



**Dynasil Corporation of America
Annual Meeting of Stockholders**

Peter Sulick, Chairman, President and CEO

February 25, 2016

Forward-Looking Statements

The statements made in this presentation which are not statements of historical fact are forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve known and unknown risks, uncertainties and other factors. The words “potential,” “develop,” “promising,” “believe,” “will,” “would,” “expect,” “anticipate,” “intend,” “estimate,” “plan,” “may,” “likely,” “could,” and other expressions which are predictions of or indicate future events and trends and which do not constitute historical matters identify forward-looking statements. Forward-looking statements include statements regarding management’s discussion of the company’s strategic plans and objectives and the development of, and potential market for, Xcede’s product pipeline. Future results of operations, projections, and expectations, which may relate to this presentation, involve certain risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, our ability to develop and commercialize the Xcede patch, including obtaining regulatory approvals, the size and growth of the potential markets for our products and our ability to serve those markets, the rate and degree of market acceptance of any of our products, our ability to identify acquisition and other strategic opportunities, our ability to obtain and maintain intellectual property protection for our products, competition, the loss of key management and technical personnel, the availability of financing sources, as well as the factors detailed in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, as well as in the Company’s other Securities and Exchange Commission filings. We undertake no obligation to update the foregoing information to reflect subsequently occurring events or circumstances.



Corporate Objectives - Ongoing

1. Continued growth in Optics revenue through organic growth and opportunistic acquisitions to replace loss of Dynasil Products' revenue and lower Contract Research revenue.
2. Conversion of job shop revenue stream across the Optics companies to more predictable, longer term, recurring revenue.
3. Develop technology and transfer into commercial development:
 - RMD scintillator technology (CLYC, Csl, Thin Film, Srl, others)
 - Dynasil Biomedical – Xcede Patch
4. Maintain conformity with loan covenants. Improve overall cost of capital through conversion to lower cost funding where possible.
5. Capital allocation to support the above objectives.
6. Continued search for complementary acquisition or merger partners.

Financial Summary Fiscal Year 2015 vs. 2014

Revenue decreased from \$42.3 million in fiscal 2014 to \$40.5 million in 2015.

- Optics revenue increased 11%, from \$19.6 million to \$21.8 million.**
- Contract Research revenue declined 15% from \$21.9 million to \$18.8 million**
- Instruments segment had no revenues, as substantially all of the assets were sold in the first quarter of fiscal 2014.**

Net Income from Operations of \$0.1 million versus \$2.1 million in the prior year.

Fiscal Year 2015 Performance Highlights

Record Revenue at Three Optics Operational Units

Optometrics - Secured the L-3 grating contract followed by capital and construction requirements to meet the L-3 production demands. Complete realignment of production floor and relocation of the administrative offices.

EMF - Acquired DichroTec assets in Rochester, NY. Integrated operation into EMF.

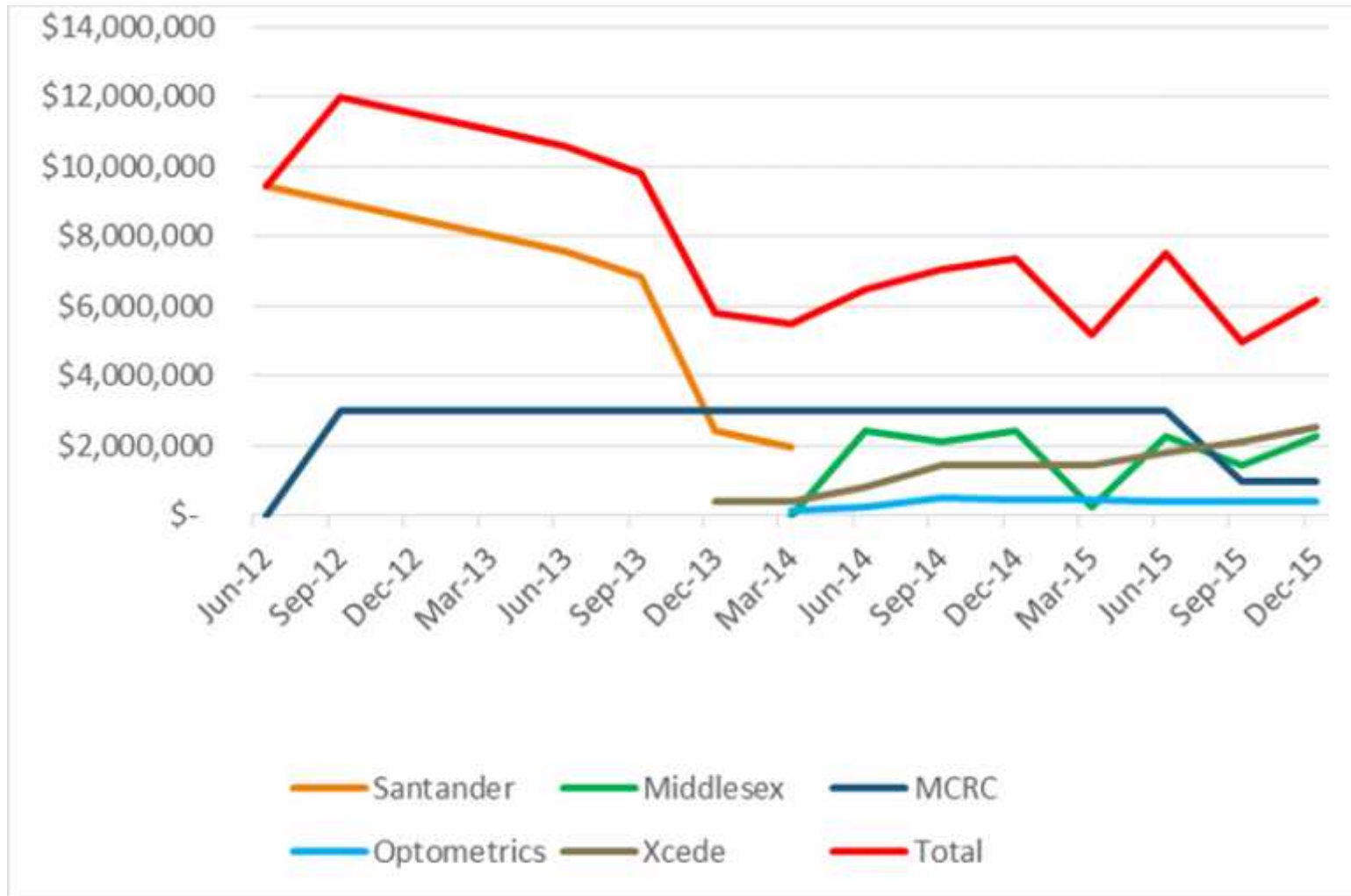
Hilger – Continued support for CLYC, Csl and LYSO product development. Building improvements and capital acquisitions to support LYSO product line.

RMD – Maintain 18 month backlog. Ongoing management of funded vs. unfunded backlog. Separate report to follow.

Xcede – Separate report to follow.



Debt



Corporate Objectives - 2016

1. **Secure external funding of Xcede Technologies for ongoing development of the tissue sealant technology.**
2. **Yield improvements across our Optics companies.**
3. **Continued commercial revenue growth in the double digit range.**
4. **Maintenance of 18+ month backlog in our research operation – continued management diligence on matching approved project funding with direct and indirect costs.**
5. **Capital support of specific revenue opportunities:**
 - **Chamber upgrades at both EMF sites**
 - **LYSO array fabrication and processing at Hilger**
 - **New filter product line at Optometrics**
6. **Development of a long-term strategic plan for Company operations through 2020.**

Fiscal Year 2016 1st Quarter Financial Summary

First quarter fiscal 2016 revenue grew to \$11.2 million from \$9.6 million in the 1st quarter of fiscal 2015:

- Contract Research revenue increased by 7% to \$5.0 million.**
- Optics revenue increased by 26% to \$6.2 million as a result of internal revenue growth.**

Net operating income grew to \$164,000 in the 1st quarter of fiscal 2016 from a loss of \$429,000 in the 1st quarter of fiscal 2015.

Net income of \$106,000 in the 1st quarter of fiscal 2016 versus a loss of \$533,000 in the 1st quarter of fiscal 2015.

1st Quarter Fiscal 2016 – Performance Highlights

- **Optics revenue of \$6.2 million, RMD revenue at \$5.0 million**
- **Increased array shipments at Hilger**
- **Development of Hybrid Filter product line at Optometrics launched at Photonics West**
- **Completion of Xcede/Cook definitive agreement**
- **Initiation of new Strategic Planning process**



RMD Highlights

Dr. Kanai Shah

February 2016

Fiscal Year 2015 Highlights

- ◆ Closed fiscal year 2015 at \$19.33 million, 1st quarter fiscal 2016 at \$5.05 million
- ◆ Backlog of ~\$31 million as of Feb 1, 2016
- ◆ Continued push for larger projects & strategic bidding
- ◆ Launched 3" CLYC as a product, 3 instruments now use CLYC
- ◆ 5 Patents awarded and 20 applications filed in fiscal year 2015; current count of 62 total Patents
- ◆ Delays observed from government agencies
- ◆ Exciting progress in crystals, polycrystals, sensors and systems

Commercial Products



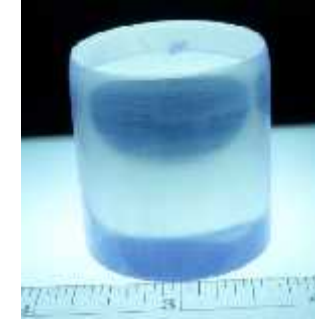
3" CLYC Crystals



CLYC Pillars



CLYC-SSPM Modules



1.5" SrI₂:Eu



Thermo-Scientific



INL Neutron Imaging System: Commercial Sale

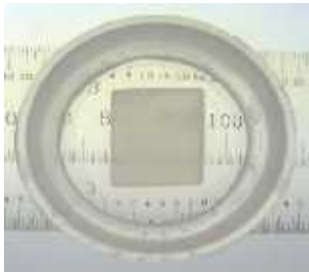


Target Systemelektronik



Zetec ECT Power Plant Probe

Crystals



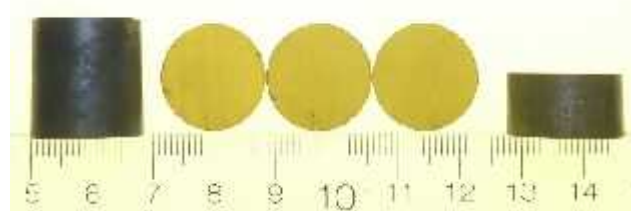
Thallium Elpasolites



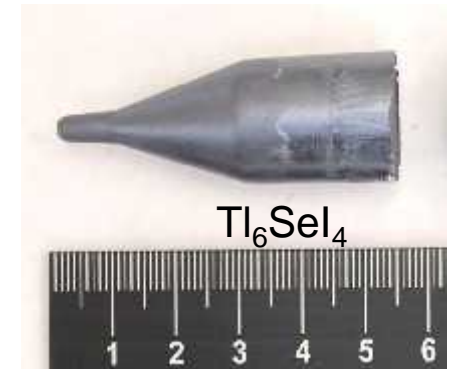
InI



New Halide Compositions



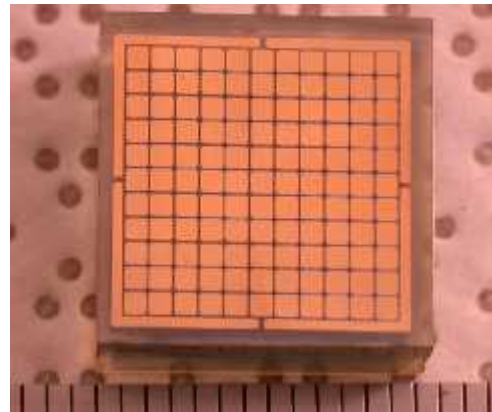
LiInSe_2



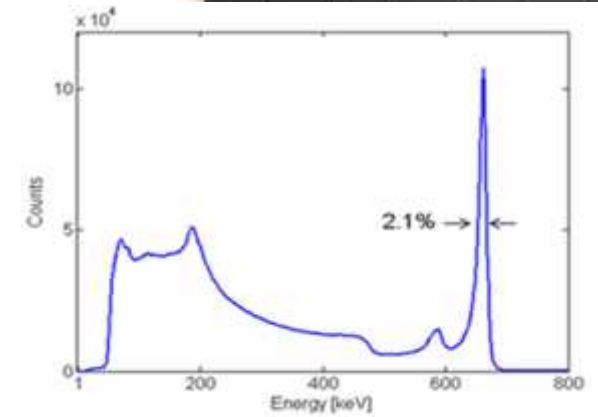
Tl_6SeI_4



Scintillating Bolometers



11x11 TlBr Array



Plastics, Organic, and Ceramic Materials



Tin Loaded Plastics



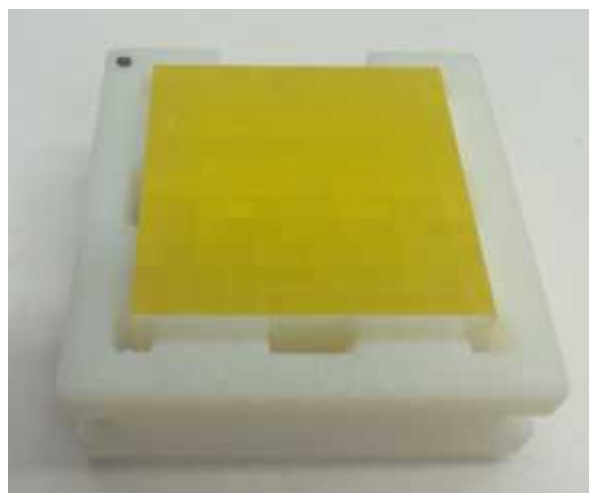
4" DPA



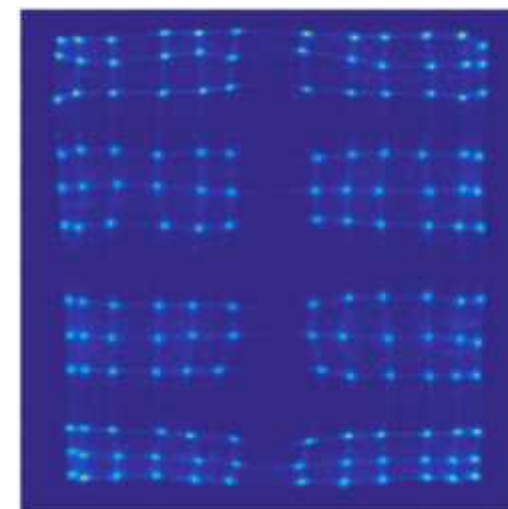
>1.5"x1.5"x1" Garnet Ceramics



4"x5" Neutron/Gamma Plastics



12x12 Garnet Ceramic Array
2.6x2.6x20 mm³ pixels for PET

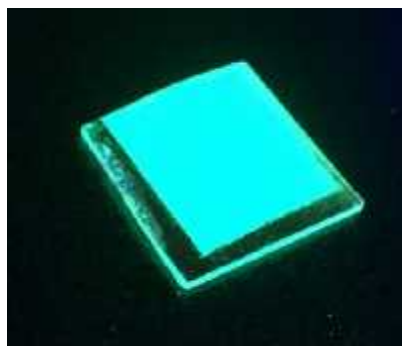


Garnet Array read by 8x8 SiPM

Films, Photocathodes, Photonic Crystals



Photocathodes



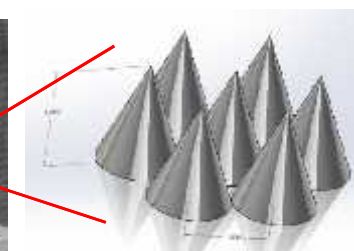
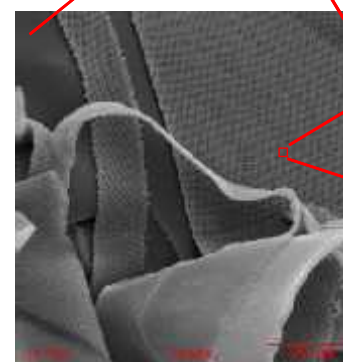
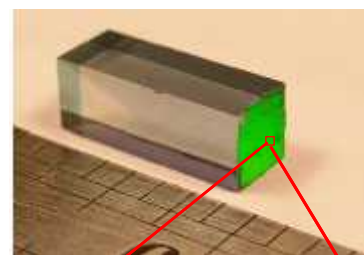
Storage Phosphors



$LuI_3:Ce$



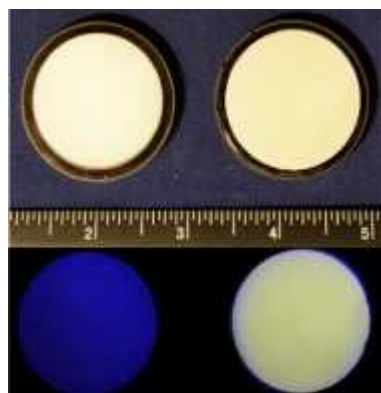
$Lu_2O_3:Eu$



Photonic Crystals

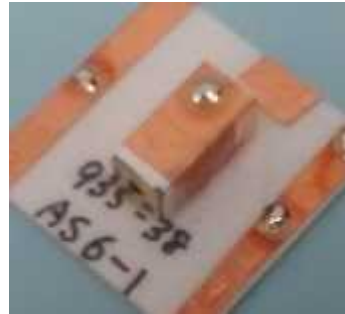
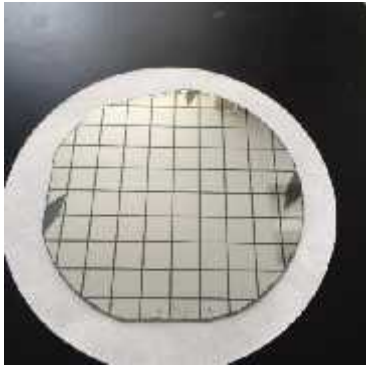


ALD Coatings
for Night Vision

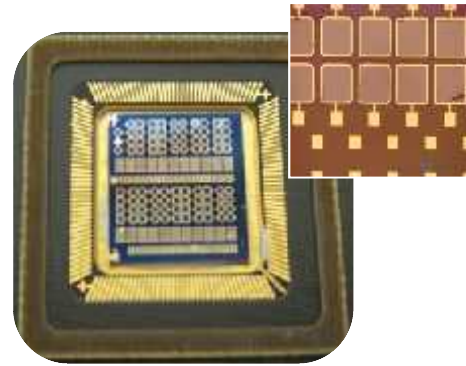


LNI & $GdI_3:Ce$

Sensors



TIBr CFG



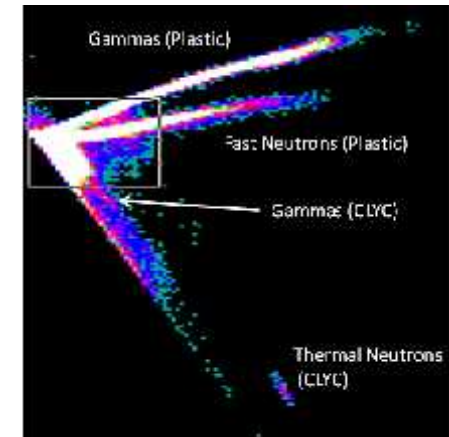
Wide Band Gap Geiger Photodiodes



ALD Coated APD



Flexible ECT Sensor Array

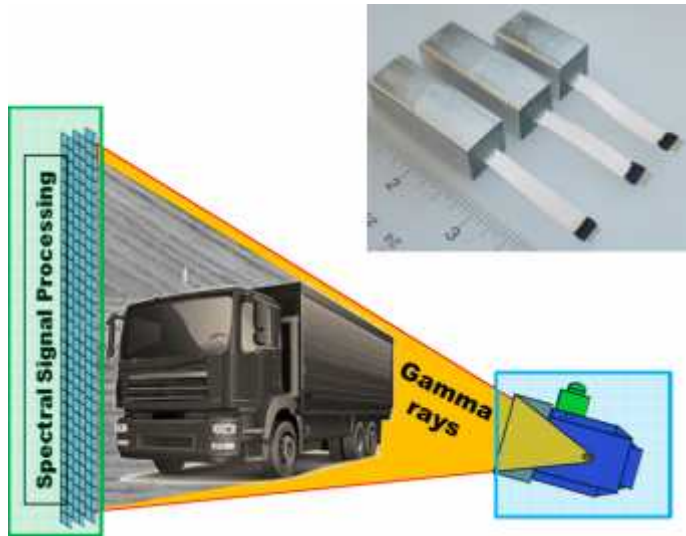


Composite Neutron Detector

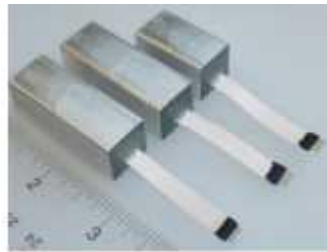


ARA Gamma-Ray Counter

Systems



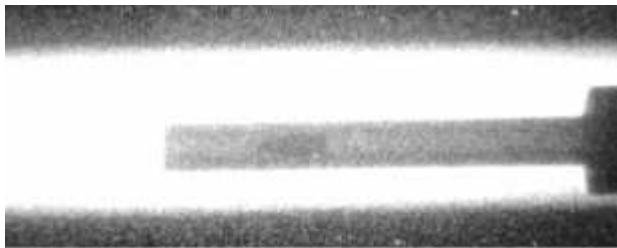
HiRIS – High Resolution Imaging System



Fire Scout Field Prototype Maintenance Tool*



NYSEARCH Gas Pipeline Probe



X-ray Image of a 30 Caliber Bullet



Space Weather Monitor



DCS probe for Clinical Studies





**Dynasil Annual Stockholders' Meeting
February 2016**





Dedicated to the development and commercialization of innovative hemostatic and sealant products for surgical applications with an emphasis on severe, traumatic bleeding

1

Experienced Management

Extensive experience in taking products from development to approval, private and public company management and M&A

2

Unique Technology

Fully bioresorbable, hemostatic patch backed by proprietary technology and extensive IP protection

3

Large Market Opportunity

Initial cumulative target markets of over \$1 billion in mild, moderate and severe bleeding with significant expansion potential

4

Diverse Product Pipeline

First product in advanced pre-clinical stages with four follow-on and next-generation products in development for additional revenue growth

5

Strong Strategic Partnerships

Executed and late stage partnership agreements with Mayo Clinic (existing investor) and Cook Biotech



Experienced Management Team

<p>Linda Zuckerman, PhD <i>President and CEO</i></p>	<ul style="list-style-type: none">• 2013 – 2015 VP Global Scientific Lead, Hemostasis/Surgery & Preop. Care – The Medicines Company (MDCO) (Secured US approvals for RECOTHROM® (generated \$64.4 million in sales in 2014) and US and EU approvals for Raplixa®)• 2008 – 2013 President – ProFibrix Inc. (Acquired by MDCO for \$240 million in 2013)• 2001 – 2008 Director, PreClinical Development – ZymoGenetics, Inc.• 1999 – 2001 Scientist – Genentech, Inc.• 1990 – 1999 Ph.D. at University of Chicago and Post Doctoral Fellow at UC San Francisco
<p>Sarah Combs <i>Acting CFO</i></p>	<ul style="list-style-type: none">• 2012 – Present Head of Corporate Development – Dynasil Corporation of America• 2008 – 2011 CFO – Magnum Wireless• 2004 – 2008 Managing Member – Meridian Global• 1990 – 1997 Managing Director – Communications Equity Associates
<p>Kyle Brandy <i>Director, R&D</i></p>	<ul style="list-style-type: none">• 2011 – 2013 Staff Scientist – Dynasil Biomedical• 2009 – 2011 Junior Scientist and Graduate Research Assistant – University of Minnesota• 2007 – 2009 Scientist – ZyBac Medtech, LLC
<p>TBD <i>Chief Medical Officer</i></p>	<ul style="list-style-type: none">• Position to be filled upon funding

Lead Product: Xcede Hemostatic Patch

Fully bioresorbable, scalable mesh patch with proprietary adhesive backing that forms the basis of multiple hemostatic products

Markets include:

1

Adjunct to Hemostasis (Mild to Moderate Bleeding)

- Liver resection
- Soft tissue surgery
- Select bone bleeding and spinal bleeding
- Native and select non-native grafts (vascular surgery)

2

Severe Bleeding (Arterial, Pulsatile)

- Soft tissue
- Organ trauma (spleen, liver, kidney)
- Deep pelvic wounds
- Torn muscle, lacerations, approximations
- Coagulopathic trauma



- 7cm x 10cm standard patch
 - Scalable for larger or smaller production
 - Cut to size or sutured
- High strength
- Fast-acting
- Resorbable
- Hemostat and sealant in one

Competitive Advantages



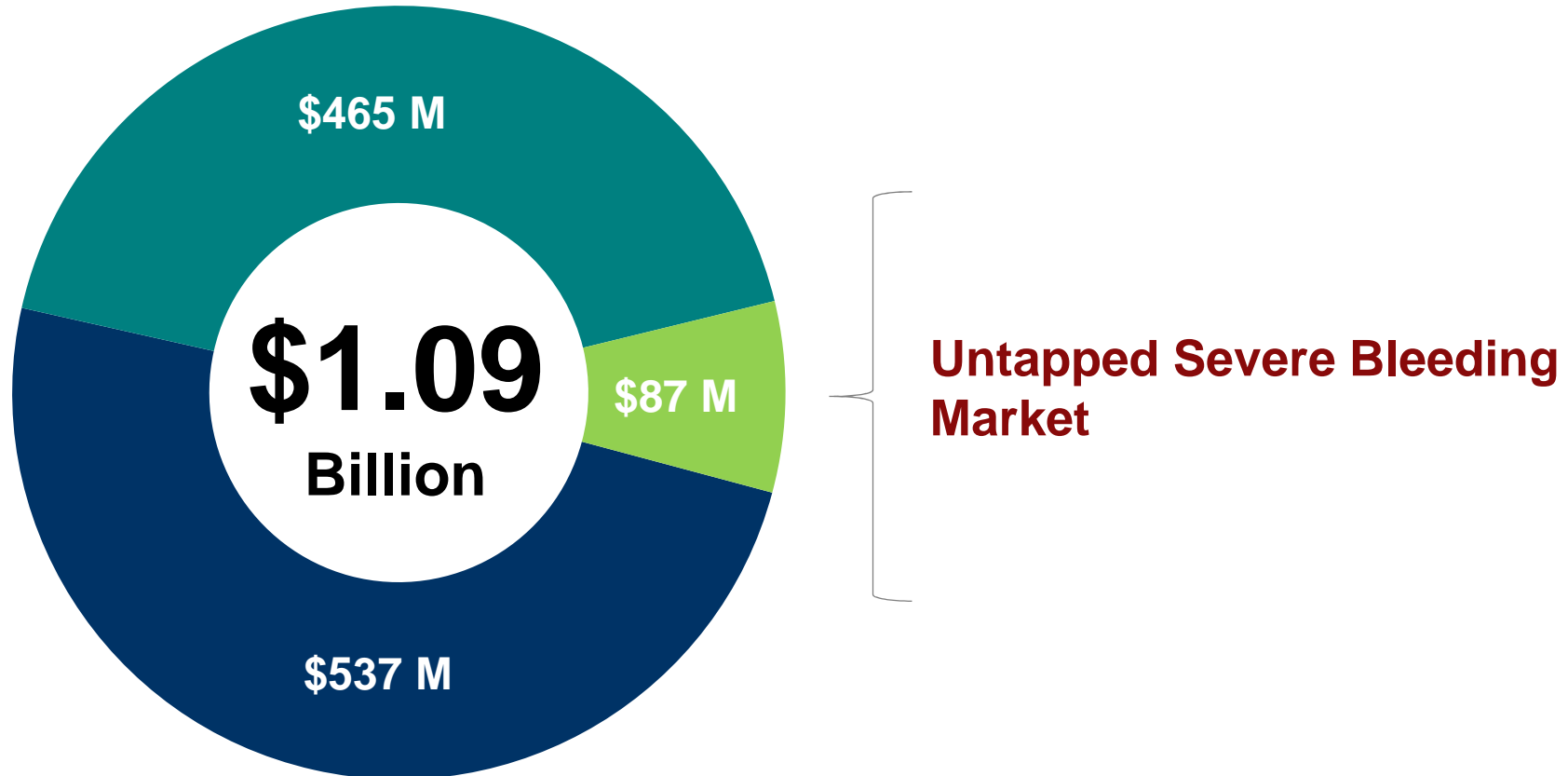
	Mechanicals	Thrombins + Gelatins "Flowables"	Fibrin Sealants	Other Patches & Pads	Xcede Patch
Competitive Price	X	X			X
High Burst Strength					X
Fast-Acting		X*	X*	X*	X**
Resorbable	X	X	X	X	X
Ready-to-use	X			X	X
Pliable / Conforms to complex topographies		X	X		X
Room Temperature Storage & Stability	X	X		X	X
Transparent					X
May be cut or sutured	X			X	X

* hemostasis achieved in 3-5 minutes as detailed in product label

** hemostasis achieved in < 60 seconds

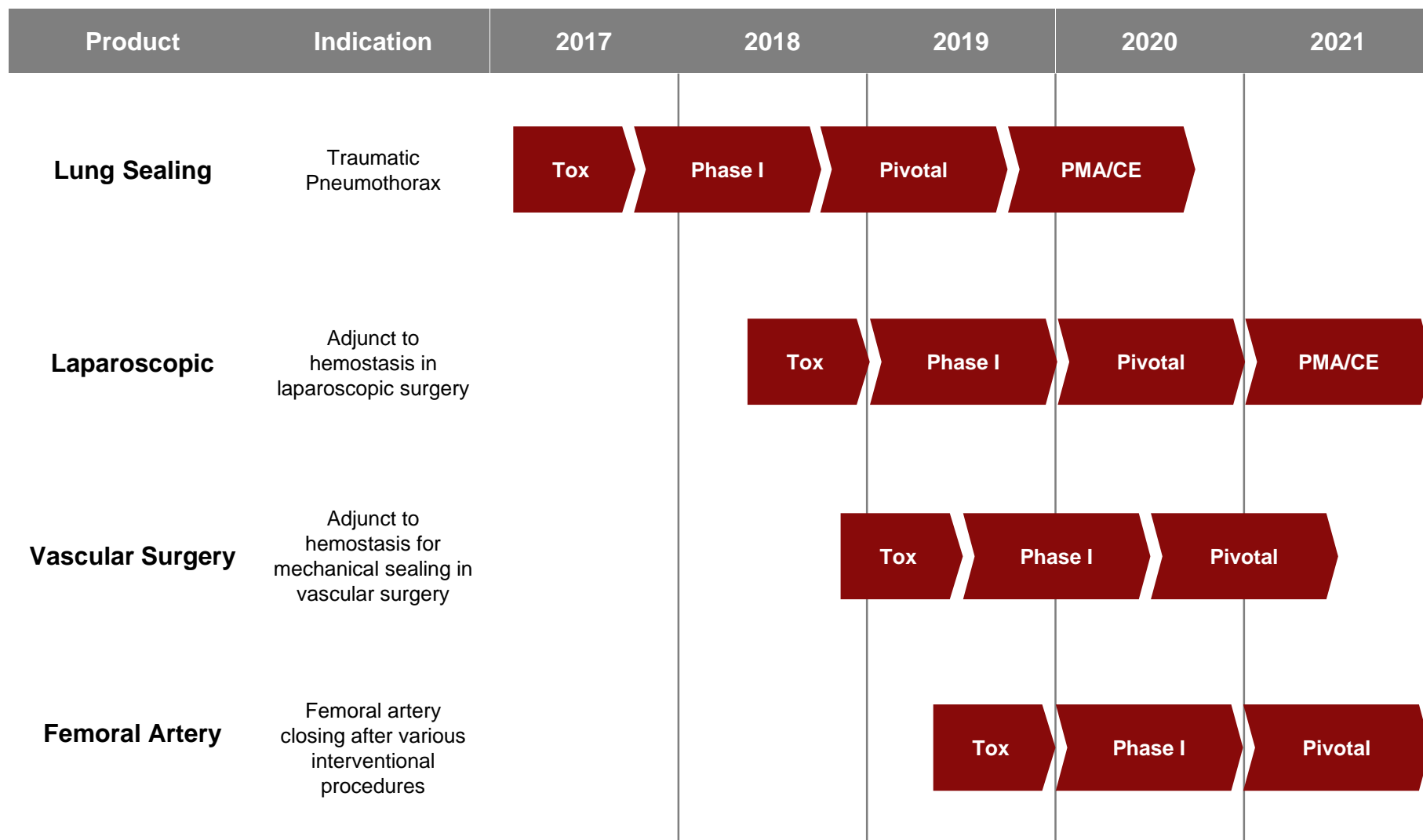
US and EU Markets for the Xcede Patch

EU Adjunct to Hemostasis Market



US Adjunct to Hemostasis Market

Why Stop at Hemostasis? Xcede's Portfolio Development





Entire Portfolio Backed by Strong IP

Issued	Patent Number	Expiration
Tissue Patch- Systems and methods	8,999,376	12/22/2032
Adhesive Compositions & Methods (Allowed)	Pending	8/7/2035
Tissue Patch (Allowed)- Tissue Patches, and Associated Kits, and Methods	Pending	2/24/2035

Pending	Application Number	Priority Date
Systems and Methods for Fabrication	13/644,907	10/4/2012
Tissue Patches Kits & Methods (National Phase)	PCT/US2013/024322	2/1/2013
Minimally Invasive surgery & vascular closure and sealants	14/169,393	1/31/2014
Adhesive Compositions and Patches & Associated Systems, Kits and Methods	PCT/US2015/044225	8/7/2015
Layered Adhesive Compositions & Methods	62/202,713	8/7/2015
Adhesive & Methods	62/202,707	8/7/2015

New Strategic Partnership



Cook Biotech

3 Agreements signed in January of 2016:

- Patch Development
- Manufacture and Supply
- Royalty bearing license to our adhesive technology for products outside of Xcede's field of use



Target milestones with funding of additional \$7M

1. Completion of tech transfer to Cook
2. Continued hiring of experienced management team
3. Initiation of First-in-human (FIH) safety study
4. Positive safety & efficacy results from FIH

Research & Development	\$1,000,000
Clinical Trials	\$2,000,000
General & Administrative	\$3,000,000
Working Capital	\$1,000,000

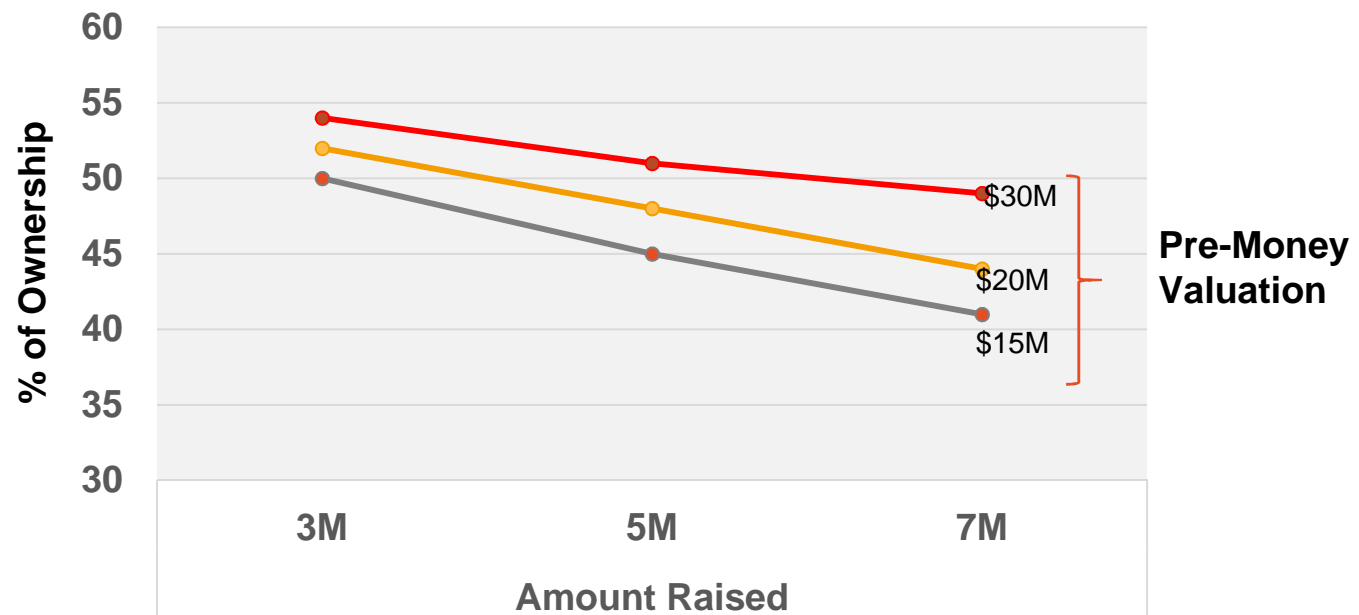


Investment Outreach and Valuation Sensitivity

Fundraising

- Engaged Chardan Capital Markets for Private Equity Round of \$3 million-\$7 million
- Kicked off Roadshow on December 15, 2015
- Active discussions are ongoing
- Reviewing strategic alternatives
- Targeted closing mid-2016

Dynasil Ownership Sensitivity



Questions



Dynasil Corporation of America
Annual Meeting of Stockholders

Peter Sulick
Chairman, President and CEO

February 26, 2015