

Energous Corp
Form 10-Q
November 12, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2015

OR

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

COMMISSION FILE NUMBER 001-36379

ENERGOUS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 46-1318953
(State of incorporation) (I.R.S. Employer Identification No.)

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3590 North First Street, Suite 210, San Jose, CA 95134

(Address of principal executive office) *(Zip code)*

(408) 963-0200

(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒ (Do not check if smaller reporting company) Smaller reporting company ☐

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

As of November 10, 2015, there were 13,183,006 shares of our Common Stock, par value \$0.00001 per share, outstanding.

ENERGOUS CORPORATION

FORM 10-Q

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Energous Corporation**CONDENSED BALANCE SHEETS**

	As of September 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,510,189	\$ 31,494,592
Accounts receivable	2,000,000	-
Prepaid expenses and other current assets	568,818	416,580
Prepaid rent, current	80,784	80,784
Total current assets	18,159,791	31,991,956
Property and equipment, net	1,630,416	1,515,299
Prepaid rent, non-current	238,432	299,020
Other assets	38,931	22,648
Total assets	\$ 20,067,570	\$ 33,828,923
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,774,602	\$ 1,716,011
Accrued expenses	987,294	792,349
Total current liabilities	2,761,896	2,508,360
Commitments and contingencies		
Stockholders' equity		
Preferred Stock, \$0.00001 par value, 10,000,000 shares authorized at September 30, 2015		
and December 31, 2014; no shares issued or outstanding	-	-
Common Stock, \$0.00001 par value, 50,000,000 shares authorized at September 30, 2015		
and December 31, 2014; 13,154,948 and 12,781,502 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively.	131	127

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Additional paid-in capital	87,128,543	82,465,914	
Accumulated deficit	(69,823,000)	(51,145,478)
Total stockholders' equity	17,305,674	31,320,563	
Total liabilities and stockholders' equity	\$ 20,067,570	\$ 33,828,923	

The accompanying notes are an integral part of these condensed financial statements.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenue	\$ 2,075,000	\$ -	\$ 2,500,000	\$ -
Operating expenses:				
Research and development	4,758,590	3,699,057	13,008,190	6,184,762
Sales and marketing	767,762	809,333	2,518,114	2,036,793
General and administrative	2,156,965	1,322,048	5,663,583	3,124,439
Total operating expenses	7,683,317	5,830,438	21,189,887	11,345,994
Loss from operations	(5,608,317)	(5,830,438)	(18,689,887)	(11,345,994)
Other income (expense):				
Change in fair value of derivative liabilities	-	-	-	(26,265,177)
Interest income (expense), net	2,656	5,258	12,365	(1,029,479)
Loss on retirement of fixed assets	-	(22,818)	-	(22,818)
Gain on debt extinguishment	-	-	-	2,084,368
Total	2,656	(17,560)	12,365	(25,233,106)
Net loss	\$ (5,605,661)	\$ (5,847,998)	\$ (18,677,522)	\$ (36,579,100)
Basic and diluted loss per common share	\$ (0.43)	\$ (0.62)	\$ (1.45)	\$ (5.08)
Weighted average shares outstanding, basic and diluted	13,018,494	9,458,359	12,907,893	7,203,642

The accompanying notes are an integral part of these condensed financial statements.

Energous Corporation
CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stock Equity
Balance at January 1, 2015	12,781,502	\$ 127	\$82,465,914	\$(51,145,478)	\$31,448,465
Issuance of shares for services	15,000	-	147,900	-	147,900
Stock-based compensation - stock options	-	-	724,708	-	724,708
Stock-based compensation - IR warrants	-	-	85,831	-	85,831
Stock-based compensation - restricted stock units ("RSUs")	-	-	3,145,520	-	3,145,520
Stock-based compensation - employee stock purchase plan ("ESPP")	-	-	29,967	-	29,967
Stock-based compensation - performance share units ("PSUs")	-	-	320,409	-	320,409
Issuance of shares for RSUs	236,297	3	(3)	-	-
Issuance of shares for PSUs	1,072	-	-	-	-
Exercise of stock options	10,392	-	25,876	-	25,876
Disgorgement on account of short swing profit	-	-	12,611	-	12,611
Cashless exercise of warrants	110,685	1	(1)	-	-
Proceeds from contributions to the ESPP	-	-	169,811	-	169,811
Net loss	-	-	-	(18,677,522)	(18,677,522)