



CDTi Advanced Materials, Inc. Reports Year-end 2018 Financial Results

Oxnard, California – August 15, 2019 – 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, 2018.

Matthew Beale, CDTi Advanced Materials’ CEO, stated, “Our 2018 results reflect continued progress in repositioning the company for profitability and future growth. The dramatic improvement in gross profit margins reflects the successful reallocation of resources to markets where our technology delivers greatest value for our customers. The completion of our delisting and deregistration initiatives has allowed us to further reduce our fixed cost base and cash burn and accelerate progress toward our goal of accounting and cash flow breakeven.

“In order to drive cash-generative revenue growth, we have reprioritized our business development initiatives to focus on licensing opportunities that allow us to leverage our existing technology investment without committing additional capital resources. By emphasizing projects that feature our proven diesel emissions catalyst technology we have created a potential near-term licensing revenue pipeline. We continue to believe that our Spinel technology offers the greatest long-term revenue growth potential and have therefore targeted licensing opportunities with global advanced materials manufacturing partners that service the automotive market and can drive application of Spinel into new markets,” concluded Beale.

Financial Highlights

- Total revenue for the full year 2018 was \$9.8 million, compared to \$28.4 million for 2017 with the reduction driven primarily by the discontinuation of the coated catalyst business.
- Gross margin was 39%, compared to 21% for 2017, with the increase attributable mainly to the discontinuation of the coated catalyst business.
- Total operating expenses for 2018 were \$7.8 million compared to \$11.8 million in 2017, with the reduction impacted, in part, by the discontinuation of the coated catalyst business.
- Loss from continuing operations was \$3.9 million, compared to \$5.9 million in 2017 (including the coated catalyst business), with the reduction attributable to cost reduction initiatives as well as to the discontinuation of the coated catalyst business.

Recent Developments

- Completed NASDAQ delisting in December 2018 and SEC deregistration in March 2019 allowing for additional organizational streamlining and cost reduction during the first half of 2019.
- Initiated licensing discussions with a global advanced materials manufacturer for CDTi’s Spinel technology.
- Began licensing discussion with a global catalyst manufacturer for CDTi’s diesel emissions catalyst technology.

- Commenced licensing discussions for CDTi's diesel emissions catalyst materials with a Chinese manufacturer of advanced materials.

The Company's audited financial statements as of December 31, 2018 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 advanced materials technology for the emissions control market. CDTi's proprietary technologies provide high-value sustainable solutions to reduce hazardous emissions, increase energy efficiency and lower the carbon intensity of on- and off-road combustion engine systems. With a continuing focus on innovation-driven commercialization and global expansion, CDTi's breakthrough Powder-to-Coat (P2C™) technology exploits the Company's high-performance, advanced low-platinum group metal (PGM) emission reduction catalysts. Key technology platforms include Mixed Phase Catalyst (MPC®), Base Metal Activated Rhodium Support (BMARS™), Synergized PGM (SPGM™), Zero PGM (ZPGM™) and Spinel™. 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 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, except per share amounts)

	Year Ended December 31,
	2018
Revenues	\$ 9,837
Cost of revenues	6,012
Gross profit	3,825
Operating expenses:	
Research and development	2,295
Selling, general and administrative	5,094
Severance and other charges	363
Total operating expenses	7,752
Loss from continuing operations	(3,927)
Other income:	
Gain on change in fair value of liability - classified warrants	660
Other income, net	181
Total other income	841
Loss from continuing operations before income taxes	(3,086)
Income tax from continuing operations	771
Net loss from continuing operations	(3,857)
Net loss from discontinued operations	(525)
Net loss	(4,382)
Foreign currency translation adjustments	(217)
Comprehensive loss	\$ (4,599)

CDTi ADVANCED MATERIALS, INC.
Consolidated Balance Sheet
(in thousands, except per share amounts)

Year Ended December 31,

	2018
ASSETS	
Current assets:	
Cash	\$ 1,811
Accounts receivable, net	2,414
Inventories	1,349
Prepaid expenses and other current assets	139
Current assets of discontinued operations	104
Total current assets	5,817
Property and equipment, net	313
Intangible assets, net	889
Deferred tax asset	10
Other assets	48
Assets of discontinued operations	105
Total assets	\$ 7,182
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	\$ 1,179
Accrued expenses and other current liabilities	1,300
Income taxes payable	812
Liabilities of discontinued operations	1,071
Total current liabilities	4,362
Liabilities of discontinued operations	505
Total liabilities	4,867
Commitments and contingencies (Note 16)	
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, 2018; issued and outstanding 4,070,533 shares at December 31, 2018	41
Additional paid-in capital	241,105
Accumulated other comprehensive loss	(6,103)
Accumulated deficit	(232,728)
Total stockholders' equity	2,315
Total liabilities and stockholders' equity	\$ 7,182