



Superconductor Technologies Reports First Quarter 2019 Results

May 9, 2019

AUSTIN, Texas, May 09, 2019 (GLOBE NEWSWIRE) -- Superconductor Technologies Inc. (STI) (Nasdaq: SCON) reported financial results for the three months ended March 30, 2019.

Jeff Quiram, STI's president and CEO, stated, "We continued to make progress in the first quarter as we ramp our production capability to meet customer expectations. We still expect to start delivering against orders for our Conductus® high performance magnet wire in the second quarter, with a focus on shipments of 10's of kilometers later this year. Our superconducting magnet customers have forecasted the need for 1000's of kilometers of wire starting in the next few years.

"Recently, we announced our project win from the Institute for Plasma Research, India, (IPR) for next generation Tokamak fusion development. This Conductus wire order from the prestigious IPR is another step forward as we continue to see growing interest in high performance superconducting wire optimized for high magnetic field/low temperature applications. Fusion has the promise of delivering environmentally friendly and cost-efficient energy for future generations. We are excited to partner with IPR as they move forward in their fusion development. We also look forward to working with our distribution partner in India, TING Corporation, to expand our customer footprint by providing additional customers with high performance magnet wire that delivers a competitive advantage."

First Quarter Financial Summary

STI did not record net revenues in the first quarter of 2019, compared to \$246,000 in the first quarter of 2018, which came from work done in the first budget period of the company's ongoing Department of Energy (DOE) Next Generation Electrical Machine project. STI has not yet started the second budget period of the DOE project.

Net loss for the first quarter 2019 was \$2.3 million, or a loss of \$0.70 per share, compared to a net loss of \$2.2 million, or a loss of \$1.98 per share for the first quarter of 2018.

Please note: share and per share data for both periods is adjusted for the 1-for-10 reverse stock split effective on July 24, 2018. As of March 30, 2019, STI had \$3.6 million in cash and cash equivalents.

Investor Conference Call

STI will host a conference call and simultaneous webcast today, May 9th, at 11:00 a.m. Eastern Time / 8:00 a.m. Pacific Time to discuss its results. To listen to the call live, please dial 1-866-548-4713 at least 10 minutes before the start of the conference. International participants may dial 1-323-794-2093. The conference ID is 7511231. The call will be webcast and can be accessed from the "Investor Relations" section of the company's website. A telephone replay will be available until midnight ET on May 13th by dialing 1-844-512-2921 or 1-412-317-6671 and entering pass code 7511231. A replay will also be available at the web address above.

About Superconductor Technologies Inc. (STI)

Superconductor Technologies Inc. is a global leader in superconducting innovation. Its Conductus® superconducting wire platform offers high performance, cost-effective and scalable superconducting wire. With 100 times the current carrying capacity of conventional copper and aluminum, superconducting wire offers zero resistance with extreme high current density. This provides a significant benefit for electric power transmission and also enables much smaller or more powerful magnets for motors, generators, energy storage and medical equipment. Since 1987, STI has led innovation in HTS materials, developing more than 100 patents as well as proprietary trade secrets and manufacturing expertise. For more than 20 years STI utilized its unique HTS manufacturing process for solutions to maximize capacity utilization and coverage for Tier 1 telecommunications operators. Headquartered in Austin, TX, Superconductor Technologies Inc.'s common stock is listed on the NASDAQ Capital Market under the ticker symbol "SCON." For more information about STI, please visit <http://www.suptech.com>.

Safe Harbor Statement

Statements in this press release regarding our business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. Forward-looking statements are not guarantees of future performance and are inherently subject to uncertainties and other factors, which could cause actual results to differ materially from the forward-looking statements. These factors and uncertainties include, but are not limited to: our limited cash and a history of losses; our need to materially grow our revenues from commercial operations and/or to raise additional capital (which financing may not be available on acceptable terms or at all) in the very near future, before cash reserves are depleted (which reserves are expected to be sufficient into the third quarter of 2019), to implement our current business plan and maintain our viability; the performance and use of our equipment to produce wire in accordance with our timetable; overcoming technical challenges in attaining milestones to develop and manufacture commercial lengths of our HTS wire; the possibility of delays in customer evaluation and acceptance of our HTS wire; the limited number of potential customers and customer pressures on the selling prices of our products; the limited number of suppliers for some of our components and our HTS wire; there being no significant backlog from quarter to quarter; our market being characterized by rapidly advancing technology; the impact of competitive products, technologies and pricing; manufacturing capacity constraints and difficulties; the impact of any financing activity on the level of our stock price; the dilutive impact of any issuances of securities to raise capital; the steps required to maintain the listing of our common stock with a U.S. national securities exchange and the impact on the liquidity and trading price of our common stock if we fail to maintain such listing; the cost and uncertainty from compliance with environmental regulations; and local, regional, and national and international economic conditions and events and the impact they may have on us and our customers.

Forward-looking statements can be affected by many other factors, including, those described in the "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of STI's Annual Report on Form 10-K for the year ended December 31, 2018, and in STI's other public filings. These documents are available online at STI's website, www.suptech.com, or through the SEC's website, www.sec.gov.

Forward-looking statements are based on information presently available to senior management, and STI has not assumed any duty to update any forward-looking statements.

Investor Relations Contact

Moriah Shilton or Kirsten Chapman

LHA +1-415-433-3777 invest@suptech.com

SUPERCONDUCTOR TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	March 30, 2019	March 31, 2018
Government contract revenues	\$ -	\$ 246,000
Total revenues	-	246,000
Costs and expenses:		
Cost of commercial product revenues	870,000	639,000
Cost of government contract revenues	6,000	183,000
Research and development	625,000	577,000
Selling, general and administrative	861,000	1,041,000
Total costs and expenses	2,362,000	2,440,000
Loss from operations	(2,362,000)	(2,194,000)
Other Income and Expense:		
Adjustments to fair value of warrant derivatives	-	33,000
Adjustment to warrant exercise price	-	(24,000)
Other income	27,000	7,000
Net loss	\$ (2,335,000)	\$ (2,178,000)
Basic and diluted net loss per common share	\$ (0.70)	\$ (1.98)
Basic and diluted weighted average number of common shares outstanding	3,328,605	1,102,126

See accompanying notes to the unaudited condensed consolidated financial statements.

SUPERCONDUCTOR TECHNOLOGIES INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 30, 2019 (Unaudited)	December 31, 2018 (See Note)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,589,000	\$ 5,616,000
Inventories, net	98,000	173,000
Prepaid expenses and other current assets	10,000	61,000
Total Current Assets	3,697,000	5,850,000
Property and equipment, net of accumulated depreciation of \$12,396,000 and \$12,172,000, respectively	785,000	1,009,000
Patents, licenses and purchased technology, net of accumulated amortization of \$1,037,000 and \$1,026,000, respectively	675,000	686,000
Operating lease assets	595,000	-
Other assets	69,000	69,000

Total Assets	\$ 5,821,000	\$ 7,614,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 367,000	\$ 313,000
Accrued expenses	417,000	539,000
Current operating lease liabilities	588,000	-
Total Current Liabilities	1,372,000	852,000
Long term operating lease liabilities	7,000	-
Other long term liabilities	8,000	17,000
Total Liabilities	1,387,000	869,000

Commitments and Contingencies (Notes 5 and 6)

Stockholders' Equity:

Preferred stock, \$.001 par value, 2,000,000 shares authorized, 328,925 and 330,787 shares issued and outstanding, respectively	-	-
Common stock, \$.001 par value, 250,000,000 shares authorized, 3,802,609 and 3,270,609 shares issued and outstanding, respectively	4,000	3,000
Capital in excess of par value	326,509,000	326,486,000
Accumulated deficit	(322,079,000)	(319,744,000)
Total Stockholders' Equity	4,434,000	6,745,000
Total Liabilities and Stockholders' Equity	\$ 5,821,000	\$ 7,614,000

Note – December 31, 2018 balances were derived from audited financial statements.

SUPERCONDUCTOR TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 30, 2019	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (2,335,000)	\$ (2,178,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	235,000	323,000
Stock-based compensation expense	24,000	17,000
Adjustments to fair value of warrant derivatives	-	(33,000)
Adjustment to warrant exercise price	-	24,000
Changes in assets and liabilities:		
Accounts receivable	-	(30,000)
Inventories	75,000	(67,000)
Prepaid expenses and other current assets	51,000	68,000
Patents and licenses	-	(1,000)
Accounts payable, accrued expenses and other current liabilities	(77,000)	45,000
Net cash used in operating activities	(2,027,000)	(1,832,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	-	(5,000)
Net cash used in investing activities	-	(5,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from the sale of common stock	-	1,700,000
Net cash provided by financing activities	-	1,700,000
Net decrease in cash and cash equivalents	(2,027,000)	(137,000)
Cash and cash equivalents at beginning of period	5,616,000	3,056,000
Cash and cash equivalents at end of period	\$ 3,589,000	\$ 2,919,000



Source: Superconductor Technologies Inc.