



Leading the World in Emission Solutions

(NASDAQ: CDTI)

DuraFit™ Sale Conference Call

September 14, 2017

Safe Harbor Statement

This communication contains forward-looking statements, including statements regarding the Company's targeted business model. Forward-looking statements are identified by words such as "believe" "expect," "plan," "will," "should," "could," "anticipate," "intend," "estimate," and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We based these forward-looking statements on our current expectations and projections about future events, and they speak only as of the date they are made.

Our actual results could differ materially from those discussed in, or implied by, these forward-looking statements. Factors that could cause actual results to differ from those implied by the forward-looking statements include a number of risks and uncertainties, including (i) that the Company may not be able to (a) meet expectations or projections, (b) decrease costs, (c) increase sales, (d) obtain adequate funding, (e) retain or secure customers, (f) protect key intellectual property, (g) successfully evolve into an advanced materials supplier, (h) implement its strategic priorities, (i) successfully market new products, (j) obtain product verification or approvals or market acceptance, (k) attract or retain key personnel, (l) validate, optimize and scale our powder-to-coat capability, or (m) realize benefits from investments; (ii) funding for and enforcement and tightening of emissions controls, standards and regulations; (iii) PGM and rare earth metal price fluctuations; (iv) royalty and other restrictions on sales in certain Asian countries; (v) supply disruptions or failures; (vi) regulatory, marketing and competitive factors; and (vii) those described risks set in our reports filed with the SEC, especially in the section entitled "Risk Factors" in the Annual Report on Form 10-K filed with the SEC on April 7, 2017 all of which could have a material impact on our financial performance and prospects. Subject to any legal or regulatory requirements, we assume no responsibility to update any of the forward-looking statements contained herein.



Path to Executing Advanced Materials Strategy

Over the past several months, CDTi has been building its foundation for its transition into a scalable technology company

STREAMLINED OPERATIONS

- Lowered SG&A **32%** year-over-year in Q2'17
- Reduced operating expenses **53%** over the same timeframe
- Narrowed operating loss from **\$3.2M** in Q2'16 to **\$0.3M** in Q2'17

STRENGTHENED BALANCE SHEET SINCE 2016

- Decreased liabilities and outstanding debt by **\$3.5M** in Q2'17
- Raised **\$10.3M** in gross proceeds through common stock offering in Q3'16



Transaction Overview

DURAFIT™ SALE

- Sold DuraFit and private label OEM replacement DOC and DPF product line to APC Technologies for \$3.2M
- Sale included all tangible and intangible assets, including brands, intellectual property, equipment, customer agreements, private label programs and inventory
- Will continue providing coating and materials to APC for its DuraFit and private label product lines during a transition period and explore longer-term opportunities for supplying materials
- As part of the DuraFit sale, CDTi paid off its outstanding financial debt



Transaction Benefits

Sale represents the final step in facilitating CDTi's transformation into a provider of enabling technology to the emissions catalyst market by the end of the year

NEW BUSINESS CONFIGURATION PROVIDES SEVERAL BENEFITS TO CDTI

- Reduces cost basis by \$1.5M on an annualized basis
- Improves gross margins as business volumes are now concentrated in higher margin activities
- Lowers working capital requirements; no longer need to hold finished goods inventory to support downstream distribution
- Supplements cash position, enabling CDTi to accelerate its path toward commercial traction
- Expands sales pipeline by opening up opportunities to sell to former competitors in the downstream market

Streamlined capital structure through elimination of debt and other financial encumbrances



Advanced Materials Pipeline



Shipments expected to begin

2H 2017

2018

2019

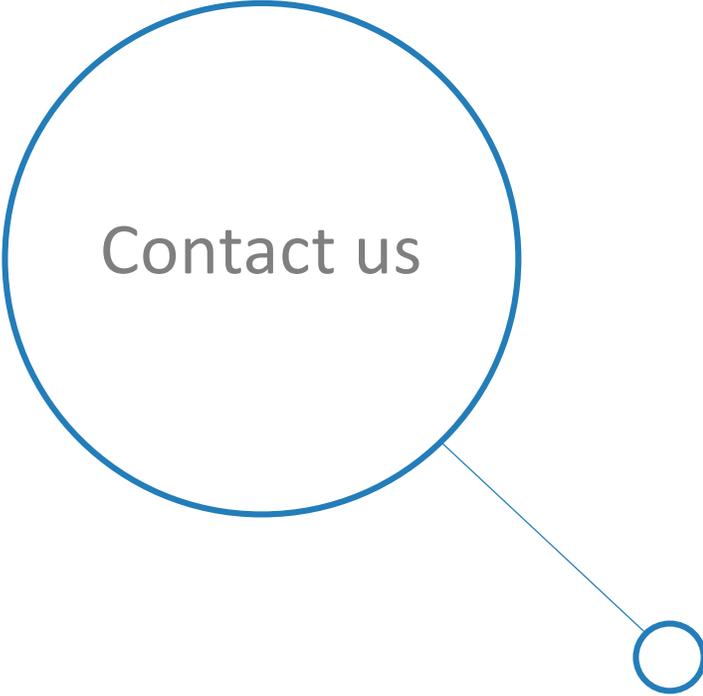


Company Outlook

FINANCIAL EXPECTATIONS & TARGETS

- Expects to finish 2017 with approximately \$28M in revenue reflecting sale of DuraFit
- Profitability in 2017 dependent upon factors including accounting treatment of the DuraFit transaction
- On track to achieve key financial targets by the end of 2017 including ~40% gross profit margins and quarterly operating expenses of ~\$2M
- Breakeven achievable at a \$5M quarterly revenue run rate





Contact us

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