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
At a Glance

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
  - 35 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® Facility
Saugerties, NY
22,000 ft² facility with 4,000 ft² cleanrooms

Tantaline® Facility
Nordborg, Denmark
30,000 ft² facility
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
  - Product Coating Services

- **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

[Logos of various universities and institutions]

Are Market Leaders

[Logos of various companies and organizations]
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
AEROSPACE
Airlines moving from large airplanes to small and medium widebodies

In-Service Widebody Fleet

- 1995
- 2015
- 2035

Older, less efficient airplanes replaced with more efficient, newer generation airplanes

- Current Fleet
- Growth

“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 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
✓ Our paper describes the systems we 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

RESEARCH & DEVELOPMENT
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

[Image: PennState Materials Research Institute]
Diversification & Growth Strategy

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

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

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

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: SDC Research International
- 2002: Conceptronic
- 2005: Application Lab opens
- 2006: RESEARCH & DEVELOPMENT EQUIPMENT
- 2013: PROCESS DEVELOPMENT SERVICES
- 2017: COATING SERVICE CAPABILITIES WILL OPEN UP NEW MARKETS

WILL OPEN UP NEW MARKETS
Our Company, Products, and Services

CVD Equipment Corporation

Corporate Headquarters & Parent Company

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

Our tantalum vapor technology, Tantalone® treatment, creates a tantalum surface alloy on parts that are highly exposed to corrosion

Tantalone

?
Tantaline® Treatment Services

✓ Tantaline® is a provider of tantalum alloy products and services for diversification of product offerings
✓ Facility located in Nordborg, Denmark will increase geographic presence
✓ Tantalum is widely considered the best option for acid corrosion resistance
✓ Revenue potential $20 million to TBD
✓ Leverage CVD’s equipment experience for cost efficient scale-up of manufacturing capacity
✓ Coated parts include tube fittings, valves, fasteners, and a range of other functional components
✓ Broad range of markets including chemical processing, oil & gas, research, medical devices, and pharmaceutical
✓ 9 patents and patent applications in place
✓ Existing customer base in the Americas, Europe, and Asia includes world class leaders in the chemical process industry
Chemical & Petrochemical
Coating & Surface Modification Services

Tantaline® products have proven their performance in various applications since 1993. Since then, Tantaline® has gained broad appeal, and Tantaline® treatment is utilized in numerous (and growing number of) industries because of its unmatched performance and attributes.

Serving the Chemical & Petrochemical Markets

✓ Tantaline® solutions have been applied across the chemical processing industry since 1993 and have proven to be a safe, durable, and a higher performance alternative to specialty metals.

✓ There is a need to access higher impurity oil and gas reserves. In these cases, higher temperatures, pressures, and concentrations of corrosive gases like hydrogen sulfide (H₂S) are pushing the limits of conventional materials.

✓ In the offshore environment, Tantaline® can eliminate problems caused by the pitting corrosion of stainless steel and titanium that occurs in salt water at high temperatures.

✓ In the oil and gas sector, Tantaline® is a perfect choice where, for example, titanium has problems handling media that contain methanol or hydrogen sulphide.
Financials Through Q4 2016
### CVD Equipment Corporation and Subsidiaries

**Comparison of Consolidated Statements of Operations**

*(in thousands)*

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended December 31</th>
<th>Nine Months Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$7,325</td>
<td>$8,193</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>3,386</td>
<td>3,103</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>2,202</td>
<td>2,106</td>
</tr>
<tr>
<td><strong>Operating (loss)/income</strong></td>
<td>1,184</td>
<td>997</td>
</tr>
<tr>
<td><strong>Net (loss)/income</strong></td>
<td>770</td>
<td>391</td>
</tr>
<tr>
<td><strong>Diluted earnings per share</strong></td>
<td>$0.12</td>
<td>$0.06</td>
</tr>
</tbody>
</table>
### CVD Equipment Corporation and Subsidiaries

#### Condensed Consolidated Balance Sheets

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$21,677</td>
<td>$13,073</td>
</tr>
<tr>
<td>Accounts Receivable, net</td>
<td>608</td>
<td>3,091</td>
</tr>
<tr>
<td>Costs and estimated earnings in excess of billings on contracts in progress</td>
<td>2,597</td>
<td>4,635</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,287</td>
<td>2,987</td>
</tr>
<tr>
<td>Other current assets</td>
<td>235</td>
<td>167</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>28,832</td>
<td>24,551</td>
</tr>
<tr>
<td>Property, plant, and equipment, net</td>
<td>14,239</td>
<td>14,827</td>
</tr>
<tr>
<td>Other assets</td>
<td>68</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$45,605</td>
<td>$41,131</td>
</tr>
<tr>
<td>Liabilities and stockholders' equity</td>
<td>December 31, 2016</td>
<td>December 31, 2015</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$743</td>
<td>$308</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>1,944</td>
<td>3,446</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>300</td>
<td>580</td>
</tr>
<tr>
<td>Billings in excess of costs and estimated earnings on contracts in progress</td>
<td>5,262</td>
<td>--</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>78</td>
<td>308</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>8,327</td>
<td>4,642</td>
</tr>
<tr>
<td><strong>Long-term debt</strong></td>
<td>2,965</td>
<td>3,265</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>11,292</td>
<td>7,907</td>
</tr>
<tr>
<td><strong>Total stockholders' equity</strong></td>
<td>34,313</td>
<td>33,225</td>
</tr>
<tr>
<td><strong>Total liabilities and stockholders' equity</strong></td>
<td><strong>$45,605</strong></td>
<td><strong>$41,132</strong></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 plan for strategic growth through acquisition and internally through new products

2017
✓ 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
✓ New revenue from accelerated growth opportunities
✓ As a result, expecting record year in revenue and gross margins

Beyond 2017
✓ Recurring revenue stream (materials and services) becomes meaningful
✓ Continued growth in revenue and expansion of gross margins