



CDTi Advanced Materials, Inc. Reports Year-end 2023 Financial Results

Oxnard, California – April 29, 2024 – 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, 2023.

Matthew Beale, the Company’s CEO, stated, “Our focus on solutions for the clean energy transition yielded important returns for CDTi in 2023. We further strengthened our collaborations with key industry players at the forefront of this transition and established CDTi as a leading provider of catalyst and coating technology for the nascent carbon capture, methane abatement and hydrogen production markets. We also expanded our fuel borne catalyst (FBC) offering to include solutions for global fuel additives companies as demand grows for catalyzed products delivering demonstrable fuel efficiency benefits. Although FBC revenue was lower than the prior year, we believe this reflects short-term volatility with a new product line and continue to be excited by its long-term growth prospects.

“Public and private investment in technologies supporting the clean energy transition is expected to accelerate further in 2024 and beyond. We are ideally positioned having successfully leveraged our expertise in automotive catalysts to create robust and cost-effective solutions for emerging growth markets in carbon dioxide removal (CDR) and methane abatement. These new markets, together with our expanded FBC product offering, are the fastest growing segments of our business that we believe will have an increasingly positive impact on our revenue going forward,” concluded Beale.

Operating Highlights

- Signed Procurement Agreement with a global energy organization to provide catalyst engineering and coating services for clean energy initiatives;
- Completed initial engineering order of components for a large-scale CDR unit for a global energy company;
- Initiated development work with a leading substrate manufacturer to create catalyst products to address growing global demand for direct air capture (DAC) systems;
- Developed and began supplying proprietary white label FBC product to global fuel additives company; and
- Expanded activity in the methane abatement market including supply of prototype catalysts to a major oil and gas customer and completion of a feasibility study for MAMII (Methane Abatement in Maritime Initiative) targeting methane oxidation catalysts for the marine market.

Financial Highlights

- Total revenue for the full year 2023 was \$8.6 million, compared to \$9.7 million for 2022 with the decrease primarily attributable to a reduction in sales of FBC products in North America;
- Gross margin was 35%, compared to 32% for 2022;
- Total operating expenses for 2023 were \$2.9 million compared to \$3.0 million in 2022;
- Operating income was \$115 thousand, compared \$193 thousand in 2022; and

- Cash on hand at December 31, 2023 was \$1.3 million, compared to \$1.3 million at December 31, 2022.

The Company's audited financial statements as of December 31, 2023 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, and the impact of those products and technologies on the Company's future financial performance, 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, those relating to the following: (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

+1 805 486 4649

investors@cdti.com

[Tables to follow]

CDTi ADVANCED MATERIALS, INC.

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

	Years Ended December 31,	
	2023	2022
Revenues	\$ 8,557	\$ 9,744
Cost of revenues	5,588	6,600
Gross profit	2,969	3,144
Operating expenses:		
Research and development	930	776
Selling, general and administrative	1,924	2,175
Total operating expenses	2,854	2,951
Operating income	115	193
Other income (loss), net	47	(60)
Income before income tax	162	133
Provision for income taxes	883	(18)
Net income	1,045	115
Foreign currency translation adjustments	17	(81)
Comprehensive income	<u>\$ 1,062</u>	<u>\$ 34</u>

CDTi ADVANCED MATERIALS, INC.

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

	December 31,	
	2023	2022
ASSETS		
Current assets:		
Cash	\$ 1,300	\$ 1,304
Accounts receivable, net of allowance for doubtful accounts of \$70	1,255	1,344
Inventories	978	1,040
Prepaid expenses and other current assets	74	63
Total current assets	3,607	3,751
Property and equipment, net	333	204
Intangible assets, net	190	261
Right-of-use assets, operating lease	578	757
Other assets	104	104
Total assets	\$ 4,812	\$ 5,077
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 549	\$ 474
Accrued expenses and other current liabilities	512	850
Operating lease liability, current	201	168
Liability for income taxes	1	898
Total current liabilities	1,263	2,390
Operating lease liability, net of current portion	395	595
Total liabilities	1,658	2,985
Commitments and contingencies (Note 11)		
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, 2023 and 2022	45	45
Additional paid-in capital	241,852	241,852
Accumulated other comprehensive loss	(6,141)	(6,158)
Accumulated deficit	(232,602)	(233,647)
Total stockholders' equity	3,154	2,092
Total liabilities and stockholders' equity	\$ 4,812	\$ 5,077