



CPS Technologies Corporation

Virtual Investor Summit

December 7, 2023

Brian Mackey

President and Chief Executive Officer

Chuck Griffith

Chief Financial Officer



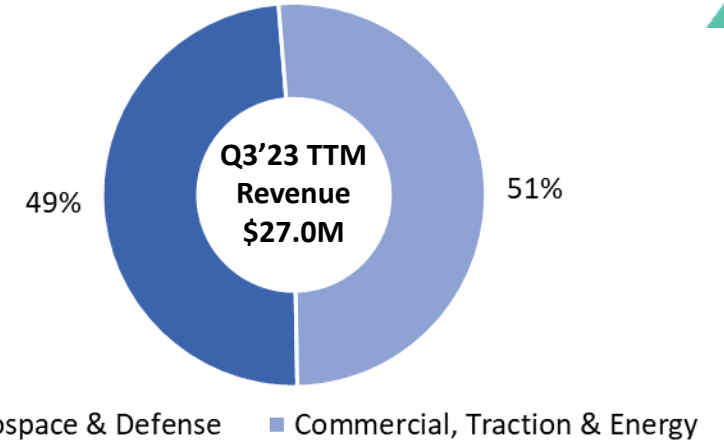
Forward-Looking Statements

Statements made in this document that are not historical facts or which apply prospectively, including those relating to 2023 financial results, are forward-looking statements that involve risks and uncertainties. These forward-looking statements are identified by the use of terms and phrases such as "will," "intends," "believes," "expects," "plans," "anticipates" and similar expressions. Investors should not rely on forward looking statements because they are subject to a variety of risks and uncertainties and other factors that could cause actual results to differ materially from the company's expectation. Additional information concerning risk factors is contained from time to time in the company's SEC filings, including its Annual Report on Form 10-K and other periodic reports filed with the SEC. Forward-looking statements contained in this press release speak only as of the date of this release. Subsequent events or circumstances occurring after such date may render these statements incomplete or out of date. The company expressly disclaims any obligation to update the information contained in this presentation.



Company Synopsis

- Domestic micro-cap with increased financial flexibility to pursue growth opportunities
- Premier provider of high-performance material solutions for mission-critical applications
- Accelerating top line growth, expanding margins, and improving fundamentals
- Balanced revenue between domestic and international sales – US 53%, Eur 30%, Asia 17%
- 2023 tracking to be the highest revenue in the company’s 39-year history



| | |
|-----------------------------|---------------------|
| Market Cap. | \$34 Million |
| Shares Outstanding | 14.52 Million |
| Recent Closing Price (CPSH) | \$2.37 |
| 52 Week Range | \$2.21 - \$3.50 |
| Institutional Ownership | 11% |
| Insider Ownership | 16% |
| Location | Norton, MA (40k SF) |
| Headcount | 110 employees |



Management



Brian Mackey, President and CEO

- Joined CPS in August 2023
- Previously: CEO of Engi-Mat Co. – Manufacturer of ceramic and metal oxide nanomaterials, supplier to a Navy POR, also active in DoD/DOE funded R&D
- General Manager, Synchrony Business Unit of Dresser-Rand (Siemens) –magnetic bearing systems for large OEMs
- MBA, Wharton / BS Engineering, West Point



Chuck Griffith, Chief Financial Officer

- Joined CPS in April 2019
- Previously: CFO of SPRI Clinical Trials – Global, a contract research organization conducting clinical trials worldwide
- Also: VP Finance, Vertex Distribution, a manufacturer and distributor of corrosion resistant fasteners
- MBA Finance, Bryant University / BBA Accounting, The College of William and Mary

CPS Technologies

Vision

Be the premier provider of **high-performance material solutions** for mission-critical applications, connecting and protecting customers around the world.

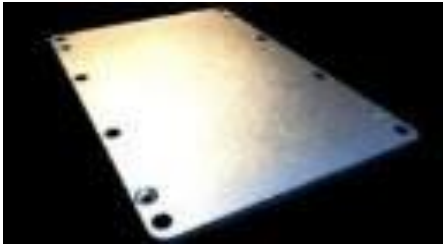
Mission

Provide innovative products through the application of advanced materials to enable enhanced performance for our customers in aerospace, defense, transportation, green energy, and related industries.

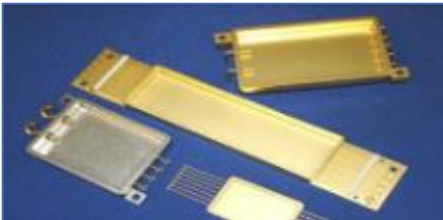
Company Background



Product Solutions



Metal Matrix Composites



Hermetic Packaging



Composite Armor

Diverse and Growing Markets

- Aerospace & Defense
- Clean Energy
- Transportation & Infrastructure
- Automotive
- Defense Survivability
- Telecom & Computing

Proprietary Technology

- Advanced process for MMC manufacturing
- Novel light-weight ballistic protection
- Expertise in advanced materials for thermal, mechanical, and ballistic development
- Renewed emphasis on product development that builds on current capabilities

Strong Relationships with Blue-Chip Customers

Raytheon



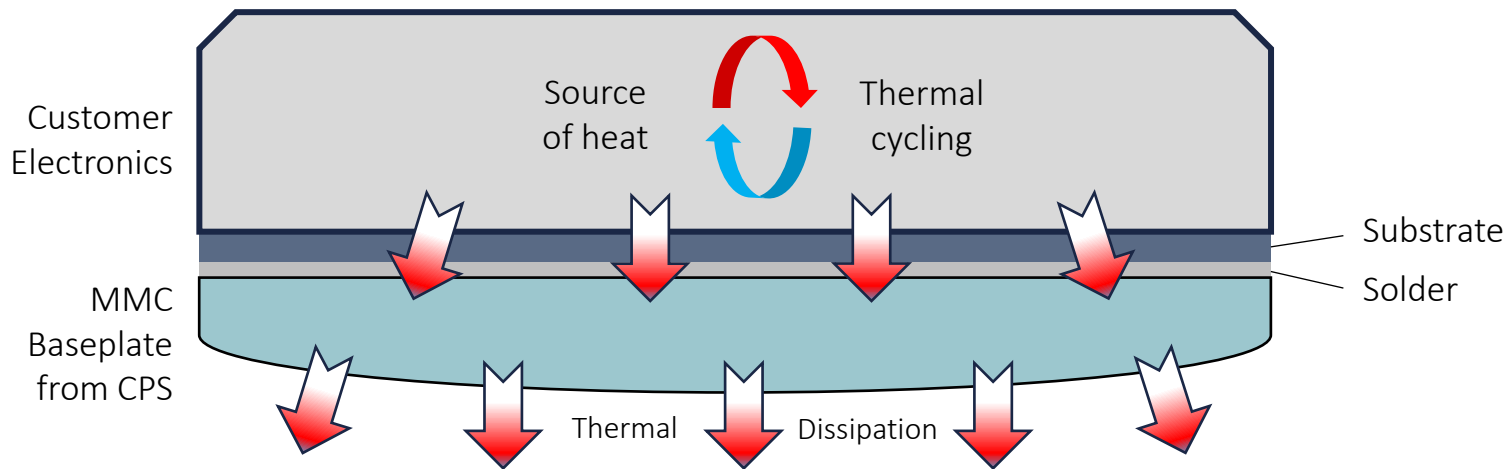
International
IOR Rectifier



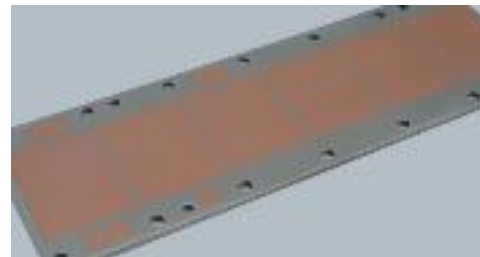


Metal Matrix Composites (MMCs) for Thermal Management

- Using a proprietary process, CPS combines Aluminum and Silicon Carbide materials to form “Al-SiC”, a metal matrix composite (MMC). This material provides a unique and ideal set of properties for thermal management, which enhance the performance and reliability of our customers’ electronics systems.



Customer electronics with CPS baseplate



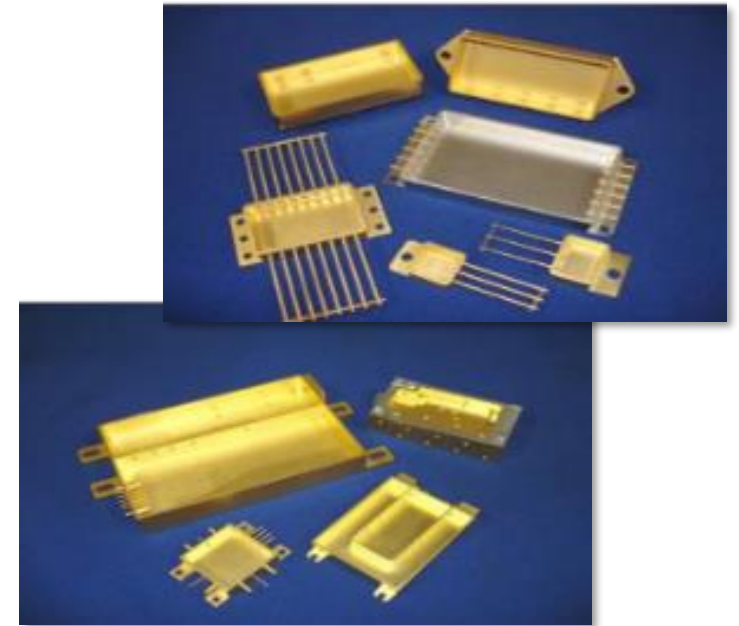
CPS baseplate

- Key performance characteristics:
 - Thermal conductivity to dissipate heat** from the electronic device, **avoiding damage** during repeated thermal cycles.
 - Compatible thermal expansion values** between materials which **reduce mechanical stresses** that could lead to power electronics failure.
- Physical design properties (SWaP) enabling efficient design and value-added tradeoffs
 - Lightweight
 - High strength and stiffness
 - Fabrication (casting) process yields net shape product with functional geometrical attributes
- Applications include automotive, traction, and green energy

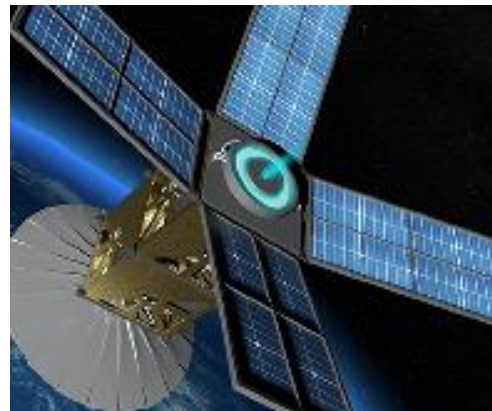


Hermetic Packaging for Microelectronics

- CPS' Hermetic Package (HP) solutions offer ceramic to metal seals (CTMS) or glass to metal seals (GTMS) for **reliable microelectronics packaging in challenging environments**.
- We offer custom HP solutions which **enable optimal performance** and are designed to meet our customers' specifications, format, and size
- Each HP product provides the most robust hermetic seal for **improved reliability** in applications with high cost of failure, including military, aerospace and telecommunications.



Reliable avionic control and electrical systems



Durable satellite control systems



CPS also offers HP product options that incorporate MMC materials, for:

- Increased thermal conductivity
- 40-60% weight reduction
- High strength for harsh applications
- Thermal expansion matching for direct attachment substrates

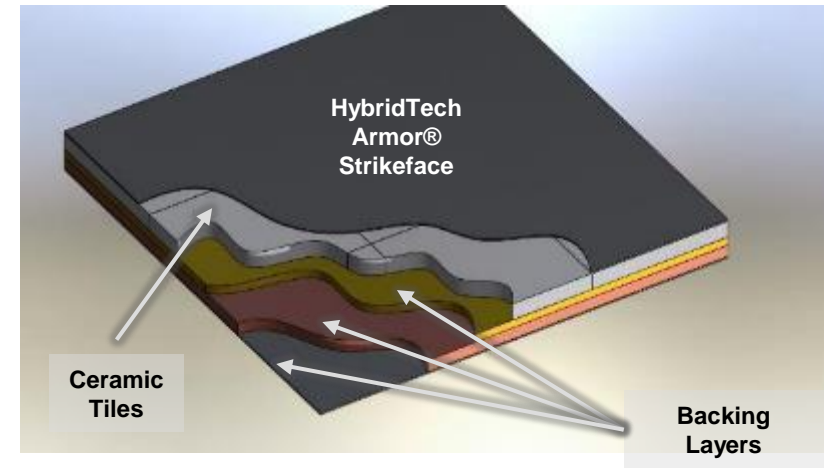
Ideal for weight sensitive systems subject to vibration and shock

HybridTech Armor®

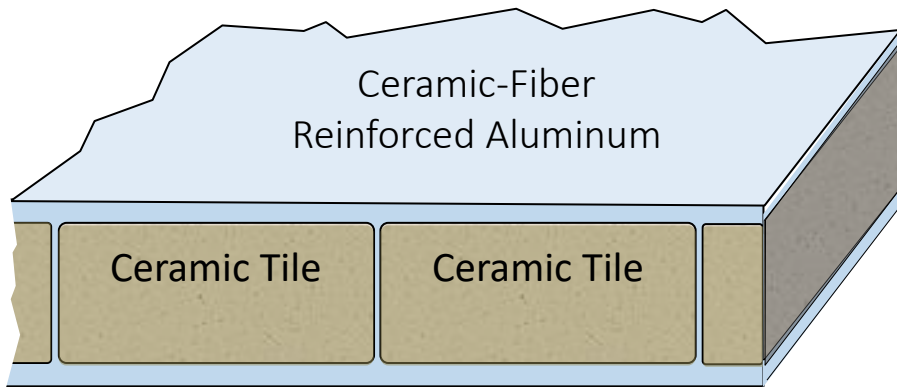


A novel approach to advanced ballistic protection

- HybridTech Armor® utilizes CPS' proprietary Metal Matrix Composite (MMC) infiltration technology to offer protection that rivals any steel alternative at **HALF** the weight
- Strikefaces employing CPS' HybridTech Armor® are now being installed on the U.S. Navy's fleet of aircraft carriers



Layered construction for design flexibility to support any application or ballistic threat



- Ceramic tiles encapsulated with Aluminum composites for improved strength and ballistic performance
- A patented advanced material approach providing an alternative to High Hard Steel (HHS) at half the weight, with validated multi-hit performance to U.S. DoD standards
- Capable of defeating heavy kinetic threats (>14.5 mm) for protection in austere environments
- Reduced weight and environmental durability for improved safety and reliability



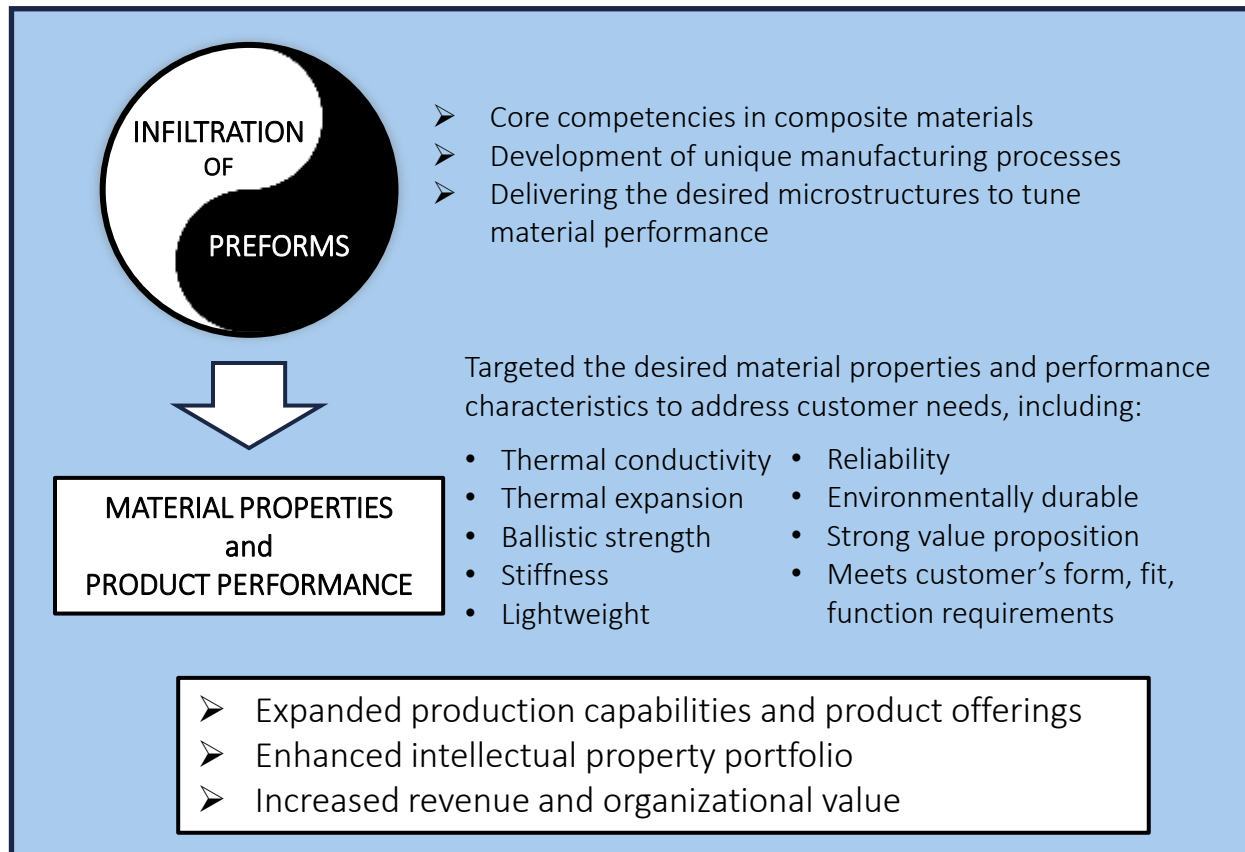
Advanced material science for **superior** protection and **enhanced** performance



Advanced Research

Leveraging the capabilities and experience of the CPS research team

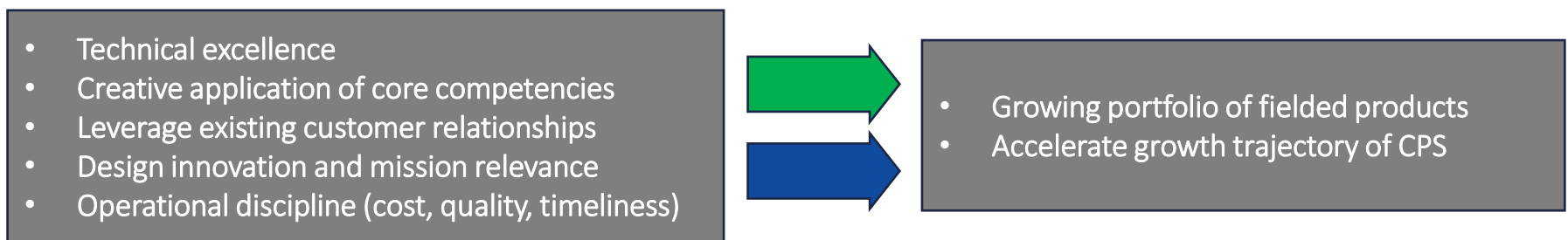
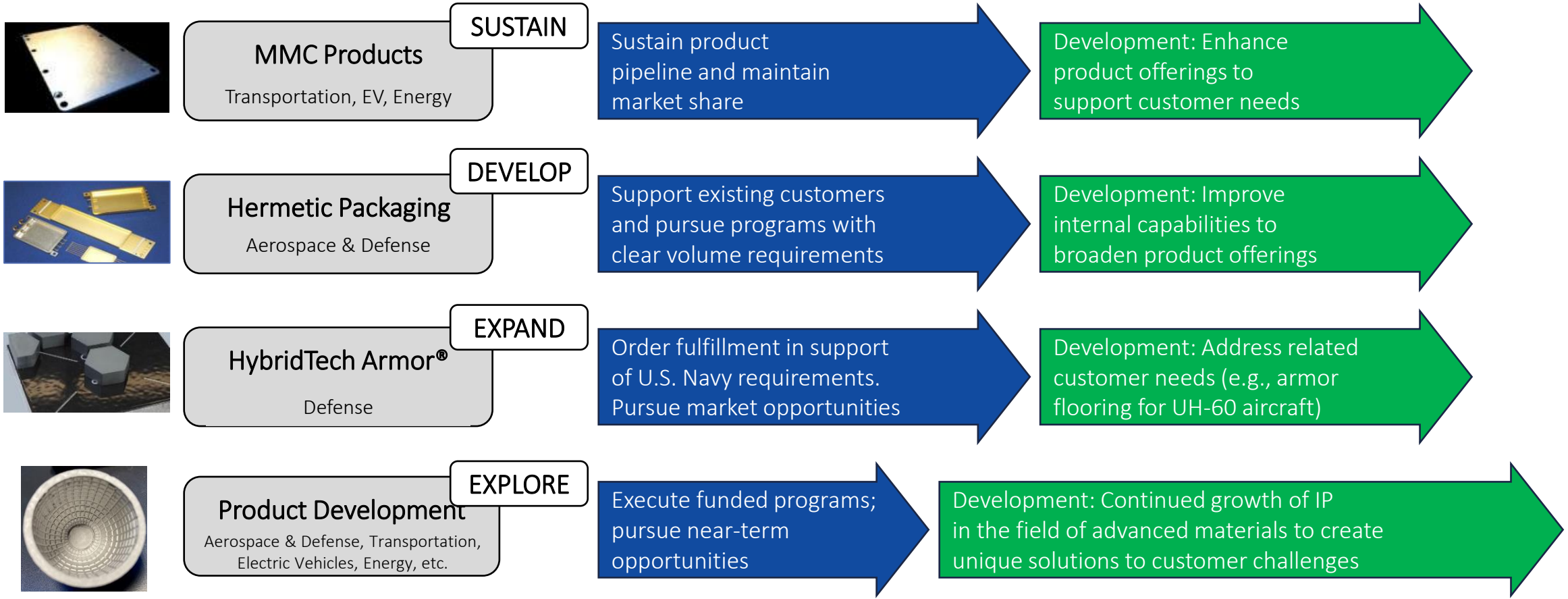
- Developing, designing, and manufacturing advanced materials and products to address challenging customer requirements
- Core capabilities include metal matrix composites, thermal management, and development of materials utilizing unique ceramic and metal forming processes
- Experience in thermal, structural, and ballistic development
- Wide range of metal, ceramic, and composite processing and testing capabilities for rapid prototyping and scale-up



Recent externally-funded research efforts

| Federal Agency | Research Area | Year of Initial Award |
|----------------|--|-----------------------|
| DoD (Army) | Advanced thermal management with additively manufactured components | 2021 |
| DoD (Navy) | Thermal energy storage enabled by metal matrix composites (MMCs) | 2022 |
| DoD (Army) | Fabrication of tungsten fragmentation warheads via metal injection molding | 2022 |
| DoD (Army) | Armor flooring for UH-60 helicopters using metal matrix composites (MMCs) | 2023 |
| DOE | Radiation shielding for microreactors enabled by metal matrix composites (MMCs) | 2023 |

Strategic Snapshot



Income Statement



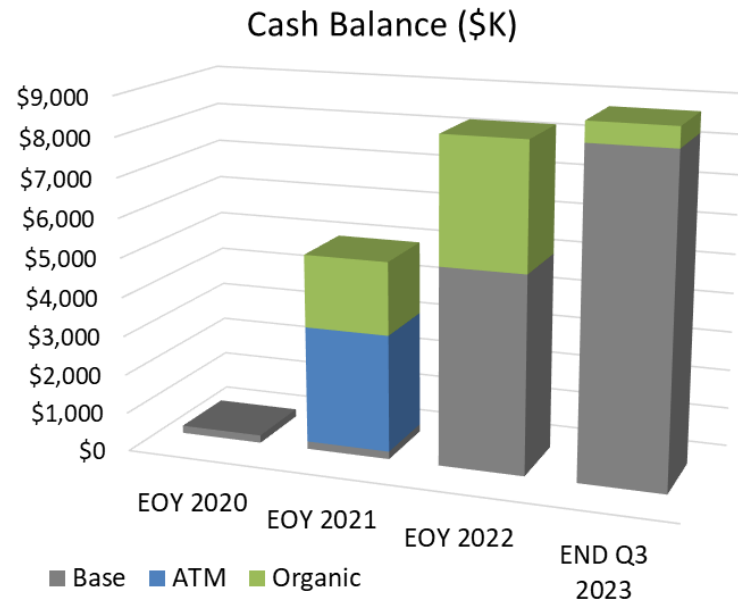
| | Nine Months Ended September 30, 2023 | Nine Months Ended October 1, 2022 |
|---|--|---|
| Revenues: | | |
| Product sales | \$ 20,803,447 | \$ 20,471,574 |
| Total Revenues | 20,803,447 | 20,471,574 |
| Cost of product sales | 15,126,621 | 14,796,206 |
| Gross Profit | 5,676,826 | 5,675,368 |
| Selling, general and administrative expense | 4,121,099 | 3,750,131 |
| Operating income | 1,555,727 | 1,925,237 |
| Interest income (expense), net | 176,325 | (6,245) |
| Other income (expense), net | (4,130) | 649,628 |
| Net income before income tax expense | 1,727,922 | 2,568,620 |
| Income tax provision | 497,137 | 706,211 |
| Net income | \$ 1,230,785 | \$ 1,862,409 |
| Net income per basic common share | \$ 0.08 | \$ 0.13 |
| UNAUDITED | | |

- Continued top line growth in 2023
- Expect significantly better Q4 2023 than Q4 2022
- Employer Retention Tax Credit increased 2022 Other income (\$650K)



Balance Sheet

- Strong cash position; minimal debt (\$55k)
- Current ratio of 3.7, compared to industry average of 2.6 (www.readyratios.com/sec/industry/36/)
- Resources are available to take advantage of opportunities to further grow CPS
- ~\$3 million raised in 2021 through ATM offering
- Organic cash growth, balance of 2021 and thereafter



| | September 30, 2023 | December 31, 2022 |
|---|-----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 8,778,856 | \$ 8,266,753 |
| Accounts receivable | 5,023,494 | 4,463,643 |
| Inventories, net | 4,827,957 | 4,875,901 |
| Prepaid expenses and other current assets | 337,476 | 211,242 |
| Total current assets | 18,967,783 | 17,817,539 |
| Net property and equipment | 1,531,009 | 1,326,968 |
| Right-of-use lease asset | 367,000 | 466,000 |
| Deferred taxes, net | 1,645,467 | 2,069,436 |
| Total assets | \$ 22,511,259 | \$ 21,679,943 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Note payable, current portion | 57,457 | 43,711 |
| Accounts payable & Accruals | 3,218,420 | 2,657,721 |
| Deferred revenue | 1,675,086 | 2,521,128 |
| Right of use lease liability, current portion | 159,000 | 157,000 |
| Total current liabilities | 5,109,963 | 5,379,560 |
| Long term liabilities | 247,932 | 594,867 |
| Total liabilities | 5,357,895 | 5,974,427 |
| Total stockholders' equity | 17,153,364 | 15,705,516 |
| Total liabilities and stockholders' equity | \$ 22,511,259 | \$ 21,679,943 |
| | UNAUDITED | AUDITED |



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