



Research Frontiers Reports First Quarter 2019 Financial Results

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

WOODBURY, N.Y., May 14, 2019 – Research Frontiers Inc. (Nasdaq: REFR) announced its financial results for its first quarter ended March 31, 2019. 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:** May 14, 2019, 4:30 PM ET
- **Dial-in Information:** 1-888-334-5785
- **Replay:** Available on Wednesday, May 15, 2019 for 90 days at www.SmartGlass-IR.com

Key First Quarter 2019 Comments:

- 1) In February 2019, Gauzy Ltd. announced its second production facility in Stuttgart, Germany to produce SPD-Smart light control film for the entire SPD-SmartGlass industry.
 - This state-of-the-art facility with specially-designed coating and curing areas will give Gauzy the capacity to coat over one million square meters of SPD film per year.
 - Gauzy expects the new facility to be in production by the summer of 2019.
- 2) The Company's fee income from licensing activities for the three months ended March 31, 2019 was \$418,657 as compared to \$433,269 for the three months ended March 31, 2018 representing a \$14,612 decrease between these two periods.
 - When non-recurring fee income items are eliminated, fee income would have increased by \$26,384 in the first quarter of 2019 as compared to the first quarter of 2018.
 - Lower fee income from the architectural market was partially offset by higher levels of fee income in automotive, aircraft and display market sectors.
- 3) Fee income as reported increased by \$47,861, or 13% in the first quarter of 2019 as compared to the fourth quarter of 2018.
- 4) Expenses declined by \$247,312, or -20.1%, for the 3-month period ending March 31, 2019 as compared to the same period in 2018 due to lower payroll, patent cost and other cost reduction initiatives of the Company.
- 5) The Company's net loss was \$803,897 (\$0.03 per common share) for the three months ended March 31, 2019 as compared to \$793,767 (\$0.03 per common share) for the three months ended March 31, 2018.
 - The Company's net loss would have been \$556,307 (\$0.02 per common share) for the three months ended March 31, 2019, as compared to \$793,767 (\$0.03 per common share) for the three months ended March 31, 2018, or \$240,460 lower prior to a non-cash accounting expense of \$247,590 for marking

to market the value of certain warrants issued as part of an equity offering during the third quarter of 2018.

- 6) Cash and cash equivalents increased by \$369,097 since the end of 2018 principally as a result of cash proceeds of \$1,101,782 from the issuance of common stock in connection with the exercise of warrants during the three months ended March 31, 2019 that was partially offset by cash used in operation during that period.
- 7) The Company adopted the Financial Accounting Standards Board's Standard, Leases (Topic 842), as amended. The standard requires all leases to be recorded on the balance sheet as a right of use asset and a lease liability. At adoption on January 1, 2019, an operating lease liability of \$1,114,000 and the operating lease right of use asset of \$941,000 were recorded on the balance sheet.
- 8) On March 27, 2019 Joseph M. Harary, presented the benefits of SPD-SmartGlass to the Automotive Industry at the Automotive Glazing Summit in Berlin, Germany. On May 13, 2019 Mr. Harary demonstrated at a conference in Novi, Michigan how SPD-SmartGlass can help electric and internal combustion engine vehicles run more efficiently, drive farther, and make occupants safer and more comfortable.
 - These addresses focused on a real-world analysis of the use, benefits and reliability of SPD-SmartGlass in automotive and other glazings.
 - Some of the benefits include significant heat reduction inside the vehicle (by up to 18°F/10°C), UV protection, glare control, reduced noise and reduced fuel consumption.
 - Independent calculations also show that use of SPD-SmartGlass can reduce CO2 emissions by four grams per kilometer and increase the driving range of electric vehicles by approximately 5.5 percent.

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.

About Research Frontiers

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](#).

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, especially those reliant on activities by third parties, 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.

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RESEARCH FRONTIERS INCORPORATED
Consolidated Balance Sheets
Unaudited

	March 31, 2019 Unaudited	December 31, 2018
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 3,338,513	\$ 2,969,416
Royalties receivable, net of reserves of \$1,094,774 at March 31, 2019 and December 31, 2018	764,362	689,677
Prepaid expenses and other current assets	151,444	52,729
Total current assets	4,254,319	3,711,822
Fixed assets, net	268,812	313,177
Operating lease Right of Use assets	897,322	-
Deposits and other assets	33,567	33,567
Total assets	\$ 5,454,020	\$ 4,058,566
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Current portion of operating lease liability	\$ 158,105	\$ -
Accounts payable	70,007	133,486
Accrued expenses and other	92,134	273,606
Deferred revenue	51,221	50,570
Total current liabilities	371,467	457,662
Operating lease liability, net of current portion	936,174	-
Warrant liability	749,004	501,414
Total liabilities	2,056,645	959,076
Shareholders' equity:		
Common stock, par value \$0.0001 per share; authorized 100,000,000 shares, issued and outstanding 28,666,831 as of March 31, 2019 and 27,665,211 as of December 31, 2018	2,867	2,767
Additional paid-in capital	115,889,339	114,787,657
Accumulated deficit	(112,494,831)	(111,690,934)
Total shareholders' equity	3,397,375	3,099,490
Total liabilities and shareholders' equity	\$ 5,454,020	\$ 4,058,566

RESEARCH FRONTIERS INCORPORATED
Consolidated Statements of Operations
Unaudited

	Three Months Ended March 31,	
	2019	2018
Fee income	\$ 418,657	\$ 433,269
Operating expenses	751,166	1,009,825
Research and development	229,963	218,616
Total Expenses	981,129	1,228,441
Operating loss	(562,472)	(795,172)
Warrant market adjustment	(247,590)	-
Net investment income	6,165	1,405
Net loss	(803,897)	(793,767)
Basic and diluted net loss per common share	\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding	28,221,975	24,691,996

RESEARCH FRONTIERS INCORPORATED
Consolidated Statements of Cash Flows
Unaudited

	Three months ended March 31,	
	2019	2018
Cash flows from operating activities:		
Net loss	\$ (803,897)	\$ (793,767)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	48,919	44,879
Warrant market adjustment	247,590	-
Change in assets and liabilities:		
Royalty receivables	(74,685)	(81,741)
Prepaid expenses and other current assets	(98,715)	(61,355)
Accounts payable and accrued expenses	(52,414)	53,765
Deferred revenue	651	152,316
Net cash used in operating activities	<u>(732,551)</u>	<u>(685,903)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(134)	(5,399)
Net cash used in investing activities	<u>(134)</u>	<u>(5,399)</u>
Cash flows from financing activities:		
Net proceeds from issuances of common stock and warrants and exercise of options and warrants	1,101,782	1,250,000
Net cash provided by financing activities	<u>1,101,782</u>	<u>1,250,000</u>
Net increase in cash and cash equivalents	369,097	558,698
Cash and cash equivalents at beginning of period	2,969,416	1,737,847
Cash and cash equivalents at end of period	<u>\$ 3,338,513</u>	<u>\$ 2,296,545</u>
Supplemental disclosure of non-cash activities:		
Right of use assets obtained in connection with the adoption of FASB ASC 842	<u>941,284</u>	<u>-</u>