



CDTi Advanced Materials, Inc. Reports Year-end 2022 Financial Results

Oxnard, California – April 28, 2023 – 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, 2022.

Matthew Beale, the Company’s CEO, stated, “Our 2022 results demonstrate CDTi’s potential for growth and profitability in its chosen markets. Revenue expansion was driven by the creation of new demand for existing patented technology as well as the successful introduction of new proprietary products. Our fuel borne catalyst (“FBC”) product line for offroad markets gained important traction in North America during 2022 and we are well positioned for continued growth in 2023 and beyond in both on-road and off-road markets. Looking to the future, we successfully deployed our advanced catalyst coating technology in two exciting new growth markets: hydrogen production and carbon capture. We believe that the contribution of the clean energy segment to revenue will expand rapidly over the next few years.

“CDTi’s positioning as a comprehensive catalyst technology company is creating new, multi-faceted customer partnerships that we believe will drive near and long-term growth. Our ability to provide innovative and enabling solutions to business partners at the forefront of the green energy transition will increasingly define CDTi’s mission,” concluded Beale.

Operating Highlights

- Developed and registered gasoline octane improver and on road diesel performance enhancer catalyzed fuel additive products with the U.S. Environmental Protection Agency (“EPA”);
- Increased FBC production capacity and expanded R&D testing capability at the Company’s Oxnard, California headquarters;
- Received follow-on order for new emission systems product line for the power generation market;
- Achieved key milestones in customer sponsored pre-production catalyst engineering and coating development for hydrogen production and carbon capture projects with major oil and gas producer; and
- Began customer sponsored coating technology development activities for a methane oxidation catalyst with a global energy company.

Financial Highlights

- Total revenue for the full year 2022 was \$9.7 million, compared to \$6.4 million for 2021 with the increase attributable primarily to the growth in sales of FBC products in North America;
- Gross margin was 32%, compared to 31% for 2021;
- Total operating expenses for 2022 were \$3.0 million compared to \$3.1 million in 2021;
- Operating income was \$0.2 million, compared to an operating loss of \$1.1 million in 2021; and

- Cash on hand at December 31, 2022 was \$1.3 million, compared to \$1.5 million at December 31, 2021.

The Company's audited financial statements as of December 31, 2022 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 manufacturing 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 and the status of new technologies, which are subject to risks and uncertainties that could cause our actual results and financial position to differ materially, including, among other risks and uncertainties, (i) that the Company may not be able to successfully implement, or implement at all, its strategic priorities; streamline its operations or align its organization and infrastructure with the anticipated business; meet expectations or projections; decrease costs; increase sales; obtain adequate funding; retain or secure customers; increase its customer base; protect its intellectual property; successfully evolve into an advanced materials supplier or, even if successful, increase profitability; successfully market new products; obtain product verifications or approvals; attract or retain key personnel; validate, optimize and scale powder-to-coat capability; or realize benefits from investments; (ii) funding for and enforcement and tightening of emissions controls, standards and regulations; (iii) prices of PGM and rare earth metals; (iv) royalty and other restrictions on sales in certain Asian countries; (v) supply disruptions or failures; (vi) regulatory, marketing and competitive factors; and (vii) environmental harm or damages. 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.

Investor Relations Contact Information

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[Tables to follow]

CDTi ADVANCED MATERIALS, INC.

Consolidated Statements of Comprehensive Income (Loss)
(in thousands)

	Years Ended December 31,	
	2022	2021
Revenues	\$ 9,744	\$ 6,371
Cost of revenues	6,600	4,394
Gross profit	3,144	1,977
Operating expenses:		
Research and development	776	791
Selling, general and administrative	2,175	2,264
Total operating expenses	2,951	3,055
Operating income/(loss)	193	(1,078)
Other income/(loss), net	(60)	771
Income/(loss) before income tax	133	(307)
Provision for income taxes	(18)	(82)
Net income/(loss)	115	(389)
Foreign currency translation adjustments	(81)	(60)
Comprehensive income/(loss)	<u>\$ 34</u>	<u>\$ (449)</u>

CDTi ADVANCED MATERIALS, INC.

Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31,	
	2022	2021
ASSETS		
Current assets:		
Cash	\$ 1,304	\$ 1,460
Accounts receivable, net of allowance for doubtful accounts of \$70	1,344	1,221
Inventories	1,040	909
Prepaid expenses and other current assets	63	346
Total current assets	3,751	3,936
Property and equipment, net	204	206
Intangible assets, net	261	404
Right-of-use assets, operating lease	757	—
Other assets	104	120
Total assets	\$ 5,077	\$ 4,666
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 474	\$ 682
Accrued expenses and other current liabilities	850	1,083
Operating lease liability, current	168	—
Liability for income taxes	898	861
Total current liabilities	2,390	2,626
Operating lease liability, net of current portion	595	—
Total liabilities	2,985	2,626
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: 50,000,000 shares authorized, 4,501,301 issued and outstanding at December 31, 2022 and 2021	45	45
Additional paid-in capital	241,852	241,834
Accumulated other comprehensive loss	(6,158)	(6,077)
Accumulated deficit	(233,647)	(233,762)
Total stockholders' equity	2,092	2,040
Total liabilities and stockholders' equity	\$ 5,077	\$ 4,666