

April 1, 2024



# Crown Electrokinetics Corp. Reports Year End 2023 Financial Results and Revises Guidance

LOS ANGELES, CA / ACCESSWIRE / April 1, 2024 / [Crown Electrokinetics Corp.](#) (NASDAQ:CRKN) ("Crown" or the "Company"), ("Crown" or the "Company" a leading smart glass technology company and an expert in constructing fiber optic networks, today announced its year-end 2023 financial results.

## Financial Results for the year ended December 31, 2023 compared to 2022

**Net Loss:** Net loss for the year ended December 31, 2022, was \$29.0 million This included \$9.7 million of non-cash Other Expense primarily related to the balance sheet restructuring Crown executed in the first half of 2023. Net losses from operations were \$19.3 million compared to 2022's \$15.1 million net loss. This loss consisted of \$5.8 million related to investment in the new Fiber Optics business and \$13.5 million for the Film division, which also includes the corporate cost base.

**Revenues:** Total 2023 Revenues were \$0.2 million which were all attributable to the Fiber division with the majority being booked in the 4th quarter.

**Operating Expenses:** Total Operating Expenses for the year-ended 2023 were \$19.4 million with \$0.9 million related to Fiber's cost of revenues, \$1.6 million of depreciation, amortization and impairment, \$2.2 million of Film R&D, which was \$1.9 million lower than 2022, and \$14.7 million of SG&A which is \$4.1 million higher year on year - all due to investment in establishing the Fiber division.

**Cash Position:** For the year ended December 31, 2023, the Company deployed \$16.7 million of cash for operations and \$2.3 million for capital investment in the Fiber business. Crown raised \$19.2 million from financing activities in 2023 with \$14.8 million coming from common equity issuance via the ATM and Equity lines of credit, \$3.1 million coming from Preferred stock and \$1.3 million from debt notes. As of December 31, 2023, cash and cash equivalents were \$1.1 million.

## Updated Financial Guidance for First and Second Quarters of 2024

### First Quarter 2024 Guidance - Revised

- Revenue for the first quarter of 2024 is now expected to be between \$0.9 million and \$1.0 million - compared to the previous guidance of \$0.7 million and \$0.9 million.
- Net Loss for the first quarter of 2024 is anticipated to be between (\$3.1) million and (\$3.3) million - compared to the previous guidance of (\$3.3) million and (\$3.5) million.

### Second Quarter 2024 Guidance

- Revenue for the second quarter of 2024 is expected to be between \$7.0 million and \$8.0 million - no change.
- Net Income (Loss) for the second quarter of 2024 is anticipated to be between (\$0.5) million and \$0.0 million - no change.

The Company will host a conference call and audio webcast that morning at 11:00 a.m. Eastern time featuring remarks by Doug Croxall, Chairman & CEO and Joel Krutz, COO.

To participate in this event, please log-on or dial-in approximately 5 to 10 minutes before the beginning of the call.

Date: April 1, 2024

Time: 11:00 a.m. ETT

1-877-451-6152 or 1-201-389-0879

Conference ID: 13745352

Webcast:- [https://viaid.webcasts.com/starthere.jsp?ei=1662854&tp\\_key=0ceef58cf5](https://viaid.webcasts.com/starthere.jsp?ei=1662854&tp_key=0ceef58cf5)

**Call me™:** <https://callme.viaid.com/viaid/?callme=true&passcode=13722237&h=true&info=company&r=true&B=6>

Participants can use Guest dial-in #s above and be answered by an operator OR click the Call me™ link for instant telephone access to the event.

Call me™ link will be made active 15 minutes prior to scheduled start time.

### **Conference Call Replay Information**

1-844-512-2921 or 1-412-317-6671

Access ID: 13745352

### **About Crown Electrokinetics**

Crown is comprised of two divisions, Fiber Optics and Electrokinetics Film. The Electrokinetics Film division is a smart glass technology and the creator of our Smart Window Insert based on its patented electrokinetic film. Crown's Fiber Optics division is a builder of underground fiber optic networks as well as other utility infrastructure projects.

### **Safe Harbor Statement:**

Statements in this news release may be "forward-looking statements". Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions, or any other statements relating to our future activities or other future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in forward-looking statements due to numerous factors. Any forward-looking statements speak only as of the date of this news release and Crown Electrokinetic Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this news release.

This press release does not constitute a public offer of any securities for sale. Any securities offered privately will not be or have not been registered under the Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

## Crown Electrokinetics

IR Email: [info@crownek.com](mailto:info@crownek.com)  
[www.crownek.com](http://www.crownek.com)

### Crown Electrokinetics, Corp Balance Sheets (in thousands)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1,059	\$ 821
Prepaid and other current assets	728	590
Accounts receivable , net	<u>83</u>	<u>-</u>
Total current assets	1,870	1,411
Property and equipment, net	3,129	1,409
Intangible assets, net	1,382	1,598
Right of use asset	1,701	1,842
Deferred debt issuance costs	1,306	150
Other assets	<u>139</u>	<u>180</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,527</u>	<u>\$ 6,590</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,500	\$ 865
Accrued expenses	1,190	621
Lease liability - current portion	655	574
Warrant liability	-	972
Notes payable at fair value	-	1,654
Notes payable	429	8
Warranty customer liability	<u>2</u>	<u>-</u>
Total current liabilities	3,776	4,694
Lease liability - non-current portion	1,072	1,366
Warranty customer liability long term	<u>2</u>	<u>-</u>
Total liabilities	<u>4,850</u>	<u>6,060</u>
STOCKHOLDERS' EQUITY:		
Preferred stock, par value \$0.0001; 50,000,000 shares authorized, no shares outstanding	-	-

Series A preferred stock, par value \$0.0001; 300 shares authorized, 251 shares outstanding as of December 31, 2023 and December 31, 2022; liquidation preference \$261 as of December 31, 2023 and zero as of December 31, 2022	-	-
Series B preferred stock, par value \$0.0001; 1,500 shares authorized, 1,443 shares outstanding as of December 31, 2023 and December 31, 2022; liquidation preference \$1,501 as of December 31, 2023 and zero as of December 31, 2022	-	-
Series C preferred stock, par value \$0.0001; 600,000 shares authorized, 500,756 shares outstanding as of December 31, 2023 and December 31, 2022; liquidation preference \$531 as of December 31, 2023 and zero as of December 31, 2022	-	-
Series D preferred stock, par value \$0.0001; 7,000 shares authorized, no shares issued and outstanding as of December 31, 2023 and 1,058 as of December 31, 2022; liquidation preference zero as of December 31, 2023 and \$1,113 as of December 31, 2022	-	-
Series E preferred stock, par value \$0.0001; 77,000 shares authorized, 0 shares issued and outstanding as of December 31, 2023 and December 31, 2022	-	-
Series F preferred stock, par value \$0.0001; 9,073 shares authorized, 4,448 shares outstanding as of December 31, 2023 and no shares outstanding as of December 31, 2022; liquidation preference \$4,753 as of December 31, 2023 and zero as of December 31, 2022	-	-
Series F-1 preferred stock, par value \$0.0001; 9,052 shares authorized, 653 shares outstanding as of December 31, 2023 and no shares outstanding as of December 31, 2022; liquidation preference \$696 as of December 31, 2023 and zero as of December 31, 2022	-	-
Series F-2 preferred stock, par value \$0.0001; 9,052 shares authorized, 1,153 shares outstanding as of December 31, 2023 and no shares outstanding as of December 31, 2022; liquidation preference \$1,371 as of December 31, 2023 and zero as of December 31, 2022	-	-
<b>Common stock, par value \$0.0001; 800,000,000 shares authorized; 25,744,157 and 338,033 shares outstanding as of December 31, 2023 and December 31, 2022, respectively</b>	7	2
Additional paid-in capital	121,665	88,533
Accumulated deficit	<u>(116,995)</u>	<u>(88,005)</u>
Total stockholders' equity	<u>4,677</u>	<u>530</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 9,527</u></u>	<u><u>\$ 6,590</u></u>

**Crown Electrokinetics, Corp**  
**Statements of Operations**  
**(in thousands)**

	Twelve months ended December 31,	
	2023	2022
<b>Revenue</b>	\$ 153	\$ -
Cost of revenue, excluding depreciation and amortization	(886 )	-
Depreciation and amortization	(733 )	503
Research and development	(2,231 )	4,107
Selling, general and administrative	(14,962 )	10,498
Goodwill impairment charge	(649 )	-
<b>Loss from operations</b>	<u>(19,308 )</u>	<u>(15,108 )</u>
<b>Other income (expense):</b>		
Interest expense	(9,417 )	(7 )
Loss on extinguishment of warrant liability	(504 )	1,023
Loss on extinguishment of debt	(2,345 )	-
Gain on issuance of convertible notes	64	-
Change in fair value of warrants	10,458	-
Change in fair value of notes	(7,040 )	(149 )
Change in fair value of derivative liability	401	-
Other expense	(1,293 )	(74 )
<b>Total other income (expense)</b>	<u>(9,676 )</u>	<u>793</u>
<b>Loss before income taxes</b>	<u>(28,984 )</u>	<u>(14,315 )</u>
Income tax expense	-	-
<b>Net loss</b>	<u>(28,984 )</u>	<u>(14,315 )</u>

**Crown Electrokinetics, Corp**  
**Statement of Cashflows**  
**(in thousands)**

	Year ended December 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (28,984 )	\$ (14,315 )
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	714	2,405
Depreciation and amortization	733	503
Loss on extinguishment of warrant liability	504	-
Change in fair value of warrant liability	(10,458 )	(1,023 )
Change in fair value of liability	(401 )	-
Gain on issuance of convertible note	(64 )	-
Loss on extinguishment of debt	2,345	-
Change in fair value of notes	7,040	149
Amortization of deferred debt issuance costs	9,341	73
Amortization of right of use assets	626	494
Other expenses	628	-
Impairment of Goodwill	649	-
Intangible asset impairment	200	-

	214	-
Loss on disposal of equipment	144	52
Changes in operating assets and liabilities:		
Prepaid and other assets	61	182
Accounts receivable	(83 )	-
Accounts payable	1,253	413
Accrued expenses	440	323
Lease liability	(1,062 )	(396 )
Net cash used in operating activities	<u>(16,160 )</u>	<u>(11,140 )</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for acquisition of Amerigen 7	(645 )	-
Purchase of equipment	(2,173 )	(751 )
Purchase of patents	-	(61 )
Net cash used in investing activities	<u>(2,818 )</u>	<u>(812 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the exercise of warrants	2,062	-
Proceeds from the issuance of common stock and warrants, net of fees	-	855
Proceeds from the issuance of common stock / At-the-market offering	8,398	1,295
Proceeds from the issuance of notes in connection with Line of Credit	2,350	-
Offering costs for the issuance of common stock / At-the-market offering	(170 )	(46 )
Proceeds from issuance of senior secured convertible notes and common stock warrants	-	3,500
Proceeds from issuance of Series D preferred stock and warrants, net of fees	-	1,039
Proceeds from issuance of Series F-1 preferred stock	2,328	-
Proceeds from issuance of Series F-2 preferred stock	748	-
Proceeds from issuance of January promissory notes, net of fees paid	1,357	-
Repayment of notes payable	(2,348 )	-
Proceeds from the issuance of common stock in connection with equity line of credit, net of offering costs	4,489	-
Net cash provided by financing activities	<u>19,214</u>	<u>6,643</u>
Net increase / decrease in cash	238	(5,309 )
Cash - beginning of period	<u>821</u>	<u>6,130</u>
Cash - end of period	<u><u>1,059</u></u>	<u><u>\$ 821</u></u>

**SOURCE:** Crown Electrokinetics

View the original [press release](#) on [accesswire.com](#)