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

**FORM 10-Q**

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission file number: 333-232426

**Crown Electrokinetics Corp.**
(Exact name of registrant as specified in its charter)

| Delaware | 47-5423944 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

1110 NE Circle Blvd, Corvallis, Oregon 97330
(Address of principal executive offices) (Zip Code)

(458) 212-2500
(Registrant's telephone number, including area code)

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, Par Value $0.0001 per share | CRKN | The Nasdaq Capital Market |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-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 13(a) of the Exchange Act. ☐

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No ☒

The number of shares of common stock, $0.0001 par value per share, outstanding as of May 12, 2025 was1,738,224.

**CROWN ELECTROKINETICS CORP.**

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report on Form 10-Q contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may be identified by such forward-looking terminology as "may," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. Our forward-looking statements are based on a series of expectations, assumptions, estimates and projections about our company, are not guarantees of future results or performance and involve substantial risks and uncertainty. We may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements. Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties.

All of our forward-looking statements are as of the date of this Quarterly Report on Form 10-Q only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this Quarterly Report on Form 10-Q or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC") could materially and adversely affect our business, prospects, financial condition and results of operations. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this Quarterly Report on Form 10-Q, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. Any public statements or disclosures by us following this Quarterly Report on Form 10-Q that modify or impact any of the forward-looking statements contained in this Quarterly Report on Form 10-Q will be deemed to modify or supersede such statements in this Quarterly Report on Form 10-Q.

## PART I - FINANCIAL INFORMATION

**Item 1. - Financial Statements.**

**CROWN ELECTROKINETICS CORP.**
**Condensed Consolidated Balance Sheets**
**(unaudited in thousands, except share and per share amounts)**

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash | $ 22,450 | $ 13,699 |
| Accounts and retention receivables, net of allowance for expected credit losses of $299 and $4, respectively | 4,940 | 5,356 |
| Contract assets | 2,700 | 2,058 |
| Prepaid and other current assets | 1,161 | 2,409 |
| Note receivable | 62 | 64 |
| Total current assets | 31,313 | 23,586 |
| Property and equipment, net | 9,277 | 8,336 |
| Intangible assets, net | 1,105 | 1,160 |
| Right-of-use assets | 1,665 | 1,775 |
| Other assets | 126 | 126 |
| **TOTAL ASSETS** | $ 43,486 | $ 34,983 |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| | | |
| Current liabilities: | | |
| Accounts payable | $ 2,202 | $ 2,675 |
| Accounts payable - related party | 1,339 | 2,762 |
| Accrued expenses and other current liabilities | 1,693 | 4,776 |
| Lease liabilities - current | 638 | 618 |
| Notes payable - current | 253 | 245 |
| Total current liabilities | 6,125 | 11,076 |
| Notes payable - non-current | 617 | 679 |
| Lease liabilities - non-current | 868 | 984 |
| Total liabilities | 7,610 | 12,739 |
| | | |
| **Commitments and contingencies (Note 10)** | | |
| | | |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock, par value $0.0001; 50,000,000 shares authorized | - | - |
| Series A preferred stock, par value $0.0001; 300 shares authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively; liquidation preference zero as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Series B preferred stock, par value $0.0001; 1,500 shares authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively; liquidation preference zero as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Series C preferred stock, par value $0.0001; 600,000 shares authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively; liquidation preference zero as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Series D preferred stock, par value $0.0001; 7,000 shares authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively; liquidation preference zero as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Series E preferred stock, par value $0.0001; 77,000 shares authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively; liquidation preference zero as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Series F preferred stock, par value $0.0001; 9,073 shares authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively; liquidation preference zero as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Series F-1 preferred stock, par value $0.0001; 9,052 shares authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively; liquidation preference zero as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Series F-2 preferred stock, par value $0.0001; 9,052 shares authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively; liquidation preference zero as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Common stock, par value $0.0001; 800,000,000 shares authorized; 1,738,224[1] and 790,774[1] shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively | - | - |
| Additional paid-in capital | 188,501 | 165,185 |
| Accumulated deficit | (152,625) | (142,941) |
| Total stockholders' equity | 35,876 | 22,244 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | $ 43,486 | $ 34,983 |

[1] *Amounts as of December 31, 2024 have been retroactively adjusted to reflect the 1-for-150 reverse stock split effected on January 30, 2025. See Note 1 for details.*

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

**CROWN ELECTROKINETICS CORP.**
**Condensed Consolidated Statements of Operations and Comprehensive Loss**
**(unaudited in thousands, except share and per share amounts)**

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| | | |
| Revenue | $ 2,772 | $ 682 |
| Cost of revenue | 2,792 | 1,705 |
| Cost of revenue - related party | 997 | - |
| **Gross margin** | (1,017) | (1,023) |
| | | |
| **Operating expenses:** | | |
| Research and development | 1,219 | 898 |
| Selling, general and administrative | 7,664 | 1,784 |
| **Total operating expenses** | 8,883 | 2,682 |
| | | |
| **Loss from operations** | (9,900) | (3,705) |
| | | |
| **Non-operating income (expense), net:** | | |
| Interest income (expense), net | 198 | (860) |
| Change in fair value of warrants | - | (23) |
| Other income (expense), net | 18 | (24) |
| **Total non-operating income (expense), net** | 216 | (907) |
| **Net loss and comprehensive loss** | (9,684) | (4,612) |
| Cumulative dividends on Series A preferred stock | - | (5) |
| Cumulative dividends on Series B preferred stock | - | (29) |
| Cumulative dividends on Series C preferred stock | - | (10) |
| Cumulative dividends on Series F preferred stock | - | (178) |
| Cumulative dividends on Series F-1 preferred stock | - | (26) |
| Cumulative dividends on Series F-2 preferred stock | - | (35) |
| **Net loss attributable to common stockholders** | $ (9,684) | $ (4,895) |
| **Net loss per share attributable to common stockholders**[1] | $ (5.79) | $ (2,881.11) |
| | | |
| **Weighted average shares outstanding, basic and diluted**[1]**:** | 1,672,581 | 1,699 |

[1] *Amounts prior to December 31, 2024 have been retroactively adjusted to reflect the 1-for-150 reverse stock splits effected on June 25, 2024 and January 30, 2025. See Note 1 for details.*

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

## CROWN ELECTROKINETICS CORP.
## Condensed Consolidated Statements of Stockholders' Equity
## (unaudited in thousands, except share amounts)

| | Series A Preferred Stock | | Series B Preferred Stock | | Series C Preferred Stock | | Series D Preferred Stock | | Series E Preferred Stock | | Series F Preferred Stock | | Series F-1 Preferred Stock | | Series F-2 Preferred Stock | | Common Stock | | Additional Paid-in Capital[1] | Accumulated Deficit | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number[1] | Amount[1] | | | |
| **Balance as of December 31, 2024** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **790,774** | **$ —** | **$ 165,185** | **$ (142,941)** | **$ 22,244** |
| Issuance of common stock/at-the-market offering, net of issuance costs | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 947,128 | — | 21,202 | — | 21,202 |
| Vesting of restricted stock units | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 275 | — | — | — | — |
| Reverse stock split rounding | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 47 | — | — | — | — |
| Issuance of warrants in exchange for services | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 1,627 | — | 1,627 |
| Stock-based compensation | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 487 | — | 487 |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (9,684) | (9,684) |
| **Balance as of March 31, 2025** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **—** | **$ —** | **1,738,224** | **$ —** | **$ 188,501** | **$ (152,625)** | **$ 35,876** |

[1] *Amounts prior to December 31, 2024 have been retroactively adjusted to reflect the 1-for-150 reverse stock splits effected on June 25, 2024 and January 30, 2025. See Note 1 for details.*

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

**CROWN ELECTROKINETICS CORP.**
**Condensed Consolidated Statements of Stockholders' Equity (Continued)**
**(unaudited in thousands, except share amounts)**

| | Series A Preferred Stock | | Series B Preferred Stock | | Series C Preferred Stock | | Series D Preferred Stock | | Series E Preferred Stock | | Series F Preferred Stock | | Series F-1 Preferred Stock | | Series F-2 Preferred Stock | | Common Stock | | Additional Paid-in Capital[1] | Accumulated Deficit | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number | Amount | Number[1] | Amount[1] | | | |
| **Balance as of December 31, 2023** | **251** | **$ —** | **1,443** | **$ —** | **500,756** | **$ —** | **—** | **$ —** | **—** | **$ —** | **4,448** | **$ —** | **653** | **$ —** | **1,153** | **$ —** | **1,145** | **$ —** | **$ 121,672** | **$ (116,995)** | **$ 4,677** |
| Issuance of common stock in connection with equity line of credit, net of issuance costs | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 940 | — | 1,391 | — | 1,391 |
| Issuance of common stock/At-the-market offering, net of issuance costs | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 215 | — | 588 | — | 588 |
| Stock-based compensation | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 274 | — | 274 |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (4,612) | (4,612) |
| **Balance as of March 31, 2024** | **251** | **$ —** | **1,443** | **$ —** | **500,756** | **$ —** | **—** | **$ —** | **—** | **$ —** | **4,448** | **$ —** | **653** | **$ —** | **1,153** | **$ —** | **2,300** | **$ —** | **$ 123,925** | **$ (121,607)** | **$ 2,318** |

[1] *Amounts prior to December 31, 2024 have been retroactively adjusted to reflect the 1-for-150 reverse stock splits effected on June 25, 2024 and January 30, 2025. See Note 1 for details.*

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

**CROWN ELECTROKINETICS CORP.**
**Condensed Consolidated Statements of Cash Flows**
**(unaudited in thousands)**

| | Three Months Ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net loss | $ (9,684) | $ (4,612) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation related to issuance of warrants in exchange for services | 1,627 | — |
| Provision for credit loss expense | 295 | — |
| Stock-based compensation and employee inducement award | 487 | 274 |
| Depreciation and amortization | 473 | 212 |
| Change in fair value of warrant liability | — | 23 |
| Amortization of deferred issuance costs | — | 944 |
| Amortization of right-of-use assets | 194 | 168 |
| Changes in operating assets and liabilities: | | |
| Prepaid and other assets | 94 | (111) |
| Accounts and retention receivables | 121 | (1,269) |
| Contract assets | (642) | — |
| Contract liabilities | — | 1,260 |
| Accounts payable | (423) | 797 |
| Accounts payable - related party | (1,423) | — |
| Accrued expenses and other current liabilities | (1,953) | (192) |
| Lease liabilities | (180) | (171) |
| Net cash used in operating activities | (11,014) | (2,677) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchases of property and equipment | (1,659) | (63) |
| Repayments of note receivable | 2 | — |
| Net cash used in investing activities | (1,657) | (63) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from the issuance of common stock / at-the-market offering, net of issuance costs | 21,476 | 588 |
| Repayments of notes payable | (54) | (8) |
| Proceeds from the issuance of common stock in connection with equity line-of-credit, net of issuance costs | — | 1,391 |
| Net cash provided by financing activities | 21,422 | 1,971 |
| | | |
| Net increase (decrease) in cash | 8,751 | (769) |
| Cash — beginning of the period | 13,699 | 1,059 |
| Cash — end of the period | $ 22,450 | $ 290 |
| **SUPPLEMENTAL CASH FLOW INFORMATION** | | |
| Cash paid for interest | $ 23 | $ — |
| **SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:** | | |
| Right-of-use assets in exchange of operating lease liabilities | $ 84 | $ — |
| Acquisitions of property and equipment included in liabilities | $ 21 | $ — |
| At-the-market advanced proceeds settled on January 2, 2025 | $ 1,130 | $ — |
| Prepaid property and equipment received | $ 750 | $ — |

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

## Notes to the Condensed Consolidated Financial Statements
## (Unaudited)

### Note 1 – Nature of Business and Liquidity

***Organization***

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.

The Company's "Smart Windows" division commercializes technology for smart or dynamic glass. The Company’s electrokinetic glass technology is an advancement on microfluidic technology that was originally developed by HP Inc.

On December 20, 2022, the Company incorporated Crown Fiber Optics Corp., a Delaware-based corporation, to own and operate its acquired business from the acquisition of Amerigen 7, LLC (“Amerigen 7”) in January 2023. Crown Fiber Optics Corp. is accounted for as a wholly-owned subsidiary of the Company. The Crown Fiber Optics Corp. entity includes both the “Fiber Optics” division, which provides contracting services to the fiber optics and telecommunications infrastructure industry, and the “Slant Wells” group, which focuses on the construction of slant wells for the provision of ocean water to desalination plants.

On July 26, 2024, the Company incorporated Element 82 Inc. ("Element 82"), a Delaware-based corporation, to enhance its portfolio with expertise in lead remediation.

On July 26, 2024, the Company incorporated PE Pipelines Inc., a Delaware-based corporation, to expand its portfolio in lead service line replacement and related water infrastructure projects.

On July 26, 2024, the Company incorporated Paramount Network Construction Inc. ("Paramount"), a Delaware-based corporation, to expand its portfolio in network construction and related infrastructure projects. This strategic incorporation strengthens the Company's capabilities and expertise within the critical telecommunications and public utility sectors.

On November 21, 2024, the Company incorporated Crown Construction Holdings Corp., a Delaware-based corporation, to expand its Crown Construction umbrella initiatives.

***January 2025 and June 2024 Reverse Stock Split***

On June 14, 2024, the Company’s board of directors authorized a reverse stock split (the “June 2024 Reverse Stock Split”) at an exchange ratio of one-for-150 basis. The June 2024 Reverse Stock Split was effective on June 25, 2024, such that every 150 shares of common stock were automatically converted into one share of common stock.

On January 28, 2025, the Company’s board of directors authorized a reverse stock split (the “January 2025 Reverse Stock Split”) at an exchange ratio of one-for-150 basis. The January 2025 Reverse Stock Split was effective on January 30, 2025, such that every 150 shares of common stock were automatically converted into one share of common stock.

The Company did not issue fractional certificates for post-reverse split common stock shares in connection with the January 2025 Reverse Stock Split and the June 2024 Reverse Stock Split. Rather, all shares of common stock that were held by a common stockholder were aggregated and each common stockholder was entitled to receive the number of whole common stock shares resulting from the combination of the aggregated common stock shares. Any fractions resulting from the reverse split computation were rounded up to the next whole common stock share amount.

The number of authorized shares and the par value of the common stock were not adjusted. In connection with the January 2025 Reverse Stock Split and the June 2024 Reverse Stock Split, the conversion ratio for the Company’s outstanding convertible preferred stock was proportionately adjusted such that the common stock issuable upon conversion of such preferred stock was decreased in proportion. Proportionate adjustments were made to the per share exercise price and the number of shares issuable upon the exercise or vesting of all stock options, restricted stock units and warrants outstanding, which resulted in a proportional decrease in the number of shares of the Company’s common stock reserved for issuance upon exercise or vesting of such stock options, restricted stock units and warrants, and, in the case of stock options and warrants, a proportional increase in the exercise price of all such stock options and warrants.

All references to common stock, restricted stock units, warrants and options to purchase common stock share data, per share data and related information contained in the condensed consolidated financial statements and the accompanying notes have been retroactively adjusted to reflect the effect of the January 2025 Reverse Stock Split and the June 2024 Reverse Stock Split.

***Nasdaq Delisting Determination***

On March 3, 2025, the Company received a delisting determination of the Nasdaq Stock Market LLC ("Nasdaq"). Nasdaq will complete the delisting by filing a Notification of Removal from Listing and/or Registration on Form 25 with the SEC after applicable appeal periods have lapsed. The Company has submitted a request for reconsideration to the Nasdaq Hearings Panel and has otherwise appealed the determination to the Nasdaq Listing and Hearing Review Council as necessary. Trading of the Company’s common stock was suspended on Nasdaq effective with the open of the market on March 5, 2025. The Company’s common stock is eligible and has been traded on the over-the-counter ("OTC") market starting March 5, 2025 under the Company’s existing symbol "CRKN".

***Liquidity and Going Concern***

The Company has incurred substantial operating losses and negative cash flows from operations since its inception. As reflected in the condensed consolidated financial statements, the Company had cash of approximately $22.5 million and an accumulated deficit of approximately $152.6 million as of March 31, 2025. For the three months ended March 31, 2025, the Company had a net loss of approximately $9.7 million, and approximately $11.0 million of net cash used in operating activities.

The Company previously concluded in its annual report on Form 10-K for the year ended December 31, 2024, that based on the Company’s cash balance, $1.5 million in at-the-market net proceeds in January 2025, and the anticipated quarterly profit, measured in net income, starting in the second half of 2025 from revenue generated by Fiber Optics division, and its planned spending, substantial doubt about the Company’s ability to continue as a going concern did not exist.

As part of the quarterly reporting process, the Company has reassessed its future revenue growth in 2025 in response to the actual operating results for the three months ended March 31, 2025 and the current market conditions, including uncertainties arising from the new administration's policies and recent cost-cutting measures. While the Company anticipates growth in 2025 and 2026, the early-stage nature of a substantial portion of its operations introduces uncertainty regarding the timing and scale of this growth. As such, there can be no assurance that projected growth targets will be achieved as planned or at anticipated volumes.

The Company has previously obtained additional capital through the sale of debt or equity instruments to fund operations. The Company’s common stock was suspended on Nasdaq, subject to delisting, on March 5, 2025, which has negatively impacted the Company's ability to raise capital. Following the Nasdaq suspension and potential delisting of the Company's common stock, the Company is no longer able to raise capital under its existing at-the-market offering program or equity line-of-credit. 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. 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 secure the necessary financing, it may be forced to scale back or discontinue operations.

Given the uncertainties surrounding the operational growth and capital acquisition, management believes there is substantial doubt regarding the Company’s ability to continue as a going concern for the twelve months following the issuance of these condensed consolidated financial statements.

The accompanying condensed consolidated 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 condensed consolidated 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.

**Note 2 – Basis of Presentation and Significant Accounting Policies**

***Basis of Presentation***

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions among consolidated entities were eliminated upon consolidation. The unaudited condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial reporting. As permitted under those rules, certain footnotes or other financial information can be condensed or omitted. These condensed consolidated financial statements and related disclosures have been prepared with the assumption that users of the interim financial information have read or have access to the audited consolidated financial statements for the preceding fiscal year. Accordingly, these statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 31, 2025 ("2024 Form 10-K").

These condensed consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal and recurring adjustments that are necessary for a fair statement of the Company's consolidated financial information. The interim results of operations are not necessarily indicative of the results that may be expected for the full year, or for any other future annual or interim period.

***Use of Estimates***

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Accounting estimates and assumptions are inherently uncertain. Management bases its estimates and assumptions on current facts, historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ materially and adversely from these estimates. Significant estimates and assumptions made in the accompanying condensed consolidated financial statements include, but are not limited to, cost-to-cost (input) revenue recognition method, fair value of warrant issuances, allowance for expected credit losses, useful lives and recoverability of long-lived assets, valuation of deferred tax assets, accrued insurance, stock-based compensation and operating lease right-of-use assets and liabilities.

**Reclassifications**

Certain reclassifications have been made to the condensed consolidated statement of cash flows for the three months ended March 31, 2024 for consistency with the presentation of the condensed consolidated statement of cash flows for the three months ended March 31, 2025. Certain amounts in the condensed consolidated statement of operations and comprehensive loss for the three months ended March 31, 2024 have been reclassified to conform to current period presentation. There was no effect on the Company's financial position, net loss or stockholders' equity as of and for the periods ended March 31, 2025 and 2024.

***Risks and Uncertainties***

The Company is currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine, as well as Israel and Hamas. The Company's financial condition and results of operations may be materially adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine or any other geopolitical tensions.

Market uncertainty stemming from the new administration's policies and Department of Government Efficiency ("DOGE") cost cutting efforts may further impact customers' ability to commit to future projects. This is particularly relevant to our Water Service Lines business whose customers are heavily reliant on Environmental Protection Agency ("EPA") funding under the Lead and Copper Rule. The Company is monitoring and adjusting expectations accordingly, but the market uncertainty will remain likely until the new administration's policies are clarified.

International trade policies, including tariffs, sanctions, and trade barriers, may negatively impact the Company's business, financial condition, results of operations, and growth prospects. The Company's operations rely on a global network of third-party suppliers for critical equipment and materials, including excavating machinery and tools essential for constructing fiber optic lines and digging slant wells. Tariffs or other trade restrictions could increase costs for equipment, raw materials, and components sourced, adding complexity to the supply chain, causing potential disruptions, or delaying procurement timelines for items critical to construction projects. While the Company actively monitors these risks, the ultimate effects of current or future trade restrictions remain uncertain.

The condensed consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

***Summary of Significant Accounting Policies***

Reference is made to Note 2 *Basis of Presentation and Significant Accounting Policies* in the 2024 Form 10-K for a detailed description of significant accounting policies. There have been no significant changes to the Company's accounting policies as disclosed in the 2024 Form 10-K.

***Concentrations of Risk and Significant Customers and Vendors***

The Company maintains its cash accounts with financial institutions, ensuring all deposits remain fully protected by utilizing insured cash sweep accounts. As a result, no cash balances exceed the Federal Deposit Insurance Corporation limits, providing complete coverage and safeguarding the Company's funds through March 31, 2025.

The Company's customers are generally large public or private companies with good credit and payment practices and a positive reputation in the industry at the time that the contracts are entered into. Furthermore, because it has the ability to stop transferring promised goods and services if payment is not received, the Company has concluded that collection risk is minimal.

Three customers accounted for 87% of the condensed consolidated accounts and retention receivables as of March 31, 2025. The Company's accounts and retention receivables are related to the Fiber Optics, Slant Wells, and Element 82 operating segments with the following concentration: Customer B at 36%, Customer A at 28%, and Customer E at 23%. Three customers accounted for 83% of the consolidated accounts and retention receivables as of December 31, 2024.

The Company's revenue is generated from its Fiber Optics, Slant Wells, and Element 82 operating segments. Two customers of Fiber Optics and Slant Wells accounted for approximately 91% of the condensed consolidated revenue for the three months ended March 31, 2025, with the following breakdown: Customer E at 46% and Customer B at 45%. Three customers of Fiber Optics accounted for approximately 93% of the condensed consolidated revenue for the three months ended March 31, 2024.

The Company's vendor purchases primarily included costs associated with professional fees, subcontractor labor, equipment purchases and leases, and purchases of other supplies and materials. Any disruptions in the Company's vendor relationships could have a material adverse effect on the Company's business, results of operations and financial condition. One vendor of Fiber Optics, Horizon HDD, LLC ("Horizon HDD"), a related party, accounted for approximately 38% of the condensed consolidated accounts payable and accounts payable - related party balances as of March 31, 2025. Two vendors of Fiber Optics accounted for approximately 66% of the consolidated accounts payable and accounts payable - related party balances as of December 31, 2024.

For three months ended March 31, 2025, the costs incurred with Horizon HDD accounted for 26% of total cost of revenue. There were no significant concentrations in costs incurred with any vendor for the three months ended March 31, 2024.

***Allowance for Expected Credit Losses***

The allowance for expected credit losses is based on the Company's assessment of the collectibility of its customer accounts and retention receivables, contract assets and note receivables, all of which fall within the scope of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 326, *Financial Instruments - Credit Losses*. In estimating the allowance for expected credit losses, the Company considers factors such as historical experience, industry data, credit quality, age of balances, and current economic conditions that may affect a customer's ability to pay. There are a few contracts, where the Company performs as a subcontractor, which contain "pay when paid" provisions that allow the general contractor to hold payment until they have received payment from the owner related to the work performed. Because these provisions do not impose any additional obligations on the Company (i.e., there are no conditions remaining to fulfill to receive payment), the Company considers receivables billed under these provisions to be subject only to the passage of time. The Company performs a risk assessment on any trade receivables with customers where the Company operated as a subcontractor and agreed to a "pay when paid" clause. The assessment primarily relates to the anticipated timing of payment and whether there are any collection risks. The Company records an allowance for expected credit losses, when appropriate, using these factors along with reasonable supportable forecasts. The Company regularly assesses the state of its billings in order to identify issues, which may impact the collectibility of these receivables or reserve estimates. Uncollectible amounts are written off when all efforts to collect have been exhausted and recoveries are recognized when they are recovered. Actual write-offs may be in excess of the Company's estimated allowance. The Company's allowance for expected credit losses was $0.3 million and $4,000 as of March 31, 2025 and December 31, 2024, respectively. The Company recognized $0.3 million in credit loss expense during the three months ended March 31, 2025.

***Impairment of Long-lived Assets***

The Company reviews long-lived assets (including property and equipment, lease related right-of-use assets, and definite-lived intangible assets) for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Recoverability of assets is determined by first grouping the long-lived assets at the lowest level for which there are identifiable cash flows, and then comparing the carrying value of each asset group to its forecasted undiscounted cash flows. If the evaluation of the forecasted cash flows indicates that the carrying value of an asset group is not recoverable, an impairment measurement of the asset group is performed. Impairment is recognized if the carrying amount of the asset group exceeds its fair value. Any impairment loss is allocated to the long-lived assets of the asset group on a pro rata basis using the relative carrying amounts of those assets, except that the carrying amount of an individual long-lived asset cannot be reduced below its fair value. For the three months ended March 31, 2025 and 2024, the Company did not record any significant impairment related to intangible assets.

***Fair Value Measurement***

The Company follows the accounting guidance in ASC 820, *Fair Value Measurement*, 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 did not have significant assets or liabilities measured at fair value on a recurring basis as of March 31, 2025 and December 31, 2024.

***Warrants***

The Company estimates the fair value of certain common stock warrants issued both before and after June 30, 2024, using the Black-Scholes option pricing model. This model requires management to make significant estimates and assumptions, including the expected volatility of the Company's stock price, the expected term of the warrants, the risk-free interest rate, and expected dividends.

*Common Stock Warrants Issued Before June 30, 2024:*

These warrants are classified as liabilities as their settlement terms preclude equity classification. The warrants were recorded at fair value upon issuance and are subsequently remeasured at fair value at each balance sheet date, with changes in fair value recognized within other expense, net in the Company's consolidated statements of operations and comprehensive loss.

The change in fair value of warrant liabilities waszero and $23,000 for three months ended March 31, 2025 and 2024, respectively. The fair value of warrant liabilities was insignificant as of March 31, 2025 and December 31, 2024.

*Common Stock Warrants Issued After June 30, 2024:*

Warrants issued after June 30, 2024 have been classified within stockholders' equity as they meet the criteria for equity classification. Specifically, these warrants are indexed to the Company's common stock and do not contain settlement provisions that would preclude them from equity classification. Upon issuance, the fair value of these equity-classified warrants was recorded in additional paid-in capital with no subsequent remeasurement required.

The following key assumptions were used in the Black-Scholes model to estimate fair value:

- Volatility: Based on historical volatility of comparable companies
- Expected Term: Estimated based on the contractual term of the warrants
- Risk-Free Interest Rate: Based on U.S. Treasury yields at the time of issuance
- Dividend Yield: Assumed to be zero, as the Company does not expect to pay dividends to common stockholders

The Company had warrants to purchase 45,000 shares of its Series E preferred stock. The warrants were classified as liability and had nominal value as of March 31, 2025 and December 31, 2024.

***Segment Reporting***

Operating segments are defined as components of an entity for which discrete financial information is available that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. Operating segments are aggregated into a reportable segment if the operating segments have similar quantitative economic characteristics and if the operating segments are similar in the following qualitative characteristics: (i) nature of products and services; (ii) nature of production processes; (iii) type or class of customer for their products and services; (iv) methods used to distribute the products or provide services; and (v) if applicable, the nature of the regulatory environment. The Company has not aggregated operating segments based on similarity in economic characteristics, other qualitative factors and the objectives and principals of ASC 280, *Segment Reporting*. Refer to Note 11 — *Segment Reporting*.

***Retention Receivables***

The Company's Fiber Optics customers have a contractual right to withhold payment of a retainage amount that typically ranges between 5% to 10% of the total contract consideration. The retainage can be utilized by customers for any claims that may arise after work is completed through one year after project completion. The retainage amount is expected to be collected upon the project's completion and acceptance by the customer. As of March 31, 2025 and December 31, 2024, the Company has recorded a retainage receivable of $0.3 million and $0.3 million, respectively, which is a component of the accounts and retention receivables, net balance in the condensed consolidated balance sheets.

***Contract Assets***

The Company records contract assets for revenue recognized in excess of billings, representing amounts due from customers where revenue has been recognized based on the satisfaction of performance obligations but for which billing has not yet occurred. Contract assets, including unbilled receivables, are recorded when the Company has an enforceable right to payment, and are subsequently reclassified to accounts and retention receivables when the right to bill the customer arises.

As of March 31, 2025, the Company's contract assets included unbilled receivables totaling $2.7 million, compared to $2.1 million as of December 31, 2024.
The following table provides a rollforward of the contract assets activity for the three months ended March 31, 2025:

| | | |
|---|---|---|
| Balance as of December 31, 2024 | $ | 2,058 |
| Revenue recognized prior to billings | | 2,699 |
| Billings | | (2,057) |
| Balance as of March 31, 2025 | $ | 2,700 |

***Deferred Revenue and Contract Liabilities***

The Company records deferred revenue as contract liabilities when it receives payments from customers in advance of performing the contracted services or delivering goods. Deferred revenue is recognized as revenue in the period when the services are performed or the goods are delivered, satisfying the Company's obligations under the contract terms. In instances where significant judgments are required to estimate completion, management reviews and adjusts deferred revenue balances periodically to reflect performance progress accurately.

In instances where anticipated costs to complete a contract are expected to exceed the contract's total revenue, the Company recognizes an estimated loss on the contract. This estimated loss is accrued as a liability and recognized in full in the period the loss is identified, ensuring the contract assets and liabilities accurately represent the Company's financial position. As of March 31, 2025 and December 31, 2024, the estimated accrued loss on contracts was $0.2 million and $0.2 million, respectively, included in the accrued project costs, which is a component of the accrued expenses and other current liabilities in the condensed consolidated balance sheets.

As of March 31, 2025 and December 31, 2024, there wereno contract liabilities.

***Derivatives and Hedging***

The Company evaluates all features contained in financing agreements to determine if there are any embedded derivatives that require separate accounting from the underlying agreement under ASC 815, *Derivatives and Hedging*. An embedded derivative that requires separation is accounted for as a separate liability or asset from the host agreement. The separated embedded derivative is accounted for at fair market value, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss under the fair value change in derivative liability line item. The Company determined that certain features under the Liqueous Equity Line of Credit ("ELOC") Purchase Agreement (See Note 6 — *Stockholders' Equity*) qualified as an embedded derivative to be bifurcated and separately accounted for. The bifurcated derivative had a nominal value as of December 31, 2024. The Liqueous ELOC Agreement was terminated effective on April 18, 2025, due to the material breach by Liqueous for failure to timely pay amounts owed to the Company. The estimated fair value of the derivative liability was zero as of March 31, 2025.

***Recent Accounting Pronouncements Not Yet Adopted***

In October 2023, the FASB issued Accounting Standards Update ("ASU") 2023-06, *Disclosure Improvements: Codification Amendments in Response to the Securities and Exchange Commission's Disclosure Update and Simplification Initiative*. ASU 2023-06 incorporates 14 of the 27 disclosure requirements published in SEC Release No. 33-10532: *Disclosure Update and Simplification* into various topics within the ASC. ASU 2023-06's amendments represent clarifications to, or technical corrections of, current requirements. For SEC registrants, the effective date for each amendment will be the date on which the SEC removes that related disclosure from its rules. The amendments in ASU 2023-06 should be applied prospectively. Early adoption is prohibited. The Company does not expect the standard to have a material impact on its consolidated financial statements and disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 requires public companies to disclose, in the notes to the financial statements, specific information about certain costs and expenses at each interim and annual reporting period. This includes disclosing amounts related to employee compensation, depreciation, and intangible asset amortization. In addition, public companies will need to provide qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Implementation of ASU 2024-03 may be applied prospectively or retrospectively. The Company is currently evaluating the impact that the updated standard will have on its consolidated financial statement disclosures.

**Note 3 - Revenue**

For the three months ended March 31, 2025, the Company's revenue was $2.8 million, compared to $0.7 million for the three months ended March 31, 2024. The majority of the revenue generated for the three months ended March 31, 2025 and 2024 was derived from operations within the United States.

***Remaining Performance Obligations***

Remaining performance obligations represent non-cancellable contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods.

As of March 31, 2025, the Company's remaining performance obligations for contracts totaled $0.4 million and is expected to be recognized as revenue over the nexttwelve months. The Company's remaining performance obligation for contracts totaled $1.0 million as of December 31, 2024.

**Note 4 – Balance Sheet Components**

***Prepaid and Other Current Assets***

Prepaid and other current assets consisted of the following (in thousands):

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Prepaid fixed asset | $ 1,000 | $ 750 |
| Prepaid insurance | 63 | 68 |
| License fees | 34 | 78 |
| Prepaid rent | 1 | 53 |
| At-the-market receivables settled on January 1, 2025 | — | 1,404 |
| Other | 63 | 56 |
| Total | $ 1,161 | $ 2,409 |

***Property and Equipment, net***

Property and equipment, net, consisted of the following (in thousands):

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Equipment | $ 8,870 | $ 7,603 |
| Vehicles | 2,059 | 2,059 |
| Leasehold improvements | 371 | 369 |
| Construction-in-progress | 88 | 31 |
| Computers | 78 | 67 |
| Furniture and fixtures | 26 | 4 |
| Total | 11,492 | 10,133 |
| Less: accumulated depreciation | (2,215) | (1,797) |
| Property and equipment, net | $ 9,277 | $ 8,336 |

Depreciation expense for the three months ended March 31, 2025 and 2024 was $0.4 million and $0.1 million, respectively.

***Intangible Assets, net***

Intangible assets, net, consists of the following (in thousands):

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Patents | $ 1,800 | $ 1,800 |
| Research license | 375 | 375 |
| Customer relationships | 3 | 3 |
| Total | 2,178 | 2,178 |
| Less: accumulated amortization | (1,073) | (1,018) |
| Intangible assets, net | $ 1,105 | $ 1,160 |

The following table represents the total estimated amortization of intangible assets for the five succeeding years and thereafter as of March 31, 2025 (in thousands):

| | Estimated Amortization Expense |
|---|---|
| 2025 (remaining) | $ 166 |
| 2026 | 183 |
| 2027 | 180 |
| 2028 | 181 |
| 2029 | 180 |
| Thereafter | 215 |
| Total | $ 1,105 |

For the three months ended March 31, 2025 and 2024, amortization expense was approximately $0.1 million and $0.1 million, respectively. As of March 31, 2025, the remaining weighted-average amortization period for acquired intangible assets was 5.8 years.

***Deferred Debt Issuance Costs***

The Company's deferred debt issuance costs were fully amortized as of December 31, 2024, with no additional deferred debt issuance costs recorded as of March 31, 2025.

During the three months ended March 31, 2024, the Company recorded amortization expense $0.9 million.

***Accrued Expenses and Other Current Liabilities***

Accrued expenses and other current liabilities consisted of the following (in thousands):

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Accrued project costs | $ 815 | $ 522 |
| Professional fees | 449 | 341 |
| Payroll and related expense | 388 | 1,079 |
| Bonus | — | 1,170 |
| At-the-market offering payable | — | 1,130 |
| Other expenses | 41 | 534 |
| Total | $ 1,693 | $ 4,776 |

## Note 5 – Debt

***Notes Payable***

In December 2023, the Company entered into a secured notes payable agreement with Cemen Tech Capital, LLC bearing an interest rate of 8.75% per year (the "Cemen Note"). During the first quarter of fiscal 2023, the Company entered into a secured notes payable agreement with Ford Motor Credit bearing an interest rate of 6.96% per year (the "Ford Note"). The Cemen Note and the Ford Note (collectively, the "Notes") are secured by the vehicles financed. Monthly principal and interest payments are to be made commencing from the issuance date of the Cemen Note and the Ford Note through January 2030 and April 2026, respectively. The outstanding balance as of March 31, 2025 and December 31, 2024 related to the Notes was $0.3 million and $0.3 million, respectively.

In August 2024, the Company entered into a secured notes payable agreement with Skyline Sales Inc., facilitated by Ford Motor Credit, for financing a vehicle with a total sale price of $0.1 million, of which $46,000 was financed (the "Skyline Note"). This agreement bears no annual percentage rate or finance charge, and monthly principal payments of $1,345 began on September 29, 2024, and will continue through August 29, 2027. The Skyline Note is secured by the vehicle purchased. As of March 31, 2025 and December 31, 2024, the remaining balance of the Skyline Note was $39,000 and $43,000, respectively.

During 2024, the Company entered into multiple secured notes payable agreements with Ford Motor Credit in an aggregate amount of $0.6 million to purchase vehicles on credit (the "2024 Ford Notes"). These agreements bear an annual percentage rate or finance charge of 8.6% to 11.3%. Monthly principal and interest payments are to be made commencing from the issuance date of individual notes payable. The net carrying value of the vehicles purchased on credit was $0.6 million. As of March 31, 2025 and December 31, 2024, the remaining balance of the 2024 Ford Notes was $0.5 million and $0.6 million, respectively

As of March 31, 2025, the expected future minimum principal payments under the Company's notes payable are as follows (in thousands):

| | | Expected Future Principal Note Payments |
|---|---|---|
| 2025 (remaining) | $ | 191 |
| 2026 | | 248 |
| 2027 | | 249 |
| 2028 | | 105 |
| 2029 | | 71 |
| Thereafter | | 6 |
| Total | $ | 870 |

## Note 6 – Stockholders' Equity

***At-the-Market Offering***

In March 2022, the Company entered into a sales agreement with Alliance Global Partners ("AGP") as sales agents, pursuant to which the Company may issue and sell shares of its common stock for an aggregate maximum offering of $5.0 million under an at-the-market ("ATM") offering program. AGP are entitled compensation up to 3% of the aggregate gross proceeds for the common stock sold through the at-the-market program.

In October 2024, the Company entered into an amendment to the sales agreement allowing the issuance and sale of additional shares of its common stock for an aggregate maximum offering of $63.0 million under the amended at-the-market offering program. AGP remains entitled to compensation up to 3% of the aggregate gross proceeds for the common stock sold through the amended at-the-market program. Each share of common stock grants the holder one vote and does not include cumulative voting, preemptive, subscription, or conversion rights. Dividends are subject to the discretion of the board of directors and have not been declared to date. In the event of liquidation, common stockholders are entitled to a pro-rata share of remaining assets after the settlement of all debts and liabilities, subordinate to any preferential rights of preferred stockholders.

In the first quarter of 2024, the Company received net proceeds on sales of 215 shares of common stock under the at-the-market offering of approximately $0.6 million after deducting $28,000 in issuance costs. The weighted-average price of the common stock was $2,726.57 per share.

In the third quarter of 2024, the Company received net proceeds on sales of 6,536 shares of common stock under the at-the-market offering of approximately $1.2 million after deducting $37,000 in issuance costs. The weighted-average price of the common stock was $181.02 per share.

In the fourth quarter of 2024, the Company sold 612,702 shares of common stock under the at-the-market offering for approximately $19.8 million total net proceeds, after deducting $0.8 million in issuance costs. The weighted-average price of the common stock was $32.28 per share. In December 2024, the Company received $18.4 million of net proceeds from this transaction and recorded $1.4 million of remaining net proceeds received as part of other current receivables as of December 31, 2024. The Company received the $1.4 million of remaining net proceeds on January 1, 2025.

In January 2025, the Company sold 947,128 shares of common stock through the at-the-market offering for approximately $21.2 million in net proceeds, after deducting $0.9 million in issuance costs. The weighted-average sales price of the common stock was $22.39 per share. In December 2024, the Company received $1.1 million in net proceeds from this transaction in advance of the issuance of common stock shares, which was recorded in accrued expenses and other current liabilities on the condensed consolidated balance sheet as of December 31, 2024.

***Equity Line of Credit – Keystone Capital Partners, LLC***

On July 20, 2023, the Company entered into an Equity Line of Credit ("Keystone ELOC") with a purchaser, Keystone Capital Partners, LLC (“Keystone”) whereby the Company has the right to sell up to an aggregate of $50.0 million of newly issued shares (the “Keystone ELOC Shares”) of the Company’s common stock. The aggregate number of shares that the Company can sell under the Keystone ELOC Purchase Agreement may not exceed 4.99% of the outstanding common stock, subject to certain exceptions set forth in the Keystone ELOC Purchase Agreement.

The purchase price of the shares of common stock that the Company elects to sell to the pursuant to the Keystone ELOC Purchase Agreement will be equal to 97.0% of the lower of (i) the lowest intraday sale price of the common stock on the Company’s current trading market on the applicable purchase date or (ii) the arithmetic average of the three lowest closing sale prices during the ten trading days immediately preceding the applicable purchase date. There is no upper limit on the price per share that Keystone could be obligated to pay for the common stock under the Keystone ELOC Purchase Agreement.

In the first quarter of 2024, the Company received net proceeds on sales of 934 shares of common stock of approximately $1.4 million, after deducting issuance costs of $0.3 million, at a weighted-average price of $1,489.36 per share.

In the second quarter of 2024, the Company received net proceeds on sales of 10,661 shares of common stock of approximately $9.3 million, after deducting issuance costs of $1.0 million, at a weighted-average price of $876.54 per share.

In the third quarter of 2024, the Company received net proceeds on sales of 9,954 shares of common stock of approximately $3.6 million, after deducting issuance costs of $0.1 million, at a weighted-average price of $362.39 per share.

As of March 31, 2025, the Company was unable to sell any shares under the Keystone ELOC because there is no currently effective registration statement covering the resale of such shares. The Company has no further plans to sell shares of common stock under the Keystone ELOC.

***Equity Line of Credit - Liqueous, LP***

On August 31, 2024 (the 'Execution Date"), the Company entered into a new ELOC with Liqueous (the "Liqueous ELOC"). The Company may sell up to an aggregate of $100 million in newly issued shares (the "Liqueous ELOC Shares") of its common stock during the Commitment Period. The Commitment Period in the agreement is defined as the period beginning on August 31, 2024 and ending either when the Company has sold shares up to $100 million or on the second anniversary of the Execution Date, whichever comes first.

Prior to August 31, 2024, stockholder approval was obtained to allow the Company the flexibility to issue more than20% of its outstanding common stock, in connection with financing arrangements, including but not limited to the Liqueous ELOC, on June 14, 2024. This approval provides the Company with the ability to issue shares in excess of this threshold under the Liqueous ELOC or any additional financing arrangement that may require it.

The purchase price of the Liqueous ELOC Shares will be97.0% of the lowest daily volume weighted-average price ("VWAP") of the Company's common stock during atwo-day valuation period -. There is no upper limit on the price per share that the Liqueous ELOC purchaser could be obligated to pay for the Liqueous ELOC Shares under the agreement.

The Liqueous ELOC agreement contains put option features that allows the Company to sell shares of its common stock to Liqueous at specified discounts to the prevailing market price. These put options are classified as derivatives under ASC 815, *Derivatives and Hedging*. As a result, the Company will continue to monitor the fair value of the put options in reporting periods and will recognize them in the condensed consolidated financial statements if their fair values become material.

During the fourth quarter of 2024, the Company sold 133,338 shares of common stock of approximately $7.4 million total net proceeds, after deducting issuance costs of $0.2 million, at a weighted-average price of $55.33 per share. The Company recorded $0.8 million as other expense related to the realized loss from settlement of the Liqueous ELOC derivative for the year ended December 31, 2024. As of December 31, 2024, the Company received $1.5 million in cash proceeds and the remaining $5.9 million was recorded as a shareholders receivable contra-equity balance. Under the terms of the Liqueous ELOC agreement, payment for the shares was required to be made upon the sale closing dates. Liqueous did not remit the required total funds by the sale closing dates prompting discussions on alternative payment arrangements in November and December 2024.

In February 2025, the Company determined that the remaining proceeds were uncollectible due to Liqueous' financial distress, which was assessed to have been present as of December 31, 2024. As a result, the Company recorded the $5.9 million shareholders receivable as a reduction to additional paid-in capital as of December 31, 2024. All of the 133,338 common shares issued under the Liqueous ELOC Agreement were legally issued and outstanding as of March 31, 2025 and December 31, 2024.

On April 8, 2025, the Company delivered a notice to Liqueous, terminating the Liqueous ELOC Agreement effective on April 18, 2025, due to the material breach by Liqueous for failure to timely pay amounts owed to the Company. The estimated fair value of the derivative liability was zero as of March 31, 2025.

***Preferred Stock Conversions***

In May 2024, the Company executed a Second Amended and Restated Certificate of Designations, Preferences and Rights of its Series A, Series B, and Series C preferred stock (collectively, the “May 2024 COD”) following the approval of the Company’s Board of Directors and the requisite numbers of Series A, Series B, and Series C preferred stockholders (collectively, the “Senior Preferred Stock”). Under the May 2024 COD, the Company revised the conversion price of its Senior Preferred Stock to $0.0462 to incentivize the holders to convert their shares into the Company’s common stock. The following table summarizes the number of common stock shares issued upon the conversion of the Senior Preferred Stock:

| Series of Preferred Stock | Number of Preferred Stock Shares Converted | Number of Common Stock Shares Issued Upon Conversion |
|---|---|---|
| Series A | 251 | 242 |
| Series B | 1,443 | 1,472 |
| Series C | 500,756 | 521 |
| Total | 502,450 | 2,235 |

The Company concluded that the conversion was an induced conversion and the fair value for the inducement was recognized as a deemed dividend. Due to the fact that the Company does not have any retained earnings, the Company recorded the corresponding entries to additional paid-in capital and the debit/credit had a net nil impact on stockholders' equity for the year ended December 31, 2024.

In May 2024, the holders of Series F, Series F-1, and Series F-2 preferred stock exercised their option to convert the shares into common stock utilizing the Alternate Conversion (defined below) feature. As part of the original terms of the Series F preferred stock, the shares may be converted to common stock based on the Alternate Conversion Price (defined below) that is lower than the original conversion price of $0.1478 per share ("Alternate Conversion") if certain events were to occur ("Triggering Event"). The Triggering Events that occurred that enabled an Alternate Conversion is the (i) failure of the applicable registration statement to be filed with the SEC on or prior to the date that is five (5) days after the applicable filing deadline, and (ii) failure to pay dividends. The Alternate Conversion Price is the lowest of (i) the conversion price in effect on the conversion date of the applicable Alternate Conversion, (ii) the greater of (x) the floor price of $0.1478, and (y) 80% of the VWAP of the common stock on the trading day preceding delivery day of the conversion notice, (iii) 80% of the VWAP of common stock as of the trading day of the conversion notice delivery day, and (iv) the greater of (x) the floor price of $0.1478, and (y) 80% of the price of the quotient (I) sum of three lowest days of common stock VWAP over 15 days, divided by (II) three.The following table summarizes the number of shares of common stock issued upon the conversion:

| **Series of Preferred Stock** | **Number of Preferred Stock Shares Converted** | **Number of Common Stock Shares Issued through Conversion** | **Number of Common Stock Shares Issued for Deemed Dividend in Connection with Conversion** |
|---|---|---|---|
| Series F | 4,448 | 4,323 | 259 |
| Series F-1 | 653 | 758 | — |
| Series F-2 | 1,153 | 936 | 74 |
| Total | 6,254 | 6,017 | 333 |

The Series F, Series F-1, and Series F-2 preferred stock were converted to common stock based on the triggering of the Alternative Conversion provisions. As such, the carrying value of the Series F, Series F-1, and Series F-2 preferred stock were derecognized. Additionally, the issued shares of common stock from the Series F conversion were recognized at par value and the triggered Alternative Conversion recognized as a deemed dividend. The Company recorded the corresponding entries to additional paid-in capital and the debit/credit had a net nil impact on stockholders' equity for the year ended December 31, 2024.

**Note 7 – Stock-Based Compensation**

***Stock Options***

The Company grants stock-based compensation under its 2024 Equity Incentive Plan (the "2024 Plan"), 2020 Long-Term Incentive Plan (the "2020 Plan") and its 2016 Equity Incentive Plan (the "2016 Plan"). The 2024 Plan, 2020 Plan and 2016 Plan allows the Company to grant incentive and nonqualified stock options, and shares of restricted stock to its employees, directors and consultants.

On March 2, 2016, the Company adopted its 2016 Plan. Under the 2016 Plan, there are a total of five shares of the Company's common stock available for issuance and the 2016 Plan has a term of 10 years.

On December 16, 2020, the Company adopted its 2020 Plan. Under the 2020 Plan, there are a total of 20,064 shares of the Company's common stock available for issuance and the 2020 Plan has a term of 10 years.

On May 9, 2024, the Company adopted its 2024 Plan. Under the 2024 Plan, there are a total of 160,164 shares of the Company's common stock available for issuance and the 2024 Plan has a term of 10 years.

Under the 2024 Plan, 2020 Plan and the 2016 Plan (collectively, the "Plans"), upon the exercise of stock options and issuance of fully vested restricted common stock, shares of common stock may be withheld to satisfy tax withholdings. The Company intends to net settle certain employee options to ensure adequate authorized shares under the Plans.

On December 22, 2022, the Company adopted its 2022 Long-Term Incentive Plan (the "2022 Plan"). Under the 2022 Plan, there are a total of 160,164 shares of the Company's common stock available for issuance and the 2022 Plan has a termination date of October 31, 2032.

A summary of activity under the various stock-based plans for the three months ended March 31, 2025 is as follows:

| | Shares Underlying Options | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term (Years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at December 31, 2024 | 102 | $ 2,251,627 | 5.6 | $ — |
| Granted | — | — | — | |
| Forfeited | — | — | — | |
| Outstanding at March 31, 2025 | 102 | $ 2,251,627 | 5.3 | $ — |
| Exercisable at March 31, 2025 | 93 | $ 2,224,419 | 5.0 | $ — |

During the three months ended March 31, 2025, the Company recognized stock-based compensation of approximately $7,000 related to stock options. As of March 31, 2025, unrecognized stock-based compensation totaled approximately $10,000, which is expected to be recognized over a weighted-average period of0.76 years.

The following table presents the weighted-average inputs used for the valuation of options granted, as per the Black-Scholes fair value model for the three months ended March 31, 2024:

| | Three Months Ended March 31, 2024 |
|---|---|
| Dividend yield | —% |
| Expected price volatility | 95.7% |
| Risk free interest rate | 4.9% |
| Expected term | 0.8 years |

***Restricted Stock Units ("RSU")***

RSUs are share awards that entitle the holder to receive freely tradeable shares of the Company's common stock upon vesting. The RSUs cannot be transferred and the awards are subject to forfeiture if the holder's employment terminates prior to the release of the vesting restrictions. The RSUs generally vest over one or two year cliff period on an annual basis, provided the employee remains continuously employed with the Company. The fair value of the RSUs is equal to the closing price of the Company's common stock on the grant date.

A summary of the Company's restricted stock activity and related information for the three months ended March 31, 2025 is as follows:

| | Number of Shares | Weighted Average Grant-Date Fair Value |
|---|---|---|
| Unvested at December 31, 2024 | 7,425 | $ 367 |
| Granted | — | — |
| Vested | (275) | $ 2,499 |
| Cancelled | — | — |
| Unvested at March 31, 2025 | 7,150 | $ 285 |

The weighted average grant date fair value of RSUs granted during three month ended March 31, 2024 was $2,543.

During the three months ended March 31, 2025, the Company recognized stock-based compensation of approximately $0.5 million related to RSUs. As of March 31, 2025, unrecognized stock-based compensation totaled approximately $1.0 million, which is expected to be recognized over a weighted-average period of 1.17 years.

***Stock-Based Compensation***

The total stock-based compensation expense recognized, including stock-based compensation related to warrants issued to nonemployees (See Note 8 —*Warrants*), was as follows (in thousands):

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| Research and development expenses | $ 7 | $ 30 |
| Selling, general and administrative expenses | 2,107 | 244 |
| Total stock-based compensation | $ 2,114 | $ 274 |

**Note 8 – Warrants**

In February 2025, the Company issued warrants to purchase an aggregate of 600,000 shares of its common stock to various consultants and service providers. Each warrant has an exercise price of $4.69 per share and a five year term, expiring in February 2030.

The following table presents the weighted-average inputs used for the valuation of warrants issued, as per the Black-Scholes fair value model for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| Dividend yield | —% | —% |
| Expected price volatility | 72.8% | 70.0% |
| Risk free interest rate | 4.4% | 4.2% |
| Expected term | 5 years | 5 years |

The following table represents a summary of warrants to purchase shares of the Company's common stock that are outstanding:

| Warrant Issue Date | Outstanding as of March 31, 2025 | Exercise Price | Expiration |
|---|---|---|---|
| June 2020 - November 2020 | 54 | $1,506,600 - $6,277,500 | June 2025 - November 2025 |
| January 2021 - December 2021 | 16 | $1,701,000 - $7,593,750 | January 2026 - December 2026 |
| July 2022 - October 2022 | 24 | $432,000 - $1,755,000 | July 2027 - October 2027 |
| January 2023 | 10 | $434,700 | January 2028 |
| February 2023 | 21 | $432,000 | October 2027 - February 2028 |
| June 2023 | 57 | $199,530 - $207,630 | June 2028 |
| March 2024 | 35 | $2,115 | March 2029 |
| July 2024 | 2,334 | $398 | July 2029 |
| August 2024 | 4,003 | $285 - $303 | August 2029 |
| February 2025 | 600,000 | $4.69 | February 2030 |

***Preferred Stock Warrants***

On February 2023, the Company granted warrants to purchase 45,000 shares of Series E preferred stock with the original exercise price of $0.50 and expiration date of February 2028. The warrants to purchase 45,000 shares of Series E preferred stock remain outstanding and had an insignificant value as of March 31, 2025.

**Note 9 – Leases**

In March 2021, the Company entered into a lease agreement with Hudson 11601 Wilshire, LLC, to lease 3,500 square feet of office space located in Los Angeles, California. The lease term is 39 months and expires on June 30, 2024. In April 2024, the Company entered into the first amendment for the Hudson lease to revise the payment schedule for the remaining lease term expiring on June 30, 2024. Subsequently, the Company entered into the second amendment in June 2024 to extend the lease term. The second amended lease expires in September 2027. The lease is treated as an operating lease.

***Leases Under the Smart Windows Division***

The Smart Windows division operating segment leases and subleases various office and laboratory spaces under non-cancelable operating leases with various expiration dates through fiscal 2027, certain of which contain renewal provisions. These renewal provisions are not reasonably certain to be exercised and therefore are not factored into the determination of lease payments. The Smart Windows division operating segment has no lease agreements that are classified as finance leases.

In January 2025, the Company entered into a lease agreement with MI-HQ Enterprise, LLC, to lease multiple single office spaces located in Ann Harbor, Michigan. The lease term is 24 months and expires on December 31, 2026. There is aone year renewal provision of which the Company is not reasonably certain to be exercised and therefore are not factored into the determination of lease payments. The Company recorded right-of-use assets of approximately $0.1 million and lease liabilities of approximately $0.1 million related to this lease. The lease is treated as an operating lease.

***Leases Under the Fiber Optics Group***

The Fiber Optics group leases various offices, storage spaces, and equipment under non-cancelable operating leases. These leases have expiration dates through fiscal 2026. Certain leases include renewal options; however, these renewal options are not considered reasonably certain to be exercised and are therefore excluded from the calculation of lease payments. The Fiber Optics group does not have any lease agreements classified as finance leases.

In August 2024, the Company entered into a month-to-month lease agreement with PWR LLC to sublease a portion of it's Burnham Lease located at 12627 S 182nd Pl, Gilbert, Arizona. The sublease agreement is set on a rolling 30-day renewal basis, allowing either party to terminate the agreement with a 30-day notice. The Company recorded $15,000 in other income for the three months ended March 31, 2025. The Company didnot have any sublease income for the three months ended March 31, 2024.

The Company has elected to apply the short-term lease practical expedient in accordance with ASC 842, *Leases*. Under this guidance, the Company has chosen not to recognize right-of-use assets or lease liabilities for leases with a lease term of 12 months or less. Instead, lease payments for these short-term leases are recognized as expense on a straight-line basis over the lease term.

The components of lease expense are as follows (in thousands):

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| Operating leases: | | |
| Operating lease cost | $ 243 | $ 471 |
| Variable lease cost | 15 | — |
| Short-term lease costs - equipment | 752 | — |
| Operating lease expense | $ 1,010 | $ 471 |

Supplemental cash flow information related to the leases were as follows:

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| Operating cash flows - operating leases (in thousands) | $ 228 | $ 484 |
| Weighted-average remaining lease term – operating leases (in years) | 2.3 | 2.7 |
| Weighted-average discount rate – operating leases | 12.0% | 12.0 % |

As of March 31, 2025, future minimum payments are as follows (in thousands):

| | Operating Leases |
|---|---|
| 2025 (remaining) | $ 592 |
| 2026 | 728 |
| 2027 | 410 |
| Total | 1,730 |
| Less present value discount | (224) |
| Operating lease liabilities | 1,506 |
| Less: lease liabilities - current | (638) |
| Lease liabilities - non-current | $ 868 |

As of March 31, 2025, the Company had operating lease liabilities of approximately $1.5 million and right-of-use assets of approximately $1.7 million, which are included in the condensed consolidated balance sheet.

**Note 10 – Commitments and Contingencies**

***Litigation***

From time to time, the Company is also involved in various other claims and legal actions that arise in the ordinary course of business. The Company records accruals for loss contingencies related to legal matters when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. Although the results of litigation and claims cannot be predicted with certainty, the Company does not believe that the ultimate resolution of these actions will have a material adverse effect on its financial position, results of operations, liquidity or capital resources.

Future litigation may be necessary to defend ourselves and our partners by determining the scope, enforceability and validity of third party proprietary rights or to establish the Company's proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

***Purchase Commitment***

In September 2024, the Company and Electro Scan Inc. ("Electro Scan") entered into an Exclusivity Agreement for Performance of Services (the "Exclusivity Agreement"), as amended on December 5, 2024. The Company needs to achieve a minimum annual performance level to maintain the exclusivity. Under the Exclusivity Agreement, as amended, the Company committed to pay Electro Scan three tranche payments totaling $3.0 million, which secure licensing rights, exclusivity and a total of 66 product units to be delivered by Electro Scan. The payment obligation remaining as of December 31, 2024 was $1.3 million, which was paid in full during the three months ended March 31, 2025. As the related product units were not received as of March 31, 2025, the related payment was recorded under prepaid and other current assets.

**Note 11 – Segment Reporting**

In July 2024, the Company implemented an organizational change to align its reportable segments more closely with its business structure. In connection with its segment reporting change, the Company has recast previously reported amounts across all reportable segments to conform to current segment presentation.

The Company had four operating and four reportable segments as of March 31, 2025 and December 31, 2024, and for the three months ended March 31, 2025, including the Smart Windows division, the Fiber Optics division, the Slant Wells group, and Element 82. The Company had two operating and reportable segments for the three months ended March 31, 2024, including the Smart Windows division and the Fiber Optics division. This is consistent with how the CODM, who is the Company's Chief Executive Officer ("CEO"), allocates resources and makes decisions. Segment accounting policies are the same as described and referenced in Note 2 – *Basis of Presentation and Significant Accounting Policies*.

Segment revenue recognized for the three months ended March 31, 2025 mainly includes sales of services and relates to the Fiber Optics division, the Slant Wells group and Element 82. The Company derives income and revenues primarily from the U.S. Segment profit is determined based on performance measures used by the CODM. The CODM uses gross margin and segment profit (loss) to assess performance and allocate resources to each segment, primarily through the review of financial projections and actual statements of operations.

The Company does not report total assets or liabilities by segment, other than the long-lived assets presented below, for internal or external reporting purposes as the Company's CODM does not assess performance, make strategic decisions, or allocate resources based on assets or liabilities.

The Company does not have intra-entity sales or transfers. Certain corporate costs, including interest expenses and taxes, are not allocated to segments and excluded from segment profit.

***Smart Windows Division:*** This division focuses on developing and selling optical switching films that can be embedded between sheets of glass or applied to the surface of glass or other rigid substrates like acrylic, to electronically control opacity. The technology, initially developed by Hewlett-Packard, enables a transition between clear and dark states in seconds. It is aimed at various applications including commercial buildings, automotive sunroofs, and residential windows. The Company partners with leading glass and film manufacturers for the mass production and distribution of its DynamicTint product. This segment also includes Smart Window Inserts, designed for retrofitting in commercial and residential settings, offering dynamic tinting along with additional insulation and soundproofing.

***Fiber Optics Division:*** The Company's involvement in fiber optics is relatively recent, marked by the acquisition of Amerigen 7's assets, which was focused on the construction of 5G fiber optics infrastructure. The Fiber Optics division provides contracting services to the fiber optics and telecommunications infrastructure industry. Services range from program management and engineering to the construction of aerial and underground fiber networks. This division aims to capitalize on the demand for enhanced telecommunications bandwidth, with efforts to expand through selective market share increase, potential acquisitions, and leveraging new equipment like micro trenchers to gain a strategic advantage.

***Slant Wells Group:*** This division focuses on the construction of slant wells for the provision of ocean water to desalination plants that in turn produces fresh water to the planned development sites.

***Element 82:*** Element 82 is a water pipeline inspection service provider focused on lead detection and condition assessment. Element 82 plays a vital role in lead testing and prevention, working closely with health departments to address lead exposure risks, especially among children.

The following table presents a comparative summary of the Company's revenues by reportable segment for the periods presented (in thousands, except percentages):

| | Three Months Ended March 31, 2025 | | Three Months Ended March 31, 2024 | |
|---|---|---|---|---|
| | | % | | % |
| **Segment Revenue** | | | | |
| Smart Windows | $ — | — % | $ — | — % |
| Fiber Optics | 1,272 | 46 % | 682 | 100 % |
| Slant Wells | 258 | 9 % | — | — % |
| Element 82 | 1,242 | 45 % | — | — % |
| **Total Revenue** | $ 2,772 | 100 % | $ 682 | 100 % |

All of the Company's long-lived assets are located in the U.S., except when temporarily relocated for construction projects overseas.The following table presents a comparative summary of the Company's long-lived assets by reportable segment as of the balance sheet dates presented (in thousands, except percentages):

| | March 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | | % | | % |
| **Long-Lived Assets** | | | | |
| Smart Windows | $ 2,410 | 21 % | $ 2,414 | 22 % |
| Fiber Optics | 5,328 | 46 % | 5,608 | 51 % |
| Slant Wells | 832 | 7 % | 858 | 8 % |
| Element 82 | 3,045 | 26 % | 2,082 | 19 % |
| **Total Segment Assets** | 11,615 | 100 % | 10,962 | 100 % |
| Corporate | 432 | | 309 | |
| **Total Long-Lived Assets** | $ 12,047 | | $ 11,271 | |

The following table presents a comparative summary of the Company's geographic revenue by reportable segment for the three month periods presented (in thousands):

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **Geographic Revenue** | | |
| U.S. | $ 2,514 | $ 682 |
| Mexico (Slant Wells) | 258 | — |
| **Total Geographic Revenue** | $ 2,772 | $ 682 |

The following table presents a comparative summary of the Company's profit or loss measure by reportable segment for the periods presented (in thousands):

| | For the Three Months Ended March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Smart Windows | Fiber Optics | Slant Wells | Element 82 | Corporate and Other (a) | Total |
| Revenue | $ — | $ 1,272 | $ 258 | $ 1,242 | $ — | $ 2,772 |
| Cost of revenue (excluding depreciation and amortization) | — | (2,427) | (401) | (638) | — | (3,466) |
| **Gross margin** | — | (1,155) | (143) | 604 | — | (694) |
| | | | | | | |
| Compensation (excluding research and development) | — | 294 | — | 239 | 2,070 | 2,603 |
| Travel expenses | 108 | 116 | — | 23 | 132 | 379 |
| Occupancy (rent and utilities) | 85 | 52 | — | 1 | 58 | 196 |
| Professional fees | 160 | 439 | — | — | 2,835 | 3,434 |
| General and administrative insurance | — | 121 | — | 15 | 28 | 164 |
| Research and development (excluding depreciation and amortization) | 1,073 | — | — | — | — | 1,073 |
| Public company expenses | — | — | — | — | 114 | 114 |
| Other segment items (b) | — | 557 | — | 31 | 182 | 770 |
| Depreciation and amortization | 146 | 194 | 33 | 98 | 2 | 473 |
| **Segment profit (loss)** | (1,572) | (2,928) | (176) | 197 | (5,421) | (9,900) |
| | | | | | | |
| **Reconciliation of profit or loss** | | | | | | |
| Adjustments and reconciling items: | | | | | | |
| Interest income | — | — | — | — | 198 | 198 |
| Other income, net (c) | — | — | — | — | 18 | 18 |
| **Net income (loss)** | **$ (1,572)** | **$ (2,928)** | **$ (176)** | **$ 197** | **$ (5,205)** | **$ (9,684)** |

(a) The Corporate and Other are expenses that are not currently allocated among operating segments.
(b) The other segment items primarily include repairs and maintenance, dues and subscriptions, accrual of arbitration settlement, office supplies and other miscellaneous selling, general and administrative expenses.
(c) Other income, net primarily includes other miscellaneous income.

| | For the Three Months Ended March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | **Smart Windows** | **Fiber Optics** | **Slant Wells** | **Element 82** | **Corporate and Other (a)** | **Total** |
| Revenue | $ — | $ 682 | $ — | $ — | $ — | $ 682 |
| Cost of revenue (excluding depreciation and amortization) | — | (1,636) | — | — | — | (1,636) |
| **Gross margin** | — | (954) | — | — | — | (954) |
| | | | | | | |
| Compensation (excluding research and development) | — | 4 | — | — | 797 | 801 |
| Travel expenses | 6 | 54 | — | — | 4 | 64 |
| Occupancy (rent and utilities) | 84 | 33 | — | — | 65 | 182 |
| Professional fees | 30 | 9 | — | — | 433 | 472 |
| General and administrative insurance | — | — | — | — | 23 | 23 |
| Research and development (excluding depreciation and amortization) | 756 | — | — | — | — | 756 |
| Public company expenses | — | — | — | — | 39 | 39 |
| Other segment items (b) | — | 35 | — | — | 167 | 202 |
| Depreciation and amortization | 142 | 69 | — | — | 1 | 212 |
| **Segment loss** | (1,018) | (1,158) | — | — | (1,529) | (3,705) |
| | | | | | | |
| **Reconciliation of loss** | | | | | | |
| Adjustments and reconciling items: | | | | | | |
| Interest expense | — | — | — | — | (860) | (860) |
| Other expense, net (c) | — | — | — | — | (47) | (47) |
| **Net loss** | **$ (1,018)** | **$ (1,158)** | **$ —** | **$ —** | **$ (2,436)** | **$ (4,612)** |

(a) The Corporate and Other are expenses that are not currently allocated among operating segments.
(b) The other segment items primarily include dues and subscriptions, office supplies and other miscellaneous selling, general and administrative expenses.
(c) The other expense, net primarily includes change in fair value of warrant liabilities, and other miscellaneous expenses.

**Note 12 – Net Loss Per Share Attributable to Common Stockholders**

The following is a reconciliation of the numerator (net loss) and the denominator (number of shares) used in the calculation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share amounts):

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **Numerator** | | |
| Net loss | $ (9,684) | $ (4,612) |
| Less: Cumulative dividends on Series A preferred stock | — | (5) |
| Less: Cumulative dividends on Series B preferred stock | — | (29) |
| Less: Cumulative dividends on Series C preferred stock | — | (10) |
| Less: Cumulative dividends on Series F preferred stock | — | (178) |
| Less: Cumulative dividends on Series F-1 preferred stock | — | (26) |
| Less: Cumulative dividends on Series F-2 preferred stock | — | (35) |
| Net loss attributable to common stockholders, basic and diluted | $ (9,684) | $ (4,895) |
| **Denominator** | | |
| Weighted average shares used in computing basic and diluted net loss per share attributable to common stockholders | 1,672,581 | 1,699 |
| Basic and diluted net loss per share attributable to common stockholders | 1,672,581 | 1,699 |
| Net loss and attributable to common stockholders, basic and diluted | | |
| Basic and diluted net loss per share attributable to common stockholders | $ (5.79) | $ (2,881.11) |

Potentially dilutive securities are excluded from the calculation of diluted net loss per share attributable to common stockholders if their inclusion is anti-dilutive.

The following table shows the outstanding securities considered anti-dilutive and therefore excluded from the computation of diluted net loss per share attributable to common stockholders, on a common stock equivalent basis:

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| Series A preferred stock | - | 1 |
| Series B preferred stock | - | 2 |
| Series C preferred stock | - | 1 |
| Series F preferred stock | - | 23 |
| Series F-1 preferred stock | - | 4 |
| Series F-2 preferred stock | - | 6 |
| Warrants to purchase common stock (excluding penny warrants) | 606,554 | 226 |
| Warrants to purchase Series E preferred stock | 34 | 34 |
| Options to purchase common stock | 102 | 104 |
| Unvested RSUs | 7,150 | 51 |
| Commitment shares | - | 10 |
| Total | 613,840 | 462 |

**Note 13 – Related Party Transactions**

Horizon HDD is a domestic limited liability company formed in the state of Texas in 2017, with Karon Greene as its registered agent and managing member. Horizon HDD is 100% owned by Mr. Corey Boaz, who is also the President of the Company's Fiber Optics division. As such, Horizon HDD is considered a related party to the Company.

In May 2024, the Company engaged Horizon HDD to rent equipment and provide services to the Company's Fiber Optics division and Slant Wells group as a subcontractor and back-office labor resource. During the three months ended March 31, 2025, the Company incurred costs of $1.0 million with Horizon HDD, which are presented as cost of revenue - related party in the condensed consolidated statements of operations and comprehensive loss. The Company made payments totaling approximately $2.4 million to Horizon HDD during the three months ended March 31, 2025. As of March 31, 2025 and December 31, 2024, the Company had an outstanding payable to Horizon HDD of approximately $1.3 million and $2.8 million, which is presented as accounts payable - related party in the condensed consolidated balance sheets, respectively.

**Note 14 – Subsequent Events**

In April 2025, the Company's Board of Directors approved the grant of 1,316,318 restricted stock awards ("RSAs") to certain current employees, executive officers, and directors under the 2022 Plan and 2024 Plan. Additionally, 627,500 RSAs were granted to eight newly hired employees as an inducement equity award (the "April 2025 Inducement Award") outside of the Company's equity plans, in accordance with Nasdaq Listing Rule 5635(c)(4).

The RSAs issued under the 2022 Plan and 2024 Plan were granted across two separate grant dates. On April 25, 2025, the Company granted 1,016,318 RSAs, when the stock price was $1.72 per share, with a total estimated grant date fair value of approximately $1.7 million. On May 6, 2025, the Company granted 300,000 RSAs, when the stock price was $1.65 per share, with a total estimated grant date fair value of approximately $0.5 million. The April 2025 Inducement Award was granted on May 6, 2025, when the Company's stock price was $1.65 per share, with a total estimated grant date fair value of approximately $1.0 million. All RSAs granted will fully vest on the second anniversary of the grant date.

## Item 2. 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 condensed consolidated 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. All references to "we", "us", "our", "Crown" or the "Company" refer to Crown Electrokinetics Corp.*

Up to and until December 31, 2024, we were an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the “JOBS Act”). An emerging growth company may take advantage of specified exemptions from various requirements that are otherwise applicable generally to public companies in the United States. In addition, 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. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption in the past and, therefore, while we were an emerging growth company, we were not subject to new or revised accounting standards at the same time that they became applicable to other public companies that are not emerging growth companies.

We still qualify as a “smaller reporting company,” as such term is defined in Rule 12b-2 under the Exchange Act, after we ceased to qualify as an emerging growth company, and thus we will continue to be permitted to make certain reduced disclosures in our periodic reports and other documents that we file with the SEC.

**Management’s plans and basis of presentation:**

***Overview***

Crown Electrokinetics Corp. was incorporated in the State of Delaware on April 20, 2015, originally under the name 3D Nanocolor Corp. On October 6, 2017, we changed our name to Crown Electrokinetics Corp. to reflect our focus on pioneering electrokinetic technology which is the core of our "Smart Windows" division, revolves around the commercialization of smart or dynamic glass solutions. Our proprietary electrokinetic glass technology, which is an innovation derived from microfluidic advancements originally developed by HP Inc., offers groundbreaking applications for energy-efficient smart windows in various sectors.

In addition to the Smart Windows division, we have strategically diversified operations with the creation of the "Fiber Optics" division, as well as our "Element 82", and the "Slant Well" businesses. Crown Fiber Optics Corp. ("Fiber Optics") was established following the acquisition of Amerigen 7 assets, which focused on 5G fiber optics infrastructure.

Through Crown Fiber Optics, we provide contracting services for the design, engineering, and construction of both aerial and underground fiber optic networks. As demand for higher telecommunications bandwidth continues to surge, this business aims to expand through selective market share growth, potential acquisitions, and the use of cutting-edge equipment such as micro trenchers to enhance efficiency and service delivery.

Element 82 Inc. ("Element 82") is a wholly-owned subsidiary specializing in advanced techniques for the identification of lead service lines with minimal disruption. This business supports utility systems in modernizing legacy infrastructure in compliance with current regulatory standards.

The Slant Wells group focuses on the construction of proprietary slant wells that extract water from under the ocean floor. This water is supplied to desalination plants, which convert it into fresh water for use in planned development sites.

Together, the Company's Smart Windows, Fiber Optics, Element 82, and Slant Wells divisions create a multifaceted business positioned to deliver innovative solutions across multiple industries.

***January 2025 and June 2024 Reverse Stock Splits***

Our Board of Directors, following approval by our stockholders, approved a reverse stock split of our common stock at a ratio of one-for-150 basis, and, following such approval, we filed an amendment to our Amended and Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation") with the Secretary of State of the State of Delaware to effect the reverse stock split on June 25, 2024 (the "June 2024 Reverse Stock Split").

On January 28, 2025, our Board of Directors authorized another reverse stock split (the "January 2025 Reverse Stock Split," and together with the June 2024 Reverse Stock Split, the "Reverse Stock Splits") at an exchange ratio of one-for-150 basis, without reducing the authorized number of our shares of common stock. The January 2025 Reverse Stock Split was effective on January 30, 2025.

We did not issue fractional certificates for post-reverse split common stock shares in connection with the January 2025 Reverse Stock Split and the June 2024 Reverse Stock Split. All shares of common stock that were held by a stockholder were aggregated and each stockholder was entitled to receive the number of whole common stock shares resulting from the combination of the aggregated common stock shares. Any fractions resulting from the reverse split computation were rounded up to the next whole common stock share amount.

The number of authorized shares and the par value of the common stock was not adjusted. In connection with the January 2025 Reverse Stock Split and the June 2024 Reverse Stock Split, the conversion ratio for our outstanding convertible preferred stock was proportionately adjusted such that the common stock issuable upon conversion of such preferred stock was decreased in proportion. Proportionate adjustments were made to the per share exercise price and the number of shares issuable upon the exercise or vesting of all stock options, restricted stock units and warrants outstanding, which resulted in a proportional decrease in the number of shares of the Company's common stock reserved for issuance upon exercise or vesting of such stock options, restricted stock units and warrants, and, in the case of stock options and warrants, a proportional increase in the exercise price of all such stock options and warrants.

All references to common stock, restricted stock units, warrants and options to purchase common stock share data, per share data and related information contained in the condensed consolidated financial statements and the accompanying notes have been retroactively adjusted to reflect the effect of the January 2025 Reverse Stock Split and the June 2024 Reverse Stock Split.

***Nasdaq Delisting Determination***

On March 3, 2025, we received a letter notifying us that the Nasdaq Hearings Panel has determined to delist our common stock and trading of our common stock on Nasdaq was suspended on March 5, 2025. Nasdaq will complete the delisting by filing a Notification of Removal from Listing and/or Registration on Form 25with the SEC after applicable appeal periods have lapsed. We have submitted a request for reconsideration to the Panel and have otherwise appealed the determination to the Nasdaq Listing and Hearing Review Council. In the interim, notwithstanding the suspension of trading on Nasdaq, our common stock is eligible for quotation, and has been traded on the over-the-counter ("OTC") Markets system under our existing symbol, "CRKN".

**Condensed Consolidated Results of Operations for the three months ended March 31, 2025 and 2024 (in thousands):**

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 | Change |
|---|---|---|---|
| Revenue | $ 2,772 | $ 682 | $ 2,090 |
| Cost of revenue | 2,792 | 1,705 | 1,087 |
| Cost of revenue - related party | 997 | - | 997 |
| **Gross margin** | (1,017) | (1,023) | 6 |
| **Operating expenses:** | | | |
| Research and development | 1,219 | 898 | 321 |
| Selling, general and administrative | 7,664 | 1,784 | 5,880 |
| **Total operating expenses** | 8,883 | 2,682 | 6,201 |
| **Loss from operations** | (9,900) | (3,705) | (6,195) |
| **Non-operating income (expense), net:** | | | |
| Interest income (expense), net | 198 | (860) | 1,058 |
| Change in fair value of warrants | - | (23) | 23 |
| Other income (expense), net | 18 | (24) | 42 |
| **Total non-operating income (expense), net** | 216 | (907) | 1,123 |
| **Net loss and comprehensive loss** | $ (9,684) | $ (4,612) | $ (5,072) |

***Revenue***

Revenue is generated by the Fiber Optics, Element 82, and Slant Wells businesses, and was $2.8 million and $0.7 million for the three months ended March 31, 2025, and 2024, respectively. The increase in revenue of $2.1 million for the three months ended March 31, 2025 compared to the same period in 2024, is primarily due to new contracts we entered into with a range of clients from Fortune 500 tier 1 telecoms to local municipalities under the Fiber Optics, Element 82 and Slant Wells businesses.

***Cost of Revenue and Cost of Revenue - Related Party***

Cost of revenue is generated by the Fiber Optics, Element 82, and Slant Wells businesses, and was $2.8 million and $1.7 million for the three months ended March 31, 2025, and 2024, respectively.

Cost of revenue - related party is costs with Horizon HDD LLC ("Horizon HDD"), related to subcontractor labor, equipment, and truck rentals generated by the Fiber Optics business and was $1.0 million for the three months ended March 31, 2025. There was no cost of revenue incurred with related party for the three months ended March 31, 2024.

The increase in cost of revenue, including costs incurred with Horizon HDD, of $2.1 million for the three months ended March 31, 2025 compared to the same period in 2024, is primarily due to the increased costs to fulfill the additional contracts for the Fiber Optics, Element 82 and Slant Wells business and were driven by increases in subcontractor labor of $1.1 million, equipment rental cost and depreciation of $0.7 million, shipping, freight and delivery costs of $0.1 million, and travel expenses of $0.1 million.

***Research and Development***

Research and development expense was $1.2 million for the three months ended March 31, 2025 compared to $0.9 million for the three months ended March 31, 2024. The increase of $0.3 million is primarily related to an increase in salaries and benefits.

***Selling, General and Administrative***

Selling, general and administrative expense was $7.7 million for the three months ended March 31, 2025 compared to $1.8 million for the three months ended March 31, 2024. The $5.9 million increase is primarily due to increases in professional fees of $3.0 million, salary and benefits of $1.8 million, travel expenses of $0.3 million, insurance expenses of $0.1 million, public company expenses of $0.1 million, and other expenses of $0.6 million.

***Interest Income (Expense), Net***

Net interest income was $0.2 million for the three months ended March 31, 2025, compared to net interest expense of $0.9 million, which primarily consisted of amortization of deferred issuance costs that were fully amortized during 2024, for the three months ended March 31, 2024. The $1.1 million change is primarily due to the repayment or settlement through conversion of our major notes payable, line of credit borrowings and senior secured notes, and a higher cash balance from the issuance of common stock through the at-the-market offering and equity line-of-credit arrangements in 2024 and January 2025.

***Change in Fair Value of Warrants***

The change in fair value of warrants was zero for the three months ended March 31, 2025, compared to a loss of $23,000 for the three months ended March 31, 2024. The change in fair value of warrants was insignificant for both periods. The fair value of previously recognized warrant liabilities was reduced to zero as of December 31, 2024.

***Other Income (Expense), Net***

Net other income for the three months ended March 31, 2025 was $18,000, compared to a net other expense of $24,000 for the three months ended March 31, 2024. The other income (expense), net was insignificant for both periods.

**Liquidity**

We had an accumulated deficit of approximately $152.6 million, a net loss of $9.7 million, and used approximately $11.0 million in net cash in operating activities as of and for the three months ended March 31, 2025. We expect to continue to incur ongoing administrative and other expenses, including public company expenses.

Our common stock is currently suspended on the Nasdaq Capital Market, subject to delisting, and our common stock currently is quoted on the OTC markets, which results in a limited public market for our common stock and will have a negative impact on our ability to raise capital.

We previously concluded in our annual report on Form 10-K for the year ended December 31, 2024, that based on our cash balance, the anticipated quarterly profit, measured in net income, starting in the second half of 2025 from revenue generated by the Fiber Optics division, and our planned spending, substantial doubt about our ability to continue as a going concern did not exist.

As part of the quarterly reporting process, we have reassessed our future revenue growth in 2025 in response to the actual operating results for the three months ended March 31, 2025, and the current market conditions, including uncertainties arising from the new administration's policies and recent cost-cutting measures. While we anticipate growth in 2025 and 2026, the early-stage nature of a substantial portion of our operations introduces uncertainty regarding the timing and scale of this growth. As such, there can be no assurance that projected growth targets will be achieved as planned or at anticipated volumes.

We have previously obtained additional capital through the sale of debt or equity instruments to fund operations. Our common stock was suspended on Nasdaq, subject to delisting, on March 5, 2025, which has negatively impacted our ability to raise capital. Following the Nasdaq suspension and potential delisting of our common stock, we are no longer able to raise capital under our at-the-market offering program or equity line-of-credit. 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. Debt securities may contain covenants and limit our ability to pay dividends or make other distributions to stockholders. If we are unable to secure the necessary financing, we may be forced to scale back or discontinue operations.

Given the uncertainties surrounding our operational growth and capital acquisition, management believes there is substantial doubt regarding our ability to continue as a going concern for the twelve months following the issuance of these condensed consolidated financial statements.

The accompanying condensed consolidated 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 condensed consolidated 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.

***Equity Line of Credit - Liqueous, LP***

During the fourth quarter of 2024, we sold 133,338 shares of common stock for approximately $7.4 million of total net proceeds, after deducting issuance costs of $0.2 million, at a weighted-average price of $55.33 per share. As of December 31, 2024, we received $1.5 million in cash proceeds and the remaining $5.9 million was deemed uncollectible.

***At-the-Market ("ATM") Offering***

In the first quarter of 2024, we received net proceeds on sales of 215 shares of common stock under the at-the-market offering for approximately $0.6 million after deducting $28,000 in issuance costs. The weighted-average price of the common stock was $2,726.57 per share.

In the third quarter of 2024, we received net proceeds on sales of 6,536 shares of common stock under the at-the-market offering of approximately $1.2 million after deducting $37,000 in issuance costs. The weighted-average price of the common stock was $181.02 per share.

In the fourth quarter of 2024, we sold 612,702 shares of common stock under the at-the-market offering of approximately $19.8 million total net proceeds, after deducting $0.8 million in issuance costs. The weighted-average price of the common stock was $32.28 per share.

In January 2025, we sold 947,128 shares of common stock under the at-the-market offering for approximately $21.2 million in net proceeds, after deducting $0.9 million in issuance costs, of which $1.1 million had been received in December 2024. The weighted-average sales price of the common stock was $22.39 per share.

We have obtained additional capital through the sale of debt or equity financings or other arrangements including through our existing at-the-market offering and the ELOCs to fund operations; however, there can be no assurance that we will be able to raise needed capital under acceptable terms, if at all. In addition, unless the terms are amended, we cannot access the ATM Program or the ELOCs while trading of our common stock is suspended on Nasdaq and/or if our common stock is delisted from Nasdaq. 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.

**Cash Flows**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| | **2025** | **2024** | **Change** |
| **Cash at the beginning of the period** | $ 13,699 | $ 1,059 | $ 12,640 |
| Net cash used in operating activities | (11,014) | (2,677) | (8,337) |
| Net cash used in investing activities | (1,657) | (63) | (1,594) |
| Net cash provided by financing activities | 21,422 | 1,971 | 19,451 |
| **Cash at the end of the period** | $ 22,450 | $ 290 | $ 22,160 |

***Net Cash Used in Operating Activities***

For the three months ended March 31, 2025, net cash used in operating activities was $11.0 million, which primarily consisted of our net loss of $9.7 million, adjusted for non-cash expenses of $3.1 million, which primarily consisted of stock-based compensation related to issuance of warrants in exchange for services of $1.6 million, stock-based compensation and employee inducement award expenses totaling $0.5 million, depreciation and amortization of $0.5 million, provision for credit loss expense of $0.3 million and the amortization of right-of-use assets of $0.2 million. The net change in operating assets and liabilities was $4.4 million, consisting primarily of an increase of $0.6 million in contract assets, a decrease of $0.4 million in accounts payable, a decrease of $1.4 million in accounts payable - related party, a decrease of $2.0 million in accrued expense and other current liabilities, and a decrease of $0.2 million in lease liabilities, partially offset by a decrease of $0.1 million in prepaid and other assets, and a decrease of $0.1 million in accounts and retention receivables.

For the three months ended March 31, 2024, net cash used in operating activities was $2.7 million, which primarily consisted of our net loss of $4.6 million, adjusted for non-cash expenses of $1.6 million, which primarily consisted of stock-based compensation of $0.3 million, depreciation and amortization of $0.2 million, amortization of deferred debt issuance costs of $0.9 million and amortization of right-of-use assets of $0.2 million. The net change in operating assets and liabilities was $0.3 million, primarily consisting of an increase of contract liabilities of $1.3 million, and accounts payable of $0.8 million, partially offset by an increase of accounts receivable of $1.3 million and prepaid and other assets of $0.1 million, as well as a decrease in accrued expenses and other current liabilities of $0.2 million, and lease liabilities of $0.2 million .

***Net Cash Used in Investing Activities***

For the three months ended March 31, 2025, net cash used in investing activities was approximately $1.7 million, primarily driven by purchases of property and equipment.

For the three months ended March 31, 2024, net cash used in investing activities was approximately $0.1 million, which was due to purchases of property and equipment.

***Net Cash Provided by Financing Activities***

For the three months ended March 31, 2025, net cash provided by financing activities was $21.4 million, which primarily related to net proceeds received from the issuance of common stock in connection with our ATM Offering totaling $21.5 million.

For the three months ended March 31, 2024, net cash provided by financing activities was $2.0 million, consisting of $1.4 million in proceeds from issuance of common stock in connection with equity line-of-credit, net of issuance costs and $0.6 million in proceeds from issuance of common stock/at-the-market offering, net of issuance costs.

***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 condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. The preparation of our condensed consolidated 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.

There are certain critical estimates that require significant judgment in the preparation of our condensed consolidated financial statements. We consider an accounting estimate to be critical if:

- it requires us to make an assumption because information was not available at the time or it included matters that were highly uncertain at the time the estimate is made; and

- changes in the estimate or different estimates that could have been selected may have had a material impact on our financial condition or results of operations.

There have been no significant changes in our critical accounting estimates during the three months ended March 31, 2025, as compared with those previously disclosed in Part II, Item 7. *Management's Discussion and Analysis of Financial*

*Condition and Results of Operations*, of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 31, 2025.

Our significant accounting policies are included in Note 2,*Basis of Presentation and Significant Accounting Policies* in the Notes to the Consolidated Financial Statements included in Part II, Item 8. of our Annual Report on Form 10-K for the year ended December 31, 2024.

**Recent Accounting Pronouncements**

For a discussion of accounting pronouncements recently adopted and those issued but not yet adopted, refer to Note 2,*Basis of Presentation and Significant Accounting Policies*, in the Notes to the Condensed Consolidated Financial Statements included in Part I, Item 1. of this Quarterly Report on Form 10-Q, which we include herein by reference.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide the information required under this item.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, as of the end of the period covered by this report, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Act of 1934. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be included in our Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, relating to our company, including our consolidated subsidiaries.

**Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives.

Our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our CEO and CFO concluded that the design and operation of our disclosure controls and procedures were not effective as of such date to provide assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to management as appropriate, to allow timely decisions regarding disclosures.

**Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Rule 13a-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance to our management and board of directors regarding the reliability of financial reporting and the preparation of the condensed consolidated financial statements for external purposes in accordance with U.S. GAAP.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our condensed consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention of overriding controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of March 31, 2025. Our conclusion that we have material weaknesses is due to the reasonable possibility that a material error could occur and may not be detected or prevented. Based on our evaluation, management concluded that our disclosure controls and procedures were not operating effectively as of March 31, 2025.

Management noted the following deficiencies that we believe to be material weaknesses as of March 31, 2025:

- Lack of documentation of processes and controls at the level appropriate for a public company;

- Inadequate design of information technology general and application controls over certain operating systems and system applications supporting financial reporting processes;

- Lack of segregation of duties in certain accounting and financial reporting processes; and

- Ineffective risk assessment controls, due to a lack of documentation of management's periodic risk assessment.

In the second quarter of fiscal year 2024, we took active measures to establish resources with assistance of an external compliance consultant and additional staffing focused on internal controls over financial reporting ("ICFR") to develop a remediation plan. The remediation measures included performing a comprehensive risk assessment. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013). Management is committed to accurate and ethical business practices.

During last six months of fiscal year 2024, we redesigned control procedures on significant business processes to focus on preventative and detective controls. We have established documentation on business processes to assess any key control gaps and made efforts to remediate such gaps. We also established monitoring controls. Employees are actively trained in control procedures.

We also engaged outside technology leaders to perform a thorough review of the design of information technology general and application controls over certain operating systems and has made a preliminary assessment that no material gaps exist. Due to limited staffing in the financial reporting function, revised procedures were established to ensure adequate segregation of duties and evidencing appropriate review and approval. It is management's intention to continue to actively work on the plan for remediation and the estimated timeline for remediation is by second quarter of 2025.

Management's view is that unethical, illegal, or inaccurate conduct in the operations and accounting for our company violates the trust and integrity of our company and is damaging to the interests of all stakeholders, and in the long-term misconduct injures the interests of even the individual whom it might initially benefit. This is reinforced periodically with informal conversations and is ingrained in the culture of our company. When questions arise, they are escalated to the CFO, CEO, or Board of Directors for review, investigation, direction, and consensus, and external opinion is sought if consensus is not achieved. The Senior Vice President of Accounting and CFO both have direct contact with all levels of review. Management intends to work internally and with third parties to ensure we have the proper controls in place going forward. Management reinforces our tone at the top by ensuring that the executive leadership team stresses the importance of internal controls with the staff.

This Quarterly Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to the SEC rules that permit us to provide only management's report in this Quarterly Report.

**Changes in Internal Control over Financial Reporting**

There was active remediation efforts in establishing preventative and detective internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the year ended December 31, 2024 and three months ended March 31, 2025. Management noted that controls were designed as of March 31, 2025, however management has not completed its testing of controls for operating effectiveness, and as such concluded that the design and operating effectiveness of our disclosure controls and procedures were not effective as of March 31, 2025.

The steps taken were created to be consistent with the goal of preventing any problems that promote systematic changes, including reviewing and revising policies and procedures, enhancing existing or implementing new internal controls to detect future errors and misconduct, and redesigning training programs to ensure staff focus on the relevant issues. Disciplining firm personnel who engage in misconduct, informing and compensating injured parties, and hiring an independent consultant, where appropriate, to comprehensively evaluate policies and internal controls, can go a long way towards placing the firm in the best light possible for any regulatory or other scrutiny that may later occur.

## PART II - OTHER INFORMATION

**Item 1. Legal Proceedings**

No director of executive officer is currently subject to any litigation that could materially affect our company. No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it during the past ten years. Except as described below, no current director or executive officer has been convicted of a criminal offense or is the subject of a pending criminal proceeding during the past ten years. No current director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities during the past ten years. No current director or officer has been found by a court to have violated a federal or state securities or commodities law during the past ten years.

From time to time, we may become a party to litigation and subject to claims incident to the ordinary course of our business. Although the results of such litigation and claims in the ordinary course of business cannot be predicted with certainty, we believe that the final outcome of such matters will not have a material adverse effect on our business, results of operations or financial condition. Regardless of outcome, litigation can have an adverse impact on us because of defense costs, diversion of management resources and other factors. Currently, there is no litigation pending against our company or any director or officer, or any associate that could materially affect the Company.

Future litigation may be necessary to defend ourselves and our partners by determining the scope, enforceability and validity of third party proprietary rights or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors

**Item 1A. Risk Factors**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide the information required under this item.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

Other than those previously disclosed by the Company in its current reports on Form 8-K as filed with the SEC, there have been no unregistered sales of the Company’s equity securities during the period covered by this Quarterly Report.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

N/A

**Item 5. Other Information**

N/A

**Item 6. Exhibits**

| | |
|---|---|
| 3.1 | Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the registrant's Form S-1/A filed on September 18, 2019). |
| 3.2 | Certificate of Amendment to Certificate of Incorporation of Crown Electrokinetics Corp. (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K filed on January 27, 2021). |
| 3.3 | Certificate of Amendment to Certificate of Incorporation, as amended, filed with the Secretary of State of Delaware (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K filed on June 15, 2023). |
| 3.4 | Certificate of Amendment to Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K filed on August 14, 2023). |
| 3.5 | Certificate of Amendment to Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware on June 18, 2024 (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K filed on June 21, 2024). |
| 3.6 | Certificate of Amendment to Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware on January 28, 2025 (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K filed on January 28, 2025). |
| 3.7 | Second Amended and Restated Certificate of Designations, Preferences and Rights of Series A Preferred Stock of Crown Electrokinetics Corp., as filed with the Secretary of State of the State of Delaware (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K filed on May 22, 2024). |
| 3.8 | Second Amended and Restated Certificate of Designations, Preferences and Rights of Series B Preferred Stock of Crown Electrokinetics Corp., as filed with the Secretary of State of the State of Delaware (incorporated by reference to Exhibit 3.2 to the registrant's Form 8-K filed on May 22, 2024). |
| 3.9 | Amended and Restated Certificate of Designations, Preferences and Rights of Series C Preferred Stock of Crown Electrokinetics Corp., as filed with the Secretary of State of the State of Delaware (incorporated by reference to Exhibit 3.3 to the registrant's Form 8-K filed on May 22, 2024). |
| 3.10 | Certificate of Designations, Preferences and Rights of Series D Preferred Stock of Crown Electrokinetics Corp. (incorporated by reference to Exhibit 3.4 to the registrant's Form 8-K filed on July 8, 2022). |
| 3.11 | Certificate of Designations, Preferences and Rights of Series E Preferred Stock (incorporated by reference to Exhibit 3.2 to the registrant's Form 8-K filed on February 3, 2023). |
| 3.12 | Certificate of Designation of Series F Convertible Preferred Stock filed with the Secretary of State of Delaware (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K filed on June 6, 2023). |
| 3.13 | Certificate of Designations of Series F-1 Convertible Preferred Stock filed with the Secretary of State of Delaware (incorporated by reference to Exhibit 3.2 to the registrant's Form 8-K filed on June 15, 2023). |
| 3.14 | Certificate of Designations of Series F-2 Convertible Preferred Stock filed with the Secretary of State of Delaware (incorporated by reference to Exhibit 3.3 to the registrant's Form 8-K filed on June 15, 2023). |
| 3.15 | Bylaws (incorporated by reference to Exhibit 3.5 to the registrant's Form S-1/A filed on September 18, 2019). |
| 3.16 | Amendment No. 1 to the Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the registrant's Form 8-K filed on May 28, 2024). |
| 31.1* | Certification of the Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of the Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1** | Certifications of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certifications of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | Inline XBRL Instance Document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |

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|---|---|
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith
** Furnished herewith

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

| | |
|---|---|
| | **Crown Electrokinetics Corp.** |
| Dated: May 15, 2025 | /s/ Doug Croxall |
| | Doug Croxall<br>Chief Executive Officer and<br>Principal Executive Officer |
| Dated: May 15, 2025 | /s/ Joel Krutz |
| | Joel Krutz<br>Chief Financial Officer and<br>Principal Financial Officer |

**Exhibit 31.1**

**CERTIFICATION**

I, Doug Croxall, Chief Executive Officer of Crown Electrokinetics Corp. (the “registrant”), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant for the period ended March 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 15, 2025

/s/ Doug Croxall

Doug Croxall
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION**

I, Joel Krutz, Chief Financial Officer of Crown Electrokinetics Corp. (the “registrant”), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant for the period ended March 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 15, 2025

/s/ Joel Krutz

Joel Krutz
Chief Financial Officer
(Principal Financial Officer)

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, in his or her capacity as an officer of Crown Electrokinetics Corp. (the "Company"), for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his/her knowledge:

(1) The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2025

***/s/ Doug Croxall***

Doug Croxall
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, in his or her capacity as an officer of Crown Electrokinetics Corp. (the “Company”), for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his/her knowledge:

(1) The Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2025

***/s/ Joel Krutz***

Joel Krutz
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.