

SONO•TEK

Nasdaq: SOTK

Welcome Shareholders

2023 Annual Meeting



August 24, 2023

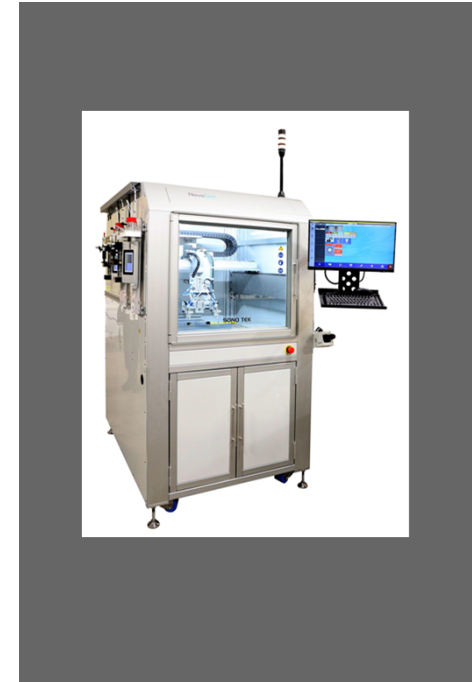
Dr. Christopher Coccio
CEO

Steve Harshbarger
President & COO

This presentation contains forward-looking statements within the meaning of safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including delivery of profitable, dynamic growth, growth opportunities for ultrasonic spray technology, retaining and expanding industry leadership and customer base, continuing product diversity, maintaining technological advantage of the Company's nozzles over those of competitors, including faster return on investment compared to conventional spray systems, enhancing global distribution network, establishing market niches for recently developed products and services, including fuel cell roll-to-roll development and controlled coating, market reception of new spray innovations, ability to increase sales of larger machines with longer delivery times, maintaining strong net cash position, achieving revenue projections, possible negative effects of the Coronavirus on the Company's operations, and other factors. Accordingly, although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company has no obligation to update the forward-looking information contained in this presentation.

BOARD MEMBERS	ROLE	DIRECTOR SINCE
Dr. Chris Coccio	Chairman	1998
Steve Harshbarger	Director	2013
Eric Haskell, CPA	Independent Director	2009
Dr. Donald Mowbray	Independent Director*	2003
Carol O'Donnell	Independent Director	2018
Dr. Joseph Riemer	Independent Director***	2007
Philip Strasburg, CPA	Independent Director**	2004

*Chair of Compensation Committee **Chair of Audit Committee ***Chair of Nominating Committee



Who Are We?

Over 15 Years of Working Together



Dr. Chris Coccio
Chairman & CEO



Steve Harshbarger
President & COO



Stephen Bagley
Chief Financial Officer



Robb Engle
Executive VP, Engineering



Maria Kuha
VP, Operations



Chris Cichetti
*VP, Sales & Application
Engineering*

Executive & Senior Management

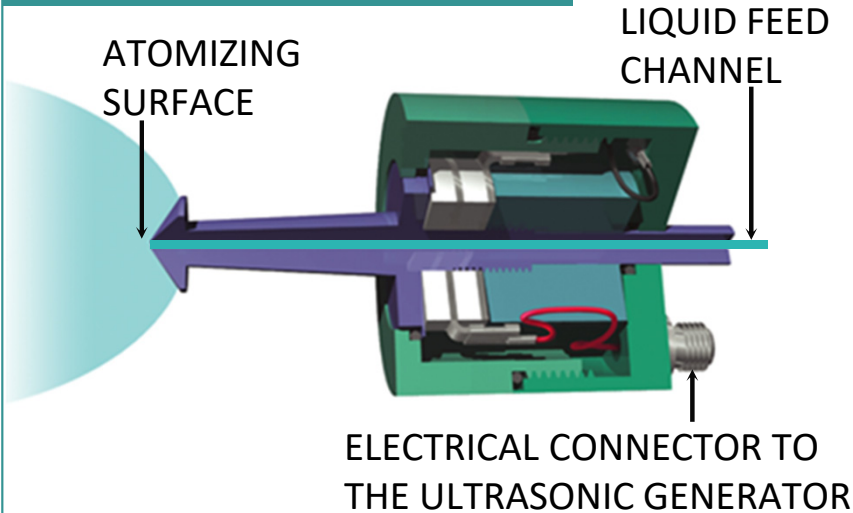


*Dynamic,
committed team
located in the
Mid-Hudson Valley
with worldwide
distribution and
laboratories*



OFFICIAL
BUSINESS
MEETING

UNIQUE PROPRIETARY

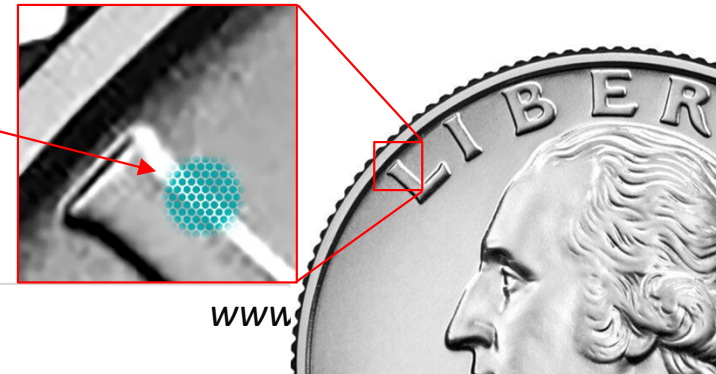


A software driven, electro-mechanical droplet generator, perfect for high tech precision coating applications.

Ultrasonic nozzle systems use high frequency ultrasonic vibrations to atomize liquids into uniform micron-sized drops for coating a wide variety of surfaces.

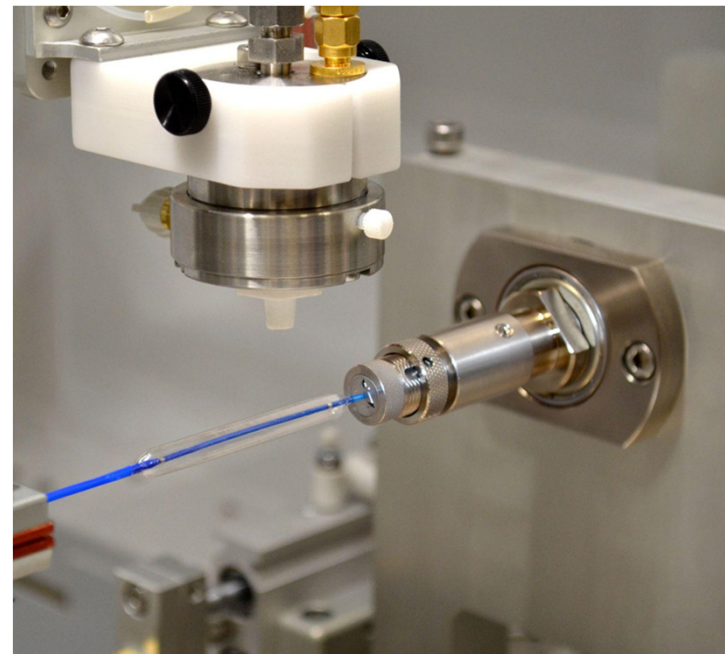
- + *Firmware/software*
- + *Electronics*
- + *Precision hardware*

Example: 20 micron drops



Sono-Tek Corporation is the leading developer and manufacturer of ultrasonic coating systems that apply functional thin film coatings for:

- MICROELECTRONICS/ELECTRONICS
- ALTERNATIVE ENERGY
- MEDICAL
- INDUSTRIAL
- EMERGING R&D MARKETS



Drug Eluting Balloon

More cost-effective and simpler than alternative coating methods:

- Dramatic reductions in overspray with reduced emissions
- Large cost savings
- Improved process repeatability
- High precision coatings

Glass Coating Application

PRESSURE SPRAY SYSTEM



ULTRASONIC SPRAY SYSTEM



Global Trends Demanding Thin Film Coating Solutions

- **Microelectronics**

Chip shortages and new demands for handhelds

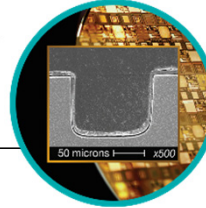
- **Medical Devices**

Implantables, microfluidics, and diagnostic applications (i.e. COVID)

- **Energy**

Both climate change and energy security are key drivers

MICROELECTRONICS/ SEMICONDUCTORS



MEMs

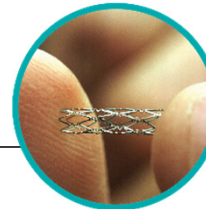


Handheld Devices

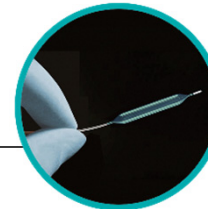


Flexible Electronics

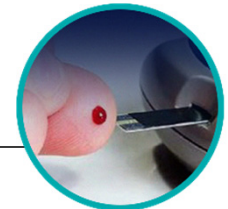
MEDICAL DEVICES



Stents

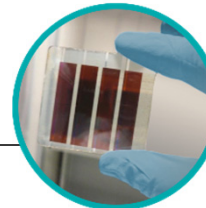


Balloons

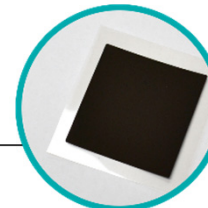


Diagnostic Devices

CLEAN ENERGY



Solar Cells



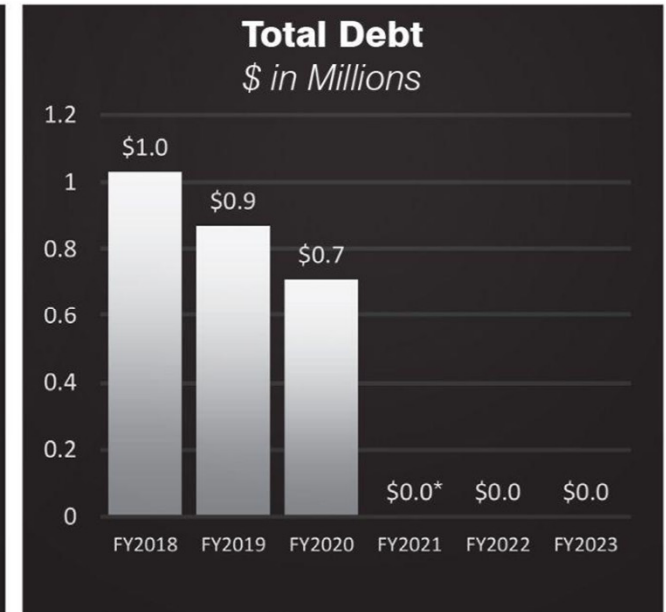
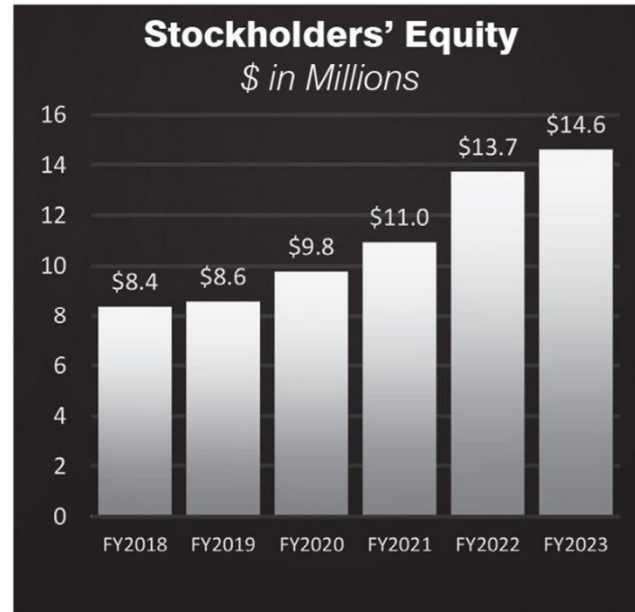
Fuel Cells



Electrolysis/
Carbon Capture

FYE - Feb 28

EXCELLENT BALANCE SHEET STRENGTH

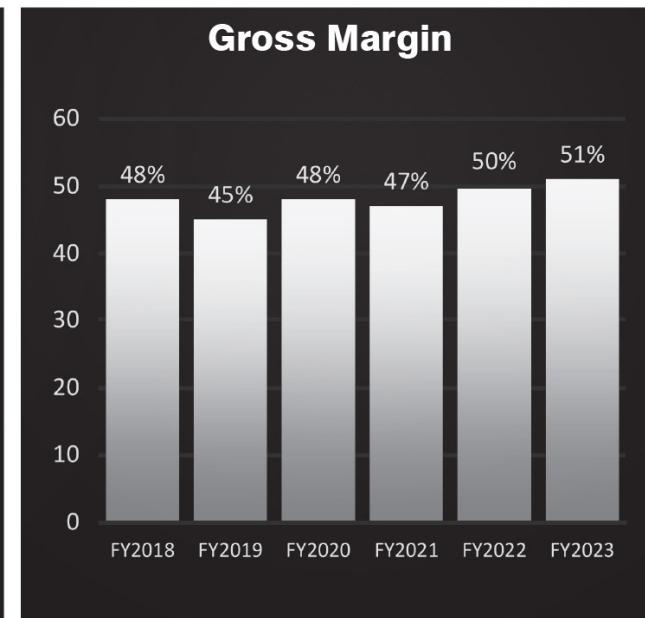
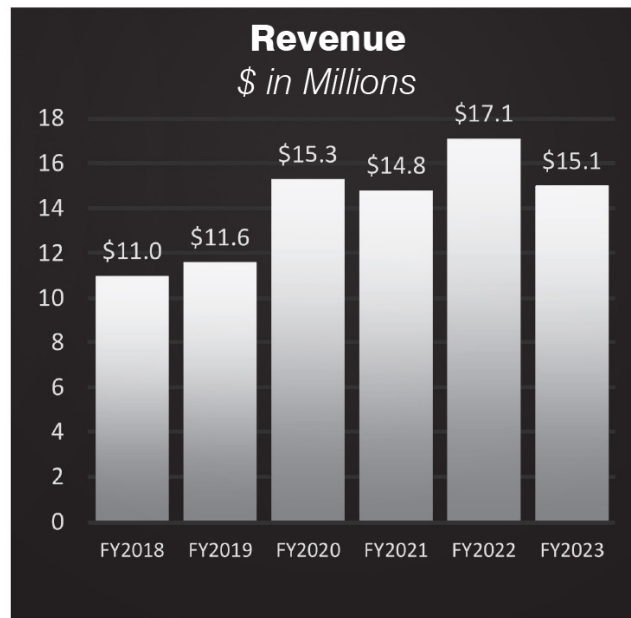
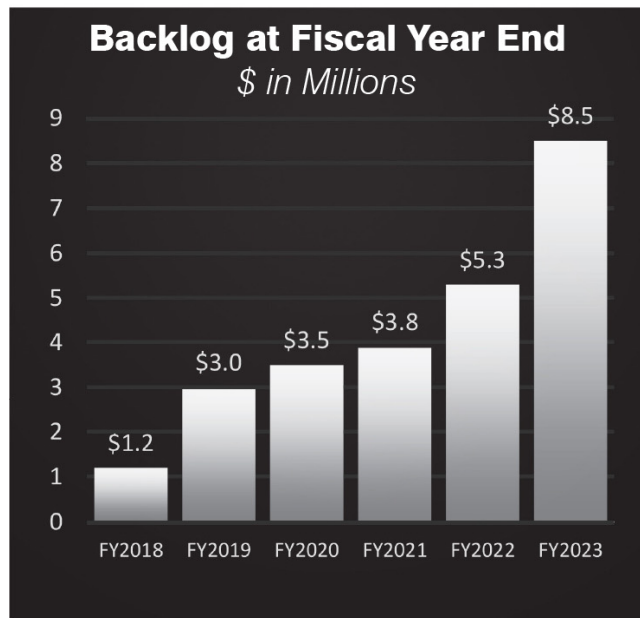


Our cash is a strategic asset available for market development or M&A

**Excludes PPP loan, forgiven in Q1 FY2022*

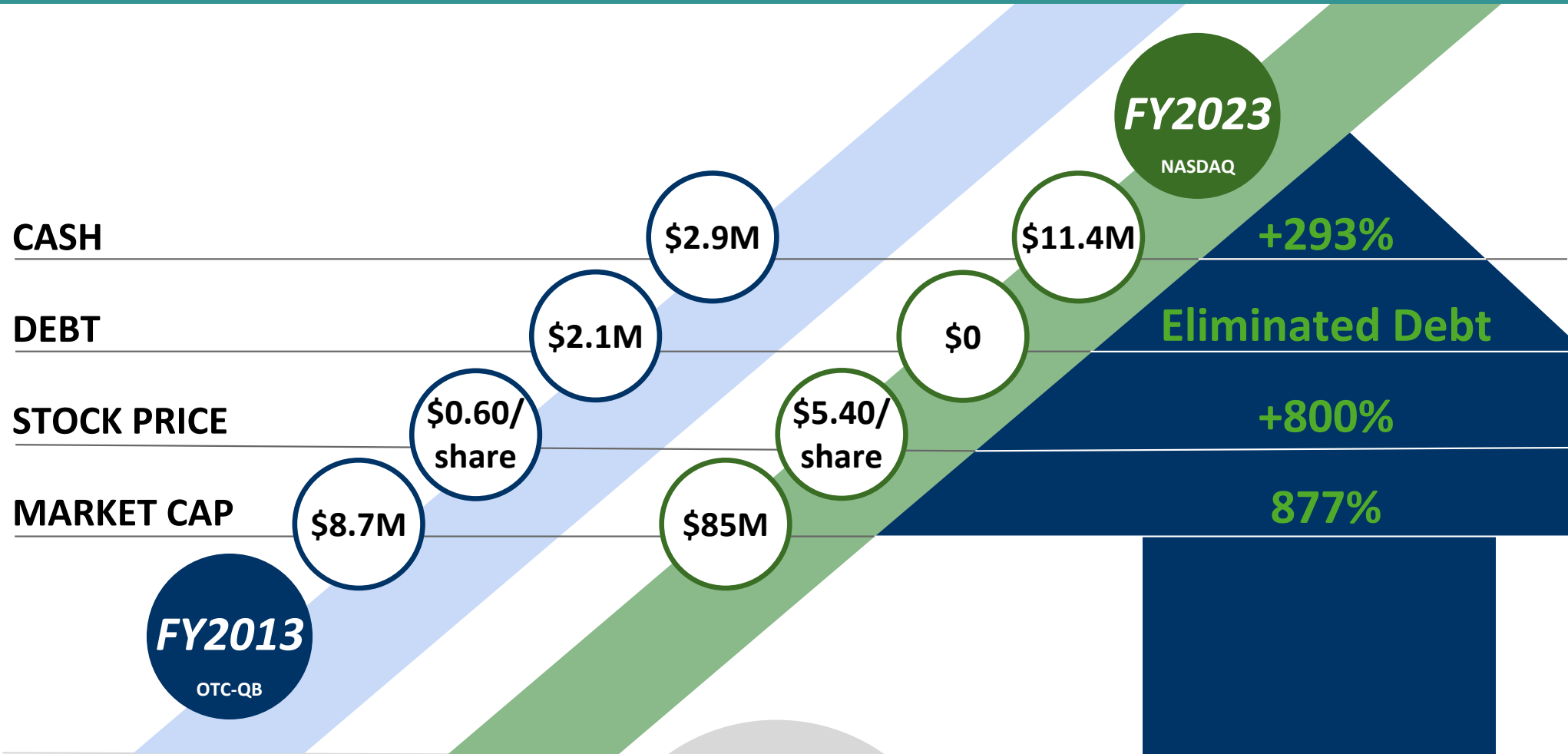
FYE - Feb 28

VERY STRONG BACKLOG IN FY2023 IS EXPECTED TO STRENGTHEN REVENUES & GROWTH IN FY2024



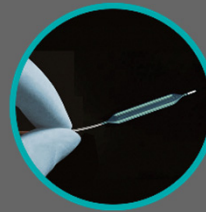
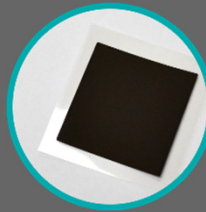
Our Gross Margin is twice typical manufacturing companies, providing excellent pricing power

A Strong Track Record; An Even Stronger Outlook as We Move into Large Platform Systems



Steve Harshbarger

President & COO



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SONO•TEK Corporation

Nasdaq: **SOTK**

***Strategy:** Grow our business by targeting key disruptive coating applications in growth oriented sectors.*

ENERGY
SEMICONDUCTORS
NANOMATERIALS
TEXTILES
FOOD
INDUSTRIAL
AUTOMOTIVE
AEROSPACE
GLASS
MEDICAL DEVICES
ELECTRONICS



Developed:

- Advanced technical capabilities to solve customer coating challenges.
- State-of-the-art custom engineered products.
- Established network of industry partners for large system integration projects.
- Rapidly establishing new customers and applications in high tech markets for large platform systems.



Results:

- ✓ *Recognized as an Innovative Technology Company with Powerful Proprietary Knowledge*
- ✓ *Rapidly expanding Average Selling Prices (ASPs)*

Full Coating Solutions to Meet Customers' Unique Needs

- Enables complex machine solutions and more customized equipment solutions, giving us a distinct competitive edge.
- Vital part of our customers success.
- On-site laboratory testing, customer visits to ensure success, accelerate and expand orders.
- Strategic partnerships with chemical companies creating new formulations.



Full System Solutions

- Implantable stent devices, considered the industry standard coating technology (*Next gen implantable devices*) - **MediCoat**.
- Thousands of PCB fluxing platforms installed worldwide - **SonoFlux**.
- Evolving platforms for float glass (first system installed in 1980s), long history of experience and reputation in glass coatings - **WideTrack**.

Continuous improvement, refinement and service to existing machine offerings keep Sono-Tek at the forefront of these markets.

Established Markets (10+Years)

- **Medical Devices**
 - ✓ *Implantable stents*
 - ✓ *Blood collection tubes*
- **Printed Circuit Boards (PCBs)**
 - ✓ *Spraying flux in wave solder processes*
- **Industrial Float Glass**
 - ✓ *Anti-stain protective coatings onto continuous glass production lines*

Development of Next Gen Devices with Evolving Application Solutions

- Expanding platforms with customized configurations.
- Advanced understanding of customers' liquid chemistries and process requirements pre and post the coating step.
- Lab testing validation and contract coating.

Unique capabilities make Sono-Tek a good fit for potential new high growth applications.

Growing & Emerging Markets

- **Microelectronics**
 - ✓ *Smaller footprint devices require precise coatings for EMI shielding, photoresist, and other nanomaterials*
- **Medical devices**
 - ✓ *New advanced diagnostic device coatings*
 - ✓ *Balloons and other next gen implantables*
 - ✓ *Microfluidics and laser welding*
- **Protective and functional coatings**
 - ✓ *Automotive coatings for plastics, glass and sensors*



Increasing Capabilities and New Equipment to Existing Customers Ramping Production to Higher Volumes

- Advanced multi-stage robotic coating platforms.
- Sophisticated product handling systems.
- Fully automated, custom engineered solutions integrated with several steps in the manufacturing process.
- Accelerating Average Selling Prices (ASPs).

Large customer base using our ultrasonic coating systems for R&D, and several of these companies are starting the transition to production volumes.

Transitioning Markets

- **Fuel cells/electrolyzers**
✓ *Transition from R&D to high volume catalyst coatings for PEMs and carbon capture, green hydrogen generation*
- **Medical devices**
✓ *Higher volume batch coatings for implantable devices*

Chips Act: Over \$200B for high tech research and semiconductor manufacturing.

Climate Bill: \$369B focused at reducing 40% of greenhouse emissions by 2030.

South Korea Green New Deal: \$135B investment in both green energy and digital technologies.

REPowerEU: >€210B to reduce energy dependence with a focus on transitioning to clean energy and a net-zero carbon goal by 2050.



High Volume Production of Green Hydrogen & Energy Market Growth



- Electrolyzers for fuel cells, CO2 reduction and green hydrogen generation.
- New catalyst formulations, R&D for novel membrane materials.
- Thin film solar could return as a significant contributor to revenue.



**Massive Government
Investments and
Product Maturation
Will Continue to
Drive Growth**

*Million \$+ High Volume Production
Orders New to Backlog*

First \$Million+ Orders from Clean Energy Market

August 2023

Sono-Tek Announces \$2.2 Million Order from Speciality Clean Energy Sector, Second Part of Expected Multi-System Program

March 2023

Sono-Tek Announces First Production Scale System Order Exceeding \$600K From Specialty Clean Energy Customer, First Part of Expected Multi-System Program

January 2023

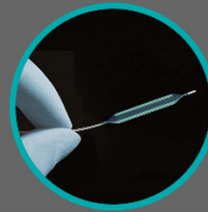
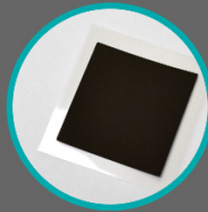
Sono-Tek Announces Second Order Exceeding \$1.1 Million From Clean Energy Sector

August 2022

Sono-Tek Announces \$1.1 Million Order from Clean Energy Sector

Robb Engle

Executive VP, Engineering



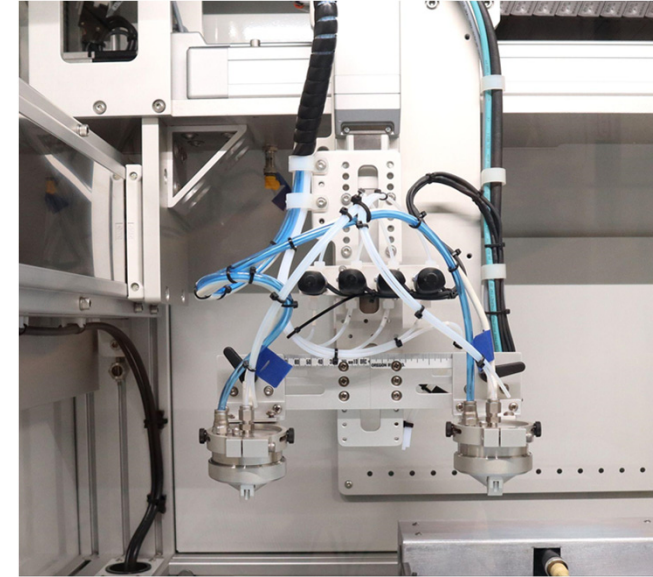
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SONO•TEK Corporation

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NovoCoat Platform

- Addressing supply chain delays (faster delivery, reduced risk) and expanding our in-house capabilities.
- Larger, more robust, more capabilities.
- Eventually platform can grow to 1.5 m x 1.5 m.
- One brain with distributed controls.



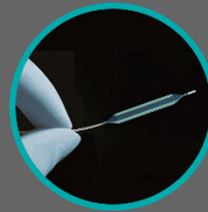
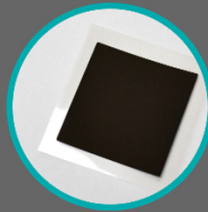
Significant Upgrades



- **Endpoint Security** - We have upgraded from standard PC antivirus to a suite of protection that is world class umbrella protection to protect against threats such as phishing, ransomware and USB-based malware.
- **Firewall** - After years of protection using the top class protection for the last 6 years, we upgraded to newer and safer model from the same vendor.
- **Network** - All of the internal hardware has been upgraded to the latest models allowing faster speeds and more capacity going forward.
- **Servers** - Upgrading capacity and speed of the servers, allowing backups to be easier, more reliable and offsite.

Chris Cichetti

VP, Sales & Application Engineering



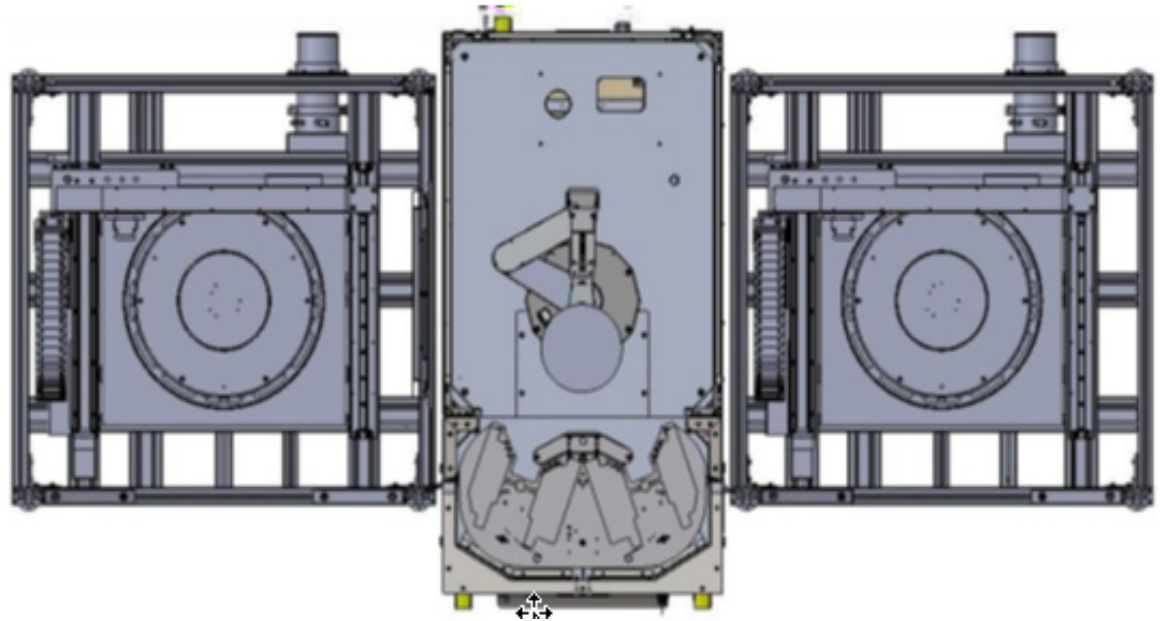
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Expanding Our Horizons

- More than just spray coating equipment
- Integrated part handling
 - ✓ Wafer handling robots
 - ✓ Tray stackers
 - ✓ Curing/drying stations
- Advanced data management
 - ✓ MES/FIS integration
 - ✓ OPC handshaking
- Industrial PLCs
 - ✓ Allen Bradley



Proactive Spare Parts Initiative

- As part of the internal processing for every new machine, a spare parts list is created
- Three levels
 - ✓ I - Basic
 - ✓ II - Recommended
 - ✓ III - Critical
- Sales and Service to present to customer
 - ✓ Sales - Before machine ships
 - ✓ Service - During installation

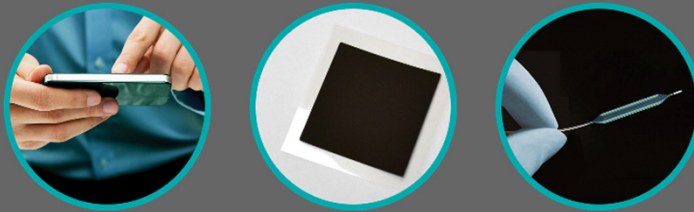
1	06-04-00310	Nozzle, Spare - MicroMist 120 kHz, (NOZZLE ONLY)		x	x
1	06-06-00123-XXX	Micromist Block Full Assembly with single feed probe			x
1	04-05-00323	Liquid Feed Probe .010 ID	x	x	x
Generator					
1	06-03-00934-004	ECHO Generator for Nozzle - Internal Mount			x
1	06-01-00453-002	Cable, ECHO RS485 Adapter - USB to DB9F		x	x
	03-00-00561-XXX	Impact Nozzle Mounting Bracket (refer to system BOM)		x	x
Liquid Delivery					
1	12-05-00129-003	Pump, MicroFlow			x
Liquid Delivery valves and misc.					
2	06-03-00961	2 Way Isolation Vlv, 1/4-28 Ports, PEEK/Kalrez	x	x	x
1	06-03-00961-001	3 Way Recirculation/Refill Vlv, 1/4-28 Ports, PFA/Kalrez	x	x	x
1	10-00-00070-1/8	Syringe Kit, 25ml Hamilton - LUER 1/8" (Syr, Ftgs, Tubing)		x	x
1	08-00-00167	Bottle, 100 ml, GLASS		x	x
1	08-00-00178	Bottle Cap, RED, 1/8" hole		x	x
1	08-00-00244	Plug, Bottle Cap Filter		x	x
30	05-03-00012	Tubing, 1/8" OD PFA for liquid. Order by the foot	x	x	x
30	05-03-00034	Tubing, 1/16" OD PFA for Liquid. Order by the foot	x	x	x
6	01-00-00366	Fitting, Vacutight Nut 1/8" 1/4 -28	x	x	x
6	01-00-00367	Fitting, Vacutight Nut 1/16" 1/4 -28	x	x	x
Air/Flow Control					
1	06-03-00730-002	Flow Controller, 1-10VDC, 0.2-5LPM		x	x
Motion Controller/Gantry					
1	21-06-00148	Galil Motion Controller - 4 Axis 4040 Series			x
1	21-06-00101	Teach Pendant (FlexiCoat/Exactacoat)			x
Fuses					
1	21-06-00126-002	Fuse kit for 400mm Exactacoat	x	x	x
Misc. Machine Spares					
1	21-06-00040-001	Pressure Switch - Digital Gauge		x	x
1	21-06-00069	Regulator, 0-125 PSI Main FRL		x	x

Service Plans

- **XYZ Machines - Standard Plans**
 - ✓ Domestic only (for now)
 - ✓ 3 Tiers - Response time is biggest differentiator
- **Custom Plans - High End Systems**
 - ✓ Specialized plans catered to specific needs
 - ✓ Aimed at high volume production machines and customized high \$\$\$ systems
 - ✓ Plans designed to cover entire lifetime of machines

Ultrasonic Coating System Service Plans		NEW SYSTEMS
Steel	Titanium	Cobalt
<ul style="list-style-type: none"> • 1 Year Extended Warranty on Ultrasonic Parts <ul style="list-style-type: none"> ✓ Nozzle ✓ Nozzle Cable ✓ Ultrasonic Generator • On-Site Checkup* <ul style="list-style-type: none"> ✓ Preventative Maintenance ✓ Equipment Verification ✓ Refresher Training ✓ Small Repairs • 5% Discount on Parts <ul style="list-style-type: none"> ✓ Repair/Replacement parts only • Standard Service Support 	<ul style="list-style-type: none"> • 1 Year Extended Warranty on Ultrasonic Parts <ul style="list-style-type: none"> ✓ Nozzle ✓ Nozzle Cable ✓ Ultrasonic Generator • On-Site Checkup* <ul style="list-style-type: none"> ✓ Preventative Maintenance ✓ Equipment Verification ✓ Refresher Training ✓ Small Repairs • 10% Discount on Parts <ul style="list-style-type: none"> ✓ Repair/Replacement parts only • Elevated Service Support <ul style="list-style-type: none"> ✓ 15% Discount on On-Site Service Support Visits ✓ Higher priority in the queue than Standard 	<ul style="list-style-type: none"> • 1 Year Extended Warranty on Ultrasonic Parts <ul style="list-style-type: none"> ✓ Nozzle ✓ Nozzle Cable ✓ Ultrasonic Generator • On-Site Checkup* <ul style="list-style-type: none"> ✓ Preventative Maintenance ✓ Equipment Verification ✓ Refresher Training ✓ Small Repairs • 15% Discount on Parts <ul style="list-style-type: none"> ✓ Repair/Replacement parts only • Priority Service Support <ul style="list-style-type: none"> ✓ Highest priority in queue ✓ 20% Discount on On-Site Service Support Visits • Priority On-Site Response❖ <ul style="list-style-type: none"> ✓ Level 3 Spares Package must be purchased with plan

Steve Harshbarger | *President & COO*



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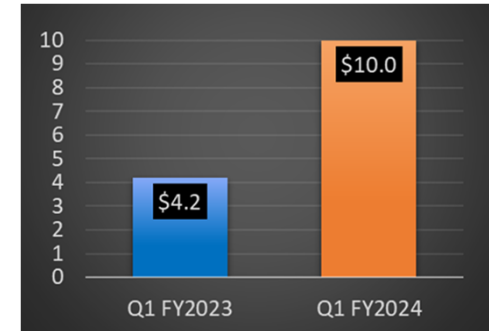
As of Year End FY2023 Backlog was \$8.5M

- SOTK primarily recognizes revenue at time of shipment, in accordance with ASC606.
- Revenue may vary significantly from quarter to quarter based on ship dates.
- Q1 FY2024 YOY revenue and income decreased, and backlog increased YOY, as a result of lingering supply chain constraints.
- Large supply chain-constrained orders have begun to ship in Q2 (began 6/1/2023).

Backlog continues to grow, reaching record high \$10M at close Q1 FY2024

- * Q2 FY2024 net sales projected to Post ~40% - 45% YOY revenue growth*
- * FY2024 net sales projected to Post at least 25% YOY revenue growth*
- * FY2025 well positioned for continued growth*

Backlog (in Millions)



Growth Strategies Demonstrating Success!

- Continual expansion and growth of full system solutions
- Large platform high \$\$\$ Average Selling Price systems
- High value Application Engineering expertise
- Focused on high-tech, high-growth market sectors

Positioned for Strong Growth in Q2 through Q4 FY2024 with Record High Sales Anticipated



Making an Impact on Our World

***Addressing Manufacturing Challenges
Ramping Up Clean Energy Production
Advancing Generational Technology Developments***

Dr. Christopher Coccio | *CEO*

Final Comments

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Questions?





OFFICIAL
BUSINESS
MEETING

Thank You

Contact Info:

Email

info@sono-tek.com

Dr. Christopher Coccio
Steve Harshbarger

CLCoccio@Sono-Tek.com
Harsh@Sono-Tek.com