Welcome Shareholders

NASDAQ: CVV
Safe Harbor Statement

Certain statements in the following presentation relate to future results that are forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to those noted in our forms 10-K, 10-Q, and other filings with the SEC.

This presentation includes historical and forward-looking ProForma information. The Company assumes no responsibility to update the information contained in this presentation.
Agenda

I. CVD Today
   Company, customers, and markets

II. Where we are going
    Strategy and tactical actions

III. Financial Update & Outlook

IV. Q&A
CVD Equipment Corporation is a leading deposition equipment and coating solutions supplier with 34 years of innovation.

We are at the confluence of materials-driven market megatrends with unique capabilities to capitalize on these opportunities...

Megatrends:
- Advanced Composite Materials
- Additive Manufacturing
- Energy Efficiency
- Medical Devices
- Nanotechnology

Keys to CVD’s Value Proposition:
- Design Flexibility
- Direct Customer Engagement
- Experience
- Manufacturing Capacity
- Material Science Innovation
- Proprietary Software
- Vertically Integrated Manufacturing
How we enable tomorrow’s technologies

- Innovation leader since 1982
- Thin Films, Coatings, & Surface Modification
  - Equipment Design & Development
  - Production Scale Manufacturing
  - Installation, Start-up and Operational Service
- Process Research & Development
  - Nanomaterial Research
  - Equipment Optimization
  - Customer Process Development Services
  - Funded Research Collaboration
Vertically Integrated Capabilities

- Vertically integrated design and manufacturing enables rapid system development
  - We procure raw materials & components and deliver finished systems
  - We leverage a network of industry leading suppliers and contractors as required
- Provide turnkey systems including instrumentation, process control software, gas handling, and exhaust abatement
  - 34 years of experience in design, engineering, and manufacturing of chemical vapor deposition and related equipment
- Application laboratory to support process, equipment and material development

- Integrated system design, engineering, and manufacturing
- Fully equipped machine shop
- Quartzware design and fabrication
- Installation and performance testing
- Technical and equipment services

Current Facilities

Headquarters
Central Islip, NY
134,500 ft² facility with 6,000 ft² applications lab

SDC® Division
Saugerties, NY
22,000 ft² facility with 4,000 ft² cleanrooms
Driving to New Heights

- **Technology**
  - Reactor Configuration
  - Chemical & Gas Delivery
  - Material Handling
  - Software Optimization

- **Services**
  - Field Services and Equipment Support
  - Laboratory Process Development
  - Grant Assistance Collaborations

- **Operations**
  - Expansion of Engineering Capabilities
  - Increased Manufacturing Capacity
  - Optimization of Sales Operations
Targeted Marketing to Fill the Sales Pipeline

Updated website to better service existing customers and attract new prospects

Pipeline approach is driving increased sales

- Coordinated digital and traditional marketing
- Updated website and improved search engine optimization (SEO) to reach targeted customers
- Automated online RFQs to directly convert to leads
- Robust process for lead qualification and processing through to quote

Revised format, updated content, improved SEO, and streamlined branding has increased CVD’s online visibility

Higher quality leads increasing quote conversion rate
Our Customers...

Are Innovators

Are Market Leaders

Our Customers...
We Align Business Operations to Major Market Opportunities

Aerospace → Continuing our strong position with completed shipments and a $30 million follow on order in 2nd quarter of 2016

Medical & Life Sciences → Multi-unit shipments, continued production phase, and additional projects in incubation

Research & Development → Next phase in the industrial partnership with Penn State University to advance 2D crystal device development

Chemical & Petrochemical → Opportunity to penetrate the market with new product and services offerings
Commercial Aircraft Market Outlook*

"Rapidly evolving aviation product offerings and growth in emerging markets are broadening the geographical balance of airplane demand, spurring a worldwide requirement for over 39,620 new jet airplanes, valued at $5.9 trillion."

Continuing demands for new aircraft and improved fuel economy are key drivers for developing new materials and coatings. A 10-20% increase in fuel efficiency is driving this market.

Our Position in the Aerospace Industry

Leading Supplier of Next Generation Technology

✓ Received a $30 million order from a major aviation component supplier late in 2nd quarter of 2016

✓ Other CVD systems were delivered to this customer in 2014 and 2015

✓ CVD’s leading position as a key supplier of next generation technology for the aerospace industry
Medical & Life Sciences Market Outlook

✓ Medical device coatings are widely used to augment product surface function and to improve performance
✓ Economic downturn in late 2000’s did not slow demand for total joint arthroplasty*
✓ Expansion of U.S. healthcare spending between 2011 and 2021, from $2.7 trillion to $4.8 trillion, is anticipated to fuel the future demand for arthroplasty*
✓ The global medical device coatings market is predicted to rise from US$6.6 billion in 2013 to US$10.9 billion in 2020, with a compound annual growth rate (CAGR) of 7.40%**
✓ Tantalum coatings for surgical implants and body part replacements will continue to grow

Knee & Hip Replacements in the US*
Current status ➔ 800,000 per year
Future projection ➔ 1,500,000 by 2020


Biomedical Applications

CVD Equip. Corp. Co-Authored a publication with University of Cincinnati:

Magnesium single crystals for biomedical applications grown in vertical Bridgman apparatus

✓ Next generation medical implants based on biodegradable materials have been the focus of much research over recent years
✓ Biodegradable implants for orthopedic applications do not require a second surgery
✓ Cardiovascular magnesium stents are currently undergoing clinical trials
✓ Paper describes the systems developed for magnesium single crystal growth
✓ Single crystal magnesium has superior properties compared to currently commercially available magnesium, allowing for use as load bearing biodegradable bone implants

Laboratory Services

✓ Our process engineers and materials research scientists support next generation product development.

✓ We provide contract process development services for emerging materials, including graphene synthesis, 3D cellular materials, CNTs, TMDs, semiconducting nanowires, substrate coatings, epitaxial films, among others.
Current TMD Contracts

FirstNano® EasyTube® 2000 horizontal hotwall reactor
25 mm x 50 mm substrate

2” and 3” wafer processing vertical cold wall reactor
cluster configuration with loadlock and transfer chamber

3” wafer processing of TMDs and Epi graphene horizontal cold wall reactor
Collaboration Services

Penn State University

- Collaboration launched in 2015 with PSU to develop 2D material equipment and processes
- Initial phase success resulted in PSU being awarded $17.8M from the NSF to establish a center of excellence for 2D material research
- CVD selected for collaboration based on our early and leading presence in 2D material equipment development
- CVD contributions include technical input, consultation, program review, and supply of equipment to the university

CVD has secured other contracts for 2D material synthesis, including contracts to the US military.

CVD has established itself as a leading equipment supplier for 2D materials.

Funding by the NSF and the US military signals that there is promise in these materials, with the expectation that we will see multiple orders for 2D materials systems in the coming years.

“We are pleased to continue to benefit from the industrial perspective and specialized equipment manufacturing expertise that CVD Equipment Corporation brings as part of our ongoing collaboration.”

Joan Redwing
Professor of Materials Science and Engineering, Chemical Engineering and Electrical Engineering
Diversification & Growth

Organic growth based on our existing knowledge and customer base while broadening our scope of enabling technologies through strategic acquisitions

GOALS
- Growth
- Diversification
- Margin Expansion
- Recurring Revenue
- Leverage Existing IP
- Shareholder Returns

FUTURE
Technical solutions provided through unique materials, coatings, and deposition equipment

PRODUCTION
Key Supplier of custom deposition equipment for the aviation, medical, and research markets

RESEARCH
Technology leader for CVD equipment

Accelerate growth by leveraging our equipment know how to produce high value materials, coatings and services
Growth Strategy

Continued investment in a diversified growth plan

✓ $10MM investment in facilities enabled >$50MM in production scale orders
✓ Internal investment in systems for Sales and operational efficiency
✓ Collaborative and in-house R&D for equipment and material development
✓ Selective criteria for identification and evaluation of potential acquisitions
  ✓ Technically differentiated coating equipment or services
  ✓ Low opportunity cost based on leveraging of CVD’s capability, resources and know-how
✓ Proven technology that is undervalued by the market
✓ Achievable market niches of $5MM to $50MM
✓ Profitable within 2 years of acquisition

Example: Anti-corrosion

$12 billion market in 2015 expected to grow to over $18 billion by 2023, largely driven by demand from specialty chemical, oil and gas infrastructure markets

Transparency Market Research

Acquisition targets for CVD at this phase of the technology development cycle
Heading into the future

Leveraging know-how and expanding customer base to accelerate growth

1982: CVD Equipment Corporation
1999: PILOT & PRODUCTION EQUIPMENT
2001: GAS & CHEMICAL DELIVERY SYSTEMS
2002: RESEARCH & DEVELOPMENT EQUIPMENT
2005: PROCESS DEVELOPMENT SERVICES
2006: RESEARCH & DEVELOPMENT EQUIPMENT
2013: Application Lab opens

Facilities 156,500 ft², Company owned

2017: COATING SERVICE CAPABILITIES TO OPEN UP NEW MARKETS
Our Company, Products, and Services

CVD Equipment Corporation

- Develops and manufactures process/coating equipment solutions for pilot and production applications

CVD Equipment Corporation

R&D systems for processing graphene, carbon nanotubes, semiconducting nanowires, 2D materials, and thin films for research laboratories

firstnano

Ultra high purity (UHP) gas & chemical delivery systems and installations for high-tech fabrication processes

SDC

CVD Materials Corporation

Strategic acquisitions or internal expansion into adjacent spaces with value added materials and services

Corporate Headquarters & Parent Company
Financials Through Q3 2016
### Comparison of Consolidated Statements of Operations

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended September 30</th>
<th>Nine Months Ended September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Revenue</td>
<td>$4,884</td>
<td>$10,646</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1,691</td>
<td>4,126</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2,086</td>
<td>3,254</td>
</tr>
<tr>
<td>Operating (loss)/income</td>
<td>(395)</td>
<td>872</td>
</tr>
<tr>
<td>Net (loss)/income</td>
<td>(85)</td>
<td>812</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>$(0.01)</td>
<td>$0.13</td>
</tr>
</tbody>
</table>
CVD Equipment Corporation and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$16,637</td>
<td>$13,073</td>
</tr>
<tr>
<td>Accounts Receivable, net</td>
<td>7,160</td>
<td>3,091</td>
</tr>
<tr>
<td>Costs and estimated earnings in excess of billings on contracts in progress</td>
<td>3,160</td>
<td>4,635</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,051</td>
<td>2,987</td>
</tr>
<tr>
<td>Other current assets</td>
<td>1,083</td>
<td>765</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>31,091</strong></td>
<td><strong>24,551</strong></td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>14,275</td>
<td>14,828</td>
</tr>
<tr>
<td>Other assets</td>
<td>2,138</td>
<td>1,753</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$47,504</strong></td>
<td><strong>$41,132</strong></td>
</tr>
</tbody>
</table>
## CVD Equipment Corporation and Subsidiaries

### Condensed Consolidated Balance Sheets

(in thousands)

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<tr>
<th></th>
<th>September 30, 2016</th>
<th>December 31, 2015</th>
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</thead>
<tbody>
<tr>
<td><strong>Liabilities and stockholders' equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$298</td>
<td>$308</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>1,272</td>
<td>3,446</td>
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<tr>
<td>Current portion of long-term debt</td>
<td>300</td>
<td>580</td>
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<tr>
<td>Billings in excess of costs and estimated earnings on contracts in progress</td>
<td>9,131</td>
<td>--</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>150</td>
<td>308</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>11,151</td>
<td>4,642</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>3,041</td>
<td>3,265</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>14,192</td>
<td>7,907</td>
</tr>
<tr>
<td>Total stockholders' equity</td>
<td>33,312</td>
<td>33,225</td>
</tr>
<tr>
<td><strong>Total liabilities and stockholders' equity</strong></td>
<td>$47,504</td>
<td>$41,132</td>
</tr>
</tbody>
</table>
Outlook

2016

✓ Rebuilt backlog with large scale production orders including all-time record booking in Q3
✓ Realized positive impact from sales and marketing efforts with uptick in orders
✓ Technology advancements through collaboration and internal R&D
✓ Initiated plans for strategic growth through acquisition and internally through new products

2017 Plans

✓ Accelerate growth through acquisition and internally through new products
✓ Revenue realization through delivery of our significant backlog
✓ Follow on orders for production, spares and equipment services
✓ As a result, we expect a record year in revenue and gross margins

Beyond 2017

✓ Recurring revenue stream (materials and services) becoming meaningful
✓ Continued growth in revenue and expansion of gross margins