

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 24, 2023

Crown Electrokinetics Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of
Incorporation)

001-39924

(Commission File No.)

47-5423944

(IRS Employer
Identification No.)

**1110 NE Circle Blvd.
Corvallis, Oregon 97330**

(Address of principal executive offices and zip code)

(800) 674-3612

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	CRKN	NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

As previously disclosed, on October 19, 2022, Crown Electrokinetics Corp. (the "Company") entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain accredited investors as purchasers (the "Investors"). Pursuant to the Securities Purchase Agreement, the Company sold, and the Investors purchased, approximately \$5.4 million in principal amount of senior secured convertible notes (the "Senior Notes") and warrants (the "Warrants").

On March 24, 2023, the Company and the Investors entered into waiver and amendment agreements (the "Waiver and Amendment") pursuant to which the Investors waived certain provisions of the Purchase Agreement such that the Company is permitted to issue securities in an at-the-market offering at a price per share that is lower than the conversion price of the Senior Notes of \$0.33 and the Company is no longer subject to certain cash requirements set forth in the Senior Notes, and the Investors were offered either (i) the option to both (a) change the purchase price under the Purchase Agreement to \$600 for each \$1,000 of principal amount of Senior Notes and Warrants to be purchased by such Investor, representing an Original Issue Discount of 40% and (b) raise the conversion price of the Senior Notes to \$0.536 or (ii) subject to certain stockholder approval requirements set forth in the Waiver and Amendment, the option to receive a number of shares of common stock reflecting an increase in the principal amount of the Senior Notes equivalent to a 5% increase in the original issue discount of the Senior Notes based on the closing price of the Common Stock on the day prior to the date the Waiver and Amendment is executed.

The foregoing description of the Waiver and Amendment does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to the full text of such Waiver and Amendment, a form of which is attached hereto as Exhibit 10.1.

Item 8.01. Other Information

On March 27, 2023, Crown Fiber Optics Corp., the Company's wholly-owned subsidiary, issued a press release announcing that it entered into an agreement with a new

customer—a leading infrastructure solutions provider. The Company believes that the project has the potential to generate up to \$30 million of revenue for the Company. The text of the press release filed by the Company is attached herewith in its entirety as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Form of Waiver Agreement and Amendment by and between the Company and the Investors.
99.1	Press Release, dated March 27, 2023.
104	Cover Page Interactive Data File (embedded within Inline XBRL document).

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SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN ELECTROKINETICS CORP.

Dated: March 27, 2023

By: /s/ Doug Croxall
Name: Doug Croxall
Title: Chief Executive Officer

WAIVER AGREEMENT AND AMENDMENT

This waiver agreement and amendment (the “**Agreement**”) is entered into as of the ___ day of March, 2023, by and between Crown Electrokinetics Corp., a Delaware corporation (the “**Company**”) and the investor signatory hereto (the “**Investor**”), with reference to the following facts:

A. Prior to the date hereof, pursuant to a Securities Purchase Agreement, dated as of October 19, 2022, by and between the Company and the Investor (the “**Securities Purchase Agreement**”), a senior secured note, dated as of October 19, 2022, by and between the Company and the Investor (the “**Note**”) and a warrant, dated as of October 19, 2022, by and between the Company and the Investor, the Company issued to the Investor (i) senior secured notes and (ii) a warrant to purchase common stock of the Company, par value \$0.0001 (the “**Common Stock**”). Capitalized terms not defined herein shall have the meaning as set forth in the Securities Purchase Agreement or the Note, as applicable.

B. The Company desires to issue shares of Common Stock in an “at-the-market” offering at the market price at the time of such issuance (the “**ATM Offering**”).

C. The Company and the Investor desire to waive Section 4(a)(xvi) of the Note, so that the Company may issue securities in the ATM Offering at a per share price lower than the Conversion Price (the “**ATM Waiver**”).

D. The Company and the Investor desire to waive Section 13(u)(i) of the Note in its entirety (the “**Cash Test Waiver**” and, together with the ATM Waiver, the “**Waiver**”).

E. The Company is offering the Investors the option to either:

- a. both (i) amend the Note such that the Conversion Price would hereafter be \$0.536 and (ii) to amend the Securities Purchase Agreement (together, the “**OID Amendments**”) such that Section 1(c) of the Securities Purchase Agreement would be replaced in its entirety with the following:

“(c) Purchase Price. The aggregate purchase price for the Notes and the Warrants to be purchased by each Buyer (the “**Purchase Price**”) shall be the amount set forth opposite such Buyer’s name in column (5) on the Schedule of Buyers. Each Buyer shall pay approximately \$600 for each \$1,000 of principal amount of Notes and related Warrants to be purchased by such Buyer at the Closing, representing an Original Issue Discount (an “**OID**”) of 40%. Each Buyer and the Company agree that the Notes and the Warrants constitute an “investment unit” for purposes of Section 1273(c)(2) of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Buyers and the Company mutually agree that the allocation of the issue price of such investment unit between the Notes and the Warrants in accordance with Section 1273(c)(2) of the Code and Treasury Regulation Section 1.1273-2(h) shall be an aggregate amount of \$0.125 allocated to the Warrants and the balance of the Purchase Price allocated to the Notes, and neither the Buyers nor the Company shall take any position inconsistent with such allocation in any tax return or in any judicial or administrative proceeding in respect of taxes.”; *or*

- b. amend the Securities Purchase Agreement (the “**Stock Issuance Amendment**”) such that Section 1(c) of the Securities Purchase Agreement would be replaced in its entirety with the following:

“(c) Purchase Price. The aggregate purchase price for the Notes and the Warrants to be purchased by each Buyer (the “**Purchase Price**”) shall be the amount set forth opposite such Buyer’s name in column (5) on the Schedule of Buyers. Each Buyer shall pay approximately \$650 for each \$1,000 of principal amount of Notes and related Warrants to be purchased by such Buyer at the Closing, representing an Original Issue Discount (an “**OID**”) of 35%, and shall receive _____ shares of Common Stock. Each Buyer and the Company agree that the Notes and the Warrants constitute an “investment unit” for purposes of Section 1273(c)(2) of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Buyers and the Company mutually agree that the allocation of the issue price of such investment unit between the Notes and the Warrants in accordance with Section 1273(c)(2) of the Code and Treasury Regulation Section 1.1273-2(h) shall be an aggregate amount of \$0.125 allocated to the Warrants and the balance of the Purchase Price allocated to the Notes, and neither the Buyers nor the Company shall take any position inconsistent with such allocation in any tax return or in any judicial or administrative proceeding in respect of taxes.”

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

1. **Waiver & Amendments.** The Waiver and, if and as applicable, the OID Amendments or (subject to Section 3 below) the Stock Issuance Amendment is/are effective as of the time of execution of this Agreement by both parties hereto.

2. **Ratifications.** Except as otherwise expressly provided herein, the Transaction Documents, are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects.

3. **Effect of this Waiver and Amendment.** This Agreement shall only be deemed to be in full force and effect from and after both the execution of this Agreement by the parties hereto and the execution of an agreement substantially identical to this Agreement by the Company and Investors. From and after the time this Agreement is in full force and effect, the provisions set forth herein shall apply to all Investors as if each such Investor were a party to this Agreement, regardless of whether or not any such party signs this Agreement or a substantially identical agreement. The parties agree that, in the case of the Stock Issuance Amendment, no shares will be issued to the Investor until Stockholder Approval (as defined in the Purchase Agreement) for the Stock Issuance Amendment is obtained; provided, that the Company shall use its reasonable best efforts to obtain Stockholder Approval on or before June 30, 2023.

4. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, written or oral, with respect to such matters, which the parties acknowledge have been merged into the Agreement.

5. **Governing Law.** All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the laws of any jurisdictions other than the State of New York. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

6. **Execution.** This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

IN WITNESS WHEREOF, the Investor and the Company have executed this Agreement as of the date set forth on the first page of this Agreement.

COMPANY:

Crown Electrokinetics Corp.

By: _____

Name: Doug Croxall
Title: Chief Executive Officer

[Signature Page to CRKN Waiver]

The Investor elects (*choose one*):

- not** to amend the Note and the Securities Purchase Agreement in accordance with the terms of the OID Amendments or the Stock Issuance Amendment. (If this box is checked, the terms of the Note and the Securities Purchase Agreement will remain unchanged except as has been otherwise previously agreed to, and only the Waiver shall be effected.)
- to amend the Note and the Securities Purchase Agreement in accordance with the terms of the OID Amendments. (If this box is checked, the OID Amendments and the Waiver shall be effected.)
- to amend the Note and the Securities Purchase Agreement in accordance with the terms of the Stock Issuance Amendment. (If this box is checked, the Stock Issuance Amendment and the Waiver shall be effected.)

INVESTOR:

[]

By: _____

Name:
Title:

[Signature Page to CRKN Waiver & Amendment]

Crown's Fiber Optics Division Adds Third Customer Expanding US Presence

Total Project Value Estimated at up to \$30 Million with Leading Infrastructure Solutions Provider Expanding Crown's Customer Base and Geographic Coverage to the Southwest Complementing Multi-State Operations Already in the Great Lakes and Northwest.

Los Angeles, California, March 27, 2023 (GLOBE NEWSWIRE) -- **Crown Electrokinetics Corp.** (NASDAQ: CRKN) ("Crown" or the "Company"), a leading smart glass technology company and an expert in both designing and installing distributed antenna systems (DAS) and constructing fiber optic networks, today announced that it has entered into an agreement with a leading infrastructure solutions provider.

Crown Fiber Optics' new customer is a leading provider of engineering, construction, program and project management to the telecommunications and utility industries.

Doug Croxall, Crown CEO and Chairman stated, "We are excited to announce the acquisition of our third customer, the second in as many months. We estimate that this multi-phased project may generate up to \$30 million of revenue for Crown. We are continuing to expand not only within our existing customers' footprint, but also by adding more customers in the near future."

About Crown Electrokinetics

Crown is a smart glass technology company and the creator of our Smart Window Insert and an expert in both designing and installing distributed antenna systems (DAS) and constructing fiber optic networks.

Safe Harbor Statement:

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

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

Crown Electrokinetics

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Source: Crown Electrokinetics: www.crownek.com