

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): March 30, 2020

Superconductor Technologies Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-21074
(Commission File Number)

77-0158076
(I.R.S. Employer Identification Number)

9101 Wall Street, Suite 1300, Austin, TX 78754
(Address of Principal Executive Offices) (Zip Code)

(512) 334-8900
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------------------|-------------------|---|
| Common Stock, par value \$0.001 | SCON | The NASDAQ Stock Market LLC |

Item 2.02. Results of Operations and Financial Condition.

On March 30, 2020, Superconductor Technologies Inc. announced, via press release, results for its fourth fiscal quarter ending December 31, 2019. The press release is attached to this filing as Exhibit 99.1, and the financial information therein is hereby incorporated by reference. Pursuant to General Instruction B.2 of Form 8-K, the information furnished in response to this Item 2.02 (including the information incorporated by reference to Exhibit 99) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to any of the liabilities of that section. The Company is NOT incorporating such information by reference in any registration statement filed by the Company under the Securities Act of 1933.

Item 8.01. Other Events.

Important Additional Information Will be Filed with the SEC

In connection with the proposed Merger, STI intends to file relevant materials with the SEC, including a registration statement on Form S-4 that will contain a proxy statement/prospectus/information statement. **INVESTORS AND STOCKHOLDERS OF STI ARE URGED TO READ THESE MATERIALS CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT STI, THE MERGER AND RELATED MATTERS.** Investors and stockholders will be able to obtain free copies of the proxy statement, prospectus and other documents filed by STI with the SEC (when they become available) through the website maintained by the SEC at www.sec.gov. In addition, investors and stockholders will be able to obtain free copies of the proxy statement, prospectus and other documents filed by STI with the SEC by contacting STI by mail at Superconductor Technologies Inc. 115511 W State HWY 71, Ste 110-105, Austin, TX 78738, (512) 334-8900, Attention: Corporate Secretary. Investors and stockholders are urged to read the proxy statement, prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the Merger.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, 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 offering 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.

Participants in the Solicitation

STI and its directors and executive officers and AIU and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of STI in connection with the Merger. Information regarding the special interests of these directors and executive officers in the Merger will be included in the proxy statement/prospectus/information statement referred to above. Additional information about STI's directors and executive officers is included in STI's definitive proxy statement filed with the SEC on April 26, 2019. These documents are available free of charge at the SEC website (www.sec.gov) and from the Corporate Secretary of STI at the address above.

Forward-Looking Statements

This communication contains forward-looking statements (including within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended) concerning STI, AIU, the proposed Merger, and other matters. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of the management of STI, as well as assumptions made by, and information currently available to, management. Forward-looking statements generally include statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as “may,” “will,” “should,” “would,” “expect,” “anticipate,” “plan,” “likely,” “believe,” “estimate,” “project,” “intend,” and other similar expressions. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties and are not guarantees of future performance. Actual results could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: the risk that the conditions to the closing of the proposed Merger are not satisfied, including the failure to obtain stockholder approval for the proposed Merger in a timely manner or at all; uncertainties as to the timing of the consummation of the proposed Merger and the ability of each of STI and AIU to consummate the Merger; risks related to STI's ability to correctly estimate and manage its operating expenses and its expenses associated with the proposed Merger pending closing; risks related to STI's continued listing on the Nasdaq Capital Market until closing of the proposed Merger; risks related to the failure or delay in obtaining required approvals from any governmental or quasi-governmental entity necessary to consummate the proposed Merger; risks associated with the possible failure to realize certain anticipated benefits of the proposed Merger, including with respect to future financial and operating results; the ability of STI or AIU to protect their respective intellectual property rights; competitive responses to the Merger and changes in expected or existing competition; unexpected costs, charges or expenses resulting from the proposed Merger; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed Merger; regulatory requirements or developments; changes in capital resource requirements; and legislative, regulatory, political and economic developments. The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with statements that are included herein and elsewhere, including the risk factors included in STI's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. STI can give no assurance that the conditions to the Merger will be satisfied. Except as required by applicable law, STI undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(c) EXHIBITS

[99.1 Press release dated as of March 30, 2020](#) (the press release may also be found on the Company's website at www.suptech.com on the Investor Relations page).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Superconductor Technologies Inc.

Date: March 30, 2020

By: /s/ William J. Buchanan
William J. Buchanan
Vice President and Chief Financial Officer

SUPERCONDUCTOR TECHNOLOGIES REPORTS FOURTH QUARTER AND FULL YEAR 2019 RESULTS

AUSTIN, Texas, March 30, 2020 (GLOBE NEWSWIRE) -- Superconductor Technologies Inc. (STI) (Nasdaq: SCON) reported financial results for the quarter and year ended December 31, 2019.

“In March of 2020, we announced we had entered into a definitive merger agreement with Allied Integral United, Inc., also known as Clearday,” stated Jeff Quiram, STI’s President and Chief Executive Officer. “We believe the Clearday transaction has the potential to monetize our cryogenic cooler technology for shareholders. As we complete the sales of equipment and selected intellectual property primarily related to our superconducting wire initiative, we shift our complete focus to successfully finalizing the merger with Clearday.”

Merger with Clearday

On March 3, 2020, STI announced it had entered into a definitive merger agreement with Allied Integral United, Inc. (“Clearday”), a privately-held company dedicated to delivering next generation longevity care and wellness services, whereby a wholly-owned subsidiary of STI will merge with and into Clearday in a stock-for-stock transaction with Clearday.

Fourth Quarter and Full Year Financial Summary

Revenues in the fourth quarter 2019 were \$388,000, \$383,000 of which came from the company’s DOE NGEM project, compared to no net revenues in the fourth quarter of 2018. Net loss for the fourth quarter 2019 was \$1.9 million, or a loss of \$0.12 per basic and diluted share, compared to a net loss of \$2.3 million, or a loss of \$0.70 per basic and diluted share, in the fourth quarter of 2018.

For the year ending Dec. 31, 2019, total revenues were \$545,000, compared to \$1.6 million for the year ended Dec. 31, 2018. The net loss for the year 2019 was \$9.2 million, or \$1.23 per basic and diluted share, compared to \$8.1 million, or \$4.03 per basic and diluted share, for the year 2018.

Please note: share and per share data for both periods are adjusted for the 1-for-10 reverse stock split effective on July 24, 2018.

As of Dec. 31, 2019, STI had \$713,000 in cash and cash equivalents.

In March of 2020, STI announced it will receive, in aggregate, approximately \$1.1 million for sales of various production, R&D, and testing equipment and selected intellectual property related primarily to the company’s superconducting wire initiative. The proceeds from this series of transactions is expected to be sufficient, together with STI’s other capital resources, for the company to complete the proposed merger with Clearday.

Important Additional Information Will be Filed with the SEC

In connection with the proposed transaction between STI and Clearday, the parties intend to file relevant materials with the SEC, including a STI registration statement on Form S-4 that will contain a combined proxy statement/prospectus/information statement. INVESTORS AND STOCKHOLDERS OF STI AND CLEARDAY ARE URGED TO READ THESE MATERIALS CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT CLEARDAY, THE PROPOSED MERGER AND RELATED MATTERS. Investors and shareholders will be able to obtain free copies of the proxy statement/prospectus/information statement and other documents filed by STI with the SEC (when they become available) through the website maintained by the SEC at www.sec.gov. In addition, investors and shareholders will be able to obtain free copies of the proxy statement/prospectus/information statement and other documents filed by STI with the SEC by written request to: Superconductor Technologies Inc. 15511 W State HWY 71, Ste 110-105, Austin, TX 78738, Attention: Corporate Secretary. Investors and stockholders are urged to read the proxy statement/prospectus/information statement and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction. The information in the websites of STI and Clearday is not incorporated into this press release and will not be incorporated into such SEC filed documents.

No Offer or Solicitation

This communication 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, 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.

Participants in the Solicitation

STI and its directors and executive officers, and Clearday, and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from the stockholders of STI in connection with the proposed merger. Information regarding the special interests of these directors and executive officers in the proposed merger will be included in the proxy statement/prospectus/information statement referred to above. Additional information about STI’s directors and executive officers is included in STI’s definitive proxy statement, filed with the SEC on April 26, 2019. These documents are available free of charge at the SEC website (www.sec.gov) and from the Corporate Secretary of STI at the address above.

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 proposed merger and other contemplated transactions (including statements relating to satisfaction of the conditions to and consummation of the proposed merger, the expected ownership of the combined 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 Nasdaq Capital Market, Clearday's and the post-merger combined 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 completion of the merger, including the need for stockholder approval and the satisfaction of closing conditions; risks related to STI's ability to correctly estimate and manage its operating expenses and its expenses associated with the proposed merger pending closing; the cash balances of the combined company following the closing of the merger; the ability of STI to remain listed on the Nasdaq Capital Market; the risk that as a result of adjustments to the exchange ratio, STI shareholders or Clearday stockholders could own more or less of the combined company than is currently anticipated; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed 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, subsequent quarterly reports and in other filings STI 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 future 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 STI and Clearday's views as of the date hereof. STI and Clearday anticipate that subsequent events and developments will cause their respective views to change. However, while STI and Clearday may elect to update these forward-looking statements at some point in the future, STI and Clearday specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing STI's or Clearday's views as of any date subsequent to the date hereof.

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>.

Investor Relations Contact

Moriah Shilton or Kirsten Chapman
LHA +1-415-433-3777 invest@suptech.com

– Tables to Follow –

SUPERCONDUCTOR TECHNOLOGIES INC CONSOLIDATED BALANCE SHEETS

| | December 31, 2019 | December 31, 2018 |
|--|------------------------------|------------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 713,000 | \$ 5,616,000 |
| Accounts receivable, net | 344,000 | — |
| Inventory, net | 263,000 | 173,000 |
| Prepaid expenses and other current assets | 76,000 | 61,000 |
| | <hr/> | <hr/> |
| Total Current Assets | 1,396,000 | 5,850,000 |
| Property and equipment, net of accumulated depreciation of \$12,948,000 and \$12,172,000, respectively | 233,000 | 1,009,000 |
| Patents, licenses and purchased technology, net of accumulated amortization of \$1,071,000 and \$1,026,000, respectively | 641,000 | 686,000 |
| Operating lease assets | 152,000 | — |
| Other assets | 60,000 | 69,000 |
| | <hr/> | <hr/> |

| | | |
|---|---------------|---------------|
| Total Assets | \$ 2,482,000 | \$ 7,614,000 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | \$ 527,000 | \$ 313,000 |
| Accrued expenses | 292,000 | 539,000 |
| Current lease liabilities | 148,000 | — |
| Total Current Liabilities | 967,000 | 852,000 |
| Long term lease liabilities | 4,000 | — |
| Other long term liabilities | 8,000 | 17,000 |
| Total Liabilities | 979,000 | 869,000 |
| Stockholders' Equity: | | |
| Preferred stock, \$.001 par value, 2,000,000 shares authorized, 328,925 and 330,787 issued and outstanding, respectively | — | — |
| Common stock, \$.001 par value, 250,000,000 shares authorized, 17,731,893 and 3,270,609 shares issued and outstanding, respectively | 18,000 | 3,000 |
| Capital in excess of par value | 330,458,000 | 326,486,000 |
| Accumulated deficit | (328,973,000) | (319,744,000) |
| Total Stockholders' Equity | 1,503,000 | 6,745,000 |
| Total Liabilities and Stockholders' Equity | \$ 2,482,000 | \$ 7,614,000 |

**SUPERCONDUCTOR TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Three Months Ended | | Year Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 |
| | unaudited | | unaudited | audited |
| Commercial product revenues | \$ 5,000 | \$ — | \$ 5,000 | \$ — |
| Government contract revenues | 383,000 | — | 540,000 | 1,556,000 |
| Total revenues | 388,000 | — | 545,000 | 1,556,000 |
| Costs and expenses: | | | | |
| Cost of commercial product revenues | 571,000 | 634,000 | 3,259,000 | 2,245,000 |
| Cost of government contract revenues | 276,000 | 81,000 | 303,000 | 1,210,000 |
| Research and development | 478,000 | 697,000 | 2,353,000 | 2,352,000 |
| Selling, general and administrative | 996,000 | 884,000 | 3,918,000 | 3,972,000 |
| Total costs and expenses | 2,321,000 | 2,296,000 | 9,833,000 | 9,779,000 |
| Loss from operations | (1,933,000) | (2,296,000) | (9,288,000) | (8,223,000) |
| Other Income and Expense | | | | |
| Adjustments to fair value of warrant derivatives | — | — | — | 52,000 |
| Adjustment to warrant exercise price | — | — | — | (24,000) |
| Other income | 5,000 | 34,000 | 59,000 | 64,000 |
| Net loss | \$ (1,928,000) | \$ (2,262,000) | \$ (9,229,000) | \$ (8,131,000) |
| Basic and diluted loss per common share | \$ (0.12) | \$ (0.70) | \$ (1.23) | \$ (4.03) |

Weighted average number of common
shares issued and outstanding

16,225,832

3,230,975

7,486,584

2,016,869

**SUPERCONDUCTOR TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Years Ended December 31, | | |
|---|---------------------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net loss | \$ (9,229,000) | \$ (8,131,000) | \$ (9,527,000) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Depreciation and amortization | 820,000 | 1,015,000 | 1,885,000 |
| Stock-based compensation expense | 87,000 | 84,000 | 341,000 |
| Adjustments to fair value of warrant derivatives | — | (52,000) | (99,000) |
| Adjustments to warrant exercise price | — | 24,000 | — |
| Changes in assets and liabilities: | | | |
| Accounts receivable | (343,000) | 151,000 | (143,000) |
| Inventory | (90,000) | (70,000) | (34,000) |
| Prepaid expenses and other current assets | (16,000) | 22,000 | 26,000 |
| Patents and licenses | — | 14,000 | 212,000 |
| Other assets | 9,000 | — | 27,000 |
| Accounts payable, accrued expenses and other liabilities | (41,000) | 12,000 | (132,000) |
| Net cash used in operating activities | <u>(8,803,000)</u> | <u>(6,931,000)</u> | <u>(7,444,000)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of property and equipment | - | (189,000) | (152,000) |
| Net cash used in investing activities | <u>-</u> | <u>(189,000)</u> | <u>(152,000)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Net proceeds from sale of common, prefunded warrants and preferred stock | 3,801,000 | 9,680,000 | — |
| Net proceeds from exercise of warrants | 99,000 | — | 200,000 |
| Net cash provided by financing activities | <u>3,900,000</u> | <u>9,680,000</u> | <u>200,000</u> |
| Net increase (decrease) in cash and cash equivalents | (4,903,000) | 2,560,000 | (7,396,000) |
| Cash and cash equivalents at beginning of year | <u>5,616,000</u> | <u>3,056,000</u> | <u>10,452,000</u> |
| Cash and cash equivalents at end of year | <u>\$ 713,000</u> | <u>\$ 5,616,000</u> | <u>\$ 3,056,000</u> |