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Research Frontiers Reports Third Quarter 2018 Financial Results

Management to Host Conference Call at 4:30 p.m.

WOODBURY, N.Y, Nov. 08, 2018 (GLOBE NEWSWIRE) -- Research Frontiers Inc. (Nasdaq: REFR) announced its financial results for its third quarter ended September 30, 2018. Management will host a conference call today at 4:30 p.m. Eastern Time to discuss its financial and operating results as well as recent developments.

- **Who:** Joseph M. Harary, President & CEO, Seth Van Voorhees, CFO
- **Date/Time:** November 8, 2018, 4:30 PM ET
- **Dial-in Information:** 1-888-334-5785
- **Replay:** Available on Friday, November 9, 2018 for 90 days at www.SmartGlass-IR.com

Key Third Quarter 2018 Comments:

- 1) The Company's revenues for the third quarter of 2018 were up almost 11% from the second quarter of 2018 (and would be up almost 19% had the revenue recognition standard in effect last year been applied). This increase in revenues was principally the result of higher levels of activity in the automotive sector.
- 2) Operating expenses declined by \$151,571 for the first nine months of 2018 as compared to the same period in 2017.
- 3) Significant recent developments include:
 - a. Inauguration of a new SPD-Smart light control film production line by Research Frontiers licensee Gauzy
 - b. New SPD-Smart product launches for the train market in September and for the aircraft, automotive, architectural and museum markets in October.
 - c. \$2 million equity investment led by Research Frontiers licensee Gauzy Ltd. giving the company sufficient working capital for at least the next 18-24 months.

For more details, please see the Company's Quarterly Report on Form 10-Q which was filed today with the SEC, the contents of which are incorporated by reference herein.

Research Frontiers (Nasdaq: REFR) is a publicly traded technology company and the developer of patented SPD-Smart light-control film technology which allows users to instantly, precisely and uniformly control the shading of glass or plastic products, either manually or automatically. Research Frontiers has licensed its smart glass technology to over 40 companies that include well known

chemical, material science and glass companies. Products using Research Frontiers' smart glass technology are being used in tens of thousands of cars, aircraft, yachts, trains, homes, offices, museums and other buildings. For more information, please visit our website at www.SmartGlass.com, and on [Facebook](#), [Twitter](#), [LinkedIn](#) and [YouTube](#).

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Note: From time to time Research Frontiers may issue forward-looking statements which involve risks and uncertainties. This press release contains forward-looking statements. Actual results could differ and are not guaranteed. Any forward-looking statements should be considered accordingly. "SPD-Smart" and "SPD-SmartGlass" are trademarks of Research Frontiers Inc

RESEARCH FRONTIERS INCORPORATED
 Consolidated Balance Sheets
 Unaudited

	September 30, 2018	December 31, 2017
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,400,842	\$ 1,737,847
Royalties receivable, net of reserves of \$1,051,424 in 2018 and 2017	709,811	597,441
Prepaid expenses and other current assets	96,790	29,697
Total current assets	<u>4,207,443</u>	<u>2,364,985</u>
Fixed assets, net	358,456	482,561
Deposits and other assets	33,567	33,567
Total assets	<u>\$ 4,599,466</u>	<u>\$ 2,881,113</u>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 56,602	\$ 58,090
Accrued expenses and other	263,420	254,833
Deferred revenue	38,966	824
Total current liabilities	<u>358,988</u>	<u>313,747</u>
Warrant liability	<u>510,001</u>	<u>-</u>
Shareholders' equity:		
Common stock, par value \$0.0001 per share; authorized 100,000,000 shares, issued and outstanding 27,662,211 in 2018 and 24,043,846 in 2017	2,766	2,404
Additional paid-in capital	114,784,477	111,627,789
Accumulated deficit	<u>(111,056,766)</u>	<u>(109,062,827)</u>

Total shareholders' equity	<u>3,730,477</u>	<u>2,567,366</u>
Total liabilities and shareholders' equity	<u>\$ 4,599,466</u>	<u>\$ 2,881,113</u>

RESEARCH FRONTIERS INCORPORATED
Consolidated Statements of Operations
Unaudited

	Nine months ended September 30,		Three months ended September 30,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Fee income	<u>\$ 1,117,849</u>	<u>\$ 1,229,631</u>	<u>\$ 359,725</u>	<u>\$ 488,336</u>
Operating expenses	2,228,757	2,380,328	572,968	607,291
Research and development	<u>660,086</u>	<u>598,638</u>	<u>190,647</u>	<u>185,296</u>
Total Expenses	<u>2,888,843</u>	<u>2,978,966</u>	<u>763,615</u>	<u>792,587</u>
Operating loss	(1,770,994)	(1,749,335)	(403,890)	(304,251)
Net investment income	5,665	3,830	2,220	1,113
Warrant market adjustment	(286,631)	-	(286,631)	-
Net loss	<u>(2,051,960)</u>	<u>(1,745,505)</u>	<u>(688,301)</u>	<u>(303,138)</u>
Basic and diluted net loss per common share	<u>\$ (0.08)</u>	<u>\$ (0.07)</u>	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>25,380,466</u>	<u>24,043,846</u>	<u>26,002,263</u>	<u>24,043,846</u>

RESEARCH FRONTIERS INCORPORATED
Consolidated Statements of Cash Flows
Unaudited

	Nine months ended September 30,	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net loss	\$ (2,051,960)	\$ (1,745,505)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	135,400	131,725
Warrant market adjustment	286,631	-
Stock based compensation	69,309	-
Bad debts	-	(1,785)
Change in assets and liabilities:		
Royalty receivables	(54,350)	336,739

Prepaid expenses and other current assets	(67,093)	205,825
Accounts payable and accrued expenses	7,099	46,666
Deferred revenue	38,142	5,815
Net cash used in operating activities	<u>(1,636,821)</u>	<u>(1,020,520)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(11,295)	(6,362)
Proceeds from sale of investment	-	1,523,333
Net cash provided by (used in) investing activities	<u>(11,295)</u>	<u>1,516,971</u>
Cash flows from financing activities:		
Proceeds for issuance of common stock	3,026,630	-
Proceeds for issuance of common stock	223,370	-
Proceeds from exercise of warrants	61,111	-
Net cash provided by financing activities	<u>3,311,111</u>	<u>-</u>
Net increase in cash and cash equivalents	1,662,995	496,451
Cash and cash equivalents at beginning of period	1,737,847	1,691,603
Cash and cash equivalents at end of period	<u>\$ 3,400,842</u>	<u>\$ 2,188,054</u>