

Research Frontiers Reports Second Quarter 2019 Financial Results

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

WOODBURY, N.Y., August 8, 2019 – Research Frontiers Inc. (Nasdaq: REFR) announced its financial results for its second quarter ended June 30, 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:** August 8, 2019, 4:30 PM ET
- **Dial-in Information:** 1-888-334-5785
- **Replay:** Available on Friday, August 9, 2019 for 90 days at www.SmartGlass-IR.com

Key Second Quarter 2019 Comments:

- 1) In June 2019, Gauzy Ltd. announced that its second production facility in Stuttgart, Germany is on schedule 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 that 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.
 - Joe Harary will discuss his recent visit to the new Gauzy facility, as well as the growing pipeline of products using Research Frontiers SPD-Smart technology, on our upcoming conference call.
- 2) In May 2019 Gauzy led a \$4.6 million investment in Research Frontiers by it and other accredited investors. Gauzy now owns 6.9% of the outstanding common stock of Research Frontiers, making it Research Frontiers second largest shareholder.
 - At June 30, 2019 the Company had cash and cash equivalents of \$7,298,670 and working capital of \$7,879,933.
 - Based on the Company's existing cash burn rate, these assets would support the Company's operations for at least the next 3 years.
- 3) The Company's fee income from licensing activities for the six months ended June 30, 2019 was \$719,692 as compared to \$758,122 for the six months ended June 30, 2018.
 - The Company had higher royalty income from product sales in the automotive and aircraft markets, offset by lower fee income in other markets primarily due to non-recurring transactions.
 - For the six months ended June 30, 2019 expenses increased by \$109,239, or 5.1%, as compared to the same period in 2018.

- 4) The Company's net loss was \$2,154,375 (\$0.07 per common share) for the six months ended June 30, 2019 as compared to \$1,363,658 (\$0.05 per common share) for the six months ended June 30, 2018.
- Excluding non-cash expenses to mark the warrants to their market value (primarily due to a higher stock price for the Company) and the non-cash compensation charges related to stock options granted to employees and directors, the net loss would have been \$1,146,122, or \$148,227 less, for the six months ended June 30, 2019 as compared as compared to the same period in 2018.

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

| | June 30, 2019 (Unaudited) | December 31, 2018 |
|--|------------------------------|---------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 7,298,670 | \$ 2,969,416 |
| Royalties receivable, net of reserves of \$1,117,441 in 2019 and \$1,094,774 in 2018 | 772,790 | 689,677 |
| Prepaid expenses and other current assets | 102,472 | 52,729 |
| Total current assets | 8,173,932 | 3,711,822 |
| Fixed assets, net | 287,108 | 313,177 |
| Operating lease ROU assets | 854,582 | - |
| Deposits and other assets | 33,567 | 33,567 |
| Total assets | \$ 9,349,189 | \$ 4,058,566 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Current portion of operating lease liability | \$ 159,017 | \$ - |
| Accounts payable | 27,371 | 133,486 |
| Accrued expenses and other | 71,709 | 273,606 |
| Deferred revenue | 35,902 | 50,570 |
| Total current liabilities | 293,999 | 457,662 |
| Operating lease liability, net of current portion | 894,510 | - |
| Warrant liability | - | 501,414 |
| Total liabilities | 1,188,509 | 959,076 |
| Shareholders' equity: | | |
| Common stock, par value \$0.0001 per share; authorized 100,000,000 shares, issued and outstanding 3,103,443 in 2019 and 27,665,211 in 2018 | 3,103 | 2,767 |
| Additional paid-in capital | 122,002,886 | 114,787,657 |
| Accumulated deficit | (113,845,309) | (111,690,934) |
| Total shareholders' equity | 8,160,680 | 3,099,490 |
| Total liabilities and shareholders' equity | \$ 9,349,189 | \$ 4,058,566 |

RESEARCH FRONTIERS INCORPORATED
Consolidated Statements of Operations
Unaudited

| | Six Months Ended June 30, | | Three Months Ended June 30, | |
|--|---------------------------|--------------------|-----------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Fee income | \$ 719,692 | \$ 758,122 | \$ 301,035 | \$ 324,853 |
| Operating expenses | 1,690,520 | 1,655,785 | 939,355 | 645,960 |
| Research and development | 543,944 | 469,440 | 313,981 | 250,824 |
| Total Expenses | <u>2,234,464</u> | <u>2,125,225</u> | <u>1,253,336</u> | <u>896,784</u> |
| Operating loss | (1,514,772) | (1,367,103) | (952,301) | (571,931) |
| Warrant market adjustment | (652,025) | - | (404,435) | - |
| Net investment income | <u>12,422</u> | <u>3,445</u> | <u>6,258</u> | <u>2,040</u> |
| Net loss | <u>(2,154,375)</u> | <u>(1,363,658)</u> | <u>(1,350,478)</u> | <u>(569,891)</u> |
| Basic and diluted net loss per common share | <u>\$ (0.07)</u> | <u>\$ (0.05)</u> | <u>\$ (0.05)</u> | <u>\$ (0.02)</u> |
| Weighted average number of common shares outstanding | <u>28,909,306</u> | <u>25,064,414</u> | <u>29,589,084</u> | <u>25,432,739</u> |

RESEARCH FRONTIERS INCORPORATED
Consolidated Statements of Cash Flows
Unaudited

| | Six months ended June 30, | |
|---|---------------------------|---------------------|
| | 2019 | 2018 |
| Cash flows from operating activities: | | |
| Net loss | \$ (2,154,375) | \$ (1,363,658) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 95,445 | 90,343 |
| Stock based compensation | 356,228 | 69,309 |
| Provision for doubtful accounts | 22,667 | - |
| Warrant market adjustment | 652,025 | - |
| Change in assets and liabilities: | | |
| Royalty receivables | (105,780) | 21,122 |
| Prepaid expenses and other current assets | (49,743) | (78,310) |
| Accounts payable and accrued expenses | (115,475) | 44,382 |
| Deferred revenue | (14,668) | 102,024 |
| Net cash used in operating activities | <u>(1,313,676)</u> | <u>(1,114,788)</u> |
| Cash flows from investing activities: | | |
| Purchases of fixed assets | <u>(62,968)</u> | <u>(11,087)</u> |
| Net cash used in investing activities | <u>(62,968)</u> | <u>(11,087)</u> |
| Cash flows from financing activities: | | |
| Net proceeds from issuances of common stock and warrants and exercise of options and warrants | <u>5,705,898</u> | <u>1,250,000</u> |
| Net cash provided by financing activities | <u>5,705,898</u> | <u>1,250,000</u> |
| Net increase in cash and cash equivalents | 4,329,254 | 124,125 |
| Cash and cash equivalents at beginning of period | <u>2,969,416</u> | <u>1,737,847</u> |
| Cash and cash equivalents at end of period | <u>\$ 7,298,670</u> | <u>\$ 1,861,972</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> |