

2021 Annual Meeting of Shareholders

June 10, 2021



2021 Annual Meeting of Shareholders

- Elect six directors of the Company

Each to serve for terms expiring at the next Annual Meeting of Shareholders

John P. Gilliam

Emily Lu

Laura F. Shunk

Edward W. Ungar

Charles Wickersham

Jeremiah Young

- Ratify selection of independent registered public accounting firm for the year ending December 31, 2021.
- Transact any other business which may properly come before the meeting or any adjournment thereof.

Business Review

Photonics Market

\$594 billion global market in 2020 forecasted to grow at a 7% CAGR through 2025⁽¹⁾

End use applications:

- Display
- Information & communication technology
- Photovoltaic
- Medical Technology & Life sciences
- Measurement & automated vision
- Lighting
- Production Technology

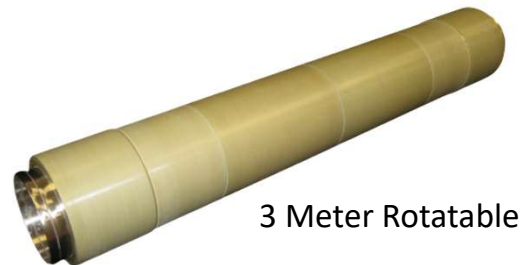
⁽¹⁾ MarketsandMarkets (February 2021)

Display

Materials

Aluminum (Al)
Chromium (Cr)
Titanium (Ti)
Copper (Cu)
Molybdenum (Mo)
Alumina doped Zinc Oxide (AZO)
Indium Tin Oxide (ITO)
Titanium Oxide (TiOx)
Niobium Pentoxide (Nb₂O₅)
Precious Metals
Precious Metal Alloys

SCI Applications



End Markets



- Mirrors & Decorative Coatings
- Sensors
- Electronics

Photovoltaic

Materials

Zinc Magnesium Oxide (ZnMgO)
Gallium doped Zinc Oxide (GZO)
Alumina doped Zinc Oxide (AZO)
Chromium (Cr)
Molybdenum (Mo)
Indium Tin Oxide (ITO)
Zinc Oxide (ZnO)
Magnesium Fluoride (MgF₂)
Silver (Ag)
Zinc (Zn) & Zinc Alloys
Zinc Tin Oxide (ZTO)

SCI Applications

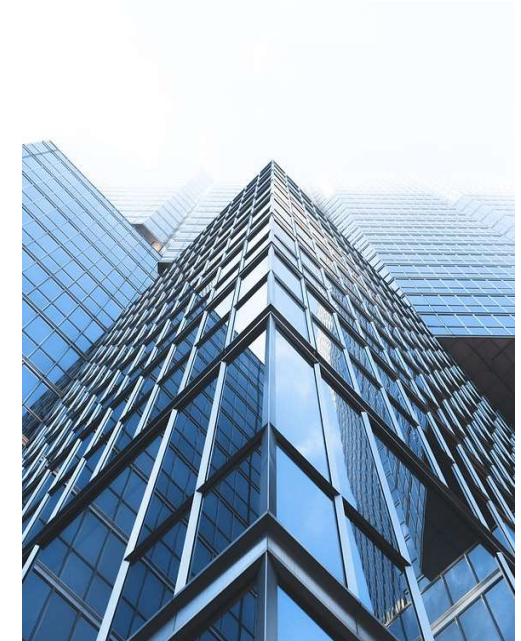


1 Meter Rotatable
Thermal Spray



3 Meter Rotatable
Assemblies

End Markets



- Large area glass
- Thin-Film Solar

Measurement & Automated Vision

Materials

Advanced Ceramic
Powders

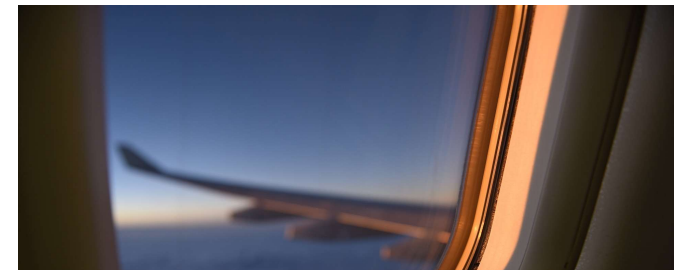
Specialty Powders

Custom Metal &
Ceramic in planar
and rotatable forms

SCI Applications

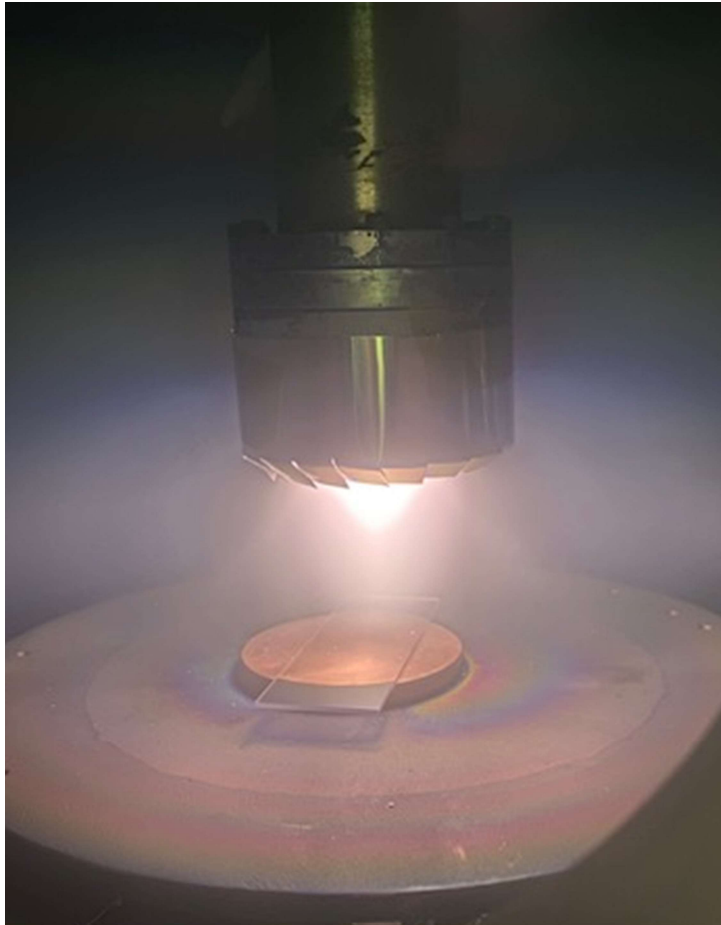


End Markets



- Defense
- Aerospace

Research and Development



- Conductive ceramic for architectural glass and wide area coating applications
- Transparent conductive oxide for solar applications
- Conductive oxide, dielectric materials, semi metals for display and semiconductor applications
- Specialty materials for niche markets such as additive manufacturing and solid-state battery.
- Industrial conference presentation and academia collaboration for publicity and frontrunner technology

Increased Sales & Marketing

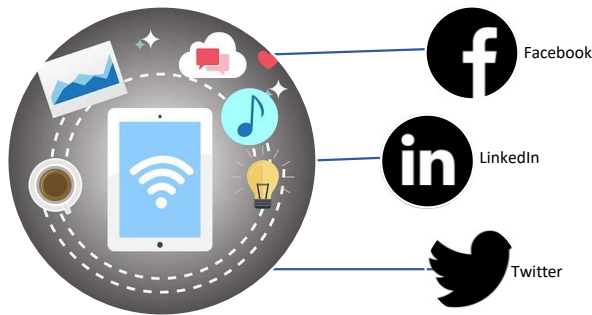
Social Media

Materials & Services

Relevant content

Material science & thin-film technology articles

Social Media Connections



Website Updates

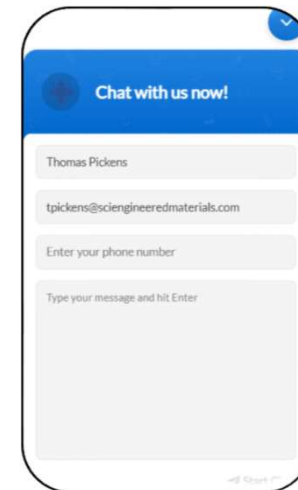
Build a Quote Database

Live Chat Function

Product photographs & videos

Customer account set-up page

Website visitor analytics



In-Person & Virtual Tradeshow



**The Association of International
Metallizers, Coaters and
Laminators**

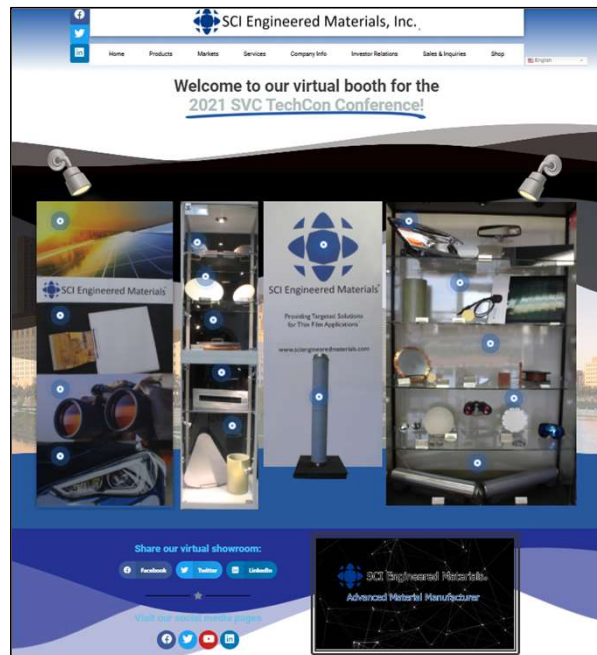
Target Audience
Roll-to-Roll Coating Industry



American Vacuum Society

Target Audiences
OEM, R+D, National
Labs & Universities

Virtual Tradeshow Environment



SPIE. OPTICS+
PHOTONICS

**Society of Photo-optical
Instrumentation Engineers**

Target Audience
Optics + Photonics



**Society of Vacuum
Coaters**

Target Audiences
Photonics, Defense + Aerospace,
Automotive, Large Area Glass

Corporate Video



Financial Highlights

(\$ thousands, except EPS)

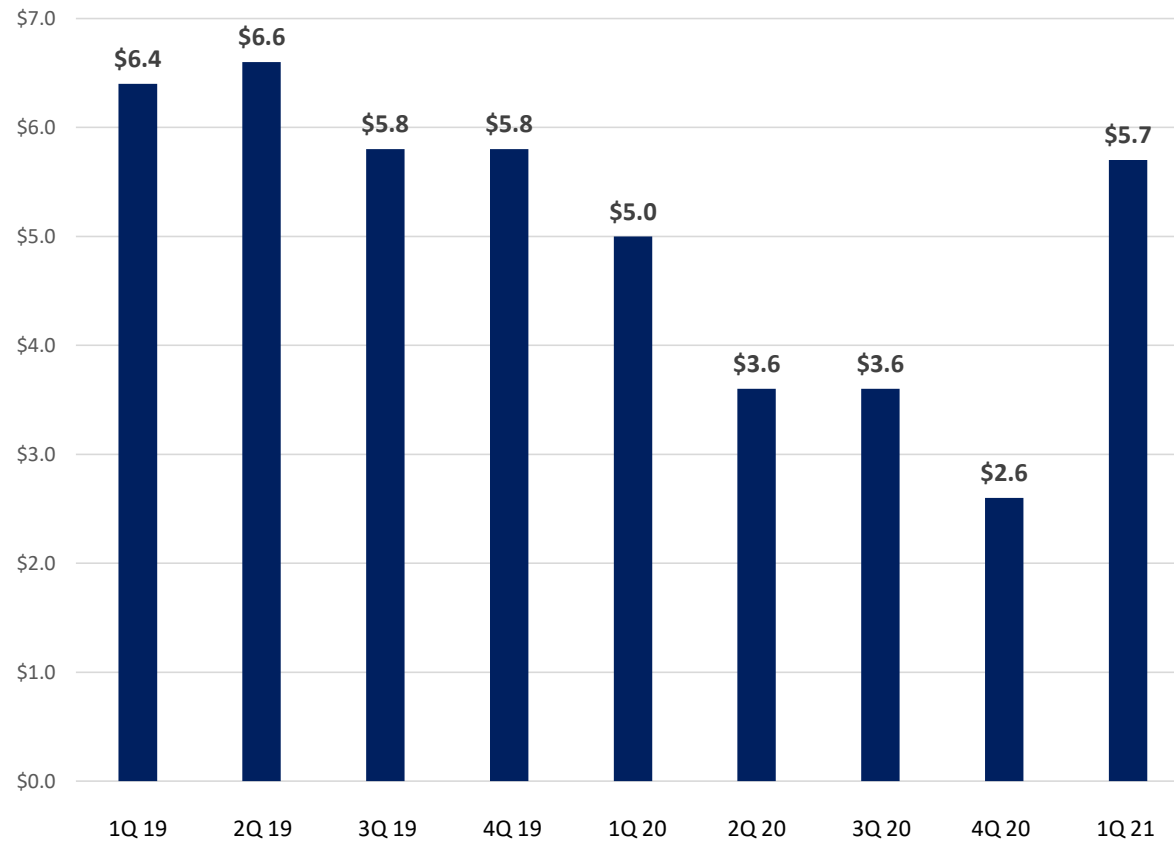
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Total revenue	\$10,896	\$12,950	(16)%
Gross profit	\$ 2,198	\$ 2,209	(0.5)%
Operating expenses	\$ 1,682	\$ 1,878	(10)%
Income from operations	\$ 516	\$ 331	+56%
Income applicable to common shares	\$ 1,478	\$ 281	+426%
Fully-diluted earnings per share	\$ 0.33	\$ 0.06	+450%

On December 31,

Cash	\$ 2,918	\$ 1,828	+60%
Total debt outstanding	\$ 729	\$ 224	+225%
Total Shareholders' Equity	\$ 5,551	\$ 3,949	+41%

Backlog

\$ millions (Quarter-end)



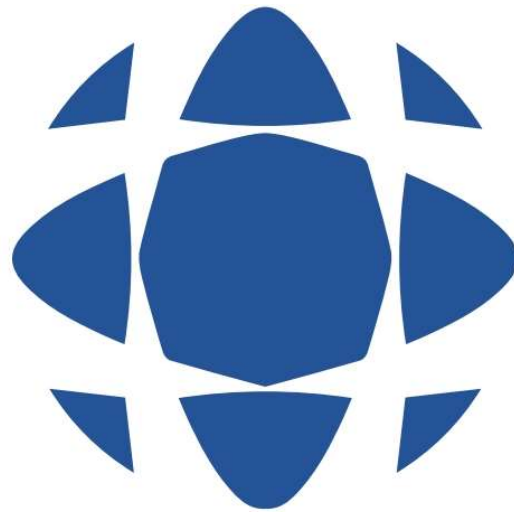
Cash

\$ millions (Quarter-end)



2020 Achievements

- Managed through COVID-19 pandemic
- Added customers in current and complementary niche markets
- Increased sales and marketing capabilities
- Fourth consecutive year of profitability



SCI Engineered Materials®