



Superconductor Technologies Inc. Finalizes Pending Merger With Allied Integral United, Inc.

September 7, 2021

Company Will Change Its Name to Clearday, Inc.

Reverse Stock Split and Special Stock Dividend (True Up Shares) to Occur Prior to the Effective Time of the Merger

Superconductor Stock Will Trade with Due Bills

Stockholders That Sell Superconductor Shares Prior to the September 21, 2021 Ex-Dividend Date Will Not Be Entitled to Receive True Up Shares

AUSTIN, Texas & SAN ANTONIO--(BUSINESS WIRE)--Sep. 7, 2021-- Superconductor Technologies Inc., which will change its name to Clearday, Inc. (**STI**), a leader in superconducting innovation, and Allied Integral United, Inc. ("**AIU**"), an innovative leader in delivering high-quality, non-acute, longevity care services that enable seniors to age in place, today announced the scheduled closing date for the merger that was previously approved by the STI and AIU stockholders and certain transactions related to the merger.

Key Dates:

- September 8, 2021:
 - STI will determine and declare a reverse stock split ("Reverse Stock Split") of its shares of common stock.
 - STI will determine and declare a special dividend of additional shares of common stock ("True Up Shares") to STI stockholders of record as of 5:00 p.m. EDT on September 9, 2021, which is after the closing of trading September 9, 2021 and PRIOR to the merger closing on that same day.
- September 9, 2021:
 - PRIOR to the opening of trading - the Reverse Stock Split will take effect.
 - 5:00 p.m. EDT (after the close of trading) - record date for the special dividend of the True Up Shares.
 - 6:00 p.m. EDT (after the close of trading and True Up Shares dividend record date) – merger will close.
- September 20, 2021 (Monday):
 - True Up Shares dividend distribution or payment date.
 - STI common stock will trade with "due-bills" representing an assignment of the right to receive the True Up Shares dividend through the closing of trading on September 20, 2021, the True Up Shares dividend distribution or payment date.
- September 21, 2021 (Tuesday):
 - The common stock will begin to trade "ex dividend" (without due bills for the True Up Shares).

IN ORDER TO RECEIVE TRUE UP SHARES, A STI COMMON STOCKHOLDER MUST CONTINUE TO HOLD THEIR STOCK UNTIL THE EX-DIVIDEND DATE OF SEPTEMBER 21, 2021.

ANY PERSON THAT SELLS SHARES OF STI COMMON STOCK PRIOR TO SEPTEMBER 21, 2021 (THE EX-DIVIDEND DATE) WILL NOT BE ENTITLED TO RECEIVE TRUE UP SHARES ON ACCOUNT OF SUCH SOLD SHARES, EVEN IF SUCH PERSON WAS A STOCKHOLDER OF RECORD ON THE TRUE UP SHARES DIVIDEND RECORD DATE.

These actions are intended to implement the closing of the merger described in the joint registration statement and proxy solicitation statement/consent (the "Merger Proxy") regarding the merger included in the registration statement that has been declared effective by the SEC. The merger and the related transactions have been approved by the STI and AIU stockholders.

Reverse Stock Split – Calculated to Change the Price Per Share to \$10.00

The Reverse Stock Split of the STI common stock will be at a ratio determined by the STI Board of Directors. As noted in the Merger Proxy, the STI Board of Directors will calculate the Reverse Stock Split ratio to cause the closing price per share on September 8, 2021, to result in a post Reverse Stock Split price equal to \$10.00. The Reverse Stock Split ratio will therefore be approximately 10 divided by the closing price of the STI common stock on the OTCQB on September 8, 2021, which is the closing price on the date immediately prior to the Reverse Stock Split effective date of September 9, 2021.

True Up Shares

STI will also declare a special True Up Shares dividend. The number of True Up Shares will be calculated so that there are 1,276,042 outstanding shares of STI common stock as of the time that is (1) after the Reverse Stock Split is effective and (2) prior to the effective time of the merger.

Due Bill Trading Prior to the True Up Share Distribution or Payment Date

The True Up Shares are expected to be distributed to stockholders on September 20, 2021. Prior to the close of trading on such date, shares of the common stock will trade with "due-bills," which represent an assignment of the right to receive the True Up Shares dividend until the ex-dividend date of September 21, 2021, the first business day following the distribution or payment date.

This means any trades that are executed on the OTCQB during this period (September 10, 2021 to before the opening of trading on September 21, 2021) will be identified to ensure purchasers of STI common stock receive the entitlement to the True Up Shares, and, as such, sellers of STI common stock during this period will also sell their entitlement to the True Up Shares to the respective purchasers of such common stock.

Due-bills obligate a seller of shares to deliver the dividend payable on such shares to the buyer. The due-bill obligations are settled customarily between the brokers representing the buyers and sellers of the shares. STI has no obligation for either the amount of the due-bill or the processing of the due-bill. Buyers and sellers of STI shares should consult their broker before trading to be sure they understand the effect of the due-bill procedures.

During the time that the shares trade with due bill entitlements (True Up Shares) stockholders should consider the total shares INCLUDING the due bill entitlements (that is the number of True Up Shares) being transferred when determining an acceptable price per share.

Net Effect of Reverse Split and True Up Shares

The net effect of the Reverse Stock Split together with the distribution of the True Up Shares is that the aggregate number of STI shares of common stock outstanding will be reduced from 2,751,780 to 1,276,042 – an effective reduction of approximately 46% or an equivalent of a reverse stock split of approximately 2.15 into 1. This is not the actual ratio; it is provided solely to illustrate the combined effect on the outstanding STI shares from the Reverse Stock Split and the distribution of the True Up Shares. Additionally, as provided in the merger agreement, the shares of STI common stock held by AIU will be cancelled prior to the Reverse Stock Split and are not included in the number of shares outstanding (before and after the Reverse Stock Split) noted above.

Example

By way of example, if:

- Prior to the Reverse Stock Split, a STI stockholder held 10,000 shares of common stock;
- Such stockholder continued to hold such shares on the record date for the True Up Shares dividend, September 9, 2021 (5:00 p.m. EDT); and
- The closing price per share of STI common stock on September 8, 2021 on the OTCQB is \$2.30; then:
 1. The Reverse Stock Split rate would be 4.347826 into 1.
 2. The True Up Shares dividend rate would be approximately 1.016152.
 3. The closing price per share on September 8, 2021, giving pro forma effect to the Reverse Stock Split, would be equal to \$10.00 ($\$2.30 * 4.347826$).
 4. Such stockholder would hold 2,300 shares of STI common stock after the Reverse Stock Split ($10,000 / 4.347826$); and would have a due bill or entitlement to receive approximately 2,337 True Up Shares ($2,300 * 1.016152$), resulting in the stockholder holding a total of approximately 4,637 shares of STI Common Stock ($2,300 + 2,337$).
 5. The 2,300 shares of common stock will trade on a due bill basis (that is, with automatic transfer of True Up Shares that would be paid on account of such shares of common stock) until September 21, 2021, which is the trading day after the distribution or payment date of the True Up Shares (September 20, 2021).
 6. Accordingly, until the ex-dividend date of September 21, 2021, a sale of 100 shares will result in the transfer of approximately 202 shares (100 shares plus the due bill for approximately 102 True Up Shares).

This example is an illustration and the actual number of shares held by a stockholder of STI will depend on the actual Reverse Stock Split ratio and the True Up Shares dividend rate, each of which will be announced on September 8, 2021, after the close of trading. The price per share used in this example is for illustrative purposes only and not intended to reflect the actual market price per share.

Treatment of Fractional Shares: Reverse Stock Split and True Up Shares

No fractional shares of common stock will be issued as a result of the Reverse Stock Split. As described in the Merger Proxy, fractional shares will be rounded up only at the record holder and participant level (broker / dealer) of ownership.

No fractional shares of common stock will be issued as a result of the distribution or payment of the True Up Shares. Cash in lieu of such fractional shares will be determined and paid only at the record and participant level (broker / dealer) of ownership.

STI has chosen its transfer agent, Computershare Trust Company, N.A. (“Computershare”), to act as exchange agent for the Reverse Stock Split and paying agent for the True Up Shares. Stockholders owning shares via a bank, broker or other nominee will have their positions automatically adjusted to reflect the Reverse Stock Split and True Up Shares dividend and will not be required to take further action in connection with the Reverse Stock Split or True Up Shares, subject to brokers’ particular processes and subject to being a record owner as of the require date. Computershare can be reached electronically via the following [LINK](#).

About Allied Integral United, Inc. d/b/a Clearday

Clearday™ is an innovative non-acute longevity health care services company with a modern, hopeful vision for making high quality care options more accessible, affordable, and empowering for older Americans and those who love and care for them. Clearday has decade-long experience in non-acute longevity care through its subsidiary Memory Care America, which operates highly rated residential memory care communities in four U.S. states. Clearday at Home – its digital service – brings Clearday to the intersection of telehealth, Software-as-a-Service (SaaS), and subscription-based content.

Learn more about Clearday at www.myclearday.com.

Learn more about Clearday Clubs at clubs.myclearday.com.

Learn more about Clearday at Home at www.cleardayathome.com.

Learn more about the Clearday Network at <https://business.cleardayathome.com>

About Superconductor Technologies Inc. which will change its name to Clearday, Inc. (STI)

Superconductor Technologies Inc. is a global leader in superconducting innovation. 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 OTC QB market under the ticker symbol "SCON." For more information about STI, please visit <http://www.suptech.com>

No Offer or Solicitation

This communication is not intended to be and shall not constitute an offer to sell, the solicitation of an offer to sell or an offer to buy or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward-Looking Statements

Any statements in this press release that are not statements of historical fact constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, statements regarding the merger and other contemplated transactions (including statements relating to the expected ownership of the STI after the merger (the "Company") and opportunities relating to or resulting from the merger), and statements regarding the nature, potential approval and commercial success of Clearday and its product line, the effects of having shares of capital stock traded on the OTC Market, the Company's financial resources and cash expenditures. Forward-looking statements are usually identified by the use of words such as "believes," "anticipates," "expects," "intends," "plans," "ideal," "may," "potential," "will," "could" and similar expressions. Actual results may differ materially from those indicated by forward-looking statements as a result of various important factors and risks. These factors, risks and uncertainties include, but are not limited to: risks relating to the Company's ability to correctly estimate and manage its operating expenses; the cash balances of the Company; potential adverse reactions or changes to business relationships resulting from the merger; the success and timing of regulatory submissions; regulatory requirements or developments; changes in capital resource requirements; and other factors discussed in the "Risk Factors" section of STI's most recent annual report and the registration statement that the Company filed with the Securities and Exchange Commission (SEC) with respect to the merger (registration no. 333-256138), subsequent quarterly reports and in other filings that the Company makes with the SEC from time to time. Risks and uncertainties related to Clearday that may cause actual results to differ materially from those expressed or implied in any forward-looking statement include, but are not limited to: Clearday's plans to develop and commercialize its products and services, including Clearday at Home and daily care centers and other non-residential daily care services; Clearday's commercialization, marketing and implementation capabilities and strategy; developments and projections relating to Clearday's competitors and its industry; the impact of government laws and regulations; and Clearday's estimates regarding future revenue, expenses and capital requirements. In addition, the forward-looking statements included in this press release represent the Company's views as of the date hereof. The Company anticipates that subsequent events and developments will cause their respective views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date hereof.

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