation, consisting primarily of a \$1.3 million decrease in personnel-related expenses and a \$0.4 million decrease in stock-based compensation, a \$0.2 million decrease in legal fees pertaining to patents, a \$0.2 million decrease in software and maintenance costs, a \$0.1 million decrease in test development costs, a \$0.1 million decrease in consulting and third-party expenses and a \$0.1 million decrease in travel and miscellaneous office expenses.

Sales and Marketing Costs:

	<u>For the year ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2024</u>	<u>2023</u>		
Sales and marketing	\$ 3,066	\$ 3,852	\$ (786)	(20)%
Percent of total revenue	399 %	813 %		

Sales and marketing costs for 2024 and 2023 were \$3.1 million and \$3.9 million, respectively. The decrease of \$0.8 million is primarily due to a \$0.8 million decrease in employee compensation, consisting of a \$0.7 million decrease in personnel-related expenses due to a lower headcount within the department and a \$0.1 million decrease in stock-based compensation, a \$0.1 million decrease in tradeshow expense and a \$0.1 million decrease in software, travel and miscellaneous office expenses, partially offset by a \$0.2 million increase in consulting, third-party and public relations fees.

General and Administrative Costs:

	<u>For the year ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2024</u>	<u>2023</u>		
General and administrative	\$ 5,704	\$ 7,272	\$ (1,568)	(22)%
Percent of total revenue	743 %	1,534 %		

General and administrative costs for 2024 and 2023 were \$5.7 million and \$7.3 million, respectively. The decrease of \$1.6 million is primarily due to a \$0.5 million decrease in stock-based compensation, a \$0.5 million decrease in consulting and third-party service fees, a \$0.4 million decrease in insurance premiums, a \$0.2 million decrease in accounting and auditing fees, a \$0.1 million decrease in legal fees, a \$0.1 million decrease in computer software and support, a \$0.1 million decrease in annual meeting costs and a \$0.1 million decrease in travel and miscellaneous office expenses, partially offset by a \$0.3 million increase in stock registration expense and a \$0.1 million increase in public relations and investor relations expenses.

Severance Expense:

	<u>For the year ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2024</u>	<u>2023</u>		
Severance expense	\$ 1,377	\$ 359	\$ 1,018	284 %
Percent of total revenue	179 %	76 %		

Severance expense for 2024 and 2023 was \$1.4 million and \$0.4 million, respectively. The increase of \$1.0 million is primarily due to the departure of the former CEO during 2024 for which \$1.2 million in severance expense was recorded, partially offset by \$0.3 million in severance expense recorded during 2023 due to the departure of the former CFO.

Other income (expense), net:

	For the year ended December 31,		\$ Change	% Change
	2024	2023		
Offering costs related to warrant liability	\$ —	\$ (592)	\$ 592	100 %
Change in fair value of warrant liability	262	2,515	(2,253)	(90)%
Interest income, net	—	809	(809)	(100)%
Loss on extinguishment of short-term debt	(219)	—	(219)	(100)%
Other expense	(31)	—	(31)	(100)%
Total other income (expense), net	\$ 12	\$ 2,732	\$ (2,720)	(100)%

Offering costs related to warrant liability were \$0.6 million during 2023. We did not incur such cost during 2024.

Other income resulting from the change in fair value of the warrant liability was \$0.3 million during 2024 and \$2.5 million during 2023. The changes for both periods were due to a lower market value of our common stock.

Net interest income for 2024 was \$0, as \$0.2 million in interest income from our money market account, offset \$0.2 million in interest expense from a short-term loan. Interest income of \$0.8 million during 2023 was from interest earned from our money market account.

Loss on extinguishment of short-term debt was \$0.2 million during 2024. We did not incur such cost during 2023.

Net Loss. As a result of the factors described above, net loss for 2024 was \$18.4 million, compared to \$19.4 million for 2023.

Liquidity and Capital Resources

During 2024 and 2023, we recorded revenue of \$0.8 million and \$0.5 million, respectively. We incurred a net loss of \$18.4 million and \$19.4 million for 2024 and 2023, respectively. Net cash used in operating activities was \$17.6 million and \$19.2 million for 2024 and 2023, respectively. As of December 31, 2024, we had cash on hand of \$1.4 million. We are currently meeting our liquidity requirements through the proceeds of securities offerings in at-the-market (ATM) offerings that raised net proceeds of \$3.2 million during 2024 and \$13.4 million during 2025 through February 25, 2025, as well as through a short-term loan on which we have a payable balance due of approximately \$0.8 million as of December 31, 2024. As of February 25, 2025, the Company had \$11.7 million in cash on hand.

Based on current operating levels and further cost reduction efforts implemented in the first quarter of 2025, we believe we have sufficient cash on hand to fund the next 12 months of operations.

As we gain traction in the market with our new technology and continue to invest capital in transitioning and scaling the business from research and development of new technologies to commercial production, there can be no assurance that our available resources and revenue generated from our business operations will be sufficient to sustain our operations.

Accordingly, we expect to pursue additional financing, which could include offerings of equity or debt securities, bank financing, commercial agreements with customers or strategic partners, and other alternatives, depending upon market conditions. There is no assurance that such financing will be available on terms that we would find acceptable, or at all. If we are unsuccessful in implementing this plan, we will be required to make further cost and expense reductions or modifications to our on-going and strategic plans.

February 2024 Equity Offering

On February 15, 2024, we entered into a securities purchase agreement with an institutional investor, providing for the issuance and sale by us, in a registered direct offering (the “February 2024 Offering”), of (i) 570,000 shares of our common stock, (ii) pre-funded warrants to purchase up to 450,409 shares of common stock, and (iii) warrants to purchase up to an aggregate of 1,020,409 shares of common stock. Each share of common stock and pre-funded warrant was offered and sold together with an accompanying warrant at a combined price of \$1.96 per share of common stock or pre-funded warrant, as applicable. The pre-funded warrants were

exercised at a price of \$0.001 per share during April 2024. The other warrants to purchase 1,020,409 shares of common stock are still outstanding and have an exercise price of \$1.84 per share. These warrants expire five years from the date of issuance. We received net proceeds of approximately \$1.8 million from the February 2024 Offering, after deducting placement agent fees and estimated offering expenses.

ATM Offering Program

On June 21, 2024, we entered into the At the Market Offering Agreement with H.C. Wainwright & Co., LLC, as sales agent, pursuant to which we could issue and sell of up to \$3.45 million in shares of our common stock (the “ATM Program”). During the three months and year ended December 31, 2024, we sold 5,634,585 shares and 6,851,753 shares, respectively, of our common stock under the Current ATM Program for net proceeds of approximately \$2.4 million and \$3.1 million, respectively (net of commissions and other related offering expenses of approximately \$0.1 million and \$0.3 million, respectively).

After December 31, 2024, we settled sales of an additional 16,584,405 shares of our common stock for net proceeds of approximately \$13.4 million (net of \$0.7 million in commissions and issuance costs) under the ATM Program. These sales settled between January 2, 2025 and February 12, 2025.

On February 13, 2025, we filed a prospectus supplement covering the offering, issuance and sale of an additional \$80.0 million in shares of our common stock under the ATM Program. Between February 21, 2025 and February 26, 2025, the Company settled sales of 252,040 shares of common stock for net proceeds of approximately \$38,000 under the ATM Program pursuant to the prospectus supplement filed on February 13, 2025.

Agile Subordinated Loan Agreement

Effective October 1, 2024, we entered into a subordinated business loan agreement (the “Original Loan Agreement”) with Agile Capital Funding, LLC and Agile Lending, LLC (collectively, the “Lender”), which provided for an initial term loan of \$525,000, with the ability to receive additional term loans of up to \$1.6 million, subject to certain conditions (such loans, the “Term Loan”). Principal and interest on the initial term loan in the aggregate amount of \$756,000 was to be repaid in weekly payments of \$27,000 commencing on October 14, 2024, and fully repaid on or before the maturity date of April 21, 2025. The Term Loan would be expressly subordinated to our obligations on certain senior indebtedness as provided in the Original Loan Agreement. Effective only upon the occurrence and continuance of an event of default under the Loan Agreement, we would grant the Lender a security interest in certain collateral, excluding intellectual property, of Energo Corporation as set forth in the Original Loan Agreement.

Effective November 5, 2024, we entered into an amended subordinated business loan agreement with the Lender (the “Amended Loan Agreement”) to refinance the Term Loan. The Amended Loan Agreement provides for a new term loan of \$997,000, with the ability to receive additional term loans of up to \$1.6 million, subject to certain conditions (such new loans, the “New Term Loan”). Principal and interest on the initial new term loan in the aggregate amount of \$1,415,740 is to be repaid in weekly payments of approximately \$39,000 and fully repaid on or before the maturity date of July 17, 2025. The proceeds of the New Term Loan were allocated to cover the administrative fee of \$48,000 and to repay in full the Term Loan as described above, which had a carrying amount of \$429,000 and settlement value of \$648,000 on November 5, 2024, and the remaining proceeds will be utilized for working capital. The New Term Loan will be expressly subordinated to our obligations on certain senior indebtedness of the Company as provided in the Amended Loan Agreement. The Amended Loan Agreement replaces the Original Loan Agreement and otherwise contains substantially the same terms as the Original Loan Agreement.

As of December 31, 2024, we had a short-term loan payable balance of approximately \$0.8 million. We recorded interest expense of approximately \$0.2 million related to the Original Loan Agreement and the Amended Loan Agreement. We recorded a loss on the extinguishment of debt of approximately \$0.2 million related to the Original Loan Agreement. The payment multiplier on the current loan is 1.42. An administrative fee of \$25,000 was paid on the Original Loan agreement and an administrative fee of \$48,000 was paid on the Amended Loan Agreement.

Regulation A Offering

On October 11, 2024, we filed a Regulation A Offering Statement on Form 1-A with an offering of a maximum of 5,000,000 Units (the “Regulation A Offering”), with each Unit consisting of one share of Series A Convertible Preferred Stock (initially

convertible into two shares of common stock) and three common stock purchase warrants, two to each purchase one share of common stock at an exercise price of \$1.50 per share and one to purchase one share of common stock at \$2.00 per share, for an aggregate of 5,000,000 shares of Series A Convertible Preferred Stock (and 10,000,000 shares of common stock underlying the shares of Series A Convertible Preferred Stock) and warrants to purchase up to an aggregate of 10,000,000 shares of common stock at an exercise price of \$1.50 per share and 5,000,000 shares of common stock at an exercise price of \$2.00 per share, at an offering price of \$1.50 per Unit, for a maximum offering amount of \$7,500,000. The Regulation A Offering Statement was qualified by the SEC on November 22, 2024. As of December 31, 2024, no closings have occurred on the Regulation A Offering. Our prepaid expense and other current assets balance as of December 31, 2024 includes \$0.3 million in prepaid expenses related to the Regulation A Offering.

Cash Flows

During 2024, cash flows used in operating activities were \$17.6 million, consisting of a net loss of \$18.4 million, less adjustments to reconcile net loss to net cash used in operating activities aggregating \$1.1 million (principally stock-based compensation of \$0.8 million, depreciation and amortization expense of \$0.2 million, loss on extinguishment of short-term debt of \$0.2 million, issuance of common stock to consultant of \$0.1 million and accrued interest of \$0.1 million, partially offset by change in fair value of warrant liability of \$0.3 million), a \$0.5 million decrease in operating lease liabilities, a \$0.2 million decrease in accrued expenses, a \$0.1 million decrease in accrued severance expense and a \$0.1 million increase in inventory, partially offset by \$0.7 million decrease in operating lease right-of-use assets. During 2023, cash flows used in operating activities were \$19.3 million, consisting of a net loss of \$19.4 million, less adjustments to reconcile net loss to net cash used in operating activities aggregating \$0.1 million (principally stock-based compensation of \$1.7 million, issuance costs allocated to warrant liability of \$0.6 million, depreciation and amortization expense of \$0.2 million and inventory net realizable adjustment of \$0.2 million, partially offset by a decrease in fair value of the warrant liability of \$2.5 million), a \$0.7 million decrease in operating lease liabilities, a \$0.5 million decrease in accrued expenses, a \$0.5 million increase in inventory and a \$0.3 million decrease in accrued severance, partially offset by a \$1.0 million increase in accounts payable, a \$0.7 decrease in operating lease right-of-use assets, a \$0.3 million increase in prepaid expenses and other current assets and a \$0.1 million decrease in accounts receivable.

During 2024 and 2023, cash flows used in investing activities were \$0.1 million and \$0.2 million, respectively. The cash used in 2024 and 2023 was for the purchases of testing and computer equipment.

During 2024, cash flows provided by financing activities were \$5.1 million, which primarily consisted of \$3.2 million in net proceeds from the sale of shares of our common stock under the ATM Program, \$1.8 million in net proceeds from a registered direct offering that included the sale of common stock, pre-funded warrants and warrants and net borrowings of \$0.8 million from a short-term loan, partially offset by \$0.3 million in repayments of financed insurance and \$0.3 million in repayments of a short-term loan. During 2023, cash flows provided by financing activities were \$7.1 million, which consisted of \$4.2 million in net proceeds from the sale of shares of our common stock under our prior at-the-market offering program, \$2.7 million in net proceeds from the issuance and sale of common stock and warrants, \$0.1 million in proceeds from a direct sale of common stock to the former Chief Executive Officer and \$0.1 million in proceeds from the ESPP.

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

In the ordinary course of business, we may be exposed to certain market risks, such as interest rates. However, after an assessment of these risks to our operations, we do not believe that the primary market risk exposures (within the meaning of Regulation S-K Item 305) will have any material adverse impact on our financial position, results of operations or cash flows for the next fiscal year.

Item 8. Financial Statements and Supplementary Data.

Energous Corporation

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Energos Corporation

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Energos Corporation (a Delaware corporation) as of December 31, 2024, and the related statements of operations, stockholders' equity (deficit), and cash flows for the year ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 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 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 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 financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which they relate.

Going Concern

The Company has incurred operating losses and negative cash flows from operations. As the Company is dependent on its ability to raise funds in the future, to continue as a going concern, it places higher reliance on projected financial information in ascertaining that no substantial doubt exists for it to continue as a going concern.

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We evaluated the reasonableness of the Company's forecasted revenues, operating expenses, and the projected cash balance as of February 28, 2026 (collectively, "forecasts"), by (1) inquiring of senior management to gain an understanding of the Company's operations and strategy, and (2) testing the forecasts by challenging the significant assumptions used by management in calculating such forecasts. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included:

- Reviewing the cash forecast prepared by management for one year after the date the financial statements are expected to be issued and management's evaluation of the Company's ability to continue as a going concern through the report issuance date.
- Assessing management's ability to forecast revenue and cash flows by comparing prior year forecasts to actual financial results.
- Assessing the adequacy of the disclosures in the financial statements related to the going concern assessment by comparing it to the audit evidence obtained.

/s/ BPMLLP

We have served as the Company's auditor since 2024.

San Jose, California
February 27, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Energos Corporation

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Energos Corporation (the "Company") as of December 31, 2023, the related statements of operations, changes in stockholders' equity and cash flows for the year ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 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 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 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 financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Going Concern – Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company has incurred operating losses and negative cash flows from operations. As the Company is dependent on its ability to raise funds in the future, to continue as a going concern, it places higher reliance on projected financial information in ascertaining that no substantial doubt exists for it to continue as a going concern.

In evaluating management's assessment of whether substantial doubt exists, and the projected financial information used in such an evaluation, we identified assessing the reasonableness of management's such evaluation of the Company's ability to continue as a going concern and related disclosures as a critical audit matter. This matter required a high degree of auditor judgment and increased effort when performing audit procedures to evaluate (1) the reasonableness of management's forecasted revenues, operating expenses, and projected ending cash balance as of March 31, 2025, and (2) the adequacy of the consolidated financial statements disclosure related to the going concern assessment.

How the Critical Audit Matter was Addressed in the Audit

The primary audit procedures we performed to address this critical audit matter included the following:

- We evaluated the design of the internal control related to the Company’s going concern assessment.
- We evaluated the reasonableness of the Company’s forecasted revenues, operating expenses, and the projected cash balance as of March 31, 2025 (collectively, “forecasts”), by (1) inquiring of the senior management to gain an understanding of the Company’s operations and strategy, and (2) testing the forecasts by challenging the significant assumptions used by management in calculating such forecasts.
- We also assessed management’s ability to forecast revenue and cash flows by comparing prior year forecasts to actual financial results.
- We assessed the adequacy of the consolidated financial statements’ disclosure related to the going concern assessment by comparing it to the audit evidence obtained.

/s/ Marcum LLP

Marcum LLP

We served as the Company’s auditor from 2013 to 2024.

San Jose, CA
March 28, 2024

Energous Corporation
BALANCE SHEETS
(in thousands, except share and per share amounts)

	As of	
	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,353	\$ 13,876
Restricted cash	—	60
Accounts receivable, net of allowance for credit losses of \$0 and \$53 as of December 31, 2024 and 2023, respectively	78	102
Inventory	498	430
Prepaid expenses and other current assets	983	539
Total current assets	2,912	15,007
Property and equipment, net	356	429
Operating lease right-of-use assets	527	1,240
Total assets	<u>\$ 3,795</u>	<u>\$ 16,676</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 1,852	\$ 1,879
Accrued expenses	1,135	1,254
Accrued severance expense	28	134
Warrant liability	358	620
Operating lease liabilities, current portion	668	707
Short-term debt, net	818	—
Deferred revenue	13	27
Total current liabilities	4,872	4,621
Operating lease liabilities, long-term portion	—	557
Total liabilities	4,872	5,178
Commitments and contingencies (Note 8)		
Stockholders' equity (deficit):		
Preferred Stock, \$0.00001 par value, 10,000,000 shares authorized as of December 31, 2024 and December 31, 2023; no shares issued or outstanding as of December 31, 2024 and December 31, 2023.	—	—
Common Stock, \$0.00001 par value, 200,000,000 shares authorized as of December 31, 2024 and December 31, 2023; 13,575,907 and 5,471,121 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively.	1	1
Additional paid-in capital	399,362	393,539
Accumulated deficit	(400,440)	(382,042)
Total stockholders' equity (deficit)	(1,077)	11,498
Total liabilities and stockholders' equity (deficit)	<u>\$ 3,795</u>	<u>\$ 16,676</u>

Note: Share and per share amounts have been retroactively adjusted to reflect the impact of a 1-for-20 reverse stock split effected in August 2023, as discussed in Note 1.

Energous Corporation
STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	For the Year Ended December 31,	
	2024	2023
Revenue	\$ 768	\$ 474
Cost of revenue	756	279
Gross profit	<u>12</u>	<u>195</u>
Operating expenses:		
Research and development	8,275	10,811
Sales and marketing	3,066	3,852
General and administrative	5,704	7,272
Severance expense	1,377	359
Total operating expenses	<u>18,422</u>	<u>22,294</u>
Loss from operations	<u>(18,410)</u>	<u>(22,099)</u>
Other income (expense), net:		
Offering costs related to warrant liability	—	(592)
Change in fair value of warrant liability	262	2,515
Interest income, net	—	809
Loss on extinguishment of short-term debt	(219)	—
Other expense	(31)	—
Total other income (expense), net	<u>12</u>	<u>2,732</u>
Net loss	<u>\$ (18,398)</u>	<u>\$ (19,367)</u>
Basic and diluted loss per common share	<u>\$ (2.57)</u>	<u>\$ (4.15)</u>
Weighted average shares outstanding, basic and diluted	<u>7,153,385</u>	<u>4,663,594</u>

Note: Share and per share amounts have been retroactively adjusted to reflect the impact of a 1-for-20 reverse stock split effected in August 2023, as discussed in Note 1.

Energous Corporation
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except for share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance as of January 1, 2023	3,947,267	\$ 1	\$ 387,319	\$ (362,675)	\$ 24,645
Stock-based compensation - stock options	—	—	85	—	85
Stock-based compensation - restricted stock units ("RSUs")	—	—	1,533	—	1,533
Stock-based compensation - employee stock purchase plan ("ESPP")	—	—	44	—	44
Stock-based compensation - performance share units ("PSUs")	—	—	16	—	16
Issuance of shares for RSUs	64,062	—	—	—	—
Issuance of shares for PSUs	1,125	—	—	—	—
Shares purchased from contributions to the ESPP	20,366	—	73	—	73
Cash in lieu of shares from reverse stock split	(1,857)	—	—	—	—
Issuance of shares in an at-the-market ("ATM") placement, net of \$198 in issuance costs	975,658	—	4,240	—	4,240
Issuance of shares in a sale of common stock, net of \$3,166 in issuance costs and fair value of liability warrant	412,500	—	134	—	134
Issuance of shares in a sale of common stock to Chief Executive Officer	52,000	—	95	—	95
Net loss	—	—	—	(19,367)	(19,367)
Balance as of December 31, 2023	5,471,121	1	393,539	(382,042)	11,498
Stock-based compensation - stock options	—	—	72	—	72
Stock-based compensation - RSUs	—	—	722	—	722
Stock-based compensation - ESPP	—	—	5	—	5
Issuance of shares for RSUs	34,629	—	—	—	—
Shares purchased from contributions to the ESPP	7,125	—	6	—	6
Shares issued to consultants for services	163,000	—	95	—	95
Pre-funded warrants exercised	450,409	—	—	—	—
Issuance of shares in a sale of common stock, pre-funded warrants and warrants, net of \$230 in issuance costs	570,000	—	1,770	—	1,770
Issuance of shares in an ATM placement, net of \$346 in issuance costs	6,879,623	—	3,153	—	3,153
Net loss	—	—	—	(18,398)	(18,398)
Balance as of December 31, 2024	13,575,907	1	399,362	(400,440)	(1,077)

Note: Share and per share amounts have been retroactively adjusted to reflect the impact of a 1-for-20 reverse stock split effected in August 2023, as discussed in Note 1.

Energous Corporation
STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended December 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (18,398)	\$ (19,367)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	196	187
Stock-based compensation	799	1,678
Inventory net realizable value adjustment	—	167
Allowance for credit losses	—	(13)
Common stock issued to consultants for services	95	—
Loss on extinguishment of short-term debt	219	—
Accrued interest	81	—
Amortization of short-term loan fees	13	—
Change in fair value of warrant liability	(262)	(2,515)
Offering costs allocated to warrants	—	592
Changes in operating assets and liabilities:		
Accounts receivable	24	54
Inventory	(68)	(491)
Prepaid expenses and other current assets	(42)	288
Operating lease right-of-use assets	657	720
Accounts payable	(27)	979
Accrued expenses	(200)	(536)
Accrued severance expense	(106)	(283)
Operating lease liabilities	(540)	(706)
Deferred revenue	(14)	(3)
Net cash used in operating activities	<u>(17,573)</u>	<u>(19,249)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(123)	(187)
Net cash used in investing activities	<u>(123)</u>	<u>(187)</u>
Cash flows from financing activities:		
Net borrowings from short-term loan	801	—
Repayments of short-term loan	(269)	—
Repayments of financed insurance premiums	(348)	—
Net proceeds from an ATM offering	3,153	4,240
Net proceeds from a sale of common stock and warrant issuance	1,770	2,677
Proceeds from sale of common stock to the former Chief Executive Officer	—	95
Proceeds from contributions to the ESPP	6	73
Net cash provided by financing activities	<u>5,113</u>	<u>7,085</u>
Net decrease in cash, cash equivalents and restricted cash	<u>(12,583)</u>	<u>(12,351)</u>
Cash, cash equivalents and restricted cash - beginning	13,936	26,287
Cash, cash equivalents and restricted cash - ending	<u>\$ 1,353</u>	<u>\$ 13,936</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 140</u>	<u>\$ —</u>
Supplemental disclosure of non-cash investing and financing activities:		
Decrease in operating lease right-of-use assets and operating lease liabilities from incremental borrowing rate change	<u>\$ 51</u>	<u>\$ —</u>
Financing of insurance premiums	<u>\$ 402</u>	<u>\$ —</u>
Increase in operating lease right-of-use assets and operating lease liabilities from lease modification	<u>\$ 5</u>	<u>\$ —</u>
Common stock issued for RSUs	<u>\$ —</u>	<u>\$ 9</u>

ENERGOUS CORPORATION
Notes to Financial Statements

Note 1 – Business Organization, Nature of Operations

Description of Business

Energous Corporation d/b/a Energous Wireless Power Solutions (the “Company”) has developed a scalable, over-the-air Wireless Power Network (“WPN”) technology that integrates advanced semiconductor chipsets, software controls, hardware designs, and antenna systems to enable radio frequency (“RF”)-based charging for Internet of Things (“IoT”) devices. The Company’s WPN technology provides a comprehensive suite of capabilities designed to power the next generation of wireless energy networks, seamlessly delivering power and data across diverse, battery-free device ecosystems. This innovation enhances operational visibility, control, and intelligent business automation.

The Company’s solutions support both near-field and at-a-distance wireless charging, supplying power at multiple levels across varying distances. By enabling continuous wireless power transmission, the Company’s transmitter and receiver technologies facilitate the use of battery-free IoT devices, transforming asset and inventory tracking across multiple industries. Key applications include retail sensors, electronic shelf labels, asset trackers, air quality monitors, motion detectors, and other smart monitoring solutions.

The Company believes its technology represents a breakthrough in wireless power delivery, offering a differentiated approach to charging IoT devices via RF technology. To date, the Company has developed and released multiple transmitter and receiver solutions, including prototypes and partner production designs. The Company’s transmitters vary in form factor, power specifications, and operating frequencies, while the Company’s receivers are engineered to support a wide range of wireless charging applications across multiple device categories, including:

Device Type	Application
RF Tags	Cold Chain, Asset Tracking, Medical IoT
IoT Sensors	Cold Chain, Logistics, Asset Tracking
Electronic Shelf Labels	Retail and Industrial IoT

The first WPN-enabled end product featuring the Company’s technology entered the market in 2019. In the fourth quarter of 2021, the Company commenced shipments of its first at-a-distance wireless PowerBridge transmitter systems for commercial IoT applications and proof-of-concept deployments. As the Company continues to innovate its technology applications, the Company anticipates the release of additional wireless power-enabled products.

Reverse Stock Split

On June 14, 2023, at the Company’s 2023 annual meeting of stockholders, the Company’s stockholders approved a proposal to effect a reverse stock split of the Company’s common stock by a ratio not to exceed 1-for-20.

On August 15, 2023, the Company announced that its Board of Directors had determined to set the reverse stock split ratio at 1-for-20 and that the Company’s common stock would begin trading at the split-adjusted price beginning August 16, 2023. Upon effectiveness of the reverse stock split, every twenty shares of issued and outstanding common stock held were converted into one share of common stock. No fractional shares were distributed as a result of the reverse stock split and stockholders were entitled to a cash payment in lieu of fractional shares. Additionally, the par value of the Company’s common stock did not change.

All information presented herein, unless otherwise indicated herein, reflects the 1-for-20 reverse stock split of the Company’s outstanding shares of common stock, and unless otherwise indicated, all such amounts and corresponding conversion price or exercise price data set forth herein have been adjusted to give effect to such reverse stock split.

Note 2 – Liquidity and Management Plans

During the years ended December 31, 2024 and 2023, the Company has recorded revenue of \$0.8 million and \$0.5 million, respectively. The Company incurred a net loss of \$18.4 million and \$19.4 million for the years ended December 31, 2024 and 2023, respectively. Net cash used in operating activities was \$17.6 million and \$19.2 million for the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024, the Company had cash on hand of \$1.4 million. The Company is currently meeting its liquidity requirements through the proceeds of securities offerings, including the ATM Program (as defined in Note 10 below), which securities offerings generated aggregate net proceeds of \$3.2 million during the year ended December 31, 2024, as well as short-term loans which have a net balance of \$0.8 million as of December 31, 2024.

The Company raised net proceeds in the ATM Program of approximately \$13.4 million during January and February 2025 (see Note 16 – Subsequent Events). Based on current operating levels and further cost reductions implemented in the first quarter of 2025, the Company believes it has sufficient cash on hand to fund operations for the next 12 months.

As the Company gains traction in the market with its new technology and continues to invest capital in transitioning and scaling the business from research and development of new technologies to commercial production, there can be no assurance that its available resources and revenue generated from its business operations will be sufficient to sustain its operations. Accordingly, the Company expects to pursue additional financing, which could include offerings of equity or debt securities, bank financing, commercial agreements with customers or strategic partners, and other alternatives, depending upon market conditions. There is no assurance that such financing will be available on terms that the Company would find acceptable, or at all. If the Company is unsuccessful in implementing this plan, the Company will be required to make further cost and expense reductions or modifications to its on-going and strategic plans.

The market for products using the Company's technology is broad and evolving, but remains nascent and unproven, so the Company's success is dependent upon many factors, including customer acceptance of its existing products, technical feasibility of future products, regulatory approvals, the development of complementary technologies, competition and global market fluctuations.

Note 3 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), and pursuant to the accounting and disclosure rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”).

Reclassifications

Certain reclassifications have been made to the fiscal year 2023 balance sheet to conform to the fiscal year 2024 presentation. The reclassifications had no impact on total assets, total liabilities, or stockholders’ equity.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements as well as the reported expenses during the reporting periods.

The Company’s significant estimates and assumptions include the valuation of stock-based compensation instruments, recognition of revenue, inventory valuation, fair value of warrant liabilities and the valuation allowance on deferred tax assets. Some of these judgments can be subjective and complex, and, consequently, actual results may differ from these estimates. Although the Company believes that its estimates and assumptions are reasonable, they are based upon information available at the time the estimates and assumptions were made. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash

The Company considers all short-term, highly liquid investments with an original maturity at the date of purchase of three months or less to be cash equivalents. The Company maintains cash balances that may be uninsured or in deposit accounts that exceed Federal Deposit Insurance Corporation limits. The Company maintains its cash deposits with major financial institutions. The Company reports restricted cash on its balance sheet to disclose the amount reserved for a specific purpose aside from ordinary business operations. The Company had restricted cash as collateral for the Company’s corporate credit card program which was discontinued during the second quarter of 2024. As of December 31, 2024 and 2023, the carrying value of restricted cash was \$0 and \$0.1 million, respectively.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant’s specific terms and applicable authoritative guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 480, “Distinguishing Liabilities from Equity” (“ASC 480”), and ASC 815, “Derivatives and Hedging” (“ASC 815”). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company’s common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as a liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The fair value of the warrants is estimated using an appropriate valuation model. Such warrant classification is also subject to re-evaluation at each reporting period.

Note 3 – Summary of Significant Accounting Policies, continued

Offering costs associated with warrants classified as liabilities are expensed as incurred and are presented as offering cost related to warrant liability in the statement of operations. Offering costs associated with the sale of warrants classified as equity are charged against proceeds.

Fair Value

The Company follows ASC 820, Fair Value Measurements (“ASC 820”), which establishes a common definition of fair value to be applied when U.S. GAAP requires the use of fair value, establishes a framework for measuring fair value, and requires certain disclosure about such fair value measurements.

ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company’s assumptions about what market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities to which the Company has access at a measurement date.
- Level 2: Observable inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in an active market, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs for which little or no market data exists and for which the Company must develop its own assumptions regarding the assumptions that market participants would use in pricing the asset or liability, including assumptions regarding risk.

Because of the uncertainties inherent in the valuation of assets or liabilities for which there are no observable inputs, those estimated fair values may differ significantly from the values that may have been used had a ready market for the assets or liabilities existed.

The carrying amounts of the Company’s financial assets and liabilities, such as cash, cash equivalents, prepaid expenses, other current assets, and accounts payable and accrued expenses, are an approximate of their fair values because of the short maturity of these instruments. The carrying amounts of the Company’s short-term debt and lease liabilities approximate fair value due to the market interest rates that these obligations bear and interest rates currently available to the Company. The Company’s derivative liabilities recognized at fair value on a recurring basis are a level 3 measurement (see Note 14 – Fair Value Measurement).

Note 3 – Summary of Significant Accounting Policies, continued

Revenue Recognition

The Company follows ASC 606, “Revenue from Contracts with Customers” (“Topic 606”). In accordance with Topic 606, the Company recognizes revenue using the following five-step approach:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price of the contract.
4. Allocate the transaction price to the performance obligations of the contract.
5. Recognize revenue when or as the performance obligations are satisfied.

The Company’s revenue consists of its single segment of wireless charging system solutions. The wireless charging system revenue consists of revenue from product development projects and production-level systems. During the years ended December 31, 2024 and 2023, the Company recognized \$0.8 million and \$0.5 million in revenue, respectively.

The Company records revenue associated with product development projects that it enters into with certain customers. In general, these product development projects are complex, and the Company does not have certainty about its ability to achieve the project milestones. The achievement of a milestone is dependent on the Company’s performance obligation and requires acceptance by the customer. The Company recognizes this revenue at the point in time at which the performance obligation is met. The payment associated with achieving the performance obligation is generally commensurate with the Company’s effort or the value of the deliverable and is nonrefundable. Any deferred revenue is recognized upon achievement of the performance obligation or expiration of a support agreement.

Accounts Receivable

The Company reviews its receivables for collectibility based on historical loss patterns, aging of the receivables, and assessments of specific identifiable client accounts considered at risk or uncollectible and provides allowances for potential credit losses, as needed. The Company also considers any changes to the financial condition of its clients and any other external market factors that could impact the collectibility of the receivables in the determination of the allowance for credit losses. Based on these assessments, the Company recorded \$0 for credit losses on its accounts receivable as of December 31, 2024 compared to an allowance of \$0.1 million on its accounts receivable balance as of December 31, 2023.

The Company follows ASC Topic 310, *Receivables* (“Topic 310”) to account for transactions related to factoring accounts receivable. The Company has entered into an agreement to sell certain accounts receivable to a third-party financial institution under which the Company receives the proceeds of customer invoices from the third-party financial institution, less a discount fee. The third-party financial institution is responsible for subsequent collection of the amount due from the customer without recourse. Proceeds from the factoring agreements are reflected as a reduction of accounts receivable on the Company’s Balance Sheets and included in the cash flows operating activities in the Statements of Cash Flows. The Company received proceeds under its accounts receivable factoring agreement of approximately \$0.3 million and \$0 during the years ended December 31, 2024 and 2023, respectively. There were no outstanding receivables due under the accounts receivable factoring agreement as of December 31, 2024 and 2023. Discount fees from factoring accounts receivable were approximately \$31,000 and \$0 for the years ended December 31, 2024 and 2023, respectively, and are included in other income (expense), net on the Statement of Operations.

Inventory

Inventory is stated at the lower of cost or net realizable value. Net realizable value is calculated at the end of each reporting period and adjustment, if needed, is made. At the point of loss recognition, a new lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in the new cost basis.

Note 3 – Summary of Significant Accounting Policies, continued

Research and Development

Research and development expenses are charged to operations as incurred. For internally developed patents, all patent application costs are expensed as incurred as research and development expense. Patent application costs, which are generally legal costs, are expensed as research and development costs until such time as the future economic benefits of such patents become more certain. The Company incurred research and development costs of \$8.3 million and \$10.8 million for the years ended December 31, 2024 and 2023, respectively.

Stock-Based Compensation

The Company accounts for equity instruments issued to employees, board members and contractors in accordance with accounting guidance that requires awards to be recorded at their fair value on the date of grant and amortized over the vesting period of the award. The Company amortizes compensation costs on a straight-line basis over the requisite service period of the award, which is typically the vesting term of the equity instrument issued. Forfeitures are recorded as they occur.

Under the ESPP, employees may purchase a limited number of shares of the Company's common stock at a 15% discount from the lower of the closing market prices measured on the first and last days of each half-year period. The Company recognizes stock-based compensation expense for the fair value of the purchase options, as measured on the grant date.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC Topic 740, Income Taxes ("ASC 740"). Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between consolidated financial statement carrying amounts and the tax basis of existing assets and liabilities and net operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply in the years in which those tax assets and liabilities are expected to be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company continues to assess the need for a valuation allowance on the deferred tax assets by evaluating both positive and negative evidence that may exist. Any adjustment to the valuation allowance on deferred tax assets would be recorded in the statements of income for the period that the adjustment is determined to be required.

The Company accounts for uncertain tax position in accordance with ASC 740. Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. The guidance from ASC 740, "Income Taxes" also discusses the classification of related interest and penalties on income taxes. The Company's policy is to record interest and penalties on uncertain tax positions as a component of income tax expense.

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per common share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and warrants (using the treasury stock method), the vesting of restricted stock units ("RSUs") and performance stock units ("PSUs") and the enrollment of employees in the ESPP. The computation of diluted net loss per common share excludes potentially dilutive securities of 1,971,415 and 582,567 for the years ended December 31, 2024 and 2023, respectively, because their inclusion would be antidilutive.

Note 3 – Summary of Significant Accounting Policies, continued

Potentially dilutive securities outlined in the table below have been excluded from the computation of diluted net loss per share because the effect of their inclusion would have been anti-dilutive.

	<u>For the year ended December 31, 2024</u>	<u>For the year ended December 31, 2023</u>
Warrants issued to investors	1,432,909	495,833
Options to purchase common stock	—	15,000
RSUs	538,506	71,734
Total potentially dilutive securities	<u>1,971,415</u>	<u>582,567</u>

For the year ended December 31, 2024, the table above includes 1,020,409 warrants expiring on February 20, 2029, which have an exercise price of \$1.84 per share and 412,500 warrants expiring on March 28, 2029, which, as of December 31, 2024 have an exercise price of \$0.30 per share. For the year ended December 31, 2023, the table above includes 83,333 warrants that expired on March 1, 2024, which had an exercise price of \$200.00 per share and 412,500 warrants expiring on March 28, 2029, which have an exercise price of \$0.30 per share.

Property and Equipment

The Company currently uses the following expected life terms for depreciating property and equipment: computer software – 1-2 years, computer hardware – 3 years, furniture and fixtures – 7 years, leasehold improvements – shorter of estimated life or remaining life of the lease.

Leases

The Company determines if an arrangement is a lease at the inception of the arrangement. The Company applies the short-term lease recognition exemption and recognizes lease payments in profit or loss at lease commencement for facility or equipment leases that have a lease term of 12 months or less and do not include a purchase option whose exercise is reasonably certain. Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are measured and recorded at the service commencement date based on the present value of lease payments over the lease term. The Company uses the implicit interest rate when readily determinable; however, most leases do not establish an implicit rate, so the Company uses an estimate of the incremental borrowing rate based on the information available at the time of measurement. Lease expense for lease payments is recognized on a straight-line basis over the lease term. See Note 8 – Commitments and Contingencies, *Operating Leases* for further discussion of the Company’s operating leases.

Segments

The Company has one operating segment and one reportable segment as its chief operating decision maker (“CODM”), who is its Chief Executive Officer and Chief Financial Officer, reviews financial information on a regular basis for purposes of allocating resources and evaluating financial performance. The CODM also reviews and utilizes functional expenses, such as cost of revenue, research and development, sales and marketing and general and administrative, to manage the Company’s operations. All long-lived assets are located in the United States and substantially all revenue is attributed to customers based in the United States.

Adoption of New Accounting Standard

In November 2023, the FASB issued Accounting Standards Update (“ASU”) No. 2023-07, “Segment Reporting” (“Topic 280”), Improvements to Reportable Segment Reporting. This standard is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The Company adopted this standard on a retrospective basis for the fiscal 2024 annual period, and for interim periods beginning January 1, 2025. The adoption did not have a material impact on the Company’s financial statements and is limited to financial statement disclosures.

Note 3 – Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements, Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes” (“Topic 740”), Improvements to Income Tax Disclosures. This standard is intended to enhance the transparency and usefulness of income tax disclosures to better assess how an entity’s operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. This standard is effective for the Company’s annual fiscal period beginning January 1, 2025. Adoption of this standard will not have a material impact on the Company’s financial statements.

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” This ASU requires the disaggregation of certain expenses in the notes to the financial statements, to provide enhanced transparency into the expense captions presented on the face of the income statement. This ASU is effective on a prospective basis for fiscal years beginning after December 15, 2026 and for interim periods beginning after December 15, 2027, with early adoption permitted. This ASU may be applied either prospectively or retrospectively. The Company is currently evaluating the impact of the new standard on the financial statements and related disclosures.

Management has reviewed other recently issued accounting pronouncements issued or proposed by the FASB and does not believe any of these accounting pronouncements has had or will have a material impact on the financial statements.

Note 4 – Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	Balance as of	
	December 31, 2024	December 31, 2023
Prepaid and deferred financing costs	\$ 372	\$ —
Deposit with contract manufacturer	323	116
Prepaid insurance	163	260
Prepaid software and support	67	51
Prepaid subscriptions	22	45
Tradeshows deposits	21	35
Other deposits	15	32
Total	<u>\$ 983</u>	<u>\$ 539</u>

Note 5 – Inventory

Below is a summary of the Company’s inventory as of December 31, 2024 and 2023 (in thousands):

	Balance as of	
	December 31, 2024	December 31, 2023
Raw materials	\$ 498	\$ 101
Work-in-process	—	52
Finished goods	—	277
Total	<u>\$ 498</u>	<u>\$ 430</u>

Note 6 – Property and Equipment

Property and equipment are as follows (in thousands):

	Balance as of	
	December 31, 2024	December 31, 2023
Computer software	\$ 1,055	\$ 901
Computer hardware	2,257	2,284
Furniture and fixtures	489	488
Leasehold improvements	783	783
	<u>4,584</u>	<u>4,456</u>
Less – accumulated depreciation	(4,228)	(4,027)
Total property and equipment, net	<u>\$ 356</u>	<u>\$ 429</u>

The Company disposed of \$0 and \$125,000 in property and equipment during the years ended December 31, 2024 and 2023, respectively. Total depreciation and amortization expense of the Company’s property and equipment was \$196,000 and \$187,000 for the years ended December 31, 2024 and 2023, respectively, of which, \$4,000 and \$0 were included in cost of revenue for the years ended December 31, 2024 and 2023, respectively.

Note 7 – Accrued Expenses

Accrued expenses consist of the following (in thousands):

	Balance as of	
	December 31, 2024	December 31, 2023
Accrued compensation	\$ 740	\$ 993
Accrued legal expenses	178	147
Accrued interest	81	—
Other accrued expenses	136	114
Total	\$ 1,135	\$ 1,254

Note 8 – Commitments and Contingencies

Operating Leases

San Jose Lease

On May 20, 2022, the Company signed a lease amendment to the existing lease for its office space at its corporate headquarters in San Jose, California, extending the term of the lease for an additional three years. Upon signing the lease amendment, the Company recorded a new ROU lease asset of \$2.1 million and operating lease liability of \$2.1 million, using a present value discount rate of 3.0%, which was used as an incremental borrowing rate for a hypothetical fully collateralized real estate transaction. As of January 1, 2024, the discount rate was adjusted to 8% in order to reflect a realistic incremental borrowing rate at lease commencement. The adjustment created a one-time reduction to the ROU lease asset and operating lease liability of approximately \$51,000. Upon expiration of the original lease on September 30, 2022, the new monthly lease payment starting October 1, 2022 is approximately \$59,000, subject to annual escalations up to a maximum monthly lease payment of approximately \$62,000. On July 31, 2024, the Company signed an additional lease amendment where the monthly payments through the remainder of 2024 were reduced to approximately \$37,000 and the monthly payments from January 2025 through September 2025 were increased to approximately \$76,000. No other changes were made to the existing lease. As a result of this amendment, the Company revalued its ROU lease asset to \$0.8 million and its operating lease liability to \$0.8 million on July 31, 2024. The Company recorded lease expense of \$0.8 million for both of the years ended December 31, 2024 and 2023.

Operating Lease Commitments

The Company follows ASC 842, *Leases*, (“Topic 842”) and recognizes the required ROU assets and operating lease liabilities on its balance sheet. The Company anticipates having future total lease payments of \$0.7 million through the third quarter of 2025. As of December 31, 2024, the Company has total operating lease right-of-use assets of \$0.5 million and current operating lease liabilities of \$0.7 million. The weighted average remaining lease term is 0.75 years as of December 31, 2024.

A reconciliation of undiscounted cash flows to lease liabilities recognized as of September 30, 2024 is as follows (in thousands):

For the year ending December 31,	Amount
2025	\$ 686
Total future lease payments	686
Present value discount (8.0% weighted average)	(18)
Total operating lease liabilities	<u>\$ 668</u>

Note 8 – Commitments and Contingencies, continued

Hosted Design Solution Agreement

In June 2021, the Company entered into an electronic design automation software in a hosted environment license agreement with a term of three years under which the Company was required to remit quarterly payments of approximately \$233,000 through the second quarter of 2024. In June 2024, the Company renewed this agreement through the end of 2025 under which the Company is required to remit quarterly payments of approximately \$52,000 through the fourth quarter of 2025. The Company recorded \$0.6 million and \$0.9 million during 2024 and 2023, respectively, under this agreement.

Litigations, Claims, and Assessments

The Company is from time to time involved in various disputes, claims, liens and litigation matters arising in the normal course of business. While the outcome of these disputes, claims, liens and litigation matters cannot be predicted with certainty, after consulting with legal counsel, management does not believe that the outcome of these matters will have a material adverse effect on the Company's combined financial position, results of operations or cash flows.

MBO Bonus Plan

On March 15, 2018, the Company's Board of Directors (the "Board"), on the recommendation of the Board's Compensation Committee (the "Compensation Committee"), approved the Energoous Corporation MBO Bonus Plan ("MBO Bonus Plan") for executive officers of the Company. To be eligible to receive a bonus under the MBO Bonus Plan, an executive officer must be continuously employed throughout the applicable performance period, in good standing, and achieve the performance objectives selected by the Compensation Committee.

Under the MBO Bonus Plan, the Compensation Committee was responsible for selecting the amounts of potential bonuses for executive officers, the performance metrics used to determine whether any such bonuses would be paid and determining whether those performance metrics had been achieved.

During the years ended December 31, 2024 and 2023, the Company recognized a total of \$0 and \$0.7 million, respectively, in expense under the MBO Bonus Plan. The expense under the MBO Bonus Plan is recorded under operating expenses on the Company's Statement of Operations within each executive's department.

On May 30, 2024, the Board, on the recommendation of the Compensation Committee, approved the 2024 Corporate Bonus Plan (the "2024 Bonus Plan"), whereby employees' bonuses will be based upon achievement of performance objectives set by the Compensation Committee and paid annually. Employees must be continuously employed throughout the applicable performance period and payment date and achieve the performance objectives.

Under the 2024 Bonus Plan, the Compensation Committee is responsible for selecting the amounts of potential bonuses for executive officers and vice presidents, the performance metrics used to determine whether any such bonuses will be paid and determining whether those performance metrics have been achieved. During the year ended December 31, 2024, the Company recorded approximately \$0.3 million expense under the 2024 Bonus Plan to be paid during the first quarter of 2025.

Note 8 – Commitments and Contingencies, continued

Severance and Change in Control Agreement

On March 15, 2018, the Compensation Committee approved a form of Severance and Change in Control Agreement that the Company may enter into with executive officers.

On May 30, 2024, the Compensation Committee approved a new form of Severance Agreement and Change in Control Agreement (“Severance Agreement”) that the Company may enter into with executive officers and vice presidents (each, an “Executive”). Under the Severance Agreement, if an Executive party thereto is terminated without cause or in a qualifying change in control termination, the Company agrees to pay the Executive three to twelve months of that Executive’s monthly base salary and 25% to 100% of the Executive’s target bonus, and to accelerate the vesting of 25% to 100% of the Executive’s unvested equity awards. If an Executive elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”) the Company will pay the full amount of the Executive’s premiums under the Company’s health, dental and vision plans, including coverage for the Executive’s eligible dependents, for the three-to-twelve-month period, as applicable, following the Executive’s termination.

Executive Transition – Cesar Johnston

On March 26, 2024, the Company announced that Cesar Johnston was no longer serving as President and Chief Executive Officer of the Company effective March 24, 2024. In connection with his cessation as an officer of the Company, Mr. Johnston was entitled to receive the benefits and payments set forth in the Amended and Restated Severance and Change in Control Agreement, dated December 6, 2021 (“Johnston Severance Agreement”), between the Company and Mr. Johnston. Accordingly, Mr. Johnston received (a) 18 months of his monthly salary plus the amount equal to 100% of his target bonus, (b) any outstanding unvested equity awards held by Mr. Johnston that were scheduled to vest during the next 18 months following the termination date, and (c) reimbursement for continued COBRA payments, if elected by Mr. Johnston, during the 18 months following the termination date. The Company recorded \$1.2 million in total severance expense pertaining to Mr. Johnston’s departure during the year ended December 31, 2024, including \$0.1 million in stock-based compensation as a result of accelerated vesting of RSUs and options (see Note 8 – Stock-Based Compensation for additional details).

As of December 31, 2024, the Company had accrued unpaid severance expense related to COBRA reimbursements of approximately \$28,000 pertaining to the Johnston Severance Agreement, which is due to be paid through September 2025.

Mr. Johnston received approximately \$8,000 in Director’s fees for the period of March 28, 2024 through June 12, 2024, during which he did not serve as President and Chief Executive Officer but continued to serve as a member of the Board.

Executive Transition Agreement – William Mannina

On July 20, 2023, the Company announced the departure of William Mannina, former Acting Chief Financial Officer, effective August 16, 2023. Pursuant to the terms of a letter agreement between Mr. Mannina and the Company, Mr. Mannina received payments and benefits including cash severance payments equivalent to nine months of his then-current salary of \$266,000 and premium payments for continued healthcare coverage for nine months following his resignation effective date. Mr. Mannina’s restricted stock units continued to vest through August 16, 2023.

As of December 31, 2024, the Company did not have any accrued unpaid severance expense pertaining to Mr. Mannina’s agreement.

Note 8 – Commitments and Contingencies, continued

Strategic Alliance Agreement

In November 2016, the Company and Dialog Semiconductor plc (“Dialog”), a related party, entered into a Strategic Alliance Agreement (“Alliance Agreement”) for the manufacture, distribution and commercialization of products incorporating the Company’s wire-free charging technology (“Licensed Products”). Pursuant to the terms of the Alliance Agreement, the Company agreed to engage Dialog as the exclusive supplier of the Licensed Products for specified fields of use, subject to certain exceptions (the “Company Exclusivity Requirement”). Dialog agreed to not distribute, sell or work with any third party to develop any competing products without the Company’s approval. In addition, both parties agreed on a revenue sharing arrangement and to collaborate on the commercialization of Licensed Products based on a mutually-agreed upon plan. Each party would retain all of its intellectual property rights.

The Alliance Agreement had an initial term of seven years, with automatic renewal annually thereafter unless terminated by either party upon 180 days’ prior written notice. The Company could terminate the Alliance Agreement at any time after the third anniversary of the Alliance Agreement upon 180 days’ prior written notice to Dialog, or if Dialog breached certain exclusivity obligations. Dialog could terminate the Alliance Agreement if sales of Licensed Products did not meet specified targets. The Company Exclusivity Requirement had a termination date of the earlier of January 1, 2021 or the occurrence of certain events relating to the Company’s pre-existing exclusivity obligations. The Company Exclusivity Requirement renewed automatically on an annual basis unless the Company and Dialog agreed to terminate the requirement.

On September 20, 2021, the Company was notified by Dialog, which had been recently acquired by Renesas Electronics Corporation (“Renesas”), that it was terminating the Alliance Agreement between the Company and Dialog. There is a wind down period included in the Alliance Agreement which concluded in September 2024. During the wind down period, the Alliance Agreement’s terms applied to the Company’s products that are covered by certain existing customer relationships, except that the parties’ respective exclusivity rights have terminated.

Note 9 – Short-term Debt

Financing for Insurance Premiums

On April 5, 2024, the Company financed \$365,000 in business insurance premiums to be repaid in nine installments of \$42,000 with a borrowing rate of 8.3%. On October 31, 2024, the Company financed \$37,000 in additional business insurance premiums to be repaid in three installments of \$12,000 with a borrowing rate of 8.3%. As of December 31, 2024, the outstanding balance on the financing for insurance premiums was \$54,000.

Agile Subordinated Loan Agreement

Effective October 1, 2024, the Company entered into a subordinated business loan agreement (the “Original Loan Agreement”) with Agile Capital Funding, LLC and Agile Lending, LLC (collectively, the “Lender”), which provided for an initial term loan of \$525,000, with the ability to receive additional term loans of up to \$1.6 million, subject to certain conditions (such loans, the “Term Loan”). Principal and interest on the initial term loan in the aggregate amount of \$756,000 was to be repaid in weekly payments of \$27,000 commencing on October 14, 2024 and fully repaid on or before the maturity date of April 21, 2025. The Term Loan would be expressly subordinated to the Company’s obligations on certain senior indebtedness of the Company as provided in the Original Loan Agreement. Effective only upon the occurrence and continuance of an event of default under the Loan Agreement, the Company would grant the Lender a security interest in certain collateral, excluding intellectual property, of the Company as set forth in the Original Loan Agreement.

Note 9 – Short-term Debt, continued

Effective November 5, 2024, the Company entered into an amended subordinated business loan agreement with the Lender (the “Amended Loan Agreement”) to refinance the Term Loan. The Amended Loan Agreement provides for a new term loan of \$997,000, with the ability to receive additional term loans of up to \$1.6 million, subject to certain conditions (such new loans, the “New Term Loan”). Principal and interest on the initial new term loan in the aggregate amount of \$1,415,740 is to be repaid in weekly payments of approximately \$39,000 and fully repaid on or before the maturity date of July 17, 2025. The proceeds of the New Term Loan were allocated to cover the administrative fee of \$48,000 and to repay in full the Term Loan as described above, which had a carrying amount of \$429,000 and settlement value of \$648,000 on November 5, 2024. The remaining proceeds will be utilized for working capital. The New Term Loan will be expressly subordinated to the Company’s obligations on certain senior indebtedness of the Company as provided in the Amended Loan Agreement. The Amended Loan Agreement replaces the Original Loan Agreement and otherwise contains substantially the same terms as the Original Loan Agreement.

As of December 31, 2024, the Company had a short-term loan payable balance of approximately \$0.8 million. The Company recorded interest expense of approximately \$0.2 million related to the Original Loan Agreement and the Amended Loan Agreement. The Company recorded a loss on the extinguishment of debt of approximately \$0.2 million related to the Original Loan Agreement. The payment multiplier on the current loan is 1.42. An administrative fee of \$25,000 was paid on the Original Loan agreement, and an administrative fee of \$48,000 was paid on the Amended Loan Agreement. These fees are recorded as a debt discount against the proceeds received. As of December 31, 2024, the unamortized debt discount was \$39,000.

Note 10 – Capital Stock and Warrants

Authorized Capital

The holders of the Company’s common stock are entitled to one vote per share. Holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the Board out of legally available funds. Upon the liquidation, dissolution or winding up of the Company, holders of common stock are entitled to share ratably in all assets of the Company that are legally available for distribution.

Financing

On September 15, 2020, the Company filed a shelf registration statement on Form S-3 with the SEC, which became effective on September 24, 2020 (“Prior Shelf”), and contained two prospectuses: a base prospectus, which covered the offering, issuance and sale by the Company of up to \$75 million of its common stock, preferred stock, debt securities, warrants to purchase its common stock, preferred stock or debt securities, subscription rights to purchase its common stock, preferred stock or debt securities and/or units consisting of some or all of these securities; and an at-the-market sales agreement prospectus supplement covering the offering, issuance and sale by the Company of up to a maximum aggregate offering price of \$40 million of its common stock to be issued and sold under the At Market Issuance Sales Agreement, as amended, between the Company and B. Riley Securities, Inc. (the “Prior ATM Program”). The \$40 million of common stock to be offered, issued and sold under the Prior ATM Program was included in the \$75 million of securities that could be offered, issued and sold by the Company under the base prospectus. The Company sold shares of its common stock which raised net proceeds of \$38.8 million (net of \$1.2 million in issuance costs) during the third and fourth quarters of 2020 under the Prior ATM Program.

On October 4, 2021, the Company filed a prospectus supplement covering the offering, issuance and sale of up to an additional \$35 million of shares of the Company’s common stock pursuant to the Prior ATM Program. The Company raised net proceeds of \$27.0 million (net of \$0.9 million in issuance costs), during 2021 under the Prior ATM Program. During 2022, the Company raised an additional \$0.7 million (net of \$0.1 million in issuance costs) under the Prior ATM Program. During the first quarter of 2023, the Company raised \$3.6 million (net of \$0.2 million in issuance costs) under the Prior ATM Program. The Prior Shelf expired on September 24, 2023. As of December 31, 2024, there is no amount remaining under the Prior Shelf due to its expiration.

Note 10 – Capital Stock and Warrants, continued

On November 15, 2021, the Company filed an additional shelf registration statement on Form S-3 with the SEC, which became effective on December 16, 2021. This shelf registration statement allows the Company to sell, from time to time, any combination of debt or equity securities described in the registration statement up to aggregate proceeds of \$100 million. Pursuant to this registration statement, on March 28, 2023, the Company completed an underwritten offering pursuant to which it issued and sold an aggregate of (i) 412,500 shares of its common stock and (ii) warrants to purchase up to 412,500 shares of its common stock (the “2023 Warrants”), for net proceeds of \$2.7 million, after deducting underwriting discounts, commission and expenses payable by the Company. The 2023 Warrants were immediately exercisable upon issuance and have a term of six years and had an initial exercise price of \$8.00. The Company allocated the proceeds received first to the 2023 Warrants based on the fair value of the 2023 Warrants as determined at initial measurement, with the remaining proceeds allocated to the shares of common stock (see Note 13 – Warrant Liability and Note 14 – Fair Value Measurements). Pursuant to the terms of the 2023 Warrants, the exercise price was adjusted to \$1.66 during 2023 and was further adjusted to \$0.30 as of December 31, 2024.

On February 15, 2024, the Company entered into a securities purchase agreement with an institutional investor, providing for the issuance and sale by the Company in a registered direct offering (the “Offering”) pursuant to a prospectus supplement dated February 15, 2024, of (i) 570,000 shares of the Company’s common stock, (ii) pre-funded warrants to purchase up to 450,409 shares of common stock (referred to individually as a “Pre-Funded Warrant” and collectively as the “Pre-Funded Warrants”), and (iii) warrants to purchase an aggregate of 1,020,409 shares of common stock (referred to individually as a “Warrant” and collectively as the “2024 Warrants”). Each share of common stock and Pre-Funded Warrant was offered and sold, together with an accompanying 2024 Warrant at a combined price of \$1.96 per share of common stock or Pre-Funded Warrant, as applicable, and the accompanying 2024 Warrant. Each Pre-Funded Warrant and 2024 Warrant is exercisable at any time on or after the date of issuance to purchase one share of common stock at a price of either \$0.001 per share, in the case of Pre-Funded Warrants, or \$1.84 per share, in the case of 2024 Warrants. The Pre-Funded Warrants expired upon full exercise in April 2024, and the 2024 Warrants expire five years from the date of issuance. The Offering closed on February 20, 2024. The Company received net proceeds of approximately \$1.8 million (net of \$0.2 million in issuance costs).

On June 21, 2024, the Company filed a prospectus supplement (“June 2024 Prospectus Supplement”) covering the offering, issuance and sale of up to \$3.4 million in shares of the Company’s common stock pursuant to an At the Market Offering Agreement, dated June 21, 2024, between the Company and H.C. Wainwright & Co., LLC (the “Current ATM Program”, and together with the Prior ATM program, the “ATM Program”). In addition, on June 20, 2024, the Company provided notice of termination of the Prior ATM Program that the Company had entered into with Roth Capital Partners, LLC, as sales agent. Prior to the termination of the Prior ATM Program, the Company sold 27,870 shares of its common stock under the Prior ATM Program for proceeds of \$47,000 (net of commissions and fees of \$2,000) during the year ended December 31, 2024. The Company entered into the Current ATM Program discussed above to replace the Prior ATM Program. During the three months and year ended December 31, 2024, the Company sold 5,634,585 shares and 6,851,753 shares, respectively, of its common stock under the Current ATM Program for net proceeds of approximately \$2.4 million and \$3.1 million, respectively (net of commissions and other related offering expenses of approximately \$0.1 million and \$0.3 million, respectively).

On December 30, 2024, the Company filed a prospectus supplement (“December 2024 Prospectus Supplement”) to amend the June 2024 Prospectus Supplement to cover the issuance and sale of an additional \$7.46 million in shares of the Company’s common stock subject to, and in accordance with, the Current ATM Program. As of December 31, 2024, no sales had settled under this prospectus supplement. See Note 16 – Subsequent Events for details on proceeds raised during January and February 2025.

Regulation A Offering

On October 11, 2024, the Company filed a Regulation A Offering Statement on Form 1-A with an offering of a maximum of 5,000,000 Units (the “Regulation A Offering”), with each Unit consisting of one share of Series A Convertible Preferred Stock (initially convertible into two shares of common stock) and three common stock purchase warrants, two to each purchase one share of common stock at an exercise price of \$1.50 per share and one to purchase one share of common stock at \$2.00 per share, for an aggregate of 5,000,000 shares of Series A Convertible Preferred Stock (and 10,000,000 shares of common stock underlying the shares of Series A Convertible Preferred Stock) and warrants to purchase up to an aggregate of 10,000,000 shares of common stock at an exercise price of \$1.50 per share and 5,000,000 shares of common stock at an exercise price of \$2.00 per share, at an offering price of \$1.50 per Unit, for a maximum offering amount of \$7,500,000. The Regulation A Offering was qualified by the SEC on November 22, 2024.

Note 10 – Capital Stock and Warrants, continued

As of December 31, 2024, the Company has not closed any transactions related to the Regulation A Offering. The Company's prepaid expenses and other current assets as of December 31, 2024 include approximately \$0.3 million in prepaid financing expenses related to the Regulation A Offering. If the Company decides not to pursue financing under the Regulation A Offering, the prepaid financing expenses that have been deferred will be expensed and not available to use for other financing transactions.

Common Stock Outstanding

The Company's outstanding shares of common stock typically include shares that are deemed delivered under U.S. GAAP. Shares that are deemed delivered currently include shares that have vested, but have not yet been delivered, under tax-deferred equity awards, as well as shares purchased under the ESPP where actual transfer of shares normally occurs a few days after the completion of the purchase periods. There are no voting rights for shares that are deemed delivered under U.S. GAAP until the actual delivery of shares takes place. There are currently 200,000,000 shares of common stock authorized for issuance.

Common Stock Reserved for Future Issuance

The Company has reserved the following shares of common stock for future issuance:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Stock options outstanding	—	15,000
RSUs outstanding	538,506	71,734
Warrants outstanding	1,432,909	495,833
Shares available for issuance under the 2013 Equity Incentive Plan	—	118,877
Shares available for issuance under the 2014 Non-employee Equity Compensation Plan	—	29,137
Shares available for issuance under the 2015 Performance Share Unit Plan	—	108,897
Shares available for issuance under the 2017 Equity Inducement Plan	—	51,084
Shares available for issuance under the 2024 Equity Incentive Plan	262,883	—
Shares available for issuance under the Employee Stock Purchase Plan	13,791	14,716
Total	<u>2,248,089</u>	<u>905,278</u>

Note 11 – Stock Based Compensation***Equity Incentive Plans*****2017 Equity Inducement Plan**

On December 28, 2017, the Board approved the 2017 Equity Inducement Plan. Under the 2017 Equity Inducement Plan, the Board reserved 30,000 shares for the grant of RSUs. These grants will be administered by the Board or a committee of the Board. Under the 2017 Equity Inducement Plan, awards could be granted to individuals who (a) were being hired as an employee by the Company or any subsidiary and such award is a material inducement to such person being hired; (b) were being rehired as an employee following a bona fide period of interruption of employment with the Company or any subsidiary; or (c) would become an employee of the Company or any subsidiary in connection with a merger or acquisition.

On July 20, 2022, the Board increased the number of shares of common stock reserved and available for issuance under the 2017 Equity Inducement Plan by 100,000 shares. On March 28, 2024, the Board increased the number of shares of common stock reserved and available for issuance under the 2017 Equity Inducement Plan by 121,510 shares. As of December 31, 2024, there are 62,285 RSUs granted and outstanding under the 2017 Equity Inducement Plan. No new equity award grants are to be issued from the 2017 Equity Inducement Plan.

Note 11 – Stock Based Compensation, continued

2024 Equity Incentive Plan

On June 12, 2024, the Energroup Corporation 2024 Equity Incentive Plan (the “2024 Equity Incentive Plan”) was approved by stockholders for the issuance of equity incentive awards to eligible participants, which replaced the following equity plans of the Company: (i) the 2013 Equity Incentive Plan, (ii) 2014 Non-Employee Equity Compensation Plan, (iii) the Performance Share Unit Plan and (iv) the 2017 Equity Inducement Plan (collectively, the “Prior Equity Plans”). All existing outstanding awards remain outstanding under the Prior Equity Plans, and an additional 456,000 shares of common stock were approved for issuance under the 2024 Equity Incentive Plan.

As of December 31, 2024, there are 476,221 RSUs granted and outstanding under the 2024 Equity Incentive Plan. As of December 31, 2024, 262,883 shares of common stock remain available for issuance under the 2024 Equity Incentive Plan.

Employee Stock Purchase Plan

In April 2015, the Board approved the Energroup Corporation Employee Stock Purchase Plan (“ESPP”), under which 30,000 shares of common stock were reserved for purchase by the Company’s employees, subject to the approval by the Company’s stockholders. On May 21, 2015, the Company’s stockholders approved the ESPP. On June 12, 2024, the Company’s stockholders approved the amendment and restatement of the ESPP to increase the number of shares reserved for issuance under the ESPP by 6,200 shares. Under the ESPP, employees may designate an amount not less than 1% but not more than 10% of their annual compensation for the purchase of Company shares. No more than 375 shares may be purchased by an employee under the ESPP during an offering period. Excess contributions during an offering period are refunded to the employees. An offering period is six months in duration commencing on or about January 1 and July 1 of each year. The exercise price of options purchased under the ESPP is the lesser of 85% of the fair market value of the common stock on the first business day of the offering period and 85% of the fair market value of the common stock on the applicable exercise date.

As of December 31, 2024, 13,791 shares of common stock remain eligible to be issued under the ESPP. Employees contributed approximately \$6,000 and \$73,000 through payroll withholdings to the ESPP during the years ended December 31, 2024 and 2023, respectively.

Stock Option Award Activity

In February 2022, the Board granted the Company’s former Chief Executive Officer 15,000 stock options at an exercise price of \$25.40 per share with half of the options vesting on the second anniversary of the vesting start date and a quarter of the options vesting on each of the two following anniversaries. Under the former Chief Executive Officer’s Severance Agreement, unvested awards vesting within 18 months of termination were accelerated and became vested on March 26, 2024. Consequently, 3,750 options became vested and another 3,750 options were forfeited. This resulted in stock-based compensation expense of approximately \$53,000 during the year ended December 31, 2024. As of December 31, 2024, all stock options granted to the former Chief Executive Officer were forfeited.

Note 11 – Stock Based Compensation, continued

No stock options were granted during the years ended December 31, 2024 and 2023.

The following is a summary of the Company’s stock option activity during the year ended December 31, 2024:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Intrinsic Value
Outstanding as of January 1, 2024	15,000	\$ 25.40	7.9	\$ —
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited	(15,000)	25.40	—	—
Outstanding as of December 31, 2024	<u>—</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Exercisable as of January 1, 2024	7,500	\$ 25.40	7.9	\$ —
Vested	3,750	25.40	—	—
Exercised	—	—	—	—
Forfeited	(11,250)	25.40	—	—
Exercisable as of December 31, 2024	<u>—</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>

As of December 31, 2024, the unamortized value of options was \$0.

Restricted Stock Units (“RSUs”)

During the year ended December 31, 2024, the Board granted its Chief Executive Officer and Chief Financial Officer 112,000 RSUs. Each RSU represents the contingent right to one share of common stock of the Company. The RSU awards vest over four years.

During the year ended December 31, 2024, the Compensation Committee granted directors an aggregate of 6,000 RSUs for service on the Board. These RSU awards vest on the one-year anniversary of the grant date.

During the year ended December 31, 2024, the Board granted employees an aggregate of 468,000 RSUs, which vest over four years.

Under the former Chief Executive Officer’s Severance Agreement, unvested RSUs vesting within 18 months of termination were accelerated and vested on March 26, 2024. Consequently, 3,017 RSUs vested resulting in stock-based compensation expense of approximately \$77,000 during the year ended December 31, 2024.

As of December 31, 2024, the unamortized fair value of the RSUs was \$0.7 million. The unamortized amount will be expensed over a weighted average period of 2.7 years. A summary of the activity related to RSUs for the year ended December 31, 2024 is presented below:

	Total	Weighted Average Grant Date Fair Value
Outstanding as of January 1, 2024	71,734	\$ 24.65
RSUs granted	586,000	1.14
RSUs forfeited	(84,599)	4.08
RSUs vested	(34,629)	23.26
Outstanding as of December 31, 2024	<u>538,506</u>	<u>\$ 2.39</u>

Note 11 – Stock Based Compensation, continued***Performance Share Units (“PSUs”)***

Performance share units (“PSUs”) are grants that vest upon the achievement of certain performance goals. The goals are commonly related to the Company’s revenue and achievement of sales and marketing goals.

On July 20, 2022, the Board granted the Company’s former Chief Executive Officer 14,350 PSUs under the Company’s 2015 Performance Share Unit Plan pursuant to the terms of the former executive’s offer letter with the Company (See Note 6 – Commitments and Contingencies). The 14,350 PSUs that had been approved were to vest as follows: (a) up to 9,350 PSU shares would vest on December 31, 2022, subject to the former executive’s continued service as Chief Executive Officer and the achievement, to be determined in the Compensation Committee’s sole discretion, by the former executive of certain performance metrics previously determined by the Compensation Committee and approved by the Board, and (b) up to an additional 2,500 PSU shares would vest on each of December 31, 2023 and December 31, 2024, subject to continued service as Chief Executive Officer and the achievement, to be determined in the Compensation Committee’s sole discretion, of certain performance metrics.

There was no PSU activity for the year ended December 31, 2024. The 2,500 PSU shares that were reserved for grant during 2024 per the former executive’s offer letter with the Company, as well as the 1,250 shares reserved for potential outperformance by the former executive of 2024 goals were returned to the 2024 Equity Incentive Plan for future issuance upon the former executive’s termination of service with the Company.

Employee Stock Purchase Plan (“ESPP”)

During the years ended December 31, 2024 and 2023, there were two offering periods per year for the ESPP. The first offering period started on January 1 of each year and concluded on June 30 of each year. The second offering period started on July 1 of each year and concluded on December 31 of each year.

The weighted-average grant-date fair value of the purchase option for each designated share purchased under the ESPP was approximately \$0.64 and \$4.66 during the years ended December 31, 2024 and 2023, respectively, which represents the fair value of the option, consisting of three main components: (i) the value of the discount on the enrollment date, (ii) the proportionate value of the call option for 85% of the stock and (iii) the proportionate value of the put option for 15% of the stock. The Company recorded stock-based compensation expense for the plan of \$5,000 and \$44,000 for the years ended December 31, 2024 and 2023, respectively.

The Company estimated the fair value of the purchase options granted during the years ended December 31, 2024 and 2023 using the Black-Scholes option pricing model. The fair values of the purchase options granted were estimated using the following assumptions:

	For the year ended December 31,	
	2024	2023
Stock price	\$ 1.09-1.83	\$ 4.80-16.72
Dividend yield	0%	0%
Expected volatility	76%-112%	59%-67%
Risk-free interest rate	5.26%-5.37%	4.42%-5.47%
Expected life	6 months	6 months

Note 11 – Stock Based Compensation, continued**Stock-Based Compensation Expense**

The total amount of stock-based compensation was reflected within the statements of operations as (in thousands):

	For the year ended December 31,	
	2024	2023
Research and development	\$ 213	\$ 658
Sales and marketing	287	368
General and administrative	163	652
Severance expense	130	—
Cost of revenue	6	—
Total	<u>\$ 799</u>	<u>\$ 1,678</u>

Note 12 – Income Taxes

For years ended December 31, 2024 and 2023, the Company recognized zero provision for income taxes.

Reconciliation between the effective tax rate on income from continuing operations and the statutory tax rate of 21% is as follows:

	For the Year Ended December 31,	
	2024	2023
Tax benefit at federal statutory rate	(21.0)%	(21.0)%
State income taxes	6.8	(8.8)
Permanent differences:		
Stock-based compensation	(0.1)	0.1
Change in tax reserves	4.0	—
Research and development tax credits	(2.4)	(4.0)
Increase in valuation allowance	12.6	33.9
Mark-to-market warrant liability	(0.3)	(2.1)
Other	0.4	1.9
Effective income tax rate	<u>0.0 %</u>	<u>0.0 %</u>

Note 12 – Income Taxes, continued

As of December 31, 2024 and 2023, the Company’s deferred tax assets (liabilities) consisted of the effects of temporary differences attributable to the following (in thousands):

	December 31,	
	2024	2023
Deferred tax assets:		
Research and development tax credits	\$ 11,087	\$ 11,638
Net operating loss carryovers	87,825	83,393
Property and equipment	197	147
Research and development costs	6,919	8,653
Start-up and organizational costs	9	10
Stock-based compensation	338	119
Operating lease liability	176	354
Other accruals and reserves	215	351
Total gross deferred tax assets	106,766	104,665
Less: valuation allowance	(106,627)	(104,318)
Total deferred tax assets	139	347
Deferred tax liabilities:		
Operating lease right-of-use asset	(139)	(347)
Total deferred tax liabilities	(139)	(347)
Total deferred taxes, net	\$ —	\$ —

The Company considers all available evidence, both positive and negative, including historical levels of taxable income, expectations and risks associated with estimates of future taxable income, and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance. Because of the Company’s recent history of operating losses, management believes that it is more likely than not that all of the Company’s deferred tax assets will not be realized and accordingly, has provided a full valuation allowance for its deferred tax asset as of December 31, 2024 and 2023.

The change in the Company’s valuation allowance is as follows:

	2024	2023
Beginning balance	\$ 104,318	\$ 97,757
Increase in valuation allowance	2,309	6,561
Ending balance	\$ 106,627	\$ 104,318

As of December 31, 2024 and 2023, the Company has NOL carryforwards for U.S. federal income tax purposes of approximately \$320.2 million and \$297.7 million, respectively, and for state income tax purposes, approximately \$294.9 million and \$298.9 million, respectively. NOL carryforwards of \$235.5 million will be carried forward indefinitely for U.S. federal tax purposes and \$84.7 million will expire beginning in 2033. State net operating loss carryforwards, if not utilized, will begin to expire on various dates starting in 2033. The Company has federal and state R&D tax credit carryforwards of approximately \$7.6 million and \$6.0 million, respectively. The federal R&D credit carryforwards will expire beginning in 2032 and state R&D credit carryforwards do not expire.

Note 12 – Income Taxes, continued

Under Section 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an “ownership change,” the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change attributes, such as research tax credits, to offset its post-change income may be limited. As a result of such ownership changes, the annual limitation may result in the expiration of net operating losses and credits before utilization. In general, an “ownership change” will occur if there is a cumulative change in the Company’s ownership by “5-percent shareholders” that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws.

The Company accounts for uncertain tax position in accordance with ASC 740. Tax positions are evaluated in a two-step process, whereby the Company first determines whether it is more likely than not that a tax position will be sustained upon examination by tax authorities, including resolutions of any related appeals or litigation processes, based on technical merit. If a tax position meets the more-likely-than-not recognition threshold it is then measured to determine the amount of benefit to be recognized in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

The total amount of unrecognized tax benefits as of December 31, 2024 is \$1.4 million. If recognized, none of the unrecognized tax benefits would impact the effective tax rate because of the valuation allowance. The Company recognizes interest and penalties related to income tax matters as a component of income tax expense. As of December 31, 2024, there were no accrued interest and penalties related to unrecognized tax benefits. The Company does not anticipate any significant change of the unrecognized tax benefits within twelve months of this reporting date.

A reconciliation of the beginning and ending balance of total unrecognized tax benefits is as follows (in thousands):

	Total
Unrecognized tax benefit as of January 1, 2024	\$ —
Gross increases – tax positions in prior period	1,275
Gross increases – tax positions in current period	82
Unrecognized tax benefit as of December 31, 2024	<u>\$ 1,357</u>

The Company files income tax returns in the U.S. federal and various state jurisdictions. Due to the Company’s net operating loss carryforwards, all tax years since inception remain subject to examination by all taxing authorities. The Company is not currently under audit in any tax jurisdiction.

Note 13 - Warrant Liability

In March 2023, the Company issued 412,500 warrants to purchase up to 412,500 shares of its common stock. The 2023 Warrants have a six-year term and were exercisable upon issuance on March 28, 2023. Each 2023 Warrant was initially exercisable for one share of the Company's common stock at a price of \$8.00 per share. As of December 31, 2024, the exercise price was adjusted to \$0.30 per share (subject to further adjustment in certain circumstances, including in the event of stock dividends and splits; recapitalizations; change of control transactions; and issuances or sales of, or agreements to issue or sell, shares of common stock or common stock equivalents at a price per share less than the then-applicable exercise price for the 2023 Warrants, including sales under the ATM Program, the "Exercise Price").

In the event of certain transactions such as a merger, consolidation, tender offer, reorganization, or other change in control, if holders of common stock are given any choice as to the consideration to be received, the holder of each 2023 Warrant shall be given the same choice of alternate consideration. In the event of certain transactions that are not within the Company's control, such as a merger, consolidation, tender offer, reorganization, or other change in control of the Company, each holder of a 2023 Warrant shall be entitled to receive the same form of consideration at the Black Scholes value of the unexercised portion of the 2023 Warrant that is being offered and paid to holders of common stock, including the option to exercise the 2023 Warrants on a "cashless basis".

If the Company issues additional shares of common stock or equity-linked securities for a consideration per share less than the Exercise Price, then such Exercise Price will be reduced to a new lower price pursuant to the terms of the 2023 Warrants. Additionally, if the Exercise Price of any outstanding derivative securities is modified by the Company such that such security's modified exercise price is below the Exercise Price, the Exercise Price will adjust downward pursuant to the terms of the 2023 Warrant. This provision would not apply for stock or stock equivalents which fall under shares that qualify for exempt issuance, such as if the Company adjusted the option exercise price for an option granted to an employee, officer, or director.

The Company accounted for the 2023 Warrants in accordance with the derivative guidance contained in ASC 815-40, as the warrants did not meet the criteria for equity treatment. The Company believes that the adjustments to the Exercise Price is based on a variable that is not an input to the fair value of a "fixed-for-fixed" option as defined under ASC 815-40, and thus the 2023 Warrants are not eligible for an exception from derivative accounting. As such, the 2023 Warrants were initially measured at fair value and recorded as a liability in the amount of \$3.1 million. As of December 31, 2024, all 2023 Warrants were outstanding, and the fair value of the warrant liability was \$0.4 million. The Company recorded a change in fair value of the warrant liability of \$0.3 million and \$2.5 million for the years ended December 31, 2024 and 2023, respectively.

Note 14 - Fair Value Measurements

The following tables present information about the Company’s assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2024 and December 31, 2023 and indicate the fair value hierarchy of the valuation inputs utilized to determine such fair value (in thousands):

	Balance as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	\$ 1,353	\$ —	\$ —	\$ 1,353
Liabilities:				
Warrant liability	\$ —	\$ —	\$ 358	\$ 358

	Balance as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	\$ 12,567	\$ —	\$ —	\$ 12,567
Liabilities:				
Warrant liability	\$ —	\$ —	\$ 620	\$ 620

There were no transfers among Level 1, Level 2, or Level 3 categories during the periods presented.

2023 Warrants

The Company utilizes a Monte Carlo simulation model for the 2023 Warrants at each reporting period, with changes in fair value recognized in the statements of operations. The estimated fair value of the 2023 Warrant liability is determined using Level 3 inputs. Inherent in a Monte Carlo simulation model are assumptions related to expected share-price volatility, expected life, risk-free interest rate, and dividend yield.

The key inputs into the Monte Carlo simulation model for the 2023 Warrants were as follows:

	As of December 31,			
	2024		2023	
Share price	\$	1.01	\$	1.83
Exercise price	\$	0.30	\$	1.66
Term (in years)		4.24		5.25
Volatility		90 %		85 %
Risk-free rate		4.3 %		3.8 %
Dividend yield		0 %		0 %

Note 14 - Fair Value Measurements, continued

The decrease in the fair value of the 2023 Warrant liability was determined to be \$0.3 million and \$2.5 million during the years ended December 31, 2024 and 2023, respectively (see Note 13 – Warrant Liability).

	For the year ended December 31,	
	2024	2023
Beginning value	\$ 620	\$ —
Initial valuation of new warrants	—	3,135
Change in value of warrant liability	(262)	(2,515)
Ending value	<u>\$ 358</u>	<u>\$ 620</u>

Note 15 – Customer Concentration

Two customers accounted for approximately 76% of the Company's revenue for the year ended December 31, 2024 and three customers accounted for approximately 70% of the Company's revenue for the year ended December 31, 2023. Two customers accounted for approximately 99% of the Company's accounts receivable balance as of December 31, 2024. Two customers accounted for approximately 88% of the Company's accounts receivable balance as of December 31, 2023.

Note 16 – Subsequent Events

After December 31, 2024, the Company settled sales of 16,584,405 shares of common stock for net proceeds of approximately \$13.4 million under the ATM Program. Sales settled between January 2, 2025 and February 12, 2025. On February 13, 2025, the Company filed a prospectus supplement covering the offering, issuance and sale of an additional \$80.0 million in shares of common stock under the ATM Program. Between February 21, 2025 and February 26, 2025, the Company settled sales of 252,040 shares of common stock for net proceeds of approximately \$38,000 under the ATM Program pursuant to the prospectus supplement filed on February 13, 2025.

On January 21, 2025, the Company terminated the ESPP. No shares will be issued under the ESPP going forward.

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

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as such term is defined in Rules 13a 15(e) and 15d 15(e) under the Exchange Act, that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and regulations, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on their evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2024.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process used to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles in the United States. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles in the United States, and that our receipts and expenditures are being made only in accordance with the authorization of our Board of Directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

An internal control system over financial reporting has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. 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. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Our management, under the supervision of and with the participation of our principal executive officer and principal financial officer, have assessed the effectiveness of our internal control over financial reporting as of December 31, 2024 based on criteria for effective control over financial reporting described in Internal Control — *Integrated Framework* (2013) created by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, the Company's management concluded that our internal controls over financial reporting were effective as of December 31, 2024.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2024, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving its objectives. Our principal executive and principal financial and accounting officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level.

Item 9B. Other Information.

During the three months ended December 31, 2024, no director or officer of the Company adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as each term is defined in Item 408 of Regulation S-K.

Item 9C. Disclosures Regarding Foreign Jurisdictions That Prevent Inspections.

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 will be included in our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, to be filed no later than 120 days after December 31, 2024, and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 will be included in our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, to be filed no later than 120 days after December 31, 2024, and is incorporated herein by reference.

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

The information required by Item 12 will be included in our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, to be filed no later than 120 days after December 31, 2024, and is incorporated herein by reference.

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

The information required by Item 13 will be included in our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, to be filed no later than 120 days after December 31, 2024, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 will be included in our definitive proxy statement relating to our 2025 Annual Meeting of Stockholders, to be filed no later than 120 days after December 31, 2024, and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statements and Schedules

(a) List of documents filed as part of this report:

1. Financial Statements (see “Financial Statements and Supplementary Data” at Part II, Item 8 and incorporated herein by reference).
2. Financial Statement Schedules (Schedules to the Financial Statements have been omitted because the information required to be set forth therein is not applicable or is shown in the accompanying Financial Statements or notes thereto)
3. Exhibit Index.

EXHIBIT INDEX

Exhibit No.	Description of Document
3.1	Second Amended and Restated Certificate of Incorporation of Energois Corporation, as amended (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 10, 2020)
3.2	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Energois Corporation (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 15, 2023)
3.3	Amended and Restated Bylaws of Energois Corporation (incorporated by reference to Exhibit 3.2 to Amendment No. 1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 13, 2014)
4.1	Specimen Certificate representing shares of common stock of Energois Corporation (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1/A (File No. 333-193522) filed on March 21, 2014)
4.2	Description of the Registrant's Securities+
4.3	Form of 2019 Common Stock Purchase Warrant (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q filed on May 10, 2019)
4.4	Form of 2023 Common Warrant (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on March 27, 2023)
4.5	Form of 2024 Common Warrant (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed on February 20, 2024)
4.6	Form of 2024 Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on February 20, 2024)
10.1	Form of Indemnity Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 10, 2021)*
10.2	Energois Corporation 2024 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 14, 2024)*
10.3	Form of Restricted Stock Unit Award Grant Notice and Agreement under 2024 Equity Incentive Plan+*
10.4	Energois Corporation 2013 Equity Incentive Plan, as amended and restated June 16, 2021 (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on August 10, 2021)*
10.5	2014 Non-Employee Equity Compensation Plan, as amended and restated May 26, 2020 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 28, 2020)*
10.6	Energois Corporation Performance Share Unit Plan, as amended June 16, 2021 (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed on August 10, 2021)*
10.7	Burak Offer Letter by and between Energois Corporation and Mallorie Burak, dated December 1, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 16, 2024)*
10.8	Severance and Change in Control Agreement, dated June 12, 2024, between Mallorie Burak and Energois Corporation (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on June 14, 2024)*

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<u>Exhibit No.</u>	<u>Description of Document</u>
10.9	Offer Letter effective as of December 6, 2021 between Energois Corporation and Cesar Johnston (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 9, 2021)*
10.10	Second Amendment to lease dated September 22, 2021 by and between Energois Corporation and the Irvine Company, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 10-Q filed on November 15, 2021)
10.11	At The Market Offering Agreement, dated June 21, 2024, by and between Energois Corporation and H.C. Wainwright & Co., LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 21, 2024)#
10.12	Subordinated Business Loan Agreement, dated October 1, 2024, by and between Energois Corporation, Agile Capital Funding, LLC, and Agile Lending, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 2, 2024)#
10.13	Subordinated Business Loan Agreement, dated November 6, 2024, by and between Energois Corporation, Agile Capital Funding, LLC, and Agile Lending, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 8, 2024)#
19.1	Insider Trading Policy+
21.1	Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to the Registrant's Annual Report on Form 10-K filed on March 16, 2018)
23.1	Consent of BPM LLP *+
23.2	Consent of Marcum LLP+
24.1	Power of Attorney (included on signature page)±
31.1	Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934+
32.1	Certification Pursuant to 18 U.S.C Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ++
97.1	Compensation Recovery Policy (incorporated by reference to Exhibit 97.1 to the Registrant's Annual Report on Form 10-K filed on March 28, 2024)*
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 with applicable taxonomy extension information contained in Exhibit 101)

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- * Indicates a management contract or any compensatory plan, contract or arrangement.
 - + Filed herewith.
 - ++ Furnished herewith.
 - # Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERGOUS CORPORATION

Dated: February 27, 2025

By: /s/ Mallorie Burak
Mallorie Burak
Chief Executive Officer and Chief Financial Officer (Principal
Executive Officer, Principal Financial Officer and Principal
Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned officers and directors of Energous Corporation, a Delaware corporation, do hereby constitute and appoint Mallorie Burak as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that said attorney-in-fact and agent, or any of them or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Mallorie Burak</u> Mallorie Burak	Chief Executive Officer and Chief Financial Officer (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)	February 27, 2025
<u>/s/ David Roberson</u> David Roberson	Director and Board Chair	February 27, 2025
<u>/s/ Rahul Patel</u> Rahul Patel	Director	February 27, 2025
<u>/s/ J. Michael Dodson</u> J. Michael Dodson	Director	February 27, 2025

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES
EXCHANGE ACT OF 1934**

Energous Corporation (the "Company," "we" or "our") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934: our common stock, \$0.00001 par value per share.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is intended as a summary only. This description is based upon, and is qualified by reference to, our second amended and restated certificate of incorporation ("certificate of incorporation") and our amended and restated bylaws ("bylaws"). The summary is not complete, and is qualified by reference to our certificate of incorporation and our bylaws, which are filed as exhibits to this Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our certificate of incorporation, our bylaws and the applicable provisions of the Delaware General Corporation Law, for additional information.

General

Our authorized capital stock consists of 200,000,000 shares of common stock, \$0.00001 par value per share, and 10,000,000 shares of undesignated preferred stock, \$0.00001 par value per share.

Common Stock

Holders of our common stock are entitled to such dividends as may be declared by our board of directors out of funds legally available for such purpose. The shares of common stock are neither redeemable nor convertible. Holders of common stock have no preemptive or subscription rights to purchase any of our securities.

Each holder of our common stock is entitled to one vote for each such share outstanding in the holder's name. No holder of common stock is entitled to cumulate votes in voting for directors.

In the event of our liquidation, dissolution or winding up, the holders of our common stock are entitled to receive pro rata our assets, which are legally available for distribution, after payments of all debts and other liabilities. All of the outstanding shares of our common stock are fully paid and non-assessable.

Preferred Stock

Our board of directors is authorized, subject to limitations prescribed by Delaware law, to issue from time to time up to 10,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of their qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors is also able to increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may be able to authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and

might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock.

Anti-Takeover Effects of Certain Provisions of Delaware Law and Our Charter Documents

The following is a summary of certain provisions of Delaware law, our certificate of incorporation and our bylaws. This summary does not purport to be complete and is qualified in its entirety by reference to the corporate law of Delaware and our certificate of incorporation and bylaws.

Effect of Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, Section 203 prohibits a Delaware corporation from engaging in any business combination (defined below) with any interested stockholder (defined below) for a period of three years following the date that the stockholder became an interested stockholder, unless:

- prior to that date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
 - upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares of voting stock outstanding (but not the voting stock owned by the interested stockholder) those shares owned by persons who are directors and officers and by excluding employee stock plans in which employee participants do not have the right to determine whether shares held subject to the plan will be tendered in a tender or exchange offer; or
 - on or subsequent to that date, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.
-

Section 203 defines “business combination” to include:

- any merger or consolidation involving the corporation and the interested stockholder
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to limited exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an “interested stockholder” as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation, or who beneficially owns 15% or more of the outstanding voting stock of the corporation at any time within a three-year period immediately prior to the date of determining whether such person is an interested stockholder, and any entity or person affiliated with or controlling or controlled by any of these entities or persons.

Our Charter Documents

Our certificate of incorporation and bylaws include provisions that may have the effect of discouraging, delaying or preventing a change in control or an unsolicited acquisition proposal that a stockholder might consider favorable, including a proposal that might result in the payment of a premium over the market price for the shares held by our stockholders. Certain of these provisions are summarized in the following paragraphs.

- ***Effects of Authorized but Unissued Common Stock.*** One of the effects of the existence of authorized but unissued common stock may be to enable our board of directors to make more difficult or to discourage an attempt to obtain control of our Company by means of a merger, tender offer, proxy contest or otherwise, and thereby to protect the continuity of management. If, in the due exercise of its fiduciary obligations, the board of directors were to determine that a takeover proposal was not in our best interest, such shares could be issued by the board of directors without stockholder approval in one or more transactions that might prevent or render more difficult or costly the completion of the takeover transaction by diluting the voting or other rights of the proposed acquirer or insurgent stockholder group, by putting a substantial voting block in institutional or other hands that might undertake to support the position of the incumbent board of directors, by effecting an acquisition that might complicate or preclude the takeover, or otherwise.
 - ***Action by Written Consent.*** Our certificate of incorporation provides that our stockholders may not act by written consent.
 - ***Advanced Notice.*** Our bylaws provide that stockholders who wish to bring nominations or other business before an annual meeting of the stockholders or a special meeting of the stockholders must provide us with notice of such proposed nomination or business within specified time frames and must provide us with information regarding the potential nominee or proposal.
-

- **Blank Check Preferred Stock.** As noted above, our certificate of incorporation allows our Board to fix the designation, powers, preferences and rights of the shares of each series of preferred stock and any of their qualifications, limitations or restrictions, in each case without further vote or action by our stockholders.
- **Bylaw Amendment.** Our certificate of incorporation provides our board of directors the ability to amend our bylaws without further vote or action by our stockholders.
- **Cumulative Voting.** Our certificate of incorporation does not provide for cumulative voting in the election of directors, which would allow holders of less than a majority of the stock to elect some directors.
- **Exclusive Venue.** Our certificate of incorporation provides that unless the Company consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed to the Company or the Company's stockholders by any director, officer or other employee of the Company, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be the Delaware Court of Chancery, or if the Delaware Court of Chancery determines that it does not have subject matter jurisdiction, the U.S. District Court for the District of Delaware or any court of the State of Delaware having subject matter jurisdiction regarding the matter.
- **Special Meeting of Stockholders.** Our certificate of incorporation provides that a special meeting of stockholders may only be called by the President, the Chief Executive Officer, or the board of directors at any time and for any purpose or purposes as shall be stated in the notice of the meeting.
- **Vacancies.** Our certificate of incorporation provides that all vacancies may be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

Listing

Our common stock is listed on The Nasdaq Capital Market under the symbol "WATT."

DESCRIPTION OF WARRANTS

Pre-Funded Warrants issued in February 2024

On February 20, 2024, we issued pre-funded warrants to purchase up to 450,409 shares of common stock. The following summary of certain terms and provisions of the pre-funded warrants is not complete and is subject to, and qualified in its entirety by, the provisions of pre-funded warrants, the form of which are

filed as an exhibit to our Annual Report on Form 10-K. The pre-funded warrants were issued in certificated form only.

Duration and Exercise Price

Each pre-funded warrants has an exercise price of \$0.001 per share. The pre-funded warrants are immediately exercisable and may be exercised until they are exercised in full. The exercise price of the pre-funded warrants is subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock.

Exercisability

The pre-funded warrants are exercisable, at the option of each holder, in whole or in part, by delivering a duly executed exercise notice accompanied by payment in full for the number of shares of our common stock purchased upon such exercise (except in the case of a cashless exercise as discussed below). The holder (together with its affiliates) may not exercise any portion of such holder's pre-funded warrants to the extent that the holder would own more than 9.99% of the outstanding common stock immediately after exercise.

Cashless Exercise

If, at the time the holder exercises the pre-funded warrants, a registration statement registering the issuance or resale of the shares of common stock underlying the pre-funded warrants under the Securities Act is not then available for the issuance of such shares, then the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of shares of common stock determined according to a formula set forth in the pre-funded warrants.

Fundamental Transactions

In the event of a fundamental transaction, as described in the pre-funded warrants and generally including any reorganization, recapitalization or reclassification of our shares of common stock, the sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of our assets, our consolidation or merger with or into another person, the acquisition of 50% or more of our outstanding shares of our common stock or 50% or more of the voting power of our common equity, any purchase offer, tender offer or exchange offer that has been accepted by the holders of 50% or more of our outstanding common stock or 50% or more of the voting power of our common equity, then upon any subsequent exercise of the pre-funded warrants, the holder will have the right to receive as alternative consideration, for each share of our common stock that would have been issuable upon such exercise immediately prior to the occurrence of such fundamental transaction, the number of shares of common stock of the successor or acquiring corporation or of our company, if it is the surviving corporation, and any additional consideration receivable as a result of such transaction by a holder of the number of shares of our common stock for which the pre-funded warrants are exercisable immediately prior to such event.

Transferability

Subject to applicable laws, a pre-funded warrant may be transferred at the option of the holder upon surrender of the pre-funded warrant to us together with the appropriate instruments of transfer and any transfer taxes payable upon making such transfer.

Fractional Shares

No fractional shares of common stock will be issued upon the exercise of the pre-funded warrants. Rather, the number of shares of common stock to be issued will, at our election, either be rounded up to the next whole share or we will pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the exercise price.

Right as a Stockholder

Except as otherwise provided in the pre-funded warrants or by virtue of the holder's ownership of shares of our common stock, the holder of the pre-funded warrants does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises its pre-funded warrants. The pre-funded warrants provide that the holder of the pre-funded warrants has the right to participate in distributions or dividends paid on our shares of common stock.

Waivers and Amendments

The pre-funded warrants may be modified or amended or the provisions of such pre-funded warrants waived with the written consent of the Company and the holder of the pre-funded warrants.

Warrants issued in February 2024

On February 20, 2024, we issued warrants to purchase up to an aggregate of 1,020,409 shares of common stock. The following summary of certain terms and provisions of the warrants is not complete and is subject to, and qualified in its entirety by, the provisions of pre-funded warrants, the form of which are filed as an exhibit to our Annual Report on Form 10-K. Warrants will be issued in certificated form only.

Duration and Exercise Price

Each warrant has an exercise price of \$1.84 per share. The warrants are exercisable commencing on the date of issuance and may be exercised until 5:00 p.m. (New York City time) five years from the issuance date. The exercise price of the warrants is subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock.

Exercisability

The warrants are exercisable, at the option of each holder, in whole or in part, by delivering to us a duly executed exercise notice accompanied by payment in full for the number of shares of our common stock purchased upon such exercise (except in the case of a cashless exercise as discussed below). The holder (together with its affiliates) may not exercise any portion of its warrants to the extent that the holder would own more than 4.99% of the outstanding common stock immediately after exercise, except that upon at least 61 days' prior notice from the holder to us, the holder may increase the amount of ownership of outstanding stock after exercising the holder's warrants up to 9.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants.

Cashless Exercise

If, at the time the holder exercises the warrants, a registration statement registering the issuance or resale of the shares of common stock underlying the warrants under the Securities Act is not then available for the issuance of such shares, then the holder may elect instead to receive upon such exercise (either in

whole or in part) the net number of shares of common stock determined according to a formula set forth in the warrants.

Fundamental Transactions

In the event of a fundamental transaction, as described in the warrants and generally including any reorganization, recapitalization or reclassification of our shares of common stock, the sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of our assets, our consolidation or merger with or into another person, the acquisition of 50% or more of our outstanding shares of our common stock or 50% or more of the voting power of our common equity, any purchase offer, tender offer or exchange offer that has been accepted by the holders of 50% or more of our outstanding common stock or 50% or more of the voting power of our common equity, then upon any subsequent exercise of the warrants, the holder will have the right to receive as alternative consideration, for each share of our common stock that would have been issuable upon such exercise immediately prior to the occurrence of such fundamental transaction, the number of shares of common stock of the successor or acquiring corporation or of our company, if it is the surviving corporation, and any additional consideration receivable as a result of such transaction by a holder of the number of shares of our common stock for which the warrants are exercisable immediately prior to such event. Notwithstanding the foregoing, in the event of a fundamental transaction (subject to certain exclusions), the holder of the warrants has the right to require us or a successor entity to purchase the warrants from them for cash in the amount of the Black-Scholes Value (as defined in the warrants) of the remaining unexercised portion of the warrants concurrently with or within 30 days following the consummation of a fundamental transaction.

However, in the event of a fundamental transaction which is not in our control, including a fundamental transaction not approved by our board of directors, the holder of the warrants will only be entitled to receive from us or our successor entity, as of the date of consummation of such fundamental transaction the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of the warrants that is being offered and paid to the holders of our common stock in connection with the fundamental transaction, whether that consideration is in the form of cash, stock or any combination of cash and stock, or whether the holders of our common stock are given the choice to receive alternative forms of consideration in connection with the fundamental transaction.

Transferability

Subject to applicable laws, a warrant may be transferred at the option of the holder upon surrender of the warrant to us together with the appropriate instruments of transfer and any transfer taxes payable upon making such transfer.

Fractional Shares

No fractional shares of common stock will be issued upon the exercise of the warrants. Rather, the number of shares of common stock to be issued will, at our election, either be rounded up to the next whole share or we will pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the exercise price.

Right as a Stockholder

Except as otherwise provided in the warrants or by virtue of the holder's ownership of shares of our common stock, the holder of the warrants does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises its warrants. The warrants provide

that the holder of the warrants has the right to participate in distributions or dividends paid on our shares of common stock.

Waivers and Amendments

The warrants may be modified or amended or the provisions of such warrants waived with the written consent of the Company and the holder of the warrants.

Warrants issued in March 2023

On March 28, 2023, we issued warrants to purchase up to 412,500 shares of common stock. The following summary of certain terms and provisions of the warrants is not complete and is subject to, and qualified in its entirety by, the provisions of pre-funded warrants, the form of which are filed as an exhibit to our Annual Report on Form 10-K. Warrants will be issued in certificated form only.

Each warrant will enable the holder to purchase one share of our common stock at a price equal to \$8.00 per share at any time for up to six years after the date of issuance. Subject to limited exceptions, a holder of warrants will not have the right to exercise any portion of its warrants if the holder (together with such holder's affiliates, and any persons acting as a group together with such holder or any of such holder's affiliates) would beneficially own a number of shares of common stock in excess of 4.99% (or, at the election of the purchaser prior to the date of issuance, 9.99%) of the shares of our common stock then outstanding after giving effect to such exercise.

The exercise price and the number of shares issuable upon exercise of the warrants is subject to appropriate adjustment in the event of recapitalization events, stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting our common stock. The warrant holders must pay the exercise price in cash upon exercise of the warrants, unless such warrant holders are utilizing the cashless exercise provision of the warrants. Subject to certain exemptions outlined in the warrants, if we shall sell, enter into an agreement to sell, or grant any option to purchase, or sell, enter into an agreement to sell, or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any shares of our common stock or Common Stock Equivalents (as defined in the warrants), at an effective price per share less than the exercise price of the warrants then in effect, the exercise price of the warrants shall be reduced to equal the effective price per share in such dilutive issuance. Additionally, the warrants contain a one-time reset of the exercise price to a price equal to the lesser of (i) the then exercise price and (ii) 100% of the lowest VWAP on any trading day during the five (5) trading day period immediately prior to the sixth (6th) trading date immediately following the approval of a reverse stock split of the Company's common stock.

In addition, in the event we consummate a merger or consolidation with or into another person or other reorganization event in which our common shares are converted or exchanged for securities, cash or other property, or we sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of our assets or we or another person acquire 50% or more of our outstanding shares of common stock, then following such event, the holders of the warrants will be entitled to receive upon exercise of such warrants the same kind and amount of securities, cash or property which the holders would have received had they exercised their warrants immediately prior to such fundamental transaction. Any successor to us or surviving entity shall assume the obligations under the warrants. Additionally, as more fully described in the warrants, in the event of certain fundamental transactions, the holders of the warrants will be entitled to receive consideration in an amount equal to the Black Scholes value of the warrants on the date of consummation of such transaction.

Upon the holder's exercise of a warrant, we will issue the shares of common stock issuable upon exercise of the warrant within two trading days following our receipt of a notice of exercise, provided that payment of the exercise price has been made (unless exercised via the "cashless" exercise provision). Prior to the exercise of any warrants to purchase common stock, holders of the warrants will not have any of the rights of holders of the common stock purchasable upon exercise, including the right to vote, except as set forth therein.

Warrant holders may exercise warrants only if the issuance of the shares of common stock upon exercise of the warrants is covered by an effective registration statement, or an exemption from registration is available under the Securities Act and the securities laws of the state in which the holder resides. The warrant holders must pay the exercise price in cash upon exercise of the warrants unless there is not an effective registration statement or, if required, there is not an effective state law registration or exemption covering the issuance of the shares underlying the warrants (in which case, the warrants may only be exercised via a "cashless" exercise provision).

**ENERGIOUS CORPORATION
2024 EQUITY INCENTIVE PLAN**

RESTRICTED STOCK UNIT AWARD GRANT NOTICE

Energous Corporation (the “*Company*”) hereby grants to you under its 2024 Equity Incentive Plan (the “*Plan*”) an award of Restricted Stock Units (the “*RSUs*”) as set forth below. The RSUs are subject to all the terms and conditions set forth in this Restricted Stock Unit Award Grant Notice (this “*RSU Notice*”) as well as the attached Restricted Stock Unit Award Agreement (the “*RSU Agreement*”) and the Plan, both of which are incorporated into this RSU Notice in their entirety. Capitalized terms not defined in this RSU Notice but defined in the Plan have the same definitions as in the Plan.

Participant:

Grant Date:

Total Number of RSUs Subject to Award:

Vesting Commencement Date:

Vesting Schedule (subject to continued Service with the Company or a Subsidiary through an applicable vesting date):

See Exhibit A to the RSU Notice.

Settlement:

Subject to the terms and conditions of this RSU Notice and the RSU Agreement, each vested RSU will be settled in one share of Common Stock.

Additional Terms/Acknowledgement: By accepting this Award, you acknowledge receipt of, and understand and agree to, this RSU Notice, the RSU Agreement and the Plan. You further acknowledge that as of the Grant Date, this RSU Notice, the RSU Agreement and the Plan set forth the entire understanding between you and the Company regarding the RSUs and supersede all prior oral communications and written agreements on the subject, with the exception of any severance or change in control policy, or written agreement between the Company and you, that contains terms specifically applicable to the RSUs. By accepting the RSUs, you consent to receive the documents related to the Plan by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

[Signature Page Follows]

ENERGOUS CORPORATION

PARTICIPANT

By: _____
Its: _____

Signature

Date: _____

Attachment:
1. Restricted Stock Unit Award Agreement

Email: _____



EXHIBIT A

RSU VESTING SCHEDULE

Vesting Date:

Number of RSUs That Vest:

25%

25%

25%

25%



ENERGOUS CORPORATION
2024 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to your Restricted Stock Unit Award Grant Notice (the “*RSU Notice*”) and this Restricted Stock Unit Award Agreement (collectively with the *RSU Notice*, this “*Agreement*”), Energous Corporation (the “*Company*”) has granted to you an award of Restricted Stock Units (the “*RSUs*”) under its 2024 Equity Incentive Plan (the “*Plan*”) for the number of RSUs indicated in your *RSU Notice*. This Agreement is made pursuant to the provisions of the Plan and will in all respects be construed in conformity with the express terms and provisions of the Plan. Capitalized terms not defined in this Agreement but defined in the Plan have the same definitions as in the Plan.

The details of the RSUs, in addition to those set forth in the *RSU Notice* and the Plan, are as follows:

- 1. Vesting and Settlement.** Subject to the limitations contained herein, the RSUs will vest as provided in the *RSU Notice* (including the attached exhibit thereto). As soon as administratively practicable after the RSUs vest (but in any event, no later than the fifteenth day of the third month following the tax year in which the vesting date occurs), and subject to satisfaction of the tax withholding obligations set forth in Section 6, the Company will settle the vested RSUs by delivering to you one share of Common Stock (“*Share*”) for each vested RSU.
- 2. Compliance with Applicable Law.**

Notwithstanding any other provision of this Agreement or the Plan, Shares will not be issued upon RSU vesting unless the Shares issuable are registered under the Securities Act or, if such Shares are not then so registered, the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. The RSUs and the issuance of any Shares thereunder also must comply with all other applicable law and regulations governing the RSUs and the Shares issuable thereunder, including any U.S., state and local law, and you will not receive Shares if the Company determines that such receipt would not be in material compliance with such applicable law. The Company is not obligated to take any affirmative action in order to cause the RSUs or the issuance of Shares thereunder to comply with any law or regulation of any governmental authority.

You agree that you will not sell or distribute all or any part of the Shares that you may receive pursuant to the settlement of vested RSUs unless such sale complies with all applicable securities laws and the Company’s insider trading policy. Further, you agree that the Company will have the unilateral authority to amend the Plan and this Agreement without your consent to the extent necessary to comply with securities or other laws applicable to the RSUs and the issuance of Shares thereunder.

- 3. Restrictive Legends.** The Shares issued upon settlement of the RSUs will be endorsed with appropriate legends or notations, if any, determined by the Company.
- 4. Separation from Service.** Upon your Separation from Service for any reason, any RSUs that have not vested will automatically be cancelled and forfeited to the Company without the payment of any consideration to you. You (and your successors, heirs, assigns, or personal representatives) will have no further rights, and the Company will have no further obligations to you, with respect to such unvested RSUs.

For purposes of this Agreement, your “*Separation from Service*” will be considered to occur as of the date you are no longer actively providing services to the Company or, if different, any Subsidiary that employs you or for which you otherwise provide services (the “*Service Recipient*”), regardless of the reason for such termination and whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where you are employed or otherwise rendering services or the terms of your employment or service agreement, if any. Unless otherwise determined by the Company, your

right to vest in the RSUs, if any, will cease as of the date of your Separation from Service and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment law or other applicable laws in the jurisdiction where you are employed or otherwise rendering services, or the terms of your employment or service agreement, if any).

5. Limited Transferability. Neither the RSUs nor any right or interest therein may be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than, with respect to vested RSUs that have not been settled in Shares, by will or by the applicable laws of descent and distribution. Any attempt to transfer or dispose of the RSUs or any interest therein contrary to the restrictions set forth in this Agreement will be null and void.

6. Withholding Taxes; No Obligation to Minimize Taxes.

Regardless of any action taken by the Company or the Service Recipient, the ultimate liability for all income tax, payroll tax and other tax-related withholding related to the RSUs and legally applicable to you or deemed by the Company or the Service Recipient in its discretion to be an appropriate charge to you even if legally applicable to the Company or the Service Recipient (“**Tax-Related Items**”) is and remains your responsibility and may exceed the amount actually withheld, if any, by the Company or the Service Recipient. If you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Service Recipient (or former Service Recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, you agree to make adequate arrangements satisfactory to the Company and/or the Service Recipient, as applicable, to enable it to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Service Recipient, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

requiring you to make a payment in a form acceptable to the Company;

withholding from your wages or other cash compensation paid to you by the Company and/or the Service Recipient in accordance with applicable law;

withholding from the proceeds of a sale of Shares that would otherwise be acquired upon settlement of the RSUs, either through a voluntary sale or through a mandatory sale arranged by the Company;

subject to applicable law, withholding Shares to be issued upon settlement of the RSUs; or

any other method of withholding determined by the Company and permitted by applicable law.

The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates in your jurisdiction(s), in which case you may receive a refund of any over - withheld amount in cash and will have no entitlement to the equivalent in Shares. If the obligation for Tax-Related Items is satisfied by withholding Shares, for tax purposes, you are deemed to have been issued the full number of Shares for which the RSUs were settled, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

You agree to pay to the Company or the Service Recipient, as applicable, any amount of Tax-Related Items that the Company or the Service Recipient may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

You acknowledge that the Company and/or the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, their grant, their vesting, the issuance of Shares upon vesting or the subsequent sale of Shares acquired pursuant to the RSUs and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. You agree and acknowledge that the Company, the Committee, any Affiliate, and their respective boards of directors, officers, employees, and agents will not be held liable for any applicable costs, taxes or penalties associated with the RSUs. By executing the RSU Notice, you agree that you will be deemed to have waived any claims with respect to any tax consequences related to the RSUs.

7. **RSUs Not an Employment or Service Contract.** Nothing in the Plan or this Agreement will be deemed to constitute any employment or service contract with the Company or an Affiliate or confer or be deemed to confer any right for you to continue in the employ of, or to continue any other service relationship with, the Company, the Service Recipient or any other Affiliate, as applicable, or limit in any way the right of the Company, the Service Recipient or any other Affiliate, as applicable, to terminate your employment or other service relationship at any time, with or without cause.
8. **Section 409A Compliance.** The Company intends that the RSUs will be exempt from, or comply with, the requirements of Section 409A of the Code, including any applicable regulations and guidance issued thereunder, and this Agreement and the Plan will be interpreted, operated, and administered in a manner consistent with this intention. Each payment made pursuant to this Agreement will be treated as a separate and distinct payment for purposes of Section 409A of the Code. Notwithstanding any other provision in this Agreement or the Plan, the Company makes no representations that the RSUs will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the RSUs.
9. **Nature of Grant.** By entering this Agreement and accepting the grant of the RSUs, you acknowledge, understand, and agree that:

your participation in the Plan will be subject at all times to the terms of the Plan and this Agreement, as may be amended from time to time (including but not limited to any clawback provisions);

you are voluntarily participating in the Plan;

the Plan is established voluntarily by the Company, is discretionary in nature, and may be modified, amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan;

the grant of the RSUs is discretionary, exceptional, voluntary, and occasional and does not create any contractual or other right to receive future grants of RSUs or other awards, or benefits in lieu of RSUs or other awards, even if RSUs or other awards have been granted in the past;

all decisions with respect to any future grants of RSUs or other awards, if any, will be at the sole discretion of the Committee;

the Plan and this Agreement do not form part of your terms and conditions of employment or service relationship with the Company or an Affiliate (either expressly or impliedly by custom and practice or otherwise), and further, your participation in the Plan does not change or alter the nature or terms of your employment or service relationship with the Company or an Affiliate; further, if you are not an employee of the Company or an Affiliate, you acknowledge that the Plan does not create, or contribute towards the creation of, an employment relationship between you and the Company or any Affiliate;

the value of the RSUs is an extraordinary item of compensation that is outside the scope of your employment or other service contracts, if any;

the RSUs and the Shares underlying the RSUs, and the income from and the value of the same, are not part of normal or expected compensation for any purpose, including, but not limited to, calculating any benefits, severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, holiday top-up, pension or retirement or welfare benefits, or similar mandatory payments;

except as otherwise provided in this Agreement, your entitlement to participate in the Plan will cease upon your Separation from Service howsoever arising (whether lawfully, unlawfully, or in breach of contract);

the future value of the Shares underlying the RSUs is unknown, indeterminate and cannot be predicted with certainty; accordingly, if the RSUs vest and you are issued Shares, the value of such Shares may increase or decrease in value following the vesting date or the date the Shares are issued, even below the Fair Market Value on the Grant Date;

no claim or entitlement to compensation or damages will arise from forfeiture of the RSUs or loss of any rights or benefits under the Plan (including any rights or benefits which you would have not have lost had your employment or service not terminated) resulting from your (i) Separation from Service (for any reason whatsoever, whether or not later found to be invalid or in breach of labor laws in the jurisdiction where you are employed or providing Service or the terms of your employment or service agreement, if any) or (ii) the application of Section 3.3 of the Plan. You hereby acknowledge that you will not be entitled to, and you hereby waive, any right or claim (legal or otherwise) to compensation or damages as against the Company or any Affiliate for the loss of any rights or benefits under the Plan, or any replacement or successor plan; and

neither the Company nor any other Affiliate will be liable for any foreign exchange rate fluctuations between your local currency (if other than the United States Dollar) and the United States Dollar that may affect (i) the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement or (ii) payments for Tax-Related Items.

10. Data Privacy Information and Consent.

The Company and the Service Recipient collect, process and use certain personal information about you, including, but not limited to, your name, home address, telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of the Company's stock or directorships held in the Company, details of all Awards granted to you under the Plan or any other entitlement to shares or equivalent benefits awarded, cancelled, exercised, vested, unvested or outstanding in your favor ("Data"), for the legitimate purpose of implementing, administering and managing the Plan. Where required, the legal basis for the collection and processing of Data is your consent.

You understand that the Company may transfer Data to a third-party stock plan administrator/broker ("Stock Plan Administrator"), which assists the Company, presently or in the future, with the implementation, administration and management of the Plan. You may be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, with such agreement being a condition to the ability to participate in the Plan.

The Company and the Stock Plan Administrator are based in the United States. If you reside outside the United States, your country or jurisdiction may have different data privacy laws and protections than the United States. Where required, the Company's legal basis for the transfer of Data to the United States, including to the Stock Plan Administrator, is your consent.

The Company will hold and use Data only as long as is necessary to implement, administer and manage your participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax, exchange control, securities and labor laws. This may mean Data is retained after your Separation from Service, including any additional time periods necessary for compliance with law, exercise or defense of legal rights, archiving, back-up and deletion purposes.

Participation in the Plan is voluntary and you are providing the consents herein on a voluntary basis. You understand that you may request to stop the transfer and processing of Data for purposes of your participation in the Plan and that your Service relationship with the Company or the Service Recipient will not be affected. The only consequence of refusing or withdrawing consent is that the Company would not be able to allow you to participate in the Plan. You understand that Data will still be processed in relation to your employment or service relationship for record-keeping purposes.

You may have a number of rights under data privacy laws in your jurisdiction. Depending on where you are based, such rights may include the right to (i) request access to or copies of Data that the Company processes, (ii) rectify incorrect Data, (iii) delete Data, (iv) restrict the processing of Data, (v) restrict the portability of Data, (vi) lodge complaints with competent authorities in your jurisdiction, and/or (vii) receive a list with the names and addresses of any potential recipients of Data. To receive clarifications regarding these rights or to exercise these rights, you can contact the Company's Chief Financial Officer.

- 11. No Stockholder or Dividend Rights.** Neither you, nor any person claiming under or through you, will have any of the rights or privileges of a stockholder of the Company, including, without limitation, voting rights and rights to dividends (or dividend equivalents), in respect of the RSUs and any Shares underlying the RSUs, unless and until the date any Shares underlying the RSUs have been issued and recorded as issued in the records of the Company or those of its transfer agents or registrars.
 - 12. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to your current or future participation in the Plan by electronic means. You consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.
 - 13. No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations or representations regarding your participation in the Plan or your acquisition or sale of Shares acquired upon vesting. You understand and agree that you should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan. Prior to executing the RSU Notice, you either have consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the receipt of the RSUs and the receipt or disposition of Shares in light of your specific situation or you have had the opportunity to consult with such a tax advisor but chose not to do so.
 - 14. Recovery of Compensation.** In accordance with Section 3.3 of the Plan, the RSUs are subject to the requirements of (a) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations thereunder and (b) any other compensation recovery or clawback policies and clawback provisions as adopted from time to time by the Company, all to the extent determined by the Company in its discretion to be applicable to you and/or required by applicable law. Your acceptance of the RSUs is deemed to constitute (i) your acknowledgement of and consent to the Company's application, implementation and enforcement of the Company's Compensation Recovery Policy and any other compensation recovery policy applicable to you, whether adopted prior to or following the Grant Date of the RSUs, and any provision of applicable law relating to clawback, cancellation, recoupment, rescission, payback or reduction of compensation and (ii) your
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agreement that the Company may take such actions as may be necessary to implement any such policy or applicable law, without further consideration or action.

- 15. Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
 - 16. Successors and Assigns.** The Company may assign its rights under this Agreement at any time, whether or not such rights are then exercisable, to any person or entity selected by the Company. You may not assign your rights and obligations under this Agreement without the prior written consent of the Company. This Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your estate, executor, any receiver or trustee in bankruptcy, and any representative of your creditors, whether or not any such person will have become a party to this Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.
 - 17. Notices.** Any notice, demand, or request which either party hereto may be required or permitted to give to the other will be in writing and may be delivered personally, by interoffice mail, by fax, by electronic mail or other electronic means, or via a postal service, postage prepaid, to such applicable electronic mail or postal address and, with respect to the Company, directed to the Chief Financial Officer of the Company or such other person the Company may notify you of from time to time; and to you at your electronic mail or postal address as shown on the records of the Company from time to time, or at such other electronic mail or postal address as you, by notice to the Company, may designate in writing from time to time.
 - 18. Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions will, nevertheless, be binding and enforceable.
 - 19. No Waiver.** No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder.
 - 20. Restrictions.** In the event the Shares are no longer to be registered with the Securities and Exchange Commission (as determined by the Company), any Shares acquired in respect of the RSUs will be subject to such terms and conditions as the Company will determine, including, without limitation, restrictions on transferability, repurchase or redemption rights, the right of the Company to require that Shares be transferred in the event of certain transactions, rights of first refusal, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. Such terms and conditions may be in addition to those contained in the Plan and may, as determined by the Company, be contained in a stockholders' agreement or in such other agreement as the Company will determine, in each case in a form determined by the Company. The Company may condition the issuance of such Shares on your consent to such terms and conditions and your entering into such agreement or agreements.
 - 21. Counterparts.** The RSU Notice may be executed in two or more counterparts, each of which will be deemed an original, but which, upon execution, will constitute one and the same instrument.
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ENERGIOUS CORPORATION

Insider Trading Policy

Energous Corporation has adopted this Insider Trading Policy (the “Policy”) to promote compliance with federal securities laws by all directors, officers, employees and consultants of Energous and its affiliates, as well as any immediate family members sharing the household of any of the foregoing (collectively, the “Covered Persons”). The Policy also is designed to protect an important corporate asset: Energous’ reputation for integrity and ethical conduct. The Policy governs transactions in securities of Energous or any other issuer where conflicts of interest could arise. As a result of applicable securities laws and the Policy, Covered Persons may, from time to time, have to forego or delay a desired securities transaction, and may suffer economic loss or forego anticipated profit as a result.

POLICY

No Covered Person may trade in Energous securities unless certain that he or she does not possess material inside information. No Covered Person may disclose, or “tip,” such information to others who might use it for trading or might pass it along to others who might trade.

Similarly, Covered Persons may not trade in securities of any other company unless they are certain that they do not possess any material inside information about that company which they obtained in the course of their employment or consulting relationship with Energous, such as information about a major contract or merger being negotiated.

Inside information relating to Energous is the property of Energous, and the unauthorized disclosure of such information is forbidden.

DEFINITIONS

Securities include common stock and derivative securities such as put and call options and convertible debentures or preferred stock, as well as debt securities such as bonds and notes.

Trading includes buying or selling securities for the benefit of a Covered Person or an account, trust, partnership or other entity controlled by the Covered Person. It does not include purchasing stock under an employee option or making a gift that does not satisfy a legal obligation. This policy does not apply to trading that consists only of stock sales required by Energous policy to cover taxes upon settlement of restricted stock units that are approved by the Board of Directors.

Material information is any information that a reasonable investor would consider important in a decision to buy, sell or hold the securities. Any information that could reasonably be expected to affect the price of the securities is likely to be considered material. Examples of material information include unexpected financial results, proposed major mergers and acquisitions, sale of major assets, changes in dividends, an extraordinary item for accounting purposes, and important business developments such as the entry or exit of a strategic relationship, regulatory approvals, product announcements, executive or Board changes, or major litigation. The information may be positive or negative. The public, the media, and the courts may use hindsight in judging what is material.

Inside means information has not yet become publicly available. Release of information to the media does not immediately free Covered Persons to trade. Covered Persons should refrain from trading until the market has had an opportunity to absorb and evaluate the information. If the information has been widely disseminated, it is usually sufficient to wait at least 24 hours after publication.

ADDITIONAL PROHIBITIONS AND GUIDANCE**Short Sales and Derivatives**

Short sales of Energous securities (a sale of securities which are not then owned), including a “sale against the box” (a sale with delayed delivery) are prohibited.

No Covered Person may ever engage in transactions in publicly traded options, such as puts, calls and other derivative securities, relating to Energous. This prohibition also extends to various forms of hedging transactions or monetization transactions, such as zero-cost collars and forward sale contracts, as they involve the establishment of a short position in Energous securities. This prohibition does not prevent employees from exercising company-issued options, subject to the other restrictions of this Policy.

Standing Orders

Standing orders (except standing orders under approved Rule 10b5-1 plans, see below) should be used only for a brief period of time. The problem with purchases or sales resulting from standing instructions to a broker is that there is no control over the timing of the transaction. The broker could execute a transaction when you are in possession of material inside information.

Margin Accounts and Pledges

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan or, in many instances, if the value of the collateral declines. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material inside information regarding Energos, Covered Persons are prohibited from holding securities of Energos in a margin account or pledging such securities as collateral for a loan. An exception to this prohibition may be permitted in certain limited circumstances with the advance written approval of the Chief Financial Officer.

Penalties for Non-Compliance

The following penalties apply under United States Securities and Exchange Commission (SEC) Rule 10b-5, which prohibits trading on material inside information: (1) imprisonment of up to 20 years, (2) criminal fines of up to \$5 million, (3) civil penalties of up to 3 times the profits gained or losses avoided, (4) prejudgment interest, and (5) private party damages. In addition to damage to reputation, violation of this Policy could result in termination.

10b5-1 Plans

Rule 10b5-1 provides a defense from insider trading liability under SEC Rule 10b-5. To be eligible for this defense, a Covered Person may enter into a "10b5-1 plan" for trading in Energos stock. If the plan meets the requirements of Rule 10b5-1, Energos stock may be purchased or sold without regard to certain insider trading restrictions.

To comply with this insider trading policy, a 10b5-1 plan must be approved by the Chief Financial Officer and meet the requirements of Rule 10b5-1.

In general, a 10b5-1 plan must be entered into a time when the person entering into the plan is not aware of undisclosed material information. Once the plan is adopted, the Covered Person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded, the timing of the trade, or whether to trade. The plan must either specify (specifically or by defining a formula or algorithm) the amount, pricing and timing of transactions in advance, or delegate discretion on these matters to an independent third party.

Social Media

Because of the potential for abuse of the prohibition on "tipping," Covered Persons are prohibited from posting any information on any form of social media or other types of public forums where Energos or Energos securities are a topic.

BLACKOUT POLICY

As part of this Policy, Energos has adopted a blackout policy that prohibits trading in Energos securities by officers, directors and employees and/or consultants, beginning on the fifteenth day of the third month of each fiscal quarter and ending 24 hours after earnings for such quarter are publicly released.

Who is covered by this blackout policy?

- All Covered Persons

What transactions are prohibited during a blackout period?

- Open market purchase or sale of Energos securities
 - Purchase or sale of Energos securities through a broker
 - Exercise of stock options where all or a portion of the acquired stock is sold during the blackout period
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What transactions are allowed during a blackout period?

- Exercise of stock options where no Energous stock is sold in the market to fund the option exercise
- Gifts of Energous stock, unless the Covered Person has reason to believe the recipient intends to sell the shares during the current blackout period
- Transaction that comply with SEC Rule 106b5-1 pre-arranged written plans
- Stock sales required by Energous policy to cover taxes upon settlement of restricted stock units that are approved by the Board of Directors.

In addition to the standard end-of-quarter blackout periods, Energous may, from time to time, impose other blackout periods upon notice to those persons who are affected. The scope of persons affected may be broader than, or different from, the persons described above.

PRE-CLEARANCE OF STOCK TRANSACTIONS

All Covered Persons are obligated to pre-clear their proposed transactions in Energous securities. These transactions include all transactions noted above as being prohibited during a blackout period, as well as gifts and any stock option exercises.

Who authorizes the clearance?

- Chief Financial Officer
- Outside counsel, as designated by the Chief Financial Officer (or the Chief Executive Officer in the event the Chief Financial Officer is seeking pre-clearance)

Pre-clearance advice generally is good for two days, unless you come into contact with material inside information during that time.

SECTION 16 REPORTS

Some officers and all Energous directors are obligated to file Section 16 reports when they engage in transactions in Energous securities. Although the Chief Financial Officer's office will assist reporting persons in preparing and filing the required reports, the reporting persons retain responsibility for the reports.

Who is obligated to file Section 16 reports?

- Energous directors
- Energous officers designated as "executive officers" by the Board of Directors.

FORM 144 REPORTS

Energous directors and certain Energous officers designated by the Board of Directors are required to file Form 144 before making an open market sale of Energous securities. Form 144 notifies the Securities and Exchange Commission of your intent to sell Energous securities. It is generally prepared and filed by your broker and is in addition to the Section 16 reports.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-283819) and Form S-8 (File Nos. 333-196360, 333-203152, 333-204690, 333-210239, 333-214785, 333-219125, 333-223747, 333-225396, 333-248536, 333-259621, 333-266923, 333-278352 and 333-280514) of Energois Corporation of our report dated February 27, 2025, relating to the financial statements as of and for the year ended December 31, 2024, which appears in this Annual Report on Form 10-K.

/s/ BPM LLP

San Jose, California
February 27, 2025

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statements of Energos Corporation on Form S-3 (File No. 333-283819), Form S-8 (File No. 333-278352), Form S-8 (File No. 333-259621), Form S-8 (File No. 333-248536), Form S-8 (File No. 333-225396), Form S-8 (File No. 333-214785), Form S-8 (File No. 333-204690), Form S-8 (File No. 333-196360), Form S-8 (File No. 333-203152), Form S-8 (File No. 333-210239), Form S-8 (File No. 333-219125), Form S-8 (File No. 333-223747), Form S-8 (File No. 333-266923), Form and Form S-8 (File No. 333-280514), of our report dated March 28, 2024, with respect to our audit of the financial statements of Energos Corporation as of December 31, 2023 and for the year ended December 31, 2023, which report is included in this Annual Report on Form 10-K of Energos Corporation for the year ended December 31, 2024.

/s/ Marcum LLP

Marcum LLP
San Jose, CA
February 27, 2025

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mallorie Burak, certify that:

1. I have reviewed this Annual Report on Form 10-K of Energen Corporation;
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 subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Mallorie Burak

Name: Mallorie Burak

Title: Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer, Principal Financial Officer and
Principal Accounting Officer)

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

In connection with the Annual Report of Energous Corporation (the "Company") on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mallorie Burak, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Energous Corporation and will be retained by Energous Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Mallorie Burak

Name: Mallorie Burak

Title: Chief Executive Officer and Chief Financial Officer (Principal
Executive Officer, Principal Financial Officer and Principal
Accounting Officer)

Date: February 27, 2025
