



CDTi Advanced Materials, Inc. | Company Update - June 25, 2018





This presentation contains forward-looking statements. The words “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect” and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. Forward-looking statements may address the following subjects among others: achieving business milestones to attain profitability; developing markets for our products; potential customers for our products; anticipated revenue; and our capital markets and business strategy.

Forward-looking statements are inherently subject to risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, including, without limitation, the following: our ability to fund our planned operations and implement our business plan; our ability to timely and effectively adapt our existing technology and have our technology solutions gain market acceptance; our ability to maintain our competitive technological advantages against competitors in our industry; the ability of our products to significantly lower costs as compared to other products and solutions; our ability to find, recruit and retain the highly skilled personnel required to support our growth; our ability to manage growth; and general market, economic and business conditions.

Additional factors that could cause actual results to differ materially from those anticipated by our forward-looking statements are under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent annual report on Form 10-K and in our most recent quarterly report on Form 10-Q filed with the Securities and Exchange Commission. Forward-looking statements are made as of the date this presentation is made, and we expressly disclaim any obligation or undertaking to update forward-looking statements.

We may refer to information regarding potential markets for products and other industry data. We believe that all such information has been obtained from reliable sources that are customarily relied upon by companies in our industry. However, we have not independently verified any such information.



- CDTi is a recognized innovator in a large global market primed for disruption
- Recent technology validation by global OEM and other commercial traction position CDTi at inflexion point
- Attainment of key milestones over next 12 months will define path to profitability
- Highly leveraged near-term value creation potential
- Capital markets strategy aimed at securing key milestones and incentivizing long term ownership



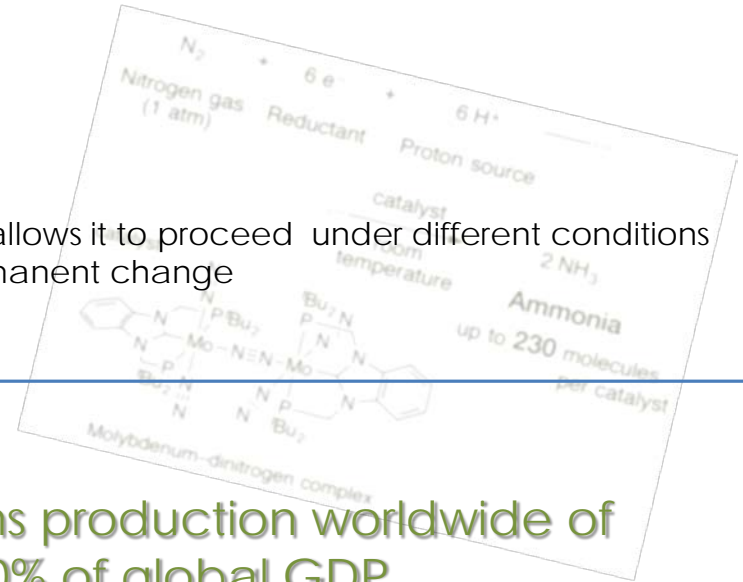
CDTi – A CATALYST MATERIALS COMPANY

catalyst



noun | cat·a·lyst | \ 'ka-tə-ləst \

- a substance that increases the rate of a chemical reaction or allows it to proceed under different conditions (such as lower temperature) without itself undergoing any permanent change

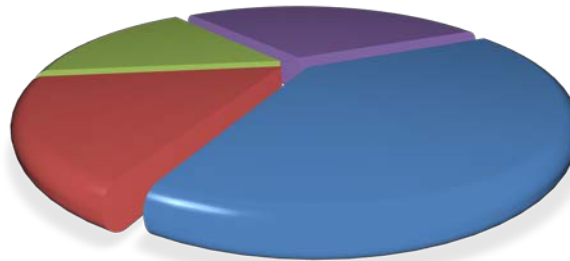


... the \$21bn catalyst industry underpins production worldwide of \$8trn in end products, about 10% of global GDP...

significant industrial fields utilizing catalysis

\$3bn POLYMERS
plastics

\$4bn CHEMICALS
agriculture /
pharmaceuticals /
ammonia / hydrogen

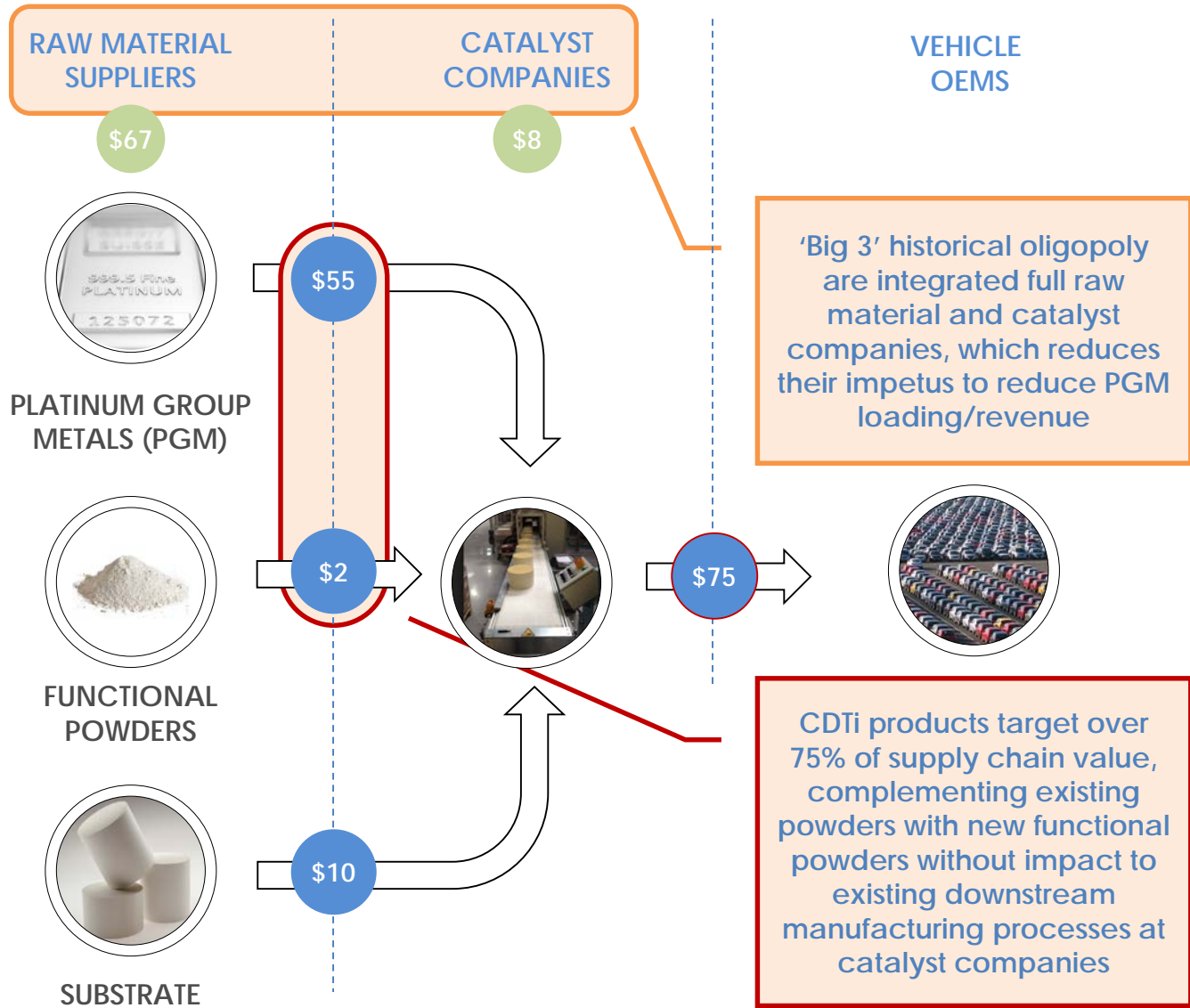


\$6bn ENERGY
fuel refining, new markets
(advanced batteries / fuel
cells)

\$8bn ENVIRONMENTAL
exhaust treatment (excl. PGM)



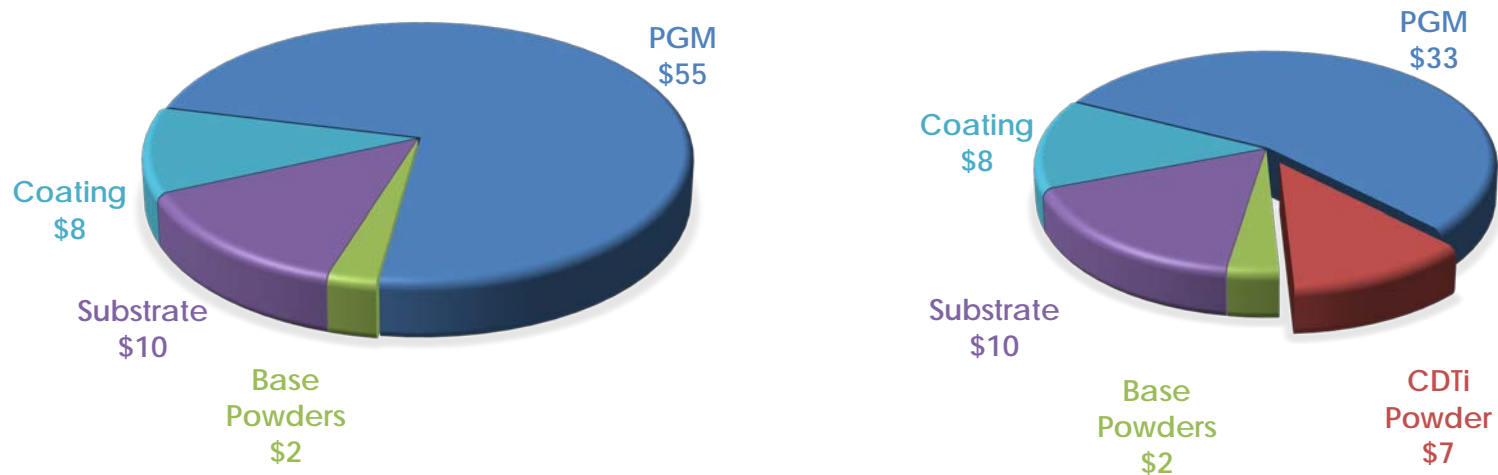
CURRENT AUTOMOTIVE CATALYST SUPPLY/VALUE CHAIN





CDTi FUNCTIONAL POWDER VALUE PROPOSITION

EQUIVALENT PRODUCT PERFORMANCE
WITH ~30% NET \$ SAVING IN PGM USAGE

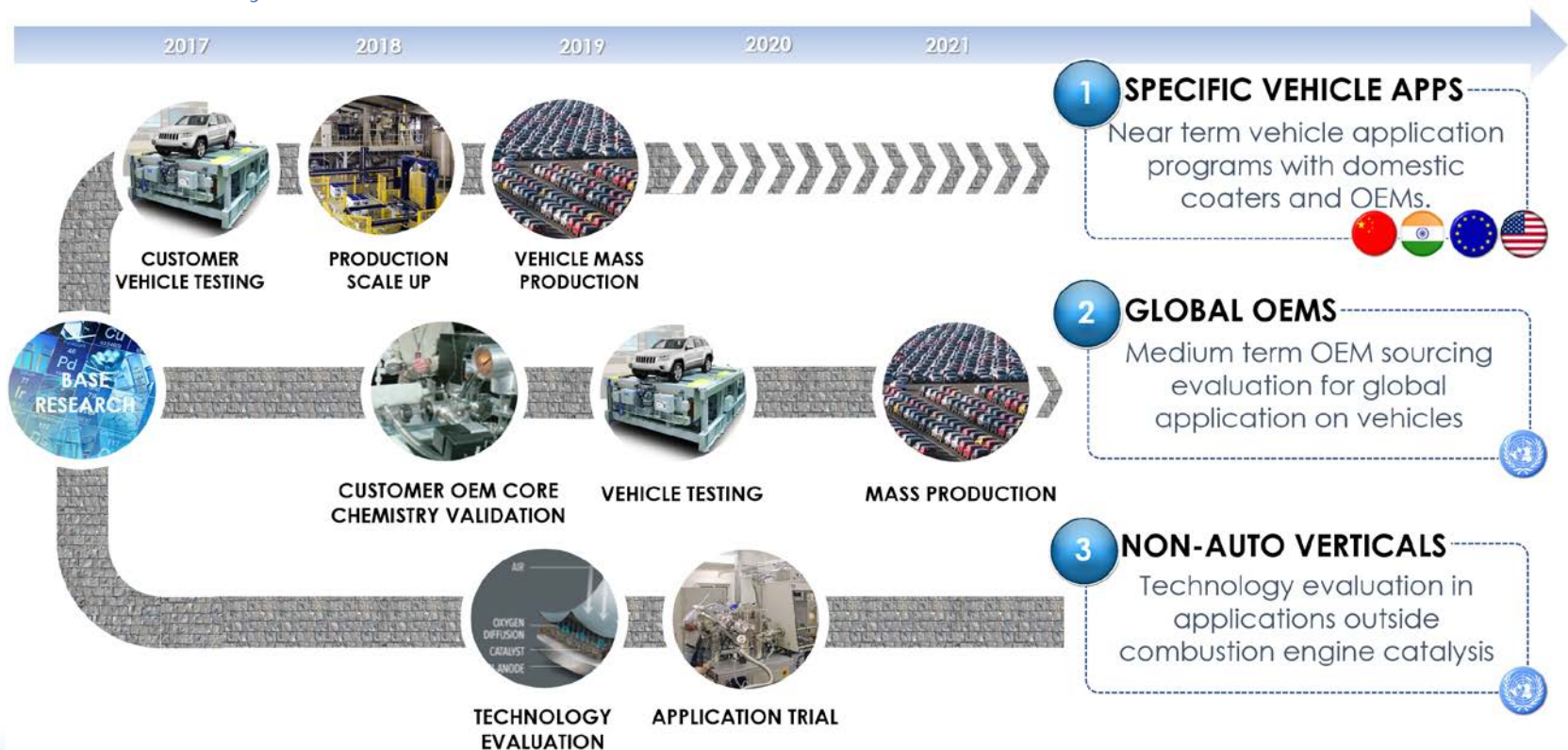


- ✓ cost saving combined with the volatility of PGM value, provides the customer pull
- ✓ \$7 revenue per car (\$14 per truck, \$1.50 on motorcycle) provides CDTi business plan revenue growth
- ✓ Increasing emissions standards (requiring yet more PGM) drive the future potential upside for the business



COMMERCIAL PATHWAYS

- CDTi has created novel patented functional catalyst materials delivered in the form of bulk powders, with potential applications in almost 50% of the catalysis market.
- CDTi's first target vertical for commercialization is the automotive exhaust after-treatment market, where these functional powders can reduce the end product cost to the vehicle manufacturers. This target vertical is approached in two ways, first via vehicle level applications solutions, and secondly via fundamental catalyst redesign in conjunction with global OEMs.
- In addition to the automotive market, CDTi is development paths within other verticals including fuel cell and advanced battery materials.










Key Considerations

- Select markets where at least two of our three criteria are strongly present;
 - Strong domestic automotive market
 - Local catalyst manufacturers are present to allow ease of entry
 - Development cycle / emissions requirements are short and dynamic
- USA, Europe and Japan OEM markets a longer term play although near term aftermarket opportunities in the pipeline
- China and India offer immediate and compelling opportunities

Market Selection Criteria

		Market Size Millions of vehicles per annum	Ease of Entry Independent Domestic Market Presence	Time to Market Development Time & Approval Cost
China		Large (28M)	High	Short <3 years
USA		Large (17 m)	Low	Long 3-5 years
Europe		Medium (10 m)	Low	Long 3-5 years
Japan		Small (6 m)	Low	Long 3-5 years
India		Small (4 m)	High	Short <3 years

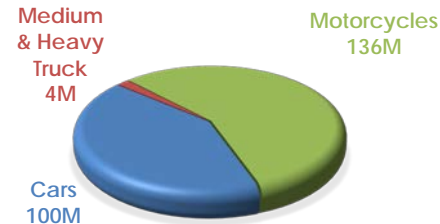


AUTOMOTIVE REVENUE OPPORTUNITY

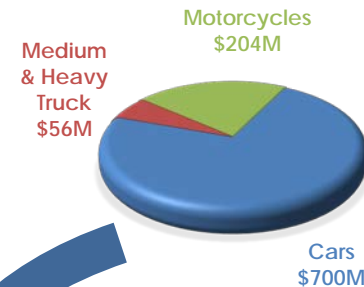
Key Considerations

- Large potential market for CDTi materials in Chinese and Indian automotive markets (\$272 million annually at current market volumes)
- No competitors providing enabling materials to local catalyst manufacturers
- Market penetration of 15% would result in high-margin annual revenue approaching \$40 million
- Penetration maximized if materials manufactured cost effectively in local markets

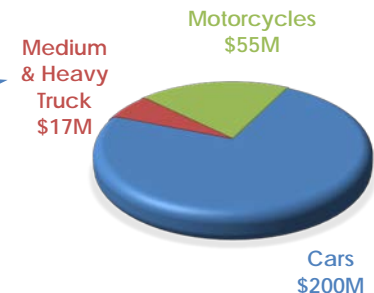
2017 Global Vehicle Sales
240M



Total Market Revenue
Potential USD\$960M



China & India Revenue
Potential USD\$272M





SPECIFIC VEHICLE APPLICATIONS

- Currently engaged in over 20 commercial opportunities across more than 10 OEMs either directly indirectly via coating partners, with initial revenue opportunities totaling almost 13 million.
- Started production with first shipments on diesel application in China

GLOBAL PROGRAMS

Partner	Top 3 Global Passenger Car OEM	Top 10 Global Commercial Truck OEM	US Department of Energy
Scope / Description	Full development program aimed at replacing existing functional redox material with CDTi Spinel	Development program using CDTi SPGM for diesel DOC	Fully funded multi-million dollar technology evaluation aimed at the heavy duty CNG catalyst market for trucks and buses
Target	Initial Production 2021	Initial Production 2023	Finalized reporting 2021
Status	Achieved technical selection gate success in June 2018	In evaluation for Q3 2018 specification agreement	Signed and funded, first samples supplied in April 2018 to UH
Volume Opportunity	~5-10 million vehicles	~175 thousand vehicles	Estimated that 1 in 10 medium / heavy duty trucks will be CNG powered

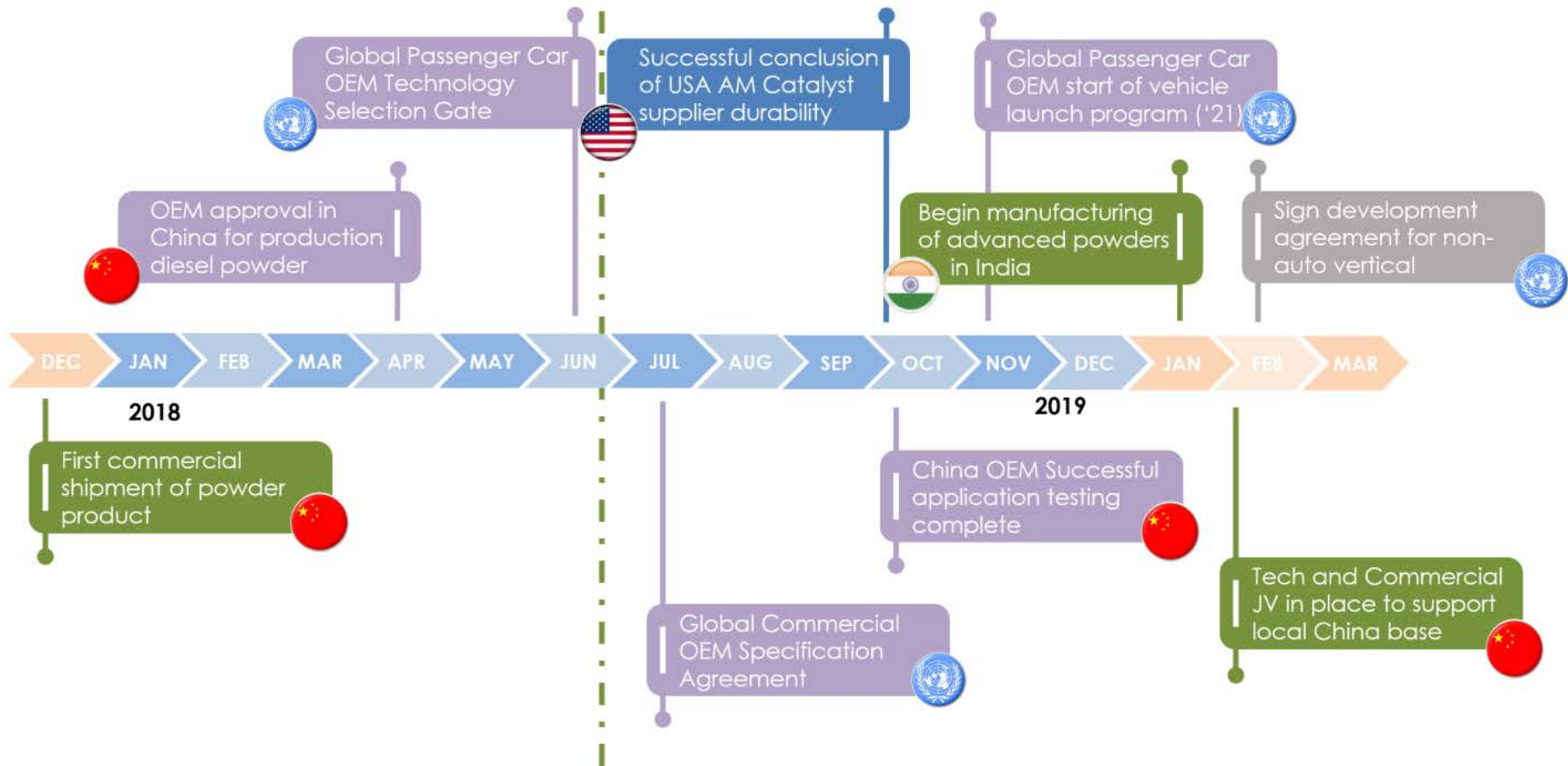


KEY BUSINESS MILESTONES

ACCOMPLISHED ✓



IN PROGRESS





BUSINESS RECONFIGURED FOR PROFITABILITY

Key Operating Metrics

Key Operating Metrics	01/01/16	03/31/18
Personnel	122	45
OPEX Run Rate (\$M/yr.)	20	8
Financial Debt (\$M)	11	0
Current Liabilities (\$M)	13	6

Quarterly Financials

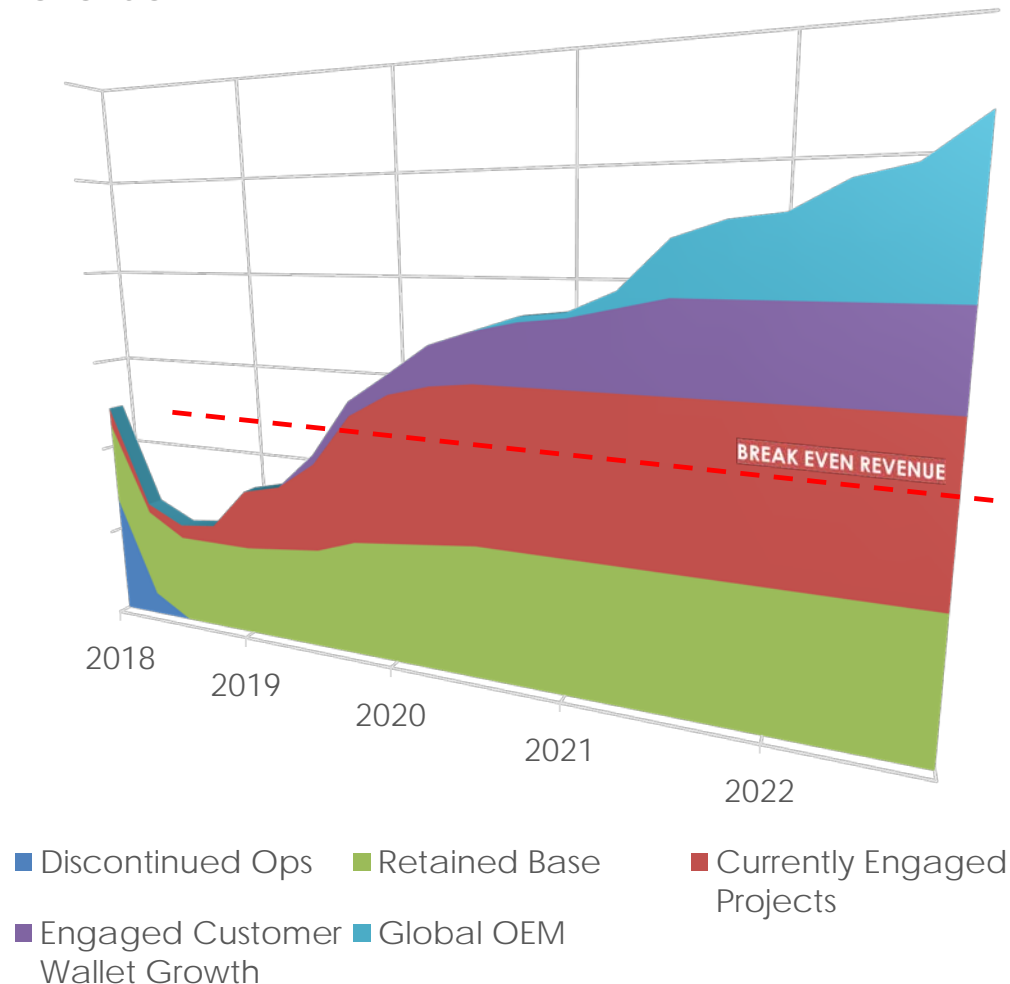
Quarterly Financials (\$M)	03/31/17	03/31/18
Revenue	8.2	4.9
Gross Profit	1.4	1.7
Margin	17%	35%
OPEX	3.8	2.2
Operating Income	(2.4)	(0.5)

Highlights

- Reconfigured as an advanced materials company, but retained technology and know-how developed from catalyst manufacturing past.
- Significant reduction in fixed cost base along with clean balance sheet and minimal working capital requirements
- Focus on higher margin activities in retained base revenue business allowing ~35% gross profit margins
- Sustained breakeven achievable at \$20 million in annual revenue,



Revenue



Highlights

- Strong visibility into \$12M in 2018 revenue via retained existing base business plus small legacy contribution
- Currently engaged projects provide meaningful technology revenue in 2019
- Global OEM technical success in 2018 leads increased revenue potential with first 2021 launch
- Revenue opportunities from 'vertical' applications (in progress) would add to this base



KEY DATES

- Record date – June 28, 2018
(Purchase position by June 26, 2018)
- Commencement date – June 29, 2018
- Expiration date – July 13, 2018 at 5pm Eastern Time

OTHER INFORMATION

- Total available subscription is 6,849,000 shares
- Subscription price - \$0.50 per Right
- Oversubscription availability on a pro-rata basis

The foregoing is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.



- CDTi squarely positioned in a large global market that needs an alternative
- Technology validation, partnerships and early commercial traction place CDTi on the cusp of meaningful adoption in key growth markets
- Achievement of key milestones over the next 12 months present highly leveraged value creation potential for all stakeholders



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