UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2022

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from____ to _____
Commission file number: 1-16525

CVD EQUIPMENT CORPORATION

(Name of Registrant in Its Charter)

New York
State or Other Jurisdiction of Incorporation or Organization)

11-2621692
(I.R.S. Employer Identification No.)

355 South Technology Drive
Central Islip, New York 11722

(Address of principal executive offices)

(631) 981-7081
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CVV	NASDAQ Capital Market

Indicate by check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No☐

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act).

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☑ Smaller reporting company ☑ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 6,728,938 shares of Common Stock, $0.01 par value at May 9, 2022.

CVD EQUIPMENT CORPORATION AND SUBSIDIARIES

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PART 1 – FINANCIAL INFORMATION
Item 1 – Financial Statements
CVD EQUIPMENT CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	(Unaudited) March 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 13,270,853	$ 16,651,371
Accounts receivable, net	1,498,183	1,446,354
Contract assets	2,717,823	2,538,373
Inventories, net	1,737,901	1,225,015
Taxes Receivable	-	715,599
Other current assets	384,286	493,788
Total Current Assets	19,609,046	23,070,500
Property, plant and equipment, net	12,196,745	12,261,321
Intangible assets, net	191,316	182,838
Other assets	9,570	9,570
Total Assets	$ 32,006,677	$ 35,524,229
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 1,178,206	$ 1,161,381
Accrued expenses	1,820,341	1,758,939
Current maturities of long-term debt	-	1,765,508
Contract Liabilities	720,385	1,650,426
Total Current Liabilities	3,718,932	6,336,254
Total Liabilities	3,718,932	6,336,254
Stockholders' Equity:		
Common stock - $0.01 par value – 20,000,000 shares authorized; issued and outstanding 6,728,938 at March 31, 2022 and 6,723,438 at December 31, 2021	67,289	67,234
Additional paid-in capital	27,374,209	27,277,154
Retained earnings	846,247	1,843,587
Total Stockholders' Equity	28,287,745	29,187,975
Total Liabilities and Stockholders' Equity	$ 32,006,677	$ 35,524,229

The accompanying notes are an integral part of these condensed consolidated financial statements

CVD EQUIPMENT CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended MARCH 31,	
	2022	2021
Revenue	$ 4,655,727	$ 3,365,860
Cost of revenue	3,886,176	2,921,554
Gross profit	769,551	444,306
Operating expenses		
Engineering, research and development	310,207	310,954
Selling and shipping	272,679	135,755
General and administrative	1,192,653	1,616,384
Total operating expenses	1,775,539	2,063,093
Operating loss	(1,005,988)	(1,618,787)
Other income (expense):		
Interest income	18,282	1,223
Interest expense	(9,634)	(107,221)
Other Income	-	219,235
Total other income, net	8,648	113,237
Loss before income tax	(997,340)	(1,505,550)
Income tax expense	-	-
Net loss	$ (997,340)	$ (1,505,550)
Basic loss per common share	$ (0.15)	$ (0.23)
Diluted loss per common share	$ (0.15)	$ (0.23)
Weighted average common shares Outstanding-basic	6,725,042	6,680,130
Weighted average common shares Outstanding-diluted	6,725,042	6,680,130

The accompanying notes are an integral part of these condensed consolidated financial statements

CVD EQUIPMENT CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

Three months ended March 31, 2022 and 2021

	Common stock				
	Shares	**Par Value**	**Additional paid-in Capital**	**Retained Earnings/ (Accumulated deficit)**	**Total**
Balance at January 1, 2022	6,723,438	$ 67,234	$ 27,277,154	$ 1,843,587	$ 29,187,975
Net loss	-	-	-	(997,340)	(997,340)
Stock-Based Compensation	5,500	55	97,055	-	97,110
Balance at March 31, 2022	6,728,938	$ 67,289	$ 27,374,209	$ 846,247	$ 28,287,745
Balance at January 1, 2021	6,678,698	$ 66,786	$ 26,961,684	$ (2,902,898)	24,125,572
Net loss	-	-	-	(1,505,550)	(1,505,550)
Stock-Based Compensation	5,583	56	50,317	-	50,373
Balance at March 31, 2021	6,684,281	$ 66,842	$ 27,012,001	$ (4,408,448)	$ 22,670,395

The accompanying notes are an integral part of these condensed consolidated financial statements

CVD EQUIPMENT CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31, 2022	2021
Cash flows from operating activities:		
Net loss	$ (997,340)	$ (1,505,550)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	97,110	50,373
Depreciation and amortization	250,949	255,644
(Increase)/decrease in operating assets		
Accounts receivable	(51,829)	228,699
Contract assets	(179,450)	(533,007)
Inventories	(512,886)	(216,160)
Tax receivable	715,599	-
Other current assets	109,244	251,987
Increase/(decrease) in operating liabilities		
Accounts payable	16,825	(314,625)
Accrued expenses	61,402	264,123
Contract liabilities	(930,041)	(53,150)
Total adjustments	(423,077)	(66,116)
Net cash used in operating activities	(1,420,417)	(1,571,666)
Cash flows from investing activities:		
Net proceeds from sale of assets	10,000	-
Patents	(27,540)	-
Capital expenditures	(177,053)	(26,744)
Net cash used in investing activities	(194,593)	(26,744)
Cash flows from financing activities		
Payments of long-term debt	(1,765,508)	(171,562)
Net cash used in financing activities	(1,765,508)	(171,562)
Net decrease in cash and cash equivalents	(3,380,518)	(1,769,972)
Cash and cash equivalents at beginning of period	16,651,371	7,699,335
Cash and cash equivalents at end of period	$ 13,270,853	$ 5,929,363
Supplemental disclosure of cash flow information:		
Income taxes paid	$ -	$ -
Interest paid	$ 8,953	$ 106,547

The accompanying notes are an integral part of these condensed consolidated financial statements

NOTE 1:

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements for CVD Equipment Corporation and Subsidiaries (collectively "the Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. They do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary in order to make the interim financials not misleading have been included and all such adjustments are of a normal recurring nature. The operating results for the three months ended March 31, 2022 are not necessarily indicative of the results that can be expected for the year ending December 31, 2022.

The condensed consolidated balance sheet as of December 31, 2021 has been derived from the audited consolidated financial statements at such date, as filed on Form 10-K with the SEC on March 31, 2022, but does not contain all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with that report.

All material intercompany balances and transactions have been eliminated in consolidation. In addition, certain reclassifications have been made to the prior period condensed consolidated financial statements to conform to the current period presentation. These reclassifications had no effect on net income.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Company designs, manufactures and sells custom chemical vapor deposition equipment through contractual agreements. These system sales require the Company to deliver functioning equipment that is generally completed within three to eighteen months from commencement of order acceptance. The Company recognizes revenue over time by using an input method based on costs incurred as it depicts the Company's progress toward satisfaction of the performance obligation. Under this method, revenue arising from fixed price contracts is recognized as work is performed based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligations. Incurred costs include all direct material and labor costs and those indirect costs related to contract performance, such as supplies, tools, repairs and depreciation costs. Contract material costs are included in incurred costs when the project materials have been purchased or moved to work in process, and installed, as required by the project's engineering design. Cost based input methods of revenue recognition require the Company to make estimates of costs to complete the projects. In making such estimates, significant judgment is required to evaluate assumptions related to the costs to complete the projects, including materials, labor and other system costs. If the estimated total costs on any contract are greater than the net contract revenues, the Company recognizes the entire estimated loss in the period the loss becomes known and can be reasonably estimated.

"Contract assets," include unbilled amounts typically resulting from system sales under contracts and revenue recognized exceeds the amount billed to the customer. The amount may not exceed their estimated net realizable value. Contract assets are classified as current based on our contract operating cycle.

"Contract liabilities," include advance payments and billings in excess of revenue recognized. The Company typically receives down payments upon receipt of order and progress payments during the manufacturing cycle. Contract liabilities are classified as current based on our contract operating cycle and reported on a contract-by-contract basis, net of revenue recognized, at the end of each reporting period.

For non-system sales of products, the point in time revenue is recognized when control of the promised products or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services (the transaction price). A performance obligation is a promise in a contract to transfer a distinct product or service to a customer and is the unit of account under ASC 606, "Revenue from Contracts with Customers".

Recent Accounting Standards

In June 2016, the FASB issued Accounting Standard Update ("ASU") 2016-13, Financial Instruments – Credit Losses (Topic 326), which require that financial assets measured at amortized cost be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected. The income statement reflects the measurement of credit losses for newly recognized financial assets, as well as the increase or decreases of expected credit losses that have taken place during the period. The measurement of expected credit losses is based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. On November 15, 2019, the FASB delayed the effective date for smaller reporting companies. The amendments in this update are now effective for fiscal years beginning after December 15, 2022 and interim periods within those annual periods. Management is currently evaluating the effect of this update on the Company's consolidated financial statements and currently believes it should not have a material impact.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Standards (continued)

The Company believes there is no additional new accounting guidance adopted, but not yet effective that is relevant to the readers of its financial statements. However, there are numerous new proposals under development which, if and when enacted, may have a significant impact on our financial reporting.

NOTE 3: CONCENTRATION OF CREDIT RISK

Cash and cash equivalents

The Company had cash and cash equivalents of $13.3 million and $16.7 million at March 31, 2022 and December 31, 2021, respectively. The Company invests excess cash in U.S. treasury bills, certificates of deposit or deposit accounts, all with maturities of less than three months. Cash equivalents were $7.0 million at March 31, 2022 and December 31, 2021, respectively.

The Company places most of its temporary cash investments with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation limit. The amount at risk at March 31, 2022 and December 31, 2021 was $5,411,000 and $8,613,000, respectively.

Sales concentration

Revenue from a single customer in any one period can exceed 10% of our total revenues. During the three months ended March 31, 2022, three customers exceeded 10% of revenues, representing 14.3%, 13.3% and 11.6% of revenues, and during the three months ended March 31, 2021 one customer exceeded 10%, representing 30.7% of revenues.

Accounts receivable

The Company sells products and services to various companies across several industries in the ordinary course of business. The Company performs ongoing credit evaluations to assess the probability of accounts receivable collection based on a number of factors, including past transaction experience, evaluation of their credit history and review of the invoicing terms of the contract to determine the financial strength of its customers. The Company also maintains allowances for anticipated losses. At March 31, 2022, four customers exceeded 10% of the accounts receivable balance representing 58.1%, and at December 31, 2021 two customers exceeded 10% of the accounts receivable balance, representing 50.0% of the accounts receivable balance.

NOTE 4: REVENUE DISAGGREGATION

The following table represents a disaggregation of revenue for the three months ended March 31, 2022 and 2021 (in thousands):

	Three Month's Ending March 31, 2022		
	Over time	Point in time	Total
Aerospace	$ -	$ 705	$ 705
Energy, storage and transmission	$ 899	$ 7	$ 906
Industrial	$ 997	$ 872	$ 1,869
Research	$ 706	$ 470	$ 1,176
Total	$ 2,602	$ 2,054	$ 4,656

	Three Month's Ending March 31, 2021		
	Over time	Point in time	Total
Aerospace	$ 189	$ 526	$ 715
Energy, storage and transmission	$ -	$ -	$ -
Industrial	$ 1,369	$ 675	$ 2,044
Research	$ 187	$ 420	$ 607
Total	$ 1,745	$ 1,621	$ 3,366

The Company has unrecognized contract revenue of approximately $6.2 million at March 31, 2022, which it expects to recognize as revenue within the next twelve months.

Judgment is required to evaluate assumptions including the amount of net contract revenues and the total estimated costs to determine our progress towards contract completion and to calculate the corresponding amount of revenue to recognize.

Changes in estimates for sales of systems occur for a variety of reasons, including but not limited to (i) build accelerations or delays, (ii) product cost forecast changes, (iii) cost related change orders or add-ons, or (iv) changes in other information used to estimate costs. Changes in estimates may have a material effect on the Company's consolidated statements of operations.

NOTE 4: REVENUE DISAGGREGATION (continued)

Contract Assets and Liabilities

Contract assets consist of (i) retainage which represents the earned, but unbilled, portion for which payment is deferred by the customer until certain contractual milestones are met; and (ii) unbilled receivables which represent revenue that has been recognized in advance of billing the customer, which is common for long-term contracts. Contract liabilities consist of customer advances and billings in excess of revenue recognized.

During the three months ended March 31, 2022 and 2021, the increase in contract assets of approximately $.2 million and $.5 million, respectively, was the result of work performed in excess of billings which are based upon project milestones.

Contract assets and contract liabilities on input method type contracts in progress are summarized as follows:

		2022
Costs incurred on contracts in progress	$	6,878,958
Estimated earnings		4,792,589
		11,671,547
Billings to date		(9,510,318)
	$	2,161,229
Deferred revenue related to non-systems contracts		(163,791)
		1,997,438
Included in accompanying balance sheets		
Under the following captions:		
Contract assets	$	2,717,823
Contract liabilities	$	(720,385)

NOTE 5: INVENTORIES, NET

Inventories consist of:

		March 31, 2022		December 31, 2021
Raw materials	$	1,368,955	$	1,030,955
Work-in-process		368,946		194,060
Inventories	$	1,737,901	$	1,225,015

NOTE 6: ACCOUNTS RECEIVABLE, NET

Accounts receivable are presented net of an allowance for doubtful accounts of approximately $36,000 and $59,000 as of March 31, 2022 and December 31, 2021, respectively. The allowance is based on prior experience and management's evaluation of the collectability of accounts receivable. Management believes the allowance is adequate. However, future estimates may change based on changes in future economic conditions.

NOTE 7: LONG-TERM DEBT

The Company had a loan agreement with HSBC which was secured by a mortgage against its Central Islip, NY Headquarters. The loan was payable in 120 consecutive equal monthly installments of $25,000 in principal plus interest and a final balloon payment upon maturity on March 1, 2022. The balance as of December 31, 2021 was approximately $1.8 million. Interest accrued on the Loan, at the Company's option, at the variable rate of LIBOR plus 1.75% or Prime less 0.5% (1.86% at December 31, 2021). According to the terms of the agreement the loan was satisfied on March 1, 2022.

NOTE 8: STOCK-BASED COMPENSATION EXPENSE

The Company recorded $97,110 and $50,373 during the three months ended March 31, 2022 and 2021, respectively, for the cost of employee and director services received in exchange for equity instruments based on the grant-date fair value of those instruments. The following table summarizes the compensation expense recorded for the three months ended March 31, 2022 and 2021 related to stock-based compensation.

	Three months ended March 31,	
	2022	2021
Cost of revenue	$ 16,029	$ -
Engineering, research and development	$ 3,941	$ -
Selling and shipping	$ 5,246	$ -
General and administrative	$ 71,894	$ 50,373
Total	$ 97,110	$ 50,373

NOTE 8: STOCK-BASED COMPENSATION EXPENSE (continued)

A summary of the stock option activity related to the 2007 Share Incentive Plan and the 2016 Share Incentive Plan for the period from January 1, 2022 through March 31, 2022 are as follows:

2007 Share Incentive Plan

	Beginning Balance Outstanding	Granted During Period	Exercised During Period	Canceled During Period	Ending Balance Outstanding	Exercisable
Number of shares	220,000	-	-	-	220,000	220,000
Weighted average exercise price per share	$ 12.56	-	-	-	$ 12.56	$ 12.56

2016 Share Incentive Plan

	Beginning Balance Outstanding	Granted During Period	Exercised During Period	Canceled During Period	Ending Balance Outstanding	Exercisable
Number of shares	398,500	12,500	-	(2,500)	408,500	65,000
Weighted average exercise price per share	$ 4.43	$ 4.60	-	$ 4.01	$ 4.43	$ 5.94

For the three months ended March 31, 2022, the Company granted 12,500 stock options, vesting 25% per year over four years, with a ten-year life. The Company determined the fair value of stock options granted during the three months ended March 31, 2022 is based upon weighted average assumptions as provided below.

Stock Price	$ 4.60
Exercise Price	$ 4.60
Dividend yield	0%
Expected volatility	68%
Risk-Free interest rate	1.79%
Expected life (in years)	6.00

The Company has a total of 628,500 outstanding stock options, of which 285,000 were exercisable under the two plans at March 31, 2022.

NOTE 8: STOCK-BASED COMPENSATION EXPENSE (continued)

The following table summarizes information about the outstanding and exercisable options at March 31, 2022.

	Options Outstanding				Options Exercisable		
Exercise Price Range	Number Outstanding	Weighted Average Remaining Contractual	Weighted Average Exercise Price	Intrinsic Value	Number Exercisable	Weighted Average Exercise Price	Intrinsic Value
$ 4.00 - 7.00	388,500	9.1	$ 4.25	$ 116,000	45,000	$ 5.00	$ 0
$ 7.01 - 10.00	20,000	6.1	$ 8.07	$ 0	20,000	$ 8.07	$ 0
$ 10.01 - 12.00	120,000	3.3	$ 10.52	$ 0	120,000	$ 10.52	$ 0
$ 12.01 - 15.00	100,000	.4	$ 15.00	$ 0	100,000	$ 15.00	$ 0

No options were exercised during the three months ended March 31, 2022. As of March 31, 2022, there was $693,000 of unrecognized compensation costs related to stock options expected to be recognized over a weighted average period of 3.3 years.

Restricted Stock Awards

There were no unvested shares of restricted stock at March 31, 2022 and December 31, 2021. During the three months ended March 31, 2022 there were no grants of restricted stock.

Pursuant to the director compensation plan approved on October 11, 2021, each director is entitled to Director Compensation for an Annual Equity Retainer in the amount of $40,000, to be automatically granted on the date of the Company's annual meeting of shareholders (directors may elect to receive payment in restricted stock, stock options or a combination thereof).

Restricted Stock Units

The following table summarizes activity related to outstanding restricted stock units for the three months ended March 31, 2022:

	Shares of Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested outstanding at December 31, 2021	5,500	$ 4.82
Granted	-	$ -
Vested	(5,500)	$ 4.82
Forfeited/Cancelled	-	$ -
Unvested outstanding at March 31, 2022	-	$ -

The total fair value of vested restricted stock units was $3,458 for the three months ended March 31, 2022. As of March 31, 2022, there was no unrecognized compensation costs related to restricted stock units.

NOTE 9: INCOME TAXES

As of March 31, 2022 and December 31, 2021, the Company has provided a full valuation allowance against all of the net deferred tax assets. This was based on management's assessment, including the last two years of operating losses, that it is more likely than not that the net deferred tax assets may not be realized in the future.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted by the United States Congress. As a result of the enactment of the CARES Act, net operating losses ("NOL's") generated in 2018-2020 can now be carried back for five years and resulted in the Company recognizing approximately $1.5 million of a tax benefit, of which $.7 million was a receivable at December 31, 2021. This tax receivable was collected in the three months ended March 31, 2022. Management continues to evaluate for potential utilization of the Company's deferred tax asset, which has been fully reserved for, on a quarterly basis, reviewing our economic models, including projections and timing of orders, and cost containment measures.

NOTE 10: EARNINGS PER SHARE

Basic earnings per share is computed by dividing net earnings available to common shareholders (the numerator) by the weighted average number of common shares outstanding (the denominator) for the period presented. The computation of diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common shares had been issued.

A reconciliation of basic to diluted shares used in the earnings per share calculation is as follows:

	Three months ended March 31,	
	2022	**2021**
Basic weighted average common shares outstanding	6,725,042	6,680,130
Dilutive effect of options and unvested restricted shares	-	-
Diluted weighted average shares outstanding	6,725,042	6,680,130

NOTE 10: EARNINGS PER SHARE (continued)

The following table represents common stock equivalents that were excluded from the computation of diluted earnings per share for the three months ended March 31, 2022 and 2021, because the effect of their inclusion would be anti-dilutive.

	Three months ended March 31,	
	2022	**2021**
Stock Options	628,500	410,000
	628,500	410,000

Stock options to purchase 628,500 shares of common stock were outstanding and 285,000 were exercisable during the three months ended March 31, 2022.

The dilutive potential common shares on options is calculated in accordance with the treasury stock method, which assumes that proceeds from the exercise of all options are used to repurchase common stock at market value. The number of shares remaining after the proceeds are exhausted represents the potential dilutive effect of the securities.

NOTE 11: SEGMENT REPORTING

The Company operates through three (3) segments: CVD Equipment ("CVD"), Stainless Design Concepts ("SDC") and CVD Materials ("Materials"). The CVD segment is utilized for chemical vapor deposition equipment manufacturing. SDC is the Company's ultra-high purity manufacturing division in Saugerties, New York for gas control systems. The Materials segment was established to provide material coatings for aerospace, medical, electronic and other applications. The Company evaluates performance based on several factors, of which the primary financial measure is income or (loss) before taxes.

NOTE 11: SEGMENT REPORTING (continued)

The Company's corporate administration activities are reported in the Eliminations and Unallocated column. These activities primarily include intercompany profit, expenses related to certain corporate officers and support staff, expenses related to the Company's Board of Directors, stock option expense for shares granted to corporate administration employees, certain consulting expenses, investor and shareholder relations activities, and all of the Company's legal, auditing and professional fees, and interest expense.

Three Months Ended March 31,
(In thousands)

2022	CVD	SDC	Materials	Eliminations* and Unallocated	Consolidated
Assets	$ 22,575	$ 7,756	$ 1,661	$ 15	$ 32,007
Revenue	2,827	1,415	458	(44)	4,656
Operating (loss) income	(736)	442	(6)	(706)	(1,006)
Pretax (loss) income	(726)	442	(7)	(706)	(997)
2021					
Assets	$ 29,659	$ 6,116	$ 3,407	$ 24	$ 39,206
Revenue	2,006	827	629	(96)	3,366
Operating loss	(575)	(5)	(110)	(929)	(1,619)
Pretax (loss) income	(590)	(5)	18	(929)	(1,506)

*All elimination entries represent intersegment revenues eliminated in consolidation for external financial reporting.

NOTE 12: SIGNIFICANT EVENTS- CORONAVIRUS (COVID-19)

The Company has been actively monitoring the coronavirus (COVID-19) outbreak and resulting pandemic and its impact on both the global economic and operating environment and specifically on its impact to the Company, its employees, its operations and its financial condition. In March 2020, the World Health Organization recognized the COVID-19 outbreak as a pandemic based on the global spread of the disease, the severity of illnesses it causes and its effects on society. In response to the COVID-19 outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations, including complete or partial government shutdowns of many schools and businesses, including the Company, and advising or requiring individuals to limit or forego their time outside of their homes. Accordingly, the COVID-19 outbreak (including the impact of the COVID Omicron variant) has severely restricted the level of economic activity in many countries, including the United States, and continues to materially and adversely impact global economic activity. In particular, the aerospace sector, for which the Company relies on a significant part of its business, has been faced with significant reductions to its business due to reduced air travel which has negatively affected new order bookings and has materially and adversely affected the Company's revenues to date.

NOTE 12: SIGNIFICANT EVENTS- CORONAVIRUS (COVID-19) (continued)

Management is unable to predict the extent of the impact the pandemic will have on the Company's financial position and operating results for the remainder of 2022 due to numerous uncertainties, but the impact could be material during any future period affected either directly or indirectly by this pandemic. The Company intends to continue to evaluate the various government-sponsored plans and programs put in place in response to the COVID-19 pandemic and further plans to take advantage of any such government benefits reasonably available to it. Moreover, the Company will continue to monitor developments in that area as new government initiatives are passed.

The COVID-19 pandemic has adversely impacted worldwide supply chains and the ability to obtain sufficient amounts of raw materials and component parts such as nickel and integrated circuits. Further, geopolitical developments across Europe and Asia have and may continue to restrict our ability to procure raw materials and components, as well as impact our ability to sell our products into China, Russia and other Eastern European and Asian regions. In addition, disruptions and delays in the ability of the Company's third party freight carriers to transport these items to the Company's manufacturing facility also continues to be a challenge. During the third and fourth quarters of 2021, and into 2022, the Company experienced increased costs on certain components as well as delays in supply chain delivery, which has and may continue to impact its ability to recognize revenue and reduce the Company's gross profit margins, as well as extend our manufacturing lead times and reduce its manufacturing efficiencies. The Company is now placing orders with more lead time to help mitigate the manufacturing delays, as well as assessing other suppliers or components to attempt to mitigate the potential cost impacts. In addition, the Company is utilizing its in-house flexible manufacturing to attempt to further mitigate both potential schedule delivery delays and material cost increase. While management has initiated actions to mitigate the potential negative impacts to our revenue and profitability, there can be no assurance of the ultimate impact and the length of time period that the supply chain factors may impact its revenues and profitability.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Except for historical information contained herein, this "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, as amended. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Important assumptions and other factors that could cause actual results to differ materially from those in the forward-looking statements, include but are not limited to: competition in the Company's existing and potential future product lines of business; the Company's ability to attract and retain key personnel and employees; the Company's ability to obtain financing on acceptable terms if and when needed; uncertainty as to the Company's future profitability, uncertainty as to the future profitability of acquired businesses or product lines, uncertainty as to any future expansion of the Company, uncertainty as to the Company's ability to adequately obtain raw materials and components from foreign markets in light of geopolitical developments and the effect of the novel coronavirus (COVID-19) on our business and operations (including with respect to supply chain disruptions), and those of our customers, suppliers and other third parties . Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements and the failure of such assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. The Company assumes no obligation to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements. Past results are no guaranty of future performance. You should not place undue reliance on any forward-looking statements, which speak only as of the dates they are made. When used with this Report, the words "believes", "anticipates", "expects", "estimates", "plans", "intends", "will" and similar expressions are intended to identify forward-looking statements.

Coronavirus (COVID-19)

We have been actively monitoring the coronavirus ("COVID-19") outbreak and its impact globally. Our primary focus to this point has been to ensure the health and safety of our employees. To that end, we have adopted social distancing practices where appropriate, implemented travel restrictions, and have taken actions to ensure that our facilities are cleaned and sanitized regularly. These are novel and challenging times and the magnitude of this crisis is requiring us to consider all options to promote the safety of employees, including, where appropriate, or where required to comply with foreign, national, state or local governmental authority recommendations, guidelines, and/or mandates, the temporary reduction or suspension of work at certain of our locations and production facilities to protect employees and curb the spread of the coronavirus. All of these factors have adversely impacted our operating results. In particular, the aerospace sector, for which we rely on for a significant part of our business, has been faced with significant reductions to its business due to reduced air travel which has negatively affected new order bookings and has materially and adversely affected the Company's revenues to date. Due to the timing of the COVID-19 outbreak, our new order levels during the first quarter of 2021 have seen continued substantial reductions, while new orders in the second, third, and fourth quarters of 2021 were substantially higher at approximately $6.0 million, $6.1 million and $5.2 million, respectively, and new orders in the first quarter of 2022 were approximately $4.1 million. Significant geopolitical developments across Europe and Asia have and may continue to restrict our ability to procure raw materials and components such as nickel and integrated circuits, as well as impact our ability to sell our products into China, Russia and other Eastern European and Asian regions. We continue to be unable to predict the extent of the impact the pandemic will have on our financial position and operating results for the remainder of 2022 due to numerous uncertainties (including the impact of the COVID Omicron variant), supply chain disruptions, rising costs and the impact on the aerospace sector, but the impact could be material during any future period affected either directly or indirectly by this pandemic. The longer-term impacts from the pandemic are highly uncertain and cannot be predicted.

Executive Level Summary

CVD has continued to serve the advanced materials markets with chemical vapor and thermal process equipment for over 38 years. Our products are used in research and development centers as well as in production environments. We develop, design, manufacture and service a broad range of chemical vapor deposition, gas control and other state-of-the-art process equipment and solutions used in advanced materials and coatings. We serve markets ranging from academic/research initiatives to industrial applications. With the adoption of our technology in these markets we see increased usage of our systems across production environments. Major target markets for our business include advanced nanomaterials, batteries and Silicon Carbide for high power electronics; aerospace gas turbine engines and structural components; medical devices (such as implants); advanced semiconductor devices and Silicon for solar cells; and carbon nanotubes and nanowires. Our Application Laboratory supports the development of new material systems and processes. Our CVD Materials group provides material coating services, process development support and process startup assistance with the focus on *enabling tomorrow's technologiesTM.* Our Mesoscribe product line continues to support the aerospace and defense markets with robust direct write instrumentation. Our CVD Tantaline subsidiary which underwent a restructuring and consolidation in 2021 provides chemical-resistant coating services to many industrial applications.

Based on more than 38 years of experience, we use our capabilities in process development, engineering and vertical manufacturing to transform new applications into mainstream manufacturing solutions. We have built a significant library of design expertise, know-how and innovative solutions to assist our customers in developing these intricate processes and to accelerate their production and commercialization. This library of equipment design solutions, along with our manufacturing and systems integration facilities, allows us to provide application-specific design, process and manufacturing solutions to our customers.

To expand our presence into various growth markets, we are developing a line of proprietary standard use products to complement our customized legacy systems. Historically, we manufactured products for research and development on an application-specific basis to meet an individual customer's specific research and production requirements. Our proprietary systems leverage the technological expertise that we have developed through designing these custom systems into a broader standardized product line. The standard product line is easily configured from a wide range of available options to meet diverse product and budgetary requirements. Manufacturing these standardized systems in higher volumes provides us the flexibility to reduce both the cost and delivery time of our systems. These systems, which we market and sell under the EasyTube® and CVD product lines, are sold to universities, research laboratories, and production companies in the United States and throughout the world.

Sales of our proprietary standard systems, custom systems and process solutions have been driven by our installed customer base, which includes Fortune 500 companies. The performance and success of our products has historically driven repeat orders from existing customers as well as generated business from new customers. Furthermore, with our proprietary solutions and expanded focus on "*accelerating the commercialization of tomorrow's technologies*"™ we have been developing a new customer base in addition to growing with our existing customers. We have generally gained new customers through our industry reputation, as well as limited print advertising and trade show attendance (which has been negatively impacted by COVID-19 in 2020, 2021 and into 2022).

Our core competencies in equipment and software design, manufacturing and process development are used to engineer our finished products and to accelerate the commercialization path of our customer base. Our proprietary real-time software allows for rapid configuration, and provides our customers with enabling tools to understand, optimize and repeatedly control their processes. These factors significantly reduce cost, improve quality and reduce the time it takes between customers' orders and the shipment of our products. Our Application Laboratory allows customers the option to bring up their process tools in our Application Laboratory and to work collaboratively with our scientists and engineers to optimize process performance.

In 2021 and into 2022 our focus has been on our growth markets, the development of standard product solutions and being able to provide solutions from gas/liquid storage through process and process by-product treatment. This has allowed us to provide increased value to our customers.

2022 Developments

In 2021, we launched our strategy to transition the focus of the Company to standardized products serving global growth application markets. Our growth opportunities in 2022 are consistent with our strategic plan to address and serve growth production markets.

In the first three months of 2022, and in the month of April 2022, total Company orders were approximately $4.1 million and $7.2 million, respectively. This $11.3 million year to date total for April 2022 included 14 system orders for Silicon Carbide ("SiC") growth. There have been twenty (20) systems ordered for our PVT-150 system which has been developed for SiC growth over the last 6 months and planned to ship in 2022. In total there were eighteen (18) CVD systems booked in the first four months of 2022.

Statement of Operations

	Three Months Ended MARCH 31,	
	2022	2021
Revenue	$ 4,655,727	$ 3,365,860
Cost of revenue	3,886,176	2,921,554
Gross profit	769,551	444,306
Operating expenses		
Engineering, research and development	310,207	310,954
Selling and shipping	272,679	135,755
General and administrative	1,192,653	1,616,384
Total operating expenses	1,775,539	2,063,093
Operating loss	(1,005,988)	(1,618,787)
Other income (expense):		
Interest income	18,282	1,223
Interest expense	(9,634)	(107,221)
Other Income	-	219,235
Total other income, net	8,648	113,237
Loss before income tax	(997,340)	(1,505,550)
Income tax expense	-	-
Net loss	$ (997,340)	$ (1,505,550)

Three Months Ended March 31, 2022 vs. March 31, 2021

Revenue

Our revenue for the three months ended March 31, 2022 was $4.7 million compared to $3.4 million for the three months ended March 31, 2021, an increase of $1.3 million or 38.3%. The increase in revenue for the three months ended March 31, 2022 versus the prior year period was primarily attributable to increased revenue of $.8 million from the CVD Equipment segment related to spare parts and equipment sales, $.6 million from our SDC segment, offset, in part by, decreased revenue of $.1 million from the CVD Materials segment. Despite achieving a sales increase of $1.3 million or 38.3% this quarter, as compared to the prior year quarter, overall sales levels continue to be negatively affected, primarily attributable to the impacts of COVID-19 including delays in our supply chain delivery of components which impacts our ability to recognize revenue more timely. However, as a result of increased new orders, primarily in the last three quarters of 2021, the result of a recovery in the marketplace, exclusive of aerospace, as well as the execution of our operating plan, we have achieved four sequential quarters of revenue increases during 2021. Quarterly revenue in 2021 was $3.4 million, $4.0 million, $4.3 million and $4.7 million, during Q1 to Q4, respectively, and revenue in Q1 2022 was essentially unchanged at $4.7 million. Our backlog at March 31, 2022 was approximately $9.9 million, a decrease of $.5 million as compared to December 31, 2021 of $10.4 million. This decrease is due to the timing of new orders in Q1 2022 of $4.1 million, as compared to revenue of $4.7 million. While aerospace sales had represented as much as 60% of our total revenue, during the three months ended March 31, 2022 and 2021 it represented approximately 15.1% and 21.2%, respectively. This is due to the negative effect the COVID-19 crisis has had initially in 2020 and continuing to date on the aerospace sector, which resulted from reduced travel and reduction of industry gas turbine engine sales.

The revenue contributed by the CVD Equipment segment for the three months ended March 31, 2022 was $2.8 million, which totaled 60.7% of our overall revenue, and was 40.8% or $.8 million higher than the segment's $2.0 million contribution made in the three months ended March 31, 2021, which totaled 59.6% of our overall revenue. This revenue increase is the result of increases of $.4 million in spare parts sales, which continue to be impacted by the slow down in aerospace demand due to COVID-19, and an increase of $.4 million from equipment sales.

Revenue for our SDC segment was $1.4 million for the three months ended March 31, 2022 as compared to $.8 million for the three months ended March 31, 2021, an increase of $.6 million resulting from the receipt of one large order in 2022, compared to 2021.

Revenues for our CVD Materials segment were $.5 million for the three months ended March 31, 2022, as compared to $.6 million in the three months ended March 31, 2021.

Gross Profit

Gross profit for the three months ended March 31, 2022 was to $.8 million, with a gross profit margin of 16.5%, as compared to a gross profit of $.4 million and a gross profit margin of 13.2% for the three months ended March 31, 2021. The increase in gross profit and gross profit margin was primarily the result of leveraging fixed costs on higher sales levels, and product mix, which more than offset certain component cost increases and compensation costs. During the quarter ended September 30, 2021, we started to experience increased costs on certain components as well as delays in supply chain delivery, which also impacts revenue as well as manufacturing lead times and efficiencies. We have been placing orders with more lead time to help mitigate the manufacturing delays, as well as assessing other suppliers or components to attempt to mitigate the potential cost impacts. In addition, we are utilizing our in-house flexible manufacturing to attempt to further mitigate both potential schedule delivery delays and material cost increases. In late 2021, we initiated price increases on new quotations which we anticipate will mitigate our cost increases and we anticipate will benefit margins during 2022.

Engineering, Research and Development

For the three months ended March 31 2022 and 2021, engineering, research and development expenses were $310,207 and $310,954, respectively, essentially unchanged. General engineering support and expenses related to focusing development on more standard products and value added development are reflected as engineering, research and development, while due to the technical development required on custom orders, our engineering team and their expenses are charged to costs of goods sold when they are working directly on a customer project.

Selling

Selling expenses were $272,679 or 5.9% of the revenue for the three months ended March 31, 2022 as compared to $135,755 or 4.0% of the revenue for the three months ended March 31, 2021. The increase in 2022 was primarily the result of increased employee compensation, which includes the transfer of one employee from administration to focus on all sales and marketing initiatives, and benefit costs during the three months ended March 31, 2022, as compared to March 31, 2021.

General and Administrative

General and administrative expenses for the three months ended March 31, 2022 were $1,192,653 or 25.6% of revenue as compared to $1,616,384 or 48.0% of revenue for the three months ended March 31, 2021, a decrease of $423,731 or 26.2%. The decrease in these expenses is primarily due to reduced legal expenses of $206,000 due to higher costs in the three months ended March 31, 2021 related to governance and strategic planning activities, including $75,000 related to the preparation of the sale of the 555 building which closed in July 2021. In addition, other operating costs decreased due to lower building operating costs as a result of the sale of the 555 Building in July 2021, and consolidation of our facilities into our 355 facility.

Operating loss

As a result of increased sales and the increased gross profit margins of $.3 million, and reduced operating expenses of $.3 million, our operating loss was 1.0 million in the three months ended March 31 2022, compared with an operating loss of $1.6 million in the three months ended March 31, 2021.

Other income

Other income was $8,648 and $113,237 for the three months ended March 31, 2022 and 2021, respectively. Other income from subleasing a portion of our then 555 Building (which was sold on July 26, 2021) was $219,235 for the three months ended March 31, 2021 as compared to none in the three months ended March 31, 2022. As a result of our increased cash position from the sale of the 555 Building in July 2021, interest income increased $17,059, to $18,282 for the three months ended March 31, 2022 as compared to $1,223 in 2021. In addition, interest expense related to the Company's mortgages decreased $97,587 to $9,634 in the three months ended March 31, 2022, as compared to $107,221 in 2021, the result of our 555 Building mortgage satisfied on July 26, 2021, as well as the satisfaction of our remaining mortgage on the 355 building on March 1, 2022.

Income Taxes

Income tax expense for the three months ended March 31, 2022 and 2021, were $0, respectively. We continue to evaluate for potential utilization of our deferred tax asset, which has been fully reserved for, on a quarterly basis, reviewing our economic models, including projections and timing of orders, cost containment measures and other factors.

Net loss

As a result of the foregoing factors, we reported a net loss of $997,340 or $0.15 per basic and diluted share, for the three months ended March 31, 2022, as compared to a net loss of $1,505,550, or $0.23 per basic and diluted share for the three months ended March 31, 2021.

Liquidity and Capital Resources

As of March 31, 2022, we had aggregate working capital of $15.9 million compared to aggregate working capital of $16.7 million at December 31, 2021. Our cash and cash equivalents at March 31, 2022 and December 31, 2021 were $13.3 million and $16.7 million, respectively.

Net cash used in operating activities was $1.4 million. This is the result of a net loss, adjusted for non-cash items, of $.6 million, decreased contract liabilities of $.9 million, increased inventory of $.5 million to support increased orders and attempt to mitigate further supply chain impacts, increased contract assets of $.2 million, offset, in part by, decreased tax receivables $.7 million and increased accrued expenses of $.1 million.

Capital expenditures for equipment were $.2 million in the three months ended March 31, 2022.

We had a loan agreement with HSBC USA, N.A. (the "HSBC") which was secured by a mortgage on our Central Islip headquarters at 355 South Technology Drive. The loan was payable in 120 consecutive equal monthly installments of $25,000 in principal plus interest and a final balloon payment upon maturity on March 1, 2022. According to the terms of the agreement the loan was satisfied on March 1 2022 resulting in total debt repayments of $1.8 million during the three months ended March 31, 2022.

The COVID-19 outbreak has resulted in extended shutdowns of certain businesses in United States and around the world. We have been actively monitoring the COVID-19 outbreak and its impact globally. Our primary focus to this point has been to ensure the health and safety of our employees. To that end, we have adopted social distancing where appropriate, implemented travel restrictions, and we have taken actions to ensure that locations and facilities are cleaned and sanitized regularly. These are novel and challenging times and the magnitude of this crisis is requiring us to consider all options to promote the safety of employees, including, where appropriate, or where required to comply with foreign, national, state or local governmental authority recommendations, guidelines, and/or mandates, the temporary reduction or suspension of work at certain of the Company's locations and production facilities to protect employees and curb the spread of the coronavirus. All of these actions have adversely impacted our operating results. In particular, our aerospace sector, for which we rely on a significant part of our business, has been faced with significant reductions to its business due to reduced air travel which has negatively affected new order bookings and has materially and adversely affected the Company's revenues to date. We continue to be unable to predict the extent of the impact the pandemic will have on our financial position and operating results for the remainder of 2022 due to numerous uncertainties (including the impact of the COVID Omicron variant), supply chain disruptions, rising costs and the impact on the aerospace sector, but the impact could be material during any future period affected either directly or indirectly by this pandemic. The longer-term impacts from the pandemic are highly uncertain and cannot be predicted. Our return to profitability is dependent upon, among other things, the receipt of new equipment orders, the lessening of the ongoing effects of COVID-19 on our business and the Aerospace market, improvement in the operations of the materials business, as well as managing planned capital expenditures and operating expenses.

Based upon all of these factors, we believe that our cash and cash equivalent positions and our projected cash flow from operations will be sufficient to meet our working capital and capital expenditure requirements for the next twelve to eighteen months of the filing of this Form 10-Q. Should the current environment continue longer or worsen, we will continue to assess our operations and take actions anticipated to maintain our operating cash to support the working capital needs.

Off-Balance Sheet Arrangements.

We have no off-balance sheet arrangements at this time.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 13d-15(e) under the Exchange Act of 1934, as amended, (the "Exchange Act")). As required by Rule 13a-15(b) under the Exchange Act, our management, under the direction of our Chief Executive Officer and Chief Financial Officer, reviewed and performed an evaluation of the effectiveness of design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q (the "Report").

Based on that review and evaluation, our Chief Executive Officer and Chief Financial Officer, along with others in our management, have determined that as of the end of the period covered by this Report on Form 10-Q the disclosure controls and procedures were effective to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding disclosures.

Changes in Internal Controls

There were no changes in our internal controls over financial reporting as defined in Rule 13a-15(f) or Rule 15d-15(f) under the Exchange Act that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting.

Limitations on the Effectiveness of Controls

We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

CVD EQUIPMENT CORPORATION

PART II

OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no other material changes to the risk factors disclosed in our Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 31, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.
None.

Item 6. Exhibits

31.1* Certification of Emmanuel Lakios, Chief Executive Officer, dated May 16, 2022

31.2* Certification of Thomas McNeill, Chief Financial Officer, dated May 16, 2022

32.1* Certification of Emmanuel Lakios, Chief Executive Officer, dated May 16, 2022, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2*	Certification of Thomas McNeill, Chief Financial Officer, dated May 16, 2022, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.1**	Inline XBRL Instance.
101.SCH**	Inline XBRL Taxonomy Extension Schema.
101.CAL**	Inline XBRL Taxonomy Extension Calculation.
101.DEF**	Inline XBRL Taxonomy Extension Definition.
101.LAB**	Inline XBRL Taxonomy Extension Labels.
101.PRE**	Inline XBRL Taxonomy Extension Presentation.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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* Filed herewith.

** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not to be filed or part of a registration statement of prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, this 16th day of May 2022.

CVD EQUIPMENT CORPORATION

By /s/ Emmanuel Lakios
Emmanuel Lakios
President and Chief Executive Officer
(Principal Executive Officer)

By:/s/ Thomas McNeill
Thomas McNeill
Executive Vice President and
Chief Financial Officer
(Principal Financial and
Accounting Officer)

EXHIBIT INDEX

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Exhibit 31.1

Certifications of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Emmanuel Lakios, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CVD Equipment Corporation;

2. Based upon my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based upon my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrants' board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 16, 2022

/s/ Emmanuel Lakios
President and Chief Executive Officer

Exhibit 31.2

Certifications of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas McNeill, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CVD Equipment Corporation;

2. Based upon my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based upon my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrants' board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: May 16, 2022

/s/ Thomas McNeill
Thomas McNeill
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Emmanuel Lakios, President and Chief Executive Officer of CVD Equipment Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, the quarterly report on Form 10-Q for the period ending March 31, 2022 of CVD Equipment Corporation (the "Form 10-Q") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of CVD Equipment Corporation.

Dated: May 16, 2022

/s/ Emmanuel Lakios
Emmanuel Lakios
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Thomas McNeill, Chief Financial Officer of CVD Equipment Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, the quarterly report on Form 10-Q for the period ending March 31, 2022 of CVD Equipment Corporation (the "Form 10-Q") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of CVD Equipment Corporation.

Dated: May 16, 2022

/s/ Thomas McNeill
Thomas McNeill
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)