

August 16, 2021



# Crown Electrokinetics Reports Fiscal 2022 First Quarter Financial Results

CORVALLIS, Ore., Aug. 16, 2021 /PRNewswire/ -- Crown Electrokinetics Corp. (NASDAQ: CRKN) ("Crown" or the "Company"), a smart glass technology company, today reported its financial results for the fiscal 2022 first quarter ended June 30, 2021.

"Our team remains steadfast in our strategy to bring Crown's first-generation product, the DynamicTint™ Smart Glass Insert to market to help reduce a building's energy costs and its carbon emissions. During the first quarter of fiscal 2022, we launched the first field test for our inserts with a large commercial REIT. The initial data collected suggests that our inserts can reduce energy costs of office buildings by approximately 26%, which we believe is just the baseline. In addition, there is preliminary evidence that our inserts will save energy related to the HVAC heating as well as cooling," said Doug Croxall, Crown Chairman & CEO. "We are enthusiastic to continue our analysis launching an updated field test while working with prospective customers, using this preliminary data, to gain a deep understanding of the impact our technology can have on our customer's sustainability and cost-saving initiatives."

"Crown is well-positioned in our growth phase to penetrate the smart glass market with our inserts. We believe our differentiated product that is deployed as an after-market retrofit solution at an affordable price will appeal to a large customer base looking to improve energy savings and lower carbon emissions," concluded Mr. Croxall.

## Corporate Updates During and Subsequent to the Fiscal First Quarter 2022

- Launched field test of the DynamicTint Smart Glass inserts at a large commercial REIT's headquarters. [In completing its preliminary field test, the Company announced that the inserts can potentially reduce the HVAC-related energy costs of office buildings by approximately 26%](#)
- Included in the Russel Microcap® Index on June 28, 2021. Membership in the index, which remains in place for one year, means automatic inclusion in the appropriate growth and value style indexes.
- Appointed Joel Krutz as new Chief Financial Officer, effective June 21, 2021.

## Financial Results for Fiscal First Quarter 2022

**Net Loss:** Net loss was \$5.4 million for the quarter ended June 30, 2021, and \$10.5 million during the quarter ended June 30, 2020. The main driver was SG&A expenses of \$5.0 million, of which non-cash stock-based compensation is \$2.6 million.

**Research and development (R&D) expense:** R&D expenses were \$0.4 million for the quarter ended June 30, 2021, a decreased compared to \$1.4 million for the quarter ended June 30, 2020. This is primarily due to lower stock-based compensation expenses related to employee and officer grants last year.

**Selling, general and administrative (SG&A) expense:** SG&A expenses were \$5.0 million and \$7.9 million for the three months ended June 30, 2021 and 2020, respectively. This differential was primarily due to lower stock-based compensation expenses of \$4.6 million partially offset by increases in compensation \$0.7 million as well as consulting and professional fees \$0.7 million.

**Other Income (Expense):** Other expenses were nominal for the quarter, compared to \$1.2 million incurred for the same quarter last year. The decrease is primarily due to reductions in interest expense following the conversion of all convertible debt notes at the end of fiscal 2021.

**Cash Position:** As of June 30, 2021, cash and cash equivalents were \$12.5 million and working capital was \$11.9 million.

### Conference Call and Webcast Information

The Company will host a conference call and audio webcast today, Monday, August 16<sup>th</sup> at 11:00 a.m. Eastern Time featuring remarks by Doug Croxall, Chairman & CEO and Joel Krutz, CFO.

**Event:** Crown Electrokinetics Fiscal 2022 First Quarter Earnings Conference Call  
**Date:** Monday, August 16, 2021  
**Time:** 11:00 a.m. Eastern Time / 8:00 a.m. Pacific Time  
**Live Call:** + 1-877-451-6152 (Toll Free) or + 1-201-389-0879 (International)  
**Webcast:** <http://public.viaavid.com/index.php?id=1457777>

For interested individuals unable to join the conference call, a replay will be available through August 30, 2021, at +1-844-512-2921 (U.S. Toll Free) or +1-412-317-6671 (International). Participants must use the following code to access the replay of the call: 13722237. An archived version of the webcast will also be available on Crown's Investor Relations site: <https://ir.crownek.com/>.

### About Crown Electrokinetics

Crown is a smart glass technology company and the creator of DynamicTint - We Make Your Glass Smarter™. Originally invented by Hewlett-Packard (HP, Inc.), our technology allows any glass surface to transition between clear and dark in seconds. With applications to a wide array of windows, including commercial buildings, automotive sunroofs, and residential skylights, we partner with leading glass and film manufacturers for mass production and distribution. At the core of our technology is a thin film that is powered by electrically-charged pigment which not only replaces common window tints but is also a more sustainable alternative to traditional window treatments. With its unique ability to be retrofitted to existing glass, DynamicTint™ offers myriad benefits related to reducing carbon emissions. The company is supported by a robust patent portfolio. For more information, please visit [WWW.CROWNEK.COM](http://WWW.CROWNEK.COM).

### Forward-Looking Statements

This press release contains forward-looking statements as defined within Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements, and terms such as "anticipate," "expect," "intend," "may," "will," "should" or other comparable terms, involve risks and uncertainties because they relate to events and depend on circumstances that will occur in

the future. Those statements include statements regarding the intent, belief or current expectations of Crown Electrokinetics and members of its management, as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, including those described in Crown Electrokinetics' periodic reports filed with the SEC, and that actual results may differ materially from those contemplated by such forward-looking statements. Except as required by federal securities law, Crown Electrokinetics undertakes no obligation to update or revise forward-looking statements to reflect changed conditions.

**Crown Electrokinetics, Corp**  
**Balance Sheets**


	<b>June 30, 2021</b> <b>(Unaudited)</b>	<b>March 31,</b> <b>2021</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 12,478	\$ 15,297
Prepaid & other current assets	255	346
Total current assets	12,733	15,643
Property and equipment, net	275	209
Intangible assets, net	1,603	1,650
Other assets	29	20
<b>TOTAL ASSETS</b>	<b>\$ 14,640</b>	<b>\$ 17,522</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 321	\$ 285
Accrued expenses	104	211
Notes payable	439	439
Total current liabilities	864	935
Total liabilities	864	935
<b>Commitments and Contingencies (Note 10)</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
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 June 30, 2021 and March 31, 2021, respectively	-	-
Series B preferred stock, par value \$0.0001; 1,500 shares authorized, 1,443 shares outstanding as of June 30, 2021 and March 31, 2021, respectively	-	-
Series C preferred stock, par value \$0.0001; 600,000 shares authorized, 500,756 shares outstanding as of June 30, 2021 and March 31, 2021, respectively	-	-
Common stock, par value \$0.0001; 200,000,000 shares authorized; 14,920,741 and 14,856,480 shares outstanding as of June 30, 2021 and March 31, 2021, respectively	1	1
Additional paid-in capital	76,376	73,789
Accumulated deficit	(62,601)	(57,203)
Total stockholders' equity	13,776	16,587
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 14,640</b>	<b>\$ 17,522</b>

**Crown Electrokinetics, Corp**  
**Statements of Operations**

	<b>Three Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating expenses:</b>		
Research and development	\$ 435	\$ 1,373
Selling, general and administrative	4,961	7,938
<b>Total operating expenses</b>	<b>5,396</b>	<b>9,311</b>
<b>Loss from operations</b>	<b>(5,396)</b>	<b>(9,311)</b>
<b>Other income (expense):</b>		
Interest expense	(2)	(1,234)
Loss on conversion of notes	-	(22)
Loss on extinguishment of debt	-	(18)
Change in fair value of warrant liability	-	123
<b>Total other expense</b>	<b>(2)</b>	<b>(1,151)</b>
<b>Net loss</b>	<b>\$ (5,398)</b>	<b>\$ (10,462)</b>
<b>Net loss per share, basic and diluted:</b>	<b>\$ (0.38)</b>	<b>\$ (1.81)</b>
<b>Weighted average shares outstanding, basic and diluted:</b>	<b>14,315,142</b>	<b>5,780,844</b>

**Crown Electrokinetics, Corp**  
**Statement of Cashflows**

	<b>Three Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (5,398)	\$ (10,462)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	2,339	8,079
Issuance of common stock to consultants	244	282
Depreciation and amortization	66	15
Loss on extinguishment of debt	-	18
Loss on conversion of notes	-	22
Amortization of debt discount	-	1,052
Change in fair value of warrant liability	-	(123)
Changes in operating assets and liabilities:		
Prepaid and other assets	82	6
Account payable	36	(112)
	(107)	(190)
Accrued expenses	-	127
Accrued interest	-	127
Net cash used in operating activities	(2,738)	(1,286)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(85)	-
Net cash used in investing activities	(85)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the exercise of stock options	4	-
Repayment of senior secured promissory note	-	(200)
Proceeds from PPP loan	-	205
Proceeds from issuance of senior secured convertible notes and common stock warrants	-	2,050
Common stock repurchased and subsequently canceled	-	(225)
Net cash provided by financing activities	4	1,830
Net (decrease) increase in cash	(2,819)	544
Cash — beginning of period	15,297	48
Cash — end of period	\$ 12,478	\$ 592
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Unpaid research and development license included in accounts payable	\$ -	\$ 100
Beneficial conversion feature in connection with notes payable	\$ -	\$ 619
		\$
Issuance of common stock in connection with conversion of notes	\$ -	2,151
	\$ -	\$ 751
Issuance of common stock in connection with notes payable		
Issuance of common stock in satisfaction of accounts payable	\$ -	\$ 122
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 2	\$ 56
Cash paid income taxes	\$ -	\$ -

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