T.J. Rodgers Appointed Enovix Executive Chairman

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FREMONT, Calif., Nov. 07, 2022 (GLOBE NEWSWIRE) -- Enovix Corporation (“Enovix”) (Nasdaq: ENVX), the leader in the design and manufacture of next generation 3D Silicon™ Lithium-ion batteries, today announced that T.J. Rodgers has been appointed Executive Chairman, effective immediately. Rodgers holds 21.4 million shares of Enovix and was a buyer ($3.5 million) in May when the stock dropped into the $8.85 range.

Rodgers said, “**Our board has by design several successful operating executives, who are committed to spend whatever time is required at Enovix to ensure the Company’s operational success** . Our team has and will continue to put in significant extra effort until that task is completed, which it is not. In addition to me, the Enovix board contains Manny Hernandez, formerly the CFO of both Cypress and SunPower; Dan McCranie, formerly the EVP of Cypress Sales and Marketing, and Chairman of both Freescale Semiconductor and ON Semiconductor; and Greg Reichow, former Cypress and SunPower manufacturing executive who built and ran multiple SunPower and Tesla manufacturing plants. We are silicon and Moore’s Law operations people and comprehend the sea-change opportunity Enovix and its technology offer.”

Rodgers continued, “Investors might well ask ‘With all that expert help, why did ENVX stock just drop 42%, to $10.74 in the last week, after an unexpectedly poor quarterly report?’ The answer is that we lowered our 2023 revenue projection in a confusing manner that erroneously implied that there were bigger problems with our technology. Our revenue projections were lowered because our Fab-1 manufacturing ramp was delayed in our first year of production. This is an unacceptable execution problem which I will discuss.

“However, as I look back on the decisions the company made, I would make the same calls again. For example, when Harrold Rust called me and said that Enovix Fab-1 would be delayed by at least three months due to the COVID-related shipping malaise unless we spent $1.4 million to charter the world’s largest airplane, a Ukrainian AN-124, to fly over 55 tons of Fab-1 equipment to Silicon Valley in one shot, I said, ‘Brilliant, do it.’ Our decision violated our **sacred Equipment Procurement Review** (**EPR**) **specification** by waiving a key milestone called Factory Acceptance Test (FAT), which required that a team of Enovix engineers fly to multiple Chinese factories, and personally observe each piece of Fab-1 equipment running at full speed before we approved shipment. But those factories stopped receiving guests due to COVID, and we decided to waive the FAT milestone and catch up later.

“The catch up would have occurred at the Site Acceptance Test (SAT) milestone, which required their engineers to come to Enovix to demonstrate full functionality, but the equipment vendors were not allowed to travel and we installed our equipment with our employees and local contractors. We are still paying for the months we gained and then gave back due to equipment problems. In my new position, I will have the time to create better strategic decisions. I cannot promise that we will not be surprised technically, but I can promise there will be fewer unforced execution errors.”

Rodgers continued, “My appointment in no way implies that we intend to micromanage the Company. The board’s objective has always been to guide the company to become a successful public company – not micromanage it. I plan to initiate and directly manage some key upstream strategic business decisions that are new to the young management team. My first order of business will be to address three problems concerning shareholders:

> **Problem 1: The lack of clear and transparent investor communications**. I have worked with the Enovix team for ten years. It has always been honest. Yet, we must improve the clarity of our communications.
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> **I am going to be present and comment during quarterly reports to shareholders**. Then, before leaving this job, I will install a known-effective business process to efficiently prepare high-quality quarterly reports and conference calls. Within a few weeks, I will bring investors up to date with a special presentation.
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> **Problem 2: The delay and projected underperformance of Fab-1**. We have poorly communicated on the status of Fab-1. I have heard from many investors that the delay and projected underperformance of Fab-1 must be the result of some catastrophic technology problem. **For the record: Fab-1 is going to work and ship a lot of batteries to our customers – period**. I will personally be in all Fab-1 reviews, because Fab-1 is not only critical to the Company, but also to our customers, some of whom are designing products right now that could not exist without Enovix battery performance.
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> **Problem 3: The delay of the Gen2 autoline, the Enovix “copy exact” engine for economic scaling**. An astute investor tracked me down on my car phone just before the Enovix board meeting last Friday. His question was, ‘What’s holding up the Gen2 line?’ My answer was, ‘T.J. Rodgers.’
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> The management team at Enovix is laser-focused on quickly placing the rest of the Gen2 purchase orders, but I have demanded detailed proof that the team is rigorously following the EPR process before I allow those POs to go to the board (that’s the “Executive” part of my new title). I believe this intervention will **put Gen2 online sooner** at a higher level of performance.”

Rodgers concluded, “We have $349 million of your dollars left and **that money will produce world-record batteries in Fab-1** and **create the first Gen2 line**.

“By the way, the next battery shipped from Fab-1 will be serial number 4,163 (with zero returns), and I am proud of that.”

About Enovix
Enovix is the leader in advanced silicon-anode lithium-ion battery development and production. The company's proprietary 3D cell architecture increases energy density and maintains high cycle life. Enovix is building an advanced silicon-anode lithium-ion battery production facility in the U.S. for volume production. The company's initial goal is to provide designers of category-leading mobile devices with a high-energy battery so they can create more innovative and effective portable products. Enovix is also developing its 3D cell technology and production process for the electric vehicle and energy storage markets to help enable widespread utilization of renewable energy. For more information, go to www.enovix.com.

Forward Looking Statements
This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, about us and our industry that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “believe”, “will”, “may”, “estimate”, “continue”, “anticipate”, “intend”, “should”, “plan”, “expect”, “predict”, “could”, “potentially", “target”, “project”, or the negative of these terms or similar expressions. Forward-looking statements in this press release include, but are not limited to, the successful implementation of business processes, the Company’s ability to successfully manage and execute strategic business decisions, the Company’s ability to address shareholder concerns, the timeline for the launch of the Gen2 autoline, the Company’s ability to produce high density batteries and the expansion of Enovix’ manufacturing footprint to meet expected volume requirements. Actual results could differ materially from these forward-looking statements as a result of certain risks and uncertainties. For additional information on these risks and uncertainties and other potential factors that could affect our business and financial results or cause actual results to differ from the results predicted, please refer to our filings with the Securities and Exchange Commission (the “SEC”), including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our most recently filed annual periodic reports on Form 10-K and quarterly report on Form 10-Q and other documents that we have filed, or that we will file, with the SEC. Any forward-looking statements made by us in this press release speak only as of the date on which they are made and subsequent events may cause these expectations to change. We disclaim any obligations to update or alter these forward-looking statements in the future, whether as a result of new information, future events or otherwise, except as required by law.

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