

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
To
Form S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

Crown ElectroKinetics Corp.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

238150
(Primary Standard Industrial
Classification Code Number)

47-5423944
(IRS Employer
Identification No.)

**1110 NE Circle Blvd.
Corvallis, Oregon 97330**
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

**Douglas Croxall
Chief Executive Officer
1110 NE Circle Blvd.
Corvallis, Oregon 97330
(800) 674-3612**
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Please send copies of all communications to:

**M. Ali Panjwani, Esq.
Pryor Cashman LLP
7 Times Square
New York, New York 10036
(212) 421-4100**

**Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, \$0.0001 par value per share	\$	\$

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

Crown ElectroKinetics Corp.
Common Stock

This prospectus relates to the sale or other disposition from time to time by the selling stockholders identified in this prospectus of up to 9,344,000 shares of common stock. All of the shares, when sold, will be sold by these selling stockholders. We are not selling any common stock under this prospectus and will not receive any of the proceeds from the sale or other disposition of shares by the selling stockholders. The selling stockholders may sell or otherwise dispose of the shares of common stock covered by this prospectus in a number of different ways and at varying prices. We provide more information about how the selling stockholders may sell or otherwise dispose of their shares of common stock in the section entitled “Plan of Distribution” on page 39. Discounts, concessions, commissions and similar selling expenses attributable to the sale of shares of common stock covered by this prospectus will be borne by the selling stockholders. We will pay the expenses incurred in registering the shares of common stock covered by this prospectus, including legal and accounting fees. We will not be paying any underwriting discounts or commissions in this offering.

Prior to this offering, there has been no public market for our common stock.

Following this offering, we will have one class of authorized common stock. Each share of our common stock will have one vote per share.

We are an “emerging growth company” as that term is used in the Jumpstart our Business Startups Act of 2012, and as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings. See “Risk Factors – Risks Related to our Common Stock and this Offering.”

Investing in our common stock involves risks. See “Risk Factors” beginning on page 6.

We have not registered the sale of the shares under the securities laws of any state. Brokers or dealers effecting transactions in the shares of common stock offered hereby should confirm that the shares have been registered under the securities laws of the state or states in which sales of the shares occur as of the time of such sales, or that there is an available exemption from the registration requirements of the securities laws of such states.

We have not authorized anyone, including any salesperson or broker, to give oral or written information about this offering, Crown ElectroKinetics Corp, or the shares of common stock offered hereby that is different from the information included in this prospectus. You should not assume that the information in this prospectus, or any supplement to this prospectus, is accurate at any date other than the date indicated on the cover page of this prospectus or any supplement to it.

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and may not contain all of the information that you should consider before investing in the shares. You are urged to read this prospectus in its entirety, including the information under "Risk Factors" and our consolidated financial statements and related notes included elsewhere in this Prospectus.

Our Company

Overview

As used herein, "we," "us," "our," the "Company," "Crown ElectroKinetics," or "Crown EK" means Crown ElectroKinetics Corporation unless otherwise indicated. Crown EK operates in a single business segment which is engaged in the research and development and marketing of technology and devices to control the flow of light through our optical switching film ("EK" or "EK technology") that can be embedded between glass or applied to the surface of glass making possible the electronic control of the opacity level. Our EK technology originated and was patented by Hewlett-Packard Company ("HP"). We have acquired the right to use such patents by entering into the Intellectual Property Agreement, dated as of January 31, 2016, the First Amendment to the Intellectual Property Agreement, dated as of April 12, 2016, the Second Amendment to the Intellectual Property Agreement, dated May 1, 2017, and the Third Amendment to the Intellectual Property Agreement, dated as of March 10, 2019, with HP. We have an exclusive right to develop and acquire the patents.

Electrokinetic Film Technology

Electrokinetic (EK) film technology employs an optical switching film that can be applied to glass surfaces in windows or doors enabling electronic control of the color and tint. Crown's electrokinetic film ("CEK Film") derived from ink and microfluidic technology developed at Hewlett-Packard Company. The technology utilizes nanometer-sized pigment particles that are electrically charged and suspended in a liquid sandwiched between two clear substrates. A transparent conductor is deposited on the inside surfaces of the plastic films. In a non-energized state, the suspended pigment particles are distributed uniformly between the plastic films, and will absorb, transmit, or reflect light depending on the properties of the suspended pigment. When the proper electrical signal is applied to the conductive Indium Tin Oxide (ITO) layers, an electrical field is created and the charged pigment particles collect in micro-embossed holes in a layer of polymer resin over the transparent conductor surface. As the charged pigment particles are collected, the fluid becomes highly transparent (light state). By applying a different electrical signal, the pigment can be dispersed back into the fluid to achieve the desired color density.

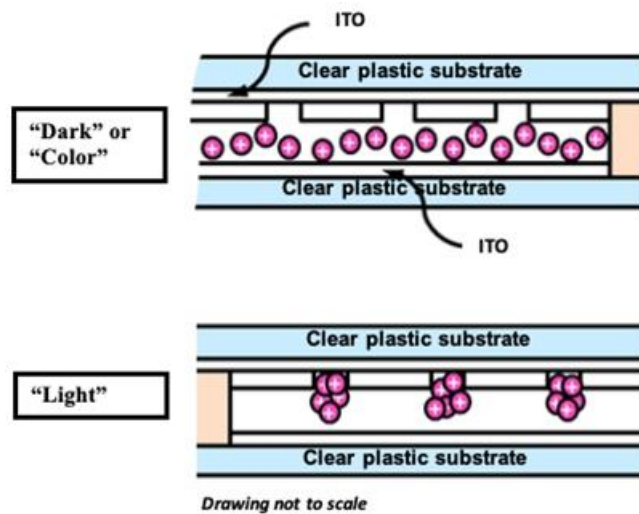


Figure 1. Schematic cross-section of electrokinetic film.

Business Model

We intend to develop and license our patented EK Technology under the name CEK Film. It is our expectation that Crown EK will generate revenue by licensing this technology and other technical know-how to our licensees that integrate the technology into their products. Our potential licensees to-date include Eastman Chemical Company and Asahi Glass Corporation. Both of these companies currently provide solutions in automotive and architectural applications. We expect our future licensees to manufacture and distribute the electrokinetic film that is applied to or laminated in glass as part of automobile sunroofs, skylights, and windows within residential front doors. With further technical development, the Company intends to eventually market the technology for residential and commercial windows.

Crown EK's business model and market access plans are deeply rooted in leveraging existing infrastructure. As such, Crown EK intends to partner with industry leading manufacturers of windows and window film who have roll-to-roll manufacturing capabilities to efficiently and inexpensively produce our film. This would enable Crown EK to avoid the extensive capital costs of building its own manufacturing facilities. Crown EK expects to license the film and electronics directly to our partner companies for integration in their product offerings. This approach also leverages existing partner sales distribution channels.

We are in discussions with multiple corporations which have expressed an interest in evaluating prototypes and have communicated that the current offerings from our competitor's products have a number of shortcomings that include: 1) too expensive for market-wide adoption, 2) aesthetically unappealing, 3) inability to offer neutral black or other colors, and 4) expensive power requirements.

The Company has entered into two agreements covering its electrokinetic technology. Asahi Glass and Eastman Chemical are evaluating Crown's technology to determine the feasibility of manufacturing and distributing the Company's CEK Film in the automotive market.

Our Industry

There are favorable converging global trends in the near-term for “smart glass” products. In both public and private sectors across the world, there are substantial efforts targeted toward the promotion and use of energy efficient smart glass materials, including those used in automobiles, windows and other architectural glazing’s, aircraft and boats.

In September 2017, Markets and Markets issued *Smart Glass Market by Technology (Suspended Particle Display, Electrochromic, Liquid Crystal, Photochromic, Thermochromic), Application (Architecture, Transportation, Consumer Electronics), and Geography - Global Forecast to 2023*. This market research report concludes that the smart glass market is expected to grow from USD \$2.8 Billion in 2016 to reach USD \$8.35 Billion by 2023, with a growth rate of 16.6% between 2017 and 2023.

The study concluded that key factors driving the growth of this market are the growing demand for smart glass in automobile applications, strong government support through mandates and legislations for energy-efficient construction, and optimal energy savings through smart glass applications.

Crown EK believes that the smart glass industry is in the initial phase of growth. EK light-control technology may have commercial applicability in many products where variable light-control is desired. Some existing product applications for electrokinetic film include the following:

- Automotive: sunroofs and sun visors for the current generation of our EK film. In the future, after considerable research and development, the Company intends to offer our EK film for use in side and rear windows;
- Aerospace and marine: windows, partitions, sun visors, and skylights for the current generation of our EK film; and
- Architectural: windows contained in and surrounding residential front doors as well as commercial and residential skylights for the current generation of our EK film. In the future, after considerable research and development, the Company intends to offer our EK film for use in new construction, replacement, and retrofit applications for commercial and residential windows.

Competitive Strengths

We entered into an agreement with Hewlett-Packard Company in January 2016 to license, with a right to acquire, the rights to the underlying technology and related intellectual property and other assets. HP spent six years developing this color reflective display technology to produce a new electronic media designed with low power usage, excellent viewing angle and fast switching speed to replace printed-paper.

Since 2016, Crown EK has actively worked to develop and license its EK technology, which it protects using patents, trade secrets and know-how. Although patent and trade secret protection are not a guarantee of commercial success, Crown EK currently licenses seven patents from HP that have been issued in the US. In addition, the Company has current patent applications in the US and other countries that if granted, would add three additional patents to its portfolio. Crown EK continues to make substantial investments to develop, license and protect its intellectual property position. The Company’s United States patents expire at various dates from March 26, 2029 through September 26, 2032.

Crown EK films combine many of the favorable properties of the other smart window technologies. It has a fast switching time (1-2 sec.) and unlike electrochromic (EC) technology, modulation in light level is not area dependent. Unlike Suspended Particles in Polymer (SPD) and Polymer Dispersed Liquid Crystal (PDLC) technology, EK film does not need alternating current power. EK films use direct current pulses to change state quickly, allowing for much lower power consumption compared to electrochromic windows. EK films are expected to have good bi-stability, so that when a light level of the film is selected, the film will remain unchanged for extended time periods with little to no electrical power required. Because of the low power requirements, EK films can be powered with batteries or small area solar cells, allowing retrofit to existing windows.

EK film uses roll-to-roll (R2R) processing for manufacturing similar to some of the competing technologies. This avoids the high capital cost associated with EC windows which are processed using cut glass sheets processed under very high vacuum. We expect the cost of EK films to be 50% less compared to the cost of the electrochromic glass, the current market leading technology. There are also major differences resulting from the fact that different color nanoparticles can be used in EK film. Furthermore, with EK film it is possible to use multiple colorants in the same film, which has been demonstrated in the recent past under a research project at the University of Cincinnati.

EK technology has three distinct advantages over existing optical electronic film technologies:

- **Neutral Dark** – Dark film is color neutral and will not affect the hue of what is viewed through the window
- **Speed** - Transition time is typically under 1-2 seconds
- **Manufacturing Cost** - Roll-to-Roll film manufacturing is the most cost effective path to early market access.

Our Corporate Information

CrownEK is located at 1110 NE Circle Blvd, Corvallis, OR 97330. Our telephone number is +1 (800) 674-3612 and our Internet website address is www.crownek.com.

Recent Developments

From January 11, 2019 through April 16, 2019, we completed private placements in which we issued convertible notes with an aggregate principal amount of \$1,103,543 and an aggregate purchase price of \$1,070,000. The notes have a one year maturity. In connection with such issuance, we also issued warrants to purchase our common stock. The warrants have a four-year term, and can be exercised into 50% of the number of shares issuable upon conversion in full of the notes. The notes are secured by all assets of the Company.

About This Offering

This prospectus relates to the resale by the selling stockholders identified in this prospectus of up to 9,344,000 shares of common stock, of which 9,875,000 shares are issued and outstanding as of the date hereof and 2,873,307 shares are issuable upon the exercise of the outstanding warrants. All of the shares, when sold, will be sold by these selling stockholders. The selling stockholders may sell their shares of common stock from time to time at prevailing market prices. We will not receive any proceeds from the sale of the shares of common stock by the selling stockholders.

Common Stock Offered	9,344,000 shares
Common Stock Outstanding at December 28, 2018	9,875,000 shares
Use of Proceeds	We will not receive any of the proceeds from the sale of the shares by the selling stockholders.

Selected Financial Information

The following selected income statement data for the years ended March 31, 2018 and 2017 and the selected balance sheet data as of March 31, 2018 and 2017 have been derived from our audited financial statements included elsewhere in this prospectus. The following selected income statement data for the nine months ended December 31, 2018 and 2017 and the selected balance sheet data as of December 31, 2018 have been derived from our unaudited financial statements included elsewhere in this prospectus. This financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included elsewhere in this prospectus. The historical results presented below are not necessarily indicative of the results that may be expected in any future period.

	Nine Months Ended December 31,		Fiscal Years Ended March 31,	
	2018	2017	2018	2017
Selected Income Statement Data:				
Revenue	\$ 473	\$ -	\$ -	\$ -
Gross Profit	\$ 12	\$ -	\$ -	\$ -
Loss From Operations	\$ (1,741)	\$ (626)	\$ (1,188)	\$ (1,235)
Net Loss	\$ (2,445)	\$ (623)	\$ (1,210)	\$ (1,232)
Net Loss per Common Share:				
Basic	\$ (0.26)	\$ (0.08)	\$ (0.15)	\$ (0.19)
Diluted	\$ (0.26)	\$ (0.08)	\$ (0.15)	\$ (0.19)
Cash Dividends per Common Share	\$ -	\$ -	\$ -	\$ -
Selected Balance Sheet Data:				
	December 31,	December 31,	March 31,	March 31,
	2018	2018	2018	2017
Property, Plant, Equipment	\$ 96	\$ 96	\$ 9	\$ 17
Total Assets	\$ 510	\$ 510	\$ 505	\$ 196
Long-Term Debt (Less Current Maturities)	\$ -	\$ -	\$ -	\$ -
Stockholders' Deficit	\$ (1,924)	\$ (1,924)	\$ (502)	\$ (47)

RISK FACTORS

An investment in our common stock involves a high degree of risk. The risks described below include all material risks to our company or to investors in this offering that are known to our company. You should carefully consider such risks before participating in this offering. If any of the following risks actually occur, our business, financial condition and results of operations could be materially harmed. As a result, the trading price of our common stock could decline, and you might lose all or part of your investment. When determining whether to buy our common stock, you should also refer to the other information in this prospectus, including our financial statements and the related notes included elsewhere in this prospectus.

Risks Relating To Our Business

In addition to the other information in this prospectus, you should carefully consider the following factors in evaluating us and our business. This prospectus contains, in addition to historical information, forward-looking statements that involve risks and uncertainties, some of which are beyond our control. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, our actual results could differ materially. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below, as well as those discussed elsewhere in this prospectus, including the documents incorporated by reference.

There are risks associated with investing in companies such as ours who are primarily engaged in research and development. In addition to risks which could apply to any company or business, you should also consider the business we are in and the following:

Source and Need for Capital.

As we take steps in the commercialization and marketing of our technology, or respond to potential opportunities and/or adverse events, our working capital needs may change. We anticipate that if our cash and cash equivalents are insufficient to satisfy our liquidity requirements, we will require additional funding to sustain our ongoing operations and to continue our research and development activities.

We have funded most of our activities through sales of our securities to investors. Eventual success of the Company and generation of positive cash flow will be dependent upon the extent of commercialization of products using the Company's technology. We can give no assurances that we will generate sufficient cash flows in the future (through sales of our common stock, exercise of options and warrants, royalty fees, or otherwise) to satisfy our liquidity requirements or sustain future operations, or that additional funding, if required, will be available when needed or, if available, on favorable terms.

History of Operating Losses.

We have experienced net losses from operations, and we may continue to incur net losses from operations in the future. We have incurred substantial costs and expenses in researching and developing our electrokinetic technology. As of December 31, 2018, we had a cumulative net loss of \$5.0 million since our inception. Our net loss was \$2.4 million and \$1.2 million during the nine months ended December 31, 2018 and the years ended March 31, 2018 and 2017, respectively (which includes non-cash accounting charges during the nine months ended December 31, 2018 and March 31, 2018 and 2017, of approximately \$643,000, \$615,000 and \$39,000 respectively, resulting from the expensing of grants of restricted stock and stock options and \$630,000 of amortization expense for our debt discount related to our convertible notes during the nine months ended December 31, 2018).

We may not generate sufficient cash flows to cover our operating expenses.

As noted above, we have incurred recurring losses since inception and expect to continue to incur losses as a result of costs and expenses related to our research and continued development of our technology and our corporate general and administrative expenses. Our limited capital resources and operations to date have been substantially funded through sales of our securities. As of December 31, 2018 and March 31, 2018, we had negative working capital of approximately \$2,306,000 and \$826,000, cash of approximately \$8,900 and \$168,000, shareholders' deficit of approximately \$1,924,000 and \$502,000 and an accumulated deficit of approximately \$5,000,000 and \$2,549,000, respectively. In the event that we are unable to generate sufficient cash from our operating activities or raise additional funds, we may be required to delay, reduce or severely curtail our operations or otherwise impede our on-going business efforts, which could have a material adverse effect on our business, operating results, financial condition and long-term prospects.

We have never declared a cash dividend and do not intend to declare a cash dividend in the foreseeable future.

We have never declared or paid cash dividends on our common stock. Payment of dividends on our common stock is within the discretion of our Board of Directors and will depend upon our future earnings, capital requirements, financial condition and other relevant factors. We do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future.

We do not directly manufacture products using Electrokinetic technology. We currently rely upon the activities of our licensees and their customers in order to be profitable.

We do not directly manufacture products using electrokinetic (EK) technology. We currently depend upon the activities of our licensees in order to be profitable. It will be up to our licensees to decide when and if they will introduce products using electrokinetic technology, we cannot predict when and if our licensees will generate substantial sales of such products. We have agreements with two companies to evaluate our electrokinetic technology to determine the feasibility to manufacture and distribute the CEK Film to the automotive market. Other companies are also evaluating electrokinetic technology for use in various products. While we expect that our licensees would be primarily responsible for manufacturing and marketing electrokinetic products and components, we are also engaging in market development activities to support partners to build the smart glass industry. We cannot control whether or not our licensees will develop electrokinetic products. There is no guarantee when or if our licensees will successfully produce any commercial product using electrokinetic technology in sufficient quantities to make the Company profitable.

Electrokinetic products face intense competition, which could affect our ability to increase our revenues.

The market for electrokinetic products is intensely competitive and we expect competition to increase in the future. We compete based on the functionality and the quality of our product. Many of our current and potential competitors have significantly greater financial, technical, marketing and other resources than we have. In addition, many of our competitors have well-established relationships with our current and potential customers and have extensive knowledge of our industry. If our competitors develop new technologies or new products, improve the functionality or quality of their current products, or reduce their prices, and if we are unable to respond to such competitive developments quickly either because our research and development efforts do not keep pace with our competitors or because of our lack of financial resources, we may be unable to compete effectively.

Declining production of automobiles and real estate could harm our business.

Our commercialization efforts could be negatively impacted if the global production of automobiles and real estate construction declines significantly. If such commercialization is reduced, our revenues, results of operations and financial condition could be negatively impacted.

We are dependent on key personnel.

Our continued success will depend, to a significant extent, on the services of our directors, executive management team, key personnel and certain key scientists. If one or more of these individuals were to leave the Company, there is no guarantee that we could replace them with qualified individuals in a timely or economically satisfactory manner or at all. The loss or unavailability of any or all of these individuals could harm our ability to execute our business plan, maintain important business relationships and complete certain product development initiatives, which would have a material adverse effect on our business, results of operations and financial conditions.

Dependence on electrokinetic technology.

Because electrokinetic technology is the only technology we work with, our success depends upon the viability of electrokinetic technology which has yet to be fully proven. We have not fully ascertained the performance and long-term reliability of our technology, and therefore there is no guarantee that our technology will successfully be incorporated into all of the products which we are targeting for use of electrokinetic technology. We expect that different product applications for electrokinetic technology will have different performance and reliability specifications. We expect that our licensees will primarily be responsible for reliability testing, but that we may also continue to do reliability testing so that we can more effectively focus our research and development efforts toward constantly improving the performance characteristics and reliability of products using electrokinetic technology.

Our patents and other protective measures may not adequately protect our proprietary intellectual property, and we may be infringing on the rights of others.

Our intellectual property, particularly our proprietary rights in our electrokinetic technology, is critical to our success. We have licensed various patents, and filed other patent applications, for various applications and aspects of our electrokinetic technology. In addition, we generally enter into confidentiality and invention agreements with our employees and consultants. Such patents and agreements and various other measures we take to protect our intellectual property from use by others may not be effective for various reasons generally applicable to patents and their granting and enforcement. In addition, the costs associated with enforcing patents, confidentiality and invention agreements or other intellectual property rights may be expensive. Our inability to protect our proprietary intellectual property rights or gain a competitive advantage from such rights could harm our ability to generate revenues and, as a result, our business and operations.

Risks Related to our Common Stock and this Offering

An active trading market for our common stock may not develop.

Our common stock has not been listed on any national securities exchange prior to this offering. We cannot predict the extent to which investor interest in us will lead to the development of an active public trading market or how liquid that public market may become.

Additionally, because the quoted price of our common stock is less than \$5.00 per share, our common stock is considered a “penny stock,” and trading in our common stock is subject to the requirements of Rule 15c-9 under the Exchange Act. Under this rule, broker/dealers who recommend low-priced securities to persons other than established customers and accredited investors must satisfy special sales practice requirements, including making an individualized written suitability determination for the purchaser and receiving the purchaser’s written consent prior to the transaction. Securities and Exchange Commission regulations also require additional disclosure in connection with any trades involving a “penny stock,” including the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and its associated risks. These requirements severely limit the liquidity of securities in the secondary market because few brokers or dealers are likely to undertake these compliance activities and this limited liquidity will make it more difficult for an investor to sell his shares of our common stock in the secondary market should the investor wish to liquidate the investment. In addition to the applicability of the penny stock rules, other risks associated with trading in penny stocks could also be price fluctuations and the lack of a liquid market.

Our stock price may be volatile, which could result in substantial losses to investors and litigation.

In addition to changes to market prices based on our results of operations and the factors discussed elsewhere in this “Risk Factors” section, the market price of and trading volume for our common stock may change for a variety of other reasons, not necessarily related to our actual operating performance. The capital markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. In addition, the average daily trading volume of the securities of small companies can be very low, which may contribute to future volatility. Factors that could cause the market price of our common stock to fluctuate significantly include:

- the results of operating and financial performance and prospects of other companies in our industry;
- strategic actions by us or our competitors, such as acquisitions or restructurings;

- announcements of innovations, increased service capabilities, new or terminated customers or new, amended or terminated contracts by our competitors;
- the public's reaction to our press releases, other public announcements, and filings with the Securities and Exchange Commission;
- lack of securities analyst coverage or speculation in the press or investment community about us or market opportunities in the telecommunications services and staffing industry;
- changes in government policies in the United States and, as our international business increases, in other foreign countries;
- changes in earnings estimates or recommendations by securities or research analysts who track our common stock or failure of our actual results of operations to meet those expectations;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- changes in accounting standards, policies, guidance, interpretations or principles;
- any lawsuit involving us, our services or our products;
- arrival and departure of key personnel;
- sales of common stock by us, our investors or members of our management team; and
- changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural or man-made disasters.

Any of these factors, as well as broader market and industry factors, may result in large and sudden changes in the trading volume of our common stock and could seriously harm the market price of our common stock, regardless of our operating performance. This may prevent you from being able to sell your shares at or above the price you paid for your shares of our common stock, if at all. In addition, following periods of volatility in the market price of a company's securities, stockholders often institute securities class action litigation against that company. Our involvement in any class action suit or other legal proceeding could divert our senior management's attention and could adversely affect our business, financial condition, results of operations and prospects.

The sale or availability for sale of substantial amounts of our common stock could adversely affect the market price of our common stock.

Sales of substantial amounts of shares of our common stock after the completion of the offering, or the perception that these sales could occur, could adversely affect the market price of our common stock and could impair our future ability to raise capital through common stock offerings. Following this offering, our executive officers and directors will still beneficially own, collectively, a substantial percentage of our outstanding common stock. If one or more of them were to sell a substantial portion of the shares they hold, it could cause our stock price to decline.

In addition, as of December 31, 2018, there were outstanding warrants to purchase an aggregate of 2,873,307 shares of our common stock at a weighted-average exercise price of \$0.61 per share, all of which were exercisable as of such date. The exercise of options at prices below the market price of our common stock could adversely affect the price of shares of our common stock. Additional dilution may result from the issuance of shares of our capital stock in connection with acquisitions or in connection with other financing efforts. Any issuance of our common stock that is not made solely to then-existing stockholders proportionate to their interests, such as in the case of a stock dividend or stock split, will result in dilution to each stockholder.

We are controlled by a small group of our existing stockholders, whose interests may differ from other stockholders. Our executive officers and directors will significantly influence our activities, and their interests may differ from your interests as a stockholder.

Following this offering, our executive officers and directors will still beneficially own, collectively, a substantial percentage of our outstanding common stock.

Accordingly, these stockholders have had, and will continue to have, significant influence in determining the outcome of any corporate transaction or any other matter submitted for approval to our stockholders, including mergers, consolidations and the sale of our assets, director elections and other significant corporate actions. They will also have significant influence in preventing or causing a change in control of our company. In addition, without the consent of these stockholders, we could be prevented from entering into transactions that could be beneficial to us. The interests of these stockholders may differ from your interests as a stockholder, and they may act in a manner that advances their best interests and not necessarily those of other stockholders.

Our certificate of incorporation and bylaws, and certain provisions of Delaware corporate law, contain provisions that could delay or prevent a change in control even if the change in control would be beneficial to our stockholders.

Delaware law, as well as our certificate of incorporation and bylaws, contain anti-takeover provisions that could delay or prevent a change in control of our company, even if the change in control would be beneficial to our stockholders. These provisions could lower the price that future investors might be willing to pay for shares of our common stock. These anti-takeover provisions:

- authorize our board of directors to create and issue, without stockholder approval, preferred stock, thereby increasing the number of outstanding shares, which can deter or prevent a takeover attempt;
- prohibit stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders;
- establish a three-tiered classified board of directors requiring that not all members of our board be elected at one time;
- establish a supermajority requirement to amend our amended and restated bylaws and specified provisions of our amended and restated certificate of incorporation;
- prohibit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- establish limitations on the removal of directors;
- empower our board of directors to fill any vacancy on our board of directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- provide that our board of directors is expressly authorized to adopt, amend or repeal our bylaws;
- provide that our directors will be elected by a plurality of the votes cast in the election of directors;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by our stockholders at stockholder meetings; and
- limit the ability of our stockholders to call special meetings of stockholders.

Our amended and restated certificate of incorporation and bylaws will provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation and bylaws, which will become effective prior to the completion of this offering, provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, other than any action or proceeding that, under applicable law, may only be commenced or prosecuted in another forum, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to the Delaware General Corporation Law or our amended and restated certificate of incorporation or bylaws (iv) any action to interpret apply, enforce or determine the validity of our amended and restated certificate of incorporation or bylaws or (v) any action asserting a claim governed by the internal affairs doctrine. The choice of forum provision 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, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Section 203 of the Delaware General Corporation Law may also discourage, delay or prevent a change in control of our company. Section 203 generally prohibits a Delaware corporation from engaging in a business combination with an interested stockholder for three years after the date the stockholder became an interested stockholder. Our board of directors also has the power to adopt a stockholder rights plan that could delay or prevent a change in control of our company even if the change in control is generally beneficial to our stockholders. These plans, sometimes called "poison pills," are oftentimes criticized by institutional investors or their advisors and could affect our rating by such investors or advisors. If our board of directors adopts such a plan, it might have the effect of reducing the price that new investors are willing to pay for shares of our common stock.

Together, these charter, statutory and contractual provisions could make the removal of our management and directors more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our common stock. Furthermore, the existence of the foregoing provisions, as well as the significant common stock beneficially owned by our executive officers, key non-executive officer employees, and members of our board of directors, could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

If equity research analysts do not publish research or reports about our business, or if they issue unfavorable commentary or downgrade our common stock, the market price of our common stock will likely decline.

The trading market for our common stock will rely in part on the research and reports that equity research analysts, over whom we have no control, publish about us and our business. We may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the market price for our common stock could decline. In the event we obtain securities or industry analyst coverage, the market price of our common stock could decline if one or more equity analysts downgrade our common stock or if those analysts issue unfavorable commentary, even if it is inaccurate, or cease publishing reports about us or our business.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements under “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business,” and elsewhere in this prospectus constitute forward-looking statements. These statements involve risks known to us, significant uncertainties, and other factors which may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by those forward-looking statements.

You can identify forward-looking statements by the use of the words “may,” “will,” “should,” “could,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “intends,” “potential,” “proposed,” or “continue” or the negative of those terms. These statements are only predictions. In evaluating these statements, you should specifically consider various factors, including the risks outlined above. These factors may cause our actual results to differ materially from any forward-looking statement.

Although we believe that the exceptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares of our common stock by the selling stockholders.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market for Common Stock

Our common stock is not traded on any exchange. There is no trading activity in our securities and there can be no assurance that a regular trading market for our common stock will ever be developed.

Holders

As of December 28, 2018, there were 10 holders of record of our common stock.

Dividend Policy

We have never paid or declared any dividend on our common stock and we do not anticipate paying cash dividends in the foreseeable future.

Securities authorized for issuance under equity compensation plans

As of December 31, 2018 there are 12,000,000 shares authorized under the Equity Incentive plan.

On June 19, 2018, our Board of Directors adopted and approved the most recent amendment to our 2016 Equity Incentive Plan (the "Incentive Plan"). The Incentive Plan allows for awards of stock options, restricted stock grants and share appreciation rights for up to 12,000,000 shares of common stock.

Options granted in the future under the Incentive Plan are within the discretion of our board of directors. The following table summarizes the number of shares of our common stock authorized for issuance under our equity compensation plans.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options	(b) Weighted- Average Exercise Price of Outstanding Options	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	4,103,500	N/A	7,896,500
Equity compensation plans not approved by security holders	0	N/A	0
Total	4,103,500	N/A	7,896,500

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and related notes thereto included elsewhere in this report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" included elsewhere in this report.

Management's plans and basis of presentation:

Crown ElectroKinetics Corp. (the "Company" "we", "our", or "us"), was incorporated in the State of Delaware on April 20, 2015. Effective October 6, 2017, the Company's name was changed to Crown ElectroKinetics Corp. from 3D Nanocolor Corp. ("3D Nanocolor").

On April 22, 2016, Marathon Patent Group ("Marathon"), owned 5,800,000 shares of 3D Nanocolor's common stock and 3D Nanocolor was a wholly owned subsidiary of Marathon. On August 22, 2017, Marathon entered into a Retention Agreement with Doug Croxall, Marathon's Chief Executive Officer and Chairman of the Board of Directors (the "Retention Agreement"). As part of the Retention Agreement, Mr. Croxall received all of the outstanding shares of 3D Nanocolor's common stock held by Marathon and 1,000,000 stock warrants which had no value at the time of transfer. On September 29, 2017, Marathon transferred to Mr. Croxall, all of Marathon's, title and interest in, and its ownership in the common stock of 3D Nanocolor Corp.

The Company is commercializing technology for smart or dynamic glass. The Company's electrokinetic glass technology is an advancement on microfluidic technology that was originally developed by Hewlett-Packard Company.

On January 31, 2016, we entered into an Intellectual Property ("IP"), agreement with Hewlett-Packard Development Company, L.P. and HP, Inc., collectively ("HP"), to acquire a research license to determine the feasibility of incorporating HP's electro-kinetic display technology in our products. Under the terms of the agreement, the license is to be used for research purposes only, has a purchase price of \$200,000 for the technology and has a two year closing date. On April 12, 2016 the Company and HP entered into the first amendment to the agreement, which allocated \$25,000 of the \$200,000 purchase price to acquire equipment to be used in the research. On May 1, 2017, the Company and HP entered into the second amendment to the agreement which increased the purchase price for the technology to \$375,000 and extended the closing date to January 31, 2020. On March 10, 2019, the Company and HP entered into the third amendment to the agreement, which extended the closing date to January 31, 2021, enumerated certain intellectual property owned by HP that is not subject to the exclusive license granted to the Company and revised the schedule of fees payable by the Company to HP. The agreement grants the Company an option to purchase the related assignable patents at a purchase price of \$1.4 million.

Crown's Research & Development Operation currently occupies 1,500 square feet of space, located on the HP Inc. campus in Corvallis, Oregon in the Advanced Technology and Manufacturing Institute (ATAMI). ATAMI is an academic-industrial research center and business incubator designed to provide an advanced materials development environment to private sector partner tenants performing R&D. The facility includes access to shared state-of-the-art tooling capabilities. ATAMI has grown to 80,000 square feet since its inception in 2004 and now offers Crown all the space requirements it needs for the foreseeable future.

On November 15, 2017, the Company entered into a license agreement with Asahi Glass Co., Ltd. (“Asahi”). The Asahi agreement provides that the Company will provide samples to be used by Asahi for the sole purpose of determining the feasibility of integrating the Company’s film technology in Asahi’s auto and train glass products. The Company began performing development activities in April of 2018. On February 1, 2019, the Company and Asahi entered into a new license agreement, terminating the prior agreement. Under such new license agreement, the Company will provide samples to be used by Asahi to evaluate the appearance of and measure optical properties of the Company’s film technology. At Asahi’s option, the Company will provide additional samples to be used by Asahi to measure the durability of such sample for the purpose of determining the feasibility of integrating the Company’s film technology in Asahi’s auto and train glass products. The performance related to the new agreement is a continuation of the work being performed as of April 2018.

On August 23, 2017, the Company entered into a collaborative agreement with Eastman Chemical Company (“Eastman”). The Eastman agreement provides that the Company and Eastman will jointly develop electrokinetic films and determine their suitability for commercial use in applied films and interlayers for automobile windows. The Company and Eastman will be exchanging Intellectual Property (“IP”) for the development of the films. The Company began performing development activities in April of 2018.

Results of Operations for the nine months ended December 31, 2018 and 2017

	Nine Months Ended December 31,		Percentage Increase/ (Decrease)
	2018	2017	
Revenue	\$ 472,833	\$ -	100%
Cost of revenue	460,500	-	100%
Research and development	534,059	-	100%
Research and development - licenses acquired	-	17,830	(100%)
Selling, general and administrative	1,219,409	608,562	50%
Other income (expense)	(703,785)	3,304	100%
Net Loss	<u>\$ (2,444,920)</u>	<u>\$ (623,088)</u>	292%

Revenue

Revenue for the nine months ended December 31, 2018 was approximately \$0.5 million, consisting primarily of \$0.3 million related to our contract with Eastman and \$0.2 million related to our contract with Asahi. We recognize revenue when performance is complete, which is when all of the samples have been delivered to the customer and development work is complete. There was no revenue recognized for the nine months ended December 31, 2017.

Cost of Revenue

Cost of revenue for the nine months ended December 31, 2018 was approximately \$0.5 million and directly correlated to the revenue recognized related to our contracts with Eastman and Asahi. There was no cost of revenue recognized for the nine months ended December 31, 2017.

Research and Development (including licenses acquired)

Research and development (“R&D”), expenses were \$0.5 million for the nine months ended December 31, 2018. R&D expenses were primarily attributable to employee compensation and related expenses, stock-based compensation expenses and lab supplies. During the nine months ended December 31, 2017, we recorded approximately \$18,000 of R&D licenses acquired for legal fees incurred related to patent applications.

Selling, General and Administrative

Selling, general and administrative (“SG&A”) expenses were \$1.2 million and \$0.6 million for the nine months ended December 31, 2018 and 2017, respectively. SG&A expenses were primarily attributable to employee compensation and related expenses, stock-based compensation expenses, professional fees, rent, travel and overhead expenses.

Other Income (Expense)

Other expense for the nine months ended December 31, 2018 was \$0.7 million, compared with a nominal amount of other income for the nine months ended December 31, 2017. The \$0.7 million increase in other expense is primarily attributable to interest expense related to our convertible notes.

Results of Operations for the years ended March 31, 2018 and 2017

	Years Ended March 31,		Percentage Increase/ (Decrease)
	2018	2017	
Research and development	258,440	672,982	(160%)
Research and development - licenses acquired	17,830	16,460	8%
Selling, general and administrative	912,064	545,101	40%
Other income (expense)	(21,978)	2,400	111%
Net Loss	<u>\$ (1,210,312)</u>	<u>\$ (1,232,143)</u>	(2%)

Research and Development (including licenses acquired)

Research and development (“R&D”), expenses were \$0.3 million and \$0.7 million for the years ended March 31, 2018 and 2017, respectively. R&D expenses were primarily attributable to employee compensation and related expenses, stock-based compensation expenses and lab supplies. Expenses for our research and development licenses acquired remained flat for the years ended March 31, 2018 and 2017.

Selling, General and Administrative

Selling, general and administrative (“SG&A”), expenses were \$0.9 million and \$0.5 million for the years ended March 31, 2018 and 2017, respectively. SG&A expenses were primarily attributable to employee compensation and related expenses, stock-based compensation expenses, professional fees, rent, travel and overhead expenses.

Other Income (Expense)

Other expense for the year ended March 31, 2018 was \$22,000, compared with other income of \$2,000 for the year ended March 31, 2017. The \$24,000 increase in other expense is attributable to \$30,000 of interest expense related to our convertible notes, offset by \$8,000 of other income, primarily related to settlement of legal fees and \$2,400 of other income recognized during March 31, 2017.

Liquidity

Going Concern

We have incurred substantial operating losses since our inception, and we expect to continue to incur significant operating losses for the foreseeable future, and may never become profitable. We had an accumulated deficit of approximately \$5.0 million and \$2.5 million at December 31, 2018 and March 31, 2018, respectively, a net loss of approximately \$2.4 million and \$1.2 million, and approximately \$1.2 million and \$0.4 million of net cash used in operating activities for the nine months ended December 31, 2018 and the year ended March 31, 2018, respectively.

We anticipate incurring additional losses until such time, if ever, that we can obtain marketing approval to sell, and then generate significant sales, of our technology that is currently in development. Substantial additional financing will be needed by the Company to fund our operations and to develop and commercialize our technology. These factors raise substantial doubt about the Company's ability to continue as a going concern.

We will seek to obtain additional capital through the sale of debt or equity financings or other arrangements to fund operations; however, there can be no assurance that we will be able to raise needed capital under acceptable terms, if at all. The sale of additional equity may dilute existing stockholders and newly issued shares may contain senior rights and preferences compared to currently outstanding shares of common stock. Issued debt securities may contain covenants and limit our ability to pay dividends or make other distributions to stockholders. If we are unable to obtain such additional financing, future operations would need to be scaled back or discontinued. Due to the uncertainty in the Company's ability to raise capital, we believe that there is substantial doubt in our ability to continue as a going concern for twelve months from the date of issuance of the financial statements.

Cash Flows

	Nine Months Ended December 31,		Years Ended March 31,	
	2018	2017	2018	2017
Cash and cash equivalents at the beginning of the period	\$ 168,222	\$ 7,165	\$ 7,166	\$ 29,675
Net cash used in operating activities	(1,196,359)	(23,204)	(370,649)	(1,155,212)
Net cash used in investing activities	(97,952)	(50,000)	(50,000)	-
Net cash provided by financing activities	1,135,000	66,706	581,706	1,132,702
Cash and cash equivalents at the end of the period	\$ 8,911	\$ 667	\$ 168,223	\$ 7,165

Operating Activities

For the nine months ended December 31, 2018, net cash used in operating activities was \$1.2 million, which primarily consisted of our net loss of \$2.4 million, adjusted for non-cash expenses of \$1.3 million including, \$0.6 million of stock-based compensation expenses, \$0.6 million of amortization related to the debt discount recognized for our convertible notes payable, and \$0.1 million of depreciation and amortization expenses, and change in operating assets and liabilities of \$0.1 million. The net cash provided by operating assets and liabilities was primarily due to an increase of \$0.1 million of contract assets related to our contract revenue and an increase of \$0.3 million in accounts payable, offset by a decrease of \$0.2 million of deferred revenue recorded for the recognition of our contract revenue and a decrease of \$0.1 million of accrued expenses.

For the nine months ended December 31, 2017, net cash used in operating activities was \$23,000, which primarily consisted of our net loss of \$0.6 million, adjusted for non-cash expenses of \$0.4 million including, \$0.3 million of stock-based compensation expenses and \$0.1 million of depreciation and amortization expenses, and change in operating assets and liabilities of \$0.2 million. The net cash provided by operating assets and liabilities was primarily due to an increase of \$0.1 million of deferred revenue recorded related to our contract revenue and an increase of \$0.1 million in accrued expenses related to our license agreement with HP.

For the year ended March 31, 2018, net cash used in operating activities was \$0.3 million, which primarily consisted of our net loss of \$1.2 million, adjusted for non-cash expenses of \$0.7 million including, \$0.6 million of stock-based compensation expenses and \$0.1 million related to depreciation and amortization expenses, and research and development license fees, and change in operating assets and liabilities of \$0.3 million. The net cash provided by operating assets and liabilities was primarily due to an increase in deferred revenue of \$0.2 million recorded for the upfront payments received from our contracts with customers offset by a decrease in accounts payable and accrued expenses of approximately \$100,000. The decrease in accounts payable and accrued expenses is primarily due to the reversal of a severance accrual of \$180,000 for amounts owed to related parties.

For the year ended March 31, 2017, net cash used in operating activities was \$1.2 million, which primarily consisted of our net loss of \$1.2 million, non-cash stock-based compensation expenses of \$39,000, depreciation and amortization expenses of \$25,000, accrued research and development license fees of \$16,000 and change in operating assets and liabilities of \$4,000. The cash used in operating assets and liabilities was primarily due to a \$26,000 decrease in accrued expenses, primarily consisting of payments of \$200,000 to HP for our research license agreement, offset by \$180,000 accrued for severance owed to related parties.

Investing Activities

For the nine months ended December 31, 2018, net cash used in investing activities was \$0.1 million, related to the purchase of computer equipment and computer software.

For the nine months ended December 31, 2017, net cash used in investing activities was \$50,000, related to the purchase of our research license agreement with HP.

For the year ended March 31, 2018, net cash used in investing activities was \$50,000 for our research license agreement with HP.

There were no investing activities for the year ended March 31, 2017.

Financing Activities

For the nine months ended December 31, 2018, net cash provided by financing activities was \$1.1 million. The net cash provided is primarily related to \$1.2 million of proceeds received from the issuance of our senior secured convertible notes and the related stock warrants, offset by a payment of \$0.1 million related to our senior secured promissory note.

For the nine months ended December 31, 2017, net cash provided by financing activities was \$0.1 million. The net cash provided is related to the proceeds received from the issuance of notes totaling \$50,000 and a capital contribution from our parent company of \$17,000.

For the year ended March 31, 2018, net cash provided by financing activities was \$0.6 million. The net cash provided is related to proceeds of \$0.3 million received from the issuance of our senior secured convertible note and the related stock warrants, \$250,000 received from the issuance of our senior secured promissory note and \$50,000 received from the issuance of other notes, as well as a capital contribution from our parent company of \$17,000.

For the year ended March 31, 2017 net cash provided by financing activities was \$1.1 million consisting of \$1.1 million of capital contributions from our parent company and \$58,000 of proceeds from the issuance of common stock.

Off-balance sheet arrangements

We did not have any off-balance sheet arrangements during the periods presented, and we do not currently have any off-balance sheet arrangements, as defined in the SEC rules and regulations.

Critical accounting policies and significant judgments and estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of our financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, costs and expenses. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates. Our most critical accounting policies are summarized below. See Note 3 to our financial statements beginning on page F-1 of this prospectus for a description of our other significant accounting policies.

Revenue Recognition

We recognize revenue when the following four basic criteria are met:

- (1) a contract has been entered into with a customer or persuasive evidence of an arrangement exists,
- (2) delivery has occurred or services rendered,
- (3) the fee is fixed or determinable, and
- (4) collectability is reasonably assured.

We are not able to estimate the total amount of development service under an efforts-based perspective and, therefore, the amount of performance that will be required in its contracts cannot be reliably estimated under the proportional performance revenue recognition model. Accordingly, we recognize revenue when performance is complete, which is when all of the samples have been delivered to the customer and development work is complete.

Deferred Revenue

We received upfront payments totaling \$225,000 for the year ended March 31, 2018. The upfront payments consisted of \$125,000 received from Eastman in August of 2017, and \$100,000 received from Asahi in January of 2018. Because the payments were received in advance of performing any work specified in the contracts, we recognized deferred revenue of \$225,000 as of March 31, 2018. Accordingly, we have no revenue from contracts with customers for the year ending March 31, 2018 and 2017.

Stock-based compensation

We measure and recognize compensation expense for all options based on the estimated fair value of the award on the grant date. We use the Black-Scholes option-pricing model to estimate the fair value of option awards. The fair value is recognized as expense on a straight-line basis over the requisite service period. We account for forfeitures as they occur. We recognize expense for awards where vesting is subject to a market or performance condition based on the derived service period. Expense for awards with performance conditions would be estimated and adjusted on a quarterly basis based upon our assessment of the probability that the performance condition will be met.

The determination of the grant date fair value of options using an option pricing model is affected principally by our estimated fair value of shares of our common stock and requires management to make a number of other assumptions, including the expected life of the option, the volatility of the underlying shares, the risk-free interest rate and expected dividends. The assumptions used in our Black-Scholes option-pricing model represent management's best estimates at the time of measurement. These estimates are complex, involve a number of variables, uncertainties and assumptions and the application of management's judgment, as they are inherently subjective. If any assumptions change, our stock-based compensation expense could be materially different in the future.

These assumptions are estimated as follows:

- **Fair Value of Common Stock.** As our common stock has not historically been publicly traded, we estimated the fair value of common stock. See “Fair Value of Common Stock” and “Common Stock Valuation Methodology” sections.
- **Expected Term.** The expected term represents the period that our options are expected to be outstanding. We calculated the expected term using the simplified method for options based on the average of each option’s vesting term and the contractual period during which the option can be exercised, which is typically 10 years following the date of grant.
- **Expected Volatility.** The expected volatility was based on the historical share volatility of several of our comparable publicly traded companies over a period of time equal to the expected term of the options, as we do not have any trading history to use the volatility of our own common stock.
- **Risk-Free Interest Rate.** The risk-free interest rate was based on the yields of U.S. Treasury securities with maturities appropriate for the term of the award.
- **Expected Dividend Yield.** We have not paid dividends on our common stock nor do we expect to pay dividends in the foreseeable future.

Fair Value of Common Stock

Historically, for all periods prior to this offering, the fair values of the shares of common stock underlying our options were estimated on each grant date by our board of directors. In order to determine the fair value, our board of directors considered, among other things, contemporaneous valuations of our common stock and preferred stock prepared by unrelated third-party valuation firms in accordance with the guidance provided by the American Institute of Certified Public Accountants 2013 Practice Aid, Valuation of Privately-Held- Company Equity Securities Issued as Compensation, or the Practice Aid. Given the absence of a public trading market of our capital stock, our board of directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including:

- contemporaneous third-party valuations of our common stock;
- the prices, rights, preferences and privileges of our preferred stock relative to our common stock;
- our business, financial condition and results of operations, including related industry trends affecting our operations;
- the likelihood of achieving a liquidity event, such as an initial public offering or sale of our company, given prevailing market conditions;
- the lack of marketability of our common stock;
- the market performance of comparable publicly traded companies; and
- U.S. and global economic and capital market conditions and outlook.

Recent accounting pronouncements

See Note 3 to our financial statements beginning on page F-1 of this prospectus for a description of recent accounting pronouncements applicable to our financial statements.

Qualitative and Quantitative Disclosures about Market Risk

Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the nine months ended December 31, 2018 and 2017 and the years ended March 31, 2018 or 2017.

JOBS Act Transition Period

As an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012, we can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are electing to delay our adoption of such new or revised accounting standards. As a result of this election, our financial statements may not be comparable to the financial statements of other public companies.

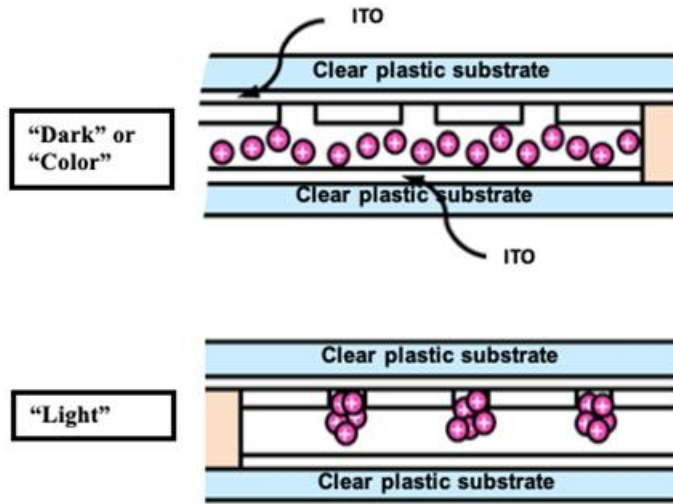
Overview

General

As used herein, “we,” “us,” “our,” the “Company,” “Crown ElectroKinetics,” or “Crown EK” means Crown ElectroKinetics Corporation unless otherwise indicated. Crown EK operates in a single business segment which is engaged in the research and development and marketing of technology and devices to control the flow of light through our optical switching film (“EK” or “EK technology”) that can be embedded between or applied to the surface of glass making possible the electronic control of the tint level. Our EK technology originated and was patented by Hewlett-Packard Company (“HP”).

Electrokinetic Film Technology

Electrokinetic (EK) film technology employs an optical switching film that can be applied to glass surfaces in windows or doors enabling electronic control of the color and tint. Crown’s electrokinetic film (“CEK Film”) derived from ink and microfluidic technology developed at HP. The technology utilizes nanometer-sized pigment particles that are electrically charged and suspended in a liquid sandwiched between two flexible clear plastic substrates. A transparent conductor is deposited on the inside surfaces of the plastic films. In a non-energized state, the suspended pigment particles are distributed uniformly between the plastic films, and will absorb, transmit, or reflect light depending on the properties of the suspended pigment. When the proper electrical signal is applied to the conductive layers, an electrical field is created and the charged pigment particles collect in micro-embossed holes in a layer of polymer resin over the transparent conductor surface. As the charged pigment particles are collected, the fluid becomes highly transparent (light state). By applying a different electrical signal, the pigment can be dispersed back into the fluid to achieve the desired color density.



Drawing not to scale

Figure 1. Schematic cross-section of electrokinetic film.

The processing of the plastic films uses roll-to-roll (R2R) processing equipment to make the completed film. There are three basic steps to making the film using R2R equipment.

- 1) Transparent conductor deposition using vacuum sputtering of indium-tin oxide (ITO) on polyethylene terephthalate (PET) plastic. The ITO/PET film can be provided by a number of suppliers. Millions of square feet of ITO on PET are currently provided for nearly all capacitance-based display touch screens.
- 2) Multi-level 3D pattern is embossed on one of the two plastic films using an UV curable resin. An example of the embossed pattern is shown in *Figure 2*. The R2R embossing processing can be completed by various plastic film companies.

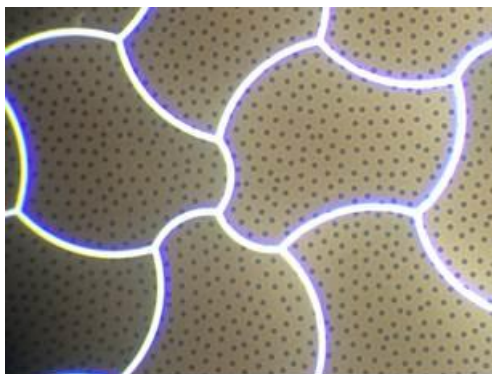


Figure 3. Optical Profilometry Image of 3D Embossed Film

- 3) The final R2R process is to laminate the two layers of PET together with the pigment-containing fluid. The film will be laminated such that the containment structure is adhered to the opposite layer of plastic to prevent leakage of the fluid. The fluid contains nanometer-sized pigment particles which are suspended in the fluid to ensure that gravity does not affect the suspension. Black pigment is suspended in a non-polar fluid. Other colorants including cyan, magenta, and yellow are also possible. Currently, one pigment colorant at a time is chosen for a given electronic fluid, although multiple colorants in the same fluid have been demonstrated using this technology.

The electronic film can be laminated between glass and incorporated in new window construction as well as applied to the interior pane of some existing windows. The film will be manufactured using roll-to-roll processing methods which the Company believes will have an inherently lower manufacturing cost compared to sheet-based processing methods used on more complex films like electrochromic glass.

Integration with Glass

Our film can be cut to the desired window size with standard laser cutting tooling. An edge sealant material like a UV epoxy and/or silicone can be used to protect the edge from damage during subsequent processing. The plastic film will be laminated between glass for new glass applications using standard lamination methods and materials already developed by the glass industry. The electrical connection is simply two wires connected to a single small area to each ITO surface. The wires will be routed through the IGU edge seal and can be connected to a control/power unit attached to the IGU for individual window control. Also, the control wires can be connected to a system that is routed in the walls of a building connecting to whole-building HVAC control systems. Because the overall power requirements are low, measured in the milliwatt per square meter of film, local batteries in the control unit and/or a small solar cell could be used to power the EK window film. The control module may also contain a low power wireless technology like Bluetooth that can be tied to the local internet connection or allow direct wireless control from any smart device.

Intellectual Property

Crown EK was incorporated in Delaware in 2015. We entered into an agreement with Hewlett-Packard Company in January 2016 to license, with a right to acquire, the rights to the underlying technology and related intellectual property and other assets. HP spent six years developing this color reflective display technology to produce a new electronic media designed with low power, excellent viewing angle and fast switching speed to replace printed-paper.

Since 2016, Crown EK has actively worked to develop and license its EK technology, which it protects using patents, trade secrets and know-how. Although patent and trade secret protection are not a guarantee of commercial success, Crown EK currently licenses seven patents that have been issued in the US. In addition, the Company has current patent applications in the US and other countries that if granted, would add three additional patents to its portfolio. The Company has and continues to devote significant resources to develop, license and protect its intellectual property position.

Crown EK continues to make substantial investments to develop, license and protect its intellectual property position. Crown EK currently licenses from Hewlett-Packard Company seven patents that have been issued in the US, which the Company has the option to purchase prior to January 31, 2020 for a price of \$1.4 million. In addition, the Company has current patent applications in the US and other countries that if granted, would add three additional patents to its portfolio. The Company's United States patents expire at various dates from March 26, 2029 through September 26, 2032.

U.S. Patent No.	Title
8018642	ELECTRO-OPTICAL DISPLAY
8183757	DISPLAY ELEMENT
8184357	DISPLAY ELEMENT
8331014	PIGMENT-BASED INKS
8384659	DISPLAY ELEMENT INCLUDING ELECTRODES AND A FLUID WITH COLORANT PARTICLES
8432598	TRANSPARENT CONDUCTOR STRUCTURE
8896906	INKS INCLUDING BLOCK COPOLYMER GRAFTED PIGMENTS VIA AZIDE CHEMISTRY
Provisional # 62/086296	Easily-Scalable and Grayscale-Capable Two Particle Electrophoretic Optical Device
Provisional # 62/095308	Multi-mode Smart Windows
Application # PCT/US2015/63365	Easily-scalable and Grayscale-capable Two-particle Electrophoretic Optical Device
Application # PCT/US2015/63390	Easily-scalable and Grayscale-capable Two-particle Electrophoretic Optical Device

The Company believes that its electrokinetic technology is adequately protected by its patent position and by its proprietary technological know-how. However, the validity of the Company's patents has never been contested in any litigation. The Company also possesses know-how and relies on trade secrets and nondisclosure agreements to protect its technology. The Company requires any employee, consultant, or licensee having access to its confidential information to execute an agreement whereby such person agrees to keep such information confidential.

Business Model

We intend to develop and license our patented EK Technology under the name CEK Film. It is our expectation that Crown EK will generate revenue by licensing this technology and other business know-how to our licensees that integrate the technology into their products. Our potential licensees to-date include Eastman Chemical Company and the Asahi Glass Corporation. Both of these companies currently provide solutions in automotive and architectural applications. We expect our future licensees will manufacture and distribute the electrokinetic film that is applied to or laminated in glass as part of sunroofs within automobiles, skylights, windows within residential front doors, and eventually, and with further technical development, the Company intends to market the technology for residential and commercial windows.

Partners and Customers

Crown EK's business model and market access plans are deeply rooted in leveraging existing film/glass manufactures and distributors with established customer bases. As such, Crown EK intends to partner with industry leading manufacturers of windows and window film who have roll-to-roll manufacturing capabilities to efficiently and inexpensively produce our film. This would allow Crown EK to avoid the capital-intensive costs of existing electrochromic and other competitive alternatives to electrokinetic technology. Crown EK expects to license the film and electronics directly to our partner companies for incorporation in their product offerings. This approach also leverages existing partner sales distribution channels.

We are in discussions with multiple corporations which have expressed an interest in evaluating prototypes and have communicated that the current competitive products offered by other companies have a number of shortcomings that include; 1) being far too expensive for market-wide adoption, 2) minimal color offerings that are not aesthetically appealing, and 3) expensive and excessive power requirements.

The Company has entered into two agreements covering its electrokinetic technology to-date. Asahi Glass and Eastman Chemical are evaluating Crown's technology to determine the feasibility of manufacturing and distributing the Company's CEK Film in the automotive market.

The EK film gives users the ability to quickly regulate the amount of tint/color of the window, skylight, or sunroof. Very low power is required to operate our EK film as well as a resulting lower cost to integrate due to diminished infrastructure requirements. Our EK film can be incorporated between two layers of glass to produce a laminate that has enhanced energy efficiency, light-control and privacy.

Our licensees consider the stage of development, product introduction strategies and timetables, and other plans to be proprietary and secret. Unless required to disclose such information, the Company may limit its disclosure of licensees' activities until such licensees, or their customers, make their own public announcements of planned or actual product launches.

Since our incorporation in January 2016, the Company devoted substantially all of its time to the development of our electrokinetic technology. The Company does not plan to directly manufacture products on its own, but rather depends on the activities of its licensees and manufacturing partners. The one exception is the manufacturing of the electrokinetic ink and electronic driver designs, which constitute part of the Company's intellectual property trade secrets. Due to the nature of the Company's business operations and the fact that the Company is not primarily a manufacturer, there is no backlog of orders for the Company's products. The Company believes that compliance with federal, state and local provisions, which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, will not have a material effect upon the capital expenditures, earnings and competitive position of the Company. The Company has no material capital expenditures for environmental control facilities planned for the remainder of its current fiscal year or its next succeeding fiscal year.

Smart Glass Industry Trends

There are favorable converging global trends in the major near-term markets for “smart glass” products. In both public and private sectors across the world, there are substantial efforts targeted toward the promotion and use of energy efficient smart glass materials, including those used in automobiles, windows and other architectural glazings, aircraft and boats.

In September 2017, Markets and Markets issued *Smart Glass Market by Technology (Suspended Particle Display, Electrochromic, Liquid Crystal, Photochromic, Thermochromic), Application (Architecture, Transportation, Consumer Electronics), and Geography - Global Forecast to 2023*. This market research report concludes that the smart glass market is expected to grow from USD \$2.8 Billion in 2016 to reach USD \$8.35 Billion by 2023, with a growth rate of 16.6% between 2017 and 2023. The study concluded that:

Key factors driving the growth of this market are the growing demand for smart glass in automobile applications, strong government support through mandates and legislation for energy-efficient construction, and optimal energy saving through smart glass applications.

Crown EK believes that the smart glass industry is in the initial phase of growth. EK light-control technology may have commercial applicability in many products where variable light-control is desired. Some existing product applications for electrokinetic film include the following:

- Automotive: sunroofs and sun visors for the current generation of our EK film. In the future, after considerable research and development, the Company intends to offer our EK film to be used for side and rear windows;
- Aerospace and marine: windows, partitions, sun visors, and skylights for the current generation of our EK film; and
- Architectural: windows contained in and surrounding residential entry doors as well as commercial and residential skylights for the current generation of our EK film. In the future, after considerable research and development, the Company intends to offer our EK film for use in new construction, replacement, and retrofit applications for commercial and residential windows.

Competitive Technologies

The Company believes that our electrokinetic technology has certain performance advantages over other “smart glass” technologies and that pricing and product performance are the two main factors critical to the adoption of smart glass products. Because the non-electrokinetic smart glass technologies listed below do not have published, consistent pricing or cost data that can be relied upon, the Company cannot accurately report its price position relative to these other technologies. In terms of product performance, the Company believes that electrokinetic technology offers numerous advantages over other smart glass technologies as discussed below.

Variable light transmission technologies can be classified into two basic types: “active” technologies that can be controlled electrically by the user either automatically or manually, and “passive” technologies that can only react to ambient environmental conditions such as changes in lighting or temperature. One type of passive variable light transmission technology is photochromic technology; such devices change their level of transparency in reaction to external ultra-violet radiation.

Smart Window Technologies

Technology	Light Transmission Range	Viewing Angle	Switch Time	Power Required (W/m ²)	Color Capability
EC - Electrochromic	2% - 62% or 1% - 52%	180°	5 - 40 min Size Dependent	0.6 - 2	Clear = Yellow Dark = Blue
SPD - Suspended Particles in polymer	3% - 62% or 1% - 49%	~100° at ½ light	1 - 5 sec	1.2 - 1.4	Clear = Bluish Dark = Blue
PDLC - Polymer Dispersed Liquid Crystal	Doesn't directly control light. Scatters the image for privacy. Not useable for sun-facing windows.	~120°	~1 - 3 sec	5 - 20	White only unless a tinted plastic is then permanent under all condition
TC - Thermochromic	10% - 50%	180°	Passive - No electrical control. > 5 min	NA	Dark = Blue/Gray
EK - Electrokinetic	2% - >70%	180°	1 - 2 sec	0.002	True black, virtually any single color

Electrochromic Glass

Electrochromic technology has been used as a light absorbing technology for rear view mirrors in automobiles for decades, and more recently for large-scale windows. The speed of the change is directly related to the size of the window area defined by the electrode design. Large windows take about 40 minutes to change at nominal temperatures. If the glass is cold, the time will increase. Also, the change in the light transmission will not be uniform across the window. It will vary from center to edge, dependent on the distance from the current source which is typically a low resistance conductive material connected to the TCO layers. The larger the area, the more non-uniform the change of state. The energy savings of EC smart windows is when the technology is placed on the outside window of a dual-pane integrated glass unit (IGU).

The various thin films are typically vacuum deposited directly on "defect-free" glass. Any defect in the various layers or from the glass surface can result in an area that doesn't respond correctly. The typical investment required for a large window electrochromic factory is over \$200 million, due to the large-scale vacuum equipment required, low particulate cleanroom required, and the relatively slow speed of deposition for all the various layers.

Suspended Particle Glass (SPD)

SPD is a film that has suspended long and narrow particles in a polymer film with layer of ITO on either side to allow generation of an alternating current electrical field to twist the particles from a random state to a near vertical state perpendicular to the ITO plane. In the vertical state light passes through the film and in the random state the light is absorbed by the dark particles. No other types of particles have been created for this type of device. The film responds quickly to the electrical field, however, requires constant AC power to hold the clear state at 7W/m² of power. Because the SPD film is used on the inside glass it will absorb both visible and IR and radiate the energy to the room. To prevent some of the heat from radiating in the room, the outer glass of the IGU has an Low-E Coatings that rejects a large fraction of the IR spectrum. The film is manufactured on plastic and uses roll-to-roll (R2R) equipment processing. The current width of the R2R equipment is limited to 1 meter and that limits the size of a window that can be made with the material.

Polymer-Dispersed Liquid Crystal (PDLC) Film

PDLC requires an AC electric field to achieve a clear state but can only scatter light in the power-off state. Most of the incoming light is transmitted through the film, which is typically used for interior windows to create privacy. The film has time limits in the clear state as problems with the film may arise when held in the clear state continually. Similar to the SPD film in manufacturing methods using R2R equipment and plastic film with ITO conductor. The film is available from many Far East manufacturing companies with some able to make ~150cm width film. The quality of the film can vary based on the manufacturing company. The film was invented at Kent State University in the 1980's and the patents have expired.

Thermochromic (TC)

Thermochromic windows use a film that is laminated between two layers of glass. The film contains particles that change color as they are heated. The heat is from light that is absorbed in the window which causes the window to darken. No electrical power is required; hence, this technology is passive and not under user control. It has a limited range of light modulation compared to other smart window technologies. To achieve good solar rejection, the film must be used with a low-e coating on the second glass in the IGU.

Electrokinetic Comparison

Crown EK films combines many of the favorable properties of the other smart window technologies. It has a fast switching time (1-2 sec.) and unlike EC technology, modulation in light level is not area dependent. Electrical power requirements are anticipated to be better because unlike SPD and PDLC technology, an EK film doesn't need AC power. EK films use DC pulses to change state quickly, allowing for much lower power consumption compared to electrochromic windows. EK films are expected to have good stability, so that when a light level of the film is selected, the film will remain unchanged for several minutes with no electrical power required before requiring very small incremental low energy pulses. Because of the low power requirements, EK films can be powered with batteries or small area solar cells allowing retrofit of existing windows.

EK film uses roll-to-roll (R2R) processing for manufacturing similar to some of the competing technologies. This avoids the high capital cost associated with EC windows which are processed using final cut glass sheets processed under very high vacuum. EK films will cost at least 50% less compared to the cost of the electrochromic glass, the current market leading technology. There are also major differences resulting from the fact that different color nanoparticles can be used in EK film. Furthermore, with EK film it is possible to use multiple colorants in the same film, which has been demonstrated in the recent past under a research project at the University of Cincinnati.

EK technology has three distinct advantages over existing optical electronic film technologies:

- **Neutral Dark** – Dark film is color neutral and will not affect the hue of what is viewed through the window
- **Speed** - Transition time is typically under 1-2 seconds
- **Manufacturing Cost** - Roll-to-Roll film manufacturing is the most cost-effective path to early market access

Competition

Several smart glass competitors have operating history, including:

- SAGE Electrochromics, Inc., a wholly owned subsidiary of Saint-Gobain, which develops and manufactures an electronically controlled tinted window glass utilizing Electrochromic technology;
- View Glass/Kinestral Technologies, electrochromic technology companies both headquartered in California;
- Research Frontiers, Inc. licenses an electronically controlled tinted film, utilizing SPD technology, to various companies; and
- Suntutive/RavenWindow, companies based on passive thermochromic technology.

Crown ElectroKinetics expects that other competitors will emerge in the future.

Research and Development:

As a result of the Company's research and development efforts, the Company believes that its electrokinetic technology is now, or with additional development will become, usable in a number of commercial products. Such products may include one or more of the following fields: "smart" windows, doors, skylights and partitions; self-dimmable automotive sunroofs, windows, sun visors, and mirrors.

The Company has devoted most of the resources it has heretofore expended to research and development activities with the goal of producing commercially viable electrokinetic products and has developed working samples of its electrokinetic technology.

Crown EK's main goals in its research and development include:

- developing wider ranges of light transmission and quicker switching speeds,
- developing different colored CEK Films,
- reducing the voltage required to operate electrokinetic samples,
- obtaining data and developing improved materials regarding environmental stability and longevity, and
- quantifying the degree of energy savings expected by users of the Company's technology including the degree that electrokinetic technology can control heat and its contribution to energy savings directly and through daylight harvesting strategies in sustainable building designs.

Employees

The Company has eight full-time employees and five advisors. Six of the employees are technical personnel, and the rest perform business development, legal, finance, marketing, investor relations, and administrative functions. Of these employees, three have obtained doctorates, one has a master's degree in chemistry, and one has extensive industrial experience in electronics and electrical engineering. Two employees also have additional postgraduate degrees in business administration, and one has a doctorate in jurisprudence. Also, the Company's suppliers and licensees have well qualified personnel on their teams with advanced degrees in a number of areas relevant to the commercial development of products using the Company's technology. The success of the Company is dependent upon, among other things, the services of its senior management, the loss of which could have a material adverse effect upon the prospects of the Company.

Douglas Croxall is the Chief Executive Officer of Crown ElectroKinetics Corp. Prior to co-founding Crown ElectroKinetics, Mr. Croxall was the CEO and Chairman of the Board of Directors of Marathon Patent Group from November 2012 until December 2017. Mr. Croxall holds a BA degree from Purdue University and an MBA from Pepperdine University.

James Douvikas is the Chief Business Development Officer of Crown ElectroKinetics Corp. Prior to co-founding Crown ElectroKinetics, Mr. Douvikas had an extensive 35-year career with Hewlett-Packard Company that included wide-ranging business and management responsibilities across multiple business units and disciplines. Mr. Douvikas was responsible for creating and leading the development of the computer industry's first online market research system, MarketVision, the industry's first contact management/social media E-Service, www.ecardfile.com and awarded six patents that were subsequently licensed to Facebook. He holds a BS in Business from the University of San Francisco and a M.B.A. from the University of de Namur Notre Dame.

Tim Koch is the Chief Technology Officer of Crown ElectroKinetics Corp. Prior to co-founding Crown ElectroKinetics, Mr. Koch was the Director of Display Engineering from 2012-2015 at Altier Corp, a privately-owned IOT (Internet of Things) company making wireless smart tags headquartered in San Jose, California. Mr. Koch was at HP Inc. between 1982 - 2012. From 2005-2012, Mr. Koch was the R&D manager overseeing the team that invented the electrokinetic (EK) technology. His work at HP resulted in over 20 United States and international patent filings with eight U.S. granted patents. Mr. Koch has over 30 years of engineering and management experience in both technology development and product manufacturing. He has decades of experience developing MEMS/IC/LCD technologies and successfully manufacturing the technologies at high volume. He holds a BS from Cornell University and a MS from Stanford University, both degrees in Material Science & Engineering. He has also completed an Executive Development Program from the Cornell University Johnson Graduate School of Management.

Jim Abbott is the Director of Electronic Film Engineering at Crown ElectroKinetics Corp. Prior to Crown ElectroKinetics, Mr. Abbott was a Senior R&D and Manufacturing Engineer at HP Inc. in Corvallis, Oregon. He was one of the engineers on the team developing electrokinetic (EK) technology at HP. His work at HP resulted in 55 U.S. patent filings with more than 20 U.S. and international patents granted to date. Mr. Abbott has more than 20 years of combined management and engineering experience, with a recent focus on advanced materials, microfluidics, 3D printing, and MEMS development through manufacturing. Prior to HP, Mr. Abbott served as a United States Naval Officer from 2002 – 2006, including holding the position of Director, Enlisted Physics, managing a team of engineers for the instruction of more than two thousand technicians at the US Naval Nuclear Power School located in South Carolina. He holds a Ph.D. in Physical Chemistry and B.S. degrees in Engineering Physics & Physics from Oregon State University. He received the Oregon State University Department of Science "Young Alumni Award" in 2014.

Palitha Wickramanayake is the Senior Chemist at Crown ElectroKinetics Corp. Prior to Crown ElectroKinetics, Mr. Wickramanayake was a Senior Chemist at HP Inc. in Corvallis, Oregon for over 25 years developing new inks for HP's Thermal Inkjet (TIJ) printer products. His work at HP resulted in more than 35 U.S. and international patents with more than 24 U.S. and international patents granted to date. He holds a Ph.D. in Organic Analytical Chemistry from Dalhousie University in Halifax, Canada N.S and a B.S. in Chemistry from the University of Sri Lanka in Sri Lanka.

Cassady Roop is the Senior Electrical Systems Engineer at Crown ElectroKinetics Corp. Prior to Crown ElectroKinetics, Mr. Roop spent 10 years as a Hardware Design Engineer at HP Inc. in Corvallis, Oregon. Mr. Roop was one of the engineers on the team developing electrokinetic (EK) technology at HP. Mr. Roop co-founded Nanoman Industries Inc. from 2013 – 2016. Nanoman Industries was a biochemical manufacturing startup specializing in fluorogenic assays for cellular biological research and gallium maltolate, a promising chemotherapeutic agent for certain cancers. Mr. Roop holds B.S. in Computer Engineering from Oregon State University.

Lee Turnbull is the Senior Electronic Film Technician at Crown ElectroKinetics Corp. Prior to Crown ElectroKinetics, Mr. Turnbull was an Ink Chemistry Technician at HP Inc. in Corvallis, Oregon. Lee has over 10 years of experience with both aqueous-based ink and solvent-based ink development for HP's Thermal Inkjet (TIJ) printer products. Mr. Turnbull holds B.S. in Agricultural Engineering from Oregon State University and A.D. in Chemistry & Physics from Linn-Benton Community College in Albany, Oregon.

Key Advisors

Dennis Capovilla: As President and CEO of Southwall Technologies, an innovative thin film technology company focused on energy efficiency products for architectural and automotive markets, Dennis restructured and turned around this underperforming company. He ultimately executed a strategic exit with the successful sale of Southwall to Solutia (now part of Eastman Chemical). Dennis is a Silicon Valley executive whose 25+ year career has included senior management positions at Fortune 100, microcap and startup companies. Dennis received his BS in Marketing from Santa Clara University and graduate work in Business at the Leavey School of Business at Santa Clara University.

Steve Easley: Steve is the owner of Steve Easley and Associates, Building Science Consultants. Steve is a construction consultant specializing in zero energy building, job site quality analysis, design review, educational seminars, product design and product commercialization for construction industry products. Easley & Associates was selected by the Department of Energy as a Building America Team member for the Build America Retro-fit Alliance team. Steve Easley was a tenured Professor of Building Construction and Contracting at Purdue University for ten years, and a Purdue Distinguished Technology Alumnus in 2011.

Richard (Dick) Henze: Richard (Dick) Henze is an advisor to Crown ElectroKinetics Corp. From 1983-2016, Mr. Henze was a researcher, project manager, and research program manager at HP Labs in both Hewlett-Packard Company and Hewlett Packard Enterprise. From 2007-2012 working in close collaboration with Mr. Koch's team, he initiated and led the HP Labs' team responsible for the development of EK inks. This comprised ink formulation, supporting chemistry, electrophoretic modeling, prototyping efforts, and device characterization for use in reflective color displays. His 20+ years of HP R&D project management experience also includes Memristor RRAM memory device physics, characterization platforms, and circuit architecture; magnetic disk and tape technologies including key enabling technologies for the LTO Ultrium enterprise tape storage product lines; SAN-level caching for disk array storage systems; polymer-encapsulated pigment for water-fast inkjet printing; and micromachining of silicon structures. Prior to HP, Mr. Henze was on the technical staff at Spectron Development Labs where he conducted DOE-funded R&D on energy and combustion topics using laser-based two-phase flow diagnostics. He is a co-inventor on over 30 US patents, and holds an SB from MIT and an MS from UC Berkeley, both in Mechanical Engineering.

Albert Jeans: Albert Jeans is an advisor to Crown ElectroKinetics Corp. Prior to Crown ElectroKinetics, Mr. Jeans was a researcher at Hewlett-Packard Labs from 1983-2015 in Palo Alto, California. From 2001-2012 he developed a roll-to-roll imprint process which served as the basis for fabricating active matrix backplanes on plastic webs. Prior to that, Mr. Jeans worked on high speed magnetic tape transports which led to HP's industry-leading LTO tape storage solutions. Mr. Jeans has over 30 years of experience in experimental investigation and modeling of mechanical systems, including the use of automated data acquisition and finite element modeling. His work at HP resulted in 16 granted patents, including four in which he was the sole inventor. He holds a Ph.D. and M.S. in Mechanical Engineering from Stanford University where he was an NSF Fellow, and a B.A. in Physics from The Johns Hopkins University.

John Maltabes: John Maltabes is an advisor to Crown Electrokinetics Corp. Mr Maltabes is an R&D engineer at Applied Materials Corporation in Alzenau Germany, working on roll to roll flexible electronics. He was part of the research team at HP Labs in Palo Alto, California working on manufacturability issues for roll to roll flexible backplanes. Prior to HP Labs, Mr. Maltabes was part of a successful team responsible for commercializing imprint lithography at Molecular Imprints in Austin, Texas. A recognized pioneering expert in lithography, Mr. Maltabes has worked on every major lithography technology developed over the last 30 years. He has 16 granted US patents and author of over 30 technical publications. Mr. Maltabes is an alumni of the Rochester Institute of Technology where he studied Imaging Science and Microelectronic Engineering.

Available Information:

Crown ElectroKinetics is located at 1110 NE Circle Blvd, Corvallis, OR 97330. Our telephone number is +1 (800) 674-3612 and our Internet website address is www.crownek.com.

MANAGEMENT

Management and Board of Directors

Our current members of the Board of Directors and executive officers are listed below.

Name	Age	Company Title
Douglas Croxall	50	Chairman & Chief Executive Officer
James Douvikas	60	Chief Business Development Officer
Tim Koch	58	Chief Technology Officer

All directors serve for one year and until their successors are elected and qualified. All officers serve at the pleasure of the Board of Directors. There are no family relationships among any of our officers and directors.

Information concerning our executive officers and directors is set forth below.

Douglas Croxall. Mr. Croxall is the Chief Executive Officer and Chairman of the Board of Directors of Crown ElectroKinetics Corp. Prior to co-founding Crown ElectroKinetics, Mr. Croxall was the CEO and Chairman of the Board of Directors of Marathon Patent Group from November 2012 until December 2017. Mr. Croxall holds a BA degree from Purdue University and an MBA from Pepperdine University.

James Douvikas. Mr. Douvikas is the Chief Business Development Officer of Crown ElectroKinetics. Prior to co-founding Crown, he had an extensive 35-year career with HP that included wide-ranging business and management responsibility across multiple HP business units and disciplines: Sales, Marketing, Alliances, Solutions, Manufacturing, and Finance. He created HP MarketVision, ecardfile.com, HP instant contact and has been awarded six patents. He holds a BS in Business Administration from the University of San Francisco and a MBA from Notre Dame de Namur University.

Timothy Koch. Mr. Koch is the Chief Technology Officer of Crown ElectroKinetics. Prior to co-founding Crown, he was in charge of the R&D team at HP that invented electrokinetic (EK) technology. He has over 30 years of engineering and management experience in both technology development and product manufacturing. He holds a BS from Cornell University and a MS from Stanford University, both degrees in Material Science & Engineering. He has also completed an Executive Development Program from the Cornell University Johnson Graduate School of Management.

Executive Compensation

The following table sets forth, for the fiscal years indicated, all compensation awarded to, earned by or paid to Mr. Douglas Croxall, our Chief Executive Officer, and Mr. Timothy Koch, our Chief Technology Officer. No other executive officer received more than \$100,000 in compensation during fiscal 2018.

Compensation Table

Name and Principal Position	Annual Compensation				Long-Term Compensation Awards	
	Fiscal Year	Salary	Bonus	Other Compensation	Options	Restricted Stock Awards
Douglas Croxall	2018	\$ -	\$ -	\$ 133,318	\$ 179,227	\$ -
Chief Executive Officer	2017	\$ -	\$ -	\$ -	\$ -	\$ 1,500
James Douvikas	2018	\$ 45,000	\$ -	\$ -	\$ 262,388	\$ 80,000
Chief Business Development Officer	2017	\$ 183,243	\$ -	\$ -	\$ -	\$ 5,000
Timothy Koch	2018	\$ 45,000	\$ -	\$ 12,750	\$ 262,388	\$ 80,000
Chief Technology Officer	2017	\$ 177,908	\$ -	\$ -	\$ -	\$ 5,000

Stock Option Grants

A total of 2,880,000 restricted stock units have been issued to employees, and 595,000 restricted stock units have been granted to advisors.

A total of 3,578,500 stock options have been granted to employees, 75,000 stock options have been granted to advisors.

Board of Directors Compensation

Directors who are employees of our company or of any of our subsidiaries receive no additional compensation for serving on our Board of Directors or any of its committees. All directors who are not employees of our company or of any of our subsidiaries are compensated at the rate of \$0 per year and are reimbursed for their expenses incurred in attending Board and committee meetings.

PRINCIPAL STOCKHOLDERS

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

The following table sets forth, as of December 28, 2018, the names, addresses and number of shares of our common stock beneficially owned by all persons known to us to be beneficial owners of more than 5% of the outstanding shares of our common stock, and the names and number of shares beneficially owned by all of our directors and all of our executive officers and directors as a group (except as indicated, each beneficial owner listed exercises sole voting power and sole dispositive power over the shares beneficially owned). As of December 28, 2018, we had a total of 9,875,000 shares of common stock outstanding.

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership⁽¹⁾	Percent of Common Stock Outstanding⁽²⁾
Douglas Croxall	6,100,000	61.8%
James Douvikas	1,200,000	12.2%
Timothy Koch	1,200,000	12.92%
All directors and executive officers as a group (three persons)	8,500,000	86.1%

- (1) A person is considered to beneficially own any shares: (i) over which such person, directly or indirectly, exercises sole or shared voting or investment power, or (ii) of which such person has the right to acquire beneficial ownership at any time within 60 days (such as through exercise of stock options or warrants). Unless otherwise indicated, voting and investment power relating to the shares shown in the table for our directors and executive officers is exercised solely by the beneficial owner or shared by the owner and the owner's spouse or children.
- (2) Shares of our common stock issuable upon the conversion of our convertible preferred stock are deemed outstanding for purposes of computing the percentage shown above. In addition, for purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares of common stock that such person has the right to acquire within 60 days after the date of this prospectus. For purposes of computing the percentage of outstanding shares of our common stock held by each person or group of persons named above, any shares that such person or persons has the right to acquire within 60 days after the date of this prospectus is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. The inclusion herein of any shares listed as beneficially owned does not constitute an admission of beneficial ownership.

From time to time, the number of our shares held in the "street name" accounts of various securities dealers for the benefit of their clients or in centralized securities depositories may exceed 5% of the total shares of our common stock outstanding.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Other than compensation arrangements for our named executive officers and directors, we describe below each transaction or series of similar transactions, since January 1, 2016, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

See "Executive Compensation" for a description of certain arrangements with our executive officers and directors.

DESCRIPTION OF SECURITIES

Our authorized capital stock consists of 200,000,000 shares of common stock, par value \$0.0001 per share, and 50,000,000 shares of preferred stock, par value \$0.0001 per share. As of December 31, 2018, 9,875,000 shares of common stock were issued and outstanding and no shares of convertible preferred stock were issued and outstanding, each such share convertible into one share of common stock. In addition, at such date, 323,985 shares of common stock were reserved for issuance upon the exercise of outstanding common stock purchase warrants.

Common Stock

Voting, Dividend and Other Rights. Each outstanding share of common stock entitles the holder to one vote on all matters presented to the shareholders for a vote. Holders of shares of common stock have no cumulative voting, preemptive, subscription or conversion rights. All shares of common stock to be issued pursuant to this registration statement will be duly authorized, fully paid and non-assessable. Our Board of Directors determines if and when distributions may be paid out of legally available funds to the holders. To date, we have not declared any dividends with respect to our common stock. Our declaration of any cash dividends in the future will depend on our Board of Directors' determination as to whether, in light of our earnings, financial position, cash requirements and other relevant factors existing at the time, it appears advisable to do so. We do not anticipate paying cash dividends on the common stock in the foreseeable future.

Rights Upon Liquidation. Upon liquidation, subject to the right of any holders of the preferred stock to receive preferential distributions, each outstanding share of common stock may participate pro rata in the assets remaining after payment of, or adequate provision for, all our known debts and liabilities.

Majority Voting. The holders of a majority of the outstanding shares of common stock constitute a quorum at any meeting of the shareholders. A plurality of the votes cast at a meeting of shareholders elects our directors. The common stock does not have cumulative voting rights. Therefore, the holders of a majority of the outstanding shares of common stock can elect all of our directors. In general, a majority of the votes cast at a meeting of shareholders must authorize shareholder actions other than the election of directors. Most amendments to our certificate of incorporation require the vote of the holders of a majority of all outstanding voting shares.

Preferred Stock

Authority of Board of Directors to Create Series and Fix Rights Under our certificate of incorporation, as amended, our Board of Directors can issue up to 50,000,000 shares of preferred stock from time to time in one or more series. The Board of Directors is authorized to fix by resolution as to any series the designation and number of shares of the series, the voting rights, the dividend rights, the redemption price, the amount payable upon liquidation or dissolution, the conversion rights, and any other designations, preferences or special rights or restrictions as may be permitted by law. Unless the nature of a particular transaction and the rules of law applicable thereto require such approval, our Board of Directors has the authority to issue these shares of preferred stock without shareholder approval.

Warrants

At December 31, 2018, the following warrants were outstanding:

- Warrants to purchase 1,000,000 shares of common stock at any time on or prior to March 2, 2021 at an initial exercise price of \$0.01 per share. Pursuant to this terms of such warrants, the exercise price of such warrants is, subject to adjustment in the event of stock splits, combinations or the like of our common stock.
- Warrants to purchase 633,983 shares of common stock at any time on or prior to March 31, 2022 at an initial exercise price of \$0.93 per share. Pursuant to the terms of such warrants, the exercise price of such warrants is subject to adjustment in the event of stock splits, combinations or the like of our common stock.
- Warrants to purchase 200,121 shares of common stock at any time on or prior to May 31, 2022 at an initial exercise price of \$0.93 per share. Pursuant to the terms of such warrants, the exercise price of such warrants is subject to adjustment in the event of stock splits, combinations or the like of our common stock.
- Warrants to purchase 117,718 shares of common stock at any time on or prior to July 11, 2022 at an initial exercise price of \$0.93 per share. Pursuant to the terms of such warrants, the exercise price of such warrants is subject to adjustment in the event of stock splits, combinations or the like of our common stock.
- Warrants to purchase 296,650 shares of common stock at any time on or prior to July 27, 2022 at an initial exercise price of \$0.93 per share. Pursuant to the terms of such warrants, the exercise price of such warrants is subject to adjustment in the event of stock splits, combinations or the like of our common stock.
- Warrants to purchase 446,311 shares of common stock at any time on or prior to August 13, 2022 at an initial exercise price of \$0.93 per share. Pursuant to the terms of such warrants, the exercise price of such warrants is subject to adjustment in the event of stock splits, combinations or the like of our common stock.
- Warrants to purchase 148,770 shares of common stock at any time on or prior to November 14, 2022 at an initial exercise price of \$0.93 per share. Pursuant to the terms of such warrants, the exercise price of such warrants is subject to adjustment in the event of stock splits, combinations or the like of our common stock.

- Warrants to purchase 14,877 shares of common stock at any time on or prior to December 24, 2022 at an initial exercise price of \$0.93 per share. Pursuant to the terms of such warrants, the exercise price of such warrants is subject to adjustment in the event of stock splits, combinations or the like of our common stock.
- Warrants to purchase 14,877 shares of common stock at any time on or prior to December 28, 2022 at an initial exercise price of \$0.93 per share. Pursuant to the terms of such warrants, the exercise price of such warrants is subject to adjustment in the event of stock splits, combinations or the like of our common stock.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Our certificate of incorporation and our Bylaws contain certain provisions that could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions and certain provisions of Delaware law, which are summarized below, may discourage coercive takeover practices and inadequate takeover bids. These provisions also may encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Undesignated Preferred Stock. As discussed above, our Board of Directors has the ability to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in our control or management.

Delaware Anti-Takeover Statute. We are subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

- Prior to the date of the transaction, the Board of Directors of the corporation approved either the business combination or the transaction that resulted in the stockholder's becoming an interested stockholder;
- Upon completion of the transaction that resulted in the stockholder's becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- At or subsequent to the date of the transaction, the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66-2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation's outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our Board of Directors does not approve in advance. We also anticipate that Section 203 may discourage attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

The provisions of Delaware law and the provisions of our certificate of incorporation and Bylaws, as amended, could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Transfer Agent and Registrar

The registrar and transfer agent for our common stock is Corporate Stock Transfer, located at 3200 Cherry Creek South Drive, Suite 430, Denver, Colorado 80209.

SELLING STOCKHOLDERS

The following table sets forth information with respect to the maximum number of shares of common stock beneficially owned by the selling stockholders named below and as adjusted to give effect to the sale of the shares offered hereby. The shares beneficially owned have been determined in accordance with rules promulgated by the Securities and Exchange Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. The information in the table below is current as of December 31, 2018. All information contained in the table below is based upon information provided to us by the selling stockholders and we have not independently verified this information. The selling stockholders are not making any representation that any shares covered by the prospectus will be offered for sale. The selling stockholders may from time to time offer and sell pursuant to this prospectus any or all of the common stock being registered.

As explained below under “Plan of Distribution,” we have agreed with the selling stockholders to bear certain expenses (other than broker discounts and commissions, if any) in connection with the registration statement, which includes this prospectus.

	Shares of Common Stock Beneficially Owned Prior to Offering⁽¹⁾	Shares Being Offered	Shares of Common Stock Beneficially Owned After Offering⁽²⁾
Douglas Croxall ⁽³⁾	7,600,000	4,000,000	3,600,000
Erich Spangenberg ⁽⁴⁾	500,000	150,000	350,000
M2B Funding Corporation ^{(5) (6)}	3,464,000	3,464,000	0
IQ Financial, Inc. ^{(7) (8)}	860,000	860,000	0
Hampton Growth Resources, LLC ⁽⁹⁾	870,000	870,000	0

* Less than 1.0%.

The number of shares of common stock underlying the warrants that may be acquired by a selling stockholder upon the exercise of the warrants, as the case may be, is limited to ensure that, following such conversion or exercise, the total number of shares of common stock then beneficially owned by such selling stockholder and its affiliates and other persons whose beneficial ownership of common stock would be aggregated with such selling stockholder’s for purposes of Section 13(d) of the Securities Exchange Act of 1934, does not exceed 9.999% of the total number of our issued and outstanding shares of common stock.

(1) This table is based upon information supplied by officers, directors and principal stockholders, and in Schedules 13D and 13G filed with the Securities and Exchange Commission. Unless otherwise indicated in the footnotes to this table and subject to community property laws, where applicable, we believe each stockholder named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. The number and percentage of shares beneficially owned are based on an aggregate of 9,875,000 shares of our common stock outstanding as of December 28, 2018, and are determined under rules promulgated by the Securities and Exchange Commission. This information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days through the exercise of any stock option or other right.

- (2) Because the selling shareholders identified in this table may sell some, all or none of the shares owned by them that are registered under this registration statement, and because, to our knowledge, there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares registered hereunder, no estimate can be given as to the number of shares available for resale hereby that will be held by the selling shareholders at the time of this registration statement. Therefore, we have assumed for purposes of this table that the selling shareholders will sell all of the shares beneficially owned by them as of December 28, 2018.
- (3) Mr. Croxall is the Company's Chairman and Chief Executive Officer. On March 2, 2016, Mr. Croxall acquired 1,000,000 shares of common stock underlying currently exercisable warrants. Mr. Croxall acquired 150,000 shares of common stock on March 2, 2016 and July 11, 2016, respectively, pursuant to grants of restricted stock units as part of his compensation for his role as Chief Executive Officer of the Company. Mr. Croxall purchased 5,800,000 shares of common stock from Marathon on September 29, 2017 for no consideration.
- (4) Mr. Spangenberg acquired 200,000 shares of common stock on October 1, 2016 pursuant to grants of restricted stock and 300,000 shares of common stock on August 31, 2018 underlying non-qualified stock options that are currently exercisable, as part of his compensation for his role as an advisor to the Company.
- (5) Consists of 1,332,000 shares of common stock (calculated at a pre-initial public offering conversion ratio) underlying two convertible notes of the Company in favor of the holder and 400,000 shares of common stock (calculated at a pre-initial public offering exercise price) underlying two common stock purchase agreements in favor of the holder, all of which shares of common stock may be issued within 60 days of the date of this Prospectus through the conversion or exercise, respectively thereof. In accordance with the terms of the convertible notes and warrants, the number of underlying shares of common stock (1,332,000 and 400,000, respectively) have been doubled for the Company's reservation of shares of common stock therefor and, accordingly, for the purposes hereof (2,664,000 and 800,000 shares, respectively). Daniel Kordash is an executive officer and has voting and dispositive power over these shares. Mr. Kordash disclaims beneficial ownership except to the extent of his pecuniary interests therein. The business address for this holder is 17201 Collins Ave., # 3207, Sunny Isles Beach, Florida 33160.
- (6) M2B Funding Corporation acquired 598,126 shares of common stock on March 31, 2018 pursuant to an investment of \$252,000. It acquired 207,738, 120,551, 303,789 and 1,420,337 shares of common stock, respectively, on May 31, 2018, July 11, 2018, July 27, 2018 and August 13, 2018, upon conversion of certain convertible promissory notes purchased from the Company for a total consideration of \$892,607.
- (7) Consists of 330,000 shares of common stock (calculated at a pre-initial public offering conversion ratio) underlying two convertible notes of the Company in favor of the holder and 100,000 shares of common stock (calculated at a pre-initial public offering exercise price) underlying two common stock purchase agreements in favor of the holder, all of which shares of common stock may be issued within 60 days of the date of this Prospectus through the conversion or exercise, respectively thereof. In accordance with the terms of the convertible notes and warrants, the number of underlying shares of common stock (330,000 and 100,000, respectively) have been doubled for the Company's reservation of shares of common stock therefor and, accordingly, for the purposes hereof (660,000 and 200,000 shares, respectively). Yohan Naraine is an executive officer and has voting and dispositive power over these shares. Mr. Naraine disclaims beneficial ownership except to the extent of his pecuniary interests therein. The business address for this holder is 7050 Aloma Ave., Winter Park Florida 32792.
- (8) IQ Financial, Inc. acquired 149,532 and 355,084 shares of common stock on March 31, 2018 and August 13, 2018, respectively, upon conversion of certain convertible promissory notes purchased from the Company for \$217,639. Yohan Naraine has voting and dispositive power over these shares. The business address for this holder is 7050 Aloma Ave, Winter Park, FL 32792.
- (9) Hampton Growth Resources, LLC acquired 870,000 shares of common stock on January 9, 2019 from an existing shareholder of the Company. Andrew Haag has voting and dispositive power over these shares. The business address for this holder is 401 Wilshire Blvd, 12th Floor #111, Santa Monica, CA 90401.

PLAN OF DISTRIBUTION

We are registering the shares of common stock on behalf of the selling stockholders. The shares of common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market prices, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected at various times in one or more of the following transactions, or in other kinds of transactions:

- transactions on any national securities exchange or U.S. inter-dealer system of a registered national securities association on which the common stock may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in private transactions and transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- in connection with short sales of the shares entered into after the effective date of the registration statement of which this prospectus is a part;
- by pledge to secure or in payment of debt and other obligations;
- through the writing of options, whether the options are listed on an options exchange or otherwise;
- in connection with the writing of non-traded and exchange-traded call options, in hedge transactions and in settlement of other transactions in standardized or over-the-counter options; or
- through a combination of any of the above transactions.

Each selling stockholder and its successors, including its transferees, pledgees or donees or their successors, may sell the common stock directly to the purchaser or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions from the selling stockholder or the purchaser. These discounts, concessions or commissions as to any particular underwriter, broker-dealer or agent may be in excess of those customary in the types of transactions involved.

Any securities covered by this prospectus that qualify for sale pursuant to Rule 144 of the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus.

The selling stockholders may from time to time pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell shares of common stock from time to time under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933 amending the list of selling stockholders to include the pledgees, transferees or other successors in interest as selling stockholders under this prospectus.

In connection with the sale of our common stock or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

Upon being notified in writing by a selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of common stock through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, we will file a supplement to this prospectus, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling stockholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such the shares of common stock were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction. In addition, upon being notified in writing by a selling stockholder that a donee or pledgee intends to sell more than 500 shares of common stock, we will file a supplement to this prospectus if then required in accordance with applicable securities law.

The selling stockholders also may transfer shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners under an amendment to this prospectus under Rule 424(b)(3) or other applicable provisions of the Securities Act of 1933 amending the list of selling stockholders to include the transferees, pledges or other successors in interest as selling stockholders under this prospectus.

The selling stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Discounts, concessions, commissions and similar selling expenses, if any, that can be attributed to the sale of common stock will be paid by the selling stockholders and/or the purchasers. Each selling stockholder has represented and warranted to us that such selling stockholder acquired the securities subject to this prospectus in the ordinary course of such selling stockholder’s business and, at the time of its purchase of such securities, such selling stockholder had no agreements or understandings, directly or indirectly, with any person to distribute any such securities.

We have advised each selling stockholder that it may not use shares to be sold under this prospectus to cover short sales of common stock made prior to the date on which the registration statement of which this prospectus forms a part shall have been declared effective by the Commission. If a selling stockholder uses this prospectus for any sale of common stock, it will be subject to the prospectus delivery requirements of the Securities Act. The selling stockholders will be responsible to comply with the applicable provisions of the Securities Act and the Exchange Act, and the rules and regulations thereunder promulgated, including, without limitation, Regulation M, as applicable to such selling stockholders in connection with resales of their respective shares under this prospectus.

We entered into a registration rights agreement for the benefit of the selling stockholders to register the common stock under applicable federal and state securities laws. The registration rights agreement provides for cross-indemnification of the selling stockholders and us and our respective directors, officers and controlling persons against specific liabilities in connection with the offer and sale of the common stock, including liabilities under the Securities Act. We will pay substantially all of the expenses incurred by the selling stockholders incident to the registration of the offering and sale of the common stock.

LEGAL MATTERS

The legality of the issuance of the shares offered in this prospectus will be passed upon for us by Pryor Cashman LLP, New York, New York 10036.

EXPERTS

The consolidated financial statements of our company as of March 31, 2018 and 2017 and for the years ended March 31, 2018 and 2017 included in this prospectus have been audited by Marcum LLP, independent registered public accountants, as stated in its report appearing herein and elsewhere in this prospectus, and have been so included in reliance upon the report of this firm given upon their authority as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1 (including exhibits) under the Securities Act, with respect to the shares to be sold in this offering. This prospectus does not contain all the information set forth in the registration statement. For further information with respect to our company and the common stock offered in this prospectus, reference is made to the registration statement, including the exhibits filed thereto, and the financial statements and notes filed as a part thereof. With respect to each such document filed with the SEC as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matter involved.

We file quarterly and annual reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the public reference facilities of the SEC in Washington, D.C. You may call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from the SEC's website at <http://www.sec.gov>.

CROWN ELECTROKINETICS CORP.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Crown ElectroKinetics Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Crown ElectroKinetics Corp. (the "Company") as of March 31, 2018 and 2017, the related statements of operations stockholders' equity (deficit) and cash flows for each of the two years in the period ended March 31, 2018, 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 March 31, 2018 and 2017, and the results of its operations and its cash flows for each of the two years in the period ended March 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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 Public Company Accounting Oversight Board (United States) ("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 and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 provides a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2017.

Irvine, California
November 1, 2018

CROWN ELECTROKINETICS CORP.
Balance Sheets

	<u>December 31,</u> <u>2018</u>	<u>March 31,</u> <u>2018</u>	<u>March 31,</u> <u>2017</u>
	<u>(Unaudited)</u>		
ASSETS			
Current assets:			
Cash & cash equivalents	\$ 8,911	\$ 168,222	\$ 7,165
Accounts receivable	92,833	-	-
Prepaid & other current assets	26,332	12,431	17,419
Total current assets	<u>128,076</u>	<u>180,653</u>	<u>24,584</u>
Property and equipment, net	96,499	8,611	16,944
Intangible assets, net	285,341	315,697	154,109
TOTAL ASSETS	<u>\$ 509,916</u>	<u>\$ 504,961</u>	<u>\$ 195,637</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current liabilities:			
Accounts payable	\$ 347,603	\$ 89,559	\$ 59,942
Accrued expenses	112,520	218,406	180,000
Accrued interest	80,761	-	-
Deferred revenue	-	225,000	-
Note payable, net of debt discount of \$683,633, \$341,407 and \$0	1,237,891	323,593	-
Warrant liability	618,933	141,519	-
Due to related parties	36,668	8,635	2,500
Total current liabilities	<u>2,434,376</u>	<u>1,006,712</u>	<u>242,442</u>
Total liabilities	<u>2,434,376</u>	<u>1,006,712</u>	<u>242,442</u>
Commitments and Contingencies			
STOCKHOLDERS' DEFICIT:			
Preferred stock, par value \$0.0001; 50,000,000 shares authorized, no shares outstanding	-	-	-
Common stock, par value \$0.0001; 200,000,000 shares authorized; 9,875,000 and 9,275,000 shares outstanding as of December 31, 2018 and March 31, 2018, respectively and 8,875,000 shares outstanding as of March 31, 2017	988	928	888
Additional paid-in capital	3,068,207	2,046,056	1,290,730
Accumulated deficit	(4,993,655)	(2,548,735)	(1,338,423)
Total stockholders' deficit	<u>(1,924,460)</u>	<u>(501,751)</u>	<u>(46,805)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 509,916</u>	<u>\$ 504,961</u>	<u>\$ 195,637</u>

The accompanying notes are an integral part of these financial statements

CROWN ELECTROKINETICS CORP.
Statements of Operations
Nine Months Ended December 31, 2018 and 2017 and the Years Ended March 31, 2018 and 2017

	Nine Months Ended December 31,		Years Ended March 31,	
	2018 (Unaudited)	2017 (Unaudited)	2018	2017
Revenue	\$ 472,833	\$ -	\$ -	\$ -
Cost of revenue	460,500	-	-	-
Gross profit	12,333	-	-	-
Operating expenses:				
Research and development	534,059	-	258,440	672,982
Research and development - licenses acquired	-	17,830	17,830	16,460
Selling, general and administrative	1,219,409	608,562	912,064	545,101
Total operating expenses	1,753,468	626,392	1,188,334	1,234,543
Loss from operations	(1,741,135)	(626,392)	(1,188,334)	(1,234,543)
Other income (expense):				
Other income	8,636	7,403	7,753	2,400
Interest expense	(707,467)	(4,099)	(29,731)	-
Change in fair value of warrant liability	(4,954)	-	-	-
Total other income (expense)	(703,785)	3,304	(21,978)	2,400
Net loss	\$ (2,444,920)	\$ (623,088)	\$ (1,210,312)	\$ (1,232,143)
Net loss per share, basic and diluted:	\$ (0.26)	\$ (0.08)	\$ (0.15)	\$ (0.19)
Weighted average shares outstanding, basic and diluted:	9,229,925	7,704,811	7,915,682	6,379,177

The accompanying notes are an integral part of these financial statements.

CROWN ELECTROKINETICS CORP.
Statements of Stockholders' Equity (Deficit)
For the Years Ended March 31, 2018 and 2017, and the Nine Months Ended December 31, 2018

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity (Deficit)</u>
	<u>Number</u>	<u>Amount</u>			
Balance as of March 31, 2016	1,536,000	\$ 154	\$ 119,553	\$ (106,280)	\$ 13,427
Issuance of common stock	5,799,000	580	57,410	-	57,990
Issuance of restricted stock	1,540,000	154	15,246	-	15,400
Stock-based compensation expense	-	-	23,809	-	23,809
Capital contribution - parent	-	-	1,074,712	-	1,074,712
Net loss	-	-	-	(1,232,143)	(1,232,143)
Balance as of March 31, 2017	8,875,000	\$ 888	\$ 1,290,730	\$ (1,338,423)	\$ (46,805)
Issuance of restricted stock	400,000	40	159,960	-	160,000
Issuance of shares to the Company's Executive Chairman pursuant to the Retention Agreement	-	-	342,200	-	342,200
Stock-based compensation expense	-	-	112,979	-	112,979
Capital contribution - parent	-	-	16,706	-	16,706
Beneficial conversion feature in connection with notes payable	-	-	123,481	-	123,481
Net loss	-	-	-	(1,210,312)	(1,210,312)
Balance as of March 31, 2018	9,275,000	\$ 928	\$ 2,046,056	\$ (2,548,735)	\$ (501,751)
Stock-based compensation expense	-	-	643,503	-	643,503
Issuance of common stock in connection with notes payable	600,000	60	239,940	-	240,000
Beneficial conversion feature in connection with notes payable	-	-	138,708	-	138,708
Net loss	-	-	-	(2,444,920)	(2,444,920)
Balance as of December 31, 2018 (Unaudited)	9,875,000	\$ 988	\$ 3,068,207	\$ (4,993,655)	\$ (1,924,460)

The accompanying notes are an integral part of these financial statements.

CROWN ELECTROKINETICS CORP.
Statements of Cash Flows
Nine Months Ended December 31, 2018 and 2017 and the Years Ended March 31, 2018 and 2017

	Nine Months Ended December 31,		Years Ended March 31,	
	2018 (Unaudited)	2017 (Unaudited)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	\$ (2,444,920)	\$ (623,088)	\$ (1,210,312)	\$ (1,232,143)
Adjustments to reconcile net loss to net cash used in operating activities:				
Stock-based compensation	643,503	352,486	615,179	39,209
Depreciation and amortization	40,419	34,727	46,745	25,498
Research and development - license acquired, accrued	-	17,830	17,830	16,460
Amortization of debt discount	630,466	-	23,593	-
Change in fair value of warrant liability	4,954	-	-	-
Changes in operating assets and liabilities:				
Prepaid and other current assets	(13,901)	17,419	4,988	(17,419)
Contract asset	(92,833)	-	-	-
Account payable	258,045	363	11,787	36,608
Accrued expenses	(105,886)	50,061	(111,594)	(25,925)
Accrued interest	80,761	4,099	-	-
Deferred revenue	(225,000)	125,000	225,000	-
Due to related parties	28,033	(2,101)	6,135	2,500
Net cash used in operating activities	<u>(1,196,359)</u>	<u>(23,204)</u>	<u>(370,649)</u>	<u>(1,155,212)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of HP research license	-	(50,000)	(50,000)	-
Purchase of equipment	(92,512)	-	-	-
Purchase of computer software	(5,440)	-	-	-
Net cash used in investing activities	<u>(97,952)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of notes payable	-	50,000	50,000	-
Proceeds from issuance of senior secured promissory note	-	-	250,000	-
Repayment of senior secured promissory note	(100,000)	-	-	-
Proceeds from issuance of senior secured convertible note and common stock warrants	1,235,000	-	265,000	-
Proceeds from the issuance of common stock	-	-	-	57,990
Capital contribution - parent	-	16,706	16,706	1,074,712
Net cash provided by financing activities	<u>1,135,000</u>	<u>66,706</u>	<u>581,706</u>	<u>1,132,702</u>
Net increase (decrease) in cash	(159,311)	(6,498)	161,057	(22,510)
Cash — beginning of period	168,222	7,165	7,165	29,675
Cash — end of period	<u>\$ 8,911</u>	<u>\$ 667</u>	<u>\$ 168,222</u>	<u>\$ 7,165</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:				
Research and development license included in accrued expenses	\$ 100,000	\$ 200,000	\$ 150,000	\$ -
Beneficial conversion feature in connection with notes payable	<u>\$ 138,708</u>	<u>\$ -</u>	<u>\$ 123,481</u>	<u>\$ -</u>
Issuance of common stock in connection with notes payable	<u>\$ 240,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CROWN ELECTROKINETICS CORP.
Notes to Financial Statements

Note 1 – Organization and Description of Business Operations

Crown ElectroKinetics Corp. (the “Company”) was incorporated in the State of Delaware on April 20, 2015. Effective October 6, 2017, the Company’s name was changed to Crown ElectroKinetics Corp. from 3D Nanocolor Corp. (“3D Nanocolor”).

On April 22, 2016, Marathon Patent Group (“Marathon”), owned 5,800,000 shares of 3D Nanocolor’s common stock and 3D Nanocolor was a wholly owned subsidiary of Marathon. On August 22, 2017, Marathon entered into a Retention Agreement with Doug Croxall, Marathon’s Chief Executive Officer and Chairman of the Board of Directors (the “Retention Agreement”). As part of the Retention Agreement, Mr. Croxall received all of the outstanding shares of 3D Nanocolor’s common stock held by Marathon and 1,000,000 stock warrants which had no value at the time of transfer. On September 29, 2017, Marathon transferred to Mr. Croxall, all of Marathon’s, title and interest in, and its ownership in the common stock of 3D Nanocolor Corp.

The Company is commercializing technology for smart glass. The Company’s electrokinetic glass technology is an advancement on microfluidic technology that was originally developed by HP Inc.

On January 31, 2016, the Company, entered into an Intellectual Property (“IP”), agreement with Hewlett-Packard Development Company, L.P. and HP, Inc., collectively (“HP”), to acquire a research license to determine the feasibility of incorporating HP’s electro-kinetic display technology in the Company’s products. Under the terms of the agreement, the license is to be used for research purposes only, has a purchase price of \$200,000 for the technology and has a two year closing date. On April 12, 2016 the Company and HP entered into the first amendment to the agreement, which allocated \$25,000 of the \$200,000 purchase price to acquire equipment to be used in the research.

On May 1, 2017, the Company and HP entered into the second amendment to the agreement which increased the purchase price for the technology to \$375,000 and extended the closing date to January 31, 2020. The agreement grants the Company an option to purchase the related assignable patents at a purchase price of \$1.4 million.

Note 2 – Going Concern and Liquidity

The Company has incurred substantial operating losses since its inception, and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. As reflected in the financial statements, the Company had an accumulated deficit of approximately \$5.0 million and \$2.5 million at December 31, 2018 and March 31, 2018, respectively, a net loss of approximately \$2.4 million and \$1.2 million, and approximately \$1.2 million and \$0.4 million of net cash used in operating activities for the nine months ended December 31, 2018 and the year ended March 31, 2018, respectively.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty. The Company anticipates incurring additional losses until such time, if ever, that it can obtain marketing approval to sell, and then generate significant sales, of its technology that is currently in development. Substantial additional financing will be needed by the Company to fund its operations and to develop and commercialize its technology. These factors raise substantial doubt about the Company’s ability to continue as a going concern.

The Company will seek to obtain additional capital through the sale of debt or equity financings or other arrangements to fund operations; however, there can be no assurance that the Company will be able to raise needed capital under acceptable terms, if at all. The sale of additional equity may dilute existing stockholders and newly issued shares may contain senior rights and preferences compared to currently outstanding shares of common stock. Issued debt securities may contain covenants and limit the Company’s ability to pay dividends or make other distributions to stockholders. If the Company is unable to obtain such additional financing, future operations would need to be scaled back or discontinued. Due to the uncertainty in the Company’s ability to raise capital, management believes that there is substantial doubt in the Company’s ability to continue as a going concern for twelve months from the issuance of these financial statements.

Note 3 – Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include all adjustments necessary for the fair presentation of the Company's financial position for the periods presented.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected.

Unaudited Interim Consolidated Financial Statements

The accompanying balance sheet as of December 31, 2018, the statements of operations, the statements of changes in shareholders' deficit and the statements of cash flows for the nine months ended December 31, 2018 and 2017 are unaudited. These unaudited interim financial statements have been prepared on the same basis as the audited financial statements, and in management's opinion, includes all adjustments, consisting of only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of December 31, 2018 and its results of operations and cash flows for the nine months ended December 31, 2018 and 2017. The financial data and the other financial information disclosed in the notes to these financial statements related to the nine-month periods are also unaudited. The results of operations for the nine months ended December 31, 2018 and 2017 are not necessarily indicative of the results to be expected for the full fiscal year or any other period.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of 90 days or less at acquisition to be cash equivalents. There were no cash equivalents as of December 31, 2018 and March 31, 2018 and 2017.

Concentrations of Credit Risk and Off-balance Sheet Risk

Cash and cash equivalents are financial instruments that are potentially subject to concentrations of credit risk. The Company's cash and cash equivalents are deposited in accounts at large financial institutions, and amounts may exceed federally insured limits. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash and cash equivalents are held. The Company has no financial instruments with off-balance sheet risk of loss.

Property and Equipment

Property and equipment are stated at cost and depreciated over the estimated useful lives of the assets. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets, generally three to ten years.

Finite Lived Intangible Assets

Finite-lived intangible assets are amortized on a straight-line basis over the asset's estimated economic life and are tested for impairment based on undiscounted cash flows and, if impaired, are written down to fair value based on discounted cash flows. The identified intangible assets are amortized over 10 years for the acquired technology.

Impairment of Long-lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the estimated future cash flows expected to result from the use and eventual disposition of an asset is less than its net book value, an impairment loss is recognized. Measurement of an impairment loss is based on the fair value of an asset. No impairment was recorded during the nine months ended December 31, 2018 and for the years ended March 31, 2018 and 2017.

Fair Value Measurement

The Company follows the accounting guidance in Accounting Standards Codification ("ASC") 820 for its fair value measurements of financial assets and liabilities measured at fair value on a recurring basis. Under this accounting guidance, fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

The accounting guidance requires fair value measurements be classified and disclosed in one of the following three categories:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company's notes payable are classified within Level 3 of the fair value hierarchy because their fair values are estimated by utilizing valuation models and significant unobservable inputs. The carrying value of the notes payable and the senior secured promissory note approximates fair value due to the short-term maturity of these instruments. The carrying value of the senior secured convertible note approximates fair value due to the recent issuance date.

Warrant Liability

The Company accounts for certain common stock warrants outstanding as a liability at fair value and adjusts the instruments to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company's statements of operations. The fair value of the warrants issued by the Company have been estimated using the Monte Carlo simulation.

Revenue Recognition

The Company recognizes revenue when the following four basic criteria are met:

- (1) a contract has been entered into with a customer or persuasive evidence of an arrangement exists,
- (2) delivery has occurred or services rendered,
- (3) the fee is fixed or determinable, and
- (4) collectability is reasonably assured.

The Company is not able to estimate the total amount of development service under an efforts-based perspective and, therefore, the amount of performance that will be required in its contracts cannot be reliably estimated under the proportional performance revenue recognition model. Accordingly, the Company recognizes revenue up to the amount of costs incurred.

Deferred Revenue

The Company received upfront payments totaling \$225,000 for the year ended March 31, 2018. The upfront payments consisted of \$125,000 received from Eastman Chemical Company ("Eastman") in August of 2017, and \$100,000 received from Asahi Glass Co., Ltd. ("Asahi") in January of 2018. Because the payments were received in advance of performing any work specified in the contracts, the Company recognized deferred revenue of \$225,000 as of March 31, 2018. Accordingly, the Company has no revenue from contracts with customers for the year ending March 31, 2018 and 2017.

Research and Development

Research and development costs, including in-process research and development acquired as part of an asset acquisition for which there is no alternative future use, is expensed as incurred. Advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

Stock-Based Compensation

The Company expenses stock-based compensation to employees over the requisite service period based on the estimated grant-date fair value of the awards. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. For the nine months ended December 31, 2018 and 2017, the Company recorded stock-based compensation expense of \$643,503 and \$352,486, respectively, and for the years ended March 31, 2018 and 2017, the Company recorded stock-based compensation expense of \$615,179 and \$39,209, respectively, (See Note 10).

For the year ended March 31, 2018, the Company recognized stock-based compensation expense of \$342,200 related to the fair value of the common shares transferred from Marathon to the Company's Executive Chairman for no consideration, \$180,781 for its restricted stock awards granted to employees and non-employees, and \$92,198 related to stock options. For the year ended March 31, 2017 the Company recognized stock-based compensation expense of \$39,209 for its restricted stock awards granted to employees and non-employees. There were no stock options issued for the year ended March 31, 2017.

Income taxes

Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

In its financial statements, the Company utilizes an expected annual effective tax rate in determining its income tax provisions for the interim periods. That rate differs from U.S. statutory rates primarily as a result of valuation allowance related to the Company's net operating loss carryforward as a result of the historical losses of the Company.

Effects of the Tax Cuts and Jobs Act

In late 2017, the United States enacted the Tax Cuts and Jobs Act of 2017 (the "TCJA"), which significantly changed U.S. tax law by implementing a reduction in the corporate tax rate to 21%, moving from a worldwide tax system to a territorial system and imposing new or additional limitations on the deductibility of interest expense and executive compensation. Given the significance of the legislation, the staff of the U.S. Securities and Exchange Commission (the "SEC") issued Staff Accounting Bulletin No. 118 ("SAB 118"), which allowed registrants to record provisional amounts during a one year "measurement period" similar to that used when accounting for business combinations. The Company applied the guidance in SAB 118 when accounting for the enactment-date effects of the TCJA in 2017 and throughout 2018.

For the year ended March 31, 2018 amounts recorded principally related to the reduction in the U.S. corporate income tax rate to 21%, which resulted in the Company recognizing a net deferred tax asset and associated valuation allowance of \$0.6 million.

At March 31, 2018, the Company completed its accounting of SAB 118 for all of the enactment-date income tax effects of the TCJA. The Company has not made any measurement-period adjustments and there were no additional material adjustments related to the TCJA.

Net Loss per Share

ASC 260, Earnings Per Share, requires dual presentation of basic and diluted earnings per share ("EPS") with a reconciliation of the numerator and denominator of the basic EPS computation to the numerator and denominator of the diluted EPS computation. Basic EPS excludes dilution. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity.

Basic net loss per share of common stock excludes dilution and is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share of common stock reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity unless inclusion of such shares would be anti-dilutive. Since the Company has only incurred losses, basic and diluted net loss per share is the same. Securities that could potentially dilute loss per share in the future that were not included in the computation of diluted loss per share at December 31, 2018 and 2017 and at March 31, 2018 and 2017 are as follows:

	December 31,		March 31,	
	2018 (Unaudited)	2017 (Unaudited)	2018	2017
Warrants to purchase common stock	2,873,307	1,000,000	1,633,983	1,000,000
Options to purchase common stock	4,103,500	-	3,578,500	-
Unvested restricted stock awards	-	627,167	234,453	1,805,285
	<u>6,976,807</u>	<u>1,627,167</u>	<u>5,446,936</u>	<u>2,805,285</u>

Recent Accounting Pronouncements

The Company is considered to be an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, as amended (JOBS Act). The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company has elected to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Securities and Exchange Act of 1934.

In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as modified by ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, and ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*. The revenue recognition principle in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, new and enhanced disclosures will be required. Companies may adopt the new standard either using the full retrospective approach, a modified retrospective approach with practical expedients, or a cumulative effect upon adoption approach. The Company adopted the new standard on March 31, 2020 using the modified retrospective approach. Such adoption did not result in any impact to the Company’s financial statements.

In April 2016, the FASB issued ASU No. 2016-09, *Share-Based Payment: Simplifying the Accounting for Share-Based Payments*. The standard addresses several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification in the statement of cash flows. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2016. The Company adopted the new standard on April 1, 2017 and the adoption of ASU 2016-09 did not have a material impact on the Company’s financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* which supersedes FASB Topic 840, *Leases (Topic 840)* and provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. In January 2018, the FASB issued ASU 2018-01, *Leases (Topic 842) Land Easement Practical Expedient for Transition to Topic 842*, which amends ASU 2016-02 to provide entities an optional transition practical expedient to not evaluate under Topic 842 existing or expired land easements that were not previously accounted for as leases under the current leases guidance in Topic 842. An entity that elects this practical expedient should evaluate new or modified land easements under Topic 842 beginning at the date that the entity adopts Topic 842. The standard will be effective for annual and interim periods beginning after December 15, 2019, with early adoption permitted upon issuance. The Company is currently evaluating the effect that the updated standard will have on its financial statements and related disclosures.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction Between Topic 808 and Topic 606*, which clarifies that certain transactions between collaborative arrangement participants should be accounted for as revenue under ASC 606 when the collaborative arrangement participant is a customer for a promised good or service that is distinct within the collaborative arrangement. The guidance also precludes entities from presenting amounts related to transactions with a collaborative arrangement participant that is not a customer as revenue, unless those transactions are directly related to third-party sales. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The Company is currently evaluating the effect that the standard will have on its financial statements and related disclosures.

Note 4 – Fair Value Measurements

During the nine months ended December 31, 2018 and the year ended March 31, 2018, the Company issued 1,239,235 and 633,983 warrants related to its convertible notes. The warrants were classified as liabilities and measured at fair value on the grant date, with changes in fair value recognized as other expense on the consolidated statements of operations and disclosed in the financial statements.

A summary of weighted average (in aggregate) significant unobservable inputs (Level 3 inputs) used in measuring warrants granted during the nine months ended December 31, 2018 and the year ended March 31, 2018 is as follows:

	December 31, 2018	March 31, 2018
	(Unaudited)	
Dividend yield	0%	0%
Expected price volatility	50%	50%
Risk free interest rate	2.61-2.94%	2.48%
Expected term	4 years	4 years

The following tables classify the Company’s liabilities measured at fair value on a recurring basis into the fair value hierarchy as of December 31, 2018 and March 31, 2018:

	Fair value measured at December 31, 2018 (Unaudited)			
	Total carrying value at December 31, 2018	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Warrant liability	\$ 618,933	\$ -	\$ -	\$ 618,933
	Fair value measured at March 31, 2018			
	Total carrying value at March 31, 2018	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Warrant liability	\$ 141,519	\$ -	\$ -	\$ 141,519

For the nine months ended December 31, 2018 there was a change of approximately \$5,000 in Level 3 liabilities measured at fair value. There were no changes in Level 3 liabilities measured at fair value for the year ended March 31, 2018.

There were no assets or liabilities measured at fair value during the nine months ended December 31, 2017, and the year ended March 31, 2017.

The following table presents changes in Level 3 liabilities measured at fair value for the nine months ended December 31, 2018 and for the year ended March 31, 2018. Unobservable inputs were used to determine the fair value of positions that the Company has classified within the Level 3 category. Unrealized gains and losses associated with liabilities within the Level 3 category include changes in fair value that were attributable to unobservable (e.g., changes in unobservable long-dated volatilities) inputs.

	Warrant Liability
Balance at March 31, 2017	\$ -
Issuance of warrants in connection with convertible notes	141,519
Balance at March 31, 2018	141,519
Issuance of warrants in connection with convertible notes	472,460
Change in fair value	4,954
Balance at December 31, 2018	\$ 618,933

Note 5 – Property & Equipment, Net

Property and equipment, net, consists of the following:

	December 31,	March 31,	
	2018	2018	2017
	(Unaudited)		
Equipment	\$ 117,512	\$ 25,000	\$ 25,000
Computer software	5,440	-	-
Total	122,952	25,000	25,000
Less accumulated depreciation	(26,453)	(16,389)	(8,056)
Property and equipment, net	\$ 96,499	\$ 8,611	\$ 16,944

Depreciation expense for the nine months ended December 31, 2018 and 2017 was approximately \$10,000 and \$6,000, respectively. Depreciation expense for the years ended March 31, 2018 and 2017, was \$8,333 and \$8,056, respectively.

Note 6 – Intangible Assets

On January 31, 2016, the Company, entered into an IP agreement with HP to acquire a research license to determine the feasibility of incorporating HP's electrokinetic display technology in the Company's products. Under the terms of the agreement, the license is to be used for research purposes only, has a purchase price of \$200,000 for the technology and a two year closing date. On April 12, 2016 the Company and HP entered into the first amendment to the agreement, which allocates \$25,000 of the \$200,000 purchase price, to acquire equipment to be used in the research. On May 1, 2017, the Company and HP entered into the second amendment to the agreement, which increased the purchase price for the technology to \$375,000 and extended the closing date to January 31, 2020.

Under the guidance of ASC 350, *Intangibles – Goodwill and Other Intangibles*, the Company recorded the research license at the cost to acquire the license. As of December 31, 2018, the Company has paid \$275,000 for the transfer of the technology. The remaining \$100,000 has been accrued and will be paid over the remaining term of the license. The research license will be amortized over a 10 year useful life.

The carrying amounts related to the research license as of December 31, 2018, March 31, 2018 and 2017 were as follows:

	December 31,	March 31,	
	2018	2018	2017
	(Unaudited)		
Research license	\$ 375,000	\$ 375,000	\$ 175,000
Total	375,000	375,000	175,000
Accumulated amortization	(89,659)	(59,303)	(20,891)
Research license, net	<u>\$ 285,341</u>	<u>\$ 315,697</u>	<u>\$ 154,109</u>

The following table represents the total estimated amortization for the research license for the five succeeding years and thereafter as of December 31, 2018:

	Estimated Amortization Expense (Unaudited)
2019	\$ 9,934
2020	40,400
2021	40,290
2022	40,290
2023	40,290
Thereafter	114,137
Total	<u>\$ 285,341</u>

The following table represents the total estimated amortization for the research license for the five succeeding years and thereafter as of March 31, 2018:

	Estimated Amortization Expense
2019	\$ 40,290
2020	40,400
2021	40,290
2022	40,290
2023	40,290
Thereafter	114,137
Total	<u>\$ 315,697</u>

For the nine months ended December 31, 2018 and 2017, the Company recorded amortization expense of approximately \$30,000 and \$28,000, respectively. For the years ended March 31, 2018 and 2017, the Company recorded amortization expense of approximately \$38,000 and \$17,000, respectively.

The Intellectual Property Agreement grants the Company an option to purchase the related assignable patents for a purchase price of \$1.4 million and must be exercised at least 60 days prior to the closing date of January 31, 2020. The Company will be responsible for all costs associated with the assignable patents and will pay a royalty of 3.0% of the gross revenues received by the Company and its Affiliates for the sale, rental, license or other disposition of the licensed products. As of December 31, 2018 and the date of this report, the Company has not exercised this option.

Note 7 – Accrued Expenses

As of December 31, 2018, March 31, 2018 and 2017, the Company's accrued expenses consisted of the following:

	December 31, 2018	March 31, 2018	March 31, 2017
	(Unaudited)		
Research license	\$ 100,000	\$ 150,000	\$ -
Payroll and other expenses	12,520	57,343	-
General liability insurance	-	11,063	-
Severance	-	-	180,000
Total	<u>\$ 112,520</u>	<u>\$ 218,406</u>	<u>\$ 180,000</u>

Note 8 – Notes Payable:

Notes payable at December 31, 2018 and March 31, 2018 consist of the following:

	December 31, 2018	March 31, 2018
Notes payable, due January 1, 2018	\$ 50,000	\$ 50,000
Senior secured promissory note, due July 1, 2018	200,000	300,000
Senior secured convertible notes, due April 1, 2019 - December 29, 2020	1,671,524	315,000
	1,921,524	665,000
Less: unamortized debt discount	(683,633)	(341,407)
Total notes	<u>\$ 1,237,891</u>	<u>\$ 323,593</u>

There were no notes issued at March 31, 2017.

Notes Payable

In June 2017, the Company issued notes payable with an aggregate principal balance of \$50,000 for an equal amount of proceeds. The notes accrue interest at 15% per annum and were due and payable on January 1, 2018. Upon closing of a sale (or series of related sales) by the Company of its Preferred Stock prior to January 1, 2018, from which the Company receives gross proceeds of not less than \$25,000 (excluding the aggregate amount of securities converted into Preferred Stock in connection with such sale), the principal balance of the notes, and all accrued interest thereon, automatically convert into the number of Preferred Stock sold in such offering at a conversion price equal to the lower of: i) 80% of the offering price, or ii) a conversion price determined by dividing \$1,000,000 by the then-outstanding fully-diluted common shares outstanding. The notes may also be converted by the holder on or after the maturity date into the number of Series Seed preferred stock of the Company determined by dividing \$1,000,000 by the then-outstanding fully-diluted common shares outstanding.

Upon certain defined fundamental transactions, the holder may either i) request conversion of the outstanding principal and accrued interest into the number of common shares of the Company at a conversion price determined by dividing \$1,000,000 by the then-outstanding fully-diluted common shares outstanding, or ii) request cash settlement of the accrued interest and 200% of the outstanding principal.

Senior Secured Promissory Note

On January 1, 2018, the Company issued a senior secured promissory note with a principal balance of \$300,000, for proceeds of \$250,000, resulting in an original issue discount of \$50,000. The note is secured by the assets of the Company, has a maturity date of July 1, 2018 and may be prepaid at any time prior to the maturity date. The note bears no interest if the principal is repaid in full on or prior to the maturity date. Upon the occurrence of an event of default, the note will bear an annual interest rate of 10%. The discount is being amortized to interest expense over the term of the debt using the effective interest method. The Company amortized approximately \$24,000 to interest expense during the year ended March 31, 2018. As of March 31 2018, the unamortized debt discount was approximately \$26,000 and was amortized to interest expense during the three months ended June 30, 2018.

On July 18, 2018, the Company entered into the first amendment to its senior secured promissory note which extended the note term to December 31, 2018. On August 31, 2018, the Company paid \$100,000 of the principal balance. As of December 31, 2018, the principal balance for the senior secured promissory note is \$200,000. On December 31, 2018, the Company entered into the second amendment which extended the note term to April 1, 2019.

Senior Secured Convertible Note

On March 31, 2018, the Company issued a senior secured convertible note with a principal balance of \$315,000 for proceeds of \$265,000, resulting in an original issue discount of \$50,000. The notes bear interest at 12% per annum and mature on April 1, 2019. The notes are convertible by the holder at a price per common share equal to the lower of \$3,000,000 divided by the number of common share outstanding on the date of conversion ("Fixed Conversion Price") or 67% of the per share price of the Company's first equity financing ("Variable Conversion Price"). Interest may be paid in cash or, if certain conditions are met, in shares of the Company, at the Company's discretion. The note is secured by the Company's intellectual property, including its registered trademarks, patents, and copyrights and any related applications, and all the associated goodwill related to the intellectual property. The notes may be prepaid by the Company, with 15 days' notice, at 125% of unpaid principal and interest, and the holder may exercise its conversion right during the notice period. In the event of default, the notes pay a default rate of 24% per annum, and the holder may put the notes for cash or convert into a variable number of the Company's shares at a 45% discount at 150% of the outstanding principal and accrued interest. The number of shares the holder may receive in either conversions is capped at 4.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon conversion of this note held by the holder.

In connection with issuance of the senior secured convertible notes, the Company issued the note holder a common stock purchase warrant with a term of four years, providing the holder with the right to purchase 633,983 shares of the Company's common stock. The purchase price of one share of common stock under the warrant shall be 125% of the Fixed Conversion Price of the senior secured convertible notes. The purchase price is subject to downward adjustment for any dilutive issuance, as defined. Additionally, the warrant holder has the option to require the Company to cash settle the warrant, for the Black Scholes value of the remaining unexercised portion of the warrant, upon a fundamental transaction, as defined.

After allocating issuance proceeds to the warrant liability, the effective conversion price of the senior secured convertible notes was below the quoted market price of the Company's common stock. As such, the Company recognized a beneficial conversion feature equal to the intrinsic value of the conversion feature on the issuance date, resulting in an additional discount to the initial carrying value of the senior secured convertible notes of \$123,481 with a corresponding credit to additional paid-in capital.

Financing Agreement

On May 23, 2018, the Company entered into a Financing Agreement to facilitate the growth of the Company and the Company's strategy for public listing by way of the filing of a Registration Statement Form S-1 with the U.S. Securities and Exchange Commission. The financing will consist of Four Investment Units of Senior Secured Notes with a minimum amount of \$1.0 million and a maximum of \$4.0 million. The lead investor will participate in this offering for a minimum of \$500,000. Each Investment Unit will have a minimum amount of \$250,000 and consist of a Senior Secured Note. These Notes will be secured by any and all stock held by the Company's management and all assets held by the Company and its subsidiaries.

12% Senior Secured Convertible Promissory Notes

On May 31, 2018, July 11, 2018, and July 27, 2018 the Company entered into senior secured convertible promissory notes to its senior secured convertible note issued on March 31, 2018, which provides the Company an additional \$274,050 with an OID of \$19,050 for net proceeds of \$255,000. The notes bear interest at 12% per annum and mature on one year from the issuance date. Interest may be paid in cash or, if certain conditions are met, in shares of the Company, at the Company's discretion. The notes are convertible by the holder at a price per common share equal to the lower of \$3,000,000 divided by the number of common share outstanding on the date of conversion ("Fixed Conversion Price") or 67% of the per share price of the Company's first equity financing ("Variable Conversion Price"). Interest may be paid in cash or, if certain conditions are met, in shares of the Company, at the Company's discretion. The note is secured by the Company's intellectual property, including its registered trademarks, patents, and copyrights and any related applications, and all the associated goodwill related to the intellectual property. The notes may be prepaid by the Company, with 15 days' notice, at 125% of unpaid principal and interest, and the holder may exercise its conversion right during the notice period. In the event of default, the notes pay a default rate of 24% per annum, and the holder may put the notes for cash or convert into a variable number of the Company's shares at a 45% discount at 150% of the outstanding principal and accrued interest. The number of shares the holder may receive in either conversions is capped at 4.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon conversion of this note held by the holder.

In connection with issuance of the senior secured convertible promissory notes, the Company issued the note holder a common stock purchase warrant with a term of four years, providing the holder with the right to purchase 614,489 shares of the Company's common stock. The purchase price of one share of common stock under the warrant shall be 125% of the Fixed Conversion Price of the senior secured convertible promissory notes. The purchase price is subject to downward adjustment for any dilutive issuance, as defined. Additionally, the warrant holder has the option to require the Company to cash settle the warrant, for the Black Scholes value of the remaining unexercised portion of the warrant, upon a fundamental transaction, as defined.

After allocating issuance proceeds to the warrant liability, the effective conversion price of these senior secured convertible promissory notes was below the quoted market price of the Company's common stock. As such, the Company recognized a beneficial conversion feature equal to the intrinsic value of the conversion feature on the issuance date, resulting in an additional discount to the initial carrying value of the senior secured convertible promissory notes of \$116,779 with a corresponding credit to additional paid-in capital.

8% Senior Secured Convertible Promissory Notes

On August 13, 2018, November 14, 2018, December 24, 2018 and December 28, 2018, the Company issued senior secured promissory notes for \$1,082,474. The notes have an OID of \$102,474 and the company received net proceeds of \$980,000. The Company received proceeds of \$750,000 related to its August 13, 2018 senior secured promissory note, of which \$500,000 was disbursed to the Company and \$250,000 was held in an escrow account. As of December 31, 2018, the \$250,000 of proceeds held in escrow were disbursed to the Company. The notes bear interest at 8% per annum and the August and December notes mature one year from the issuance date. The November note matures on August 10, 2019 and the maturity date may be extend to August 10, 2020. Interest may be paid in cash or, if certain conditions are met, in shares of the Company, at the Company's discretion. The notes are convertible by the holder at a price per common share equal to the lower of \$12,000,000 divided by the number of common share outstanding on the date of conversion ("Fixed Conversion Price") or in the event that the Company consummates any financing in which the pre-money valuation of the Company shall be less than \$12,000,000 (the "Reduced Valuation"), then, from and after the consummation of such Reduced Valuation Transaction, the price shall be the quotient of 90% of the Reduced Valuation divided by the then-outstanding number of the Company's common stock. Interest may be paid in cash or, if certain conditions are met, in shares of the Company, at the Company's discretion. The notes are secured by the Company's intellectual property, including its registered trademarks, patents, and copyrights and any related applications, and all the associated goodwill related to the intellectual property. The notes may be prepaid by the Company, with 15 days' notice, at 125% of unpaid principal and interest, and the holder may exercise its conversion right during the notice period. In the event of default, the notes pay a default rate of 24% per annum, and the holder may put the notes for cash or convert into a variable number of the Company's shares at a 45% discount at 150% of the outstanding principal and accrued interest. The number of shares the holder may receive in either conversions is capped at 4.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon conversion of this note held by the holder.

In connection with issuance of the senior secured promissory notes, the Company issued the note holder a common stock purchase warrant with a term of four years, providing the holder with the right to purchase 624,836 shares of the Company's common stock. The purchase price of one share of common stock under the warrant shall be 125% of the Fixed Conversion Price of the senior secured convertible promissory notes. The purchase price is subject to downward adjustment for any dilutive issuance, as defined. Additionally, the warrant holder has the option to require the Company to cash settle the warrant, for the Black Scholes value of the remaining unexercised portion of the warrant, upon a fundamental transaction, as defined.

After allocating issuance proceeds to the warrant liability, the effective conversion price of the senior secured promissory notes was below the quoted market price of the Company's common stock. As such, the Company recognized a beneficial conversion feature equal to the intrinsic value of the conversion feature on the issuance date, resulting in an additional discount to the initial carrying value of the senior secured promissory notes of \$21,929 with a corresponding credit to additional paid-in capital.

The carrying value of the senior secured convertible notes, as of December 31, 2018 and March 31, 2018, is comprised of the following:

	December 31, 2018	March 31, 2018
	(Unaudited)	
Principal value of convertible notes	\$ 1,671,524	\$ 315,000
Original issue discount	(171,524)	(50,000)
Discount resulting from allocation of proceeds to warrant liability	(613,979)	(141,519)
Discount resulting from beneficial conversion feature	(262,189)	(123,481)
Discount resulting from issuance of common stock	(240,000)	-
Amortization of original issue discount	604,059	-
Net carrying value of Senior Secured Convertible Notes	<u>\$ 987,891</u>	<u>\$ -</u>

The aggregate discount to the senior secured convertible note will be amortized to interest expense over the term of the note using the effective interest method.

Note 9 – Stockholders' Equity

Preferred Stock

As of December 31, 2018, March 31, 2018 and 2017, there were no shares of the Company's preferred stock outstanding

Common Stock

On April 22, 2016, the Company issued 5,799,000 shares of its common stock to Marathon at a fair value of \$0.01 per share.

On September 29, 2017, all of the shares of the Company's common stock, par value \$0.0001, totaling 5,800,000 shares, were transferred to the Company's Executive Chairman for no consideration. The fair value of the common stock on September 29, 2017 was \$0.06 per share and the Company recorded stock-based compensation expense of \$342,200 as of September 29, 2017.

Restricted Stock Awards

On July 11, 2016, the Company issued 1,340,000 shares of its restricted stock to employees and non-employees at a fair value of \$0.01 per share or \$13,400.

On October 1, 2016, the Company issued 200,000 shares of its restricted stock to non-employees at a fair value of \$0.01 per share or \$2,000.

On March 16, 2018, the Company issued 400,000 shares of its restricted stock to its employees at a fair value of \$0.40 per share or \$160,000.

Additional Paid-in Capital

During the years ended March 31, 2018 and 2017, Marathon paid expenses of approximately \$17,000 and \$1,075,000 respectively, on behalf of the Company, which was recorded as a contribution to additional paid-in capital.

During the year ended March 31, 2018, the Company recorded a beneficial conversion feature of approximately \$123,000 related to its notes payable issued on March 31, 2018.

During the nine months ended December 31, 2018, the Company recorded a beneficial conversion feature of approximately \$466,000 related to its convertible notes payable issued for the period May 2018 through December 2018.

Note 10 – Stock-Based Compensation, Restricted Stock and Stock Options:

The Company grants equity based compensation under its 2016 Equity Incentive Plan (the “Plan”). The Plan allows the Company to grant incentive and nonqualified stock options, and shares of restricted stock to its employees, directors and consultants. There is a total of 12,000,000 shares of the Company’s common stock available under the Plan.

Stock-based compensation:

The Company recognized total expenses for stock-based compensation during the nine months ended December 31, 2018 and 2017, and for the years ended March 31, 2018 and 2017, which are included in the accompanying statements of operations, as follows:

	Nine months ended		Years ended March 31,	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)		
Research and development expenses	\$ 346,586	\$ -	\$ 69,192	\$ 7,127
Selling, general and administrative expenses	296,917	352,486	545,987	32,082
Total stock-based compensation	\$ 643,503	\$ 352,486	\$ 615,179	\$ 39,209

As of December 31, 2018 and March 31, 2018, the Company had approximately \$0.7 million and \$1.2 million, of unrecognized compensation expense, respectively, related to options granted under the Company’s equity incentive plan, which is expected to be recognized over a weighted-average period of 9.5 years and 9.9 years, respectively.

Restricted stock awards:

A summary of the Company's restricted stock activity during the nine months ended December 31, 2018, and for the years ended March 31, 2018 and 2017 is as follows:

	Number of Shares	Weighted Average Grant- Date Fair Value
Unvested at April 1, 2016	1,535,000	\$ 0.01
Granted	1,540,000	\$ 0.01
Vested	(1,269,715)	\$ 0.01
Unvested at March 31, 2017	1,805,285	\$ 0.01
Granted	400,000	\$ 0.40
Vested	(1,970,832)	\$ 0.09
Unvested at March 31, 2018	234,453	\$ 0.01
Granted	-	\$ -
Vested	(234,453)	\$ 0.01
Unvested at December 31, 2018 (Unaudited)	-	\$ -

The Company did not issue any shares of restricted stock during the nine months ended December 31, 2018. The Company issued 400,000 shares of restricted stock to employees during the year ended March 31, 2018 and 1,540,000 shares of restricted stock to employees and consultants for the year ended March 31, 2017.

The fair value of restricted stock awards are measured based on their fair value at the grant date and amortized over the vesting period of 18 or 24 months, except for the 400,000 shares of restricted stock issued on March 16, 2018, which were fully vested at grant date. As of December 31, 2018, all stock-based compensation expense related to restricted stock awards was recognized.

Stock Options:

The Company provides stock-based compensation to employees, directors and consultants under the Plan. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The Company historically has been a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical volatility of a publicly traded set of peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. The risk free interest rate is determined by referencing the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future. The following was used in determining the fair value of stock options granted during the nine months ended December 31, 2018 and for the year ended March 31, 2018.

	Nine months ended December 31, 2018 (Unaudited)	Year ended March 31, 2018
Dividend yield	0%	0%
Expected price volatility	50.0%	40-48%
Risk free interest rate	2.60-2.96%	2.65-2.80%
Expected term	5-6 years	5-7 years

The Company granted 525,000 stock options to consultants during the nine months ended December 31, 2018, and 3,578,500 stock options to employees during the year ended March 31, 2018. There were no options granted during the year ended March 31, 2017.

A summary of activity under the Plan for the nine months ended December 31, 2018, and the year ended March 31, 2018 is as follows:

	<u>Shares Underlying Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term (Years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at April 1, 2017				
Granted	3,578,500	\$ 0.05	9.9	\$ 1,252,475
Exercised	-	\$ -	-	\$ -
Forfeited	-	\$ -	-	\$ -
Outstanding at March 31, 2018	<u>3,578,500</u>	<u>\$ 0.05</u>	<u>9.9</u>	<u>\$ 1,252,475</u>
Granted	525,000	\$ 0.35	9.8	\$ 26,250
Exercised	-	\$ -	-	\$ -
Forfeited	-	\$ -	-	\$ -
Outstanding at December 31, 2018 (Unaudited)	<u>4,103,500</u>	<u>\$ 0.09</u>	<u>9.2</u>	<u>\$ 1,278,725</u>
Exercisable at March 31, 2018	<u>75,000</u>	<u>\$ 0.05</u>	<u>10.0</u>	<u>\$ 26,250</u>
Exercisable at December 31, 2018 (Unaudited)	<u>407,818</u>	<u>\$ 0.27</u>	<u>9.5</u>	<u>\$ 53,595</u>

Note 11 – Income Taxes

As of March 31, 2018, the Company has net operating loss carryforwards of approximately \$2.4 million available to reduce future taxable income, if any, for Federal and state income tax purposes. The U.S. federal and state net operating loss carryforwards will begin to expire in 2037 for federal purposes and state purposes.

Under the Internal Revenue Code (“IRC”) Section 382, annual use of the Company’s net operating loss carryforwards to offset taxable income may be limited based on cumulative changes in ownership. The Company has not completed an analysis to determine whether any such limitations have been triggered as of March 31, 2018. The Company has no income tax affect due to the recognition of a full valuation allowance on the expected tax benefits of future loss carry forwards based on uncertainty surrounding realization of such assets.

The Company’s provision for income taxes differs from the result obtained when applying the statutory rate of 34% to pre-tax book loss due to nondeductible expenses, the impact of the federal statutory tax rate change disclosed above, offset by a decrease in our valuation allowance.

The tax effects of the temporary differences and carry forwards that give rise to deferred tax assets consist of the following:

	<u>As of March 31,</u>	
	<u>2018</u>	<u>2017</u>
Deferred tax assets/(liabilities):		
Net operating loss carryforwards	\$ 614,931	\$ 491,829
Total deferred tax assets	614,931	491,829
Valuation allowance	(614,931)	(491,829)
Deferred tax assets, net of allowance	<u>\$ -</u>	<u>\$ -</u>

A reconciliation of the statutory income tax rates and the Company's effective tax rate is as follows:

	For the years ended March 31,	
	2018	2017
Statutory Federal Income Tax Rate	(34.0)%	(34.0)%
State Taxes, Net of Federal Tax Benefit	(3.9)%	(3.9)%
Federal tax rate change	12.2%	0.0%
Stock-based compensation	2.9%	1.2%
Amortization of debt discount	0.7%	0.0%
Change in Valuation Allowance	22.1%	36.7%
Income Taxes Provision (Benefit)	-%	-%

Note 12 – Related Parties

As of December 31, 2018 the Company owed consulting fees of approximately \$36,000 to Mr. Doug Croxall, the Company's chief executive officer. As of March 31, 2018, the Company owed approximately \$8,000 of accounts payable to officers of the Company, consisting of approximately \$5,000 to Mr. Timothy Koch, the Company's chief technology officer and \$3,000 to Mr. James Douvikas, the Company's chief business development officer.

Note 13 – Commitments and Contingencies

Leases

On March 8, 2016, the Company entered into a lease agreement with Oregon State University, to lease office and laboratory space located at HP Campus Building 11, 1110 NE Circle Blvd, Corvallis, Oregon, for approximately \$400 monthly. On July 1, 2016, the Company entered into the first amendment to the lease agreement which increased the monthly lease expense to approximately \$1,200. On October 1, 2017, the Company entered into a new sublease agreement, which provides for additional office space and the monthly lease payment increased to approximately \$1,800. The lease expired on June 30, 2018 and the Company extended the lease through June 30, 2019. The monthly lease payment increased to approximately \$4,500 for the months ended June 30 2018 through November 30, 2018, and increased to approximately \$7,550 for the months ended December 31, 2018 through June 30, 2019.

As of December 31, 2018 and March 31, 2018, future minimum lease payments are as follows:

	December 31, 2018 (Unaudited)	March 31, 2018
2019	\$ 22,649	\$ 49,065
2020	22,649	13,626
Total	\$ 45,298	\$ 62,691

Severance

On June 29, 2018, the Company entered into a separation agreement with Frank Knuettel, the Company's former chief financial officer, whose termination date was April 30, 2018. The agreement provides a lump sum severance payment of \$3,750 and retention of 180,000 shares of previously granted restricted stock awards.

Litigation

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

Note 14 – Subsequent Events (Unaudited)

The Company has evaluated all events that occurred after the balance sheet date of December 31, 2018, through April 24, 2019, the date when financial statements were available to be issued to determine if they must be reported. The Company's subsequent events are as follows:

Debt

On January 11, 2019, the convertible note purchase agreement dated December 24, 2018, was amended, and the Company received an additional \$225,000, increasing the principal balance to \$250,000.

From February 15, 2019 through April 16, 2019, the Company issued convertible promissory notes with a principal balance totaling \$871,584. The notes contain an OID totaling \$26,584 and the Company received net proceeds of \$845,000. In connection with each of these notes, the Company issued a common stock purchase warrant with a term of four years from the issuance date, providing the holder the right to subscribe for and purchase from the Company up to fifty percent (50%) of that number of shares of Common Stock into which the note may be converted.

On April 1, 2019, the Company entered into the third amendment to its senior secured promissory note, dated January 1, 2018, which extends the note term to July, 1 2019.

On April 10, 2019, the Company entered into the first amendment to its senior secured convertible promissory note dated March 31, 2018, which extends the note term to July 1, 2019.

Stock Options

On January 17, 2019, the Company granted 1,360,000 stock options to employees and officers of the Company. The stock options have an exercise price of \$0.40 per share, with 50% vesting on grant date and the remaining options vesting over a twenty-four month period, and have an expiration date of January 17, 2029.

On January 17, 2019, the Company granted 350,000 non-qualified stock options to a related party consultant in return for services rendered. The stock options have an exercise price of \$0.40 per share, vest over a twenty-four month period and have an expiration date of January 17, 2029.

HP Intellectual Property Agreement

On March 10, 2019, the Company entered into the third amendment to its agreement with HP, which extends the closing date to January 31, 2021.

No dealer, salesperson, or other person has been authorized to give any information or to make any representation not contained in this prospectus, and, if given or made, such information and representation should not be relied upon as having been authorized by us or the selling stockholder. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered by this prospectus in any jurisdiction or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the facts set forth in this prospectus or in our affairs since the date hereof.

Until _____, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold overallocments or subscriptions.

[_____] Shares

CROWN ELECTROKINETICS CORP.

COMMON STOCK

PROSPECTUS

_____, 2019

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the expenses expected to be incurred by us in connection with the issuance and distribution of the common stock registered hereby, all of which expenses, except for the Securities and Exchange Commission registration fee, are estimates:

Description	Amount
Securities and Exchange Commission registration fee	
Accounting fees and expenses	
Legal fees and expenses	
Miscellaneous fees and expenses	
Total	

* Estimated

Item 14. Indemnification of Directors and Officers

Under Delaware law, a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than one by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, if such director or officer acted, in good faith, for a purpose which such person reasonably believed to be, in, or not opposed to, the best interests of the corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that such conduct was unlawful.

In the case of a derivative action, a Delaware corporation may indemnify any such person against expense, including attorneys' fees actually and necessarily incurred by such person in connection with the defense or settlement of such action or suit if such director or officer if such director or officer acted, in good faith, for a purpose which such person reasonably believed to be, in or not opposed to, the best interests of the corporation, except that no indemnification will be made in respect on any claim, issue or matter as to which such person will have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or any other court in which such action was brought determines such person is fairly and reasonably entitled to indemnity for such expense.

Delaware Law permits a corporation to include in its certificate of incorporation a provision eliminating or limiting a director's liability to a corporation or its stockholders for monetary damages for breaches of fiduciary duty. Delaware Law provides, however, that liability for breaches of the duty of loyalty, acts or omissions not in good faith or involving intentional misconduct, or knowing violation of the law, and the unlawful purchase or redemption of stock or payment of unlawful purchase or redemption of stock or payment of unlawful dividends or the receipt of improper personal benefits cannot be eliminated or limited in this manner.

Our Certificate of Incorporation and Bylaws provide that we will indemnify our directors to the fullest extent permitted by Delaware law and may, if and to the extent authorized by the Board of Directors, indemnify our officers and any other person whom we have the power to indemnify against any liability, reasonable expense or other matter whatsoever.

Any amendment, modification or repeal of the foregoing provisions shall be prospective only, and shall not affect any rights or protections of any of our directors existing as of the time of such amendment, modification or repeal.

We may also, at the discretion of the Board of Directors, purchase and maintain insurance to the fullest extent permitted by Delaware law on behalf of any of our directors, officers, employees or agents against any liability asserted against such person and incurred by such person in any such capacity.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Registrant pursuant to the foregoing, the Registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. Recent Sales of Unregistered Securities

The information contained in “Notes to Financial Statements - Note 8 – Notes Payable” on page F-16, “Notes to Financial Statements - Note 9 – Stockholders’ Equity” on page F-19 and “Notes to Financial Statements - Note 10 – Stock-based Compensation, Restricted Stock and Stock Options” on page F-20 is incorporated by reference herein.

Item 16. – Exhibits and Financial Statement Schedules.

(a) Documents filed as part of this registration statement:

- (1) Balance Sheet as of September 30, 2018 (unaudited)
Statements of Operations for the six months ended September 30, 2018 and 2017 (unaudited)
Statements of Changes in Stockholders’ Deficit for the six months ended September 30, 2018 (unaudited)
Statements of Cash Flows for the six months ended September 30, 2018 and 2017 (unaudited)
Notes to Consolidated Financial Statements

- Report of Independent Registered Public Accounting Firm
Balance Sheets as of March 31, 2018 and 2017
Statements of Operations for the years ended March 31, 2018 and 2017
Statements of Changes in Stockholders’ Deficit for the years ended March 31, 2018 and 2017
Statements of Cash Flows for the years March 31, 2018 and 2017
Notes to Consolidated Financial Statements

- (2) Financial Statement Schedules

None.

(b) Exhibits:

- 3.1 [Certificate of Incorporation of the Registrant filed April 20, 2015 with the Delaware Secretary of State \(and amendments thereto\).](#)
- 3.5 By-laws of the Registrant.*
- 5.1 Opinion of Pryor Cashman LLP, regarding legality of securities being registered.*
- 10.1 [Intellectual Property Agreement, dated as of January 31, 2016, between Hewlett-Packard Development Company, L.P. and 3D Nanocolor Corp. \(and amendments thereto\).](#)
- 10.2 Collaboration Agreement, dated as of August 23, 2017, between 3D Nanocolor Corp. and Eastman Chemical Company (and amendment thereto).#
- 10.3 Agreement, dated as of November 15, 2017, between Crown ElectroKinetics Corp. and Asahi Glass Co., Ltd. (and amendment thereto).#
- 10.4 [Agreement, dated as of February 1, 2019, between Crown ElectroKinetics Corp. and AGC Inc. \(f/k/a Asahi Glass Co., Ltd.\).](#)
- 14.1 Code of Business Conduct and Ethics of the Registrant.#
- 21.1 List of Subsidiaries of Registrant.#
- 23.1 Consent of Marcum LLP.*
- 23.3 Consent of Pryor Cashman LLP (included in their opinion filed as Exhibit 5.1).*

* To be filed by amendment.

Previously filed.

Item 17. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors, officers and controlling persons of the Company, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Company hereby undertakes that:

(1) To file, during any period in which it offers or sells securities, a post-effective amendment to this Registration Statement to:

- (i) Include any prospectus required by Section 10(a)(3) of the Securities Act;
- (ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information set forth in the Registration Statement.
- (iii) Include any additional or changed information on the plan of distribution.

(2) For determining liability under the Securities Act, the Company will treat each such post-effective amendment as a new Registration Statement of the securities offered, and the offering of such securities at that time to be the initial bona fide offering.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) For determining any liability under the Securities Act, treat each post-effective amendment that contains a form of prospectus as a new Registration Statement for the securities offered in the Registration Statement, and that offering of the securities at that time as the initial bona fide offering of those securities.

(5) For determining liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(6) For determining liability under the Securities Act, if securities are offered or sold to a purchaser by means of any of the following communications, the Company will be a seller to such purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the Company or used or referred to by the Company;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the Company or its securities provided by or on behalf of the Company; and
- (iii) Any other communication that is an offer in the offering made by the Company to a purchaser.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it met all the requirements of filing on Form S-1 and authorized this Registration Statement to be signed on its behalf by the undersigned, in Corvallis, Oregon, on April 24, 2019.

Crown ElectroKinetics Corp.

By: /s/ Douglas Croxall
Douglas Croxall
Chief Executive Officer

In accordance with the requirements of the Securities Act of 1933, this Registration Statement was signed by the following persons in the capacities and on the dates stated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Douglas Croxall</u> Douglas Croxall	Chief Executive Officer (Principal Executive Officer, Principal Financial and Accounting Officer)	April 24, 2019

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
2D NANOCOLOR CORP.

2D Nanocolor Corp. (hereinafter called the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. The name of the corporation is 2D Nanocolor Corp.
2. The date of filing of the certificate of incorporation of the corporation with the Delaware Secretary of State was April 20, 2015.
3. The Certificate of Incorporation is hereby amended to change the name of the corporation. To accomplish the foregoing Paragraph First of the certificate of incorporation is amended to read as follows:

“FIRST: The name of the corporation is 3D Nanocolor Corp.”
4. That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

Executed on this 14th day of January, 2016.



Francis Knuettel II, Chief Financial Officer

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "3D NANOCOLOR CORP.", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF APRIL, A.D. 2016, AT 11:45 O`CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.



5731691 8100
SR# 20162320789

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 202154876
Date: 04-15-16

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:45 AM 04/15/2016
FILED 11:45 AM 04/15/2016
SR 20162320789 - FileNumber 5731691

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
3D NANOCOLOR CORP.**

3D NANOCOLOR CORP., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is 3D NANOCOLOR CORP.
2. The date of the filing of the Corporation's original Certificate of Incorporation with the Secretary of State was April 20, 2015.
3. This Amended and Restated Certificate of Incorporation has been duly adopted by the directors of the Corporation with approval by the Corporation's stockholders in accordance with Sections 228, 242 and 245 of the Delaware General Corporation Law and the Board of Directors, with the stockholders' approval, has resolved that the Certificate of Incorporation of the Corporation be deleted and replaced in its entirety with this Amended and Restated Certificate of Incorporation.
4. The text of the Corporation's Amended and Restated Certificate of Incorporation is set forth in full on Exhibit A annexed hereto.

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on this 14th day of April 2016.

3D NANOCOLOR CORP.



By: _____
Name: Francis Knuettel II
Title: Chief Financial Officer

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
3D NANOCOLOR CORP.

FIRST: The name of this Corporation is 3D NANOCOLOR CORP.

SECOND: The address, including street, number, city and county, of the registered office of the Corporation in the State of Delaware is 160 Greentree Drive, Suite # 101, in the City of Dover, County of Kent, Delaware, 19904; and the name of the registered agent of the Corporation in the State of Delaware at such address is National Registered Agents, Inc.

THIRD: The nature of the business and of the purposes to be conducted and promoted by the Corporation is to conduct any lawful business, to promote any lawful purpose, and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH:

A. Classes and Number of Shares. The total number of shares of stock that the Corporation shall have authority to issue is Two Hundred Fifty Million (250,000,000). The classes and aggregate number of shares of each class which the Corporation shall have authority to issue are as follows:

1. Two Hundred Million (200,000,000) shares of common stock, par value \$0.0001 per share (the "Common Stock"); and
2. Fifty Million (50,000,000) shares of preferred stock, par value \$0.0001 per share (the "Preferred Stock").

B. Blank Check Powers. The Corporation may issue any class of the Preferred Stock in any series. The Board of Directors shall have authority to establish and designate series, and to fix the number of shares included in each such series and the variations in the relative rights, preferences and limitations as between series, provided that, if the stated dividends and amounts payable on liquidation are not paid in full, the shares of all series of the same class shall share ratably in the payment of dividends including accumulations, if any, in accordance with the sums which would be payable on such shares if all dividends were declared and paid in full, and in any distribution of assets other than by way of dividends in accordance with the sums which would be payable on such distribution if all sums payable were discharged in full. Shares of each such series when issued shall be designated to distinguish the shares of each series from shares of all other series.

FIFTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its

stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders, of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders, of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

SIXTH: The original By-Laws of the Corporation shall be adopted by the incorporator. Thereafter, the power to make, alter, or repeal the By-Laws, and to adopt any new By-Law, shall be vested in the Board of Directors.

SEVENTH: To the fullest extent that the General Corporation Law of the State of Delaware, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of this Corporation shall be personally liable to this Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Notwithstanding the foregoing, a director shall be liable to the extent provided by applicable law: (1) for any breach of the directors' duty of loyalty to the Corporation or its stockholders; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) under section 174 of the General Corporation Law of the State of Delaware; or (4) for any transaction from which the director derived any improper personal benefit. Neither the amendment nor repeal of this Article, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article, shall adversely affect any right or protection of a director of the Corporation existing at the time of such amendment or repeal.

EIGHTH: The Corporation shall, to the fullest extent permitted by Section 145 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities or other matters referred to in or covered by said section. The Corporation shall advance expenses to the fullest extent permitted by said section. Such right to indemnification and advancement of expenses shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. The indemnification and advancement of expenses provided for herein shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-Law, agreement, vote of stockholders or disinterested directors or otherwise.

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "3D NANOCOLOR CORP.", CHANGING ITS NAME FROM "3D NANOCOLOR CORP." TO "CROWN ELECTROKINETICS CORP.", FILED IN THIS OFFICE ON THE SIXTH DAY OF OCTOBER, A.D. 2017, AT 2:36 O`CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.



5731691 8100
SR# 20176514128

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Authentication: 203367351
Date: 10-09-17

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:36 PM 10/06/2017
FILED 02:36 PM 10/06/2017
SR 20176514128 - FileNumber 5731691

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION

OF

3D NANOCOLOR CORP.

3D Nanocolor Corp. (hereinafter called the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. The name of the corporation is 3D Nanocolor Corp.
2. The date of filing of the certificate of incorporation of the corporation with the Delaware Secretary of State was April 20, 2015.
3. The Certificate of Incorporation is hereby amended to change the name of the corporation. To accomplish the foregoing Paragraph First of the certificate of incorporation is amended to read as follows:

“FIRST: The name of the corporation is Crown Electrokinetics Corp.”

4. That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

Executed on this 5th day of October, 2017.



Francis Knuettel II, Chief Financial Officer

FIRST AMENDMENT TO THE INTELLECTUAL PROPERTY AGREEMENT

THIS FIRST AMENDMENT TO THE INTELLECTUAL PROPERTY AGREEMENT (this "*First Amendment*"), dated April 12, 2016 (the "*First Amendment Effective Date*") is an amendment to a certain Intellectual Property Agreement (the "*Agreement*") effective January 31, 2016 (the "*Effective Date*"), by and between (a) Hewlett-Packard Development Company, L.P., a Texas limited partnership having its principal place of business at 11445 Compaq Drive West, Houston, Texas 77070-1443 ("*HPDC*"), and HP, Inc., a Delaware corporation having its principal place of business at 1501 Page Mill Road, Palo Alto, California 94304, U.S.A. ("*HPI*") (HPDC and HPI are collectively referred to herein as "*HP*"), on the one hand; and (b) 3D Nanocolor Corp., a Delaware corporation having its principal place of business at 11100 Santa Monica Blvd Suite 380, Los Angeles, CA 90025 U.S.A. ("*Company*") (each individually referred to as a "*Party*" and both collectively referred to as the "*Parties*").

RECITALS

WHEREAS the Parties desire to amend the Agreement.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

A. Replace Section 4.1 in its entirety with the following:

4.1 Research License Fee. Company shall pay HP the non-refundable, non-creditable amount of One Hundred Seventy Five Thousand Dollars and Zero Cents (U.S.\$175,000.00) payable in accordance with the following schedule:

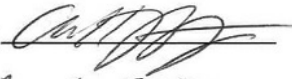
4.1.1 Seventy Five Thousand Dollars and Zero Cents (U.S.\$75,000.00) upon completion of the technology transfer contemplated under Section 2.1; and

4.1.2 One Hundred Thousand Dollars and Zero Cents (U.S.\$100,000.00) upon the first anniversary of the Effective Date.


B. All other terms and conditions of the Agreement remain in effect.

IN WITNESS WHEREOF, the Parties hereto have duly executed this First Amendment, as of the date set forth in the first paragraph hereof.

“HP”
HEWLETT-PACKARD COMPANY

Signature: 
Name: Annette Friskopp
Title: GM HPSPS

“Company”
3D Nanocolor Corp.

Signature: 
Name: Tim Koch
Title: CTO

SALES AGREEMENT

THIS SALES AGREEMENT (this "*Agreement*"), dated April 12, 2016 (the "*Effective Date*") is entered by and between HP Inc., a Delaware corporation having its principal place of business at 1501 Page Mill Road, Palo Alto, California 94304, U.S.A. ("*HP*") and 3D Nanocolor Corp., a Delaware corporation having its principal place of business at 11100 Santa Monica Blvd Suite 380, Los Angeles, CA 90025 U.S.A. ("*Company*") (each individually referred to as a "*Party*" and both collectively referred to as the "*Parties*").

RECITALS

WHEREAS the HP desires to sell to Company certain personal property.

NOW, THEREFORE, the Parties agree as follows:

- A. Concurrently with the execution of this Agreement, HP and Company will execute the bill of sale as set forth in *Exhibit A* (the "*Bill of Sale*"). Upon receipt of the payment specified Section B, HP will make the property identified on Schedule 1 to the Bill of Sale (the "*Equipment*") available to Company, for pick up and transport from HP's facilities in Corvallis, Oregon upon reasonable advance notice and during HP's regular business hours up to 10 days after the later of: (i) the Equipment being ready for pick up; and (ii) receipt of said payment.
- B. Company will pay HP the non-refundable purchase price of Twenty Five Thousand U.S. Dollars and Zero Cents (U.S. \$25,000) for the Equipment (the "*Purchase Price*").
- C. Payment that is due under Section B shall be made by wire transfer to:

Bank of America
1850 Gateway Boulevard
Concord, CA 94520

Account name: Hewlett-Packard Development Company
ABA No. 026009593
Swift No. BOFAUS3N
Account Number: 3752072176

with notice as to the confirmation of wire transfer to be sent to the HP address specified above, and an electronic mail copy thereof sent to IPL.Wiretransfer@hp.com.

- D. Company shall pay all taxes (including without limitation sales, use, value-added, and similar taxes) arising from the payments made by Company to HP under this Agreement, except for taxes based solely upon HP's net income and legally required withholding taxes.

Where applicable, HP shall invoice Company for such taxes and Company shall remit the amount of such taxes to HP or provide HP with the appropriate exemption certificate. In any case, where taxes are withheld, Company shall provide HP with all documentation relating to withheld taxes, including receipts necessary to claim the applicable credit. Other than taxes based solely upon HP's net income and legally required withholding taxes, in the event that taxes are legally imposed initially or are later assessed by any taxing authority upon HP, then Company shall reimburse HP for such taxes, plus any interest suffered by HP, within sixty (60) days.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement, as of the date set forth in the first paragraph hereof.

"HP"

HP Inc.


Signature: 

Name: Annette Friskopp

Title: GM HP SPS

"Company"

3D Nanocolor Corp.

Signature:  _____

Name: Tim Koch

Title: CTO

Exhibit A – Bill of Sale

HP Inc., a Delaware corporation ("**Grantor**"), for consideration, the receipt and sufficiency of which is hereby acknowledged, by these presents does grant, sell, transfer, assign, set over and deliver to 3D Nanocolor Corp. ("**Grantee**"), all right, title and interest in and to those certain items of personal property described on Schedule 1 attached hereto ("**Personal Property**").

GRANTOR HEREBY REPRESENTS AND WARRANTS TO GRANTEE THAT GRANTOR IS THE ABSOLUTE OWNER OF THE PERSONAL PROPERTY CONVEYED HEREBY AND THAT THE PERSONAL PROPERTY IS FREE AND CLEAR FROM ALL LIENS AND ENCUMBRANCES, RIGHTS AND CLAIMS OF OTHERS, INCLUDING ANY LEASES AND FINANCING AGREEMENTS, AND THAT GRANTOR HAS FULL RIGHT, POWER AND AUTHORITY TO SELL SAID PERSONAL PROPERTY AND TO EXECUTE AND DELIVER THIS BILL OF SALE.

ALL WARRANTIES OF QUALITY, FITNESS AND MERCHANTABILITY ARE HEREBY EXCLUDED.

TO HAVE AND TO HOLD, the Personal Property unto Grantee, its successors and assigns, forever.

This Bill of Sale will be binding upon and inure to the benefit of the successors and assigns of Grantor and Grantee.

This Bill of Sale will be governed by and construed in accordance with the laws of California.


Executed this the 12th day of April, 2016.

GRANTOR:

GRANTEE:

HP Inc.

3D Nanocolor Corp.

By: 

By: 

Name: Annette Friskopp

Name: Tim Koch

Title: GM HP SPS

Title: CTO

Schedule 1 – Personal Property

<u>Quantity</u>	<u>Device</u>	<u>Asset Number</u>
1	Autronic Melchers DMS-803 Measurement System	103980003520
1	Olympus Microscope MX50A-F	103000277726

THIRD AMENDMENT TO THE INTELLECTUAL PROPERTY AGREEMENT

THIS THIRD AMENDMENT TO THE INTELLECTUAL PROPERTY AGREEMENT (this "*Third Amendment*"), dated March 10, 2019 (the "*Third Amendment Effective Date*") is an amendment to a certain Intellectual Property Agreement (the "*Agreement*") effective January 31, 2016 (the "*Effective Date*") and amended on April 12, 2016 and May 1, 2017, by and between (a) Hewlett-Packard Development Company, L.P., a Texas limited partnership having its principal place of business at 10300 Energy Drive, Spring, Texas 77389 U.S.A. ("*HPDC*"), and HP, Inc., a Delaware corporation having its principal place of business at 1501 Page Mill Road, Palo Alto, California 94304, U.S.A. ("*HPI*") (HPDC and HPI are collectively referred to herein as "*HP*"), on the one hand; and (b) Crown ElectroKinetics Corp. (*f.k.a.* 3D Nanocolor Corp.), a Delaware corporation having its principal place of business at 1110 NE Circle Blvd, Corvallis, OR 97330 U.S.A. ("*Company*") (each individually referred to as a "*Party*" and both collectively referred to as the "*Parties*").

RECITALS

WHEREAS the Parties desire to amend the Agreement.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

A. Replace Section 1.5 in its entirety with the following:

1.5 "Closing Date" is January 31, 2021, and further subject to the provisions of Section 2.3.

B. Replace Section 2.4 in its entirety with the following:

2.4 Covenant Not to License. Through the Closing Date, other than as set forth in this Section 2.4, HP agrees not to license, transfer, pledge, offer to option encumber, sell, assign or otherwise dispose of the HP Technology, or the Assignable Patents to any Third Party. The foregoing shall not apply to: (i) licenses executed prior to the Effective Date or options to license executed prior to the Effective Date that are exercised thereafter; (ii) patent cross-licenses or broad licenses, regardless of their execution date, that do not specifically (a) enumerate the Assignable Patents or (b) otherwise contemplate disclosure of the HP Technology; or (iii) litigation settlement agreements between HP or its Subsidiaries and any Third Party.

C. Replace Section 4.1 in its entirety with the following:

4.1 Research License Fee. Company shall pay HP the non-refundable, non-creditable amount of Three Hundred Seventy-Five Thousand Dollars and Zero Cents (U.S.\$375,000.00) payable in accordance with the following schedule:

4.1.1 Seventy-Five Thousand Dollars and Zero Cents (U.S.\$75,000.00) upon completion of the technology transfer contemplated under Section 2.1; and

- 4.1.2 One Hundred Thousand Dollars and Zero Cents (U.S.\$100,000.00) upon the first anniversary of the Effective Date.
- 4.1.3 One Hundred Thousand Dollars and Zero Cents (U.S.\$100,000.00) upon the second anniversary of the Effective Date.
- 4.1.4 One Hundred Thousand Dollars and Zero Cents (U.S.\$100,000.00) before April 20, 2019.

D. All other terms and conditions of the Agreement remain in effect.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Second Amendment, as of the date set forth in the first paragraph hereof.

“HPI”
HP INC.

“Company”
Crown ElectroKinetics Corp.

Signature: _____

Signature: Douglas Croxall

Name: _____

Name: Douglas Croxall

Title: _____

Title: CEO

“HPDC”
Hewlett-Packard Development Company,
L.P.
 By: HPQ Holdings, LLC, its General Partner

Signature: _____

Name: _____

Title: _____

Agreement

This Agreement made and entered into as of the last date signed as written in the signature blocks below (hereinafter referred to as the "Effective Date") by and between, Crown Electrokinetics Corp., a corporation of Delaware, having its principal place of business at 1110 NE Circle Blvd., Corvallis, OR 97330 USA (hereinafter referred to as the "COMPANY"), and AGC Inc. (formerly known as Asahi Glass Co., Ltd.), a corporation of Japan, having its principal place of business at 5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8405, Japan including AGC Business Development Americas, a division of AGC Flat Glass North America, Inc. (collectively hereinafter referred to as "AGC"), each a "Party" and collectively, the "Parties",

WITNESSETH:

WHEARAS, AGC and COMPANY entered into an "Agreement" dated November 15, 2017, which was amended by "Amendment to Agreement" dated July 2, 2018 (hereinafter referred to collectively as the "Former Agreement"), for the purpose of AGC and COMPANY to evaluate, measure, and engage in discussions concerning optical properties and durability of COMPANY's electrokinetic film samples for laminated glass for automotive and train,

WHEREAS, AGC and COMPANY wish to terminate the Former Agreement and further evaluate, measure, and engage in discussions with the other concerning improvements in appearance, optical properties, and durability of COMPANY's electrokinetic film samples (hereinafter referred to as the "Samples") for the Field (hereinafter referred to as the "Purpose of this Agreement"),

WHEREAS, in connection with the Purpose of this Agreement, AGC and COMPANY envisage that certain disclosures of their confidential information relating to their respective technologies and businesses will become necessary, and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, AGC and COMPANY hereby covenant and agree as follows:

DEFINITIONS

A "Disclosing Party" is the Party whose Confidential Information is subject to the confidentiality obligations of this Agreement.

A "Receiving Party" is the Party undertaking the obligations to preserve the confidentiality of the Disclosing Party's Confidential Information under this Agreement.

"Background IP" means all of the Intellectual Property, including all information, know-how, and knowledge (whether patented or not) owned, possessed, or controlled by a Party at the Effective Date, and that a Party may obtain or develop independently of the activities under this Agreement and the Former Agreement.

"Field" shall mean laminated glass for automotive and train, including without limitation, side and overhead windows, sunroofs, moonroofs, windshields, rear windows, and mirrors of any kind, whether associated with automobiles or trains.

"Intellectual Property" or "IP" means intellectual property rights or similar proprietary ownership rights or interests in any jurisdiction including, but not limited to: trademarks, patents, ideas, inventions, invention disclosures or reports, discoveries or

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improvements (whether patented or patentable or not), trade secrets or know-how, copyrights, and any goodwill associated with the foregoing.

"Invention" means any development, idea, invention, article, method, manufacturing processes process, technique, discovery or improvement (whether patentable or not) that is conceived or reduced to practice in the course of activities under this Agreement and the Former Agreement.

TERMS

1. Notwithstanding Section 19 of the Former Agreement, the Parties agree to terminate the Former Agreement as of the Effective Date. The confidentiality obligations of the Parties under the Former Agreement are subsumed herein pursuant to Sections 12 through 17.
2. AGC shall pay to COMPANY one hundred thousand US dollars (USD 100,000) within sixty (60) days from the Effective Date. The payment will be made by wire transfer.
3. COMPANY shall provide five (5) pieces of Samples to AGC by May 15, 2019, the specifications of the Samples are defined in Attachment A and their active areas shall be at least four (4) inches by four (4) inches (such Samples referred to herein as the "Phase I Samples").
4. AGC shall evaluate the appearance of and measure optical properties of the Phase I Samples within sixty (60) days from the date AGC receives Phase I Samples provided by COMPANY (completion date of such evaluation herein referred to as the "Phase I Completion Date").
5. AGC shall have fifteen (15) days from the Phase I Completion Date to determine whether or not to proceed with measuring the durability of Samples. If AGC agrees to measure the durability of Samples, COMPANY shall provide fifteen (15) pieces of Samples (herein referred to as the "Phase II Samples") to AGC within six (6) months from the date AGC agrees to measure the durability of Samples (such date herein referred to as the "Effective Date of Phase II"). Active areas of Phase II Samples shall be at least four (4) inches by four (4) inches and the specifications of the Phase II Samples shall be discussed and mutually agreed by AGC and COMPANY.
6. AGC shall pay to COMPANY one hundred fifty thousand US dollars (USD 150,000) within sixty (60) days from the Effective Date of Phase II. The payment will be made by wire transfer.
7. AGC shall measure the durability of the Phase II Samples within six (6) months from the date AGC receives the Phase II Samples provided by COMPANY (completion date of such measurement herein referred to as "Phase II Completion Date").
8. AGC shall provide results of the Purpose of this Agreement to COMPANY within ten (10) days of the completion of each of the respective measurements and tests of Phase II Samples and Phase II Samples. Furthermore, AGC shall determine whether or not to proceed to the next step within thirty (30) days from the Phase II Completion Date.
9. During the Term (hereinafter defined), COMPANY shall update AGC monthly on COMPANY's status with respect to the Purpose of this Agreement by providing reports to and/or teleconferences with AGC.

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10. During the Term, COMPANY shall accept AGC's reasonable visits to COMPANY's facilities at mutually agreeable dates and times.
11. During the Term, COMPANY shall allow Samples to be used and investigated by AGC, but solely within the Field, shall not provide Samples to other glass manufacturing companies for use or investigation within the Field, and COMPANY agrees that it will provide notice to AGC regarding the delivery or intended delivery of samples to other glass manufacturers for inspection outside the Field of use so long as the notification to AGC does not violate an agreement or understanding between COMPANY and that third party glass manufacturer.

CONFIDENTIAL INFORMATION

12. Confidential Information shall mean the fact the Parties hereto are working together towards the Purpose of this Agreement, the nature and existence of this Agreement, the "Confidential Information" under the Former Agreement, and any information which is related to the Purpose of this Agreement and:
 - (a) is disclosed by the Disclosing Party to the Receiving Party in writing (including receipt confirmed facsimiles, e-mails, and electronic files and memory-disks) marked "Confidential", "Proprietary", or with similar notation, or
 - (b) is initially disclosed by the Disclosing Party to the Receiving Party orally, visually, or in other intangible form, being identified as confidential at the time of disclosure, and which is followed by a written summary thereof marked "Confidential", "Proprietary", or with similar notation that is provided to the Receiving Party within thirty (30) days from the date of the initial disclosure.For the avoidance of doubt, Confidential Information includes the Samples and further includes the Receiving Party's notes, summaries, etc., to the extent they contain the Disclosing Party's Confidential Information.
13. Notwithstanding Section 12, Confidential Information shall not include any information which the Receiving Party can establish:
 - (a) is generally available to the public as of the Effective Date of this Agreement or becomes generally available to the public through no fault of the Receiving Party or misappropriation of the Disclosing Party's Confidential Information,
 - (b) is in the possession of the Receiving Party prior to the time of receipt under this Agreement without any obligation of confidentiality,
 - (a) is rightfully received by the Receiving Party from a third party not in breach of its confidentiality obligations, or
 - (b) is developed by the Receiving Party without use or reference to and independently of the Confidential Information.
14. The Receiving Party:
 - (a) shall hold Confidential Information in confidence, and not, directly or indirectly, disclose, divulge, or leak Confidential Information to anyone except in accordance with (b) and (c) below,
 - (b) may disclose Confidential Information to its employees, directors, or officers that are directly engaged in and essential for the Purpose of this Agreement, provided, however, that the Receiving Party shall be responsible for their compliance with the Receiving Party's obligations set forth in this Agreement,
 - (c) may disclose Confidential Information if and only to the extent that such Confidential Information is required to be disclosed by law or by legal order of the diet, government, or court, provided that the Receiving Party shall advise

the Disclosing Party as far in advance of such a disclosure as practicable and, if not practicable, immediately notify the Disclosing Party of said disclosure and exert all reasonable efforts to obtain a protective order as if it were its own confidential information, and

- (d) shall not make copies of Confidential Information except to the extent essential for the Purpose of this Agreement, and when it makes copies in accordance with the foregoing, reproduce the markings identifying the confidentiality of the original onto the copy.

- 15. AGC shall not sell, give, lend, or lease the Samples to any third party. Furthermore, AGC shall allow the Samples to be used only by AGC's employees, directors, or officers that are directly engaged in and essential for the Purpose of this Agreement and shall be responsible for their compliance with the Receiving Party's obligations set forth in this Agreement.

Notwithstanding anything to the contrary, AGC may disclose and pass over Confidential Information and Samples to its Subsidiaries (hereinafter defined), provided AGC binds the Subsidiaries to obligations of confidentiality at least as restrictive as those set forth in this Agreement. AGC warrants compliance of its Subsidiaries with obligations of confidentiality at least as restrictive as those set forth in this Agreement. "Subsidiary" means an individual, trust, business trust, joint venture, partnership, corporation, association or any other entity which owns, is owned by or is under common ownership with a party. For the purposes of this definition, the term "owns" (including, with correlative meanings, the terms "owned by" and "under common ownership with") as used with respect to any party, shall mean the possession (directly or indirectly) of more than 50% of the outstanding voting securities of a corporation or comparable equity interest in any other type of entity.

- 16. Upon the request of the Disclosing Party, the Receiving Party shall return to the Disclosing Party, all originals and all copies of Confidential Information in tangible form and shall warrant the destruction of any and all copies of Confidential Information in intangible form.

- 17. All Confidential Information supplied hereunder, and all intellectual property rights therein, shall remain the sole property of the Disclosing Party. Nothing herein shall be construed as: (i) granting a right or license, express or implied, to the Receiving Party under the Disclosing Party's intellectual property rights, (ii) granting or implying any indemnification, for damages of any kind, sustained by the Receiving Party or any third party; (iii) granting a warranty of any kind to the Receiving Party; (iv) a commitment by a party to enter into any other agreement with the other party; or (v) creating an obligation to disclose confidential information. EACH DISCLOSING PARTY HEREBY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF THIRD-PARTY RIGHTS WITH RESPECT TO CONFIDENTIAL INFORMATION OR SAMPLES.

INVENTIONS

- 18. Subject to COMPANY'S obligations in Section 11, each Party shall own its respective Background IP and is free to use and exploit it in any field for any purpose.

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19. All right, title, and interest in and to development, idea, invention, article, method, manufacturing processes process, technique, discovery or improvement (whether patentable or not) made solely by a Party without use or reference to the other Party's Confidential Information shall be owned exclusively (with respect to the other Party) by the Party.
20. The Receiving Party shall notify the Disclosing Party in writing in the event of any Invention made or conceived through the use of or with reference to the Disclosing Party's Confidential Information, and such Invention and the Intellectual Property (including the right to apply for patents thereon) shall be owned as follows:
- (a) Invention and Intellectual Property solely related to electrokinetic films and/or methods for producing such electrokinetic films, whether within the Field or otherwise, shall be owned by the COMPANY
 - (b) Invention and Intellectual Property solely related to the laminated glass for automotive and train with the electrokinetic film and method for producing such laminated glass shall be owned by COMPANY.
 - (c) Invention and Intellectual Property that fall outside the scope described (a) and (b) above shall be separately discussed and ownership determined between the Parties.
21. The exchange or delivery of any Confidential Information between the Parties under this Agreement does not grant or convey any rights or licenses therein or in any Inventions or IP except as necessary to fulfill the Purpose of this Agreement. Any desired commercialization of any Invention, IP, or Confidential Information of a Party by the other Party shall be the subject of a separately negotiated agreement, which shall provide the terms and conditions, including any royalty payments, of such commercialization.

MISCELLANEOUS

22. This Agreement shall become the Effective Date and, unless i) COMPANY, in its sole discretion, elects to earlier terminate this Agreement in the event AGC fails to a) provide notice of its decision to proceed with measuring the durability of Samples under Section 7 within fifteen (15) days from the Phase I Completion Date; or b) provide notice of its decision to proceed to the next steps within thirty (30) days from the Phase II Completion Date, or ii) both parties mutually agree in writing to terminate this Agreement, shall remain in full force and effect for two (2) years from the Effective Date. Any notice to be given under Sections 22 and 23 of this Agreement must be in writing and delivered to the other Party at the address set forth in the preamble of this Agreement, or subsequently updated address, by hand or overnight courier. Nothing in this Agreement shall be deemed to create, imply, or evidence a partnership or joint venture between the Parties or any relationship of principal and agent of or for the other. Neither Party has the authority to make any representation or commitment, or to incur any liability, on behalf of the other Party.
23. Either Party may terminate this Agreement with immediate effect by giving notice to the other Party if: (a) the other Party is in breach of any provision of this Agreement and (if it is capable of remedy) the breach has not been remedied within 30 days after receipt of written notice specifying the breach and requiring its remedy; or (b) the other Party becomes insolvent, or if an order is made or a resolution is passed for its winding up (except voluntarily for the purpose of solvent amalgamation or reconstruction), or if an administrator, administrative receiver or receiver is appointed over the whole or any part of the other Party's assets, or if the other Party makes any arrangement with its creditors.




24. Any expiration or termination of this Agreement shall not release either party hereto from its obligations under Sections 14, 15, 16, 17, and 20 of this Agreement for a period of two (2) years from the date of expiration or termination of this Agreement. The provisions of Sections 18, 21, 25, 26 and 27 and ownership determined under Sections 19 and 20 shall survive any expiration or termination of this Agreement. Any waiver or failure or delay to enforce any right under this Agreement shall not affect a Party's ability to enforce an obligation of the other Party unless expressly stated otherwise in writing.
25. Any assignment of this Agreement by a Receiving Party (whether express, by operation of law or as a result of a change in control) requires the prior written consent of the Disclosing Party.
26. In the event of any dispute relating to, in connection with, or arising out of this Agreement, the Parties shall first attempt to settle any dispute arising out of or in connection with this Agreement by amicable consultation between the Parties, including a management representative of each Party who is empowered to settle the dispute in question. Either Party may notify the other Party about any dispute and its intention to settle it under this Agreement.

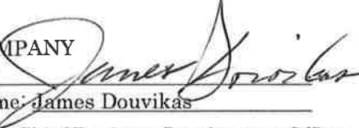
In the event of any dispute which is not settled amicably, shall be settled by arbitration under the Commercial Arbitration Rules of the Singapore International Arbitration Centre by one or three arbitrators appointed in accordance with the said Rules. The place of arbitration shall be Singapore, and the arbitration shall be held in the English language. The results of such arbitration shall be final and binding upon the parties. The Parties hereto agree that any violation or threat of violation of the confidentiality requirements of this Agreement will result in irrevocable harm to the Disclosing Party for which damages would be an inadequate remedy and, therefore, in addition to its rights and remedies otherwise available at law, including but not limited to the recovery of damages for breach of this Agreement, the Disclosing Party shall be entitled to injunctions, to prevent any unauthorized use or disclosure of its Confidential Information, and to such other and further equitable relief as a court may deem proper under the circumstances.

27. This Agreement shall be governed by and construed in accordance with the laws of Singapore without reference to its rules or principles on the conflict of laws that would require the application of laws of any other jurisdiction.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate by their duly authorized representatives as of the date first set forth above.

AGC
By: 
Name: Hiroki Kamaya
Title: GM Planning Division
Technology General Division
Date: 2/3/2019

COMPANY
By: 
Name: James Douvikas
Title: Chief Business Development Officer
Date: 2/1/2019

Attachment A

items	value
color	a*Range: 0 to 3, b* Range: 0 to 8 (D65 Std.)
size	4 inch (active area)
applied Voltage	DC +/- <40v
transmittance (Tv)	≤3% ~60%
switch Speed@-15C	<30 sec <20 sec @-15C @-15C
switch Speed@20C	<3 sec <2 sec
switch Speed@80C	<2 sec <1.5 sec
haze	<15% <5%
cycle Test	>10 ⁶
Defect	The size should be less than 3x3 mm and no defect at the center of 3x3 inches area.
Uniformity	More than 2x2 inches uniform area is needed at the center of 3x3 inches area.

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