UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended January 1, 2023

OR

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

For the transition period from_____to _____

Enovix Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware	001-39753	85-3174357
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3501 W Warren Avenue

Fremont, California 94538

(Address of Principal Executive Offices) (Zip Code)

(510) 695-2350

(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, par value $0.0001 per share	ENVX	The Nasdaq Global Select Market

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, smaller reporting company, or an emerging growth company. See the 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	☒	Accelerated filer	☐
Non-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 Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates on July 1, 2022 based on the closing price of the shares of common stock on such date as reported on The Nasdaq Global Select Market, was approximately $970.3 million. Shares of voting stock held by each officer, director and each person known by the registrant to beneficially own 10% of more of the registrant's outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This assumption regarding affiliate status is not necessarily a conclusive determination for other purposes.

As of February 24, 2023, 157,780,082 shares of common stock, par value $0.0001 per share, were issued and outstanding.

Portions of the registrant's Proxy Statement for its 2023 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III of this Annual Report on Form 10-K.

Enovix Corporation

ANNUAL REPORT ON FORM 10-K

For the Fiscal Year Ended January 1, 2023

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FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act. The statements contained in this Annual Report on Form 10-K that are not purely historical are forward-looking statements. Our forward-looking statements include, but are not limited to, statements regarding our or our management's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipates," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Annual Report on Form 10-K may include, for example, statements about our:

- ability to build and scale our advanced silicon-anode lithium-ion battery, our production and commercialization timeline;
- ability to meet milestones and deliver on our objectives and expectations, the implementation and success of our products, technologies, business model and growth strategy, various addressable markets, market opportunity and the expansion of our customer base;
- ability to meet the expectations of new and current customers, our ability to achieve market acceptance for our products;
- financial performance, including revenue, expenses and projections thereof;
- ability to convert our revenue funnel to purchase orders and revenue;
- placement of equipment orders for our next-generation manufacturing lines, the speed of and space requirements for our next-generation manufacturing lines relative to our existing lines at Fab-1 in Fremont;
- factory sites and related considerations, including site selection, location and timing of build-out, and benefits thereof; and
- ability to attract and hire additional service providers, the strength of our brand, the build-out of additional production lines, our ability to optimize our manufacturing process, our future product development and roadmap and the future demand for our lithium-ion battery solutions.

The forward-looking statements contained in this Annual Report on Form 10-K are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in Part I, Item 1A of this Annual Report on Form 10-K, and include, but are not limited to, those summarized on the following page. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws and/or if and when management knows or has a reasonable basis on which to conclude that previously disclosed projections are no longer reasonably attainable.

SUMMARY RISK FACTORS

Below is a summary of material factors that make an investment in our securities speculative or risky. Importantly, this summary does not address all of the risks and uncertainties that we face. Additional discussion of the risks and uncertainties summarized in this risk factor summary, as well as other risks and uncertainties that we face, can be found under Part I, Item 1A of this Annual Report on Form 10-K below.

- We will need to improve our energy density, which requires us to implement higher energy density materials for both cathodes and anodes, which we may not be able to do.
- We rely on a new and complex manufacturing process for our operations: achieving volume production involves a significant degree of risk and uncertainty in terms of operational performance and costs.
- We currently do not have manufacturing facilities to produce our lithium-ion battery cell in sufficient quantities to meet expected demand, and if we cannot successfully locate and bring additional facilities online, our business will be negatively impacted and could fail.
- We may not be able to source or establish supply relationships for necessary components or may be required to pay costs for components that are more expensive than anticipated, which could delay the introduction of our product and negatively impact our business.
- We may be unable to adequately control the costs associated with our operations and the components necessary to build our lithium-ion battery cells.
- If our batteries fail to perform as expected, our ability to develop, market and sell our batteries could be harmed.
- If we are unable to qualify new customers, our ability to grow revenue or improve our financial results could be harmed.
- If we are unable to develop our business and effectively commercialize our products as anticipated, we may not be able to generate revenues or achieve profitability.
- Operational problems with our manufacturing equipment subject us to safety risks which, if not adequately addressed, could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.
- We may not be able to source or establish supply relationships for necessary components or may be required to pay costs for components that are more expensive than anticipated, which could delay the introduction of our product and negatively impact our business.
- The battery market continues to evolve and is highly competitive, and we may not be successful in competing in this industry or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.
- If we are unable to attract and retain key employees and qualified personnel, our ability to compete could be harmed.
- We are an early-stage company with a history of financial losses and expect to incur significant expenses and continuing losses for the foreseeable future.
- We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.
- We have been, and may in the future be, adversely affected by the global COVID-19 pandemic.
- We may not have adequate funds to acquire our next manufacturing facilities and build them out, and may need to raise additional capital, which we may not be able to do.
- We rely heavily on our intellectual property portfolio. If we are unable to protect our intellectual property rights, our business and competitive position would be harmed.
- We could face state-sponsored competition from overseas and may not be able to compete in the market on the basis of price.

- In the past, we have identified material weaknesses in our internal control over financial reporting. If we are unable to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and stock price.

PART I

Item 1. Business

Company Overview

Enovix Corporation (the "Company," "we," "us," "our" and "Enovix") is on a mission to power the technologies of the future. We do this by designing, developing, manufacturing and commercializing next generation Lithium-ion, or Li-ion, battery cells that significantly increase the amount of energy density and storage capacity relative to conventional battery cells. Our battery's mechanical design, or "architecture," allows us to use high performance chemistries while enabling safety and charge time advantages.

The benefit of an enhanced battery for portable electronics is devices that have more power budget available to keep up with user preferences for more advanced features and more attractive form factors. The benefit of an advanced battery for Electric Vehicles ("EVs") is a faster charging battery that reduces the cost per mile due to higher energy density.

Enovix was established in 2007 based on the premise that fundamentally altering battery performance would require a reinvention of the battery's architecture. Our architecture allows us to use 100% active silicon and no graphite in the battery's anode, which is the negative electrode that stores lithium ions when a battery is charged. The advantage of silicon over graphite is that it can theoretically store more than twice as much lithium as graphite, which increases a battery's energy density and overall capacity. The battery industry has historically struggled to incorporate more than a small amount of silicon in the anode because silicon can swell and crack in conventional architectures, impacting safety and performance. By contrast, our architecture is designed to accommodate silicon's swelling and apply stack pressure that alleviates the cracking problem.

We have devoted significant funds and resources to develop our battery's architecture and the unique patterning and stacking assembly process for manufacturing our cells. This was done in conjunction with partnership and investment from several strategic partners in the solar and semiconductor industries. Since 2018, we have sampled batteries to multiple customers that have validated the performance of our products. In 2020, we started procuring equipment for our first production line ("Fab-1"). We recognized our first production revenue in the second quarter of 2022 from Fab-1.

Industry Background

Limited Innovation in Battery Technology for 30 Years

In 1991 Sony developed the first Li-ion battery for consumer electronics to power its newly invented handheld video recorder, which needed smaller and lighter batteries with more energy than those available at the time. The camcorder team, with years of experience in coating magnetic tapes, developed a battery based on that technology. Their architecture, sometimes referred to as a "Jelly Roll", consists of an anode (A) in a long strip format, a long strip cathode (C) and two long strip separators (S), all on rolls, which are interleaved and then wound together into a Jelly Roll in this order: ASCSASCS…

The Jelly Roll is then placed in a hermetic package and filled with electrolyte, an organic liquid through which the lithium ions repeatedly travel back and forth between the battery's anode and the cathode. During charging, the lithium ions cycle from the cathode (the positive electrode), through tiny holes in the separator, and into the anode (the negative electrode). This process is reversed when the battery is discharged. This basic construct of a Li-ion battery has remained unchanged for nearly 30 years.

Historically, advancements in battery performance have come primarily from improvements in the active cathode and anode materials of the battery. The process of new materials discovery, development, testing and qualification is by its nature a slow and arduous process and resulted in an anemic rate of battery improvement. At the same time, the electronic devices that these batteries power have dramatically increased their product features and energy requirements by capitalizing on the rapid and continuous electronic miniaturization provided by the semiconductor integrated circuit ("IC") industry. This phenomenon, known as "Moore's Law", has resulted in electronic components doubling their transistor density (and thus the IC product features) about every two years. The disparity in improvement rates between ICs and batteries has forced the consumer devices industry to compromise the usable feature sets and the operating time between battery charges.

A Fundamentally Better Approach

We were founded by a team of individuals with expertise in three dimensional ("3D") architectures learned from 25 years of experience in the manufacturing of hard disk drives (IBM) and semiconductor wafer probing systems (FormFactor). Rather than focusing solely on the materials inside the battery, we began development of a novel 3D physical battery design, one that could both improve the packing efficiency of the active materials in the battery as well as accommodate the use of a 100% active silicon anode.

Our founders conceived a completely different design for a battery. Rather than interleaving and winding long anode, cathode and separator strips into a Jelly Roll, our founders proposed an architecture in which many short anodes and cathodes were positioned side by side, with a separator between each anode-cathode pair.

This architecture allows for a more efficient use of the volume of the battery, in contrast to the Jelly Roll battery, in which significant volume is wasted at the corners and in gaps in the center of the battery, given the lack of precision of the winding process. This increase in volume efficiency alone improves the energy density of our batteries over a Jelly Roll cell.

Uniquely Enabling Silicon Anodes

Looking at a problem from a different perspective often yields new opportunities and solutions that would otherwise not be possible. This is the case with our 3D cell architecture. Rather than having long, wound electrodes that run parallel to the face of the battery, our cells have many small electrodes that are orthogonal to the largest face of the battery. This seemingly small difference has huge benefits. Specifically, our 3D cell architecture is well-suited to accommodate the use of a silicon anode and therefore capitalize on the higher energy density it provides, as described below.

Silicon has long been heralded as the next important anode material. Silicon anodes can theoretically store more than twice as much lithium than the graphite anode that is used in nearly all Li-ion batteries today (1800mAh/cm3 vs. 800mAh/ cm3). Once successfully integrated into a battery, silicon anodes are theoretically capable of increasing a Li-ion battery's capacity by about 36% and a corresponding increase in energy density.

Silicon's high energy density, however, creates four significant technical problems that must be solved:

- ***Formation expansion.*** "Formation" is the term for the first charging of the battery, when lithium moves from the cathode, through the separator, to the anode. When fully charged, a silicon anode can more than double in thickness, resulting in significant swelling that can physically damage the battery, causing failure.
- ***Formation efficiency.*** When first charged, a silicon anode can absorb and permanently trap as much as roughly 40% to 50% of the original lithium in the battery, reducing the battery's capacity by about 50% to 60%.
- ***Cycle swelling.*** A silicon anode will swell and shrink when the battery is charged and discharged, respectively, causing damage to both the package and the silicon particles in the anode, which can crack, and further trap lithium on the fresh silicon surfaces exposed by the crack.
- ***Cycle life.*** Silicon particles can become electrically disconnected from the electrode when the silicon anode is in its shrunken state and can crack when the silicon anode is swollen, both of which can lower cycle life. In addition, when silicon particles become disconnected from the electrode, they are no longer able to accept lithium and neighboring particles must absorb the excess, causing over charging and further opportunities for physical damage.

Left unaddressed, these four problems have limited the practical application of silicon anodes in conventional lithium-ion battery cells. Our 3D cell architecture uniquely solves these four technical problems to enable 100% active silicon anodes.

Problem 1 — Formation expansion

In a conventional graphite anode, lithium atoms slip into the vacant spaces between the graphite layers, forming LiC6, resulting in very little graphite anode swelling during cycling (<10%). In a silicon anode, however, lithium atoms form a lithium-silicon alloy that does not have such vacant spaces, forming Li15Si4. While this alloying process results in an increased ability to store lithium, it also causes significant expansion of the anode material during charging, creating high pressure within the battery (1,500 psi).

If a silicon anode were used in a conventional battery architecture, the pressure of anode swelling would act on the large face of the battery, creating a force as large as 1.7 tons for a battery in a 50mm x 30mm x 3mm size battery. This force is analogous to a car standing on top of a cell phone sized battery.

By contrast, when silicon anodes are used in our 3D cell architecture, the anodes do not face the largest side of the battery; instead the anodes face a short side of the battery. Because these anode faces are small in area, this same 1,500 psi pressure, therefore, creates a force of only 210 pounds in the same size battery.

To manage these 210 pounds of force, we invented a very thin (50-micron) stainless steel constraint system to surround the battery. This constraint system limits the battery from swelling and growing in size. Moreover, the constraint system keeps the anode and cathode materials under constant compression, maintaining excellent particle-to-particle connection.

Problem 2 — Formation Efficiency

The first time a Li-ion battery is charged or formed, some of the lithium is permanently trapped in undesired side-reactions and surface layers on the anode and cathode particles. These losses proportionately reduce the capacity of the battery by removing lithium.

During formation of a conventional Li-ion battery with a graphite anode, approximately 5% of the lithium from a lithium cobalt oxide cathode will get permanently trapped in the graphite anode, never to return to the cathode.

A silicon anode, by contrast, has a formation efficiency of roughly 50% to 60%, meaning that about 40% to 50% of the lithium is trapped in the silicon anode during formation and is no longer available for repeated cycling, reducing the battery's capacity in half.

Our 3D cell architecture uniquely enables a practical solution to this problem. Our cell assembly process has an added step called "pre-lithiation," in which a thin lithium source is placed on top of the cell, within the package. By electrochemically coupling this lithium source to the electrodes, additional lithium can be dosed into the cell, replenishing the lithium lost during formation. Moreover, additional lithium beyond the initial replenishment can be dosed, providing a reservoir of lithium to a) counteract the normal lithium consumption that occurs in every battery during its life and b) provide the proper voltage balance to keep the minimum discharge voltage in the regime to be useful for devices.

The physical process by which the added lithium moves into the battery is called diffusion. The time required for lithium atoms to diffuse is proportional to the square of the diffusion distance. In a conventional battery architecture, the length of the electrode can be on the order of dozens of millimeters resulting in a pre-lithiation process that could take weeks to accomplish if a thin lithium source were placed on top of the cell. In our 3D cell architecture, however, the lithium is required to travel a short distance, which can be accomplished in hours.

Problems 3 & 4 — Swelling and Cycle Life

When conventional Li-ion batteries with graphite anodes are cycled (charged and discharged), they exhibit a modest amount of cyclic swelling (<10%). Silicon anodes, by contrast, can swell by 20%, or more. The continuous swelling and shrinking during charging and discharging can fracture the anode silicon particles and/or electrically disconnect them and limit cycle life to less than 100 cycles, which is not commercially viable in many applications. Additionally, any swelling in the cell over its lifetime must be accommodated by larger cavity volume, effectively reducing the practical energy density of the cell.

Our unique structural constraint system applies a uniform engineered pressure on the silicon particles within the anode, limiting their fracture and maintaining electrical contact between them for an extended number of cycles. Cycle swelling is thus kept under 2%, outperforming even conventional graphite anodes. Our cells that have been cycled over 500 times show minimal expansion of the electrodes by contrast.

By addressing swelling, our 3D cell architecture with its constraint system is designed to enable silicon anodes to achieve the commercial cycling standard of 500 complete charge/discharge cycles to 80% remaining capacity with improvements planned on our roadmap. A complete charge/discharge cycle is where the battery is charged all the way to 4.35V and then discharged to 2.7V.

Benefits of Our Advanced Li-ion Battery

IoT – The Internet-of-Things ("IoT") market includes many types of devices powered by a Li-ion battery, including wearables, health/wellness devices, camera-based devices, location trackers, portable networking devices, augmented reality/virtual reality devices ("AR/VR"), and computing accessories, among others. Products in this market are often power budget constrained due to size. There is also a constant appetite in this market for power-hungry features such as sensors, high-speed connectivity, and utilization of artificial intelligence ("AI") processing.

Mobile — The Li-ion battery also provided the increase in energy density needed for cell phones to evolve from their original "brick-size" into today's sleek, sophisticated smartphone. Energy requirements continue to become more demanding as device OEMs seek to launch power-hungry 5G cell phones with on-board AI. Just as it was 30 years ago, a significant increase in battery energy density will enable mobile device designers to continue improving user experience, functionality and battery life in smaller devices.

In enterprise markets such as Land Mobile Radio ("LMR"), used by police and first responders, increased energy density can be leveraged to reduce product size and weight, while simultaneously enabling new features.

Computing — The Li-ion battery can also be credited for helping to usher in an era of portable PC computing. In 2020, laptops, tablets and hybrids (detachable tablets) were estimated to outship traditional desktop PCs by nearly 5-to-1 according to market-watcher IDC. As a result, users are demanding higher performance from their portable PCs. Ultimately users want "always on, all day" battery life, similar to that which they experience with their cell phones. Increased energy density is needed for this task, along with enabling more power-hungry features.

Electric Vehicles — According to BloombergNEF's Electric Vehicle Outlook 2022, the number of EVs will grow from 6.6 million in 2021 to 20.6 million in 2025. Replacing internal combustion engine vehicles with EVs can reduce emissions that contribute to smog and climate change, but mass adoption of EVs hinges on lower cost vehicles and faster charging times that resemble the gas station experience of filling up quickly. At scale, higher energy density is a key enabler of lowering battery cost as a higher number of watt hours are spread over the cost of the materials. Our cell architecture has been designed for the use of low-cost commodity silicon anode materials as opposed to heavily engineered silicon materials in order to drive toward a lower cost cell on a watt hours basis at scale. Our cell architecture also allows for enhanced thermal performance relative to conventional cells, enabling fast charging. We have demonstrated 0-80% charging in 5.2 minutes on 0.27Ah test cells with EV-class cathodes.

Producing Our Battery

In addition to designing our battery, we also develop the advanced manufacturing processes needed to produce our batteries in high volume and at low cost.

We use the conventional Li-ion battery cell manufacturing techniques for process such as electrode coating, cell packaging, test and aging. We then use our own proprietary tools on steps such as cell assembly where we laser pattern and stack the electrodes and then apply a stainless steel constraint.

Standard Li-ion battery production involves: 1) electrode fabrication, 2) cell assembly and 3) battery packaging and formation.

Electrode Fabrication — Sony developed and commercialized the first Li-ion battery in 1991 to meet the power requirements of its new handheld camcorder. Sony's battery division adapted its existing magnetic recording tape production equipment to make batteries: 1) to mix chemical anode and cathode slurries, 2) to coat them onto metal foil current collectors, 3) to "calender" (flatten) the surface, 4) to slit the coated metal foil into electrode sheets and 5) to roll them up for packaging in cylindrical metal cans. While there have been process improvements over the years, electrodes for conventional Li-ion batteries are still fabricated using this standard method developed almost 30 years ago.

Cell Assembly — Li-ion cells were initially assembled by winding electrodes and separators into a naturally cylindrical Jelly Roll configuration, packaged in a cylindrical metal can. While some Li-ion batteries still use cylindrical metal cans, low-profile portable electronic devices require thinner, flatter cell formats, like the flat Jelly Roll described earlier. Li-ion cell assembly first addressed this need with a wind-and-flatten process introduced in the early 1990s. Today, it is common to wind the Jelly Roll onto a flat–rather than round–metal form. In 1995, cut-and-stack cell assembly improved spatial efficiency, but it is slow, expensive and imprecise. We have developed a more precise roll-to-stack cell assembly process to enable a silicon anode that increases Li-ion cell energy density and maintains high cycle life.

Wind-and-Flatten Cell Assembly — Wind-and-flatten cell assembly, introduced in the early 1990s, essentially flattens the cylindrical Jelly Roll into a thin, flat package for use in portable electronic devices such as laptop computers and mobile phones. The wind-and-flatten electrode assembly can be packaged in a metal case, but it is most often packaged in a polymer pouch for portable electronic device applications. It can also be produced in larger formats, with welded aluminum housings for electric powertrains in EVs.

Cut-and-Stack Cell Assembly — Cut-and-stack cell assembly was introduced in 1995. Instead of winding and flattening, electrodes and separators are cut (or punched) into sheets, which are stacked horizontally. Cut-and-stack assembly provides better spatial efficiency than Jelly Roll wind-and-flatten assembly because the volume lost in the core is eliminated and space at the outside edges is reduced. Cut-and-stack cells are used in consumer, military and EV applications.

Enovix Roll-to-Stack Cell Assembly — We have designed proprietary tools, produced for us by precision automated equipment suppliers, which incorporate patented methods and processes to achieve precise laser patterning and high-speed roll-to-stack cell assembly. These tools are "drop-in" replacements for either the wind-and-flatten tools or the cut-and-stack tools in standard Li-ion production processes.

Our precision roll-to-stack assembly has been designed to be a more precise, faster and less expensive version of standard cut-and-stack cell assembly. Instead of cutting or punching, electrodes and separators are laser patterned and stacked into 3D cell architecture. An in-line laser precisely patterns the electrodes and separators, which are then fed directly to a high-speed stacking tool. The laser patterning and high-speed stacking of electrodes and separators in our proprietary 3D cell architecture provides more precise and automatic layer alignment and better spatial efficiency than conventional cut-and-stack cell assembly that typically require slow, optical alignment of each layer.

Battery Packaging and Formation — Our 3D Silicon™ Lithium-ion battery uses the same battery packaging and formation process as a conventional Li-ion battery–with one exception. The first cycle formation efficiency of a graphite anode is about 90% to 95%. The first cycle formation efficiency of a silicon anode is only about 50% to 60%. The pre-lithiation process of the 3D Silicon™ Lithium-ion battery overcomes the first-cycle formation efficiency issue, while preserving all the other benefits of silicon over graphite for anodes.

Our Products

Our product strategy is to develop battery "nodes" that share the same set of active materials and mechanical design and then build batteries at different sizes to accommodate customer requirements based on these nodes. Our product roadmap consists of future nodes at higher levels of energy density based on both materials and design innovation. Our goal is to drive energy density improvements at a faster rate than the Li-ion battery industry's track record and introduce higher performing battery nodes over time.

We have historically built and sampled standard size batteries that have broad application within specific end markets such as wearables, mobile devices, laptops and AR eyewear. We have also launched custom battery designs with customers that require a unique set of dimensions to accommodate the battery cavity in their device.

In the second quarter of 2022, we began production in Fab-1 of a standard battery cell sized for wearable devices such as a smartwatch and other IoT devices. In 2023, we intend to begin production in Fab-1 of a standard battery cell sized for mobile devices such as smartphones. And by the end of 2023, we intend to install a new higher speed pilot line ("Agility Line") in Fab-1 to produce custom size batteries more quickly for customer qualification and focus on custom cell development.

Our Competitive Strengths

100% Active Silicon Maximizes Anode Energy Density and Battery Capacity — Conventional Li-ion battery architecture only allows small amounts of silicon to be blended with graphite in the anode, limited by swelling. Our proprietary Enovix 3D cell architecture enables use of silicon without graphite to achieve 100% active silicon anode.

Full-Depth of Discharge Cycle Life — To date, the delivered capacity of 100% active silicon Li-ion batteries comprising low-cost commodity silicon anode materials drastically decreases within the first 100 cycles, thus limiting their market adoption. We have internally built and verified battery cells based on our proprietary 3D cell architecture with an integrated structural constraint capable of 500 cycles, opening mass-market opportunities. With further enhancements, we expect to increase cycle life to 1,000 cycles or more.

Architecture Enables Safety Innovation — Our architecture enables multiple parallel cell-to-busbar connections, which allow us to apply a resistor at the busbar junction that can be utilized to regulate current flux in the event of an internal short. Our BrakeFlow™ system is designed to limit a shorted area from overheating and inhibits thermal runaway.

Architecture Enables Fast Charge — We have demonstrated a 0-80% state-of-charge in 5.2 minutes and a 0-98% state-of-charge in just under 10 minutes on 0.27Ah test cells. This fast charging is enabled by the fact that heat only has to travel a small distance from the center of our electrodes to the stainless steel constraint on the exterior.

Leverage Existing Supply Chain — Our cell architecture has been designed to use common, widely available materials as opposed to exotic, highly engineered materials that are commonly devised in the industry to increase energy density. We believe this supplies us with a long-term cost advantage at scale as our manufacturing costs improve.

Customer Tested in Multiple Form Factors — We have sampled pilot-production cells in four different sizes to over 35 mobile computing customers as part of product development programs. Applications cover a range of portable electronic products, including wearables, mobile handsets and laptop computers.

Mass-Market Commercialization — We have begun to generate product revenue in the portable electronic device market and have shipped batteries from our production line to over 25 OEMs.

Practical Path to EV Market — We will initially validate our silicon anode Li-ion battery technology and production process in the quality-conscious, high-volume portable electronic device market. This will help mitigate technology and production risks as we scale up our production process for the EV market.

Home Grown IP — Unlike many advanced battery startups, which have licensed core technology from government or academic research laboratories, we have developed and own all of our intellectual property. We received our first patents in 2012.

Process Driven Innovation — Our battery development is occurring at the frontier of science, where process innovations are evolving rapidly. Since even minor process changes can have an immense impact on battery performance, the value of co-locating and coupling the research and development ("R&D") and manufacturing at the same location (Fremont, California) is critical to our technology development strategy.

Research and Development

We conduct R&D at our headquarters facility in Fremont, California. Our R&D programs are focused on driving improvements in the performance and cost of our 3D cell architecture.

Current R&D activities include the following:

Energy Density and Capacity — Increase the energy density and capacity of batteries by increasing the percent by volume of active cathode material.

Cycle Life and Temperature — Improve the cycle life and high and low temperature performance of batteries by developing new electrolyte chemistries.

Safety — Improve battery safety by developing techniques to regulate current flux in the event of a battery short and limit overheating to inhibit thermal runaway.

Anodes and Cathodes — Develop batteries with next-generation anodes and cathodes that increase energy density.

Cost and Throughput — Develop toolsets and processes to produce batteries with lower cost and higher manufacturing throughput.

Larger ("EV") Size — Develop electrode and electrolyte chemistries in batteries with silicon anodes which, when scaled up to EV-size cells, meet or exceed EV performance requirements.

Manufacturing and Supply Chain

We manufacture Li-ion batteries at our Fremont, California, headquarters. At this location we develop, assemble and test our finished products. We are currently evaluating options for a second manufacturing location ("Fab-2") to produce our Li-ion cells with the design points of our next generation equipment in mind.

We source materials for our batteries from third party suppliers globally. We have executed master supply agreements with the majority of our suppliers and have identified or are qualifying second sources for many of our battery materials. We seek second sources for materials that are high cost or where a risk to supply has been identified. On long-lead items we intend to keep safety stock on hand to mitigate interruptions to supply.

Intellectual Property

We operate in an industry in which innovation, investment in new ideas and protection of our intellectual property rights are critical for success. We protect our technology through a variety of means, including through patent, trademark, copyright and trade secrets laws in the U.S. and similar laws in other countries, confidentiality agreements and other contractual arrangements. As of January 1, 2023, we had 45 issued U.S. patents, 96 issued foreign patents, 34 pending U.S. patent applications and 108 pending foreign counterpart patent applications. Our issued patents start expiring in 2028.

We continually assess the need for patent protection for those aspects of our technology that we believe provide significant competitive advantages. A majority of our patents relate to battery architectures, secondary batteries, and related structures and materials.

With respect to proprietary know-how that is not patentable and processes for which patents are difficult to enforce, we rely on trade secret protection and confidentiality agreements to safeguard our interests. We believe that many elements of our secondary battery manufacturing processes involve proprietary know-how, technology or data that are not covered by patents or patent applications, including technical processes, test equipment designs, algorithms and procedures.

We own or have rights to various trademarks and service marks in the U.S. and in other countries, including Enovix and the Enovix design mark. We rely on both registration of our marks as well as common law protection where available.

All of our research and development personnel have entered into confidentiality and proprietary information agreements with us. These agreements address intellectual property protection and require our employees to assign to us all of the inventions, designs and technologies they develop during the course of employment with us.

We also require our customers and business partners to enter into confidentiality agreements before we disclose any sensitive aspects of our technology or business plans. As part of our overall strategy to protect our intellectual property, we may take legal actions to prevent third parties from infringing or misappropriating our intellectual property or from otherwise gaining access to our technology.

For more information regarding the risks related to our intellectual property, including the above referenced intellectual property proceedings, see Part I, Item 1A of this Annual Report on Form 10-K.

Competition

The Li-ion battery supplier market is highly competitive, with both large incumbent suppliers and emerging new suppliers.

Prospective competitors of ours include major manufacturers currently supplying the mobile device, EV and BESS industries, mobile device and automotive OEMs and potential new entrants to the industry. Incumbent suppliers of Li-ion batteries include Amperex Technology Ltd., Panasonic Corporation, Samsung SDI, Contemporary Amperex Technology Co. Ltd. and LG-Energy Solution Ltd. They supply conventional Li-ion batteries and in some cases are seeking to develop silicon anode Li-ion batteries. In addition, because of the importance of EVs, many automotive OEMs are researching and investing in advanced Li-ion battery efforts including battery development and production.

There are also several emerging companies investing in developing improvements to conventional Li-ion batteries or new technologies for Li-ion batteries, including silicon anodes and solid-state architectures. Some of these companies have developed relationships with incumbent battery suppliers, auto OEMs and consumer electronics brands. These companies are also exploring new chemistries for electrodes, electrolytes and additives.

Our ability to compete successfully will rely on factors both within and outside our control, including broader economic and industry trends. Factors within our control include driving competitive pricing, cost, energy density, safety and cycle life.

We believe that our ability to compete against this set of competitors will be driven by a number of factors, including product performance, cost, reliability, product roadmap, customer relationships and ability to scale manufacturing. We believe we will compete well on each of these factors based on advanced battery innovation to date and the ability to continue to design, develop and produce higher performing products for the customers served in our targeted markets.

Government Regulation and Compliance

Our business activities are global and are subject to various federal, state, local, and foreign laws, rules and regulations. For example, there are various government regulations pertaining to battery safety, transportation of batteries, use of batteries in cars, factory safety, and disposal of hazardous materials. In addition, substantially all of our import and export operations are subject to complex trade and customs laws, export controls, regulations and tax requirements such as sanctions orders or tariffs set by governments through mutual agreements or unilateral actions. Further, the countries into which our products are imported or are or will be manufactured may from time to time impose additional duties, tariffs or other restrictions on our imports or adversely modify existing restrictions. Our manufacturing facility in Fremont, California has been established as a foreign trade zone through qualification with U.S. Customs, and materials received in a foreign trade zone are not subject to certain U.S. duties or tariffs until the material enters U.S. commerce. While we may benefit from the adoption of a foreign trade zone by reduced duties, deferral of certain duties and tariffs and reduced processing fees, which help us realize a reduction in duty and tariff costs, the operation of our foreign trade zone requires compliance with applicable regulations and continued support of U.S. Customs with respect to the foreign trade zone program. Changes in export controls, tax policy or trade regulations, the disallowance of tax deductions on imported merchandise, or the imposition of new tariffs on imported products, could have an adverse effect on our business and results of operations.

Privacy and Security Laws

We are or may become subject to stringent and changing U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to privacy and data security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse business consequences.

There are privacy and data security laws to which we are or may in the future be subject. Federal, state, local, and foreign jurisdictions in which we operate have adopted privacy and data security laws and regulations which may impose significant compliance obligations. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (“CPRA”) (collectively, “CCPA”) imposes different obligations on covered businesses, including affording privacy rights to consumers, business representatives and employees who are California residents. The CCPA requires covered businesses to provide specific disclosures to California residents in privacy notices and provides such individuals with certain privacy rights to their personal data. The CCPA provides for administrative fines of up to $7,500 per violation and allows private litigants affected by certain data breaches to recover significant statutory damages. Further, CPRA significantly amended the CCPA, including by expanding consumers’ rights over their personal data and creating a new regulatory agency to implement and enforce the law. Other states, such as Virginia and Colorado, have also passed comprehensive privacy laws, and similar laws are being considered in several other states, as well as at the federal and local levels. These developments further complicate compliance efforts and increase legal risk and compliance costs for us and the third parties upon whom we rely.

Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union’s General Data Protection Regulation (“EU GDPR”) is wide-ranging in scope and applies to companies established in the European Economic Area (“EEA”) and to companies established outside the EEA that process personal data in connection with the offering of goods or services to data subjects in the EEA or the monitoring of the behavior of data subjects in the EEA. The EU GDPR grants certain rights to natural persons physically present in the EEA. Companies subject to the EU GDPR may be required to give data subjects greater control over their personal data, comply with transparency obligations, establish a lawful basis and purpose for data processing, maintain documentation, protect the security and confidentiality of the personal data, notify individuals and/or supervisory authorities of data breaches, and impose privacy and data security requirements onto data processors in connection with the processing of personal data. The EU provides for enforcement actions, and authorizes the imposition of penalties for noncompliance which can result in fines of up to the greater of 20 million euros or 4% of

annual global revenue or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests.

The EU GDPR, CCPA, and other laws exemplify the obligations our business may have in responding to the evolving regulatory environment related to personal data. Our compliance costs and potential liability may increase with this scattered regulatory environment.

Human Capital

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees. The principal purposes of our equity incentive plans are to attract, retain and motivate our people through the granting of equity-based compensation awards, in order to increase stockholder value and our success by motivating such individuals to perform to the best of their abilities and achieve our objectives. As of January 1, 2023, we employed 335 full-time employees and one part-time employee, based primarily in our headquarters in Fremont CA.

Culture and Benefits

Our people are truly our greatest asset. We strive to live up to our Core Values every day: integrity, respect, innovation, resilience, excellence and customer focus. Employees carry these Core Values with them on their access badge. Our team at Enovix is comprised of a diverse group of dedicated technicians, engineers, scientists, and business professionals who are all driven to create a better, low-carbon world through innovation in energy storage. We could not be where we are today without the dedication of our workforce, and we prioritize pathways for career development, employee feedback and competitive compensation and benefits packages, employee stock purchase plan, paid time off, team building events and talent development opportunities to ensure we continue to maintain and grow our workforce.

In 2022, we formally began our Diversity, Equity, Inclusion and Accessibility (“DEIA”) program as part of our larger Environmental, Social and Governance (“ESG”) initiative. In our first year, we focused on training and community building. We brought in an expert and rolled out a DEIA training program for our managers which covered 1) an introduction to DEIA 2) understanding bias and the impact of bias at work and 3) how to foster an inclusive culture. Additionally, we kicked off our Women in Leadership quarterly speaker series providing learning and team building opportunities for women at Enovix. We also joined two nonprofit organizations to provide additional training and networking opportunities for employees.

Building a company where everyone feels that they belong is a priority at Enovix. Our Core Values are reinforced in new hire training and everyday interactions.

Corporate Information

Our principal executive offices are located at 3501 W. Warren Avenue, Fremont, CA 94538 and our telephone number is (510) 695-2350.

Available Information

We file or furnish periodic reports and amendments thereto, including our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, proxy statements and other information with the Securities and Exchange Commission (“SEC”). In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically. Copies of our Annual Report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, and any amendments to such reports are also made available, free of charge, on our investor relations website at https://ir.enovix.com as soon as reasonably practicable after we electronically file or furnish such information with the SEC. The information posted on our website is not incorporated by reference into this Annual Report on Form 10-K.

Item 1A. Risk Factors

RISK FACTORS

Investing in our securities involves a high degree of risk. Before you make a decision to buy our securities, you should carefully consider the risks and uncertainties described below together with all of the other information contained in this Annual Report on Form 10-K, including our financial statements and related notes and in the section

titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." If any of the events or developments described below were to occur, our business, prospects, operating results and financial condition could suffer materially, the trading price of our securities could decline and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

Risks Related to Our Manufacturing and Scale-Up

We will need to improve our energy density, which requires us to implement higher energy density materials for both cathodes and anodes, which we may not be able to do.

Our roadmap to improve our energy density requires us to implement higher energy density materials for both cathodes and anodes. To successfully use these materials, we will have to optimize our cell designs including, but not limited to formulations, thicknesses, geometries, materials, chemistries and manufacturing tolerances and techniques. It could take us longer to incorporate these new materials, or we might not be able to achieve every cell performance specification required by customers. Further, we will need to make improvements in packaging technology to achieve our energy density roadmap. These improvements may not be possible, could take longer or be more difficult than forecasted. This could reduce the performance or delay the availability of products to customers. In addition, we have not yet achieved every specification for all of the products we plan to produce in our first year of commercial production. The failure to achieve all of these specifications or adequately address each of these other challenges could impact the performance of our cells or delay the availability of these products to our customers.

We rely on a new and complex manufacturing process for our operations: achieving volume production involves a significant degree of risk and uncertainty in terms of operational performance and costs.

Although we have developed our Li-ion battery technology, we rely heavily on a new and complex manufacturing process for the production of our lithium-ion battery cells, all of which has not yet been qualified to operate at large-scale manufacturing volumes. To meet our projected future demand, we believe we need to increase our manufacturing throughput and yield metrics. Meeting our goals will be a multi-quarter endeavor and we have experienced delays in meeting these goals to date. For example, during the third quarter of 2022, metrology limitations of our first generation ("Gen1") manufacturing equipment inhibited our ability to isolate the source of equipment variabilities, thus delaying ramping our manufacturing output. We may experience further delays improving manufacturing yield, throughput and equipment availability.

In addition, the final technical and board design approval for our second generation ("Gen2") manufacturing equipment may not occur as planned in the first quarter of the current fiscal year 2023 and it may take longer than expected to install, qualify and release the Gen2 line at Fab-2 and make further modifications to the Gen1 equipment to achieve our goals for throughput and yield. It may also take longer than anticipated to install our Gen2-compatible pilot line ("Agility Line").

The work required to develop these processes and integrate equipment into the production of our lithium-ion battery cells, including achieving our goals for throughput and yield, is time intensive and requires us to work closely with developers and equipment providers to ensure that it works properly for our unique battery technology. Such equipment may not arrive on schedule or may not be functioning as designed when it does arrive. This integration work will involve a significant degree of uncertainty and risk, and we have not in the past and may not in the future be able to achieve our goals for throughput and yield. Further, the integration work may result in the delay in the scaling up of production or result in additional cost to our battery cells, particularly if we encounter issues with performance or if we are unable to customize products for certain of our customers. Even after each of our Gen2 manufacturing line and Agility Line is installed, we expect that certain customers may require up to several months to complete technology qualification of the Gen2 line and/or the Agility Line before accepting product that is manufactured at high volume on the Gen2 line, if at all.

Our Fremont pilot line and our large-scale Gen1 and Gen2 manufacturing lines require large-scale machinery. Such machinery has in the past suffered, and is likely to in the future suffer, unexpected malfunctions from time to time and will require repairs and spare parts to resume operations, which may not be available when needed.

In addition, unexpected malfunctions of our production equipment have in the past significantly affected, and may in the future significantly affect, the intended operational efficiency. The people needed to remedy these malfunctions may not be readily available. Because this equipment has not previously been used to build lithium-ion battery cells, the

operational performance and costs associated with this equipment can be difficult to predict and may be influenced by factors outside of our control, such as, but not limited to, failures by suppliers to deliver necessary components of our products in a timely manner and at prices and volumes acceptable to us, environmental hazards and remediation, difficulty or delays in obtaining governmental permits, damages or defects in systems, industrial accidents, fires, seismic activity and other natural disasters. Further, we have in the past experienced power outages at our facilities, and if these outages are more frequent or longer in duration than expected it could impact our ability to manufacture batteries in a timely manner.

Even if we are able to successfully complete development of and modify, as necessary, this new and complex manufacturing process, we may not be able to produce our lithium-ion batteries in commercial volumes in a cost-effective manner.

We currently do not have manufacturing facilities to produce our lithium-ion battery cell in sufficient quantities to meet expected demand, and if we cannot successfully locate and bring an additional facility online, our business will be negatively impacted and could fail.

Currently, we are continuing to build-out our manufacturing facility in Fremont, California. Even if we are able to overcome the challenges in designing and refining our manufacturing process, this manufacturing facility is anticipated to only have two manufacturing lines and only one of such manufacturing lines will include a packaging line. We expect these two manufacturing lines will be sufficient to produce batteries in commercial scale, but not in high enough volumes to meet our expected customer demand. We are in the process of locating additional facilities which, if we are able to overcome the challenges in designing and refining our manufacturing process, will have multiple lines to produce commercial volumes of our lithium-ion batteries to meet our expected customer demands. However, we have not yet located a suitable facility and, even if we are able to do so, there is no guarantee that our manufacturing process will scale to produce lithium-ion batteries in quantities sufficient to meet demand. Further, even if we are able to locate such a facility, there is no guarantee that we will be able to lease or acquire such a facility on commercially reasonable terms or at all.

Even if we overcome the manufacturing challenges and achieve volume production of our lithium-ion battery, if the cost, performance characteristics or other specifications of the battery fall short of our or our customers' targets, our sales, product pricing and margins would likely be adversely affected.

We may not be able to source or establish supply relationships for necessary components or may be required to pay costs for components that are more expensive than anticipated, which could delay the introduction of our product and negatively impact our business.

We rely on third-party suppliers for components necessary to develop and manufacture our lithium-ion batteries, including key supplies, such as our anode, cathode and separator materials. We are collaborating with key suppliers but have not yet entered into agreements for the supply of volume production quantities of these materials. If we are unable to enter into commercial agreements with these suppliers on beneficial terms, or these suppliers experience difficulties ramping up their supply of materials to meet our requirements, or these suppliers experience any delays in providing or developing the necessary materials, or these suppliers cease providing or developing the necessary materials, we could experience delays in delivering on our timelines. For example, cathode material vendors are transitioning from lithium cobalt oxide ("LCO") to nickel cobalt manganese ("NCM") or other chemistries due to EV adoption, and this has resulted in a downward trend of LCO supply and production. While we do not expect this to affect our near-term supply of LCO, it has induced us to identify a new LCO vendor.

The unavailability of any equipment component could result in delays in constructing the manufacturing equipment, idle manufacturing facilities, product design changes and loss of access to important technology and tools for producing and supporting our lithium-ion batteries production, as well as impact our capacity. Moreover, significant increases in our production or product design changes by us may in the future require us to procure additional components in a short amount of time. We have faced in the past, and may face suppliers who are unwilling or unable to sustainably meet our timelines or our cost, quality and volume needs, or to do so may cost us more, which may require us to replace them with other sources, which may further impact our timelines and costs. While we believe that we will be able to secure additional or alternate sources for most of our components, there is no assurance that we will be able to do so quickly or at all. Any inability or unwillingness of our suppliers to deliver necessary product components at timing, prices, quality and volumes that are acceptable to us could have a material impact on our business, prospects, financial condition, results of operations and cash flows.

Our business depends on the continued supply of certain materials for our products and we expect to incur significant costs related to procuring materials required to manufacture and assemble our batteries. The cost of our batteries depends in part upon the prices and availability of raw materials such as lithium, silicon, nickel, cobalt, copper and/or other metals. The prices for these materials fluctuate and their available supply has been, and may continue to be, unstable depending on market conditions and global demand for these materials, including as a result of increased global production of EVs and energy storage products, recent inflationary pressures, supply chain disruption caused by the COVID-19 pandemic and war or other armed conflicts, including Russia's invasion of Ukraine. We also have experienced a need for expedited freight services associated with supply chain challenges, resulting in higher logistics costs. Moreover, we may not be able to negotiate purchase agreements and delivery lead-times for such materials on advantageous terms. In addition, several large battery companies are developing and manufacturing key supplies such as cathode material on their own, and as a result such supplies may be proprietary to these companies. Reduced availability of these materials or substantial increases in the prices for such materials has increased, and may continue to increase, the cost of our components and consequently, the cost of our products. There can be no assurance that we will be able to recoup increasing costs of our components, including as a result of recent inflationary pressures, by increasing prices, which in turn would increase our operating costs and negatively impact our prospects.

Any disruption in the supply of components or materials could temporarily disrupt production of our batteries until an alternative supplier is able to supply the required material. Changes in business conditions, unforeseen circumstances, governmental changes, labor shortages, the effects of the COVID-19 pandemic and other factors beyond our control or which we do not presently anticipate, could also affect our suppliers' ability to deliver components to us on a timely basis.

Currency fluctuations, trade barriers, trade sanctions, export restrictions, tariffs, embargoes or shortages and other general economic or political conditions may limit our ability to obtain key components for our lithium-ion batteries or significantly increase freight charges, raw material costs and other expenses associated with our business, which could further materially and adversely affect our results of operations, financial condition and prospects. For example, our factory is located in Fremont, California and our products require materials and equipment manufactured outside the country, including the PRC. If tariffs are placed on these materials and equipment, it could materially impact our ability to obtain materials on commercially reasonable terms.

Any of the foregoing could materially and adversely affect our results of operations, financial condition and prospects.

We may be unable to adequately control the costs associated with our operations and the components necessary to build our lithium-ion battery cells.

We will require significant capital to develop and grow our business and expect to incur significant expenses, including those relating to raw material procurement, leases, sales and distribution as we build our brand and market our batteries, and general and administrative costs as we scale our operations. Our ability to become profitable in the future will not only depend on our ability to successfully market our lithium-ion batteries and services, but also to control our costs. A large fraction of the cost of our battery, like most commercial batteries, is driven by the cost of component materials like anode and cathode powder, separator, pouch material, current collectors, etc. It also includes machined parts that are part of the package. We have assumed based on extensive discussions with vendors, customers, industry analysts and independent research, target costs at startup of production and an assumed cost reduction over time. These estimates may prove inaccurate and adversely affect the cost of our batteries.

If we are unable to cost-efficiently manufacture, market, sell and distribute our lithium-ion batteries and services, our margins, profitability and prospects would be materially and adversely affected. We have not yet produced any lithium-ion battery cells at significant volume, and our forecasted cost advantage for the production of these cells at scale, compared to conventional lithium-ion cells, will require us to achieve certain goals in connection with rates of throughput, use of electricity and consumables, yield and rate of automation demonstrated for mature battery, battery material and manufacturing processes, that we have not yet achieved and may not achieve in the future. We are planning on improving the productivity and reducing the cost of our production lines relative to the first line we have built. In addition, we are planning continuous productivity improvements going forward. If we are unable to achieve these targeted rates or productivity improvements, our business will be adversely impacted.

Risks Related to Our Customers

Our relationships with our current customers are subject to various risks which could adversely affect our business and future prospects.

Our customers' products are typically on a yearly or longer refresh cycles. If we miss qualification timing by even a small amount, the impact to our production schedule, revenue and profits could be large. While we intend to pass all qualification criteria, some field reliability risks remain such as cycle life, long-term high-temp storage capacity and swelling, etc. While we have product wins for which we are designing custom products for specific customers, we do not have volume production commitments for each of these products. Should we not be able to convert these design wins into orders for volume production, our financial performance would be impacted. Batteries are known in the market to have historically faced risk associated with safety, and therefore customers can be reluctant to take risks on new battery technologies. Since no new battery technology analogues to our technology have entered the market for thirty years, it may be difficult for us to overcome customer risk objections. If unanticipated problems arise, it may raise warranty costs and adversely affect revenue and profit.

In addition, one of our customers has exclusive rights to purchase our batteries for use in the augmented reality and virtual reality space through 2024, which could limit our ability to sell batteries to other customers in this space, which may limit our ability to grow our business in the augmented reality and virtual reality space through 2024.

If our batteries fail to perform as expected, our ability to develop, market and sell our batteries could be harmed.

We have experienced a limited number of returns of batteries that have failed to perform as expected. As commercial production of our lithium-ion battery cells increases, our batteries have in the past and may in the future contain defects in design and manufacture that may cause them to not perform as expected or that may require repairs, recalls and design changes. Our batteries are inherently complex and incorporate technology and components that have not been used for other applications and that may contain defects and errors, particularly when first introduced. We have a limited frame of reference from which to evaluate the long-term performance of our lithium-ion batteries. There can be no assurance that we will be able to detect and fix any defects in our lithium-ion batteries prior to the sale to potential consumers. If our batteries fail to perform as expected, we could lose design wins and customers may delay deliveries, terminate further orders or initiate product recalls, each of which could adversely affect our sales and brand and could adversely affect our business, prospects and results of operations.

Our 3D cell architecture is different than others and may behave differently in certain customer use applications that we have not evaluated. This could limit our ability to deliver to certain applications, including, but not limited to action cameras, portable gaming and smartwatches built for children. In addition, we have limited historical data on the performance and reliability of our batteries over time, and therefore it could fail unexpectedly in the field resulting in significant warranty costs or brand damage in the market. In addition, the electrodes and separator structure of our battery is different from traditional lithium-ion batteries and therefore could be susceptible to different and unknown failure modes leading our batteries to fail and cause a safety event in the field, which could further result in the failure of our end customers' products as well as the loss of life or property. Such an event could result in severe financial penalties for us, including the loss of revenue, cancellation of supply contracts and the inability to win new business due to damage in the market. In addition, some of our supply agreements require us to fund some or all of the cost of a recall and replacement of end products affected by our batteries.

Our future growth and success depend on our ability to qualify new customers.

Our growth will depend in large part on our ability to qualify new customers. We have invested heavily in qualifying our customers and plan to continue to do so. We are in the very early stages of growth in our existing markets, and we expect to substantially raise brand awareness by connecting directly with our customers. We anticipate that these activities will lead to additional deliveries, and, as a result, increase our base of our qualified customers. An inability to attract new customers would substantially impact our ability to grow revenue or improve our financial results.

Our future growth and success depend on our ability to sell effectively to large customers.

Our potential customers are manufacturers of products that tend to be large enterprises and organizations, including the U.S. military. Therefore, our future success will depend on our ability to effectively sell our products to such large customers. Sales to these end-customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller customers. These risks include, but are not limited to, increased purchasing power and leverage held by

large customers in negotiating contractual arrangements with us and longer sales cycles and the associated risk that substantial time and resources may be spent on a potential end-customer that elects not to purchase our solutions.

Large organizations often undertake a significant evaluation process that results in a lengthy sales cycle. In addition, product purchases by large organizations are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. Finally, large organizations typically have longer implementation cycles, require greater product functionality and scalability, require a broader range of services, demand that vendors take on a larger share of risks, require acceptance provisions that can lead to a delay in revenue recognition and expect greater payment flexibility. All of these factors can add further risk to business conducted with these potential customers.

We may not be able to accurately estimate the future supply and demand for our batteries, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements, we could incur additional costs or experience delays.

It is difficult to predict our future revenues and appropriately budget for our expenses, and we may have limited insight into trends that may emerge and affect our business. We anticipate being required to provide forecasts of our demand to our current and future suppliers prior to the scheduled delivery of products to potential customers. Currently, there is no historical basis for making judgments on the demand for our batteries or our ability to develop, manufacture and deliver batteries, or our profitability in the future. If we overestimate our requirements, our suppliers may have excess inventory, which indirectly would increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our products and result in delays in shipments and revenues. Many factors will affect the demand for our batteries. For example, most of the end products in which our batteries are expected to be used are manufactured in the PRC. If the political situation between the PRC and the United States were to deteriorate, it could prevent our customers from purchasing our batteries.

Lead times for materials and components that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If we fail to order sufficient quantities of product components in a timely manner, the delivery of batteries to our potential customers could be delayed, which would harm our business, financial condition and operating results.

Increases in sales of our lithium-ion battery cells may increase our dependency upon specific customers and our costs to develop and qualify our system solutions.

The development of our lithium-ion battery cells is dependent, in part, upon successfully identifying and meeting our customers' specifications for those products. Developing and manufacturing lithium-ion batteries with specifications unique to a customer increases our reliance upon that customer for purchasing our products at sufficient volumes and prices in a timely manner. If we fail to identify or develop products on a timely basis, or at all, that comply with our customers' specifications or achieve design wins with customers, we may experience a significant adverse impact on our revenue and margins. Even if we are successful in selling lithium-ion batteries to our customers in sufficient volume, we may be unable to generate sufficient profit if per-unit manufacturing costs exceed per-unit selling prices. Manufacturing lithium-ion batteries to customer specifications requires a longer development cycle, as compared to discrete products, to design, test and qualify, which may increase our costs and could harm our business, financial condition and operating results.

Risks Related to Our Business

We have a history of financial losses and expect to incur significant expenses and continuing losses for the foreseeable future.

We incurred net loss of approximately $51.6 million and $125.9 million, respectively, for the fiscal years ended January 1, 2023 and January 2, 2022 and an accumulated deficit of approximately $384.8 million as of January 1, 2023. We believe that we will continue to incur operating and net losses each quarter until at least the time we begin significant production of our Li-ion batteries.

We expect the rate at which we will incur losses to be significantly higher in future periods as we, among other things: continue to incur significant expenses in connection with the development of our manufacturing process and the manufacturing of our batteries; secure additional manufacturing facilities and invest in manufacturing capabilities; build up inventory of components for our batteries; increase our sales and marketing activities; develop our distribution

infrastructure; and increase our general and administrative functions to support our growing operations. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in substantial revenues, which would further increase our losses.

We are in the early stage of commercialization. In addition, certain aspects of our technology have not been fully field tested. If we are unable to develop our business and effectively commercialize our products as anticipated, we may not be able to generate revenues or achieve profitability.

The growth and development of our operations will depend on the successful commercialization and market acceptance of our products and our ability to manufacture products at scale while timely meeting customers' demands.

There is no certainty that, once shipped, our products will operate as expected, and we may not be able to generate sufficient customer confidence in our latest designs and ongoing product improvements. There are inherent uncertainties in our ability to predict future demand for our products and, as a consequence, we may have inadequate production capacity to meet demand, or alternatively, have excess available capacity. Our inability to predict the extent of customer adoption of our proprietary technologies makes it difficult to evaluate our future prospects.

Beginning in the second quarter of 2022, we made commercial shipments to multiple customers. If we experience significant delays or order cancellations, or if we fail to develop our products in accordance with contract specifications, then our operating results and financial condition could be adversely affected. In addition, there is no assurance that if we alter or change our products in the future, that the demand for these new products will develop, which could adversely affect our business and any possible revenues. If our products are not deemed desirable and suitable for purchase and we are unable to establish a customer base, we may not be able to generate revenues or attain profitability.

We face significant barriers in our attempts to produce our products, our products are still under development, and we may not be able to successfully develop our products at commercial scale. If we cannot successfully overcome those barriers, our business will be negatively impacted and could fail.

Producing lithium-ion batteries that meet the requirements for wide adoption by industrial and consumer applications is a difficult undertaking. We are still in the early stage of commercialization and face significant challenges achieving the long-term energy density targets for our products and producing our products in commercial volumes. Some of the challenges that could prevent the wide adoption of our lithium-ion batteries include difficulties with (i) increasing the volume, yield and reliability of our cells, (ii) increasing manufacturing capacity to produce the volume of cells needed to meet demand, (iii) installing and optimizing higher volume manufacturing equipment, (iv) packaging our batteries to ensure adequate cycle life, (v) material cost reductions, (vi) qualifying new vendors, (vii) expanding supply chain capacity, (viii) the completion of rigorous and challenging battery safety testing required by our customers or partners, including but not limited to, performance, cycle life and abuse testing and (x) the development of the final manufacturing processes.

Our Fab-1 is in the early production stage and there are significant yield, material cost, performance and manufacturing process challenges to be solved prior to volume commercial production. We are likely to encounter further engineering challenges as we increase the capacity of our batteries and efficiency of our manufacturing process. If we are not able to overcome these barriers in producing our batteries, our business could fail.

The Gen1 manufacturing equipment requires qualified labor to inspect the parts to ensure proper assembly. We have already experienced equipment malfunctions during the scaling up of the manufacturing process, and the lack of qualified labor to inspect our batteries may further slow our production and impact our manufacturing costs and production schedule.

Even if we complete development and achieve volume production of our lithium-ion batteries, if the cost, performance characteristics or other specifications of the batteries fall short of our targets, our sales, product pricing and margins would likely be adversely affected.

Operational problems with our manufacturing equipment subject us to safety risks which, if not adequately addressed, could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.

Operational problems with our manufacturing equipment subject us to safety risks which, if not adequately addressed, could result in the personal injury to or death of workers, the loss of production equipment, damage to manufacturing facilities, monetary losses, delays and unanticipated fluctuations in production. We have retained industry

experts and designed our factory with appropriate safety precautions to address the fire risk of manufacturing batteries and minimize the impact of any event. Should these precautions be inadequate or an event be larger than expected, we could have significant equipment or facility damage that would impact our ability to deliver product and require additional cash to recover. In addition, operational problems may result in environmental damage, administrative fines, increased insurance costs and potential legal liabilities. All of these operational problems could have a material adverse effect on our business, results of operations, cash flows, financial condition or prospects.

Lithium-ion battery modules in the marketplace have been observed to catch fire or vent smoke and flame, and such events have raised concerns over the use of such batteries.

We develop lithium-ion battery cells for industrial and consumer equipment and intend to supply these lithium-ion battery cells for industrial and consumer applications. Historically, lithium-ion batteries in laptops and cellphones have been reported to catch fire or vent smoke and flames, and more recently, news reports have indicated that several EVs that use high-power lithium-ion batteries have caught on fire. As such, any adverse publicity and issues as to the use of high-power batteries in automotive or other applications will affect our business and prospects. In addition, any failure of our battery cells may cause damage to the industrial or consumer equipment or lead to personal injury or death and may subject us to lawsuits.

Our risks in this area are particularly pronounced given our lithium-ion batteries and our BrakeFlow™ technology have not yet been commercially tested or mass produced. We may have to recall our battery cells, which would be time-consuming and expensive. A product liability claim could generate substantial negative publicity about our batteries and business and inhibit or prevent commercialization of other future battery candidates, which would have a material adverse effect on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages either in excess of our coverage, or outside of our coverage, may have a material adverse effect on our reputation, business and financial condition. We may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if we do face liability for our products and are forced to make a claim under our policy.

Further, product liability claims, injuries, defects or other problems experienced by other companies in the lithium-ion battery market could lead to unfavorable market conditions for the industry as a whole, and may have an adverse effect on our ability to attract new customers, thus harming our growth and financial performance.

The battery market continues to evolve and is highly competitive, and we may not be successful in competing in this industry or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.

The battery market in which we compete continues to evolve and is highly competitive. To date, we have focused our efforts on our silicon anode technology, which has been, and is being, designed to outperform conventional lithium-ion battery technology and other battery technologies. However, lithium-ion battery technology has been widely adopted, and our current competitors have, and future competitors may have, greater resources than we do and may also be able to devote greater resources to the development of their current and future technologies. These competitors also may have greater access to customers and may be able to establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their resources and competitive positioning. Furthermore, existing and potential customers have developed, and may in the future develop, their own lithium-ion battery technology and other battery technologies. In addition, lithium-ion battery manufacturers may make improvements in energy density faster than they have historically and what we have assumed, continue to reduce cost and expand supply of conventional batteries and therefore reduce our energy density advantage and price premium, which would negatively impact the prospects for our business or negatively impact our ability to sell our products at a market-competitive price and sufficient margins.

There are a number of companies seeking to develop alternative approaches to lithium-ion battery technology. We expect competition in battery technology to intensify. Developments in alternative technologies, improvements in batteries technology made by competitors, or changes in our competitors' respective business models may materially adversely affect the sales, pricing and gross margins of our batteries. For example, large battery companies are becoming increasingly vertically integrated with respect to cathode materials, with the consequence being that next generation LCO material development will be proprietary to large battery companies. If a competing technology is developed that has superior operational or price performance, our business will be harmed. Further, our financial modeling assumes that, in

addition to improving our core architecture over time, we are able to retain access to state-of-the-art industry materials as they are developed. If industry battery competitors develop their own proprietary materials, we would be unable to access these and would lose our competitive advantage in the market. If we fail to accurately predict and ensure that our battery technology can address customers' changing needs or emerging technological trends, or if our customers fail to achieve the benefits expected from our lithium-ion batteries, our business will be harmed.

We must continue to commit significant resources to develop our battery technology in order to establish a competitive position, and these commitments will be made without knowing whether such investments will result in products potential customers will accept. There is no assurance we will successfully identify new customer requirements or develop and bring our batteries to market on a timely basis, or that products and technologies developed by others will not render our batteries obsolete or noncompetitive, any of which would adversely affect our business and operating results. Further, if we are unable to improve our energy density at a rate faster than the industry, our competitive advantage will erode.

Customers will be less likely to purchase our batteries if they are not convinced that our business will succeed in the long term. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed in the long term. Accordingly, in order to build and maintain our business, we must maintain confidence among current and future partners, customers, suppliers, analysts, ratings agencies and other parties in our long-term financial viability and business prospects. Maintaining such confidence may be particularly complicated by certain factors including those that are largely outside of our control, such as our limited operating history, market unfamiliarity with our products, any delays in scaling manufacturing, delivery and service operations to meet demand, competition and uncertainty regarding our production and sales performance compared with market expectations.

We could face state-sponsored competition from overseas and may not be able to compete in the market on the basis of price.

One or more foreign governments, including the PRC, have concluded that battery technology and battery manufacturing is a national strategic priority and therefore have instituted official economic policies meant to support these activities. These policies may provide our competitors with artificially lower costs. If these lower costs materialize and enable competitive products to be sold into our markets at prices that, if applied to us, would cause us to become unprofitable, our ability to continue operating could be threatened.

Our failure to keep up with rapid technological changes and evolving industry standards may cause our batteries to become less marketable or obsolete, resulting in a decrease in demand for our batteries and harm our ability to grow revenue and expand margins.

The lithium-based battery market is characterized by changing technologies and evolving industry standards, which are difficult to predict. This, coupled with frequent introduction of new products and models, has shortened product life cycles and may render our batteries less marketable or obsolete. Also, our ability to grow revenue and expand margins will depend on our ability to develop and launch new product designs. If we fail to invest in the development of new products and technologies, we may lose the opportunity to compete effectively or at all, particularly in the electric vehicle space, which has been the subject of significant progress in recent years. Third parties, including our competitors, may improve their technologies or even achieve technological breakthroughs that could decrease the demand for our batteries. Our ability to adapt to evolving industry standards and anticipate future standards and market trends will be a significant factor in maintaining and improving our competitive position and our prospects for growth.

If we are unable to attract and retain key employees and qualified personnel, our ability to compete could be harmed.

Our success depends on our ability to attract and retain our executive officers, key employees and other qualified personnel, and, as a relatively small company with key talent residing in a limited number of employees, our operations and prospects may be severely disrupted if we lose any one or more of their services. There have been, and from time to time, there may continue to be, changes in our management team resulting from the hiring or departure of executives and key employees, or the transition of executives within our business, which could disrupt our business. For example, Dr. Raj Talluri began serving as our new Chief Executive Officer, replacing Harrold Rust on January 18, 2023. Such changes in our executive management team may be disruptive to our business. Some of our executive officers and members of our management team have been with us for a short period of time and we continue to develop key functions within various aspects of our business. We are also dependent on the continued service of our other senior technical and management personnel because of the complexity of our products. Our senior management, including Dr. Talluri, and

key employees are employed on an at-will basis. We cannot ensure that we will be able to retain the services of any member of our senior management or other key employees or that we would be able to timely replace members of our senior management or other key employees should any of them depart. The loss of one or more of our senior management or other key employees could harm our business.

Further, as we locate our new manufacturing facilities, build it out and bring it online, we will need to hire personnel to staff and maintain this facility with the technical qualifications, which we may not be able to do in the location at which this facility is located. Labor is subject to external factors that are beyond our control, including our industry's highly competitive market for skilled workers and leaders, cost inflation, and workforce participation rates. As we build our brand and become more well known, there is increased risk that competitors or other companies will seek to hire our personnel. While some of our employees are bound by non-competition agreements, these may prove to be unenforceable. The failure to attract, integrate, train, motivate and retain these personnel could seriously harm our business and prospects.

We have been, and may in the future be, adversely affected by the global COVID-19 pandemic.

We face various risks related to epidemics, pandemics and other outbreaks, including the recent COVID-19 pandemic. The impact of COVID-19, including changes in consumer and business behavior, pandemic fears and market downturns, restrictions on business and individual activities, labor shortages, supply chain disruptions and inflation, has created significant volatility in the global economy and led to reduced economic activity. The spread of COVID-19 has also impacted our potential customers and suppliers by disrupting the manufacturing, delivery and overall supply chain of battery and device manufacturers. As a result, the effects of the COVID-19 pandemic could impact the availability of materials and resources necessary to install, bring-up and supply materials to our first production line.

The ultimate duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately forecasted at this time. We do not yet know how businesses, customers, or our partners will operate in a post COVID-19 environment. There may be additional costs or impacts to our business and operations, which could harm our business.

In the past, we had identified material weaknesses in our internal control over financial reporting. If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our common stock may be materially adversely affected.

In the past, we and our independent registered public accounting firm identified two material weaknesses in our internal control over financial reporting, all of which have since been remediated. For the fiscal year 2022, we have conducted a review of our internal control for the purpose of providing the reports required by the Sarbanes-Oxley Act of 2002. During our review and testing, we did not identify any material weakness for the fiscal year 2022.

Furthermore, if, in the future, we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. We or our independent registered public accounting firm may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting, which could harm our operating results, cause investors to lose confidence in our reported financial information and cause the trading price of our stock to fall. In addition, as a public company, we are required to file accurate and timely quarterly and annual reports with the SEC under the Exchange Act. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from The Nasdaq Global Select Market or other adverse consequences that would materially harm our business. In addition, we could become subject to investigations by the stock exchange on which our securities are listed, the SEC and other regulatory authorities and litigation from investors and stockholders, which could harm our reputation and our financial condition, or divert financial and management resources from our core business.

We have incurred and will incur significant increased expenses and administrative burdens as a public company, which could negatively impact our business, financial condition and results of operations.

We face increased legal, accounting, administrative and other costs and expenses as a public company that we did not incur as a private company. We expect such expenses to further increase now that we are no longer an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act, as modified by the Jumpstart our Business Startups Act. The Sarbanes-Oxley Act of 2002, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of

2010 and the rules and regulations promulgated and to be promulgated thereunder, the PCAOB and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time consuming. A number of those requirements require us to carry out activities that we had not done previously. For example, we have created new board committees and adopted new internal controls and disclosure controls and procedures. In addition, expenses associated with SEC reporting requirements have been and will be incurred. Furthermore, if any issues in complying with those requirements are identified (for example, if we identify a material weakness or significant deficiency in the internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of us. It may also be more expensive to obtain director and officer liability insurance. Risks associated with our status as a public company may make it more difficult to attract and retain qualified persons to serve on our board of directors or as executive officers. The additional reporting and other obligations imposed by these rules and regulations have increased and will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.

In addition, we implemented an enterprise resource planning ("ERP"), system for our company. An ERP system is intended to combine and streamline the management of our financial, accounting, human resources, sales and marketing and other functions, enabling us to manage operations and track performance more effectively. However, an ERP system will likely require us to complete many processes and procedures for the effective use of the system or to run our business using the system, which may result in substantial costs. Additionally, in the future, we may be limited in our ability to convert any business that we acquire to the ERP. Any disruptions or difficulties in using an ERP system could adversely affect our controls and harm our business, including our ability to forecast or make sales and collect our receivables. Moreover, such disruption or difficulties could result in unanticipated costs and diversion of management attention.

Our failure to timely and effectively implement controls and procedures required by Section 404(a)of the Sarbanes-Oxley Act of 2002 that are applicable to us could negatively impact our business.

We are subject to Section 404 of the Sarbanes-Oxley Act of 2002. The standards required for a public company under Section 404(a) of the Sarbanes-Oxley Act of 2002 are significantly more stringent than those that were required of us as a privately held company. Management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that are applicable to us. If we are not able to implement the additional requirements of Section 404(a) in a timely manner or with adequate compliance, we may not be able to assess whether our internal controls over financial reporting are effective, which may subject us to adverse regulatory consequences and could harm investor confidence and the market price of our securities.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of January 1, 2023. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. Our compliance with Section 404 requires that we incur substantial expenses and expend significant management efforts. We engaged a third party service provider to perform a review of our internal control over financial reporting. As we continue to grow, we will hire additional accounting and finance staff with appropriate public company experience and technical accounting knowledge to update the process documentation and internal controls for compliance with Section 404.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or

maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We have previously been and may in the future be involved in class-action lawsuits and other litigation matters that are expensive and time-consuming. If resolved adversely, lawsuits and other litigation matters could seriously harm our business.

We have previously been and may in the future be subject to litigation such as putative class action and shareholder derivative lawsuits brought by stockholders. We anticipate that we will be a target for lawsuits in the future, as we have been in the past. For example, on April 5, 2021, Derek Boxhorn, a purported stockholder in RSVAC, filed a complaint in the United States District Court for the Southern District of New York against RSVAC and its board of directors. The Boxhorn complaint alleged, among other things, that the defendants violated Sections 14(a) and 20(a) of the Exchange Act, and that the individual defendants breached their fiduciary duties, in connection with the terms of the Business Combination, and that RSVAC's registration statement contained materially incomplete and misleading information regarding the Business Combination. The case was voluntarily dismissed on October 19, 2021. After the dismissal and on December 3, 2021, the plaintiff filed a motion for attorneys' fees and costs. On August 23, 2022, the court denied the plaintiff's motion for attorney's fees and the case is closed.

On January 6, 2023, a purported Company stockholder filed a securities class action complaint in the U.S. District Court for the Northern District of California against us and certain of its current and former officers and directors. The complaint alleges that defendants violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder by making material misstatements or omissions in public statements related to our manufacturing scaleup. The complaint seeks unspecified damages, interest, fees and costs on behalf of all persons and entities who purchased and/or acquired shares of our common stock between February 22, 2021 and January 3, 2023. A substantially identical complaint was filed on January 25, 2023 by another purported Company stockholder. We and the other defendants intend to vigorously defend against the claims in these actions. Any litigation to which we are a party may result in an onerous or unfavorable judgment that may not be reversed on appeal, or we may decide to settle lawsuits on similarly unfavorable terms. Any such negative outcome could result in payments of substantial monetary damages and accordingly our business could be seriously harmed. The results of lawsuits and claims cannot be predicted with certainty. Regardless of the final outcome, defending these claims, and associated indemnification obligations, are costly and can impose a significant burden on management and employees, and we may receive unfavorable preliminary, interim, or final rulings in the course of litigation, which could seriously harm our business.

Risks Related to Our Need for Additional Capital

We may not have adequate funds to finance our operating needs and our growth, and may need to raise additional capital, which we may not be able to do.

The design, manufacture and sale of batteries is a capital-intensive business. As a result of the capital-intensive nature of our business, we can be expected to continue to sustain substantial operating expenses without generating sufficient revenues to cover expenditures. We may need to raise additional capital to acquire our next manufacturing facility and build it out. Adequate additional funding may not be available to us on acceptable terms or at all, and if the financial markets become difficult or costly to access, including due to rising interest rates, fluctuations in foreign currency exchange rates or other changes in economic conditions, our ability to raise additional capital may be negatively impacted. Our failure to raise capital in the future would have a negative impact on our ability to complete our manufacturing facilities, our financial condition and our ability to pursue our business strategies. The amount of capital that we will be required to raise, and our ability to raise substantial additional capital, will depend on many factors, including, but not limited to:

- our ability and the cost to develop our new and complex manufacturing process that will produce lithium-ion batteries in a cost-effective manner;
- our ability to continue to build-out and scale our Fremont manufacturing facility in a timely and cost-effective manner;
- our ability to locate and acquire new, larger manufacturing facilities on commercially reasonable terms;
- our ability to build out our new, larger manufacturing facilities in a cost-effective manner;
- the cost of preparing to manufacture lithium-ion batteries on a larger scale;

- the costs of commercialization activities including product sales, marketing, manufacturing and distribution;
- our ability to hire additional personnel;
- the demand for our lithium-ion batteries and the prices for which we will be able to sell our lithium-ion batteries;
- the emergence of competing technologies or other adverse market developments;
- the effects of the COVID-19 pandemic on our business, results of operations and financial condition; and
- volatility in the equity markets, including as a result of war or other armed conflict, such as Russia's invasion of Ukraine.

Our long-term financial model assumes we expand both on our own and by partnering with other battery companies. Should we not be able to achieve these partnering goals we would have to expand purely on our own. This would require additional capital and could impact how fast we can ramp revenue and achieve profitability. It could also impact our ability to service some customers that require second sources for supply. Additionally, if we can achieve these partnerships but not on the financial terms we are assuming, it could impact our financial performance.

Further, we cannot guarantee that our business will generate sufficient cash flow from operations to fund our capital expenditures or other liquidity needs. Over time, we expect that we will need to raise additional funds through the issuance of equity, equity-related or debt securities or through obtaining credit from financial institutions to fund, together with our principal sources of liquidity, ongoing costs such as research and development relating to our batteries, any significant unplanned or accelerated expenses and new strategic investments.

As discussed in the consolidated financial statements, in Part II, item 8 of this Annual Report on Form 10-K, we are not profitable and have incurred losses in each year since our inception. We incurred net loss of $51.6 million and $125.9 million, respectively, for the fiscal years ended January 1, 2023 and January 2, 2022. As of January 1, 2023, we had an accumulated deficit of $384.8 million. We expect to continue to incur losses for the foreseeable future, and we anticipate these losses will increase as we continue our manufacturing scale up, add additional manufacturing capacity, continue commercialization and continue to operate as a public company and comply with legal, accounting and other regulatory requirements. We cannot be certain that additional capital will be available on attractive terms, if at all, when needed, which could be dilutive to stockholders, and our financial condition, results of operations, business and prospects could be materially and adversely affected.

Raising additional funds may cause dilution to existing stockholders and/or may restrict our operations or require us to relinquish proprietary rights.

To the extent that we raise additional capital by issuing equity or convertible debt securities, our existing stockholders' ownership interest may experience substantial dilution, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of a holder of our Common Stock. Any agreements for future debt or preferred equity financings, if available, may involve covenants limiting or restricting our ability to take specific actions, such as raising additional capital, incurring additional debt, making capital expenditures or declaring dividends. In addition, if we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies or future revenue streams.

Risks Related to Our Intellectual Property

We rely heavily on our intellectual property portfolio. If we are unable to protect our intellectual property rights, our business and competitive position would be harmed.

We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position. We rely upon a combination of the intellectual property protections afforded by patent, copyright, trademark and trade secret laws in the United States and other jurisdictions, as well as license agreements and other contractual protections, to establish, maintain and enforce rights in our proprietary technologies. In addition, we seek to protect our intellectual property rights through nondisclosure and invention assignment agreements with our employees and consultants and through non-disclosure agreements with business partners and other third parties. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property or

be able to design around our intellectual property. Monitoring unauthorized use of our intellectual property is difficult and costly, and the steps we have taken or will take to prevent misappropriation may not be sufficient. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive and could divert management's attention, which could harm our business, results of operations and financial condition. Moreover, our intellectual property is stored on computer systems that could be penetrated by intruders and potentially misappropriated. There is no guarantee that our efforts to protect our computer systems will be effective. In addition, existing intellectual property laws and contractual remedies may afford less protection than needed to safeguard our intellectual property portfolio.

Patent, copyright, trademark and trade secret laws vary significantly throughout the world. A number of foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the United States, and efforts to protect against the unauthorized use of our intellectual property rights, technology and other proprietary rights may be more expensive and difficult outside of the United States. Further, we have not established our intellectual property rights in all countries in the world, and competitors may copy our designs and technology and operate in countries in which we have not prosecuted out intellectual property. Failure to adequately protect our intellectual property rights could result in our competitors using our intellectual property to offer products, and competitors' ability to design around our intellectual property would enable competitors to offer similar or better batteries, in each case potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue, which would adversely affect our business, prospects, financial condition and operating results.

We may need to defend ourselves against intellectual property infringement claims, which may be time-consuming and could cause us to incur substantial costs.

Companies, organizations or individuals, including our current and future competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop or sell our products, which could make it more difficult for us to operate our business. From time to time, we may receive inquiries from holders of patents or trademarks inquiring whether we are infringing their proprietary rights and/or seek court declarations that they do not infringe upon our intellectual property rights. Companies holding patents or other intellectual property rights relating to batteries, electric motors or electronic power management systems may bring suits alleging infringement of such rights or otherwise asserting their rights and seeking licenses. In addition, if we are determined to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following:

- cease selling, incorporating or using products that incorporate the challenged intellectual property;
- pay substantial damages;
- obtain a license from the holder of the infringed intellectual property right, which license may not be available on reasonable terms or at all; or
- redesign our batteries.

In the event of a successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology, our business, prospects, operating results and financial condition could be materially adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources and management's attention.

We also license patents and other intellectual property from third parties, and we may face claims that our use of this intellectual property infringes the rights of others. In such cases, we may seek indemnification from our licensors under our license contracts with them. However, our rights to indemnification may be unavailable or insufficient to cover our costs and losses, depending on our use of the technology, whether we choose to retain control over conduct of the litigation and other factors.

Our patent applications may not result in issued patents or our patent rights may be contested, circumvented, invalidated or limited in scope, any of which could have a material adverse effect on our ability to prevent others from interfering with our commercialization of our products.

Our patent applications may not result in issued patents, which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. The status of patents involves complex legal and factual questions and the breadth of claims allowed is uncertain. As a result, we cannot be certain that the patent

applications that we file will result in patents being issued or that our patents and any patents that may be issued to us will afford protection against competitors with similar technology. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. In addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable. Furthermore, patent applications filed in foreign countries are subject to laws, rules and procedures that differ from those of the United States, and thus we cannot be certain that foreign patent applications related to issued U.S. patents will be issued.

Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented, invalidated or limited in scope in the future. The rights granted under any issued patents may not provide us with meaningful protection or competitive advantages, and some foreign countries provide significantly less effective patent enforcement than in the United States. In addition, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. The intellectual property rights of others could also bar us from licensing and exploiting any patents that issue from our pending applications. In addition, patents issued to us may be infringed upon or designed around by others, and others may obtain patents that we need to license or design around, either of which would increase costs and may adversely affect our business, prospects, financial condition and operating results.

Risks Related to Our Regulatory Compliance

We may encounter regulatory approval difficulties which could delay our ability to launch our lithium-ion battery cells, and compliance with regulatory laws may limit their usefulness.

Any delay in the development and manufacturing scale-up of our lithium-ion battery cells would negatively impact our business as it will delay time to revenue and negatively impact our customer relationships. For example, although we plan on passing all the required regulatory abuse testing, because our design is new and has very high energy density, there may be unanticipated failure modes that occur in the field which could delay or prevent us from launching our batteries. Further, there are current limits on the amount of energy that can be transported via different methods, particularly air travel. These limits have been historically based on the energy of batteries currently on the market. These limits may have to be increased in the future if they are not to limit the transportation of our batteries. If these limits are not increased, it could increase the costs and duration of shipping of our finished product and limit customer use of our batteries in certain cases. This could increase our inventory costs and limit sales of our batteries in some markets.

We are subject to substantial regulation, and unfavorable changes to, or our failure to comply with, these regulations could substantially harm our business and operating results.

Our batteries are subject to substantial regulation under international, federal, state and local laws, including export control laws. We expect to incur significant costs in complying with these regulations. Regulations related to the battery and alternative energy are currently evolving, and we face risks associated with changes to these regulations.

To the extent the laws change, our products may not comply with applicable international, federal, state or local laws, which would have an adverse effect on our business. Compliance with changing regulations could be burdensome, time consuming and expensive. To the extent compliance with new regulations is cost prohibitive, our business, prospects, financial condition and operating results would be adversely affected.

Internationally, there may be laws in jurisdictions we have not yet entered or laws we are unaware of in jurisdictions we have entered that may restrict our sales or other business practices. The laws in this area can be complex, difficult to interpret and may change over time. Continued regulatory limitations and other obstacles that may interfere with our ability to commercialize our products could have a negative and material impact on our business, prospects, financial condition and results of operations.

We are subject to a variety of laws and regulations related to the safety and transportation of our batteries. Our failure to comply with these laws and regulations may have a material adverse effect on our business and results of operations.

Many federal, state and local authorities require certification by Underwriters Laboratory, Inc., an independent, not-for-profit corporation engaged in the testing of products for compliance with certain public safety standards, or other safety regulation certification prior to marketing battery cells. Foreign jurisdictions also have regulatory authorities

overseeing the safety of consumer products. Our products may not meet the specifications required by these authorities. A determination that any of our products are not in compliance with these rules and regulations could result in the imposition of fines or an award of damages to private litigants.

In addition, lithium batteries have been identified as a Class 9 dangerous good during transport. To be safely transported (by air, sea, rail or roadways), they must meet various international, national, state and local authorities, including, for example, the provisions laid out in United Nations standard UN 38.3. This standard applies to batteries transported either on their own or installed in a device. UN 38.3 has been adopted by regulators and competent authorities around the world, thus making it a requirement for global market access. The failure to manage the transportation of our products could subject us to increased costs or future liabilities.

We are subject to requirements relating to environmental and safety regulations and environmental remediation matters which could adversely affect our business, results of operations and reputation.

We are subject to numerous federal, state and local environmental laws and regulations governing, among other things, solid and hazardous waste storage, treatment and disposal and remediation of releases of hazardous materials. There are significant capital, operating and other costs associated with compliance with these environmental laws and regulations. Environmental laws and regulations may become more stringent in the future, which could increase costs of compliance or require us to manufacture with alternative technologies and materials.

Federal, state and local authorities also regulate a variety of matters, including, but not limited to, health, safety and permitting in addition to the environmental matters discussed above. New legislation and regulations may require us to make material changes to our operations, resulting in significant increases to the cost of production.

Our manufacturing process will have hazards such as, but not limited to, hazardous materials, machines with moving parts and high voltage and/or high current electrical systems typical of large manufacturing equipment and related safety incidents. There may be safety incidents that damage machinery or product, slow or stop production or harm employees. Consequences may include litigation, regulation, fines, increased insurance premiums, mandates to temporarily halt production, workers' compensation claims or other actions that impact the company brand, finances or ability to operate.

A failure to properly comply (or to comply properly) with foreign trade zone laws and regulations could increase the cost of our duties and tariffs.

Our manufacturing facility in Fremont, California has been established as a foreign trade zone through qualification with U.S. Customs. Materials received in a foreign trade zone are not subject to certain U.S. duties or tariffs until the material enters U.S. commerce. We benefit from the adoption of foreign trade zones by reduced duties, deferral of certain duties and tariffs and reduced processing fees, which help us realize a reduction in duty and tariff costs. However, the operation of our foreign trade zone requires compliance with applicable regulations and continued support of U.S. Customs with respect to the foreign trade zone program. If we are unable to maintain the qualification of our foreign trade zones, or if foreign trade zones are limited or unavailable to us in the future, our duty and tariff costs would increase, which could have an adverse effect on our business and results of operations.

Risks Related to Ownership of Our Securities

The trading price of our Common Stock may be volatile, and the value of our Common Stock may decline.

Historically, our stock price has been volatile. During the fiscal year ended January 1, 2023, our stock traded as high as $28.17 per share and as low as $7.26 per share, and from January 2, 2023 to February 24, 2023, our stock price has ranged from $12.93 per share to $6.50 per share. The trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control. Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Factors affecting the trading price of our securities:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in the market's expectations about our operating results;

- success of competitors;
- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us or the market in general;
- operating and stock price performance of other companies that investors deem comparable to us;
- our ability to develop product candidates;
- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of our securities available for public sale;
- any major change in our board of directors or management;
- sales of substantial amounts of Common Stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or other armed conflict or terrorism.

Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and The Nasdaq Global Select Market in particular have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, is not predictable. A loss of investor confidence in the market for battery company stocks or the stocks of other companies which investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future.

Furthermore, short sellers may engage in manipulative activity intended to drive down the market price of target company stock. We have in the past been the subject of a short seller report containing certain allegations against us. While we reviewed the allegations in such report and believe them to be unsubstantiated, we may in the future become subject to additional unfavorable reports, which may cause us to expend a significant number of resources to investigate such allegations and may lead to increased volatility in the price of our Common Stock.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our securities adversely, the price and trading volume of our securities could decline.

The trading market for our securities is influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If any of the analysts who currently cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, the price of our securities would likely decline. If any analyst who currently cover us were to cease coverage of us 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. If we obtain additional coverage and any new analyst issues, an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our operating results fail to meet the expectations of analysts, our stock price could decline.

The future sales of shares by existing stockholders may adversely affect the market price of our Common Stock.

Sales of a substantial number of shares of our Common Stock in the public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our Common Stock in the public market, the market price of our Common Stock could decline. As of January 1, 2023, we have outstanding a total of 157,461,802 shares of Common Stock. All of our outstanding shares are eligible for sale in the public market, other than shares and options held by directors, executive officers, and other affiliates that are subject to volume

limitations under Rule 144 of the Securities Act, various vesting agreements, and shares that must be sold under an effective registration statement. Additionally, the shares of Common Stock subject to outstanding options and restricted stock unit awards under our equity incentive plans and the shares reserved for future issuance under our equity incentive plans will become eligible for sale in the public market upon issuance, subject to applicable insider trading policies.

To the extent our Private Placement Warrants are exercised, additional shares of Common Stock will be issued, which will result in dilution to the holders of Common Stock and increase the number of shares eligible for resale in the public market. Sales, or the potential sales, of substantial numbers of shares in the public market by the selling security holders, could increase the volatility of the market price of Common Stock or adversely affect the market price of Common Stock.

A market for our securities may not continue, which would adversely affect the liquidity and price of our securities.

The price of our securities may fluctuate significantly due to general market and economic conditions and an active trading market for our securities may not be sustained. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. If our securities are not listed on, or for any reason become delisted from, The Nasdaq Global Select Market and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on The Nasdaq Global Select Market or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

There can be no assurance that we will be able to comply with the continued listing standards of The Nasdaq Global Select Market.

If The Nasdaq Global Select Market delists our securities from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- a determination that our Common Stock is a "penny stock" which will require brokers trading in our Common Stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our Common Stock;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Private Placement Warrants are exercisable for our Common Stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

In connection with the RSVAC IPO, RSVAC issued Private Placement Warrants to purchase 6,000,000 shares of Common Stock to the Sponsor. Each Warrant is exercisable to purchase one share of Common Stock at $11.50 per share. To the extent such warrants are exercised, additional shares of our Common Stock will be issued, which will result in dilution to the then existing holders of our Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Common Stock. The Warrants became exercisable 12 months from the closing of the RSVAC IPO, and they expire five years after the completion of the Business Combination or earlier upon redemption or liquidation, as described in our Registration Statement on Form S-1, filed with the SEC on August 2, 2021, as may be amended.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for certain disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the exclusive forum for:

- any derivative action or proceeding brought on our behalf;

- any action asserting a claim of breach of fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders;
- any action asserting a claim against us by any of our current or former directors, officers or other employees to us or our stockholders arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws;
- any action or proceeding to interpret, apply, enforce or determine the validity of the amended and restated certificate of incorporation or the amended or restated bylaws (including any right, obligation or remedy thereunder);
- any action or proceeding as to which the General Corporation Law of the State of Delaware (the "DGCL") confers jurisdiction to the Court of Chancery of the State of Delaware; and
- any action asserting a claim against us or any of our current or former directors, officers or other employees that is governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants.

This exclusive-forum provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction, or the Securities Act. In addition, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, the Amended Charter provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. As noted above, our amended and restated certificate of incorporation provides that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act. Due to the concurrent jurisdiction for federal and state courts created by Section 22 of the Securities Act over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, there is uncertainty as to whether a court would enforce the exclusive form provision. Our amended and restated certificate of incorporation further provides that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. Investors also cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

These exclusive-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us or our directors, officers or other employees in a venue other than in the federal district courts of the United States of America. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and we cannot assure you that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could harm our business.

General Risk Factors

We have been, and may in the future be, involved in legal proceedings and commercial or contractual disputes, which could have an adverse impact on our profitability and consolidated financial position.

We may be involved in legal proceedings and commercial or contractual disputes that, from time to time, are significant. These are typically claims that arise in the normal course of business including, without limitation, commercial or contractual disputes, including warranty claims and other disputes with potential customers and suppliers, intellectual property matters, personal injury claims, environmental issues, tax matters and employment matters. For example, on January 21, 2022, two former machine operator employees filed a putative wage and hour class action lawsuit against Enovix and co-defendant Legendary Staffing, Inc. in the Superior Court of California, County of

Alameda. The case is captioned *Sopheak Prak & Ricardo Pimentel v Enovix Corporation and Legendary Staffing, Inc*., 22CV005846. The Prak complaint alleges, among other things, on a putative class-wide basis, that the defendants failed to pay all overtime wages and committed meal period, rest period and wage statement violations under the California Labor Code and applicable Wage Orders. The plaintiffs are seeking unpaid wages, statutory penalties and interest, and reasonable costs and attorney fees. In September 2022, we began the mediation process with the plaintiff.

It is difficult to predict the outcome or ultimate financial exposure, if any, represented by these matters, and there can be no assurance that any such exposure will not be material. Such claims may also negatively affect our reputation.

Global conflicts could adversely impact our business, costs, supply chain, sales, financial condition or results of operations.

In late February 2022, Russia initiated significant military action against Ukraine. In response, the U.S. and certain other countries imposed significant sanctions and trade actions against Russia and Belarus, and the U.S. and certain other countries could impose further sanctions, trade restrictions and other retaliatory actions should the conflict continue or worsen. It is not possible to predict the broader consequences of the conflict, including related geopolitical tensions, and the measures and retaliatory actions taken by the U.S. and other countries in respect thereof, as well as any counter measures or retaliatory actions by Russia and Belarus in response, have caused and are likely to continue to cause regional instability and geopolitical shifts. Further, such conflict has materially adversely affected and is likely to continue to materially adversely affect global trade, currency exchange rates, regional economies and the global economy. While it is difficult to anticipate the impact of any of the foregoing on the Company, such conflict, and any similar future conflicts, including as a result of rising tensions between China and Taiwan, and actions taken in response could increase our costs, disrupt our supply chain, reduce our sales and earnings, impair our ability to raise additional capital when needed on acceptable terms, if at all, or otherwise adversely affect our business, financial condition and results of operations.

We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

Highly publicized incidents of laptop computers and cell phones bursting into flames have focused attention on the safety of lithium-ion batteries. If one of our products were to cause injury to someone or cause property damage, including as a result of product malfunctions, defects or improper installation leading to a fire or other hazardous condition, we may become subject to product liability claims, even those without merit, which could harm our business, prospects, operating results and financial condition. We face inherent risk of exposure to claims in the event our batteries do not perform as expected or malfunction resulting in personal injury or death. Our risks in this area are particularly pronounced given our batteries have a limited history of commercial testing and mass production. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our batteries and business and inhibit or prevent commercialization of other future battery candidates, which would have material adverse effect on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages either in excess of our coverage, or outside of our coverage, may have a material adverse effect on our reputation, business and financial condition. We may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if we do face liability for our products and are forced to make a claim under our policy.

Our batteries and our website, systems and data we maintain may be subject to intentional disruption, other security incidents or alleged violations of laws, regulations or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales.

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, and sensitive third-party data. Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors. Some actors now engage and are expected to continue to engage in cyber-attacks, including without

limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services.

We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent – particularly for companies like ours that are engaged in manufacturing – and can lead to significant interruptions in our operations, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

Remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. Additionally, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

We rely on third-party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, and other functions. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our products. We may expend significant resources or modify our business activities to try to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive information.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps to detect and remediate vulnerabilities, but we may not be able to detect and remediate all vulnerabilities because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but may not be detected until after a security incident has occurred. These vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; interruptions in our

operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may cause customers to stop using our products, deter new customers from using our products, and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

We are subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences.

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, and sensitive third-party data. Our data processing activities may subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 ("CPRA") (collectively, "CCPA") applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for administrative fines of up to $7,500 per violation and allows private litigants affected by certain data breaches to recover significant statutory damages. In addition, the CPRA expanded the CCPA's requirements, including by adding a new right for individuals to correct their personal data and establishing a new regulatory agency to implement and enforce the law. Other states, such as Virginia and Colorado, have also passed comprehensive privacy laws, and similar laws are being considered in several other states, as well as at the federal and local levels. These developments further complicate compliance efforts and increase legal risk and compliance costs for us and the third parties upon whom we rely.

Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security, for example, the European Union's General Data Protection Regulation ("EU GDPR") and the United Kingdom's GDPR ("UK GDPR"). Under the EU GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros or 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests.

In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area ("EEA") and the United Kingdom ("UK") have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA and UK's standard contractual clauses, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators,

individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the GDPR and the CCPA, require our customers to impose specific contractual restrictions on their service providers. We publish privacy policies, marketing materials and other statements regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. In addition, these obligations may require us to change our business model. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims); additional reporting requirements and/or oversight; bans on processing personal data; and orders to destroy or not use personal data. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

Our facilities or operations could be damaged or adversely affected as a result of natural disasters and other catastrophic events.

Our facilities or operations could be adversely affected by events outside of our control, such as natural disasters, wars or other armed conflicts, health epidemics such as the COVID-19 pandemic, the long-term effects of climate change and other calamities. Our headquarters and initial manufacturing facilities are located in Fremont, California, which is prone to earthquakes. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services.

Any financial or economic crisis, or perceived threat of such a crisis, including a significant decrease in consumer confidence, may materially and adversely affect our business, financial condition and results of operations.

Global economic conditions have impacted, and will likely continue to impact, businesses around the world, including ours. Inflation and other macroeconomic pressures in the United States and the global economy such as rising interest rates and recession fears are creating a complex and challenging environment for us and our customers.

The United States and certain foreign governments have taken actions in an attempt to address and rectify these extreme market and economic conditions by providing liquidity and stability to the financial markets. If the actions taken by these governments are not successful, the return of adverse economic conditions may negatively impact the demand for our lithium-ion battery cells and may negatively impact our ability to raise capital, if needed, on a timely basis and on acceptable terms or at all.

Our ability to utilize our net operating losses and certain other tax attributes to offset future taxable income and taxes may be subject to certain limitations.

Under the Internal Revenue Code of 1986, as amended, (the "Code"), a corporation is generally allowed a deduction for net operating losses ("NOLs") carried over from a prior taxable year. Under the Code, we can carryforward our NOLs to offset our future taxable income, if any, until such NOLs are used or expire. The same is true of other unused

tax attributes, such as tax credits. Under current U.S. federal income tax law, U.S. federal NOLs generated in taxable years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such U.S. federal NOLs is limited to 80 percent of taxable income. It is uncertain if and to what extent various states will conform to current U.S. federal income tax law, and there may be periods during which states suspend or otherwise limit the use of NOLs for state income tax purposes.

In addition, under Sections 382 and 383 of the Code and corresponding provisions under state law, a corporation that undergoes an "ownership change" is subject to limitations on its ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset future taxable income and taxes. The limitations apply if a corporation undergoes an "ownership change," which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period. We have experienced ownership changes and are subject to limitations on our ability to utilize a portion of our NOLs and other tax attributes to offset taxable income or tax liability. In addition, future changes in our stock ownership, which may be outside of our control, may trigger additional ownership changes. Similar provisions of state tax law may also apply to suspend or otherwise limit our use of accumulated state tax attributes. As a result, even if we earn net taxable income in the future, our ability to use our or Legacy Enovix's NOL carryforwards and other tax attributes to offset such taxable income or tax liability may be subject to limitations, which could potentially result in increased future income tax liability to us.

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition or results of operations.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, the Tax Cuts and Jobs Act of 2017, the Coronavirus Aid, Relief, and Economic Security Act of 2020 and the Inflation Reduction Act of 2022 enacted many significant changes to the U.S. tax laws. Further guidance from the Internal Revenue Service and other tax authorities with respect to such legislation may affect us, and certain aspects of such legislation could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to federal tax laws. Future tax reform legislation could have a material impact on the value of our deferred tax assets and could increase our future U.S. tax expense.

In addition, effective January 1, 2022, the Tax Cuts and Jobs Act of 2017 requires taxpayers to capitalize and subsequently amortize research and development expenses over five years for research activities conducted in the United States and over 15 years for research activities conducted outside the United States. Unless the United States Department of the Treasury issues regulations that narrow the application of this provision to a smaller subset of our research and development expenses or the provision is deferred, modified, or repealed by Congress, it could harm our future operating results by effectively increasing our future tax obligations. The actual impact of this provision will depend on multiple factors, including the amount of research and development expenses we will incur, whether we achieve sufficient income to fully utilize such deductions and whether we conduct our research and development activities inside or outside the United States.

We are subject to anti-corruption, anti-bribery, anti-money laundering, import and export controls, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, import and export controls, financial and economic sanctions and similar laws and regulations in various jurisdictions in which we conduct or in the future may conduct activities, including the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act 2010 and other anti-corruption laws and regulations. The FCPA and the U.K. Bribery Act 2010 prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from directly or indirectly corruptly offering, promising, authorizing or providing anything of value to foreign government officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. The U.K. Bribery Act also prohibits non-governmental "commercial" bribery and soliciting or accepting bribes. A violation of anti-corruption laws or regulations could adversely affect our business, results of operations, financial condition and reputation. Our policies and procedures designed to ensure compliance with these regulations may not be sufficient and our directors, officers, employees,

representatives, consultants, agents and business partners could engage in improper conduct for which we may be held responsible.

We are also subject to import and export control laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control, and similar laws in other jurisdictions in which we conduct business. Exports of our products must be made in compliance with these laws and regulations. In addition, these laws may restrict or prohibit altogether the provision or supply of certain of our products to certain governments, persons, entities, countries, and territories, including those that are the target of comprehensive sanctions, unless there are license exceptions that apply or specific licenses are obtained. Any changes in import, export control, or sanctions laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons, or technologies targeted by such laws and regulations, could result in decreased ability to export our products internationally.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering, import and export control, or financial and economic sanctions laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation.

Our insurance coverage may not be adequate to protect us from all business risks.

We may be subject, in the ordinary course of business, to losses resulting from products liability, accidents, acts of God and other claims against us, for which we may have no insurance coverage. As a general matter, the policies that we do have may include significant deductibles or self-insured retentions, and we cannot be certain that our insurance coverage will be sufficient to cover all future losses or claims against us. A loss that is uninsured or which exceeds policy limits may require us to pay substantial amounts, which could adversely affect our financial condition and operating results.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters, engineering and manufacturing space is located in Fremont, California, where we lease approximately 68,500 square feet under a single non-cancelable lease with an expiration date of August 31, 2030. Additionally, we have a leased office space in Fremont, California with an expiration date of April 30, 2026.

The facility is used for our research and development, sales, training, services, support functions, engineering and manufacturing operations.

Item 3. Legal Proceedings

The information included under the heading "Litigation" in Note 10 "Commitments and Contingencies" to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K is incorporated herein by reference.

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

Our Common Stock is listed on The Nasdaq Global Select Market under the symbol "ENVX." As of February 24, 2023, there were 150 holders of record of our Common Stock shares. The actual number of stockholders of our Common Stock is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares of Common Stock are held in street name by banks, brokers and other nominees. Additionally, there were seven holders of record of 6,000,000 Private Placement Warrants (as defined in Note 4 "Fair Value Measurement" of the notes to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K) each exercisable for one share of our Common Stock at a price of $11.50 per share.

Dividends

We have not declared or paid any dividends on our Common Stock and we currently do not anticipate to pay any cash dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

Restricted Stock Units Withholding

We withhold Common Stock shares with value equivalent to cover employees' tax withholding obligations for certain employees upon the vesting of restricted stock units. During the fiscal year 2022, we withheld 48,739 shares for a total value of $0.6 million for our employees' tax obligations.

Purchases of Equity Securities by the Issuer and Affiliated purchasers

During the fiscal quarter ended January 1, 2023, we repurchased unvested shares of our Common Stock that had been issued upon early exercise of stock options. Upon termination of employment of a person holding unvested shares, we are entitled to repurchase the unvested shares. The table below summarizes repurchases of unvested shares of our Common Stock.

Fiscal Month	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs [2]
October 3 - October 30, 2022	3,104	$ 0.06	—	—
October 31 - November 27, 2022	8,304	0.06	—	—
November 28 - January 1, 2023	6,453	0.06	—	—
Total	17,861		—	—

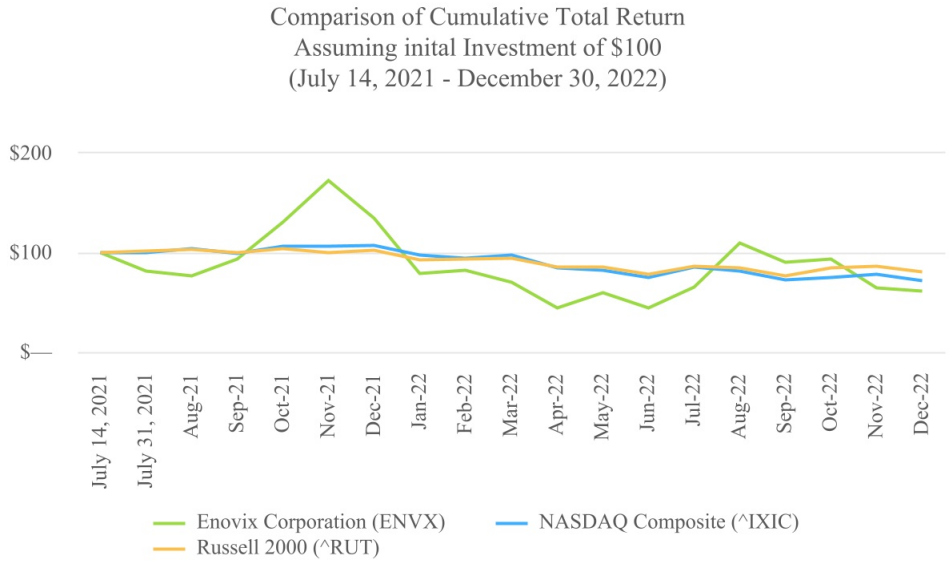
[1] All of the shares repurchased were repurchases of unvested shares of our Common Stock that had been issued upon early exercise of stock options.

[2] We did not have any announced plan or programs to repurchase our Common Stock during the fiscal year 2022.

Performance Graph

The graph below compares the cumulative total stockholder return on our common stock with the cumulative total return on the Nasdaq Composite Index and the Russell 2000 Index over the same period. This graph assumes an initial investment of $100.00 in our common stock and in each index (assuming the reinvestment of all dividends, as applicable) at the market close on July 14, 2021 (the date of our common stock began trading on the Nasdaq Global Select Market under the symbol "ENVX" after the Business Combination), through December 30, 2022 (the last trading

date before our fiscal year ended on January 1, 2023). The comparisons shown in the graph below are based upon historical data. We caution that the stock price performance shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the potential future performance of our common stock.



Item 6. [Reserved]

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

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K. This discussion and analysis contain forward-looking statements based upon our current expectations, estimates and projections that involve risks and uncertainties. Actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Annual Report on Form 10-K. The management of Enovix Corporation are referred to as the "Company," "we," "us," "our" and "Enovix."

Business Overview

We design, develop and have started to commercially manufacture an advanced silicon-anode lithium-ion battery using our proprietary three-dimensional ("3D") cell architecture that increases energy density and maintains high cycle life. This enables us to use silicon as the only active lithium cycling material in the anode whereas industry incumbents have historically combined only a modest amount of silicon with graphite. We have applied an equally innovative approach to develop proprietary roll-to-stack production tools for existing lithium-ion battery manufacturing lines and increase megawatt hour capacity. Our silicon anode battery architecture allows lithium-ion batteries to be produced smaller, cheaper and more efficiently at scale than current alternatives.

To date, we have concentrated our operational effort on researching, developing and commercializing the cutting-edge technology behind our silicon-anode lithium-ion battery. Over the past several years, we have signed agreements to provide engineering and proof of concept samples to blue-chip companies in the consumer electronic industry (smartwatches, augmented reality/virtual reality, smartphones, fire/life/safety radios, laptops). In addition to those industries, we are pursuing the deployment of our technology for the electric vehicle ("EV") market.

We currently lease our headquarters, engineering and manufacturing space in Fremont, California. In 2020, we started procuring equipment for our first production line ("Fab-1"). The first of this equipment began arriving in early 2021. Fab-1 is now operational, and we commenced our planned principal operations of commercial manufacturing and recorded our first product revenue as scheduled in the second quarter of 2022.

We are currently pursuing a second manufacturing space in southeast Asia ("Fab-2") with plans to start production on our second generation ("Gen2") manufacturing line in 2024. We anticipate that at 80% overall equipment effectiveness ("OEE"), our Gen2 lines would be able to produce 9.5 million to 18.9 million batteries annually, depending on cell size. We began placing initial purchase orders for certain elements of Gen2 in 2022 and are targeting that all zones and for our first Gen2 line are issued by March 15, 2023. We plan to bring additional Gen2 lines up over the course of 2024 in conjunction with the timing of customer programs. Our options for expanding our capacity also include placing lines at customer sites or joint ventures. We expect that certain customers may require up to several months to qualify the Gen2 line before accepting product that is manufactured on that line. Additionally, by the end of 2023, we plan to install a Gen2-compatible pilot line ("Agility Line") for accelerated product development and qualification in Fab-1.

Change in Fiscal Year

On September 28, 2021, the audit committee of the Board of Directors of the Company approved a change in the fiscal year end from a year ending on December 31 to a fiscal year calendar typically consisting of four 13-week quarters, with the change to be effective for our third quarter beginning on July 1, 2021 and ending on October 3, 2021. We made the fiscal year change on a prospective basis and did not adjust operating results for prior periods. Our fiscal year-end financial reporting periods are a 52- or 53-week fiscal year. The fiscal years 2022 and 2021 ended on January 1, 2023 and January 2, 2022, respectively. The calendar year 2020 (referred to as "fiscal year 2020") ended on December 31, 2020.

Business Combination

On July 14, 2021 (the "Closing Date"), Legacy Enovix, RSVAC, and RSVAC Merger Sub Inc., a Delaware Corporation and wholly owned subsidiary of RSVAC ("Merger Sub"), consummated the closing of the transactions contemplated by the Agreement and Plan of Merger, dated February 22, 2021 (the "Merger" or the "Business Combination"), by and among RSVAC, Merger Sub and Legacy Enovix (the "Merger Agreement"), following the approval at a special meeting of the stockholders of RSVAC held on July 12, 2021 (the "Special Meeting"). Following the consummation of the Merger on the Closing Date, Legacy Enovix changed its name to Enovix Operations Inc., and

RSVAC changed its name from Rodgers Silicon Valley Acquisition Corp. to Enovix Corporation ("Enovix"). Enovix raised approximately $373.7 million of net proceeds, after deducting transaction costs and estimated offering related expenses. Please refer to Note 3 "Business Combination" of Part II, Item 8 of this Annual Report on Form 10-K for further details of the Business Combination.

Reorganization Merger

On January 17, 2023, Legacy Enovix merged with and into Enovix Corporation, with the separate existence of Legacy Enovix ceasing and Enovix Corporation being the surviving corporation of such merger.

Key Trends, Opportunities and Uncertainties

We generate revenue from payments received from our customers in connection with (a) the sale of silicon-anode lithium-ion batteries and battery pack products ("Product Revenue") and (b) executed engineering revenue contracts ("Service Revenue") for the development of silicon-anode lithium-ion battery technology. We commenced shipment of commercially manufactured batteries in the second quarter of 2022. Our performance and future success depend on several factors that present significant opportunities, but also pose risks and challenges as described in Part I, Item 1A of this Annual Report on Form 10-K.

Fiscal Year 2022 Highlights:

- During the first quarter of 2022, we announced BrakeFlow™, a breakthrough in advanced lithium-ion battery safety. This critical innovation was possible due to our 3D cell architecture, and we believe it puts considerable distance between us and any competitor that plans to meaningfully increase the energy in its batteries.
- During the second quarter of 2022, we reported first revenue, consisting of approximately $5.1 million of service revenue and an immaterial amount from commercial battery cells. Overall, we shipped Fab-1 cells to 10 original equipment manufacturers (each an "OEM") and four distributors globally in the quarter. These cells are used for a combination of prototypes, product qualifications and end products for field trials.
- During the third quarter of 2022, we made steady operational progress in Fab-1 that allowed us to improve yield while also continuing to ship cells from our production line for qualification programs and pre-production end-product builds. Production cells were shipped to 25 OEMs, including three "Strategic Accounts" (which we define as "mega cap" technology companies with market capitalizations that exceed $200 billion and that have the potential to use Enovix batteries in multiple product applications), as well as a tier one lithium-ion battery OEM and a top 10 global automotive OEM.
- In November 2022, we announced a non-binding memorandum of understanding ("MOU") with a Strategic Account to incorporate our cells into wearable, mobile, and computing applications. This follows a purchase order we received from such Strategic Account earlier in 2022, which led to the testing of our cells and culminated in the MOU, which establishes a framework for the deployment and scale-up of our technology across their product portfolio.
- In the fourth quarter of 2022, we delivered record unit shipments and record yield out of Fab-1. We recognized $1.1 million of service revenue in the fourth quarter of 2022 due to custom cell delivery for both the U.S. Army and a lead mobile communications customer for completing our milestone performance obligations.

Our revenue funnel was $1.4 billion at the end of fourth quarter of 2022, which was comprised of $754.0 million of Engaged Opportunities and $669.0 million of Active Designs and Design Wins (each as defined below). Our revenue funnel is defined as the potential value of a full production year for all of the customer projects for which we have been engaged. The components of the revenue funnel are:

- Engaged Opportunities: Consists of engaged customers that have determined that our battery is applicable to their product and are evaluating our technology.
- Active Designs: Consists of customers that have completed evaluation of our technology, identified the end-product and started design work.
- Design Win: Consists of customers that have funded a custom battery design or are qualifying one of our standard batteries for a formally approved product that will use an Enovix cell.

The speed with which we convert our revenue funnel to purchase orders and revenue will ultimately be governed by how fast we qualify customers, improve our manufacturing processes and bring on additional capacity.

Product Development

We have developed and delivered standardized sample (i.e., prototype) lithium-ion batteries to multiple, industry leading consumer electronics manufacturers with energy densities higher than industry standard batteries of similar size. “Energy density” is measured as the product of the power a battery puts out in watts times the number of hours the battery can put out that power, divided by the volume (size) of the battery measured in liters. The units of energy density are thus watt-hours per liter or Wh/l. Additionally, we estimate that our batteries can deliver higher storage capacity (measured in milliampere/hour, or mAh) compared to industry standard batteries of similar size.

Our product development strategy is tightly aligned with the goals of meeting the market needs of higher energy density and cycle life while delivering breakthroughs in safety. In the fourth quarter of 2022, our development team continued work on our next generation node called EX1.5. Our work on EX1.5 has included demonstrating energy density of more than 1,000 Wh/l (when adjusted to a cell phone size cell) thanks in part to an upgraded higher voltage cathode. We are also continuing work on enhanced cycle life, a key requirement for smartphones and laptops, with new electrolytes and adjusted cell voltage limits.

Commercialization

We commenced deliveries of commercial cells from Fab-1, but we have experienced challenges associated with bringing up the manufacturing equipment in Fab-1, including technical issues negatively impacting yield and volume production, and extended shipping times, supply chain constraints and intermittent vendor support during equipment bring-up resulting from COVID-19 travel restrictions imposed by certain countries in Asia. Fab-1 features a first-of-its-kind line for battery production. As a result, we regularly face and overcome new challenges to improve yield and output. Simultaneously, these efforts have provided and continue to provide valuable learning experiences, allowing us to improve our processes and equipment for future lines. With production commenced, our focus in Fab-1 is on increasing volumes and yields.

In the fourth quarter of 2022, we prioritized yield, throughput as measured by units per hour (“UPH”), and equipment uptime improvements, which set the stage for a strong ramp to finish the quarter. The 4,442 cells shipped exceeded our internal goal and positioned us for much higher output to start 2023 given significant yield improvements.

Our volume-weighted average yield over the last four weeks of the fourth quarter 2022 was 42.9%, up from 16.4% to finish the third quarter of 2022. We believe that a major contributor to this improvement was the deployment of shared goals across a virtual organization of eleven cross-functional module teams, including Process, Equipment, Mechanical, Controls, Integration, and Product Engineering, plus Maintenance. Under the direction of new Operations leadership, we believe these continuous improvement efforts will bear fruit moving forward.

The net proceeds from the Merger and proceeds from the exercise of our Public Warrants (as defined under the heading “Common Stock Warrants” in Note 12 “Warrants” of the notes to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K) have enabled us to complete and further expand Fab-1, pursue Fab-2, accelerate research and development and undertake additional initiatives.

Market Focus and Market Expansion

Within the portable electronics market, we have simplified our market focus to three categories: **IoT** (wearables, AR/VR, medical, industrial, power tools, etc.), **Mobile** (smartphones, land mobile radios, enterprise devices, etc.), and **Computing** (laptops, tablets). Since we first published our total addressable market (“TAM”) estimates in 2021, our focus has widened to include a broader set of categories under IoT. In addition, the lithium-ion battery market has outperformed expectations. We now estimate the TAM for lithium-ion batteries in our targeted portable electronics markets to be $23 billion in 2026 versus our prior estimate of $13 billion by 2025.

We believe focusing on these categories ahead of EVs is the right strategy for any advanced battery company because of the economic and time-to-market advantages. Entering the EV battery market requires billions of dollars of capital to build Gigafactories, offers lower prices per kWh than mobile electronics and demands long qualification cycles. We believe the best approach is to start in premium markets where we can leverage our differentiated technology and solidify our manufacturing process while driving toward profitability At the same time, we are seeding our entry into the EV battery market by sampling batteries to EV OEMs and continuing work on our three-year grant with the U.S. Department of Energy to demonstrate batteries featuring our silicon anode paired with EV-class cathode materials. Our goal is to translate this work into partnerships (e.g., joint ventures or licensing) with EV OEMs or battery OEMs in order to commercialize our technology in this end market.

Access to Capital

Assuming we experience no significant delays in the R&D of our battery nor any deterioration in capital efficiency, we believe that our cash resources are sufficient to fund the continued build-out and production ramp of our Fab-1 manufacturing facility in Fremont, California and lease or purchase and retrofit an existing facility, as well as our Fab-2 for growth.

Tax Legislation

On August 16, 2022, the U.S. enacted the Inflation Reduction Act ("IRA") that includes a new alternative minimum tax based upon financial statement income, an excise tax on stock buybacks, tax incentives for energy and climate initiatives and other tax-related provisions. At this time, we do not anticipate that IRA tax provisions will have a material impact to our consolidated tax provision and consolidated financial statement for fiscal year 2023.

Components of Results of Operations

Revenue

In June 2022, we began to generate revenue from our planned principal business activities. We recognize revenue within the scope of Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers.* We generate revenue from our Product Revenue and Service Revenue for the development of silicon-anode lithium-ion battery technology.

Product Revenue is recognized once we have satisfied the performance obligations and the customer obtains control of the goods at a point in time under the revenue recognition criteria. Product Revenue is recognized in an amount that reflects the consideration for the corresponding performance obligations for thesilicon-anode lithium-ion batteries or battery pack products transferred.

Service Revenue contracts generally include the design and development efforts to conform our existing battery technology with customers' required specifications. Consideration for Service Revenue contracts generally becomes payable when we meet specific contractual milestones, which include the design and approval of custom cells, procurement of fabrication tooling to meet the customer's specifications, and fabrication and delivery of custom cells from our pilot production line. Within the existing Service Revenue contracts, the amount of consideration is fixed, the contracts contain a single performance obligation, and revenue is recognized at the point in time the final milestone is met (i.e., a final working prototype meeting all required specifications) and the customer obtains control of the deliverable.

Cost of Revenue

Cost of revenue includes materials, labor, depreciation expense, and other direct costs related to Service Revenue contracts and production lines. Labor consists of personnel-related expenses such as salaries and benefits, and stock-based compensation. Since our production commenced in the second quarter of 2022, we anticipate that cost of revenue will continue to increase as we optimize our first production line and bring-up our second production line.

Capitalization of certain costs are recognized as an asset if they relate directly to a customer contract, generate or enhance resources of the entity that will be used in satisfying future performance obligations, and are expected to be recovered. If these three criteria are not met, the costs are expensed in the period incurred. Deferred costs are recognized as cost of revenue in the period when the related revenue is recognized.

Operating Expenses

Research and Development Expenses

Research and development expenses consist of engineering services, allocated facilities costs, depreciation, development expenses, materials, labor and stock-based compensation related primarily to our (i) technology development, (ii) design, construction, and testing of preproduction prototypes and models, and (iii) certain costs related to the design, construction and operation of our pilot plant that are not of a scale economically feasible to us for commercial production. Research and development costs are expensed as incurred.

To date, research and development expenses have consisted primarily of personnel-related expenses for scientists, experienced engineers and technicians as well as costs associated with the expansion and ramp up of our engineering and manufacturing facility in Fremont, California, including the material and supplies to support the product development

and process engineering efforts. As we ramp up our engineering operations to complete the development of batteries and required process engineering to meet customer specifications, we anticipate that research and development expenses will continue to increase for the foreseeable future as we expand hiring of scientists, engineers and technicians and continue to invest in additional plant and equipment for product development, building prototypes and testing of batteries. We established a research and development center in India that initially focuses on developing machine learning algorithms.

Selling, General, and Administrative Expenses

Selling, general and administrative expenses consist of personnel-related expenses, marketing expenses, allocated facilities expenses, depreciation expenses, travel expenses, and professional services expenses, including legal, human resources, audit, accounting and tax-related services. Personnel related costs consist of salaries, benefits and stock-based compensation. Facilities costs consist of rent and maintenance of facilities.

We are expanding our personnel headcount to support the ramping up of commercial manufacturing and being a public company. Accordingly, we expect our selling, general and administrative expenses to increase significantly in the near term and for the foreseeable future.

Other Income (Expense)

Other income and expenses, net primarily consist of fair value adjustments for the convertible preferred stock warrants and fair value adjustments for the common stock warrants, interest income (expense), net and loss on early debt extinguishment.

Income Tax Expense (Benefit)

Our income tax provision consists of an estimate for U.S. federal and state income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities, and changes in the tax law. We maintain a valuation allowance against the full value of our U.S. and state net deferred tax assets because we believe the recoverability of the tax assets is not more likely than not.

Results of Operations

Comparison of Fiscal Year 2022 *to Prior Fiscal Year* 2021

The following table sets forth our consolidated operating results for the periods presented below (in thousands, except percentages).

	Fiscal Years			
	2022	2021	Change ($)	% Change
Revenue	$ 6,202	$ —	$ 6,202	N/M
Cost of revenue	23,239	1,967	21,272	N/M
Gross margin	(17,037)	(1,967)	(15,070)	N/M
Operating expenses:				
Research and development	58,051	37,850	20,201	53 %
Selling, general and administrative	51,970	29,705	22,265	75 %
Impairment of equipment	4,921	—	4,921	N/M
Total operating expenses	114,942	67,555	47,387	70 %
Loss from operations	(131,979)	(69,522)	(62,457)	90 %
Other income (expense):				
Change in fair value of convertible preferred stock warrants and common stock warrants	75,180	(56,141)	131,321	N/M
Interest income (expense), net	5,231	(187)	5,418	N/M
Other expense, net	(54)	(24)	(30)	125 %
Total other income (expense), net	80,357	(56,352)	136,709	N/M
Net loss	$ (51,622)	$ (125,874)	$ 74,252	(59) %

N/M – Not meaningful

Revenue

Revenue for the fiscal year 2022 was $6.2 million, comprised of $6.2 million of Service Revenue and an immaterial amount of Product Revenue. Service Revenue was primarily attributed to the satisfaction of our final performance obligations for and our deliveries of (a) pilot cells and (b) battery packs to two customers under our Service Revenue customer contracts. Customer A represented $5.0 million of our total revenue for the fiscal year 2022.

A portion was previously recorded as deferred revenue on our Consolidated Balance Sheet. As of January 1, 2023 and January 2, 2022, we had $3.8 million and $7.9 million, respectively, of deferred revenue on our Consolidated Balance Sheets.

Cost of Revenue

Cost of revenue for the fiscal year 2022 was $23.2 million, compared to $2.0 million for the prior fiscal year 2021. The increase in cost of revenue of $21.3 million was primarily attributable to $10.3 million of labor costs, $6.4 million of depreciation and overhead expenses and other miscellaneous direct costs since we began our production in the second quarter of 2022.

In the execution of satisfying the single performance obligation per the existing revenue contracts, certain costs are recognized as an asset if they relate directly to a customer contract, generate or enhance resources of the entity that will be used in satisfying future performance obligations, and are expected to be recovered. If these three criteria are not met, the costs are expensed in the period incurred. Deferred contract costs are recognized as cost of revenue in the period when the related revenue is recognized. During the fiscal year 2022, we recognized $4.3 million of deferred contract costs as cost of revenue. As of January 1, 2023 and January 2, 2022, we had $0.8 million and $4.6 million, respectively, of deferred contract costs on our Consolidated Balance Sheets.

In the beginning of June of 2022, we completed construction of our first generation production line and placed this first production line in service. As a result, we began depreciating this production equipment over its estimated useful life. We also began capitalizing inventory and recognizing factory overhead expenses in cost of revenue, which are largely fixed overhead costs (idle costs) that were previously recognized in research and development expenses. We expect equipment depreciation and idle costs to continue to increase from the fiscal year 2022 going forward. Approximately seven months of depreciation and idle costs was included in the fiscal year 2022 and no such costs were included in the fiscal year 2021. In addition, we anticipate our factory overhead expenses will continue to increase in the next 12 months as we continue to hire additional personnel to support the build-out of additional production lines and maintain our existing manufacturing facilities.

Research and Development Expenses

Research and development expenses for the fiscal year 2022 were $58.1 million, compared to $37.9 million during the prior fiscal year 2021. The increase of $20.2 million, or 53%, was primarily attributable to an increase in our research and development employee headcount resulting in a $11.1 million increase in salaries and employee benefits, a $6.5 million increase in stock-based compensation expenses, a $3.4 million increase in subcontractor costs and a $2.9 million increase in tooling and materials costs. The remaining increase was primarily due to travel expenses and other miscellaneous research and development expenses. These increases were partially offset by a $5.0 million higher allocation of overhead costs to cost of revenue as we began our production in June 2022 while these expenses were included as a part of the research and development expense for the prior fiscal year 2021.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the fiscal year 2022 were $52.0 million, compared to $29.7 million during the prior fiscal year 2021. The increase of $22.3 million, or 75%, was primarily attributable to an increase in our selling, general and administrative employee headcount resulting in a $3.8 million increase in salaries and employee benefits and a $11.3 million increase in stock-based compensation expenses. The remaining increase of $7.2 million was primarily comprised of a $5.1 million increase in legal and professional fees, a $3.5 million increase in subcontractors costs and a $1.4 million increase in insurance expense, which were partially offset by $1.2 million decreases in marketing and recruiting expenses and $1.6 million decreases in other miscellaneous expenses, including travel expenses and consultant fees in supporting the Company being a public company.

We anticipate that our overhead expenses will continue to increase in the next 12 months as we continue to hire additional personnel to support and maintain our new manufacturing facilities, as well as for our operation expansion.

Impairment of Equipment

Impairment of equipment for the fiscal year 2022 was $4.9 million. In the fourth quarter of 2022, we ceased to construct certain automation for a small portion of our equipment and recorded an impairment loss of $4.9 million, which was previously capitalized and categorized as “construction in process” in property and equipment, net on our Consolidated Balance Sheets. No impairment loss was incurred in the fiscal year 2021.

Change in Fair Value of Convertible Preferred Stock Warrants and Common Stock Warrants

The net change in fair value of convertible preferred stock warrants and common stock warrants was comprised of changes in fair value of common stock warrants and convertible preferred stock warrants as described below.

For the fiscal year 2022, the change in fair value of common stock warrants of $75.2 million was attributable to a decrease in the fair value of the 6,000,000 Private Placement Warrants (as defined in Note 4 “Fair Value Measurement” of the notes to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K).

For the fiscal year 2021, the change in fair value of convertible preferred stock warrants and common stock warrants of $(56.1) million consisted of an increase in fair value of $(51.4) million of Private Placement Warrants assumed in the Business Combination and an increase in fair value of $(4.8) million of Legacy Enovix's convertible preferred stock warrants. The increase in fair value of Private Placement Warrants was primarily due to an increase in our common stock price during the second half of fiscal 2021.

Interest Income (Expense), Net

Interest income (expense), net for the fiscal year 2022 primarily consisted of $5.2 million of income earned from the money market funds. We did not incur any interest expense for the fiscal year 2022.

During the fiscal year 2021, we paid $0.2 million of interest for a secured promissory note (the "Secured Promissory Note") with an aggregate principal balance of $15.0 million, which bore interest at a rate of 7.5% per annum. In July 2021, we repaid all amounts outstanding under the Secured Promissory Note. The interest expense was partially offset by an immaterial amount of dividend income.

Non-GAAP Financial Measures

While we prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"), we also utilize and present certain financial measures that are not based on GAAP. We refer to these financial measures as "Non-GAAP" financial measures. In addition to our financial results determined in accordance with GAAP, we believe that EBITDA, and Adjusted EBITDA, and Free Cash Flow (each as defined below), are useful measures in evaluating our financial and operational performance distinct and apart from financing costs, certain non-cash expenses and non-operational expenses.

These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP but should not be considered a substitute for or superior to GAAP. We endeavor to compensate for the limitation of the Non-GAAP financial measures presented by also providing the most directly comparable GAAP measures.

We use Non-GAAP financial information to evaluate our ongoing operations and for internal planning, budgeting and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively, may be helpful to investors in assessing our operating performance and comparing our performance with competitors and other comparable companies. You should review the reconciliations below but not rely on any single financial measure to evaluate our business.

EBITDA and Adjusted EBITDA

"EBITDA" is defined as earnings (net loss) adjusted for interest expense; income taxes; depreciation expense and amortization expense. "Adjusted EBITDA" includes additional adjustments to EBITDA such as stock-based compensation expense; change in fair value of convertible preferred stock warrants, common stock warrants and convertible promissory notes; impairment of equipment; loss on early debt extinguishment and other special items as determined by management which it does not believe to be indicative of its underlying business trends. EBITDA and Adjusted EBITDA are intended as supplemental financial measures of our performance that are neither required by, nor presented in accordance with GAAP. We believe that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends, and in comparing our financial measures with those of comparable companies, which may present similar Non-GAAP financial measures to investors.

However, you should be aware that when evaluating EBITDA and Adjusted EBITDA, we may incur future expenses similar to those excluded when calculating these measures. In addition, the presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. Our computation of EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies may not calculate EBITDA and Adjusted EBITDA in the same fashion.

Below is a reconciliation of net loss on a GAAP basis to the Non-GAAP EBITDA and Adjusted EBITDA financial measures for the periods presented below (in thousands).

	Fiscal Years	
	2022	2021
Net loss	$ (51,622)	$ (125,874)
Interest expense	—	187
Depreciation and amortization	7,972	1,515
EBITDA	(43,650)	(124,172)
Stock-based compensation expense	30,367	10,711
Change in fair value of convertible preferred stock warrants and common stock warrants	(75,180)	56,141
Impairment of equipment	4,921	—
Loss on early debt extinguishment	—	60
Adjusted EBITDA	$ (83,542)	$ (57,260)

Free Cash Flow

We define "Free Cash Flow" as (i) net cash from operating activities less (ii) capital expenditures, net of proceeds from disposals of property and equipment, all of which are derived from our Consolidated Statements of Cash Flow. The presentation of non-GAAP Free Cash Flow is not intended as an alternative measure of cash flows from operations, as determined in accordance with GAAP. We believe that this financial measure is useful to investors because it provides investors to view our performance using the same tool that we use to gauge our progress in achieving our goals and it is an indication of cash flow that may be available to fund investments in future growth initiatives. Below is a reconciliation of net cash used in operating activities to the Free Cash Flow financial measures for the periods presented below (in thousands):

	Fiscal Years	
	2022	2021
Net cash used in operating activities	$ (82,740)	$ (51,306)
Capital expenditures	(36,212)	(43,584)
Free Cash Flow	$ (118,952)	$ (94,890)

Liquidity and Capital Resources

We have incurred operating losses and negative cash flows from operations since inception through January 1, 2023 and expect to incur operating losses for the foreseeable future. As of January 1, 2023, we had cash and cash equivalents of $322.9 million, working capital of $306.6 million and an accumulated deficit of $384.8 million.

Material Cash Requirements

As of January 1, 2023, we had cash and cash equivalents of $322.9 million. We currently use cash to fund operations, meet working capital requirements and fund our capital expenditures. In addition, we expect that our cost of revenue, research and development expenses and selling, general and administrative expenses will continue to increase in the near future.

For the fiscal year 2022, we purchased $36.2 million of property and equipment. We will continue to increase our property and equipment purchases in the near future to support the build-out of our manufacturing facilities and our battery manufacturing production. See more discussion on contractual obligations and commitments section below.

Based on the anticipated spending and timing of expenditures to support operational development and market expansion, we currently expect that our cash will be sufficient to meet our funding requirements over the next twelve months from the date this Annual Report on Form 10-K is filed. We believe we will meet longer-term expected future cash requirements and obligations through a combination of available cash, cash equivalents and future debt financings, and access to other public or private equity offerings as well as potential strategic arrangements. We have made our

estimates on historical experience and various other relevant factors and we believe that they are reasonable. Actual results may be differ from our estimates, and we could utilize our available capital resources sooner than we expect.

Summary of Cash Flows

The following table provides a summary of cash flow data for the periods presented below (in thousands).

	Fiscal Years		
	2022	2021	Change ($)
Net cash used in operating activities	$ (82,740)	$ (51,306)	$ (31,434)
Net cash used in investing activities	(36,212)	(43,584)	7,372
Net cash provided by financing activities	56,510	451,090	(394,580)
Change in cash, cash equivalents, and restricted cash	$ (62,442)	$ 356,200	$ (418,642)

Comparison of Fiscal Year 2022 *to Prior Fiscal Year* 2021

Operating Activities

Our cash flows used in operating activities to date have been primarily comprised of operating expenses. We continue to increase hiring for employees in supporting the ramping up of commercial manufacturing. We expect our cash used in operating activities to increase significantly before we start to generate any material cash inflows from commercially manufacturing and selling our batteries.

Net cash used in operating activities was $82.7 million for the fiscal year 2022. Net cash used in operating activities consists of net loss of $51.6 million, adjusted for non-cash items and the effect of changes in working capital. Non-cash adjustments primarily include a decrease in fair value of the Private Placement Warrants of $75.2 million, stock-based compensation expense of $30.4 million, depreciation and amortization expense of $8.0 million and impairment of equipment of $4.9 million.

Net cash used in operating activities was $51.3 million for the fiscal year 2021. Net cash used in operating activities consists of net loss of $125.9 million, adjusted for non-cash items and the effect of changes in working capital. Non-cash adjustments primarily include the change in fair value of convertible preferred stock warrants and common stock warrants of $56.1 million, stock-based compensation expense of $10.7 million and depreciation and amortization expense of $1.5 million.

Investing Activities

Our cash flows used in investing activities to date have been primarily comprised of purchases of property and equipment. We expect the costs to acquire property and equipment to increase substantially in the near future as we continue to build-out our manufacturing facility for our battery manufacturing production. Net cash used in investing activities, which were primarily related to equipment purchases, were $36.2 million and $43.6 million for the fiscal years 2022 and 2021, respectively.

Financing Activities

Net cash provided by financing activities was $56.5 million for the fiscal year 2022, which primarily consisted of $52.8 million of net proceeds from the exercises of Public Warrants, $2.4 million of proceeds from the exercise of stock options and $1.9 million of net proceeds from issuance of shares of our common stock, par value $0.0001 per share (“Common Stock”), under our employee stock purchase plan.

Net cash provided by financing activities was $451.1 million for the fiscal year 2021, which primarily consisted of $405.2 million of proceeds from the Business Combination and the PIPE financing, $77.2 million of proceeds from the exercises of common stock warrants, $15.0 million proceed from the borrowing of the Secured Promissory Note, which was partially offset by $31.4 million of payments of transaction costs related to Business Combination and PIPE financing and $15.0 million of principal payment of Secured Promissory Note.

Contractual Obligations and Commitments

We lease our headquarters, engineering, and manufacturing space in Fremont, California under a single non-cancelable operating lease with an expiration date of August 31, 2030. We also lease a small office in Fremont, California under a noncancelable operating lease that expires in April 2026 with an option to extend the lease for five years. For the lease payment schedule, please see Note 7 "Leases," of the notes to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information.

We expect to enter into other commitments to support our product development, the build-out of our manufacturing facilities, and our business development, which are generally cancelable upon notice. Additionally, from time to time, we enter into agreements in the normal course of business with various vendors, which are generally cancellable upon notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including non-cancelable obligations of service providers, up to the date of cancellation. As of January 1, 2023, our commitments included approximately $22.7 million of our open purchase orders and contractual obligations that occurred in the ordinary course of business. We expect to place additional purchase orders in the fiscal year 2023 to support our operation development. For contractual obligations, please See Note 10 "Commitments and Contingencies" of the notes to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for further information.

Off-Balance Sheet Arrangements

As of January 1, 2023 and January 2, 2022, we did not have any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Critical Accounting Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities in our consolidated financial statements and accompanying notes. We base these estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates. These estimates and assumptions include but are not limited to: depreciable lives for property and equipment, impairment of equipment, the valuation allowance on deferred tax assets, assumptions used in stock-based compensation and estimates to fair value the Private Placement Warrants.

A summary of our significant accounting policies are included Note 2 "Summary of Significant Accounting Policies" to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K. The following is a summary of some of the more critical accounting policies and estimates.

Revenue Recognition

We determine revenue recognition through the following five-step framework:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Product Revenue is recognized once we have satisfied the performance obligations and the customer obtains control of the goods at a point in time under the revenue recognition criteria. Product Revenue is recognized in an amount that reflects the consideration for the corresponding performance obligations for the silicon-anode lithium-ion batteries or battery pack products transferred.

Service Revenue contracts generally include the design and development efforts to conform our existing battery technology with the customer's required specifications. Consideration for Service Revenue contracts generally becomes payable when we meet specific contractual milestones, which include the design and approval of custom cells, procurement of fabrication tooling to meet the customer's specifications, and fabrication and delivery of custom cells from our pilot production line. Within the existing Service Revenue contracts, the amount of consideration is fixed, the

contracts contain a single performance obligation, and revenue is recognized at the point in time the final milestone is met (i.e., a final working prototype meeting all required specifications) and the customer obtains control of the deliverable.

Common Stock Warrant Liabilities

In connection with the Business Combination on July 14, 2021, we assumed outstanding warrants of 17.5 million to purchase Common Stock at a price of $11.50 per share. The warrants expire five years from the completion of the Business Combination and are exercisable starting December 5, 2021. The assumed warrants consisted of the Private Placement Warrants and the Public Warrants. The Public Warrants met the criteria for equity classification and the Private Placement Warrants are classified as liability. As of January 1, 2023, there were 6,000,000 outstanding shares of the Private Placement Warrants and no Public Warrants outstanding.

We use the Black-Scholes option pricing model to determine the fair value of the Private Placement Warrants as of January 1, 2023 with assumptions and estimates. Estimates and assumptions impacting the fair value measurement include the fair value per share of the underlying shares of our Common Stock, risk free interest rate, expected dividend yield, expected volatility of the price of the underlying Common Stock and a probability weighted expected term of the warrants. The most significant assumptions impacting the fair value of the Private Placement Warrants are the fair value of our common stock as of each re-measurement date and expected price volatility of our Common Stock, which included consideration the most recent sales of the Public Warrants, expected price volatility of our Common Stock and other additional factors that were deemed relevant. The initial liability recorded is adjusted for changes in the fair value at each reporting date and recorded in the Consolidated Statement of Operations and Comprehensive Loss. The Private Placement Warrants are subject to re-measurement at each balance sheet date until they are exercised or expired. For further information, see Note 4 “Fair Value Measurement” to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Stock-Based Compensation

Accounting for stock-based compensation is a critical accounting policy due to the broad-based equity awards provided to our employees at all levels and the use of equity awards as part of the strategy to retain employees as a result of change of control events. We issue stock-based compensation to employees and nonemployees generally in the form of stock options or restricted stock units (“RSUs”) and performance-based restricted stock units (“PRSUs”). We also offer employee stock purchase plan (the “2021 ESPP”) to our employees. For further information, see Note 14 “Stock-based Compensation” to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Stock-based compensation cost is measured at the grant date for all stock-based awards made to employees, consultants and directors based on the fair value of the award. We generally recognize stock-based compensation expense for stock options and RSUs on a straight-line basis over the service period of the awards, which is generally the vesting period. For PRSUs and ESPP shares, we use the graded vesting method to calculate the stock-based compensation expense. Forfeitures are accounted for when they occur.

We determine the grant date fair value of the equity awards as follows:

- The grant date fair value of RSUs and PRSUs is the last reported sales price of our Common Stock on the grant date.
- The fair value of shares to be purchased under the ESPP is based on the grant date fair value using the Black-Scholes option pricing model with several assumptions and estimates, including our stock price volatility, projected employee stock purchase contributions, and others.
- The fair value of stock options is based on the grant date fair value using the Black-Scholes option pricing model with several significant assumptions and estimates, including the grant date fair value of Legacy Enovix common stock prior to the Business Combination, our stock price volatility, expected life and others.

Impairment of Long-Lived Assets

We evaluate the carrying value of long-lived assets when indicators of impairment exist. The carrying value of a long-lived asset is considered impaired when the estimated separately identifiable, undiscounted cash flows from such an asset are less than the carrying value of the asset. In that event, a loss is recognized based on the amount by which the

carrying value exceeds the fair value of the long-lived asset. The fair value is determined based on the estimated discounted cash flows discounted. If we cease to develop and automate certain equipment or our equipment is underutilized or idled, the carrying value of such equipment may be lower than its estimated fair value, which could result in future impairment loss.

Recent Accounting Pronouncements

See section "Recently Adopted Accounting Pronouncements" of Note 2 "Summary of Significant Accounting Policies" within our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of market and other risks, including the effects of changes in interest rates, and inflation, as well as risks to the availability of funding sources, hazard events, and specific asset risks.

Interest Rate Risk

The market risk inherent in our financial instruments and financial position represents the potential loss arising from adverse changes in interest rates. As of January 1, 2023, we had cash and cash equivalents of $322.9 million, consisting of interest-bearing money market accounts. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. An immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents. As of January 1, 2023, we had no outstanding interest bearing debt.

Uncertain financial markets could result in a tightening in the credit markets, a reduced level of liquidity in many financial markets, and extreme volatility in fixed income and credit markets.

Foreign Currency Risk

There was no material foreign currency risk for the fiscal year ended January 1, 2023. Our activities to date have been limited and were conducted primarily in the U.S.

The majority of our expenses, and capital purchasing activities are transacted in U.S. dollars. Our operations outside of the U.S. are subject to risks typical of operations outside of the U.S. including, but not limited to, differing economic conditions, changes in political climate, differing tax structures, other regulations and restrictions, and foreign exchange rate volatility. Given the impact of foreign currency exchange rates has not been material to our historical operating results, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency should become more significant. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in currency rates.

Inflation Risk

In recent months, inflation has continued to increase significantly in the U.S. and overseas resulting in rising transportation, wages, and other costs. Inflation may generally affect us by increasing our costs and expenses. Although there was no material inflation risk for the fiscal year ended January 1, 2023 as our activities to date have been primarily related to research and development activities, as well as our Fab-1 construction, if our costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs with increased revenues. Our inability or failure to do so could harm our business, financial condition, and results of operations.

Item 8. Financial Statements and Supplementary Data

Enovix Corporation

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Enovix Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Enovix Corporation and subsidiaries (the "Company") as of January 1, 2023, and January 2, 2022, the related consolidated statements of operations and comprehensive loss, changes in convertible preferred stock and stockholders' (deficit) equity, and consolidated statements of cash flows, for each of the three years in the period ended January 1, 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 January 1, 2023, and January 2, 2022, and the results of its operations and its cash flows for each of the three years in the period ended January 1, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 1, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

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 audits. We are a public accounting firm registered with the 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 audits 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. Our audits 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 audits 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 audits provide 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 a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Warrant Liability - Private Placement Warrants – Refer to Notes 2, 4 and 12 to the financial statements

Critical Audit Matter Description

During a prior fiscal year in connection with a business combination, the Company issued private placement warrants to purchase common stock at a price of $11.50 per share that remain outstanding as of January 1, 2023 (the "Private Placement Warrants"). The Private Placement Warrants are exercisable for cash or on a cashless basis, at the holder's option, and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. The Company accounts for the warrants in accordance with ASC Topic 815, Derivatives and Hedging. The Private Placement Warrants contain exercise and settlement features that may change with a change in the holder, which precludes the Private Placement Warrants from being indexed to the Company's own stock. Therefore, the Private Placement Warrants are precluded from being classified within equity and are accounted for as derivative liabilities on the consolidated balance sheet at fair value, with subsequent changes in fair value recognized in the consolidated statement of operations and comprehensive loss at each reporting date.

The Company uses the Black-Scholes option pricing model to determine the fair value of the Private Placement Warrants. Estimates and assumptions impacting the fair value measurement include the fair value per share of the underlying shares of common stock, the risk-free interest rate, the expected dividend yield, the expected volatility of the price of the underlying common stock, and a probability-weighted expected term of the Private Placement Warrants. The most significant assumption impacting the fair value of the Private Placement Warrants is the expected volatility of common stock, which the Company based primarily on the equity volatilities of guideline public companies, which were selected based on the similarity of their operations to those of the Company as well as their tenure as a public company. As of January 1, 2023, the fair value of the warrant liability related to the Private Placement Warrants was $49.1 million and the change in fair value recognized in the consolidated statement of operations and comprehensive loss for the year then ended was a gain of $75.2 million included in other income.

Given the significant assumptions made by management in determining the fair value of the warrant liability related to the Private Placement Warrants, performing audit procedures to evaluate the reasonableness of management's expected volatility of common stock, including management's selection of the guideline public companies used in making this significant assumption, required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the fair value of the warrant liability related to the Private Placement Warrants included the following, among others:

- We tested the effectiveness of internal controls over the Company's fair value measurements of the warrant liability related to the Private Placement Warrants, including management's estimates and assumptions used in the Black-Scholes option pricing model.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the fair value measurement of the warrant liability related to the Private Placement Warrants, by:
  - Evaluating management's selection of the Black-Scholes option pricing model to make fair value measurements of the warrant liability.
  - Evaluating the incorporation of the applicable estimates and assumptions into the Black-Scholes option pricing model and testing the model's mathematical accuracy.
  - Testing the underlying source information used by management in making estimates and assumptions, including the selection of the guideline public companies used in the expected volatility of common stock.
  - Developing a range of independent estimates and comparing our estimates to those used by management.
- We evaluated the Company's disclosures of the fair value measurements of the warranty liability related to the Private Placement Warrants.

/s/ DELOITTE & TOUCHE LLP

San Francisco, California

March 1, 2023

We have served as the Company's auditor since 2021.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Enovix Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Enovix Corporation and subsidiaries (the "Company") as of January 1, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 1, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended January 1, 2023, of the Company and our report dated March 1, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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.

/s/ DELOITTE & TOUCHE LLP

San Francisco, California

March 1, 2023

ENOVIX CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and par value amounts)

	January 1, 2023	January 2, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 322,851	$ 385,293
Accounts receivable, net	170	—
Inventory	634	—
Deferred contract costs	800	4,554
Prepaid expenses and other current assets	5,193	8,274
Total current assets	329,648	398,121
Property and equipment, net	103,868	76,613
Operating lease, right-of-use assets	6,133	6,669
Other assets, non-current	937	1,162
Total assets	$ 440,586	$ 482,565
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 7,077	$ 3,144
Accrued expenses	7,089	7,109
Accrued compensation	8,097	4,101
Deferred revenue	50	5,575
Other liabilities	716	707
Total current liabilities	23,029	20,636
Warrant liability	49,080	124,260
Operating lease liabilities, non-current	8,234	9,071
Deferred revenue, non-current	3,724	2,290
Other liabilities, non-current	92	191
Total liabilities	84,159	156,448
Commitments and Contingencies (Note 10)		
Stockholders' equity:		
Common stock, $0.0001 par value; authorized shares of 1,000,000,000; issued and outstanding shares of 157,461,802 and 152,272,287 as of January 1, 2023 and January 2, 2022, respectively	15	15
Preferred stock, $0.0001 par value; authorized shares of 10,000,000; no shares issued or outstanding as of January 1, 2023 and January 2, 2022, respectively	—	—
Additional paid-in-capital	741,186	659,254
Accumulated deficit	(384,774)	(333,152)
Total stockholders' equity	356,427	326,117
Total liabilities and stockholders' equity	$ 440,586	$ 482,565

See accompanying notes to these consolidated financial statements.

ENOVIX CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share amounts)

	Fiscal Years		
	2022	2021	2020
Revenue	$ 6,202	$ —	$ —
Cost of revenue	23,239	1,967	3,375
Gross margin	(17,037)	(1,967)	(3,375)
Operating expenses:			
Research and development	58,051	37,850	14,442
Selling, general and administrative	51,970	29,705	5,713
Impairment of equipment	4,921	—	—
Total operating expenses	114,942	67,555	20,155
Loss from operations	(131,979)	(69,522)	(23,530)
Other income (expense):			
Change in fair value of convertible preferred stock warrants and common stock warrants	75,180	(56,141)	(13,789)
Issuance of convertible preferred stock warrants	—	—	(1,476)
Change in fair value of convertible promissory notes	—	—	(2,422)
Gain on extinguishment of paycheck protection program loan	—	—	1,628
Interest income (expense), net	5,231	(187)	(107)
Other income (expense), net	(54)	(24)	46
Total other income (expense), net	80,357	(56,352)	(16,120)
Net loss and comprehensive loss	$ (51,622)	$ (125,874)	$ (39,650)
Net loss per share, basic	$ (0.34)	$ (1.07)	$ (0.49)
Weighted average number of common shares outstanding, basic	152,918,287	117,218,893	80,367,324
Net loss per share, diluted	$ (0.82)	$ (1.07)	$ (0.49)
Weighted average number of common shares outstanding, diluted	154,149,367	117,218,893	80,367,324

See accompanying notes to these consolidated financial statements.

ENOVIX CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2019 (as previously reported)	153,758,348	$ 129,921	65,196,490	$ 59	$ 40,626	$ (167,628)	$ (126,943)
Retroactive application of recapitalization	(153,758,348)	(129,921)	(1,992,064)	(53)	129,974	—	129,921
Balance as of December 31, 2019, effect of reverse acquisition (Note 3)	**—**	**—**	**63,204,426**	**6**	**170,600**	**(167,628)**	**2,978**
Net loss	—	—	—	—	—	(39,650)	(39,650)
Issuance of common stock upon exercise of stock options	—	—	5,318,139	1	65	—	66
Early exercised stock options vested	—	—	—	—	21	—	21
Issuance of Series P-2 convertible preferred stock	—	—	27,989,240	3	63,929	—	63,932
Conversion of promissory notes to Series P-2 convertible preferred stock	—	—	3,507,984	—	8,203	—	8,203
Stock-based compensation	—	—	—	—	666	—	666
Repurchase of unvested restricted common stock	—	—	(3,230)	—	—	—	—
Balance as of December 31, 2020	**—**	**—**	**100,016,559**	**10**	**243,484**	**(207,278)**	**36,216**
Net loss	—	—	—	—	—	(125,874)	(125,874)
Business combination, net of redemptions and equity issuance costs and PIPE financing, net	—	—	41,249,985	4	300,741	—	300,745
Issuance of common stock upon exercise of common stock warrants	—	—	7,177,885	1	82,545	—	82,546
Issuance of common stock upon exercise of stock options	—	—	2,180,168	—	62	—	62
Issuance of Series D convertible preferred stock upon exercise of warrants	—	—	2,020,034	—	20,877	—	20,877
Restricted stock units ("RSUs") vested	—	—	61,015	—	—	—	—
Early exercised stock options vested	—	—	—	—	111	—	111
Stock-based compensation	—	—	—	—	11,434	—	11,434
Repurchase of unvested restricted common stock	—	—	(433,359)	—	—	—	—
Balance as of January 2, 2022	**—**	**—**	**152,272,287**	**$ 15**	**$ 659,254**	**$ (333,152)**	**$ 326,117**

See accompanying notes to these consolidated financial statements.

ENOVIX CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT) - Continued
(In thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance as of January 2, 2022	**—**	**$ —**	**152,272,287**	**$ 15**	**$ 659,254**	**$ (333,152)**	**$ 326,117**
Net loss	—	—	—	—	—	(51,622)	(51,622)
Issuance of common stock upon exercise of common stock warrants, net	—	—	4,126,466	—	47,452	—	47,452
Issuance of common stock upon exercise of stock options	—	—	381,497	—	2,379	—	2,379
Issuance of common stock under employee stock purchase plan	—	—	229,249	—	1,900	—	1,900
RSUs vested, net of shares withheld for taxes	—	—	621,179	—	(587)	—	(587)
Early exercised stock options vested	—	—	—	—	122	—	122
Stock-based compensation	—	—	—	—	30,666	—	30,666
Repurchase of unvested restricted common stock	—	—	(168,876)	—	—	—	—
Balance as of January 1, 2023	**—**	$ —	**157,461,802**	**$ 15**	**$ 741,186**	**$ (384,774)**	**$ 356,427**

See accompanying notes to these consolidated financial statements.

ENOVIX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Years		
	2022	**2021**	**2020**
Cash flows from operating activities:			
Net loss	$ (51,622)	$ (125,874)	$ (39,650)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation	7,425	995	579
Amortization of right-of-use assets	547	520	—
Stock-based compensation	30,367	10,711	666
Changes in fair value of convertible preferred stock warrants and common stock warrants	(75,180)	56,141	13,789
Impairment of equipment [(1)]	4,921	—	—
Issuance of convertible preferred stock warrants (non-cash)	—	—	1,476
Change in fair value of convertible promissory notes	—	—	2,422
Loss (gain) on early debt extinguishment	—	60	(1,628)
Interest expense (non-cash)	—	—	107
Changes in operating assets and liabilities:			
Accounts receivable	(170)	—	—
Inventory	(634)	—	—
Prepaid expenses and other assets	(2,828)	(2,497)	(577)
Deferred contract costs	3,754	(967)	(2,482)
Accounts payable	2,272	1,523	1,826
Accrued expenses and compensation	2,547	5,193	2,617
Deferred revenue	(4,091)	2,370	185
Other liabilities	(48)	519	620
Net cash used in operating activities	(82,740)	(51,306)	(20,050)
Cash flows from investing activities:			
Purchase of property and equipment	(36,212)	(43,584)	(26,953)
Net cash used in investing activities	(36,212)	(43,584)	(26,953)
Cash flows from financing activities:			
Proceeds from Business Combination and PIPE financing	—	405,155	—
Payments of transaction costs related to Business Combination and PIPE financing	—	(31,410)	—
Proceeds from exercise of common stock warrants, net	52,828	77,170	—
Proceeds from issuance of convertible preferred stock, net	—	—	63,932
Proceeds from secured promissory notes, converted promissory notes and paycheck protection program loan	—	15,000	1,628
Proceeds from issuance of common stock under employee stock purchase plan	1,900	—	—
Payroll tax payments for shares withheld upon vesting of RSUs	(587)	—	—
Repayment of secured promissory note	—	(15,000)	—
Payments of debt issuance costs	—	(90)	—
Proceeds from exercise of convertible preferred stock warrants	—	102	—
Proceeds from the exercise of stock options	2,379	190	360
Repurchase of unvested restricted common stock	(10)	(27)	—
Net cash provided by financing activities	56,510	451,090	65,920
Change in cash, cash equivalents, and restricted cash	(62,442)	356,200	18,917
Cash and cash equivalents and restricted cash, beginning of period	385,418	29,218	10,301
Cash and cash equivalents, and restricted cash, end of period	$ 322,976	$ 385,418	$ 29,218

(1) As of January 1, 2023, $1.7 million of the $4.9 million impairment of equipment was recorded as accrued expenses on the Consolidated Balance Sheet.

See accompanying notes to these consolidated financial statements.

ENOVIX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In thousands)

	Fiscal Years		
	2022	2021	2020
Supplemental cash flow data (Non-cash):			
Net liabilities assumed from Business Combination	$ —	$ 73,400	$ —
Purchase of property and equipment included in liabilities	7,037	5,488	3,181
Conversion of promissory notes to convertible preferred stock	—	—	8,073
Settlement of accrued interest expense through conversion of promissory notes to convertible preferred stock	—	—	130
Issuance of convertible preferred stock warrants	—	—	1,476
Gain on extinguishment of the paycheck protection program loan	—	—	1,628

The following presents the Company's cash, cash equivalents and restricted cash by category in the Company's Consolidated Balance Sheets.

	Fiscal Years		
	2022	2021	2020
Cash and cash equivalents	$ 322,851	$ 385,293	$ 29,143
Restricted cash included in prepaid expenses and other current assets	125	125	75
Total cash, cash equivalents, and restricted cash	$ 322,976	$ 385,418	$ 29,218

See accompanying notes to these consolidated financial statements.

ENOVIX CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Basis of Presentation

Organization

Enovix Corporation ("Enovix" or the "Company") was incorporated in Delaware in 2006. The Company designs, develops, and have started to commercially manufacture an advanced silicon-anode lithium-ion battery using its proprietary three-dimensional ("3D") cell architecture that increases energy density and maintains high cycle life. The Company is headquartered in Fremont, California.

Prior to the fiscal year 2022, the Company was focused on the development and commercialization of its silicon-anode lithium-ion batteries. Starting in the second quarter of 2022, the Company commenced its planned principal operations of commercial manufacturing. The Company began its production of silicon-anode lithium-ion batteries or battery pack products and began generating product revenue in addition to service revenue from its engineering service contracts for the development of silicon-anode lithium-ion battery technology.

Business Combination

On July 14, 2021 (the "Closing Date"), Enovix Corporation, a Delaware Corporation ("Legacy Enovix"), Rodgers Silicon Valley Acquisition Corp. ("RSVAC"), and RSVAC Merger Sub Inc., a Delaware Corporation and wholly owned subsidiary of RSVAC ("Merger Sub"), consummated the closing of the transactions contemplated by the Agreement and Plan of Merger, dated February 22, 2021 (the "Business Combination"), by and among RSVAC, Merger Sub and Legacy Enovix (the "Merger Agreement"), following the approval at a special meeting of the stockholders of RSVAC held on July 12, 2021 (the "Special Meeting"). Following the consummation of the Business Combination on the Closing Date, Legacy Enovix changed its name to Enovix Operations Inc., and RSVAC changed its name from Rodgers Silicon Valley Acquisition Corp. to Enovix Corporation. Please refer to Note 3 "Business Combination" for more information.

Change in Fiscal Year

On September 28, 2021, the audit committee of the Board of Directors of the Company approved a change in the fiscal year end from a year ending on December 31 to a fiscal year calendar typically consisting of four 13-week quarters, with the change to be effective for the Company's third quarter beginning on July 1, 2021 and ending on October 3, 2021. The Company made the fiscal year change on a prospective basis and did not adjust operating results for prior periods. The Company's fiscal years 2022 and 2021 were ended on January 1, 2023 and January 2, 2022, respectively.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States ("GAAP").The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and the Business Combination from the Closing Date. All intercompany balances and transactions have been eliminated in consolidation.

The Business Combination was accounted for as a reverse recapitalization under GAAP. This determination is primarily based on Legacy Enovix stockholders comprising a relative majority of the voting power of Enovix and having the ability to nominate the members of the Board, Legacy Enovix's operations prior to the acquisition comprising the only ongoing operations of Enovix, and Legacy Enovix's senior management comprising a majority of the senior management of Enovix. Under this accounting method, RSVAC was treated as the "acquired" company and Legacy Enovix was treated as the acquirer for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of Enovix represent a continuation of the financial statements of Legacy Enovix with the Business Combination being treated as the equivalent of Enovix issuing common stock for the net assets of RSVAC, accompanied by a recapitalization. The net liabilities of RSVAC, other than its warrant liabilities, were stated at historical cost, which approximates to its fair values. Its warrant liabilities were stated at its fair values and no goodwill or other intangible

assets were recorded. Results of operations prior to the Business Combination were presented as those of Enovix. Beginning in the third quarter of 2021, historical shares and corresponding capital amounts, as well as for net loss per share, prior to the Business Combination, were retrospectively adjusted using the exchange ratio as defined in the Business Combination for the equivalent number of shares outstanding immediately after the Business Combination to the effect the reverse recapitalization.

The Company did not have any other comprehensive income or loss for the periods presented. Accordingly, net loss and comprehensive loss are the same for the periods presented. Additionally, the Company did not have any income tax expenses for the periods presented.

Liquidity and Capital Resources

The Company has incurred operating losses and negative cash flows from operations since its inception through January 1, 2023 and expects to incur operating losses for the foreseeable future. As of January 1, 2023, the Company had a working capital of $306.6 million and an accumulated deficit of $384.8 million. Based on the anticipated spending and timing of expenditures to support operational development and market expansion, the Company currently expects that its cash will be sufficient to meet its funding requirements over the next twelve months. Going forward, the Company may require additional financing for its future operations and expansion. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated financial statements and accompanying notes during the reporting periods. Estimates and assumptions include but are not limited to: depreciable lives for property and equipment, impairment of equipment, the valuation allowance on deferred tax assets, assumptions used in stock-based compensation, incremental borrowing rate for operating right-of-use assets and lease liabilities, and estimates to fair value convertible preferred stock warrants and common stock warrants. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions that it believes to be reasonable under the circumstances. In the preparation of the consolidated financial statements, the Company has considered potential impacts of the COVID-19 pandemic on its critical and significant accounting estimates. There was no significant impact to its consolidated financial statements. The Company continues to evaluate the nature and extent of the potential impacts to its business and its consolidated financial statements.

Summary of Significant Accounting Policies

Segment Reporting

The Company operates in one segment. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker (“CODM”) in making decisions regarding resource allocation and assessing performance. The Company has determined that its Chief Executive Officer is the CODM. To date, the Company’s CODM has made such decisions and assessed performance at the Company level. The Company’s activities to date were conducted primarily in the United States (“U.S.”). The Company does not have material activity or assets located outside of the U.S.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with original maturities from the date of purchase of 90 days or less to be cash equivalents. Restricted cash as of both January 1, 2023 and January 2, 2022 is comprised of a $0.1 million minimum cash balance required by the Company’s credit card merchant that can be cancelled with thirty days’ notice and is classified within prepaid expenses and other current assets of the Consolidated Balance Sheets.

Trade Accounts Receivable and Allowance for Credit Losses

The Company’s accounts receivables are recorded at invoiced amounts less allowance for any credit losses. According to the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13 that we adopted in the fiscal year 2022, the Company recognizes credit losses based on a forward-looking

current expected credit losses ("CECL"). The Company makes estimates of expected credit losses based upon its assessment of various factors, including the age of accounts receivable balances, credit quality of its customers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from customers. The allowance for credit losses are recognized in the Consolidated Statement of Operations and Comprehensive Loss. The uncollectible accounts receivables are written off in the period in which a determination is made that all commercially reasonable means of recovering them have been exhausted. The Company recognized an immaterial amount of allowance for expected credit loss as of January 1, 2023 and there was no write-off of accounts receivable for the periods presented. As of January 1, 2023, the Company's accounts receivable, net was $0.2 million. The Company did not have account receivable as of January 2, 2022.

Credit Losses

The Company is exposed to credit losses primarily through its available-for-sale investments. The Company invests excess cash in marketable securities with high credit ratings that are classified in Level 1 and Level 2 of the fair value hierarchy. The Company's investment portfolio at any point in time contains investments in U.S. treasury and U.S. government agency securities, taxable and tax-exempt municipal notes, corporate notes and bonds, commercial paper, non-U.S. government agency securities and money market funds, and are classified as available-for-sale. The Company assesses whether its available-for sale investments are impaired at each reporting period. As of January 1, 2023 and January 2, 2022, the Company did not recognize an allowance for expected credit losses related to available-for-sale investments as the Company did not have available-for-sale investments.

Inventory

Inventory is stated at the lower of cost or net realizable value on a first-in and first-out basis.Inventory costs include direct materials, direct labor, and normal manufacturing overhead. The cost basis of the Company's inventory is reduced for any products that are considered excessive or obsolete based upon assumptions about future demand and market conditions. As of January 1, 2023, the Company did not have excess or obsolete inventory reserve. The Company did not have any inventory as of January 2, 2022. Additionally, the cost basis of the Company's inventory does not include any unallocated fixed overhead costs associated with abnormally low utilization of its factories. See Note 6 "Inventory" for more information.

Property and Equipment, net

Property and equipment, net are stated at the Company's original cost, net of accumulated depreciation. Construction in process is related to the construction or development of property and equipment that have not yet been placed in service for their intended use.

In the second quarter of 2022, the Company placed its leasehold improvement and machinery and equipment into service for the Company's first production line and updated the estimated useful lives for its property and equipment. As of January 1, 2023, the Company's second production line was not yet placed into service as it remains under construction. Costs for capital assets not yet placed into service are capitalized as construction in process on the Consolidated Balance Sheets and will be depreciated once placed into service.

Property and equipment are depreciated or amortized using the straight-line method over the estimated useful lives of the following assets below.

	Estimated Useful Life (in Years)
Machinery and equipment	2 - 10
Office equipment and software	3 - 5
Furniture and fixtures	3 - 5
Leasehold improvements	Shorter of the economic life or the remaining lease term

When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in the Consolidated Statement of Operations and Comprehensive Loss in the

period of disposition. Maintenance and repairs that do not improve or extend the lives of the respective assets are expensed in the Consolidated Statement of Operations and Comprehensive Loss in the period incurred. See Note 5 “Property and Equipment” for more information.

Capitalized Software Costs for Internal Use

The Company capitalizes direct costs associated with developing or obtaining internal use software, including enterprise-wide business software, that are incurred during the application development stage. These capitalized costs are recorded as capitalized software within property and equipment. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Once the software is ready for its intended use, amounts capitalized are amortized over an estimated useful life of up to five years, generally on a straight-line basis. Capitalized software costs for internal use are included in office equipment category of the property and equipment on the Consolidated Balance Sheets.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of long-lived assets when indicators of impairment exist. The carrying value of a long-lived asset is considered impaired when the estimated separately identifiable, undiscounted cash flows from such an asset are less than the carrying value of the asset. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the estimated cash flows discounted at a rate commensurate with the risk involved. During the fiscal year 2022, the Company recorded an impairment loss of $4.9 million related to the Company's equipment. No impairment loss was recorded for the fiscal years 2021 and 2020. See Note 5 “Property and Equipment” for more information.

Leases

In February 2016, the “FASB” issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires an entity to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. The Company early adopted the ASU 2016-02 on January 1, 2021. Results and disclosure requirements for reporting periods beginning after January 1, 2021 are presented under Topic 842, while prior period amounts were reported in accordance with the legacy lease accounting guidance Topic 840, Leases.

Topic 842

Under Topic 842, the Company determines if an arrangement contains a lease and its lease classification at inception. For arrangements, with lease terms greater than 12 months and the Company is the lessee, right-of-use (“ROU”) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Currently, the Company only has operating leases.

ROU assets also include any initial direct costs incurred and any lease payments made on or before the lease commencement date, less lease incentives received. The Company uses its incremental borrowing rate based on the information available at the commencement date in determining the lease liabilities as the Company’s leases generally do not provide an implicit rate. Lease terms may include options to extend or terminate the lease when the Company is reasonably certain that the option will be exercised. The Company combines the lease and non-lease components in determining the operating lease ROU assets and liabilities. Lease expense is recognized on a straight-line basis over the lease term. The lease agreements may contain variable costs such as contingent rent escalations, common area maintenance, insurance, real estate taxes or other costs. Such variable lease costs are expensed as incurred on the Consolidated Statement of Operations and Comprehensive Loss. See Note 7 “Leases” for more information.

Legacy Topic 840

Rent expense for non-cancelable operating leases, including rent escalation clauses, tenant improvement allowances, and rent-free periods when applicable, is recognized on a straight-line basis over the term of the lease with the difference between required lease payments and rent expense recorded as deferred rent. The lease term begins on the commencement date as defined in the lease agreement or when the Company takes possession of or begins to control the physical use of the property, whichever is earlier.

Debt

The Company accounted for a secured promissory note as a liability measured at net proceeds less debt discount and was accreted to its face value over its expected term using the effective interest method. The Company considered whether there were any embedded features in its debt instruments that required bifurcation and separate accounting as derivative financial instruments pursuant to Accounting Standards Codification ("ASC"), Topic 815, *Derivatives and Hedging* ("ASC 815"). See Note 9 "Debt" for more information.

Convertible Promissory Notes

In December 2019, the Company issued promissory notes that were convertible into preferred stock which were recorded at fair value at issuance and subject to re-measurement to fair value at each reporting date, with any change in fair value recognized as a separate line item within other income (expense) in the Consolidated Statement of Operations and Comprehensive Loss. See Note 4 "Fair Value Measurement" and Note 9 "Debt" for more information.

Convertible Preferred Stock Warrants

The Company evaluated whether its warrants for shares of convertible preferred stock are freestanding financial instruments. The warrants were separately exercisable as the exercise of the warrants did not settle or extinguish the related convertible preferred stock. Additionally, the warrants were legally detachable from the related convertible preferred stock because the warrants might be transferred to another unaffiliated party without also transferring the related convertible preferred stock. As the warrants were freestanding financial instruments, they were liability classified.

The warrants were recorded at fair value upon issuance as a non-current liability with a corresponding expense recorded as a change in the fair value of convertible preferred warrants in the Consolidated Statement of Operations and Comprehensive Loss. Any change in fair value was recognized in the change in fair of convertible preferred stock warrants in the Consolidated Statement of Operations and Comprehensive Loss. See Note 12 "Warrants" for more information on convertible preferred stock warrants.

Common Stock Warrants

In connection with the Business Combination, the Company issued outstanding warrants of17.5 million to purchase common stock at a price of $11.50 per share. The warrants expire 5 years from the completion of the Business Combination and were exercisable starting December 5, 2021. A portion of the outstanding warrants were held by the sponsor and members of Rodgers Capital LLC (the "Private Placement Warrants") and the remaining warrants were held by other third-party investors (the "Public Warrants"). As of January 1, 2023, there were no Public Warrants outstanding as the shares of the Public Warrants were either exercised or redeemed during the fiscal year 2022.

The Private Placement Warrants are transferable, assignable or salable in certain limited exceptions. The Private Placement Warrants are exercisable for cash or on a cashless basis, at the holder's option, and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will cease to be Private Placement Warrants, and become Public Warrants and be redeemable by the Company and exercisable by such holders on the same basis as the other Public Warrants.

Once the warrants became exercisable, the Company could redeem for $0.01 per warrant the outstanding Public Warrants if the Company's common stock price equaled or exceeded $18.00 per share, subject to certain conditions and adjustments.

The Company accounts for the warrants in accordance with ASC Topic 815,*Derivative and Hedging*. The Public Warrants met the criteria for equity classification and were recorded as additional paid-in capital on the Consolidated Balance Sheet at the completion of the Business Combination. The Private Placement Warrants contain exercise and settlement features that may change with a change in the holder, which precludes the Private Placement Warrants from being indexed to the Company's own stock, and therefore the Private Placement Warrants are precluded from being classified within equity and are accounted for as derivative liabilities on the Consolidated Balance Sheet at fair value, with subsequent changes in fair value recognized in the Consolidated Statement of Operations and Comprehensive Loss at each reporting date. See Note 12 "Warrants" for more information.

Fair Value of Financial Instruments

The Company's assets and liabilities, which require fair value measurement on a recurring basis, consist of Private Placement Warrants recorded at fair value. Fair value principles require disclosures regarding the manner in which fair value is determined for assets and liabilities and establishes a three-tiered fair value hierarchy into which these assets and liabilities must be grouped, based upon significant levels of inputs as follows:

- Level 1 — Observable inputs, such as quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date;
- Level 2 — Observable inputs, other than Level 1 prices, such as quoted prices in active markets for similar assets and liabilities, quoted prices 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; and
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

As of January 1, 2023 and January 2, 2022, the carrying values of cash and cash equivalents, accounts payable and accrued liabilities approximated the fair value based on the short maturity of those instruments. As of January 1, 2023, Private Placement Warrants were carried at fair value and were categorized as Level 3 measurements. See Note 4 "Fair Value Measurement" for more information.

Concentrations of Credit Risk and Major Customers

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains cash and cash equivalent balances in checking, savings, and money market accounts at financial institutions. Amounts held in these accounts may exceed federally insured limits. As of January 1, 2023 and January 2, 2022, the Company did not experience any losses on such deposits.

For the fiscal year 2022, Customer A and Customer C, which had revenues greater than 10% of the Company's total revenues, had accounted for81% and 14%, respectively, of the Company's total revenues. As of January 1, 2023, Customer C accounted for 84% of the Company's total accounts receivable, net.

As of January 1, 2023 and January 2, 2022, Customer B accounted for92% and 29%, respectively, of the Company's total deferred revenue. As of January 2, 2022, Customer A accounted for 64% of the Company's total deferred revenue as of January 2, 2022 and there wasno remaining deferred revenue from Customer A as of January 1, 2023.

Revenue Recognition

In June 2022, the Company began to generate revenue from its planned principal business activities. The Company recognizes revenue within the scope of Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers ("ASC 606").* The core principle of ASC 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process, including identifying performance obligations in the contract, estimating the amount of variable consideration to include

in the transaction price and allocating the transaction price to each separate performance obligation. The following five steps are applied to achieve that core principle:

1. Identify the contract with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when the company satisfies a performance obligation.

The Company's revenue consists of product revenue, resulting from the sale of silicon-anode lithium-ion batteries as well as battery pack products ("Product Revenue"), and service revenue, resulting from payments received from its customers based on executed engineering revenue contracts for the development of silicon-anode lithium-ion battery technology ("Service Revenue").

For the fiscal year 2022, the Company recognized $6.2 million of total revenue, of which $6.2 million represented Service Revenue and an immaterial amount was for Product Revenue. Customer A represented $5.0 million of the Company's total revenue.

Product Revenue

Product Revenue is recognized once the Company has satisfied the performance obligations and the customer obtains control of the goods at a point in time under the revenue recognition criteria. Product Revenue is recognized in an amount that reflects the consideration for the corresponding performance obligations for the silicon-anode lithium-ion batteries or battery pack products transferred.

Service Revenue

Service Revenue contracts generally include the design and development efforts to conform the Company's existing battery technology with the customer's required specifications. The term of the Service Revenue contracts generally last from one to three years beginning at the effective date of the contract with a single performance obligation. Generally, the Company owns all intellectual property that is developed and directed toward the Company's silicon-anode lithium-ion battery technology. Accordingly, the customer will only receive prototype units of the Company's battery technology as well as any design reports that are submitted to them as part of the contract. Prototype units that are delivered throughout the term of the contract provide marginal value to the customers as they are contractually limited in their ability to derive benefit from the prototype units should the contract be terminated. The Company concludes that its performance obligation is the delivery of final prototype units, which meet the ultimate specifications set forth by the customer.

Consideration for Service Revenue contracts generally becomes payable when the Company meets specific contractual milestones, which include the design and approval of custom cells, procurement of fabrication tooling to meet the customer's specifications, and fabrication and delivery of custom cells from the Company's pilot production line. Within the existing Service Revenue contracts, the amount of consideration is fixed, the contracts contain a single performance obligation, and revenue is recognized at the point in time the final milestone is met (i.e., a final working prototype meeting all required specifications) and the customer obtains control of the deliverable. Any proceeds received prior to completing the final deliverable are recorded as deferred revenue.

Deferred Revenue

Deferred revenue represents situations where the Company has the contractual right to invoice, or cash is collected, but the related revenue has not yet been recognized. Revenue is subsequently recognized when the revenue recognition criteria are met. Service Revenue is generally invoiced based on pre-defined milestones and Service Revenue per the contract is generally recognized upon completion of the final milestone. As of January 1, 2023 and January 2, 2022, total deferred revenue was $3.8 million and $7.9 million, respectively.

Costs to Fulfill a Customer Contract

The revenue recognition standard requires capitalization of certain costs to fulfil a customer contract, such as certain employee compensation for design and development services that specifically relate to customer contracts. Costs are recognized as an asset if they relate directly to a customer contract, generate or enhance resources of the entity that will be used in satisfying future performance obligations, and are expected to be recovered. If these three criteria are not met, the costs are expensed in the period incurred. Deferred costs are recognized as cost of revenue in the period when the related revenue is recognized. As of January 1, 2023 and January 2, 2022, total deferred contract costs were $0.8 million and $4.6 million, respectively.

Performance Obligations

As of January 1, 2023, the Company had $3.8 million of performance obligations, which comprised of total deferred revenue and customer order deposits. The Company currently expects to recognize approximately 1% of deferred revenue as revenue within the nexttwelve months.

Product Warranties

The Company provides product warranties, which cover certain repair or replacement under the revenue contracts and they generally range fromone to three years. Estimated costs related to warranties are recorded in the same period when the product sales occur. The warranty liability reflects management's best estimates of such costs and are recognized as cost of revenue. The Company continuously monitors its product returns for warranty failures and maintains a reserve for the related warranty expenses based on various factors, including historical product failure rates, results of accelerated lab testing, field monitoring, vendor reliability estimates, and data on industry averages for similar products. Due to the potential for variability in these underlying factors, the difference between the estimated costs and the actual costs could be material to the Company's consolidated financial statements. If actual product failure rates or the frequency or severity of reported claims differ from the estimates, the Company may be required to revise its estimated warranty liability. As of January 1, 2023, the Company's warranty liability on the Consolidated Balance Sheet was immaterial.

Sales and Transaction Taxes

Sales and other taxes collected from customers and remitted to governmental authorities on revenue-producing transactions are reported on a net basis and are therefore excluded from revenues in the Consolidated Statement of Operations and Comprehensive Loss.

Cost of Revenues

Cost of revenues includes materials, labor, depreciation expense, and other direct costs related to product production and Service Revenue contracts. Labor consists of personnel-related expenses such as salaries, benefits, and stock-based compensation. Other direct costs include costs incurred on certain Service Revenue contracts that was in excess of the amount expected to be recovered and other overhead costs in connection with the product production.

Research and Development Costs

Research and development costs consist of engineering services, allocated facilities costs, depreciation, development expenses, materials, labor and stock-based compensation related primarily to the Company's (i) technology development, (ii) design, construction, and testing of preproduction prototypes and models, and (iii) certain costs related to the design, construction, and operation of its pilot plant that is not of a scale economically feasible to the Company for commercial production. Research and development costs are expensed as incurred.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of personnel-related expenses, marketing expenses, allocated facilities expenses, depreciation expenses, executive management travel, and professional services expenses, including legal, human resources, audit, accounting and tax-related services. Personnel related costs consist of salaries, benefits and stock-based compensation. Facilities costs consist of rent and maintenance of facilities.

Merger Transaction Costs

During the fiscal year 2021, the Company incurred significant direct and incremental transaction costs related to the recently completed merger with RSVAC. These transaction costs were first deferred and capitalized to the deferred transaction costs, non-current line item in the Consolidated Balance Sheet. After the completion of the Business Combination, these costs were reclassed to and recorded as a reduction of additional paid-in capital. Cash payments for the transaction costs related to the Business Combination and PIPE financing are classified in the Consolidated Statement of Cash Flows as a financing activity. See Note 3 "Business Combination" for more information.

Government Grant

In September 2020, the Company entered into a financial assistance agreement totaling $6.5 million with the Office of Energy Efficiency and Renewable Energy ("EERE"), an office within the U.S. Department of Energy. Under the agreement, the Company will perform research and development under a joint project with the EERE, and the EERE will reimbursee the Company for 49.8% of allowable project costs. The remaining 50.2% in costs would be incurred by the Company. The Company accounts for funds which are probable of being received in the same period in which the costs were incurred as an offset to the related expense (Research and development) or capitalized asset (Property and equipment, net). As of January 1, 2023 and January 2, 2022, the Company had a reimbursement receivable from the assistance agreement of $0.4 million and $0.3 million, which is included in prepaid expenses and other current assets on the Consolidated Balance Sheets.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740,*Income Taxes,* issued by FASB. Under the asset and liability method specified by ASC 740, deferred tax assets and liabilities are recognized for the future consequences of differences between the carrying amounts of existing assets and liabilities and their respective tax bases (temporary differences). Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are recovered or settled. Valuation allowances for deferred tax assets are established when it is more likely than not that some or all of the deferred tax assets will not be realized.

In addition, ASC 740 provides comprehensive guidance on the recognition and measurement of tax positions in previously filed tax returns or positions expected to be taken in future tax returns. The benefit from an uncertain tax position must meet a more-likely-than-not recognition threshold and is measured at the largest amount of benefit greater than 50% determined by cumulative probability of being realized upon ultimate settlement with the taxing authority. The Company's policy is to recognize interest and penalties expense, if any, related to uncertain tax positions as a component of income tax expense.

Stock-Based Compensation

The Company issues stock-based compensation to employees and non-employees in the form of stock options or restricted stock units ("RSUs") or performance restricted stock units ("PRSUs").

Restricted Stock Units

Starting in fiscal year 2021, the Company began to grant RSUs to its employees and non-employees and these RSUs generally have a service vesting condition overfour or five years. The Company uses its common stock price, which is the last reported sales price on the grant date to value its RSUs. Stock-based compensation expense is recognized using the straight-line attribution method. Forfeitures are recorded when they occur.

Performance Restricted Stock Units

Starting in fiscal year 2022, the Company began to grant PRSUs to certain employees with vesting conditions based on performance and service conditions overtwo years. The Company uses its common stock price, which is the last reported sales price on the grant date to value its PRSUs. The Company uses the graded vesting method to calculate the stock-based compensation expense. At each reporting period, the Company would recognize and adjust the stock-based

compensation expense based on its probability assessment in meeting its PRSUs' performance conditions. Forfeitures are recorded when they occur.

Employee Stock Purchase Plan

The Company began to offer the employee stock purchase plan ("ESPP") to its employees in fiscal year 2021. The Company uses the Black-Scholes valuation method to value the fair value of its ESPP shares and uses the graded vesting method to calculate the stock-based compensation expense.

Stock options

Generally, the stock options have a maximum contractual term up to 10 years. The fair value of stock options is based on the date of the grant using the Black-Scholes valuation method. The awards are accounted for by recognizing the fair value of the related award over the period during which services are provided in exchange for the award (referred to as the requisite service period, which typically equals the vesting period of the award). The vesting period is generally four or five years. No stock options have been issued with a market condition or other performance vesting condition. In accordance with ASU 2018-07 Compensation — Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting, the measurement of equity-classified non-employee awards is fixed at the grant date. Stock-based compensation expense is recognized using the straight-line attribution method. Forfeitures are recorded when they occur.

Fair Value of Common Stock and Stock Option

Prior to the completion of the Business Combination, the fair value of the Company's common stock underlying stock options was determined by the Company's board of directors. Given the absence of a public trading market, the board of directors considered numerous objective and subjective factors to determine the fair value of the Company's common stock at each board of directors meeting in which stock awards were approved. These factors included, but were not limited to: (i) contemporaneous third-party valuations of common stock; (ii) the rights, preferences, and privileges of convertible preferred stock relative to common stock; (iii) the lack of marketability of common stock; (iv) stage and development of the Company's business; (v) general economic conditions; and (vi) the likelihood of achieving a liquidity event, such as an initial public offering, or sale of the Company, given prevailing market conditions.

Based on the valuation reports from the third-party and the relevant factors as discussed above, the Company determined the fair value per share of the underlying common stock of the stock options.

The following assumptions are used in the Black-Scholes valuation model for the fair value of stock options per share.

- Expected Term — The expected term of the options represents the average period the share options are expected to remain outstanding. As the Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior, the expected term of options granted is derived from the average midpoint between the weighted average vesting and the contractual term, also known as the simplified method. The Company uses the simplified calculation of the expected life, which takes into consideration the grant's contractual life and vesting period and assumes that all options will be exercised between the vesting date and the contractual term of the option.
- Risk-Free Interest Rate — The risk-free interest rate is based on the yield of U.S. Treasury notes as of the grant date with terms commensurate with the expected term of the option.
- Dividend Yield — The expected dividends assumption is based on the Company's expectation of not paying dividends in the foreseeable future, as well as the Company did not pay any dividends in the past.
- Expected volatility — Prior to the Business Combination, Legacy Enovix was a private company and did not have any trading history for its ordinary shares, the expected volatility was based on the historical volatilities of the common stock of comparable publicly traded companies that Legacy Enovix selected with comparable characteristics, including enterprise value, risk profiles, position within the industry, and with historical share price information sufficient to meet the expected life of the Legacy Enovix's stock options.

Net Loss per Share of Common Stock

Basic net loss per share of common stock is calculated using the two-class method under which earnings are allocated to both common shares and participating securities. The Company considers participating securities including outstanding stock options, outstanding RSUs, estimated ESPP shares and convertible preferred stocks. Unvested early exercised stock options which are subject to repurchase by the Company are not considered participating securities as those shares do not have non-forfeitable rights to dividends or dividend equivalents. Net loss is attributed to common stockholders and participating securities based on their participation rights. Net loss is not allocated to the convertible preferred stock as the holders of the convertible preferred stock do not have a contractual obligation to share in any losses.

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Unvested early exercised stock options are not considered outstanding for purposes of the weighted average outstanding share calculation until they vest.

Diluted earnings per share ("EPS") attributable to common stockholders adjusts basic EPS for the potentially dilutive impact of the participating securities. As the Company reported losses for the periods presented, all potentially dilutive securities including convertible preferred stock, stock options and warrants, are generally antidilutive and accordingly, basic net loss per share equals diluted net loss per share, except when there were changes in fair value of the Private Placement Warrants recorded in earnings. With changes in fair value recorded in earnings, an adjustment would be made to both the diluted EPS numerator and denominator to eliminate such effects.

Recently Adopted Accounting Pronouncements

Effective January 3, 2022, the Company adopted ASU No. 2016-13,*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changed the impairment model for most financial assets and certain other instruments. The Company adopted ASU 2016-13 using a modified retrospective transition method, which required a cumulative-effect adjustment to the opening balance of retained earnings to be recognized on the date of adoption with prior periods not restated. The adoption of this ASU 2016-13 did not have a material impact on its consolidated financial statements. See "Credit Losses" above for a description of the Company's credit losses accounting policy.

Note 3. Business Combination

As described in Note 1, on July 14, 2021, Legacy Enovix, RSVAC, and Merger Sub, consummated the closing of the transactions contemplated by the Merger Agreement, following the approval at the Special Meeting held on July 12, 2021. Immediately prior to the Business Combination all shares of Legacy Enovix outstanding convertible preferred stock were converted into an equivalent number of shares of Legacy Enovix common stock.

At the Business Combination, eligible Legacy Enovix equity holders received or have the right to receive shares of Enovix common stock ("Common Stock"), with par value $0.0001 per share, at a deemed value of $10.00 per share after giving effect to the exchange ratio of approximately0.1846 as defined in the Merger Agreement ("Exchange Ratio"). Accordingly, immediately following the consummation of the Business Combination, Legacy Enovix common stock was exchanged into 103,995,643 shares of Common Stock, 5,547,327 shares were reserved for the issuance of Common Stock upon the potential future exercise of Legacy Enovix's stock options that were exchanged into Enovix's stock options.

Upon the closing of the Business Combination, the Company's certificate of incorporation was amended and restated to, among other things, increase the total number of authorized shares of Common Stock to 1,000,000,000 shares, $0.0001 par value per share and designate 10,000,000 shares as Preferred Stock.

In connection with the execution of the Merger Agreement, RSVAC entered into separate subscription agreements (each a "Subscription Agreement") with a number of investors (each a "New PIPE Investor"), pursuant to which the New PIPE Investors agreed to purchase, and RSVAC agreed to sell to the New PIPE Investors, an aggregate of 12,500,000 shares of Common Stock ("PIPE Shares"), for a purchase price of $14.00 per share and an aggregate purchase price of

$175.0 million, in a private placement pursuant to the subscription agreements ("PIPE Financing"). The PIPE Financing closed simultaneously with the consummation of the Business Combination.

The following table shows the number of shares of Common Stock issued immediately following the consummation of the Business Combination.

RSVAC common stock shares outstanding prior to the Business Combination	28,750,000
Less redemption of RSVAC common stock shares	(15)
RSVAC common stock shares	28,749,985
PIPE Shares issued	12,500,000
RSVAC common stock shares and PIPE Shares	41,249,985
Legacy Enovix common shares [(1)]	103,995,643
Total shares of Common Stock immediately after the Business Combination	145,245,628

(1) The number of Legacy Enovix common shares was determined from the 563,316,738 shares of Legacy Enovix common stock outstanding immediately prior to the closing of the Business Combination converted at the exchange ratio of approximately 0.1846. All fractional shares were rounded.

The Business Combination was accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, RSVAC was treated as the "acquired" company and Legacy Enovix is treated as the acquirer for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Enovix issuing stock for the net assets of RSVAC, accompanied by a recapitalization. The net assets of RSVAC were stated at historical cost, with no goodwill or other intangible assets recorded.

In connection with the Business Combination in July 2021, the Company assumed $73.4 million of net liabilities from RSVAC. The following table shows the net cash proceeds from the Business Combination (in thousands).

	Recapitalization
Cash - RSVAC Trust and cash, net of redemptions	$ 230,155
Cash - PIPE Financing	175,000
Less: transaction costs and PIPE financing fees	(31,410)
Net cash contributions from Business Combination	$ 373,745

Note 4. Fair Value Measurement

The fair value of the Company's financial assets and liabilities are determined in accordance with the fair value hierarchy established in ASC 820 *Fair Value Measurements,* issued by the Financial Accounting Standards Board. The fair value hierarchy of ASC 820 requires an entity to maximize the use of observable inputs when measuring fair value and classifies those inputs into three levels:

Level 1:	Observable inputs, such as quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
Level 2:	Observable inputs, other than Level 1 prices, such as quoted prices in active markets for similar assets and liabilities, quoted prices 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 that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and the warrant liabilities. Cash and cash equivalents are reported at their respective fair values on the Company's Consolidated Balance Sheets.

Cash and cash equivalents are reported at their respective fair values on the Consolidated Balance Sheets. Where quoted prices are available in an active market, securities are classified as Level 1. The Company classifies money market funds as Level 1. When quoted market prices are not available for the specific security, then the Company estimates fair value by using quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs obtained from various third-party data providers, including but not limited to benchmark yields, reported trades and broker/dealer quotes. Where applicable the market approach utilizes prices and information from market transactions for similar or identical assets. The Company will classify commercial paper, corporate debt securities and asset-backed securities as Level 2. As of January 1, 2023 and January 2, 2022, the Company did not have short-term and long-term investments that are classified available-for-sale. As of January 1, 2023 and January 2, 2022, the Company had cash and cash equivalents of $322.9 million and $385.3 million, respectively.

The following table details the fair value measurements of assets and liabilities that were measured at fair value on a recurring basis based on the following three-tiered fair value hierarchy per ASC 820, *Fair Value Measurement*, as of January 1, 2023 and January 2, 2022 (in thousands).

	Fair Value Measurement using			
	Level 1	Level 2	Level 3	Total Fair Value
As of January 1, 2023				
Assets:				
Money Market Funds	$ 319,946	$ —	$ —	$ 319,946
Liabilities:				
Private Placement Warrants	$ —	$ —	$ 49,080	$ 49,080
As of January 2, 2022				
Liabilities:				
Private Placement Warrants	$ —	$ —	$ 124,260	$ 124,260

The Company’s liabilities are measured at fair value on a non-recurring basis, including 6,000,000 shares of the Private Placement Warrants that were assumed from the Business Combination and were held by Rodgers Capital, LLC (the “Sponsor”) and certain of its members. The fair value of the Private Placement Warrants is considered a Level 3 valuation and is determined using the Black-Scholes valuation model. The key assumptions impacting the fair value of the Private Placement Warrants are the fair value of the Company’s common stock as of each re-measurement date, the remaining contractual terms of the Private Placement Warrants, risk-free rate of return and expected volatility which is based on the historical and implied volatility of the Company and the volatility of the Company’s peer group.

As of January 1, 2023, the fair value of the Private Placement Warrants was $8.18 per share with an exercise price of $11.50 per share. The following table summarizes the changes for Level 3 items measured at fair value on a recurring basis using significant unobservable inputs (in thousands).

	Private Placement Warrants	Convertible Preferred Stock Warrants
Fair value as of December 31, 2020	$ —	$ 15,995
Acquired from the Business Combination	72,900	—
Settlements	—	(20,776)
Change in fair value	51,360	4,781
Fair value as of January 2, 2022	124,260	—
Change in fair value	(75,180)	—
Fair value as of January 1, 2023	$ 49,080	$ —

The following table summarizes the key assumptions used for determining the fair value of convertible preferred stock warrants and common stock warrants.

	Private Placement Warrants Outstanding as of January 1, 2023	Private Placement Warrants Outstanding as of January 2, 2022	Private Placement Warrants Acquired on July 14, 2021	Convertible Preferred Stock Warrants Exercised on February 22, 2021
Expected term (in years)	3.5	4.5	5.0	2.5 - 4.1
Expected volatility	92.5%	77.5%	50.0%	75.0%
Risk-free interest rate	4.2%	1.2%	0.8%	0.2% - 0.4%
Expected dividend rate	0.0%	0.0%	—%	0.0%

Note 5. Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Property and equipment consists of the following categories (in thousands).

	January 1, 2023	January 2, 2022
Machinery and equipment	$ 55,694	$ 6,636
Office equipment and software	1,586	918
Furniture and fixtures	771	639
Leasehold improvements	24,565	1,878
Construction in process	33,268	71,133
Total property and equipment	115,884	81,204
Less: accumulated depreciation	(12,016)	(4,591)
Property and equipment, net	$ 103,868	$ 76,613

In the second quarter of 2022, the Company placed its leasehold improvement and machinery and equipment into service for the Company's first production line and transferred the amount that was previously capitalized as construction in process into the machinery and equipment category. The Company began its depreciation using the straight-line method on the date that machinery and equipment and leasehold improvement were placed into service. As of January 1, 2023, the Company’s second production line was not yet placed into service as it remains under construction.

The following table summarizes the depreciation and amortization expenses related to property and equipment, which were recorded within cost of revenue, research and development expense and selling, general and administrative expense in the Consolidated Statements of Operations and Comprehensive Loss (in thousands).

	Fiscal Years		
	2022	2021	2020
Depreciation expense	$ 7,425	$ 995	$ 579

Equipment Impairment

In the fourth quarter of 2022, the Company ceased to construct certain automation for a small portion of the Company's equipment and recorded an impairment loss of $4.9 million in the Consolidated Statement of Operations and Comprehensive Loss, which was previously capitalized as "construction in process" category of property and equipment, net on the Consolidated Balance Sheets. No impairment loss was recorded for the fiscal years 2021 and 2020.

Note 6. Inventory

Inventory consists of the following components (in thousands).

	January 1, 2023
Raw materials	$ 481
Work-in-process	106
Finished goods	47
Total inventory	$ 634

Note 7. Leases

The Company leases its headquarters, engineering and manufacturing space in Fremont, California under a single non-cancelable operating lease, right of use asset with an expiration date of August 31, 2030. In March 2021, the Company entered into a new agreement to lease office space in Fremont, California under a non-cancelable operating lease that expires in April 2026 with an option to extend for 5 years.

The following table summarizes the components of lease costs (in thousands).

	Fiscal Years	
	2022	2021
Operating lease cost	$ 1,682	$ 1,535

The following table shows supplemental lease information.

	As of	
Operating leases	**January 1, 2023**	**January 2, 2022**
Weighted-average remaining lease term	7.7 years	8.7 years
Weighted-average discount rate	6.8%	6.8%

The following table shows supplemental cash flow information related to leases (in thousands).

	Fiscal Years	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 1,366	$ 1,418
Lease liabilities arising from obtaining ROU assets:		
Operating leases	$ —	$ 8,763

Maturities of Lease Liabilities

The following is a schedule of maturities of lease liabilities as of January 1, 2023 (in thousands).

	Operating lease
2023	$ 1,406
2024	1,449
2025	1,492
2026	1,491
2027	1,513
Thereafter	4,262
Total	11,613
Less: imputed interest	(2,756)
Present value of lease liabilities	$ 8,857

Prior Year Lease Disclosure under ASC 840

Under the legacy accounting guidance ASC 840, rent expense for the year ended December 31, 2020 was $1.4 million.

Note 8. Accrued Expenses

Accrued expenses consists of the following components (in thousands).

	As of	
	January 1, 2023	January 2, 2022
Accrued expenses	$ 4,550	$ 6,668
Accrued duty and taxes	2,539	441
Accrued expenses	$ 7,089	$ 7,109

Note 9. Debt

Secured Promissory Note

On May 24, 2021, the Company issued to a member of the board of directors a secured promissory note (the "Secured Promissory Note") with an aggregate principal balance of $15.0 million, which was funded at that time. The Secured Promissory Note bore interest at a rate of 7.5% per annum, payable monthly and on the maturity date. All unpaid interest and principal were due and payable upon request by the holders on or after the earlier of (i) the closing of the Merger Agreement and (ii) October 25, 2021. The Company granted a security interest in all of the Company's personal property, then existing or thereafter arising, including all accounts, inventory, equipment, general intangibles, financial assets, investment property, securities, deposit accounts, and the proceeds thereof, but which did not include the intellectual property.

On July 14, 2021, the Company repaid all amounts outstanding under the Secured Promissory Note, which totaled $15.2 million in principal and interest. In the connection with the note repayment, the Company incurred $0.1 million of loss on early debt extinguishment related to the write-off of unamortized debt issuance costs in the fourth quarter of 2021. The Company paid $0.2 million of interest for the fiscal year 2021. As of January 1, 2023 and January 2, 2022, the Company had no outstanding debt.

2020 Paycheck Protection Program Loan

In April 2020, the Company entered into a loan agreement with the Small Business Administration ("SBA") pursuant to the Paycheck Protection Program Loan (the "PPP Loan") established under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The Company received loan proceeds of $ 1.6 million. During 2020, the Company used all PPP Loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and was approved for loan forgiveness prior to December 31, 2020. As the entirety of the PPP Loan was forgiven in 2020, the outstanding obligation was extinguished and a gain on extinguishment was recognized in other income in the Consolidated Statement of Operations and Comprehensive Loss for the fiscal year 2020.

2019 Convertible Promissory Notes

On December 13, 2019, the Company issued, to existing shareholders which included members of the board of directors and members of management, convertible promissory notes with an aggregate original principal balance of $5.7 million, an interest rate of 6% per annum compounded annually, and a maturity date of December 13, 2020. The Company elected to measure the convertible promissory notes at fair value in accordance with the fair value option. As such, the promissory notes were initially recognized at fair value (i.e., the principal amount) with any changes in fair value recognized in other income, net.

On March 25, 2020, all outstanding principal and accrued interest of $0.1 million were converted into 19,001,815 shares of Series P-2 preferred stock at a conversion price equal to the cash price paid per shares and a 30% discount. Upon conversion, the Company recorded a change in the fair value of the promissory notes of $2.4 million, which is included in other income (expense) in the Consolidated Statement of Operations and Comprehensive Loss for the fiscal year 2020. As of January 1, 2023 and January 2, 2022, the Company had no outstanding convertible promissory notes.

Note 10. Commitments and Contingencies

Purchase Commitments

As of January 1, 2023 and January 2, 2022, the Company's commitments included approximately $22.7 million and $17.4 million, respectively, of the Company's open purchase orders and contractual obligations that occurred in the ordinary course of business, including commitments with contract manufacturers and suppliers for which the Company has not received the goods or services, commitments for capital expenditures and construction-related activities for which the Company has not received the services. Although open purchase orders are considered enforceable and legally binding, the terms generally allow the Company the option to cancel, reschedule, and adjust its requirements based on its business needs prior to the delivery of goods or performance of services. For lease obligations, please refer to Note 7 "Leases" for more details.

Litigation

Michael Costello v. Rodgers Silicon Valley Acquisition Corp., et al., 21-CV-01536, Superior Court of California, San Mateo County

On March 22, 2021, Michael Costello filed a complaint in the Superior Court of California, San Mateo County, against RSVAC and RSVAC's board of directors. The plaintiff alleges, among other things, that the RSVAC directors breached their fiduciary duties in connection with the terms of a proposed transaction, and that the disclosures in RSVAC's registration statement regarding the proposed transaction were materially deficient. The plaintiff sought, among other things, unspecified monetary damages, attorney's fees and costs and injunctive relief, including enjoining the Business Combination. The case was voluntarily dismissed on August 24, 2021.

Derek Boxhorn v. Rodgers Silicon Valley Acquisition Corp., et al., 1:21-cv-02900 (SDNY)

On April 5, 2021, Derek Boxhorn filed a complaint in the United States District Court for the Southern District of New York against RSVAC and RSVAC's board of directors. The plaintiff alleged, among other things, that the defendants violated Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, and that the individual defendants breached their fiduciary duties, in connection with the terms of the Business Combination, and that RSVAC's registration statement contained materially incomplete and misleading information regarding the Business Combination. The plaintiff sought, among other things, unspecified monetary damages, attorney's fees and costs and injunctive relief, including enjoining the Business Combination. The case was voluntarily dismissed on October 19, 2021. After the dismissal and on December 3, 2021, the plaintiff filed a motion for attorneys' fees and costs. On August 23, 2022, the court denied the plaintiff's motion for attorney's fees and the case is closed.

Sopheap Prak et al. v. Enovix Corporation et al., 22CV005846, Superior Court of California, Alameda County

On January 21, 2022, two former machine operator employees filed a putative wage and hour class action lawsuit against Enovix and co-defendant Legendary Staffing, Inc. in the Superior Court of California, County of Alameda. The case is captioned *Sopheak Prak & Ricardo Pimentel v Enovix Corporation and Legendary Staffing, Inc*., 22CV005846. The Prak complaint alleges, among other things, on a putative class-wide basis, that the defendants failed to pay all overtime wages and committed meal period, rest period and wage statement violations under the California Labor Code and applicable Wage Orders. The plaintiffs are seeking unpaid wages, statutory penalties and interest and reasonable costs and attorney fees. In September 2022, the Company began the mediation process. Based on the current knowledge of the legal proceeding, an estimate of possible loss liability has been recorded on the Consolidated Balance Sheet as of January 1, 2023.

From time to time, the Company may become involved in various legal proceedings arising in the ordinary course of its business. The Company is not currently a party to any other potentially material legal proceedings, and the Company is not aware of any pending or threatened legal proceeding against the Company that the Company believes could have a material adverse effect on the Company's business, operating results or financial condition. As of January 1, 2023, the Company established an accrued liability on the Consolidated Balance Sheet and recorded a corresponding amount as an operating expense on its Consolidated Statement of Operations and Comprehensive Loss. The Company continues to monitor the development of its legal proceedings that could affect its previously established accrued liability and require an adjustment to it.

Guarantees and Indemnifications

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future but have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

The Company also has indemnification obligations to its officers and directors for specified events or occurrences, subject to some limits, while they are serving at the Company's request in such capacities. There have been no claims to date and the Company has director and officer insurance that may enable the Company to recover a portion of any amounts paid for future potential claims. The Company believes the fair value of these indemnification agreements is minimal. Accordingly, the Company has not recorded any liabilities relating to these obligations for the period presented.

Note 11. Common Stock and Convertible Preferred Stock

Common Stock

As of January 1, 2023 and January 2, 2022, the Company had authorized 1,000,000,000 shares of common stock, par value $0.0001 and issued and outstanding of 157,461,802 and 152,272,287, respectively. Each holder of a share of common stock is entitled to one vote for each share held and is entitled to receive dividends whenever funds are legally available and when declared by the board of directors, subject to preferential rights of holders of other classes of stock outstanding. Such dividends shall be payable only when, as and if declared by the board of directors and shall be non-cumulative.

Convertible Preferred Stock

As of January 1, 2023 and January 2, 2022, the Company had authorized 10,000,000 shares of convertible preferred stock, par value $0.0001 and there was no share issued and outstanding for both periods.

Legacy Enovix Convertible Preferred Stock

Prior to the Business Combination, Legacy Enovix had designated eight outstanding series of convertible preferred stock ("Series A", "Series B", "Series C", "Series D", "Series E", "Series E-2", "Series F", and "Series P-2", collectively the "convertible preferred stock"). The following table shows details related to Legacy Enovix's convertible preferred shares, as of December 31, 2020, prior to the Business Combination.

Series	Authorized	Issued and Outstanding	Carrying Value	Aggregate Liquidation Preference
Series A	705,000	705,000	$ 226	$ 235
Series B	66,300	66,300	50	50
Series C	181,844	—	—	—
Series D	58,016,741	47,855,805	84,927	85,100
Series E	4,862,376	4,862,376	4,783	4,862
Series E-2	18,035,000	18,035,000	17,063	18,035
Series F	82,233,867	82,233,867	22,872	23,437
Series P-2	170,612,076	170,612,076	72,135	73,653
Total Legacy Enovix convertible preferred stock	334,713,204	324,370,424	$ 202,056	$ 205,372

Upon the closing of the Business Combination, the holders of Legacy Enovix's Series F convertible preferred stock received an additional 19,728,123 shares of Legacy Enovix Series F convertible preferred stock pursuant to the automatic conversion provision of Legacy Enovix's certificate of incorporation, as amended and as in effect at the closing. The net effect of these additional shares had no impact to the additional paid in capital as part of the Business Combination. Immediately prior to the closing of the Business Combination, all outstanding Legacy Enovix's convertible preferred stock was converted into Legacy Enovix common stock and recapitalized into Common Stock using the applicable Exchange Ratio at close. As of January 1, 2023 and January 2, 2022, there was no convertible preferred stock outstanding.

For the year ended December 31, 2020, the Company issued 151,610,261 shares of Legacy Enovix Series P-2 convertible preferred stock for cash at a purchase price of $0.43 per share. The Series P-2 issuance resulted in $63.9 million cash proceeds, net of $1.5 million of issuance costs. In conjunction with the Series P-2 issuance, the convertible promissory notes converted to 19,001,815 shares of Series P-2. See Note 9 "Debt" for additional information.

The conversion, liquidation preference, dividend, voting terms of the convertible preferred stock Series A, Series B, Series C, Series D, Series E, Series E-2, Series F, and Series P-2, as of December 31, 2020 are discussed below.

Conversion

Any shares of convertible preferred stock may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of common stock. The number of shares of common stock to which a holder of convertible preferred stock shall be entitled upon conversion shall be the product obtained by multiplying the Series Preferred Conversion Rate (defined below) then in effect for such series by the number of shares of Series Preferred being converted.

The conversion rate in effect at any time for conversion of any series of Series Preferred (the "Series Preferred Conversion Rate") shall be the quotient obtained by dividing the original issue price of such series of convertible preferred stock by the applicable Series Preferred Conversion Price (define below).

The Series Preferred Conversion Price for Series A initially was $0.3333, Series B initially was $0.7541, Series C was $1.0829, Series D was $1.6411, Series E was $1.00, Series E-2 was $1.00, Series F was $0.2850, and Series P-2 was $0.4317.

Dividends

Holders of convertible preferred stock, in preference to the holders of the common stock, shall be entitled to receive, when, as and if declared by the board of directors, but only out of funds that are legally available therefor, cash dividends at the rate of 8% of the original series share issue price per annum on each outstanding share of convertible preferred stock, respectively. Such dividends shall be payable only when, as and if declared by the board of directors and shall be non-cumulative. As of January 1, 2023 and January 2, 2022, the Company did not declare any dividends.

Note 12. Warrants

Legacy Enovix Series D Convertible Preferred Stock Warrants

On February 22, 2021, in a transaction separate from the Merger Agreement, the then outstanding Legacy Enovix Series D convertible preferred stock warrants were exercised at $0.01 per share, resulting in the issuance of 10,160,936 shares of Legacy Enovix Series D convertible preferred stock to the holders of such warrants, for a total of $0.1 million. As of January 1, 2023 and January 2, 2022, there were no convertible preferred stock warrants outstanding.

Common Stock Warrants

In connection with the Business Combination in July 2021, the Company assumed 17,500,000 Common Stock Warrants outstanding, which consisted of 11,500,000 warrants held by third-party investors (the "Public Warrants") and 6,000,000 Private Placement Warrants. The Public Warrants met the criteria for equity classification and the Private Placement Warrants are classified as liability.

Public Warrants

On December 7, 2021, the Company delivered the notice of redemption to the holders of the outstanding Public Warrants to redeem all of its outstanding Public Warrants. The holders of the Public Warrants had until January 7, 2022 to exercise their Public Warrants. Any public warrants that remained unexercised after 5:00 pm, New York City Time, on January 7, 2022 were voided and were no longer exercisable, and the holders of the Public Warrants would be entitled to receive $0.01 per warrant.

The following table shows the Public Warrant activity for the fiscal year 2021.

Public Warrants	Number of Warrants	Weighted Average Exercise Price
Balances as of January 1, 2021	—	$ —
Assumed through the Business Combination	11,499,991	11.50
Exercised	(7,177,885)	11.50
Balances as of January 2, 2022	4,322,106	$ 11.50

For the fiscal year 2021, 7,177,885 Public Warrants were exercised with the gross proceeds of $82.5 million, of which the Company received payments of $77.2 million and the remaining $5.3 million of other receivable was included in prepaid and other current assets on the Consolidated Balance Sheet as of January 2, 2022.

During the period from January 3, 2022 through January 7, 2022, there were 4,126,466 shares of the Public Warrants exercised with gross proceeds of $47.5 million. As of January 7, 2022 after 5:00 pm New York City time, the remaining 195,640 shares of the Public Warrants were unexercised, which then were voided and were no longer exercisable. Pursuant to the warrant agreement, the holders of the Public Warrants were entitled to receive $0.01 per warrant from the Company. In addition, the Public Warrants were delisted and were no longer available for trading in The Nasdaq Global Select Market on January 7, 2022 after close of market.

On January 19, 2022, the Company received net proceeds of $52.8 million from the warrant exercises, which included the $5.3 million of other receivable in Prepaid and other current assets on the Consolidated Balance Sheet as of January 2, 2022. As of January 1, 2023, there were no Public Warrants outstanding.

Private Placement Warrants

The 6,000,000 Private Placement Warrants were originally issued in a private placement to the initial stockholder of the Sponsor in connection with the initial public offering of RSVAC. Each whole Private Placement Warrant became exercisable for one whole share of the Company's common stock at a price of $11.50 per share on December 5, 2021. As of January 1, 2023, the Company had 6,000,000 Private Placement Warrants outstanding. See Note 4 “Fair Value Measurement” for more information.

The Private Placement Warrants are identical to the Public Warrants underlying the units except that such Private Placement Warrants will be exercisable on a cashless basis, at the holder’s option, and will not be redeemable by the Company, in each case so long as they are still held by the initial purchasers or their affiliates. The Private Placement Warrants purchased by the Sponsor will not be exercisable more than five years from the effective date of the RSVAC IPO registration statement, in accordance with FINRA Rule 5110(f)(2)(G)(i), as long as Rodgers Capital, LLC or any of its related persons beneficially own these Private Placement Warrants. On September 8, 2021, the Sponsor made an in-kind distribution of the Private Placement Warrants to certain members of Rodgers Capital LLC.

As of January 1, 2023, the remaining contractual term for the outstanding Private Placement Warrants to purchase the Company’s common stock is approximately3.5 years.

Note 13. Net Loss per Share

The Company computes net earnings per share (“EPS”) of common stock using the two-class method. Basic EPS is computed using net income (loss) divided by the weighted-average number of common stock shares outstanding. Diluted EPS is computed using net income (loss) with an adjustment of changes in fair value of the Private Placement Warrants recorded in earnings divided by the total of weighted-average number of common stock shares outstanding and any dilutive potential common stock shares outstanding. Dilutive potential common stock shares included the assumed stock options exercises, vesting and issuance activities of restricted stock units and estimated common stock issuance under the employee stock purchase plan.

In connection with the Business Combination, shares of the Company’s common stock and all potentially dilutive securities for the prior periods were retroactively adjusted based on the exchange ratio established in the Business Combination. Please refer to Note 3 “Business Combination” for more information.

The following table shows the computation of the Company’s basic and diluted net EPS of common stock for the periods presented below (in thousands, except share and per share amount).

	Fiscal Years		
	2022	2021	2020
Numerator:			
Net loss attributable to common stockholders - basic	$ (51,622)	$ (125,874)	$ (39,650)
Decrease in fair value of Private Placement Warrants	(75,180)	—	—
Net loss attributable to common stockholders - diluted	$ (126,802)	$ (125,874)	$ (39,650)
Denominator:			
Weighted-average shares outstanding used in computing net loss per share of common stock, basic	152,918,287	117,218,893	80,367,324
Dilutive effect of Private Placement Warrants	1,231,080	—	—
Weighted-average shares outstanding used in computing net loss per share of common stock, diluted	154,149,367	117,218,893	80,367,324
Net loss per share of common stock:			
Basic	$ (0.34)	$ (1.07)	$ (0.49)
Diluted	$ (0.82)	$ (1.07)	$ (0.49)

As the Company reported net loss for the periods presented above, these potentially dilutive securities were anti-dilutive and were excluded in the computation of diluted net loss per share. The following table discloses shares of the securities that were not included in the diluted EPS calculation above because they were anti-dilutive for the periods presented above.

	Fiscal Years		
	2022	2021	2020
Stock options outstanding	5,034,282	5,753,005	1,428,980
Restricted stock units and performance restricted stock units outstanding	7,371,158	535,449	—
Private Placement Warrants outstanding	—	6,000,000	—
Public Warrants outstanding	—	4,322,106	—
Employee stock purchase plan estimated shares	349,988	47,379	—

Note 14. Stock-based Compensation

Equity Incentive Plans

As of January 1, 2023, the Company's equity compensation plans include the 2021 Equity Incentive Plan (the “2021 Plan”) and 2021 Employee Stock Purchase Plan (the “2021 ESPP”).

2021 Equity Incentive Plan

The 2021 Plan was approved by the Company's stockholders in July 2021. The 2021 Plan is intended as the successor to and continuation of the 2016 Equity Incentive Plan (the “2016 Plan”). Under the 2021 Plan, employees, directors and consultants of the Company (“Participants”), are eligible for grants of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock awards, restricted stock units (“RSUs”), and performance restricted stock units (“PRSUs”), collectively referred to as “Stock Awards”. Incentive stock and non-statutory stock options are collectively referred to as “Option(s).”

Under the 2021 Plan, 16,850,000 shares of common stock were reserved for future issuance. The number of shares reserved for issuance under the 2021 Plan will automatically increase on January 1st each year, starting on January 1, 2022 and continuing through January 1, 2031, by the lesser of (a) 4% of the total number of shares of the Company's common stock outstanding on December 31st of the immediately preceding fiscal year or (b) a lesser number determined by the Company's board of directors prior to the applicable January 1st.

2016 Equity Incentive Plan

The 2016 Plan was terminated when 2021 Plan became effective in July 2021. The 2016 Plan was originally adopted by its board of directors on April 6, 2016 and was most recently amended by its board of directors on December 17, 2020. The 2016 Plan is intended as the successor to and continuation of the Company's 2006 Equity Incentive Plan.

2021 Employee Stock Purchase Plan

The 2021 ESPP was adopted by the Company's board of directors in June 2021 and approved by the Company's stockholders in July 2021. Under the 2021 ESPP, 5,625,000 shares of common stock were reserved for future issuance. The number of shares reserved for issuance under the 2021 ESPP will automatically increase on January 1st each year, starting on January 1, 2022 and continuing through January 1, 2031, by the lesser of (a) 1% of the total number of shares of the Company's common stock outstanding on December 31st of the preceding calendar year, (b) 2,000,000 shares of the Registrant's common stock or (c) a lesser number determined by the Company's board of directors.

The 2021 ESPP allows eligible employees to purchase shares of the Company's common stock at a 15% discount through periodic payroll deductions of up to 15% of base compensation, subject to individual purchase limits in any single purchase date or in one calendar year. The 2021 ESPP provides 18-month offering periods with three 6-month purchase periods. A new 18-month offering period will commence every six months thereafter. The purchase price for the Company's common stock under the ESPP is 85% of the lower of the fair market value of the shares at (1) on the offering period or (2) on the purchase date.

Common stock

The following table shows the shares of common stock that had been reserved for future issuance as of January 1, 2023.

Exercise of outstanding common stock options	5,034,282
Options, RSUs and PRSUs available for future grants	22,972,236
Outstanding RSUs and PRSUs for future vesting	7,371,158
Common stock employee purchase plan available for future offerings	8,493,050
	43,870,726

Stock-Based Compensation

The Company generally issues equity awards to employees and non-employees in the form of stock options and RSUs. Additionally, the Company also offers the 2021 ESPP to its eligible employees. In the second quarter of 2022, the Company began to grant PRSUs subject to performance and service vesting conditions. The Company uses Black-Scholes option pricing model to value its stock options granted and the estimated shares to be purchased under the ESPP. For both RSUs and PRSUs, the Company uses its common stock price, which is the last reported sales price on the grant date to value those securities.

In general, the Company recognizes its stock-based compensation expense on a straight-line basis over the requisite service period and records forfeitures as they occur. For PRSUs, the Company uses the graded vesting method to calculate the stock-based compensation expense. At each reporting period, the Company would recognize and adjust the stock-based compensation expense based on its probability assessment in meeting its PRSUs' performance conditions.

The following table summarizes the total stock-based compensation expense, by operating expense category, recognized in the Consolidated Statements of Operations and Comprehensive Loss for the periods presented below (in thousands).

	Fiscal Years		
	2022	2021	2020
Cost of revenue	$ 2,071	$ 274	$ 102
Research and development	12,720	6,175	485
Selling, general and administrative	15,576	4,262	79
Total stock-based compensation expense	$ 30,367	$ 10,711	$ 666

For the fiscal year 2022, the Company capitalized $1.8 million of stock-based compensation as property and equipment, net in the Consolidated Balance Sheet. For the fiscal year 2021, the Company capitalized an immaterial amount of stock-based compensation as deferred contract costs, inventory and property and equipment, net in the Consolidated Balance Sheet. There was no recognized tax benefit related to stock-based compensation for the periods presented. In addition, the Company accrued $1.5 million of bonus to be settled in equity awards as accrued compensation on the Consolidated Balance Sheet as of January 1, 2023.

As of January 1, 2023, there was approximately $104.1 million of total unrecognized stock-based compensation expense related to unvested equity awards, which are expected to be recognized over a weighted-average period of 3.8 years. As of January 1, 2023, there was approximately $1.1 million of total unrecognized stock-based compensation related to the 2021 ESPP, which is expected to be recognized over the remaining period of 1.4 years.

Stock Option Activity

Options granted under the 2021 Plan and the 2016 Plan to employees generally have a service vesting condition overfour or five years. Other vesting terms are permitted and are determined by the Company's board of directors. Options have a term of no more than ten years from the date of grant and vested options are generally cancelledthree months after termination of employment if unexercised.

The following table summarizes stock option activities for the fiscal year January 1, 2023 (in thousands, except share and per share amount).

	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value [1] [2]
Balances as of January 2, 2022	5,753,005	$ 8.88		
Granted	56,190	14.56		
Exercised	(381,497)	6.24		$ 4,258
Forfeited	(393,416)	9.79		
Balances as of January 1, 2023	5,034,282	$ 9.07	8.2	$ 18,486
Vested and expected to vest at January 1, 2023	7,959,820	$ 5.76	8.1	$ 54,695
Vested and exercisable at January 1, 2023	1,616,203	$ 8.32	8.0	$ 7,206
Unvested and exercisable at January 1, 2023	3,197,163	$ 8.92	8.3	$ 11,249

[1] The intrinsic value of options exercised is based upon the value of the Company's stock at exercise.

[2] The aggregate intrinsic value of the stock options outstanding as of January 1, 2023 represents the value of the Company's closing stock price at $ 12.44 on January 1, 2023 in excess of the exercise price multiplied by the number of options outstanding.

The Company uses the Black-Scholes option-pricing model to determine the grant date fair value of stock options with the following assumptions for the fiscal years 2022, 2021 and 2020.

	Fiscal Years		
	2022	2021	2020
Risk-free interest rate	2.1% - 4.2%	0.5% - 1.3%	0.5 %
Expected term (years)	5.0 - 6.0	5.0 - 6.9	6.0
Dividend yield	— %	— %	— %
Expected volatility	67.6% - 70.1%	48.1% - 49.8%	37.8 %

The estimated weighted-average grant date fair value of stock options granted to employees during the fiscal years 2022, 2021 and 2020 were $8.84, $4.43 and $0.59 per share, respectively. The fair value of stock options that vested during the fiscal years 2022, 2021 and 2020 were $12.4 million, $6.6 million and $0.3 million, respectively.

Early Exercise of Options

The terms of the 2016 Plan and the 2021 Plan permit the exercise of options granted prior to vesting, subject to required approvals. The unvested shares are subject to the Company's repurchase right, upon termination of employment, at the lower of (i) the fair market value of the shares of common stock on the date of repurchase or (ii) their original exercise price. The repurchase right lapses 90 days after the termination of the employee's employment. Shares purchased by employees pursuant to the early exercise of stock options are not deemed, for accounting purposes, to be issued until those shares vest according to their respective vesting schedules. Cash received for early exercised stock options is recorded as other current and non-current liabilities on the Consolidated Balance Sheets and is reclassified to common stock and additional paid in capital as such shares vest.

Unvested early exercised stock options which are subject to repurchase by the Company are not considered participating securities as those shares do not have non-forfeitable rights to dividends or dividend equivalents. Unvested early exercised stock options are not considered outstanding for purposes of the weighted average outstanding share calculation until they vest.

As of January 1, 2023 and January 2, 2022,2,925,538 and 5,086,572 shares, respectively, remained subject to the Company's right of repurchase as a result of early exercised stock options. The remaining liability related to early exercised shares as of January 1, 2023 and January 2, 2022 were $0.2 million and $0.3 million, respectively. The early exercised stock options liability was recorded in other current and non-current liabilities in the Consolidated Balance Sheets.

Restricted Stock Unit and Performance Restricted Stock Unit Activities

Since September 2021, the Company primarily grants RSUs to its employees and non-employee directors. The Company generally grants RSUs with service vesting condition over four or five years. In addition, in the fiscal year 2022, the Company began to grant PRSUs to certain employees with both performance and service vesting conditions over two years. Each RSU or PRSU is not considered issued and outstanding and does not have voting rights until it is converted intoone share of the Company's common stock upon vesting.

The following table summarizes RSUs and PRSUs activities for the fiscal year January 1, 2023 (in thousands, except share and per share amount).

	RSUs		PRSUs	
	Number of Shares Outstanding	Weighted Average Grant Date Fair Value	Number of Shares Outstanding	Weighted Average Grant Date Fair Value
Issued and unvested shares balances as of January 2, 2022	535,449	$ 23.38	—	$ —
Granted	6,497,482	13.65	1,500,845	13.41
Vested	(669,918)	15.40	—	—
Forfeited	(452,916)	16.64	(39,784)	13.41
Issued and unvested shares outstanding as of January 1, 2023	5,910,097	$ 14.11	1,461,061	$ 13.41

The total fair value of RSUs vested during the fiscal years 2022 and 2021 were $10.3 million and $1.8 million, respectively.

During fiscal year 2022, the Company began to withhold shares with value equivalent to the employees' obligation for the applicable income and other employment taxes and remitted the cash to the appropriate taxing authorities. The number of shares withheld was determined by the Company's closing share price on the vesting of its common stock. For fiscal year 2022, the total number of shares withheld were 48,739 and total amounts paid for the employees' tax obligation to taxing authorities were $0.6 million related to the shares withheld upon vesting of the RSUs. These transactions were reflected as financing activities within the Consolidated Statements of Cash Flows.

Employee Stock Purchase Plan Activity

The 2021 ESPP was approved by the stockholders on July 12, 2021. The first offering of the 2021 ESPP was in November 2021 and the first purchase was in May 2022. During the fiscal year 2022, 229,249 common stock shares were purchased under the 2021 ESPP with the weighted-average purchase price per share of $8.29 and the weighted average grant-date fair value per share of $11.22.

The Company uses the Black-Scholes option-pricing model to determine the fair value of estimated shares under the 2021 ESPP with the following assumptions for the fiscal years 2022 and 2021.

	Fiscal Years	
	2022	2021
Risk-free interest rate	0.1% - 4.8%	0.1 %
Expected term (years)	0.5 - 1.5	0.5
Dividend yield	—%	— %
Expected volatility	62.3% - 123.2%	71.5 %

Note 15. 401(k) Savings Plan

The Company established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code. The plan allows participants to defer a portion of their annual compensation on a pre-tax basis. Additionally, the Company provides a 3% employer contribution. The Company’s employer contributions were $1.3 million, $0.5 million and $0.1 million for the fiscal years 2022, 2021 and 2020, respectively.

Note 16. Income Tax

Net loss before income taxes was attributable to the following geographic locations for the fiscal years 2022, 2021 and 2020 (in thousands).

	Fiscal Years		
	2022	2021	2020
United States	$ (51,496)	$ (125,797)	$ (39,637)
Foreign	(126)	(77)	(13)
Net loss before income taxes	$ (51,622)	$ (125,874)	$ (39,650)

During the fiscal years 2022, 2021 and 2020, there wasno provision for income taxes recorded as the Company generated net operating losses and a full valuation allowance was recorded against all U.S. federal and state net deferred tax assets. The following table shows the differences between the effective tax rate and the U.S. federal statutory tax rate for the fiscal years 2022, 2021 and 2020.

	Fiscal Years		
	2022	2021	2020
Federal statutory tax rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal benefit	16.2 %	3.7 %	4.3 %
Change in fair value of convertible promissory notes	— %	— %	(1.3 %)
Non-deductible convertible preferred stock warrant expense	30.6 %	(9.4 %)	(8.1 %)
Federal tax credits	(1.7 %)	0.3 %	0.5 %
Share-based compensation	(3.5 %)	(0.8 %)	(0.3 %)
Extinguishment of PPP Loan	— %	— %	0.9 %
Impact of changes in valuation allowance	(62.4 %)	(14.6 %)	(16.9 %)
Other	(0.2 %)	(0.2 %)	(0.1 %)
Effective tax rate	— %	— %	— %

The following table shows the components of deferred tax assets (liabilities) as of January 1, 2023 and January 2, 2022.

	January 1, 2023	January 2, 2022
Gross deferred tax assets:		
Lease liabilities	$ 2,479	$ 2,687
Deferred revenue	1,056	2,201
Share-based compensation	4,455	1,769
Capitalized research and experimental expenses	11,891	—
Federal and state credit carryovers	3,926	4,604
Federal and state net operating losses	82,113	63,522
Transaction costs	1,502	1,656
Depreciation and amortization	1,347	250
Total gross deferred tax assets	108,769	76,689
Valuation allowance	(107,053)	(74,823)
Total deferred tax assets, net of valuation allowance	1,716	1,866
Deferred tax liabilities:		
Right-of-use asset	(1,716)	(1,866)
Total deferred tax liabilities	(1,716)	(1,866)
Net deferred tax assets	$ —	$ —

As of January 1, 2023, the Company had $334.4 million of state and $279.8 million of federal loss carryovers that could be utilized to reduce the tax liabilities of future years. The tax-effected loss carryovers were $29.5 million for state before federal effect, and $58.8 million for federal as of January 1, 2023. The Company also had $4.8 million of state research and development ("R&D") tax credit carryovers and $4.1 million of federal R&D tax credit carryovers as of January 1, 2023.

The state losses expire between 2028 and 2042. Approximately $127.9 million of the federal losses expire between 2026 and 2037 and the remainder do not expire. The federal credit carryovers expire between 2027 and 2042. The state credit carryovers do not expire. Utilization of net operating losses and tax credit carryforwards are subject to certain limitations under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, due to historical changes in the Company's ownership, as defined in current income tax regulations. A portion of the carryforwards may expire before being applied to reduce future income tax liabilities.

Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized. Significant judgement is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, the Company considers all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event the Company changes its determination as to the amount of deferred tax assets that can be realized, it will adjust the valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

As of January 1, 2023, the Company recognized a full valuation allowance against its U.S. federal and state net deferred tax assets, including operating loss carryovers and credit carryovers. The Company evaluated the realizability of its net deferred tax assets based on all available evidence, both positive and negative, which existed as of January 1, 2023. The Company's conclusion to maintain a full valuation allowance against its net deferred tax assets was based upon the assessment of its ability to generate sufficient future taxable income in future periods.

The following table summarizes the activities related to unrecognized tax benefits for the fiscal years 2022, 2021 and 2020.

	Fiscal Years		
	2022	2021	2020
Balance at beginning of fiscal year	$ 5,048	$ 4,368	$ 3,974
Increases related to current year tax positions	549	537	394
Increases related to the prior year tax positions	12	143	—
Decreases related to prior year tax positions	(1,181)	—	—
Balance at end of fiscal year	$ 4,428	$ 5,048	$ 4,368

As of January 1, 2023 and January 2, 2022, none of the amounts of unrecognized tax benefits would favorably affect the effective income tax rate in future periods if recognized, since the tax benefits would increase a deferred tax asset that is currently offset by a full valuation allowance.

As of January 1, 2023, the Company has not identified any unrecognized that benefits where it is reasonably possible that it will recognize a decrease within the next 12 months. If the Company does recognize such a decrease, the net impact on the Consolidated Statement of Operations and Comprehensive Loss would not be material.

The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense on the Consolidated Statement of Operations and Comprehensive Loss. For the fiscal years 2022, 2021 and 2020, no interest expense was recognized relating to income tax liabilities. There wereno accrued interest or penalties related to income tax liabilities as of January 1, 2023 and January 2, 2022.

The Company files income tax returns in the U.S. federal jurisdiction and in the California and Florida state jurisdiction. In the normal course of business, the Company is subject to examination by taxing authorities in the U.S. The Company is not currently under examination by any taxing authority.

Note 17. Related Party

Founder Shares

On September 24, 2020, RSVAC issued an aggregate of 5,750,000 shares of common stock (the "Founder Shares") to the Sponsor, Rodgers Capital LLC, for an aggregate purchase price of $25,000 in cash. The Sponsor agreed, subject to limited exceptions, not to transfer, assign or sell any of the Founder Shares until the earlier to occur of: (A) one year after the completion of Business Combination or (B) subsequent to a Business Combination, (x) if the last reported sale price of the Company's common stock equals or exceeds $14.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any20 trading days within any 30-trading day period commencing at least 150 days after Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of the Company's stockholders having the right to exchange their shares of common stock for cash, securities or other property. On September 8, 2021, the Sponsor made an in-kind distribution of a portion of its Founder Shares to certain members of Rodgers Capital LLC. On November 3, 2022, the Sponsor made an in-kind distribution of a portion of its Founder Shares to certain members of Rodgers Capital LLC, following which the Sponsor held no Founder Shares.

Related Party Loans

On May 24, 2021, the Company issued to a member of the board of directors a secured promissory note (the "Secured Promissory Note") with an aggregate principal balance of $15.0 million and an interest at a rate of7.5% per annum, payable monthly and on the maturity date. On July 14, 2021, the Company repaid all amounts outstanding under the Secured Promissory Note, which totaled $15.2 million in principal and interest. In the connection with the note repayment, the Company incurred $0.1 million of loss on early debt extinguishment related to the write-off of unamortized debt issuance costs in the third quarter of 2021. The Company paid $0.2 million of interest for the fiscal year 2021. As of January 1, 2023 and January 2, 2022, the Company had no outstanding debt. See Note 9 "Debt" for more detailed discussion.

Employment Relationship

As of January 1, 2023, the Company employedtwo family members of the Company's former Chief Executive Officer, who perform engineering work in the Fremont facility.

Note 18. Subsequent Events

Entity Merger

Enovix Corporation owns all of the outstanding shares of the capital stock of Enovix Operations Inc., a subsidiary, which was incorporated in November 2006. In January 2023, Enovix Operation Inc. was merged into Envoix Corporation.

Departures of Principal Executive Officer and Named Executive Officers

In January 2023, Harrold Rust, President and Chief Executive Officer and Director, retired from the Company. In February 2023, Ashok Lahiri retired as Chief Technology Officer of the Company and Cameron Dales resigned as General Manager and Chief Commercial Officer of the Company. Mr. Lahiri continues to provide services to the Company by leading its technical advisory board in addition to other advisory and support roles.

Pursuant to their separation agreements and the hiring of the new Chief Executive Officer and Director, the Company has incurred certain costs, which primarily consist of severance, benefit-related expenses, stock-based compensation expenses in connection with the acceleration of vesting equity awards and recruiting fees.

Securities Class Action Compliant

On January 6, 2023, a purported Company stockholder filed a securities class action complaint in the U.S. District Court for the Northern District of California against the Company and certain of its current and former officers and directors. The complaint alleges that defendants violated Sections 10(b) and 20(a) of the Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by making material misstatements or omissions in public statements related to the Company's manufacturing scaleup. The complaint seeks unspecified damages, interest, fees and costs on behalf of all persons and entities who purchased and/or acquired shares of the Company's common stock between February 22, 2021 and January 3, 2023. A substantially identical complaint was filed on January 25, 2023 by another purported Company stockholder.

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

As previously reported on our Current Report on Form 8-K, dated July 19, 2021, the Audit Committee of the Board approved the engagement of Deloitte & Touche LLP ("Deloitte") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the fiscal year ended January 2, 2022. Deloitte previously served as the independent registered public accounting firm of Legacy Enovix prior to the Business Combination. Accordingly, Marcum LLP ("Marcum"), RSVAC's independent registered public accounting firm prior to the Business Combination, was informed on July 14, 2021 that it had been replaced by Deloitte as the Company's independent registered public accounting firm following the filing of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021.

Marcum's report of independent registered public accounting firm dated March 8, 2021, except for the effects of the restatement discussed in Note 2 to the financial statements in Amendment No. 3 to Registration Statement on Form S-4, dated June 21, 2021, filed by RSVAC with the SEC and the subsequent event discussed in Note 11B to the financial statements in Amendment No. 3 to Registration Statement on Form S-4, dated June 21, 2021, filed by RSVAC with the SEC, as to which the date is May 4, 2021, on the RSVAC Balance Sheet as of December 31, 2020, the related Statement of Operations and Comprehensive Loss, Statement of Changes in Stockholders' Equity and Statement of Cash Flows for the period from September 23, 2020 (RSVAC's inception) through December 31, 2020 and the related notes to the financial statements did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainties, audit scope or accounting principles.

During the period from September 23, 2020 (RSVAC's inception) through December 31, 2020 and the subsequent interim period through July 14, 2021, there were no "disagreements" (as such term is defined in Item 304(a)(1)(iv) of Regulation S-K) with Marcum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Marcum, would have caused Marcum to make reference thereto in its reports on RSVAC's financial statements for such periods. During the period from September 23, 2020 (RSVAC's inception) through December 31, 2020 and the subsequent interim period through July 14, 2021, there have been no "reportable events" (as such term is defined in Item 304(a)(1)(v) of Regulation S-K), other than the material weakness in internal control identified by management related to the accounting for warrants issued in connection with RSVAC's initial public offering, which resulted in the restatement of RSVAC's financial statements as set forth in RSVAC's Form 10-K/A for the year ended December 31, 2020, as filed with the SEC on May 5, 2021.

During the period from September 23, 2020 (RSVAC's inception) through December 31, 2020 and the subsequent interim period through July 14, 2021, (i) the Company did not (a) consult with Deloitte as to the application of accounting principles to a specified transaction, either completed or proposed, or as to the type of audit opinion that might be rendered on the Company's consolidated financial statements nor (b) did the Company receive a written report or oral advice that Deloitte concluded was an important factor considered by the Company in reaching a decision as to such accounting, auditing or financial reporting issue; and (ii) the Company did not consult Deloitte on any matter that was either the subject of a "disagreement" (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a "reportable event" (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

During the period of Marcum's engagement by RSVAC, there were no disagreements with Marcum on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements if not resolved to the satisfaction of Marcum, would have caused it to make a reference to the subject matter of the disagreement in connection with its reports covering such periods. In addition, no "reportable events," as defined in Item 304(a)(1)(v) of Regulation S-K, occurred within the period of Marcum's engagement.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15(b) and 15d-15(b) under the Exchange Act) as of the end of the period covered by this report.

In connection with that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective and designed to provide reasonable assurance that the information

required to be disclosed is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms as of January 1, 2023. For the purpose of this review, disclosure controls and procedures means controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit is accumulated and communicated to management, including our Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Management's Report on Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, as defined in Rule 13a-15(f) of the Exchange Act. Management has assessed the effectiveness of our internal control over financial reporting as of January 1, 2023 based on criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). As a result of this assessment, management concluded that, as of January 1, 2023, our internal control over financial reporting was effective. The Company's independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on our internal control over financial reporting, which appears in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the fiscal quarter ended January 1, 2023, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls, will prevent all error and all fraud. 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. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. 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 the Company have been detected.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included under the captions "Proposal No. 1 - Election of Directors," "Information Regarding Executive Officers," "Information Regarding the Board of Directors and Corporate Governance" and "Delinquent Section 16(a) Reports" in our 2023 Proxy Statement for the 2023 Annual Meeting of Stockholders (the "2023 Proxy Statement") to be filed with the SEC within 120 days of the fiscal year ended January 1, 2023 and is incorporated herein by reference.

Code of Conduct

We have a written code of business conduct and ethics (referred to as "Code of Conduct") that applies to all executive officers, directors and employees. Our Code of Conduct is available on our website at https://ir.enovix.com/corporate-governance/governance-highlights. If we grant any waiver from a provision of the Code of Conduct to any executive officer or director, we will disclose it on our website.

Item 11. Executive Compensation

The information required by this item will be included under the captions "Director Compensation" and "Executive Compensation" in the 2023 Proxy Statement and is incorporated herein by reference.

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

The information required by this item will be included under the caption "Security Ownership of Certain Beneficial Owners and Management" in the 2023 Proxy Statement and is incorporated herein by reference.

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

The information required by this item will be included under the caption "Certain Relationships and Related Party Transactions" and "Information Regarding the Board of Directors and Corporate Governance" in the 2023 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item will be included under the caption "Principal Accountant Fees and Services" in the 2023 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following are filed with this Annual Report on Form 10-K:

1. Financial Statements: See Index to consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

2. Financial Statement Schedules: All financial statement schedules have been omitted because they are not required, not applicable or the required information is otherwise included.

3. Exhibits: The exhibits listed below are filed as part of this Annual Report on Form 10-K or incorporated herein by reference, in each case as indicated below.

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Schedule/Form	File No.	Exhibit	Filing Date	
2.1+	Agreement and Plan of Merger, dated February 22, 2021	8-K	001-39753	2.1	February 22, 2021	
3.1	Amended and Restated Certificate of Incorporation	8-K	001-39753	3.1	July 19, 2021	
3.2	Amended and Restated Bylaws	8-K	001-39753	3.2	July 19, 2021	
4.1	Specimen Common Stock Certificate	S-4/A	333-253976	4.5	June 21, 2021	
4.2	Specimen Warrant Certificate	S-1/A	333-250042	4.3	November 25, 2020	
4.3	Warrant Agreement, dated July 13, 2021, by and between Computershare Inc. and Enovix Corporation	8-K	001-39753	4.3	July 19, 2021	
4.4	Description of Securities	10-K	001-39753	4.4	March 25, 2022	
10.1#	2021 Equity Incentive Plan	8-K	001-39753	10.2	July 19, 2021	
10.2#	Form of Stock Option Agreement, Notice of Exercise and Stock Option Grant Notice under the 2021 Equity Incentive Plan	S-4/A	333-253976	10.11	May 10, 2021	
10.3#	Forms of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement under the 2021 Equity Incentive Plan	S-4/A	333-253976	10.12	May 10, 2021	
10.4#+	Long-Term Incentive Plan under the 2021 Equity Incentive Plan					X
10.5#	Forms of Restricted Stock Unit Grant Notice for Long-Term Incentive Plan Award and Restricted Stock Unit Award Agreement under the 2021 Equity Incentive Plan	10-Q	001-39753	10.1	August 16, 2022	
10.6#	2021 Employee Stock Purchase Plan	8-K	001-39753	10.5	July 19, 2021	
10.7#	Enovix Corporation 2006 Equity Incentive Plan	S-4/A	333-253976	10.6	May 10, 2021	
10.8#	Forms of Option Agreement, Stock Option Grant Notice and Notice of Exercise under the 2006 Stock Plan	S-4/A	333-253976	10.7	May 10, 2021	
10.9#	Enovix Corporation 2016 Equity Incentive Plan	S-4/A	333-253976	10.8	May 10, 2021	

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Schedule/Form	File No.	Exhibit	Filing Date	
10.10#	Forms of Option Agreement, Stock Option Grant Notice and Notice of Exercise under the 2016 Equity Incentive Plan	S-4/A	333-253976	10.9	May 10, 2021	
10.11	Amended and Restated Registration Rights Agreement, dated July 14, 2021, by and among Enovix Corporation and certain other stockholders of Enovix Corporation party thereto	8-K	001-39753	10.10	July 19, 2021	
10.12	Letter Agreement, dated December 1, 2020, by and among Enovix Corporation and its officers, directors and Initial Stockholders	8-K	001-39753	10.1	December 7, 2020	
10.13	Amendment to Letter Agreement, dated July 14, 2021 by and among Enovix Corporation and its officers, directors and Initial Stockholders	8-K	001-39753	10.12	July 19, 2021	
10.14†	Office Lease by and between M West Propco XX, LLC and Enovix Corporation	S-4/A	333-253976	10.21	May 10, 2021	
10.15†	Amendment No. 1 to Office Lease	S-4/A	333-253976	10.22	May 10, 2021	
10.16†	Amendment No. 2 to Office Lease	S-4/A	333-253976	10.23	May 10, 2021	
10.17	Form of Lock-Up Agreement	8-K	001-39753	10.5	February 22, 2021	
10.18	Form of Stockholder Lock-Up Agreement	8-K	001-39753	10.6	February 22, 2021	
10.19	Form of Additional Lock-Up Agreement	8-K	001-39753	10.7	February 22, 2021	
10.20#	Form of Indemnification Agreement	8-K	001-39753	10.19	July 19, 2021	
10.21#	Amended and Restated Employment Agreement, dated May 28, 2021, by and between Enovix Corporation and Harrold Rust	8-K	001-39753	10.20	July 19, 2021	
10.22#	Amended and Restated Employment Agreement, dated June 17, 2021, by and between Enovix Corporation and Gardner Cameron Dales	8-K	001-39753	10.21	July 19, 2021	
10.23#	Amended and Restated Employment Agreement, dated June 11, 2021, by and between Enovix Corporation and Ashok Lahiri	8-K	001-39753	10.22	July 19, 2021	
10.24#	Amended and Restated Employment Agreement, dated May 28, 2021, by and between Enovix Corporation and Steffen Pietzke	8-K	001-39753	10.23	July 19, 2021	
10.25#	Amended and Restated Employment Agreement, dated June 11, 2021, by and between Enovix Corporation and Edward Hejlek	8-K	001-39753	10.24	July 19, 2021	

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Schedule/Form	File No.	Exhibit	Filing Date	
10.26#	Separation Agreement, dated January 13, 2023, by and between Enovix Corporation and Harrold Rust					X
10.27#	Separation Agreement, dated January 20, 2023, by and between Enovix Corporation and Gardner Cameron Dales					X
10.28#	Separation Agreement, dated January 17, 2023, by and between Enovix Corporation and Ashok Lahiri					X
10.29#	Employment Agreement, dated December 23, by and between Enovix Corporation and Raj Talluri					X
10.30#	Employment Agreement, dated November 9, 2022, by and between Enovix Corporation and Ajay Marathe					X
10.31#	Amended and Restated Employment Agreement, dated January 20, 2023, by and between Enovix Corporation and Ralph Schmitt					X
21.1	List of Subsidiaries					X
23.1	Consent of Deloitte & Touche, independent registered public accounting firm					X
24.1	Power of Attorney (included on signature page)					X
31.1	Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.					X
32.2*	Certification of Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document					X

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Schedule/Form	File No.	Exhibit	Filing Date	
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101)					

+ Certain of the exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601. The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

# Indicates a management contract or compensatory plan, contract or arrangement.

† Portions of this exhibit, as marked by asterisks, have been omitted in accordance with Regulation S-K Item 601.

* These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are not deemed filed with the SEC for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: March 1, 2023

Enovix Corporation

By: /s/ Raj Talluri
Raj Talluri
President and Chief Executive Officer
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Steffen Pietzke, and each of them, his or her true and lawful attorneys-in-fact and agents, each 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 exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, 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 for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or any of them, or their or his 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.

Name	Title	Date
/s/ Raj Talluri Raj Talluri	President and Chief Executive Officer and Director *(Principal Executive Officer)*	March 1, 2023
/s/ Steffen Pietzke Steffen Pietzke	Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	March 1, 2023
/s/ Thurman J. “T.J.” Rodgers Thurman J. “T.J.” Rodgers	Chairman of the Board of Directors	March 1, 2023
/s/ Betsy Atkins Betsy Atkins	Director	March 1, 2023
/s/ Pegah Ebrahimi Pegah Ebrahimi	Director	March 1, 2023
/s/ Emmanuel T. Hernandez Emmanuel T. Hernandez	Director	March 1, 2023
/s/ Gregory Reichow Gregory Reichow	Director	March 1, 2023

ENOVIX CORPORATION
LONG-TERM INCENTIVE PLAN

1. Purpose. As part of its employee compensation program, Enovix Corporation (the "***Company***") has designed this Long-Term Incentive Plan (the "***LTI Plan***"). The LTI Plan provides Participants with incentive awards in the form of restricted stock units granted pursuant to the Enovix Corporation 2021 Equity Incentive Plan (the "***2021 EIP***"). The LTI Plan is intended to replace annual refresh equity awards.

2. Definitions. Defined terms not explicitly defined in the LTI Plan but defined in the 2021 EIP shall have the same definitions as in the 2021 EIP.

a. "***Actual Award***" means, with respect to each Participant, the PRSUs determined on the Award Determination Date, based on the Corporate CSF Score and Revenue Score, as further described in Section 5. For clarity, the Actual Award can reflect a number of PRSUs between 0 and up to and including the Maximum Award.

b. "***Award***" means TRSUs and PRSUs granted to each Participant.

c. "***Affiliate***" means any parent or subsidiary of the Company.

d. "***Award Determination Date***" means the date or dates following the end of the Performance Period on which the Committee or the Designated Administrator, as applicable, determines the Corporate CSF Score and Revenue Score achieved with respect to such completed Performance Period, and the Actual Awards earned by the Participants with respect to such completed Performance Period, in accordance with Section 5. The Committee shall use reasonable efforts to ensure that the Corporate Award Determination Date occurs on or prior to the end of the first quarter with respect to the prior applicable Performance Period.

e. "***Board***" means the Board of Directors of the Company.

f. "***Code***" means the Internal Revenue Code of 1986, as amended.

g. "***Committee***" means the Compensation Committee of the Board, a subcommittee thereof. For the avoidance of doubt, the full Board may take any action in lieu of the Committee.

h. "***Common Stock***" means the common stock of the Company.

i. "***Corporate CSF Score***" means, with respect to the Performance Period, a percentage based on actual achievement of Corporate Critical Success Factors, ranging from 0% to 200% achievement. The Corporate CSF Score methodology for the initial Performance Period (that is, fiscal year 2022) and (unless otherwise determined by the Committee) for future Performance Periods is set forth on **Exhibit A-1**.

j. "***Corporate Performance Goal Determination Date***" means the date or dates upon which the Committee establishes and approves, with respect to the applicable Performance Period, the (i) Corporate Critical Success Factors and Target Revenue, and (ii) the Target Awards with respect to the Performance Period. The Committee shall use reasonable

efforts to ensure that the Corporate Performance Goal Determination Date occurs on or prior to the end of the first quarter with respect to any applicable Performance Period.

k. "***Corporate Critical Success Factors***" or "***CCSFs***" mean the corporate goals established and approved by the Committee, in its sole discretion. Such goals may relate to the Company, one or more of its Affiliates or one or more of its or their divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee will determine.

l. "***Designated Administrator***" means one or more individuals designated by the Committee to administer the LTI Plan with respect to Participants who are not Officer Participants in accordance with Section 3(c). Initially, the Designated Administrator shall be the Company's Chief Executive Officer, Harrold Rust.

m. "***Maximum Award***" means, as to any Participant for the Performance Period, the maximum award that may be earned by the Participant under the LTI Plan with respect to PRSUs (for the initial Performance Period, and with respect to subsequent Performance Periods unless otherwise determined by the Committee, up to 200% of the PRSU portion of the Target Award).

n. "***Officer Participant***" means a Participant who is an officer of the Company subject to Section 16 of the Securities Exchange Act of 1934, as amended, and who is eligible to participate in the LTI Plan pursuant to Section 4.

o. "***Participant***" means an employee of the Company or an Affiliate who is eligible to participate in the LTI Plan pursuant to Section 4. Initially, but subject to the discretion of the Committee, employees with a title of Senior Director or above shall be eligible to be Participants.

p. "***Performance Period***" means, unless otherwise determined by the Committee, the applicable fiscal year, with the first such Performance Period being fiscal year 2022 (that is, January 3, 2022, through January 1, 2023).

q. *"**PRSUs**"* means performance-based restricted stock units that are earned, as determined by the Committee with respect to a Performance Period, based on any combination of performance metrics including but not limited to Corporate Critical Success Factors, the Corporate CSF Score, Revenue and the Revenue Score for that Performance Period. PRSUs that are earned based on the Corporate CSF Score shall be referred to as "**CCSF PRSUs**" and PRSUs that are earned based on the Revenue Score shall be referred to as "**Revenue PRSUs**."

r. "***Restricted Stock Unit***" means a right to receive one share of Common Stock granted as a Restricted Stock Unit Award (as defined in the 2021 EIP, but including PRSUs and TRSUs) pursuant to the terms and conditions of the 2021 EIP.

s. "*Revenue*" means the Company's annual revenue as reported under GAAP in its Form 10-K with respect to a Performance Period.

t. "***Revenue Score***" means, with respect to a Performance Period, a percentage based on achievement of Target Revenue, ranging from 0% to 200% achievement. The Revenue Score methodology for the initial Performance Period and (unless otherwise determined by the Committee) for future Performance Periods is set forth on **Exhibit A-1**.

u. "***Target Revenue***" means the desired Revenue to be achieved for a given Performance Period

v. "***Target Award***" means the dollar-denominated award determined or approved with respect to a Participant by the Committee or Designated Administrator, as applicable, on the Corporate Performance Goal Determination Date and based on a 100% achievement of the Corporate Critical Success Factors and the Target Revenue.

w. *"**TRSUs**"* means time-based restricted stock units.

3. Plan Administration.

a. The Committee shall have the sole authority to (i) determine the vesting schedule for any TRSUs and for any service-based component of any PRSUs, (ii) to establish performance metrics under this LTI Plan, including without limitation Corporate Critical Success Factors and Target Revenue, (iii) to determine the Corporate CSF Score and the Revenue Score for the relevant Performance Period, (iii) to determine the upward bound of any Maximum Award, (iv) to determine the weighting of any Target Award between PRSUs and TRSUs and (v) to determine the number of PRSUs that shall be CCSF PRSUs and the number that shall be Revenue PRSUs.

b. The Committee shall be responsible for the general administration and interpretation of the LTI Plan and for carrying out its provisions. The Committee may delegate some or all of the administration of the LTI Plan to officers or other employees of the Company as necessary or desirable for proper administration of the LTI Plan. The Committee shall have such powers as may be necessary to discharge its duties under the LTI Plan, including, but not by way of limitation, the following:

i. to determine eligibility and the amount, form, manner and time of grant of Awards under the LTI Plan, provided that Restricted Stock Units granted under the 2021 EIP in accordance with the LTI Plan shall be approved and administered in accordance with the terms of the 2021 EIP;

ii. to construe and interpret the terms of the LTI Plan;

iii. to prescribe forms and procedures for purposes of the LTI Plan, for participation in the LTI Plan, and for the grant of Restricted Stock Units under the LTI Plan; and

iv. to adopt rules and to take such actions as it deems necessary or desirable for the proper administration of the LTI Plan.

c. Notwithstanding the foregoing, subject to Section 3(a), the Designated Administrator is delegated concurrent authority for the general administration and interpretation of the LTI Plan and for carrying out its provisions with respect to each Participant that is not an Officer Participant, and the Designated Administrator shall have concurrent authority to take all

actions set forth in Section 3(b) with respect to the administration of the LTI Plan related to Participants who are not Officer Participants. The Committee may, at any time, abolish the powers and authority delegated to the Designated Administrator. The Committee retains the authority to concurrently administer the LTI Plan with respect to all Participants and, with the Board as a whole, retains the sole authority to administer the LTI Plan with respect to Officer Participants.

d. Any rule or decision by the Committee, or with respect to Participants that are not Officer Participants, the Designated Administrator, that is not inconsistent with the provisions of the LTI Plan shall be conclusive and binding on all persons and shall be given the maximum deference permitted by law.

4. Eligibility. Employees of the Company or an Affiliate who are regularly employed (full or part time) during the Performance Period and who are designated by the Committee or Designated Administrator, as applicable from time to time, to participate in the LTI Plan, shall be eligible to receive awards under the LTI Plan. Participation in the LTI Plan is at the discretion of the Committee or the Designated Administrator, as applicable, and participation in one Performance Period does not guarantee eligibility to participate for future Performance Periods. An employee must be eligible to receive awards under the 2021 EIP to be eligible to participate in the LTI Plan.

If an employee's employment with the Company or an Affiliate commences after the beginning of the Performance Period, the Committee or the Designated Administrator, as applicable, shall have the discretion to determine whether and on what basis such employee will be eligible to participate in the LTI Plan (for example, by prorating an Award based on months of service during the Performance Period).

If a Participant is on a leave of absence for a portion of the Performance Period or is not providing service during a portion of the Performance Period, the Committee or the Designated Administrator, as applicable, may exercise discretion to prorate an Award for such Performance Period.

If a Participant's Continuous Service terminates before an Award Determination Date, PRSUs granted to the Participant pursuant to this LTI Plan with respect to the Performance Period for which such Award Determination Date applies shall be forfeited.

5. How the LTI Plan Works.

a. LTI Plan Components. The LTI Plan components are: (i) the Corporate Critical Success Factors; (ii) the Corporate CSF Score; (iii) the Target Revenue; (iv) the Revenue Score; (v) the Target Award; (vi) the Actual Award; and (vii) the TRSUs and the PRSUs.

b. Corporate Critical Success Factors. On the Corporate Performance Goal Determination Date, the Committee, in its sole discretion, shall establish and approve the Corporate Critical Success Factors for the Performance Period. The Corporate Critical Success Factors for the initial Performance Period (that is, fiscal year 2022) are set forth on **Exhibit A-1**.

c. Corporate CSF Score. On the Award Determination Date, the Committee, in its sole discretion, shall certify achievement of the Corporate Critical Success Factors and the Corporate CSF Score.

d. Target Revenue. On the Corporate Performance Goal Determination Date, the Committee, in its sole discretion, shall establish and approve the Target Revenue for the Performance Period. The Target Revenue of the initial Performance Period (that is, fiscal year 2022) is set forth on **Exhibit A-1**.

e. Revenue Score. On the Award Determination Date, the Committee, in its sole discretion, shall certify the Revenue Score.

f. Target Award. On the Corporate Performance Goal Determination Date (or on such other date as the Committee or the Designated Administrator, as applicable, may determine), the Committee or the Designated Administrator, as applicable, shall determine each Participant's Target Award.

A Target Award shall consist of such combination of TRSUs and PRSUs as may be determined by the Committee with respect to a Performance Period. With respect to the initial Performance Period and (unless otherwise determined by the Committee) subsequent Performance Periods, 60% of the Target Award shall be PRSUs and 40% of the Target Award shall be TRSUs.

Following determination of a Target Award, and on a date determined by the Committee or the Designated Officer, in either case in accordance with all applicable Company policies or procedures, a number of Restricted Stock Units shall be granted to each Participant equal to (1) the Target Award *divided by* (2) the Fair Market Value (as defined in the 2021 EIP) on the effective grant date of such Restricted Stock Units (the "***Grant Date***"), rounded down to the nearest whole share. For the avoidance of doubt, the number of TRSUs subject to an Award shall not change from the number determined on the applicable grant date of the Target Award.

g. Actual Award. On the Award Determination Date, the Actual Awards for all Participants shall be determined by the Committee or the Designated Administrator, as applicable, as follows, with respect to that portion of the Target Award consisting of PRSUs (up to the Maximum Award):

(i) CCSF PRSUs *multiplied by* Corporate CSF Score plus (ii) Revenue PRSUs *multiplied by* Revenue Score.

h. TRSUs and PRSUs. The Committee shall determine, no later than the Corporate Performance Goal Determination Date, the percentage of a Target Award that shall be denominated as TRSUs and what percentage as PRSUs. Further, on the Corporate Performance Goal Determination Date, the Committee shall determine what portion of the PRSUs shall be CCSF PRSUs and what portion of the PRSUs shall be Revenue PRSUs (or such other PRSUs as may be determined from time to time). With respect to the initial Performance Period and (unless otherwise determined by the Committee) subsequent Performance Periods, 50% of such PRSUs shall be CCSF PRSUs and the remaining 50% of such PRSUs shall be Revenue PRSUs.

i. Vesting. Unless otherwise determined by the Committee on or prior to the Grant Date, vesting of Restricted Stock Units shall be as follows (each such vesting date, a "**Vesting Date**"):

(i) TRSUs shall vest over four years of Continuous Service (as defined in the 2021 EIP) following the Grant Date, with 25% vesting after the completion of one year of Continuous Service measured from the Grant Date and the remainder vesting in substantially equal monthly installments following the completion of each of 36 additional months of Continuous Service.

(ii) With respect to PRSUs, 50% of the Actual Awards shall vest on the Award Determination Date, and the remaining 50% of the Actual Awards shall vest on the one-year anniversary of the Award Determination Date, subject to the Participant's Continuous Service through each such date.

(iii) In general, a Participant must be employed by the Company or an Affiliate through a Vesting Date to vest into any PRSUs or TRSUs. Notwithstanding the foregoing, (x) Unvested TRSUs and (y) Actual Awards with respect to which the service-based component (if any) have not been satisfied shall be subject to accelerated vesting in connection with a qualifying termination of employment if so provided in an applicable severance plan or individual employment, retention, or other written agreement between the Company and such Participant. However, notwithstanding anything in the 2021 EIP to the contrary, and for clarity, no PRSUs that have not become Actual Awards shall vest on an accelerated basis pursuant to any written agreement with the Company.

6. Miscellaneous.

a. Right to Receive Payment. Each Award under the LTI Plan shall consist solely of the right to receive shares of Common Stock issued upon settlement of Restricted Stock Units. Nothing in the LTI Plan shall be construed to create a trust or to establish or evidence any Participant's claim of any right to be granted or to vest into any TRSUs or PRSUs other than as an unsecured general creditor with respect to any payment to which he or she or they may be entitled.

b. Expiration of Restricted Stock Units. Any Target Awards that do not become Actual Awards shall be forfeited and shall terminate on the Award Determination Date.

c. Tax Withholding. To satisfy the income and employment tax withholding obligations arising under applicable federal and state laws, the Company may, in its sole discretion, satisfy all or any portion of its tax withholding obligations by (i) causing a Participant to tender a cash payment, (ii) permitting or requiring a Participant to enter into a "same day sale" commitment, if applicable, with a broker-dealer whereby the Participant irrevocably elects to sell a portion of the shares of Common Stock to be delivered in connection with the settlement of the Restricted Stock Units to satisfy the Company's withholding obligation and whereby the broker-dealer irrevocably commits to forward the proceeds necessary to satisfy the Company's withholding obligation directly to the Company, or (iii) withholding shares of Common Stock otherwise issuable to a Participant upon settlement of Restricted Stock Units. In determining the amount to be withheld, the Company may consider statutory withholding amounts or other

withholding rates applicable to a Participant, including the maximum applicable rate(s) in a Participant's applicable jurisdiction(s). The Company may require the Participant to satisfy any remaining amount of the tax withholding obligations by tendering a cash payment. Each Participant is encouraged to contact the Participant's personal legal or tax advisors with respect to the benefits provided by the LTI Plan. Neither the Company nor any of its employees, directors, officers or agents are authorized to provide any tax advice to Participants with respect to the benefits provided under the LTI Plan.

7. Amendment and Termination of the LTI Plan. The Committee may amend, modify, suspend or terminate the LTI Plan, in whole or in part, at any time, including adopting amendments deemed necessary or desirable to correct any defect or to supply omitted data or to reconcile any inconsistency in the LTI Plan or in any Award granted hereunder; *provided, however*, that no amendment, alteration, suspension or discontinuation shall be made that would change the settlement dates of any Restricted Stock Units if such change would fail to comply with the requirements of Section 409A of the Code. At no time before the vesting of Restricted Stock Units granted pursuant to the LTI Plan shall any Participant accrue any vested interest or right whatsoever under the LTI Plan except as otherwise stated in the LTI Plan.

8. No Guarantee of Employment. The LTI Plan is intended to provide a financial incentive to Participants and is not intended to confer any rights to continued employment or service upon Participants, whose employment or service will remain at-will and subject to termination by either the Company or Participant at any time, with or without cause or notice.

9. Recovery. Any amounts paid (or Restricted Stock Units granted) under this LTI Plan will be subject to recoupment in accordance with the Company's policy for recoupment of compensation (a "clawback policy"), as may be in effect from time to time, including any amendments intended to comply with the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any plan of or agreement with the Company.

January 13, 2023

Harrold Rust
VIA DOCUSIGN

Dear Harrold:

This letter sets forth the substance of the separation agreement (the "**Agreement**") that Enovix Corporation (the "**Company**") is offering to you to aid in your employment transition.

1) Separation. Your employment termination date will be February 1st, 2023 (the "**Separation Date**"). You are also hereby resigning from (i) the Company's Board of Directors (the "**Board**"), including as a member of any committees or subcommittees of the Board, and (ii) all officer and director positions held by you at the Company's subsidiaries, in each case, as of January 18th, 2023. Between January 18th and February 1st, 2023 (the "**Transition Period**") you will remain employed with the Company and will spend such time transitioning your duties as directed. During the Transition Period you will continue to be eligible for all Company benefits and to wage continuation as an active employee pursuant to Company plans.

2) Accrued Salary and Paid Time Off. On the Separation Date, the Company will pay you all accrued salary and all accrued and unused vacation/PTO earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to this payment by law. You will remain eligible for a performance bonus for 2022 pursuant to the terms of the Company's bonus plan, to be paid at the same time as when bonuses are paid to the rest of the executive team which in no event shall be later than March 1st, 2023.

3) Severance Benefits. If you timely sign this Agreement, allow the releases set forth herein to become effective, and comply with all of your legal and contractual obligations to the Company, then the Company will provide you with the following benefits:

(a) Severance Payment. The Company will pay you, as severance, the equivalent of twelve (12) months of your base salary in effect as of the Separation Date, subject to standard payroll deductions and withholdings. The severance will be paid in the form of salary continuation, in equal installments on the Company's consecutive regular payroll schedule, starting on the Company's first regularly scheduled payroll date that is at least one (1) week after the Effective Date (as defined herein).

(b) Health Insurance. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, you will be eligible to continue your group health insurance benefits at your own expense following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company's health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations under COBRA and a form for electing COBRA coverage. If you timely elect continued coverage under COBRA, then the Company shall reimburse you for the COBRA premiums to continue your health insurance coverage (including coverage for eligible dependents, if applicable) through the period (the "**COBRA Premium Period**") starting on the Separation Date and ending on the earliest to occur of: (i) January 18, 2026; (ii) the date you become eligible for group health insurance coverage through a new employer; or (iii) the date you cease to be eligible for COBRA coverage for any reason. You must timely pay your premiums, and then provide documentation to the Company, to obtain

reimbursement for your COBRA premiums under this Section 3(b) which reimbursement shall be made within 21 days of submission of your documentation. In the event you are eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company in writing. Notwithstanding the foregoing, if the Company determines, in its sole discretion, either prior to or at any time during the COBRA Premium Period, that it cannot reimburse the COBRA Premiums without a substantial risk of violating applicable law (including, without limitation, Section 105(h) of the Internal Revenue Code or Section 2716 of the Public Health Service Act), the Company instead shall pay, on the first day of each calendar month, a fully taxable cash payment equal to your applicable COBRA Premiums for that month (including premiums for any dependents), subject to applicable tax withholdings (such amount the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. You may, but are not obligated to, use such Special Cash Payment toward the cost of COBRA premiums.

(c) Prorated 2023 Bonus. The Company will pay you an additional cash severance payment equal to $40,879, which reflects your target quarterly and annual bonuses for 2023, prorated for the number of days you were employed with the Company in such year (the "**Prorated 2023 Bonus**"). The Prorated 2023 Bonus shall be paid to you in a lump sum, subject to standard payroll deductions and withholdings, with the first severance payment under Section 3(a).

(d) Accelerated Vesting. Effective as of the Effective Date, the Company will accelerate the vesting of all of your equity awards such that you will be deemed vested in all such shares as of the Separation Date.

(e) Extended Post-Termination Exercise Period. Effective as of the Effective Date, the Company will extend the period of time in which you may exercise all of your vested, outstanding and unexercised stock options through the applicable term of the option (the "**Option Exercise Extension**"), subject to earlier expiration pursuant to the terms of the applicable plan under which such stock options were granted (including in connection with a change in control of the Company). To the extent any of your options currently are intended to, and do, qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended ("**ISOs**"), you understand that you must affirmatively accept the Option Exercise Extension as described below. If you accept the Option Exercise Extension in respect of your ISOs and the Option Exercise Extension becomes effective, such options will no longer qualify as ISOs and will instead be treated for tax purposes as nonqualified stock options ("**NSOs**"). As a result, you understand that you must satisfy all applicable tax withholding obligations upon exercise of the options. You should consult with your tax advisor regarding the decision to accept or reject the Option Exercise Extension of any of your ISOs. To the extent your options are NSOs, the Option Exercise Extension will automatically apply to your NSOs that are outstanding, vested and exercisable as of the Separation Date, subject to you timely signing this Agreement, allowing it to become effective, and complying with your obligations under it.

If this Agreement is revoked or otherwise does not become effective in accordance with its terms, then any acceptance of the Option Exercise Extension will be disregarded and will be of no force or effect. **You acknowledge that if you fail to accept the Option Exercise Extension by checking below on or prior to the date that is 29 days following the date of this Agreement, then the Option Exercise Extension will not apply to any of your ISOs and such ISOs will continue to be governed by their existing terms.**

Subject to the terms and conditions of the Agreement, you hereby elect to ACCEPT or DECLINE, as applicable, the Option Exercise Extension with respect to your ISOs as set forth below:

ACCEPT **DECLINE**

4) Other Compensation or Benefits. You acknowledge that, except as expressly provided in this Agreement, you have not earned from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits before or after the Separation Date, with the exception of any vested right you may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account) or any vested stock options. Additionally, you and the Company agree that the severance benefits outlined in this Agreement supersede and replace in entirety those severance benefits outlined in your Amended and Restated Employment Agreement, dated May 27, 2021, and that upon receipt of the benefits provided by this Agreement, you will not be entitled to, and will not receive, any further severance benefits from the Company.

5) Expense Reimbursements. You agree that, within thirty (30) days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

6) Release of Claims.

(a) Release of Claims. In exchange for the consideration provided to you under this Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns from any and all claims, liabilities, demands, causes of action, and obligations, both known and unknown, arising from or in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement.

(b) Scope of Release. This general release includes, but is not limited to: (i) all claims arising from or in any way related to your employment with the Company or the termination of that employment; (ii) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership, equity, or profits interests in the Company; (iii) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (iv) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (v) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964, the federal Americans with Disabilities Act of 1990, the California Labor Code, the California Family Rights Act, the Age Discrimination in Employment Act ("**ADEA**") and the California Fair Employment and Housing Act. **You acknowledge that you have been advised, as required by California Government Code Section 12964.5(b)(4), that you have the right to consult an attorney regarding this Agreement and that you were given a reasonable time period of not less than five business days in which to do so.** You further acknowledge and

agree that, in the event you sign this Agreement prior to the end of the reasonable time period provided by the Company, your decision to accept such shortening of time is knowing and voluntary and is not induced by the Company through fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the expiration of the reasonable time period, or by providing different terms to employees who sign such an agreement prior to the expiration of the time period.

(c) ADEA Release. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you have under the ADEA, and that the consideration given for the waiver and releases you have given in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised, as required by the ADEA, that: (i) your waiver and release does not apply to any rights or claims arising after the date you sign this Agreement; (ii) you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so); (iii) you have twenty-one (21) days to consider this Agreement (although you may choose voluntarily to sign it sooner); (iv) you have seven (7) days following the date you sign this Agreement to revoke this Agreement (in a written revocation sent to the Company); and (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after you sign this Agreement provided that you do not revoke it (the "**Effective Date**").

(d) Section 1542 Waiver. In giving the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code, which reads as follows: **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."** You hereby expressly waive and relinquish all rights and benefits under that section and any law of any other jurisdiction of similar effect with respect to your release of claims herein, including but not limited to your release of unknown claims.

(e) Exceptions. Notwithstanding the foregoing, you are not releasing the Company hereby from: (i) any obligation to indemnify you pursuant to the Articles and Bylaws of the Company, any valid fully executed indemnification agreement with the Company, applicable law, or applicable directors and officers liability insurance; (ii) any claims that cannot be waived by law; or (iii) any claims for breach of this Agreement.

7) Protected Rights. You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the California Department of Fair Employment and Housing, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("**Government Agencies**"). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to maximum extent permitted by law, you are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement. Nothing in this Agreement prevents

you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

8) Return of Company Property. You agree that by the Separation Date, you will return to the Company all Company documents (and all copies thereof) and other Company property in your possession or control, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, drafts, financial and operational information, research and development information, sales and marketing information, customer lists, prospect information, pipeline reports, sales reports, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computing and electronic devices, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions or embodiments thereof in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information by the close of business on the Separation Date or as soon as possible thereafter. If you have used any personally owned computer or other electronic device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, within five (5) days after the Separation Date, you shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems; and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is completed. **Your timely compliance with this paragraph is a condition to your receipt of the severance benefits provided under this Agreement.**

9) Confidential Information Obligations. You acknowledge and reaffirm your continuing obligations under your Employee Confidential Information and Inventions Assignment Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

10) Non-disparagement. Subject to the exceptions set forth in paragraph 7 above entitled "Protected Rights" , you agree not to disparage the Company, its officers, directors, employees, shareholders, parents, subsidiaries, affiliates, and agents, in any manner likely to be harmful to its or their business, business reputation, or personal reputation; provided that you may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. In addition, nothing in this provision or this Agreement is intended to prohibit or restrain you in any manner from making disclosures protected under the whistleblower provisions of federal or state law or regulation or other applicable law or regulation or as set forth in the section of this Agreement entitled "Protected Rights." The Company will instruct the management team not to disparage you in any manner likely to be harmful to you, your business , business reputation, or personal reputation; provided that the Company may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation.

11) No Voluntary Adverse Action **.** You agree that you will not voluntarily (except in response to legal compulsion or as permitted under the section of this Agreement entitled "Protected Rights") assist any person in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees or agents.

12) Cooperation. You agree to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages) and will make reasonable efforts to accommodate your scheduling needs.

13) No Admissions. You and the Company understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or you to the Company or to any other person, and that neither you or the Company make any such admission.

14) Representations. You hereby represent that except for what is provided in this Agreement, you have: been paid all compensation owed and for all hours worked; received all leave and leave benefits and protections for which you are eligible pursuant to the Family and Medical Leave Act, the California Family Rights Act, or otherwise; and not suffered any on-the-job injury for which you have not already filed a workers' compensation claim.

15) Dispute Resolution. You and the Company agree that any and all disputes, claims, or controversies of any nature whatsoever arising from, or relating to, this Agreement or its interpretation, enforcement, breach, performance or execution, your employment or the termination of such employment (including, but not limited to, any statutory claims), shall be resolved, pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by law, by final, binding and confidential arbitration in San Francisco, California (or another mutually acceptable location) conducted before a single neutral arbitrator by JAMS, Inc. ("**JAMS**") or its successor, under the then applicable JAMS Arbitration Rules and Procedures for Employment Disputes (available at http://www.jamsadr.com/rules-employment-arbitration/). California law shall govern any such proceeding and the California Code of Civil Procedure shall apply. **By agreeing to this arbitration procedure, both you and the Company waive the right to have any claim resolved through a trial by jury or judge.** You will have the right to be represented by legal counsel at any arbitration proceeding, at your own expense. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, to the extent such claims are not permitted by applicable law to be submitted to mandatory arbitration and the applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "**Excluded Claims**"). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be publicly filed with a court, while any other claims will remain subject to mandatory arbitration. The arbitrator shall have sole authority for determining if a claim is subject to arbitration, and any other procedural questions related to the dispute and bearing on the final disposition. In addition, the arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be available under applicable law in a court proceeding; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The Company shall pay all JAMS arbitration fees. Nothing in this Agreement shall

prevent you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

16) Miscellaneous. This Agreement, including Exhibit A, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to its subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California without regard to conflict of laws principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be executed in counterparts and electronic or facsimile signatures will suffice as original signatures.

If this Agreement is acceptable to you, please sign below and return the original to me. You have twenty-one (21) calendar days to decide whether to accept this Agreement, and the Company's offer contained herein will automatically expire if you do not sign and return it within that timeframe.

We wish you the best in your future endeavors.

Sincerely,

By: /s/ Thurman J. Rodgers
Thurman J. "T.J." Rodgers
Executive Chairman of the Board of Directors

I have read, understand and agree fully to the foregoing Agreement:

/s/ Harrold Rust
Harrold Rust

January 13, 2023
Date

Exhibit A

Employee Confidential Information and Inventions Assignment Agreement

January 20, 2023

Cameron Dales
VIA DOCUSIGN

Dear Cameron:

This letter sets forth the substance of the separation agreement (the "**Agreement**") that Enovix Corporation (the "**Company**") is offering to you to aid in your employment transition.

1) Separation. Your employment termination date will be February 1st, 2023 (the "**Separation Date**").

2) Accrued Salary and Paid Time Off. On the Separation Date, the Company will pay you all accrued salary and all accrued and unused vacation/PTO earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to this payment by law. You will remain eligible for a performance bonus for 2022 pursuant to the terms of the Company's bonus plan, to be paid at the same time as when bonuses are paid to the rest of the executive team which in no event shall be later than March 1st, 2023.

3) Severance Benefits. If you timely sign this Agreement, allow the releases set forth herein to become effective, and comply with all of your legal and contractual obligations to the Company, then the Company will provide you with the following benefits:

(a) Severance Payment. The Company will pay you, as severance, the equivalent of nine (9) months of your base salary in effect as of the Separation Date, subject to standard payroll deductions and withholdings. The severance will be paid in the form of salary continuation, in equal installments on the Company's consecutive regular payroll schedule, starting on the Company's first regularly scheduled payroll date that is at least one (1) week after the Effective Date (as defined herein).

(b) Health Insurance. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, you will be eligible to continue your group health insurance benefits at your own expense following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company's health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations under COBRA and a form for electing COBRA coverage. If you timely elect continued coverage under COBRA, then the Company shall reimburse you for the COBRA premiums to continue your health insurance coverage (including coverage for eligible dependents, if applicable) through the period (the "**COBRA Premium Period**") starting on the Separation Date and ending on the earliest to occur of: (i) November 1, 2023; (ii) the date you become eligible for group health insurance coverage through a new employer; or (iii) the date you cease to be eligible for COBRA coverage for any reason. You must timely pay your premiums, and then provide documentation to the Company, to obtain reimbursement for your COBRA premiums under this Section 3(b) which reimbursement shall be made within 21 days of submission of your documentation. In the event you are eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company in writing. Notwithstanding the foregoing, if the Company determines, in its sole discretion, either prior to or at any time during the COBRA Premium Period, that it cannot reimburse the COBRA

Premiums without a substantial risk of violating applicable law (including, without limitation, Section 105(h) of the Internal Revenue Code or Section 2716 of the Public Health Service Act), the Company instead shall pay, on the first day of each calendar month, a fully taxable cash payment equal to your applicable COBRA Premiums for that month (including premiums for any dependents), subject to applicable tax withholdings (such amount the "Special Cash Payment"), for the remainder of the COBRA Premium Period. You may, but are not obligated to, use such Special Cash Payment toward the cost of COBRA premiums.

(c) Prorated 2023 Bonus. The Company will pay you an additional cash severance payment equal to $16,607, which reflects your target quarterly and annual bonuses for 2023, prorated for the number of days you were employed with the Company in such year (the "**Prorated 2023 Bonus**"). The Prorated 2023 Bonus shall be paid to you in a lump sum, subject to standard payroll deductions and withholdings, with the first severance payment under Section 3(a).

(d) Accelerated Vesting. Effective as of the Effective Date, the Company will accelerate the vesting of your equity awards currently scheduled to vest within 18 months after the Separation Date such that you will be deemed vested in all such shares as of the Separation Date.

(e) Extended Post-Termination Exercise Period. Effective as of the Effective Date, the Company will extend the period of time in which you may exercise all of your vested, outstanding and unexercised stock options through the applicable term of the option (the "**Option Exercise Extension**"), subject to earlier expiration pursuant to the terms of the applicable plan under which such stock options were granted (including in connection with a change in control of the Company). To the extent any of your options currently are intended to, and do, qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended ("**ISOs**"), you understand that you must affirmatively accept the Option Exercise Extension as described below. If you accept the Option Exercise Extension in respect of your ISOs and the Option Exercise Extension becomes effective, such options will no longer qualify as ISOs and will instead be treated for tax purposes as nonqualified stock options ("**NSOs**"). As a result, you understand that you must satisfy all applicable tax withholding obligations upon exercise of the options. You should consult with your tax advisor regarding the decision to accept or reject the Option Exercise Extension of any of your ISOs. To the extent your options are NSOs, the Option Exercise Extension will automatically apply to your NSOs that are outstanding, vested and exercisable as of the Separation Date, subject to you timely signing this Agreement, allowing it to become effective, and complying with your obligations under it.

If this Agreement is revoked or otherwise does not become effective in accordance with its terms, then any acceptance of the Option Exercise Extension will be disregarded and will be of no force or effect. **You acknowledge that if you fail to accept the Option Exercise Extension by checking below on or prior to the date that is 29 days following the date of this Agreement, then the Option Exercise Extension will not apply to any of your ISOs and such ISOs will continue to be governed by their existing terms.**

Subject to the terms and conditions of the Agreement, you hereby elect to ACCEPT or DECLINE, as applicable, the Option Exercise Extension with respect to your ISOs as set forth below:

ACCEPT **DECLINE**

4) Other Compensation or Benefits. You acknowledge that, except as expressly provided in this Agreement, you have not earned from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits before or after the Separation Date, with the exception of any vested right you may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account) or any vested stock options. Additionally, you and the Company agree that the severance benefits outlined in this Agreement supersede and replace in entirety those severance benefits outlined in your Amended and Restated Employment Agreement, dated June 17, 2021, and that upon receipt of the benefits provided by this Agreement, you will not be entitled to, and will not receive, any further severance benefits from the Company.

5) Expense Reimbursements. You agree that, within thirty (30) days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

6) Release of Claims.

(a) Release of Claims. In exchange for the consideration provided to you under this Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns from any and all claims, liabilities, demands, causes of action, and obligations, both known and unknown, arising from or in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement.

(b) Scope of Release. This general release includes, but is not limited to: (i) all claims arising from or in any way related to your employment with the Company or the termination of that employment; (ii) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership, equity, or profits interests in the Company; (iii) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (iv) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (v) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964, the federal Americans with Disabilities Act of 1990, the California Labor Code, the California Family Rights Act, the Age Discrimination in Employment Act ("**ADEA**") and the California Fair Employment and Housing Act. **You acknowledge that you have been advised, as required by California Government Code Section 12964.5(b)(4), that you have the right to consult an attorney regarding this Agreement and that you were given a reasonable time period of not less than five business days in which to do so.** You further acknowledge and agree that, in the event you sign this Agreement prior to the end of the reasonable time period provided by the Company, your decision to accept such shortening of time is knowing and voluntary and is not induced by the Company through fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the expiration of the reasonable time period, or by providing

different terms to employees who sign such an agreement prior to the expiration of the time period.

(c) ADEA Release. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you have under the ADEA, and that the consideration given for the waiver and releases you have given in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised, as required by the ADEA, that: (i) your waiver and release does not apply to any rights or claims arising after the date you sign this Agreement; (ii) you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so); (iii) you have twenty-one (21) days to consider this Agreement (although you may choose voluntarily to sign it sooner); (iv) you have seven (7) days following the date you sign this Agreement to revoke this Agreement (in a written revocation sent to the Company); and (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after you sign this Agreement provided that you do not revoke it (the "**Effective Date**").

(d) Section 1542 Waiver. In giving the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code, which reads as follows: **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."** You hereby expressly waive and relinquish all rights and benefits under that section and any law of any other jurisdiction of similar effect with respect to your release of claims herein, including but not limited to your release of unknown claims.

(e) Exceptions. Notwithstanding the foregoing, you are not releasing the Company hereby from: (i) any obligation to indemnify you pursuant to the Articles and Bylaws of the Company, any valid fully executed indemnification agreement with the Company, applicable law, or applicable directors and officers liability insurance; (ii) any claims that cannot be waived by law; or (iii) any claims for breach of this Agreement.

7) Protected Rights. You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the California Department of Fair Employment and Housing, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("**Government Agencies**"). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to maximum extent permitted by law, you are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

8) Return of Company Property. You agree that by the Separation Date, you will return to the Company all Company documents (and all copies thereof) and other Company

property in your possession or control, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, drafts, financial and operational information, research and development information, sales and marketing information, customer lists, prospect information, pipeline reports, sales reports, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computing and electronic devices, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions or embodiments thereof in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information by the close of business on the Separation Date or as soon as possible thereafter. If you have used any personally owned computer or other electronic device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, within five (5) days after the Separation Date, you shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems; and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is completed. **Your timely compliance with this paragraph is a condition to your receipt of the severance benefits provided under this Agreement.**

9) Confidential Information Obligations. You acknowledge and reaffirm your continuing obligations under your Employee Confidential Information and Inventions Assignment Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

10) Non-disparagement. Subject to the exceptions set forth in paragraph 7 above entitled "Protected Rights" , you agree not to disparage the Company, its officers, directors, employees, shareholders, parents, subsidiaries, affiliates, and agents, in any manner likely to be harmful to its or their business, business reputation, or personal reputation; provided that you may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. In addition, nothing in this provision or this Agreement is intended to prohibit or restrain you in any manner from making disclosures protected under the whistleblower provisions of federal or state law or regulation or other applicable law or regulation or as set forth in the section of this Agreement entitled "Protected Rights." The Company will instruct the management team not to disparage you in any manner likely to be harmful to you, your business , business reputation, or personal reputation; provided that the Company may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation.

11) No Voluntary Adverse Action **.** You agree that you will not voluntarily (except in response to legal compulsion or as permitted under the section of this Agreement entitled "Protected Rights") assist any person in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees or agents.

12) Cooperation. You agree to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and

trial testimony. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages) and will make reasonable efforts to accommodate your scheduling needs.

13) No Admissions. You and the Company understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or you to the Company or to any other person, and that neither you or the Company make any such admission.

14) Representations. You hereby represent that except for what is provided in this Agreement, you have: been paid all compensation owed and for all hours worked; received all leave and leave benefits and protections for which you are eligible pursuant to the Family and Medical Leave Act, the California Family Rights Act, or otherwise; and not suffered any on-the-job injury for which you have not already filed a workers' compensation claim.

15) Dispute Resolution. You and the Company agree that any and all disputes, claims, or controversies of any nature whatsoever arising from, or relating to, this Agreement or its interpretation, enforcement, breach, performance or execution, your employment or the termination of such employment (including, but not limited to, any statutory claims), shall be resolved, pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by law, by final, binding and confidential arbitration in San Francisco, California (or another mutually acceptable location) conducted before a single neutral arbitrator by JAMS, Inc. ("**JAMS**") or its successor, under the then applicable JAMS Arbitration Rules and Procedures for Employment Disputes (available at http://www.jamsadr.com/rules-employment-arbitration/). California law shall govern any such proceeding and the California Code of Civil Procedure shall apply. **By agreeing to this arbitration procedure, both you and the Company waive the right to have any claim resolved through a trial by jury or judge.** You will have the right to be represented by legal counsel at any arbitration proceeding, at your own expense. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, to the extent such claims are not permitted by applicable law to be submitted to mandatory arbitration and the applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "**Excluded Claims**"). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be publicly filed with a court, while any other claims will remain subject to mandatory arbitration. The arbitrator shall have sole authority for determining if a claim is subject to arbitration, and any other procedural questions related to the dispute and bearing on the final disposition. In addition, the arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be available under applicable law in a court proceeding; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The Company shall pay all JAMS arbitration fees. Nothing in this Agreement shall prevent you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

16) Miscellaneous. This Agreement, including Exhibit A, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with

regard to its subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California without regard to conflict of laws principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be executed in counterparts and electronic or facsimile signatures will suffice as original signatures.

If this Agreement is acceptable to you, please sign below and return the original to me. You have twenty-one (21) calendar days to decide whether to accept this Agreement, and the Company's offer contained herein will automatically expire if you do not sign and return it within that timeframe.

We wish you the best in your future endeavors.

Sincerely,

By: /s/ Raj Talluri
Raj Talluri
CEO

I have read, understand and agree fully to the foregoing Agreement:

/s/ Cameron Dales
Cameron Dales

January 23, 2023
Date

Exhibit A

Employee Confidential Information and Inventions Assignment Agreement

Exhibit 10.28

January 17, 2023

Ashok Lahiri
VIA DOCUSIGN

Dear Ashok:

This letter sets forth the substance of the separation agreement (the "**Agreement**") that Enovix Corporation (the "**Company**") is offering to you to aid in your employment transition.

1) Separation. Your employment termination date will be February 1st, 2023 (the "**Separation Date**").

2) Accrued Salary and Paid Time Off. On the Separation Date, the Company will pay you all accrued salary and all accrued and unused vacation/PTO earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to this payment by law. You will remain eligible for a performance bonus for 2022 pursuant to the terms of the Company's bonus plan, to be paid at the same time as when bonuses are paid to the rest of the executive team which in no event shall be later than March 1st, 2023.

3) Severance Benefits. If you timely sign this Agreement, allow the releases set forth herein to become effective, and comply with all of your legal and contractual obligations to the Company, then the Company will provide you with the following benefits:

(a) Severance Payment. The Company will pay you, as severance, the equivalent of nine (9) months of your base salary in effect as of the Separation Date, subject to standard payroll deductions and withholdings. The severance will be paid in the form of salary continuation, in equal installments on the Company's consecutive regular payroll schedule, starting on the Company's first regularly scheduled payroll date that is at least one (1) week after the Effective Date (as defined herein).

(b) Health Insurance. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, you will be eligible to continue your group health insurance benefits at your own expense following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company's health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations under COBRA and a form for electing COBRA coverage. If you timely elect continued coverage under COBRA, then the Company shall reimburse you for the COBRA premiums to continue your health insurance coverage (including coverage for eligible dependents, if applicable) through the period (the "**COBRA Premium Period**") starting on the Separation Date and ending on the earliest to occur of: (i) February 1, 2026; (ii) the date you become eligible for group health insurance coverage through a new employer; or (iii) the date you cease to be eligible for COBRA coverage for any reason. You must timely pay your premiums, and then provide documentation to the Company, to obtain reimbursement for your COBRA premiums under this Section 3(b) which reimbursement shall be made within 21 days of submission of your documentation. In the event you are eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company in writing. Notwithstanding the foregoing, if the Company determines, in its sole discretion, either prior to or at any time during the COBRA Premium Period, that it cannot reimburse the COBRA

Premiums without a substantial risk of violating applicable law (including, without limitation, Section 105(h) of the Internal Revenue Code or Section 2716 of the Public Health Service Act), the Company instead shall pay, on the first day of each calendar month, a fully taxable cash payment equal to your applicable COBRA Premiums for that month (including premiums for any dependents), subject to applicable tax withholdings (such amount the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. You may, but are not obligated to, use such Special Cash Payment toward the cost of COBRA premiums.

(c) Prorated 2023 Bonus. The Company will pay you an additional cash severance payment equal to $16,562, which reflects your target quarterly and annual bonuses for 2023, prorated for the number of days you were employed with the Company in such year (the "**Prorated 2023 Bonus**"). The Prorated 2023 Bonus shall be paid to you in a lump sum, subject to standard payroll deductions and withholdings, with the first severance payment under Section 3(a).

(d) Accelerated Vesting. Effective as of the Effective Date, the Company will accelerate the vesting of all of your equity awards such that you will be deemed vested in all such shares as of the Separation Date.

(e) Extended Post-Termination Exercise Period. Effective as of the Effective Date, the Company will extend the period of time in which you may exercise all of your vested, outstanding and unexercised stock options through the applicable term of the option (the "**Option Exercise Extension**"), subject to earlier expiration pursuant to the terms of the applicable plan under which such stock options were granted (including in connection with a change in control of the Company). To the extent any of your options currently are intended to, and do, qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended ("**ISOs**"), you understand that you must affirmatively accept the Option Exercise Extension as described below. If you accept the Option Exercise Extension in respect of your ISOs and the Option Exercise Extension becomes effective, such options will no longer qualify as ISOs and will instead be treated for tax purposes as nonqualified stock options ("**NSOs**"). As a result, you understand that you must satisfy all applicable tax withholding obligations upon exercise of the options. You should consult with your tax advisor regarding the decision to accept or reject the Option Exercise Extension of any of your ISOs. To the extent your options are NSOs, the Option Exercise Extension will automatically apply to your NSOs that are outstanding, vested and exercisable as of the Separation Date, subject to you timely signing this Agreement, allowing it to become effective, and complying with your obligations under it.

If this Agreement is revoked or otherwise does not become effective in accordance with its terms, then any acceptance of the Option Exercise Extension will be disregarded and will be of no force or effect. **You acknowledge that if you fail to accept the Option Exercise Extension by checking below on or prior to the date that is 29 days following the date of this Agreement, then the Option Exercise Extension will not apply to any of your ISOs and such ISOs will continue to be governed by their existing terms.**

Subject to the terms and conditions of the Agreement, you hereby elect to ACCEPT or DECLINE, as applicable, the Option Exercise Extension with respect to your ISOs as set forth below:

ACCEPT **DECLINE**

4) Other Compensation or Benefits. You acknowledge that, except as expressly provided in this Agreement, you have not earned from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits before or after the Separation Date, with the exception of any vested right you may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account) or any vested stock options. Additionally, you and the Company agree that the severance benefits outlined in this Agreement supersede and replace in entirety those severance benefits outlined in your Amended and Restated Employment Agreement, dated June 11, 2021, and that upon receipt of the benefits provided by this Agreement, you will not be entitled to, and will not receive, any further severance benefits from the Company.

5) Expense Reimbursements. You agree that, within thirty (30) days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

6) Release of Claims.

(a) Release of Claims. In exchange for the consideration provided to you under this Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns from any and all claims, liabilities, demands, causes of action, and obligations, both known and unknown, arising from or in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement.

(b) Scope of Release. This general release includes, but is not limited to: (i) all claims arising from or in any way related to your employment with the Company or the termination of that employment; (ii) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership, equity, or profits interests in the Company; (iii) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (iv) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (v) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964, the federal Americans with Disabilities Act of 1990, the California Labor Code, the California Family Rights Act, the Age Discrimination in Employment Act ("**ADEA**") and the California Fair Employment and Housing Act. **You acknowledge that you have been advised, as required by California Government Code Section 12964.5(b)(4), that you have the right to consult an attorney regarding this Agreement and that you were given a reasonable time period of not less than five business days in which to do so.** You further acknowledge and agree that, in the event you sign this Agreement prior to the end of the reasonable time period provided by the Company, your decision to accept such shortening of time is knowing and voluntary and is not induced by the Company through fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the expiration of the reasonable time period, or by providing

different terms to employees who sign such an agreement prior to the expiration of the time period.

(c) ADEA Release. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you have under the ADEA, and that the consideration given for the waiver and releases you have given in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised, as required by the ADEA, that: (i) your waiver and release does not apply to any rights or claims arising after the date you sign this Agreement; (ii) you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so); (iii) you have twenty-one (21) days to consider this Agreement (although you may choose voluntarily to sign it sooner); (iv) you have seven (7) days following the date you sign this Agreement to revoke this Agreement (in a written revocation sent to the Company); and (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after you sign this Agreement provided that you do not revoke it (the "**Effective Date**").

(d) Section 1542 Waiver. In giving the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code, which reads as follows: **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."** You hereby expressly waive and relinquish all rights and benefits under that section and any law of any other jurisdiction of similar effect with respect to your release of claims herein, including but not limited to your release of unknown claims.

(e) Exceptions. Notwithstanding the foregoing, you are not releasing the Company hereby from: (i) any obligation to indemnify you pursuant to the Articles and Bylaws of the Company, any valid fully executed indemnification agreement with the Company, applicable law, or applicable directors and officers liability insurance; (ii) any claims that cannot be waived by law; or (iii) any claims for breach of this Agreement.

7) Protected Rights. You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the California Department of Fair Employment and Housing, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("**Government Agencies**"). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to maximum extent permitted by law, you are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

8) Return of Company Property. You agree that by the Separation Date, you will return to the Company all Company documents (and all copies thereof) and other Company

property in your possession or control, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, drafts, financial and operational information, research and development information, sales and marketing information, customer lists, prospect information, pipeline reports, sales reports, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computing and electronic devices, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions or embodiments thereof in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information by the close of business on the Separation Date or as soon as possible thereafter. If you have used any personally owned computer or other electronic device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, within five (5) days after the Separation Date, you shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems; and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is completed. **Your timely compliance with this paragraph is a condition to your receipt of the severance benefits provided under this Agreement.**

9) Confidential Information Obligations. You acknowledge and reaffirm your continuing obligations under your Employee Confidential Information and Inventions Assignment Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

10) Non-disparagement. Subject to the exceptions set forth in paragraph 7 above entitled "Protected Rights", you agree not to disparage the Company, its officers, directors, employees, shareholders, parents, subsidiaries, affiliates, and agents, in any manner likely to be harmful to its or their business, business reputation, or personal reputation; provided that you may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. In addition, nothing in this provision or this Agreement is intended to prohibit or restrain you in any manner from making disclosures protected under the whistleblower provisions of federal or state law or regulation or other applicable law or regulation or as set forth in the section of this Agreement entitled "Protected Rights." The Company will instruct the management team not to disparage you in any manner likely to be harmful to you, your business, business reputation, or personal reputation; provided that the Company may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation.

11) No Voluntary Adverse Action **.** You agree that you will not voluntarily (except in response to legal compulsion or as permitted under the section of this Agreement entitled "Protected Rights") assist any person in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees or agents.

12) Cooperation. You agree to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and

trial testimony. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages) and will make reasonable efforts to accommodate your scheduling needs.

13) No Admissions. You and the Company understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or you to the Company or to any other person, and that neither you or the Company make any such admission.

14) Representations. You hereby represent that except for what is provided in this Agreement, you have: been paid all compensation owed and for all hours worked; received all leave and leave benefits and protections for which you are eligible pursuant to the Family and Medical Leave Act, the California Family Rights Act, or otherwise; and not suffered any on-the-job injury for which you have not already filed a workers' compensation claim.

15) Dispute Resolution. You and the Company agree that any and all disputes, claims, or controversies of any nature whatsoever arising from, or relating to, this Agreement or its interpretation, enforcement, breach, performance or execution, your employment or the termination of such employment (including, but not limited to, any statutory claims), shall be resolved, pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by law, by final, binding and confidential arbitration in San Francisco, California (or another mutually acceptable location) conducted before a single neutral arbitrator by JAMS, Inc. ("**JAMS**") or its successor, under the then applicable JAMS Arbitration Rules and Procedures for Employment Disputes (available at http://www.jamsadr.com/rules-employment-arbitration/). California law shall govern any such proceeding and the California Code of Civil Procedure shall apply. **By agreeing to this arbitration procedure, both you and the Company waive the right to have any claim resolved through a trial by jury or judge.** You will have the right to be represented by legal counsel at any arbitration proceeding, at your own expense. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, to the extent such claims are not permitted by applicable law to be submitted to mandatory arbitration and the applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "**Excluded Claims**"). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be publicly filed with a court, while any other claims will remain subject to mandatory arbitration. The arbitrator shall have sole authority for determining if a claim is subject to arbitration, and any other procedural questions related to the dispute and bearing on the final disposition. In addition, the arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be available under applicable law in a court proceeding; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The Company shall pay all JAMS arbitration fees. Nothing in this Agreement shall prevent you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

16) Miscellaneous. This Agreement, including Exhibit A, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with

regard to its subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California without regard to conflict of laws principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be executed in counterparts and electronic or facsimile signatures will suffice as original signatures.

If this Agreement is acceptable to you, please sign below and return the original to me. You have twenty-one (21) calendar days to decide whether to accept this Agreement, and the Company's offer contained herein will automatically expire if you do not sign and return it within that timeframe.

We wish you the best in your future endeavors.

Sincerely,

By: /s/ Harrold Rust
Harrold Rust
CEO

I have read, understand and agree fully to the foregoing Agreement:

/s/ Ashok Lahiri
Ashok Lahiri

January 17, 2023
Date

Exhibit A

Employee Confidential Information and Inventions Assignment Agreement

3501 W. Warren Ave, Fremont CA 94538 Ph:510-687-2350

December 23, 2022

Raj Talluri
10604 Ainsworth Drive
Los Altos
CA 94024
United States

Re: Employment Terms

Dear Raj:

Enovix Corporation (the "Company") is pleased to offer you the position of Chief Executive Officer reporting to the Board of Directors (the "Board"). Your base salary will be $545,000 (the "Base Salary") which will be subject to adjustment pursuant to the Company's employee compensation policies as may be in effect from time to time and periodic reviews, less payroll deductions and withholdings. You will be eligible for an annual discretionary bonus and your annual bonus target will be 80% of your Base Salary. The bonus payout will be based on achievement of specific performance goals and will be subject to the terms and conditions of the Enovix Bonus Plan specification and the Board approval.

Subject to approval by the Board and your continued employment, you will be granted 2,000,000 restricted stock units (RSUs). Each vested RSU constitutes the right to receive from Enovix one share of Enovix common stock. The RSUs will be granted pursuant to the terms and conditions of the 2021 Equity Incentive Plan (the "Plan"), and related agreements and documents, to be provided to you, that will detail the terms and conditions related to the RSUs you will receive. Subject to Board approval, your grant agreement will include a five-year vesting schedule, under which twenty percent (20%) of your RSUs will vest after twelve months of employment, with the remaining RSUs vesting monthly thereafter, until either your RSUs are fully vested or your Continuous Service (as defined in the Plan) ends, whichever occurs first.

1. Employment by the Company.

(a) Position. As noted, you will serve as the Company's Chief Executive Officer.

(b) Duties. You will perform those duties and responsibilities as are customary for the position of Chief Executive Officer and as may be directed by the Board, to whom you will report. Your primary office location will be the Company's offices in Fremont, California. Notwithstanding the foregoing, the Company reserves the right to reasonably require you to perform your duties at places other than your primary office location from time to time, and to require reasonable business travel. Subject to the terms of this Agreement, the Company may modify your job title, duties, and reporting relationship as it deems necessary and appropriate in light of the Company's needs and interests from time to time.

(c) Outside Activities. Throughout your employment with the Company, you may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of your duties hereunder or present a conflict of interest with the Company. During your employment by the Company, except on behalf of the Company, you will not directly or indirectly serve as an officer, director, employee, partner, proprietor, investor, joint venturer, associate, representative or consultant of any other person, corporation, firm, partnership or other entity whatsoever known by you to compete with the Company (or is planning or preparing to compete with the Company), anywhere in the world, in any line of business engaged in (or planned to be engaged in) by the Company; provided, however, that you may purchase or otherwise acquire up to (but not more than) two percent (2%) of any class of securities of any enterprise (but without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange.

2. Compensation and Benefits.

(a) Base Salary. As previously noted, you will be paid a base salary at the rate of $545,000 per year, less applicable payroll deductions and withholdings. Your base salary will be paid on the Company's ordinary payroll cycle. As an exempt salaried employee, you will be required to work the Company's normal business hours, and such additional time as appropriate for your work assignments and position, and you will not be entitled to overtime compensation.

(b) Employee Benefits. As a regular full-time employee, you will remain eligible to participate in the Company's standard employee benefits offered to executive level employees, as in effect from time to time and subject to the terms and conditions of the benefit plans and applicable Company policies. A full description of these benefits is available upon request. Subject to the terms of this Agreement, the Company may change your compensation and benefits from time to time in its discretion, and you acknowledge that nothing herein shall be construed to limit the Company's ability to amend, suspend, or terminate any benefit plan or policy at any time without providing you notice, and the right to do so is expressly reserved.

(c) Annual Discretionary Bonus. You will also be eligible to earn an annual discretionary bonus and your annual bonus target will be 80% of your Base Salary. The amount of this bonus will be determined in the sole discretion of the Company and based, in part, on your performance and the performance of the Company during the calendar year, as well as any other criteria the Company deems relevant. Subject to Sections 5(b) and 5(c) herein, the bonus is not earned until paid and no pro-rated amount will be paid if your employment terminates for any reason prior to the payment date.

(d) Equity Compensation. As noted, subject to approval by the Board and your continued employment, you will be granted 2,000,000 restricted stock units (RSUs). Your grant agreement will include a five-year vesting schedule, under which twenty percent (20%) of your RSUs will vest after twelve months of employment, with the remaining RSUs vesting monthly thereafter, until either your RSUs are fully vested or your Continuous Service (as defined in the Plan) ends, whichever occurs first. You may be considered for additional equity awards under the Company's 2021 Equity Incentive Plan (the "***2021 Plan***"), as determined within the discretion of the Company's Board of Directors. For purposes of this Agreement, "Equity Awards" shall mean all stock options, restricted stock and restricted stock units, and such other equity awards granted pursuant to the Plan, and any applicable agreements and grant notices.

(e) Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance of or in connection with the performance of your duties hereunder, in accordance with the Company's expense reimbursement policies and practices as in effect from time to time.

3. Confidential Information.

(a) Confidentiality Agreement. As a Company employee, you will be expected to continue to abide by Company rules and policies including those rules and policies regarding the protection of the Company's confidential information. You will remain subject to the terms of the Employee Confidential Information and Inventions Assignment Agreement that you signed when you joined the Company, which prohibits unauthorized use or disclosure of the Company's proprietary information, among other obligations (the "***Confidentiality Agreement***"), and which is incorporated herein by reference.

(b) Conflicting Obligations. By signing this Agreement, you are representing that you have full authority to accept this position and perform the duties of the position without conflict with any other obligations and that you are not involved in any situation that might create, or appear to create, a conflict of interest with respect to your loyalty or duties to the Company. You specifically warrant that you are not subject to an employment agreement or restrictive covenant preventing full performance of your duties to the Company. You agree not to bring to the Company or use in the performance of your responsibilities at the Company any information, materials or documents of a former employer that are not generally available to the public, unless

you have obtained express written authorization from the former employer for their possession and use. You also agree to honor all obligations to former employers during your employment with the Company.

4. At-Will Employment Relationship. Your employment relationship with the Company is at will. Accordingly, you may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company; and the Company may terminate your employment at any time, with or without Cause or advance notice.

5. Severance.

(a) Resignation Without Good Reason; Termination for Cause; Death or Disability. If, at any time, you resign your employment without Good Reason (as defined herein), or the Company terminates your employment for Cause (as defined herein), or if either party terminates your employment as a result of your death or disability, you will receive your base salary accrued through your last day of employment, as well as any unused vacation (if applicable) accrued through your last day of employment. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits as set forth herein, other than your rights to the vested portion of your equity interests and any other rights to which you are entitled under the Company's benefit programs.

(b) Qualifying Termination Outside of a Change of Control. If, beginning at a point in time that is at least four (4) months after your start date as an employee, the Company terminates your employment without Cause (as defined herein), other than as a result of your death or disability, or you resign for Good Reason (as defined herein) (either such termination referred to as a "***Qualifying Termination***"), provided such termination or resignation constitutes a Separation from Service (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "Separation from Service"), then subject to your satisfaction of the Severance Preconditions (as defined below), the Company will provide you with the following severance benefits (the "***Severance Benefits***") based upon your title immediately prior to the time of the Qualifying Termination:

(i) Cash Severance. The Company will pay you, as cash severance, an amount equal to the number of months set forth on **Appendix A** (the "**Severance Multiplier**") of your base salary in effect as of your Separation from Service date, less standard payroll deductions and tax withholdings (the "***Cash Severance***"). The Cash Severance will be paid in installments in the form of continuation of your base salary payments, paid on the Company's ordinary payroll dates, commencing on the Company's first regular payroll date that is more than 60 days following your Separation from Service date, and shall be for any accrued base salary for the 60-day period plus the period from the 60th day until the regular payroll date, if applicable, and all salary continuation payments thereafter, if any, shall be made on the Company's regular payroll dates.

(ii) COBRA Severance. As an additional Severance Benefit, the Company will continue to pay the cost of your health care coverage in effect at the time of your Separation from Service for a maximum number of months as set forth on **Appendix A** (the "**COBRA Months**") either under the Company's regular health plan (if permitted), or by paying your COBRA premiums (the "***COBRA Severance***"). The Company's obligation to pay the COBRA Severance on your behalf will cease if you obtain health care coverage from another source (e.g., a new employer or spouse's benefit plan), unless otherwise prohibited by applicable law. You must notify the Company within two weeks if you obtain coverage from a new source. This payment of COBRA Severance by the Company would not expand or extend the maximum period of COBRA coverage to which you would otherwise be entitled under applicable law. Notwithstanding the above, if the Company determines in its sole discretion that it cannot provide the foregoing COBRA Severance without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to you a taxable monthly payment in an amount equal to the monthly COBRA premium that you would be required to pay to continue your group health coverage in effect on the date of your termination (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made on the last day of each month regardless of whether you elect COBRA

continuation coverage and shall end on the earlier of (i) the date upon which you obtain other coverage or (ii) the last day of the month that is the last full month of the number of **COBRA Months** following your Separation from Service date.

(iii) Pro Rata Bonus. The Company will also pay you a prorated amount of your annual target bonus based upon your dates of employment during the calendar year in which your Separation of Service occurs, less standard payroll deductions and tax withholdings. This additional cash severance amount will be paid in a lump sum at the same time annual bonuses are paid to employees pursuant to Section 2(c).

(iv) Accelerated Vesting. The Company shall accelerate vesting of the number of then-unvested shares subject to the Equity Awards that would have vested had your employment continued for an additional number of months as set forth on Appendix A (the "**Vesting Months**") after the Separation from Service date, such that those number of shares shall be deemed immediately vested and exercisable as of your Separation from Service date.

(c) Qualifying Termination In Connection with A Change of Control . In the event of a Qualifying Termination that occurs within the 3 months preceding or the 12 months following the closing of a Change of Control (as defined herein), provided such Qualifying Termination constitutes a Separation from Service, then subject to your satisfaction of the Severance Preconditions (as defined below), and based upon your title immediately prior to the time of the Qualifying Termination, you shall be entitled to a Cash Severance as set forth in section 5(b)(i), a COBRA Severance as set forth in Section 5(b)(ii), a prorated amount of your annual target bonus as set forth in Section 5(b)(iii), accelerated vesting as provided in section 5(b)(iv) and, in addition, the Company shall accelerate the vesting of any remaining then-unvested shares subject to your Equity Awards (i.e., any shares that remain unvested after taking into account the accelerated vesting as provided in section 5(b)(iv) such that the percentage of the remaining then-unvested shares as set forth on Exhibit A (the "**Double Trigger Percentage**") shall be deemed immediately vested and exercisable as of your Separation from Service date ("***Double Trigger Acceleration***"). For the avoidance of doubt, and notwithstanding anything in section 5(b) to the contrary, your entitlement to the severance benefits provided in this section 5(c) is independent of the length of time of your employment with the Company.

(d) Severance Preconditions. Prior to and as a condition to your receipt of the Severance Benefits or Double Trigger Acceleration set forth in Sections 5(b) and 5(c) herein, you shall: (a) execute and deliver to the Company an effective release of claims in favor of and in a form acceptable to the Company (the "***Release***") within the timeframe set forth therein, but not later than 60 days following your Separation from Service date, and allow the Release to become effective according to its terms (by not invoking any legal right to revoke it) within any applicable time period set forth therein (such latest permitted effective date, the "***Release Deadline***"); (b) continue to comply with the terms of this Agreement and the Confidentiality Agreement; and (c) return to the Company all Company documents (and all copies thereof) and other Company property in your possession, custody or control, (collectively, the "***Severance Preconditions***").

(e) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(i) Cause. For purposes of this Agreement, "Cause" for termination will mean your: (i) commission or conviction (including a guilty plea or plea of nolo contendere) of any felony or any other crime involving fraud, dishonesty or moral turpitude; (ii) your commission or attempted commission of or participation in a fraud or act of dishonesty or misrepresentation against the Company; (iii) material breach of your duties to the Company; (iv) intentional damage to any property of the Company; (v) misconduct, or other violation of Company policy that causes harm to the Company; (vi) your material violation of any written and fully executed contract or agreement between you and the Company, including without limitation, material breach of your Confidentiality Agreement, or of any Company policy, or of any statutory duty you owe to the Company; or (vii) conduct by you which in the good faith and reasonable determination of the Company

demonstrates gross unfitness to serve. The determination that a termination is for Cause shall be made by the Company in its sole discretion.

(ii) Good Reason. For purposes of this Agreement, you shall have "Good Reason" for resigning from employment with the Company if any of the following actions are taken by the Company without your prior written consent: (i) a material reduction in your base salary, which the parties agree is a reduction of at least 10% of your base salary (unless pursuant to a salary reduction program applicable generally to the Company's similarly situated employees); (ii) a material reduction in your duties (including responsibilities and/or authorities), provided, however, that a change in job position (including a change in title) shall not be deemed a "material reduction" in and of itself unless your new duties are materially reduced from the prior duties; or (iii) relocation of your principal place of employment to a place that increases your one-way commute by more than 50 miles as compared to your then-current principal place of employment immediately prior to such relocation. In order to resign for Good Reason, you must provide written notice to the Company's Chief Legal Officer within 30 days after the first occurrence of the event giving rise to Good Reason setting forth the basis for your resignation, allow the Company at least 30 days from receipt of such written notice to cure such event, and if such event is not reasonably cured within such period, you must resign from all positions you then hold with the Company not later than 30 days after the expiration of the cure period.

(iii) Change of Control. For purposes of this Agreement, "Change of Control" shall mean: (i) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (ii) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred; provided that the foregoing shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or indebtedness of the Company is cancelled or converted or a combination thereof; or (iii) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

6. Compliance with Section 409A. It is intended that the Severance and Accelerated Vesting set forth in this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Internal Revenue Code of 1986, as amended, (the "***Code***") (Section 409A, together with any state law of similar effect, "***Section 409A***") provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulations 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if the Company (or, if applicable, the successor entity thereto) determines that the Severance or Accelerated Vesting constitute "deferred compensation" under Section 409A and you are, on the date of your Separation from Service, a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A(a)(2)(B)(i) of the Code (a "***Specified Employee***"), then, solely to the extent necessary to avoid the incurrence of adverse personal tax consequences under Section 409A, the timing of the Severance and Accelerated Vesting shall be delayed until the earliest of: (i) the date that is six (6) months and one (1) day after your Separation from Service date, (ii) the date of your death, or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments or benefits deferred pursuant to this Section shall be paid in a lump sum or provided in full by the Company (or the successor entity thereto, as applicable), and any remaining payments due shall be paid as otherwise provided herein. No interest shall be due on any amounts so deferred. If the Severance and Accelerated Vesting benefits are not covered by one or more exemptions from the application of Section 409A and the Release could become effective in the calendar year following the calendar year in which you have a Separation from Service, the Release will not be deemed

effective any earlier than the Release Deadline. The Severance and Accelerated Vesting benefits are intended to qualify for an exemption from application of Section 409A or comply with its requirements to the extent necessary to avoid adverse personal tax consequences under Section 409A, and any ambiguities herein shall be interpreted accordingly. Notwithstanding anything to the contrary herein, to the extent required to comply with Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A. With respect to reimbursements or in-kind benefits provided to you hereunder (or otherwise) that are not exempt from Section 409A, the following rules shall apply: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any one of your taxable years shall not affect the expenses eligible for reimbursement, or in-kind benefit to be provided in any other taxable year, (ii) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or before the last day of your taxable year following the taxable year in which the expense was incurred, (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

7. Section 280G; Parachute Payments.

(a) Reduced Amount. If any payment or benefit you will or may receive from the Company or otherwise (a "***280G Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then any such 280G Payment provided pursuant to this Agreement (a " ***Payment***") shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "***Reduction Method***") that results in the greatest economic benefit for you. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "***Pro Rata Reduction Method***").

(b) Section 409A. Notwithstanding any provision of subsection (a) above to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for you as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Process. Unless you and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 7 ("***Section 280G; Parachute Payments***"). The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with

detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a 280G Payment becomes reasonably likely to occur (if requested at that time by you or the Company) or such other time as requested by you or the Company.

(d) Payment Return. If you receive a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 7(a) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, you agree to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 7(a)) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 7(a), you shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

8. Dispute Resolution.

(a) Arbitration Agreement. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS, Inc. or its successor ("***JAMS***"), under JAMS' then applicable rules and procedures for employment disputes before a single arbitrator (available upon request and also currently available at http://www.jamsadr.com/rules-employment-arbitration/). **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding**.

(b) Individual Claims. All claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, claims brought pursuant to the California Private Attorneys General Act of 2004, as amended, the California Fair Employment and Housing Act, as amended, and the California Labor Code, as amended, to the extent such claims are not permitted by applicable law to be submitted to mandatory arbitration and such applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "***Excluded Claims***"). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be publicly filed with a court, while any other claims will remain subject to mandatory arbitration.

(c) Process. You will have the right to be represented by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS arbitration fees in excess of the administrative fees that you would be required to pay if the dispute were decided in a court of law.

(d) Injunctive Relief. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

9. Miscellaneous. This Agreement, together with your Confidentiality Agreement and any documents referenced herein, forms the complete and exclusive statement of your employment agreement with the Company. It supersedes any other agreements (including but not limited to, that certain Services and Consulting Agreement except as provided herein) or promises made to you by anyone, whether oral or written. Changes in your employment terms, other than those changes expressly reserved to the Company's or the Board's discretion in this Agreement, require a written modification approved by the Company and signed by a duly authorized officer of the Company (other than you). This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination shall not affect any other provision of this Agreement and the provision in question shall be modified so as to be rendered enforceable in a manner consistent with the intent of the parties insofar as possible under applicable law. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to conflicts of law principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement, or rights hereunder, shall be in writing and shall not be deemed to be a waiver of any successive breach or rights hereunder. This Agreement may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

Please sign and date this Agreement and return them to me if you wish to accept employment at the Company under the terms described above. I would be happy to discuss any questions that you may have about these terms.

Sincerely,

/s/ Thurman J. Rodgers
Thurman John Rodgers
Executive Chairman of the Board of Directors, Enovix

Reviewed, Understood, and Accepted:

/s/ Raj Talluri 12/24/2022
Raj Talluri Date

Appendix A

Title	Severance Multiplier (Section 5(b)(i))	COBRA Months (Section 5(b)(ii))	Vesting Months (Section 5(b)(iv))	Double-Trigger Percentage (Section 5(c))
Chief Executive Officer	12	12	24	100%
Chief Operating Officer, Chief Commercial Officer, Chief Financial Officer, Chief Legal Officer, and Chief Technology Officer Executive Vice President	9	9	18	75%
Senior Vice President	9	9	18	75%

3501 W. Warren Ave, Fremont CA 94538 Ph:510-687-2350

November 9, 2022

Ajay Marathe

Re: Employment Terms

Dear Ajay:

Enovix Corporation (the "Company") is pleased to offer you the position of Chief Operating Officer, reporting to the Chief Executive Officer. Your base salary will be $450,000 (the "Base Salary") which will be subject to adjustment pursuant to the Company's employee compensation policies as may be in effect from time to time and periodic reviews, less payroll deductions and withholdings. You will be eligible for an annual discretionary bonus and your annual bonus target will be 80% of your Base Salary. The bonus payout will be based on achievement of specific performance goals and will be subject to the terms and conditions of the Enovix Bonus Plan specification and the Company's Board of Directors (the "Board") approval.

Subject to approval by the Board and your continued employment, you will be granted 833,000 restricted stock units (RSUs). Each vested RSU constitutes the right to receive from Enovix one share of Enovix common stock. The RSUs will be granted pursuant to the terms and conditions of the 2021 Equity Incentive Plan (the "Plan"), and related agreements and documents, to be provided to you, that will detail the terms and conditions related to the RSUs you will receive. Subject to Board approval, your grant agreement will include a five-year vesting schedule, under which twenty percent (20%) of your RSUs will vest after twelve months of employment, with the remaining RSUs vesting monthly thereafter, until either your RSUs are fully vested or your Continuous Service (as defined in the Plan) ends, whichever occurs first.

1. Employment by the Company.

(a) Position. As noted, you will serve as the Company's Chief Operating Officer.

(b) Duties. You will perform those duties and responsibilities as are customary for the position of Chief Operating Officer and as may be directed by the Chief Executive Officer, to whom you will report. Your primary office location will be the Company's offices in Fremont, California. Notwithstanding the foregoing, the Company reserves the right to reasonably require you to perform your duties at places other than your primary office location from time to time, and to require reasonable business travel. Subject to the terms of this Agreement, the Company may modify your job title, duties, and reporting relationship as it deems necessary and appropriate in light of the Company's needs and interests from time to time.

(c) Outside Activities. Throughout your employment with the Company, you may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of your duties hereunder or present a conflict of interest with the Company. During your employment by the Company, except on behalf of the Company, you will not directly or indirectly serve as an officer, director, employee, partner, proprietor, investor, joint venturer, associate, representative or consultant of any other person, corporation, firm, partnership or other entity whatsoever known by you to compete with the Company (or is planning or preparing to compete with the Company), anywhere in the world, in any line of business engaged in (or planned to be engaged in) by the Company; provided, however, that you may purchase or otherwise acquire up to (but not more than) two percent (2%) of any class of securities of any enterprise (but without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange.

2. Compensation and Benefits.

(a) Base Salary. As previously noted, you will be paid a base salary at the rate of $450,000 per year, less applicable payroll deductions and withholdings. Your base salary will be paid on the Company's ordinary payroll cycle. As an exempt salaried employee, you will be required to work the Company's normal business hours, and such additional time as appropriate for your work assignments and position, and you will not be entitled to overtime compensation.

(b) Employee Benefits. As a regular full-time employee, you will remain eligible to participate in the Company's standard employee benefits offered to executive level employees, as in effect from time to time and subject to the terms and conditions of the benefit plans and applicable Company policies. A full description of these benefits is available upon request. Subject to the terms of this Agreement, the Company may change your compensation and benefits from time to time in its discretion, and you acknowledge that nothing herein shall be construed to limit the Company's ability to amend, suspend, or terminate any benefit plan or policy at any time without providing you notice, and the right to do so is expressly reserved.

(c) Annual Discretionary Bonus. You will also be eligible to earn an annual discretionary bonus and your annual bonus target will be 80% of your Base Salary. The amount of this bonus will be determined in the sole discretion of the Company and based, in part, on your performance and the performance of the Company during the calendar year, as well as any other criteria the Company deems relevant. Subject to Sections 5(b) and 5(c) herein, the bonus is not earned until paid and no pro-rated amount will be paid if your employment terminates for any reason prior to the payment date.

(d) Equity Compensation. As noted, subject to approval by the Board and your continued employment, you will be granted 833,000 restricted stock units (RSUs). Your grant agreement will include a five-year vesting schedule, under which twenty percent (20%) of your RSUs will vest after twelve months of employment, with the remaining RSUs vesting monthly thereafter, until either your RSUs are fully vested or your Continuous Service (as defined in the Plan) ends, whichever occurs first. You may be considered for additional equity awards under the Company's 2021 Equity Incentive Plan (the "***2021 Plan***"), as determined within the discretion of the Company's Board of Directors. Any and all Equity Awards previously granted to you will continue to be governed by the terms of the Enovix Corporation 2016 Equity Incentive Plan (the "***2016 Plan***") or the Enovix Corporation 2021 Equity Incentive Plan (the "***2021 Plan***"), as applicable, and any applicable agreements and grant notices. For purposes of this Agreement, "Equity Awards" shall mean all stock options, restricted stock and restricted stock units, and such other equity awards granted pursuant to the Plan, and any applicable agreements and grant notices.

(e) Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance of or in connection with the performance of your duties hereunder, in accordance with the Company's expense reimbursement policies and practices as in effect from time to time.

3. Confidential Information.

(a) Confidentiality Agreement. As a Company employee, you will be expected to continue to abide by Company rules and policies including those rules and policies regarding the protection of the Company's confidential information. You will remain subject to the terms of the Employee Confidential Information and Inventions Assignment Agreement that you signed when you joined the Company, which prohibits unauthorized use or disclosure of the Company's proprietary information, among other obligations (the "***Confidentiality Agreement***"), and which is incorporated herein by reference.

(b) Conflicting Obligations. By signing this Agreement, you are representing that you have full authority to accept this position and perform the duties of the position without conflict with any other obligations and that you are not involved in any situation that might create, or appear to create, a conflict of

interest with respect to your loyalty or duties to the Company. You specifically warrant that you are not subject to an employment agreement or restrictive covenant preventing full performance of your duties to the Company. You agree not to bring to the Company or use in the performance of your responsibilities at the Company any information, materials or documents of a former employer that are not generally available to the public, unless you have obtained express written authorization from the former employer for their possession and use. You also agree to honor all obligations to former employers during your employment with the Company.

4. At-Will Employment Relationship. Your employment relationship with the Company is at will. Accordingly, you may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company; and the Company may terminate your employment at any time, with or without Cause or advance notice.

5. Severance.

(a) Resignation Without Good Reason; Termination for Cause; Death or Disability. If, at any time, you resign your employment without Good Reason (as defined herein), or the Company terminates your employment for Cause (as defined herein), or if either party terminates your employment as a result of your death or disability, you will receive your base salary accrued through your last day of employment, as well as any unused vacation (if applicable) accrued through your last day of employment. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits as set forth herein, other than your rights to the vested portion of your equity interests and any other rights to which you are entitled under the Company's benefit programs.

(b) Qualifying Termination Outside of a Change of Control. If, beginning at a point in time that is at least four (4) months after your start date as an employee, the Company terminates your employment without Cause (as defined herein), other than as a result of your death or disability, or you resign for Good Reason (as defined herein) (either such termination referred to as a "***Qualifying Termination***"), provided such termination or resignation constitutes a Separation from Service (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "Separation from Service"), then subject to your satisfaction of the Severance Preconditions (as defined below), the Company will provide you with the following severance benefits (the "***Severance Benefits***") based upon your title immediately prior to the time of the Qualifying Termination:

(i) Cash Severance. The Company will pay you, as cash severance, an amount equal to the number of months set forth on **Appendix A** (the "**Severance Multiplier**") of your base salary in effect as of your Separation from Service date, less standard payroll deductions and tax withholdings (the "***Cash Severance***"). The Cash Severance will be paid in installments in the form of continuation of your base salary payments, paid on the Company's ordinary payroll dates, commencing on the Company's first regular payroll date that is more than 60 days following your Separation from Service date, and shall be for any accrued base salary for the 60-day period plus the period from the 60th day until the regular payroll date, if applicable, and all salary continuation payments thereafter, if any, shall be made on the Company's regular payroll dates.

(ii) COBRA Severance. As an additional Severance Benefit, the Company will continue to pay the cost of your health care coverage in effect at the time of your Separation from Service for a maximum number of months as set forth on **Appendix A** (the "**COBRA Months**") either under the Company's regular health plan (if permitted), or by paying your COBRA premiums (the "***COBRA Severance***"). The Company's obligation to pay the COBRA Severance on your behalf will cease if you obtain health care coverage from another source (e.g., a new employer or spouse's benefit plan), unless otherwise prohibited by applicable law. You must notify the Company within two weeks if you obtain coverage from a new source. This payment of COBRA Severance by the Company would not expand or extend the maximum period of COBRA coverage to which you would otherwise be entitled under applicable law. Notwithstanding the above, if the Company determines in its sole discretion that it cannot provide the foregoing COBRA Severance without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service

Act), the Company shall in lieu thereof provide to you a taxable monthly payment in an amount equal to the monthly COBRA premium that you would be required to pay to continue your group health coverage in effect on the date of your termination (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made on the last day of each month regardless of whether you elect COBRA continuation coverage and shall end on the earlier of (i) the date upon which you obtain other coverage or (ii) the last day of the month that is the last full month of the number of **COBRA Months** following your Separation from Service date.

(iii) Pro Rata Bonus. The Company will also pay you a prorated amount of your annual target bonus based upon your dates of employment during the calendar year in which your Separation of Service occurs, less standard payroll deductions and tax withholdings. This additional cash severance amount will be paid in a lump sum at the same time annual bonuses are paid to employees pursuant to Section 2(c).

(iv) Accelerated Vesting. The Company shall accelerate vesting of the number of then-unvested shares subject to the Equity Awards that would have vested had your employment continued for an additional number of months as set forth on Appendix A (the "**Vesting Months**") after the Separation from Service date, such that those number of shares shall be deemed immediately vested and exercisable as of your Separation from Service date.

(c) Qualifying Termination In Connection with A Change of Control . In the event of a Qualifying Termination that occurs within the 3 months preceding or the 12 months following the closing of a Change of Control (as defined herein), provided such Qualifying Termination constitutes a Separation from Service, then subject to your satisfaction of the Severance Preconditions (as defined below), and based upon your title immediately prior to the time of the Qualifying Termination, you shall be entitled to a Cash Severance as set forth in section 5(b)(i), a COBRA Severance as set forth in Section 5(b)(ii), a prorated amount of your annual target bonus as set forth in Section 5(b)(iii), accelerated vesting as provided in section 5(b)(iv) and, in addition, the Company shall accelerate the vesting of any remaining then-unvested shares subject to your Equity Awards (i.e., any shares that remain unvested after taking into account the accelerated vesting as provided in section 5(b)(iv) such that the percentage of the remaining then-unvested shares as set forth on Exhibit A (the "**Double Trigger Percentage**") shall be deemed immediately vested and exercisable as of your Separation from Service date ("***Double Trigger Acceleration***"). For the avoidance of doubt, and notwithstanding anything in section 5(b) to the contrary, your entitlement to the severance benefits provided in this section 5(c) is independent of the length of time of your employment with the Company.

(d) Severance Preconditions. Prior to and as a condition to your receipt of the Severance Benefits or Double Trigger Acceleration set forth in Sections 5(b) and 5(c) herein, you shall: (a) execute and deliver to the Company an effective release of claims in favor of and in a form acceptable to the Company (the "***Release***") within the timeframe set forth therein, but not later than 60 days following your Separation from Service date, and allow the Release to become effective according to its terms (by not invoking any legal right to revoke it) within any applicable time period set forth therein (such latest permitted effective date, the "***Release Deadline***"); (b) continue to comply with the terms of this Agreement, the Confidentiality Agreement, the Noncompetition and Nonsolicitation Agreement; and (c) return to the Company all Company documents (and all copies thereof) and other Company property in your possession, custody or control, (collectively, the "***Severance Preconditions***").

(e) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(i) Cause. For purposes of this Agreement, "Cause" for termination will mean your: (i) commission or conviction (including a guilty plea or plea of nolo contendere) of any felony or any other crime involving fraud, dishonesty or moral turpitude; (ii) your commission or attempted commission of or participation in a fraud or act of dishonesty or misrepresentation against the Company; (iii) material breach of your duties to the Company; (iv) intentional damage to any property of the Company; (v) misconduct, or other

violation of Company policy that causes harm to the Company; (vi) your material violation of any written and fully executed contract or agreement between you and the Company, including without limitation, material breach of your Confidentiality Agreement, or of any Company policy, or of any statutory duty you owe to the Company; or (vii) conduct by you which in the good faith and reasonable determination of the Company demonstrates gross unfitness to serve. The determination that a termination is for Cause shall be made by the Company in its sole discretion.

(ii) Good Reason. For purposes of this Agreement, you shall have "Good Reason" for resigning from employment with the Company if any of the following actions are taken by the Company without your prior written consent: (i) a material reduction in your base salary, which the parties agree is a reduction of at least 10% of your base salary (unless pursuant to a salary reduction program applicable generally to the Company's similarly situated employees); (ii) a material reduction in your duties (including responsibilities and/or authorities), provided, however, that a change in job position (including a change in title) shall not be deemed a "material reduction" in and of itself unless your new duties are materially reduced from the prior duties; or (iii) relocation of your principal place of employment to a place that increases your one-way commute by more than 50 miles as compared to your then-current principal place of employment immediately prior to such relocation. In order to resign for Good Reason, you must provide written notice to the Company's Chief Legal Officer within 30 days after the first occurrence of the event giving rise to Good Reason setting forth the basis for your resignation, allow the Company at least 30 days from receipt of such written notice to cure such event, and if such event is not reasonably cured within such period, you must resign from all positions you then hold with the Company not later than 30 days after the expiration of the cure period.

(iii) Change of Control. For purposes of this Agreement, "Change of Control" shall mean: (i) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (ii) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred; provided that the foregoing shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or indebtedness of the Company is cancelled or converted or a combination thereof; or (iii) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

6. Compliance with Section 409A. It is intended that the Severance and Accelerated Vesting set forth in this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Internal Revenue Code of 1986, as amended, (the "***Code***") (Section 409A, together with any state law of similar effect, "***Section 409A***") provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulations 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if the Company (or, if applicable, the successor entity thereto) determines that the Severance or Accelerated Vesting constitute "deferred compensation" under Section 409A and you are, on the date of your Separation from Service, a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A(a)(2)(B)(i) of the Code (a "***Specified Employee***"), then, solely to the extent necessary to avoid the incurrence of adverse personal tax consequences under Section 409A, the timing of the Severance and Accelerated Vesting shall be delayed until the earliest of: (i) the date that is six (6) months and one (1) day after your Separation from Service date, (ii) the date of your death, or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments or benefits deferred pursuant to this Section shall be paid in a lump sum or provided in full by the Company (or the successor entity thereto, as

applicable), and any remaining payments due shall be paid as otherwise provided herein. No interest shall be due on any amounts so deferred. If the Severance and Accelerated Vesting benefits are not covered by one or more exemptions from the application of Section 409A and the Release could become effective in the calendar year following the calendar year in which you have a Separation from Service, the Release will not be deemed effective any earlier than the Release Deadline. The Severance and Accelerated Vesting benefits are intended to qualify for an exemption from application of Section 409A or comply with its requirements to the extent necessary to avoid adverse personal tax consequences under Section 409A, and any ambiguities herein shall be interpreted accordingly. Notwithstanding anything to the contrary herein, to the extent required to comply with Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A. With respect to reimbursements or in-kind benefits provided to you hereunder (or otherwise) that are not exempt from Section 409A, the following rules shall apply: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any one of your taxable years shall not affect the expenses eligible for reimbursement, or in-kind benefit to be provided in any other taxable year, (ii) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or before the last day of your taxable year following the taxable year in which the expense was incurred, (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

7. Section 280G; Parachute Payments.

(a) Reduced Amount. If any payment or benefit you will or may receive from the Company or otherwise (a "***280G Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then any such 280G Payment provided pursuant to this Agreement (a " ***Payment***") shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "***Reduction Method***") that results in the greatest economic benefit for you. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "***Pro Rata Reduction Method***").

(b) Section 409A. Notwithstanding any provision of subsection (a) above to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for you as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Process. Unless you and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized

accounting or law firm to make the determinations required by this Section 7 (" ***Section 280G; Parachute Payments***"). The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a 280G Payment becomes reasonably likely to occur (if requested at that time by you or the Company) or such other time as requested by you or the Company.

(d) Payment Return. If you receive a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 7(a) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, you agree to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 7(a)) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 7(a), you shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

8. Dispute Resolution.

(a) Arbitration Agreement. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS, Inc. or its successor ("***JAMS***"), under JAMS' then applicable rules and procedures for employment disputes before a single arbitrator (available upon request and also currently available at http://www.jamsadr.com/rules-employment-arbitration/). **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding**.

(b) Individual Claims. All claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, claims brought pursuant to the California Private Attorneys General Act of 2004, as amended, the California Fair Employment and Housing Act, as amended, and the California Labor Code, as amended, to the extent such claims are not permitted by applicable law to be submitted to mandatory arbitration and such applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "***Excluded Claims***"). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be publicly filed with a court, while any other claims will remain subject to mandatory arbitration.

(c) Process. You will have the right to be represented by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award

is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS arbitration fees in excess of the administrative fees that you would be required to pay if the dispute were decided in a court of law.

(d) Injunctive Relief. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

9. Miscellaneous. This Agreement, together with your Confidentiality Agreement and any documents referenced herein, forms the complete and exclusive statement of your employment agreement with the Company. It supersedes any other agreements (including but not limited to, that certain Services and Consulting Agreement except as provided herein) or promises made to you by anyone, whether oral or written. Changes in your employment terms, other than those changes expressly reserved to the Company's or the Board's discretion in this Agreement, require a written modification approved by the Company and signed by a duly authorized officer of the Company (other than you). This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination shall not affect any other provision of this Agreement and the provision in question shall be modified so as to be rendered enforceable in a manner consistent with the intent of the parties insofar as possible under applicable law. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to conflicts of law principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement, or rights hereunder, shall be in writing and shall not be deemed to be a waiver of any successive breach or rights hereunder. This Agreement may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

Please sign and date this Agreement and return them to me if you wish to accept employment at the Company under the terms described above. I would be happy to discuss any questions that you may have about these terms.

Sincerely,

/s/ Harrold Rust
Harrold Rust
CEO, Enovix

Reviewed, Understood, and Accepted:

/s/ Ajay Marathe November 9, 2022
Ajay Marathe Date

Appendix A

Title	Severance Multiplier (Section 5(b)(i))	COBRA Months (Section 5(b)(ii))	Vesting Months (Section 5(b)(iv))	Double-Trigger Percentage (Section 5(c))
Chief Executive Officer	12	12	24	100%
Chief Operating Officer, Chief Commercial Officer, Chief Financial Officer, Chief Legal Officer, and Chief Technology Officer Executive Vice President	9	9	18	75%
Senior Vice President	9	9	18	75%

3501 W. Warren Ave, Fremont CA 94538 Ph:510-687-2350

January 20, 2023

Ralph Schmitt

Re: Employment Terms

Dear Ralph:

Enovix Corporation (the "Company") is pleased to offer you continuing employment in the position of Chief Commercial Officer reporting to the Chief Executive Officer on the terms set forth herein. The terms set forth herein shall supersede and replace in entirety the terms of employment set forth in your existing Amended and Restated Employment Agreement dated June 4, 2021.

1. Employment by the Company.

(a) Position. As noted, you will serve as the Company's Chief Commercial Officer effective as of February 1, 2023.

(b) Duties. You will perform those duties and responsibilities as are customary for the position of Chief Commercial Officer and as may be directed by the Chief Executive Officer, to whom you will report. Your primary office location will be the Company's offices in Fremont, California. Notwithstanding the foregoing, the Company reserves the right to reasonably require you to perform your duties at places other than your primary office location from time to time, and to require reasonable business travel. Subject to the terms of this Agreement, the Company may modify your job title, duties, and reporting relationship as it deems necessary and appropriate in light of the Company's needs and interests from time to time.

(c) Outside Activities. Throughout your employment with the Company, you may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of your duties hereunder or present a conflict of interest with the Company. During your employment by the Company, except on behalf of the Company, you will not directly or indirectly serve as an officer, director, employee, partner, proprietor, investor, joint venturer, associate, representative or consultant of any other person, corporation, firm, partnership or other entity whatsoever known by you to compete with the Company (or is planning or preparing to compete with the Company), anywhere in the world, in any line of business engaged in (or planned to be engaged in) by the Company; provided, however, that you may purchase or otherwise acquire up to (but not more than) two percent (2%) of any class of securities of any enterprise (but without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange.

2. Compensation and Benefits.

(a) Base Salary. You will be paid a base salary at the rate of $301,743.78 per year ("Base Salary"), less applicable payroll deductions and withholdings. Your Base Salary will be paid on the Company's ordinary payroll cycle. As an exempt salaried employee, you will be required to work the Company's normal business hours, and such additional time as appropriate for your work assignments and position, and you will not be entitled to overtime compensation.

(b) Employee Benefits. As a regular full-time employee, you will remain eligible to participate in the Company's standard employee benefits offered to executive level employees, as in effect from time to time and subject to the terms and conditions of the benefit plans and applicable Company policies. Subject to the terms of this Agreement, the Company may change your compensation and benefits from time to time in its discretion, and you acknowledge that nothing herein shall be construed to limit the Company's ability to amend, suspend, or terminate any benefit plan or policy at any time without providing you notice, and the right to do so is expressly reserved.

(c) Annual Discretionary Bonus. You will also be eligible to earn an annual discretionary bonus, with a target equal to 50% of your Base Salary. The amount of this bonus will be determined in the sole discretion of the Company and based, in part, on your performance and the performance of the Company during the calendar year, as well as any other criteria the Company deems relevant. Subject to Sections 5(b) and 5(c) herein, the bonus is not earned until paid and no pro-rated amount will be paid if your employment terminates for any reason prior to the payment date.

(d) Expenses. The Company will reimburse you for reasonable travel, entertainment or other expenses incurred by you in furtherance of or in connection with the performance of your duties hereunder, in accordance with the Company's expense reimbursement policies and practices as in effect from time to time.

3. Confidential Information.

(a) Confidentiality Agreement. As a condition of your continued employment, you are required to execute the Employee Confidential Information and Inventions Assignment Agreement attached hereto.

(b) Conflicting Obligations. By signing this Agreement, you are representing that you have full authority to accept this position and perform the duties of the position without conflict with any other obligations and that you are not involved in any situation that might create, or appear to create, a conflict of interest with respect to your loyalty or duties to the Company. You specifically warrant that you are not subject to an employment agreement or restrictive covenant preventing full performance of your duties to the Company. You agree not to bring to the Company or use in the performance of your responsibilities at the Company any information, materials or documents of a former employer that are not generally available to the public, unless you have obtained express written authorization from the former employer for their possession and use. You also agree to honor all obligations to former employers during your employment with the Company.

4. At-Will Employment Relationship. Your employment relationship with the Company is at will. Accordingly, you may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company; and the Company may terminate your employment at any time, with or without Cause or advance notice.

5. Severance.

(a) Resignation Without Good Reason; Termination for Cause; Death or Disability. If, at any time, you resign your employment without Good Reason (as defined herein), or the Company terminates your employment for Cause (as defined herein), or if either party terminates your employment as a result of your death or disability, you will receive your base salary accrued through your last day of employment, as well as any unused vacation (if applicable) accrued through your last day of employment. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits as set forth herein, other than your rights to the vested portion of your equity interests and any other rights to which you are entitled under the Company's benefit programs.

(b) Qualifying Termination. If the Company terminates your employment without Cause (as defined herein), other than as a result of your death or disability, or you resign for Good Reason (as defined herein) (either such termination referred to as a "Qualifying Termination"), provided such termination or resignation occurs on or after on or after June 1, 2023 and constitutes a Separation from Service (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "Separation from Service"), then subject to your satisfaction of the Severance Preconditions (as defined below), the Company will provide you with the following severance benefits (the "***Severance Benefits***") based upon your title immediately prior to the time of the Qualifying Termination:

(i) Cash Severance. The Company will pay you, as cash severance, an amount equal to the number of months set forth on **Appendix A** (the "Severance Multiplier") of your base salary in effect as of your Separation from Service date, less standard payroll deductions and tax withholdings (the "Cash Severance"). The Cash Severance will be paid in installments in the form of continuation of your base salary payments, paid on the Company's ordinary payroll dates, commencing on the Company's first regular payroll date that is more than 60 days following your Separation from Service date, and shall be for any accrued base salary for the 60-day period plus the period from the 60th day until the regular payroll date, if applicable, and all salary continuation payments thereafter, if any, shall be made on the Company's regular payroll dates.

(ii) COBRA Severance. As an additional Severance Benefit, the Company will continue to pay the cost of your health care coverage in effect at the time of your Separation from Service for a maximum number of months as set forth on **Appendix A** (the "COBRA Months") either under the Company's regular health plan (if permitted), or by paying your COBRA premiums (the "COBRA Severance"). The Company's obligation to pay the COBRA Severance on your behalf will cease if you obtain health care coverage from another source (e.g., a new employer or spouse's benefit plan), unless otherwise prohibited by applicable law. You must notify the Company within two weeks if you obtain coverage from a new source. This payment of COBRA Severance by the Company would not expand or extend the maximum period of COBRA coverage to which you would otherwise be entitled under applicable law. Notwithstanding the above, if the Company determines in its sole discretion that it cannot provide the foregoing COBRA Severance without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to you a taxable monthly payment in an amount equal to the monthly COBRA premium that you would be required to pay to continue your group health coverage in effect on the date of your termination (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made on the last day of each month regardless of whether you elect COBRA continuation coverage and shall end on the earlier of (i) the date upon which you obtain other coverage or (ii) the last day of the month that is the last full month of the number of **COBRA Months** following your Separation from Service date.

(iii) Pro Rata Bonus. The Company will also pay you a prorated amount of your annual target bonus based upon your dates of employment during the calendar year in which your Separation of Service occurs, less standard payroll deductions and tax withholdings. This additional cash severance amount will be paid in a lump sum at the same time annual bonuses are paid to employees pursuant to Section 2(c).

(iv) Accelerated Vesting. The Company shall accelerate vesting of the number of then-unvested shares subject to the Equity Awards that would have vested had your employment continued for an additional number of months as set forth on Appendix A (the "Vesting Months") after the Separation from Service date, such that those number of shares shall be deemed immediately vested and exercisable as of your Separation from Service date.

(c) Qualifying Termination In Connection with A Change of Control . In the event of a Qualifying Termination that occurs within the 3 months preceding or the 12 months following the closing of a Change of Control (as defined herein), provided such Qualifying Termination constitutes a Separation from Service, then subject to your satisfaction of the Severance Preconditions (as defined below), and based upon your title immediately prior to the time of the Qualifying Termination, you shall be entitled to the Severance Benefits set forth in Section 5(b) and, in addition, the Company shall accelerate the vesting of any remaining then-unvested shares subject to your Equity Awards (i.e., any shares that remain unvested after taking into account the accelerated vesting as provided in section 5(b)(iv) such that the percentage of the remaining then-unvested shares as set forth on Exhibit A (the "Double Trigger Percentage") shall be deemed immediately vested and exercisable as of your Separation from Service date ("Double Trigger Acceleration"). For the avoidance of doubt, and notwithstanding anything in section 5(b) to the contrary, your entitlement to the severance benefits provided in this section 5(c) is independent of the length of time of your employment with the Company.

(d) Severance Preconditions. Prior to and as a condition to your receipt of the Severance Benefits or Double Trigger Acceleration set forth in Sections 5(b) and 5(c) herein, you shall: (a) execute and deliver to the Company an effective release of claims in favor of and in a form acceptable to the Company (the "Release") within the timeframe set forth therein, but not later than 60 days following your Separation from Service date, and allow the Release to become effective according to its terms (by not invoking any legal right to revoke it) within any applicable time period set forth therein (such latest permitted effective date, the "Release Deadline"); (b) continue to comply with the terms of this Agreement, the Confidentiality Agreement, the Noncompetition and Nonsolicitation Agreement; and (c) return to the Company all Company documents (and all copies thereof) and other Company property in your possession, custody or control, (collectively, the "Severance Preconditions").

(e) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(i) Cause. For purposes of this Agreement, "Cause" for termination will mean your: (i) commission or conviction (including a guilty plea or plea of nolo contendere) of any felony or any other crime involving fraud, dishonesty or moral turpitude; (ii) your commission or attempted commission of or participation in a fraud or act of dishonesty or misrepresentation against the Company; (iii) material breach of your duties to the Company; (iv) intentional damage to any property of the Company; (v) misconduct, or other violation of Company policy that causes harm to the Company; (vi) your material violation of any written and fully executed contract or agreement between you and the Company, including without limitation, material breach of your Confidentiality Agreement, or of any Company policy, or of any statutory duty you owe to the Company; or (vii) conduct by you which in the good faith and reasonable determination of the Company demonstrates gross unfitness to serve. The determination that a termination is for Cause shall be made by the Company in its sole discretion.

(ii) Good Reason. For purposes of this Agreement, you shall have "Good Reason" for resigning from employment with the Company if any of the following actions are taken by the Company without your prior written consent: (i) a material reduction in your base salary, which the parties agree is a reduction of at least 10% of your base salary (unless pursuant to a salary reduction program applicable generally to the Company's similarly situated employees); (ii) a material reduction in your duties (including responsibilities and/or authorities), provided, however, that a change in job position (including a change in title) shall not be deemed a "material reduction" in and of itself unless your new duties are materially reduced from the prior duties; or (iii) relocation of your principal place of employment to a place that increases your one-way commute by more than 50 miles as compared to your then-current principal place of employment immediately prior to such relocation. In order to resign for Good Reason, you must provide written notice to the Company's Chief Legal Officer within 30 days after the first occurrence of the event giving rise to Good Reason setting forth the basis for your resignation, allow the Company at least 30 days from receipt of such written notice to cure such event, and if such event is not reasonably cured within such period, you must resign from all positions you then hold with the Company not later than 30 days after the expiration of the cure period.

(iii) Change of Control. For purposes of this Agreement, "Change of Control" shall mean: (i) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization; (ii) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred; provided that the foregoing shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or indebtedness of the Company is cancelled or converted or a combination thereof; or (iii) a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

6. Compliance with Section 409A. It is intended that the Severance and Accelerated Vesting set forth in this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Internal Revenue Code of 1986, as amended, (the "***Code***") (Section 409A, together with any state law of similar effect, "***Section 409A***") provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulations 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if the Company (or, if applicable, the successor entity thereto) determines that the Severance or Accelerated Vesting constitute "deferred compensation" under Section 409A and you are, on the date of your Separation from Service, a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A(a)(2)(B)(i) of the Code (a "***Specified Employee***"), then, solely to the extent necessary to avoid the incurrence of adverse personal tax consequences under Section 409A, the timing of the Severance and Accelerated Vesting shall be delayed until the earliest of: (i) the date that is six (6) months and one (1) day after your Separation from Service date, (ii) the date of your death, or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments or benefits deferred pursuant to this Section shall be paid in a lump sum or provided in full by the Company (or the successor entity thereto, as applicable), and any remaining payments due shall be paid as otherwise provided herein. No interest shall be due on any amounts so deferred. If the Severance and Accelerated Vesting benefits are not covered by one or more exemptions from the application of Section 409A and the Release could become effective in the calendar year following the calendar year in which you have a Separation from Service, the Release will not be deemed effective any earlier than the Release Deadline. The Severance and Accelerated Vesting benefits are intended to qualify for an exemption from application of Section 409A or comply with its requirements to the extent necessary to avoid adverse personal tax consequences under Section 409A, and any ambiguities herein shall be interpreted accordingly. Notwithstanding anything to the contrary herein, to the extent required to comply with Section 409A, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A. With respect to reimbursements or in-kind benefits provided to you hereunder (or otherwise) that are not exempt from Section 409A, the following rules shall apply: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any one of your taxable years shall not affect the expenses eligible for reimbursement, or in-kind benefit to be provided in any other taxable year, (ii) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or before the last day of your taxable year following the taxable year in which the expense was incurred, (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

7. Section 280G; Parachute Payments.

(a) Reduced Amount. If any payment or benefit you will or may receive from the Company or otherwise (a "***280G Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then any such 280G Payment provided pursuant to this Agreement (a " ***Payment***") shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "***Reduction Method***") that results in the greatest economic benefit for you. If more than one

method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "***Pro Rata Reduction Method***").

(b) Section 409A. Notwithstanding any provision of subsection (a) above to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for you as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Process. Unless you and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 7 ("***Section 280G; Parachute Payments***"). The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a 280G Payment becomes reasonably likely to occur (if requested at that time by you or the Company) or such other time as requested by you or the Company.

(d) Payment Return. If you receive a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 7(a) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, you agree to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 7(a)) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 7(a), you shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

8. Dispute Resolution.

(a) Arbitration Agreement. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS, Inc. or its successor ("***JAMS***"), under JAMS' then applicable rules and procedures for employment disputes before a single arbitrator (available upon request and also currently available at http://www.jamsadr.com/rules-employment-arbitration/). **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding**.

(b) Individual Claims. All claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person

or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, claims brought pursuant to the California Private Attorneys General Act of 2004, as amended, the California Fair Employment and Housing Act, as amended, and the California Labor Code, as amended, to the extent such claims are not permitted by applicable law to be submitted to mandatory arbitration and such applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "***Excluded Claims***"). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be publicly filed with a court, while any other claims will remain subject to mandatory arbitration.

(c) Process. You will have the right to be represented by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration under this Agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS arbitration fees in excess of the administrative fees that you would be required to pay if the dispute were decided in a court of law.

(d) Injunctive Relief. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

9. Miscellaneous. This Agreement, together with your Confidentiality Agreement and any documents referenced herein, forms the complete and exclusive statement of your employment agreement with the Company. It supersedes any other agreements or promises made to you by anyone, whether oral or written. Changes in your employment terms, other than those changes expressly reserved to the Company's or the Board's discretion in this Agreement, require a written modification approved by the Company and signed by a duly authorized officer of the Company (other than you). This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination shall not affect any other provision of this Agreement and the provision in question shall be modified so as to be rendered enforceable in a manner consistent with the intent of the parties insofar as possible under applicable law. This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to conflicts of law principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement, or rights hereunder, shall be in writing and shall not be deemed to be a waiver of any successive breach or rights hereunder. This Agreement may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

Please sign and date this Agreement and return them to me if you wish to continue employment at the Company under the terms described above. I would be happy to discuss any questions that you may have about these terms.

Sincerely,

/s/ Raj Talluri
Raj Talluri
CEO, Enovix

Reviewed, Understood, and Accepted:

/s/ Ralph Schmitt January 23, 2023
Ralph Schmitt Date

Appendix A

Title	Severance Multiplier (Section 5(b)(i))	COBRA Months (Section 5(b)(ii))	Vesting Months (Section 5(b)(iv))	Double-Trigger Percentage (Section 5(c))
Chief Executive Officer	12	12	24	100%
Chief Operating Officer, Chief Commercial Officer, Chief Financial Officer, Chief Legal Officer, and Chief Technology Officer Executive Vice President	9	9	18	75%
Senior Vice President	9	9	18	75%

Exhibit 21.1

ENOVIX CORPORATION
List of Subsidiaries

Subsidiary	Jurisdiction
Enovix Operations Inc.	Delaware
Enovix HoldCo Limited	Cayman Islands
Enovix OpCo Limited	Cayman Islands
Enovix India Holdco LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-259730 and 333-267050 on Form S-8 of our report dated March 1, 2023, relating to the financial statements of Enovix Corporation and the effectiveness of Enovix Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended January 1, 2023.

/s/ Deloitte & Touche LLP

San Francisco, California
March 1, 2023

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Raj Talluri, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended January 1, 2023 of Enovix 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 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 consolidated 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 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: March 1, 2023

By: /s/ Raj Talluri

Raj Talluri

President and Chief Executive Officer

(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steffen Pietzke, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended January 1, 2023 of Enovix 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 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 consolidated 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 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: March 1, 2023

By: /s/ Steffen Pietzke

Steffen Pietzke

Chief Financial Officer

(*Principal Financial Officer and Principal Accounting Officer*)

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER 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 Enovix Corporation (the "Company") on Form 10-K for the fiscal year ended January 1, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Raj Talluri, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) the Report, to which this Certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2023

/s/ Raj Talluri

Raj Talluri
President and Chief Executive Officer
(*Principal Executive Officer*)

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER 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 Enovix Corporation (the "Company") on Form 10-K for the fiscal year ended January 1, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steffen Pietzke, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) the Report, to which this Certification is attached as Exhibit 32.2, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2023

/s/ Steffen Pietzke

Steffen Pietzke
Chief Financial Officer
(*Principal Financial Officer and Principal Accounting Officer*)

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.