



CDTi Advanced Materials, Inc. Reports Year-end 2020 Financial Results

Oxnard, California – April 22, 2021 – CDTi Advanced Materials, Inc. (OTC: CDTI) (“CDTi” or “the Company”), a leader in advanced catalyst technology, reported its financial results for the year ended December 31, 2020.

Matthew Beale, the Company’s CEO, stated, “Despite a challenging trading environment globally, our 2020 results reflect the positive impact of our repositioning and creation of a solid foundation for future profitability and growth. We entered into licensing arrangements for some of our established automotive products and made important progress in developing technology and commercial partnerships in new high growth markets.

“Although emission catalysts will continue to provide a solid base of revenue over the near term, CDTi is positioning itself to participate in markets created by massive global investment in battery and fuel cells as well as hydrogen production technology. Our zero and low-PGM catalyst technology is highly relevant in these markets as is our high temperature catalyst coating capability. We have completed proof of concept work on electrocatalyst applications of our technology and have begun product development with an initial focus on metal air batteries. We have also made great progress in applying our catalyst design and coating expertise to hydrogen production initiatives with highly promising development projects expected to gain momentum during the balance of 2021. While revenue visibility in these new markets remains limited, we perceive an important growth opportunity to complement our established and profitable emission catalyst activities,” concluded Beale.

Operating Highlights

- Licensed CDTi’s SCR technology to a global catalyst manufacturer.
- Licensed production and distribution of CDTi’s SPGM® technology to a Chinese manufacturer of advanced materials.
- In collaboration with a leading university, completed proof of concept for the use of CDTi’s Spinel® technology in battery and fuel cell applications.
- Commenced catalyst development project with major oil and gas company for a hydrogen production initiative.

Financial Highlights

- Total revenue for the full year 2020 was \$5.0 million, compared to \$8.8 million for 2019 with the reduction driven by the impact of Covid-19 as well as the discontinuation of the coated catalyst business.
- Gross margin was 34%, compared to 44% for 2019, with the decrease attributable mainly to lower overhead absorption.
- Total operating expenses for 2020 were \$3.2 million compared to \$3.5 million in 2019, with the reduction reflecting continued cost reduction initiatives.

- Operating loss was \$1.5 million, compared to operating income of \$0.3 million in 2019 with the increase attributable mainly to the reduction of revenue.
- Cash on hand at December 31, 2020 was \$1.8 million, compared to \$2.2 million at December 31, 2019.
- Cash on hand at December 31, 2020 was impacted by proceeds from a loan of \$0.4 million received under the Paycheck Protection Program.

The Company's audited financial statements as of December 31, 2020 and for the fiscal year then ended are available on the Company's website at www.cdti.com.

About CDTi Advanced Materials

CDTi Advanced Materials (OTC: CDTI) develops technology and materials for the emissions catalyst, industrial catalyst and electrocatalyst markets. CDTi believes that it possesses market leading expertise in catalyst design, engineering and coating for combustion and energy storage applications. CDTi develops technology and materials incorporating various base metals that can enhance catalytic performance and reduce the use of costly platinum group metals ("PGMs") in catalyst coatings.

For more information, please visit www.cdti.com.

Forward-Looking Statements

Certain information contained in this press release constitutes forward-looking statements, including any statements that are not statements of historical fact. You can identify these forward-looking statements by the use of the words "believes", "expects", "anticipates", "plans", "may", "will", "would", "intends", "estimates", and other similar expressions, whether in the negative or affirmative. Forward-looking statements are based on a series of expectations, assumptions, estimates and projections, which involve substantial uncertainty and risk. In this document, the Company includes forward-looking statements regarding the capabilities of and new markets for its products and technologies, the status of new technologies under development, efforts to license its catalyst technology and resulting near-term licensing revenue potential, which are subject to risks and uncertainties that could cause our actual results and financial position to differ materially. Any forward-looking statements represent the Company's estimates only as of the date of such statements and should not be relied upon as representing the Company's estimates as of any subsequent date. The Company specifically disclaims any obligation to update forward-looking statements. All forward-looking statements in this press release are qualified in their entirety by this cautionary statement.

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[Tables to follow]

CDTi ADVANCED MATERIALS, INC.
Consolidated Statement of Comprehensive Loss
(in thousands)

	Year Ended December 31,	
	2020	
Revenues	\$	4,993
Cost of revenues		3,284
Gross profit		1,709
Operating expenses:		
Research and development		851
Selling, general and administrative		2,359
Total operating expenses		3,210
Operating loss		(1,501)
Other income, net		519
Loss before income tax		(982)
Provision for income taxes		(48)
Net loss		(1,030)
Foreign currency translation adjustments		69
Comprehensive loss	\$	(961)

CDTi ADVANCED MATERIALS, INC.**Consolidated Balance Sheet
(in thousands)**

	<u>December 31,</u>
	<u>2020</u>
ASSETS	
Cash	\$ 1,823
Accounts receivable, net of allowance for doubtful accounts of \$70	746
Inventories	847
Prepaid expenses and other current assets	86
Total current assets	<u>3,502</u>
Property and equipment, net	140
Intangible assets, net	566
Other assets	112
Total assets	<u>\$ 4,320</u>
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$ 341
Accrued expenses and other current liabilities	932
Liability for income taxes	818
Total current liabilities	<u>2,091</u>
Total liabilities	2,091
Commitments and contingencies (Note 12)	
Stockholders' equity:	
Preferred stock, par value \$0.01 per share: authorized 100,000; no shares issued and outstanding	—
Common stock, par value \$0.01 per share: authorized 50,000,000 at December 31, 2020; issued and outstanding 4,101,301 shares at December 31, 2020	41
Additional paid-in capital	241,578
Accumulated other comprehensive loss	(6,017)
Accumulated deficit	<u>(233,373)</u>
Total stockholders' equity	<u>2,229</u>
Total liabilities and stockholders' equity	<u>\$ 4,320</u>