

June 3, 2022



# Crown Electrokinetics CEO Updates Shareholders on Recent Debt Financing and Manufacturing Capability

Los Angeles, California, June 03, 2022 (GLOBE NEWSWIRE) -- [Crown Electrokinetics Corp.](#) (NASDAQ: CRKN) ("Crown" or the "Company"), a leading smart glass technology company, today released a Shareholder Letter with an update on the recent announcement on the debt financing term sheet and provide an update on its current and future production line. The shareholder updates from CEO Doug Croxall are included in their entirety below.

Dear Shareholders:

I am happy to share some great news for Crown and for its Shareholders. Last week we signed a non-binding debt financing term sheet and expect to complete customary due diligence and final agreements in the next two months. This debt facility is especially important as it will enable us to complete the planned production lines, have sufficient working capital through the end of 2023, and allow us to start delivery and installation of Smart Windows Inserts™ to our customers.

## Use of proceeds from the Non-Binding Term Sheet for Debt Capital

At the end of May, we signed a non-binding term sheet for debt capital. The final agreement is expected to be completed in the next two months.

The closing of this term sheet will allow us to complete two key events. The first is to build our two purpose-built roll-to-roll lines for production of Crown's DynamicTint™ film and the second is to increase our available cash to fund ongoing working capital needs.

## Production Facilities Status

This week a few shareholders have requested that I explain the difference between our current production line and the future lines we will build. For the benefit of all our shareholders, I will describe the differences and the planned product evolution.

Crown currently produces DynamicTint™ film on our prototype-production tool in our Corvallis facility. We will be producing our film in this facility in limited quantities. This method has allowed us to test our production processes as well as to develop our generation 1.0 Smart Windows Insert™. Our Corvallis production line will produce 6-inch and 12-inch strips of our DynamicTint™ film for application in our generation 1.0 Smart Window Insert™.

Initially, our Smart Windows Inserts™ are expected to be produced in a limited run to fulfill orders from our early customers including Metro Spaces, Hudson Pacific and Brandywine Realty Trust. Collectively, these three customers have a total of 281 buildings.

With customer feedback on the performance, design, and usage of our first generation insert, we will develop our second-generation Smart Window Insert™. We then expect to transition production to our two new roll-to-roll production lines capable of manufacturing film ranging from 12-inches up to 72-inches in width.

We estimate that these significantly expanded manufacturing facilities could start to generate revenue of between \$220 - \$240 million dollars, with an estimated EBITDA of approximately \$40 million dollars on an annualized basis.

I thank you all for your trust and your support and look forward to providing more updates as we near delivery of product later this summer.

Sincerely,

**Doug Croxall**  
**Chairman and CEO**

### **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.

**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.

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