

An Open Letter to Energoous Shareholders

Dear Energoous Shareholders:

First of all, I would like to thank you for your continued support and confidence as Energoous executes on its vision of changing the way the consumer charges their mobile devices. As we continue to drive forward on our vision, we'd like to address the recently published article dated March 22, 2016.

Specifically, the lead into the articles refers to a comment found in our recent 10K in the "Risk Factors" section. As investors, you know every company must disclose possible risk factors that could disrupt or impair the operations of a company. The article focused on one such risk factor which has been included in our financial filings since our IPO.

"For example, while we believe recharging multiple devices on one transmitter at a commercially acceptable level may be possible theoretically, we have not yet achieved these results, even in the laboratory."

The key phrase in this statement is "commercially acceptable". There can be no question as to whether or not the WattUp technology has the capability of sending significant power, at a distance to multiple devices. It obviously can as the recent UL Labs testing of the WattUp technology prove conclusively that the technology meets or exceeds every published specification. These certified results are available on both the Energoous and the UL websites. However, for Energoous to fully deliver on the promise of true wire-free power to the consumer, the WattUp technology must be of the right size, have the right level of efficiency and most importantly, have the right cost performance. The WattUp system used in conjunction with the UL tests was our first generation technology which did not have the size characteristics, efficiency and cost performance necessary to support a commercial product that would have mass acceptance by consumers. As a result, while fully operational, the technology used in the tests was not deemed commercially viable, so the clause was included.

Based on the continued progress of our developments, the above referenced clause will likely be modified in future filings as we believe we have successfully integrated and improved the WattUp technology to the point where the ASIC silicon we currently have in qualification for production meets or exceeds our objectives for size, efficiency and cost for commercial viability on a mass scale.

A second example of the author of the article taking content out of context can be found in the commentary on the video of the demo that was performed live, on-site at Yahoo studios in New York City last year. In the article, you will note a picture of a smartphone charging with the WattUp app showing "currently charging". However, the WattUp app shows "0mW" as the charging rate which conflicts with the "currently charging" state. The assertion is that the demo is a fraud because the power indicator is not showing a number.

The fact is that this specific element of our mobile application requires connectivity to our NMS through the cloud when charging an accessory like a phone battery case. Unfortunately, cloud access was not set up as part of the demonstration at Yahoo. If it had been, the application would be reporting the actual amount of power coming into the phone battery case. Since it was not connected to the cloud reporting system, the amount of charging power coming into the device was not reported even though the phone battery case was being charged wirelessly from the WattUp transmitter.

Your company is accelerating and executing at a very rapid pace keeping in mind that the first Energous employees were hired in October of 2013, and yet we are nearing the final stages of becoming a Fabless Semiconductor company shipping product for revenue soon after our three-year anniversary. We are building a great and valuable company and view this opportunity from a long-term perspective. We will not compromise our momentum or our integrity for short-term tactical gains or compromises.

Stephen R. Rizzone
President and CEO
Energous Corporation