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Crown Electrokinetics CEO Updates Shareholders on Recent Public Offering, Debt Financing and Transition to Customer Acquisition

Los Angeles, California, Aug. 01, 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 recently announced equity raises, debt financing and the transition to customer acquisition. The shareholder updates from CEO Doug Croxall are included in their entirety below.

Dear Shareholders:

The last few months have been some of the most difficult in recent memory for our economy, and even tougher for the capital markets. I am pleased to announce that during this tumultuous period, Crown has successfully closed equity raises which are required for the execution of our manufacturing plans. On July 20, 2022, the Company announced an underwritten public offering of \$1.0 Million of common stock at \$0.80 per share, and the offering did not include any investor warrants. This offering is supplementary to our Series D Preferred Stock round, convertible into common stock at an above-market price, from which \$1.1 Million was raised. These direct equity investments constitute some of the critical elements necessary in order to allow Crown to have access to the debt financing for which we entered into a term sheet earlier this summer.

As communicated in previous earnings calls, access to non-dilutive debt financing 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. The value of our intellectual property was instrumental to support the debt financing. Crown's independent IP valuation indicated a combined patent and trade secret fair market value (FMV) of \$94.4 million.

The proceeds from both the future debt financing and the recent equity financing would allow us to build our new roll-to-roll lines enabling Crown to produce film at any length and at widths ranging between 12 inches and 72 inches. Once the new lines are producing at capacity, Crown expects Smart Window Insert annualized revenues of approximately \$220 million and EBITDA of \$40 million.

Initially, our Smart Windows Inserts™ are expected to be produced in a limited run to fulfill orders from our early customers. With customer feedback on the performance, design, and usage of our first-generation Smart Window Insert™, we will iterate and 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 with varying widths as needed.

Once we have our new production lines up and running, Crown will be able to actively start acquiring new US customers. Crown's initial target market is US office buildings. Crown's Smart Window Insert™ can lower the HVAC energy costs for building owners and help lower the building's carbon footprint. The Smart Window Insert™ will be sold as a retrofit product to existing buildings.

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. 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.

Crown Electrokinetics

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