

Ocean Power Technologies, Inc.

Investor Presentation

November 2018



Forward Looking Statements

In addition to historical information, this presentation contains forward-looking statements that are within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified by certain words or phrases such as "may", "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. These forward-looking statements are based on assumptions made by management regarding future circumstances over which the company may have little or no control and involve risks, uncertainties and other factors that may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. Some of these factors include, among others, the following: future financial performance; expected cash flow; ability to reduce costs and improve operational efficiencies; revenue growth and increased sales volume; success in key markets; competition; ability to enter into relationships with partners and other third parties; delivery and deployment of PowerBuoys™; increasing the power output of PowerBuoys™; hiring new key employees; expected costs of PowerBuoys™ product; and building customer relationships. Please refer to our most recent Forms 10-Q and 10-K and subsequent filings with the SEC for a further discussion of these risks and uncertainties. We disclaim any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this presentation.

About Ocean Power Technologies

Ocean Power Technologies... Who We Are

“OPT is a manufacturer of distributed offshore power equipment. We provide reliable and economical power and communications for remote topside and subsea applications.”

OPT Target Markets

Offshore Oil & Gas

Defense & Security

Science & Research

Telecommunications

OPT

OCEAN POWER TECHNOLOGIES

Ocean Power Technologies... Quick Facts

- NASDAQ: OPTT
- Market Cap: < \$15M*
- TTM Revenue: >\$300K*
- Cash & Equivalents: \$8.4M*
- Organization: Over 40 employees including deep engineering capabilities
- Intellectual Property: Proprietary technology with over 60 patents and several pending
- Headquarters: Monroe, New Jersey



Investment Thesis

- Fully commercial and growing
- Innovative products and services
- Strong intellectual property portfolio
- Large and diverse addressable markets:
 - Offshore O&G
 - Defense & Security
 - Science & Research
 - Telecommunications
- Experienced and disciplined management



2018 Highlights

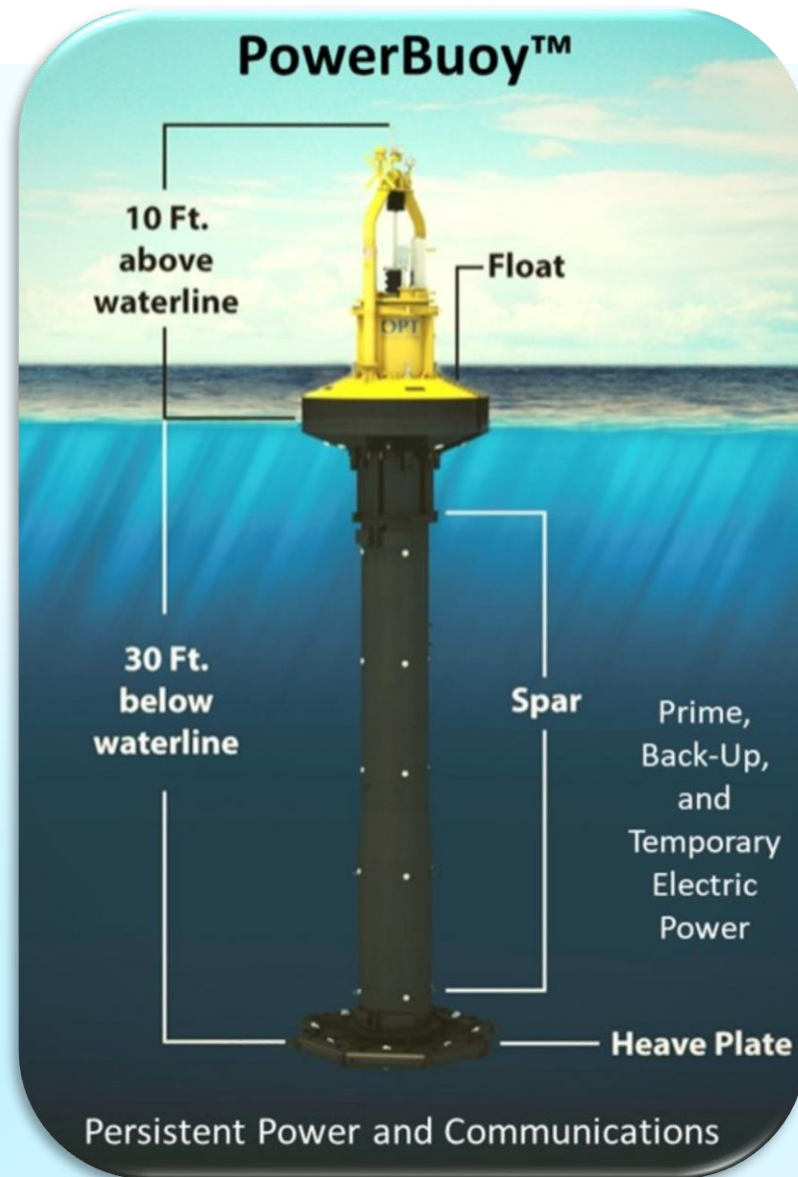


- ✓ * Robust opportunity pipeline – \$ millions proposals issued
- ✓ * Oil & gas customer PowerBuoy™ delivery
- ✓ * Multiple PowerBuoy™ builds to address demand
- ✓ Added key senior leadership – business development and engineering
- ✓ New product developments and new technology patent awards and filings



Our Technology

How Our Technology Works



- Floating system... standard **anchorage** down to 3,000 meters
- Submerged **heave plate & spar**... remain motionless in ocean waves
- **Float** rides ocean waves... driving an **electric generator** which charges **on-board batteries**
- Smart device... allows remote control and monitoring
- Up to 150 kW-h stored energy... for on-board or subsea payloads
- Data communications... topside and subsea

PowerBuoy™ Market Value Proposition

Cost Savings and Operational Flexibility

- ❑ *Savings by eliminating vessels...*
“unmanned station” provides persistent power and communications
- ❑ *Increased safety...*
by allowing remote operations from shore
- ❑ *Faster operational decision-making...*
from real-time subsea data communication
- ❑ *Sustainability...*
decreased operational carbon footprint
- ❑ *Further savings and flexibility...*
by powering new subsea technologies



Customer Projects



- 1 ½ year lease
- 1 ½ year extend option
- Purchase option
- Early Nov. '18* deploy in Adriatic Sea



- 9 month lease w/ext. option
- Purchase option
- December '18* ship
- Early 2019* deploy in Central North Sea

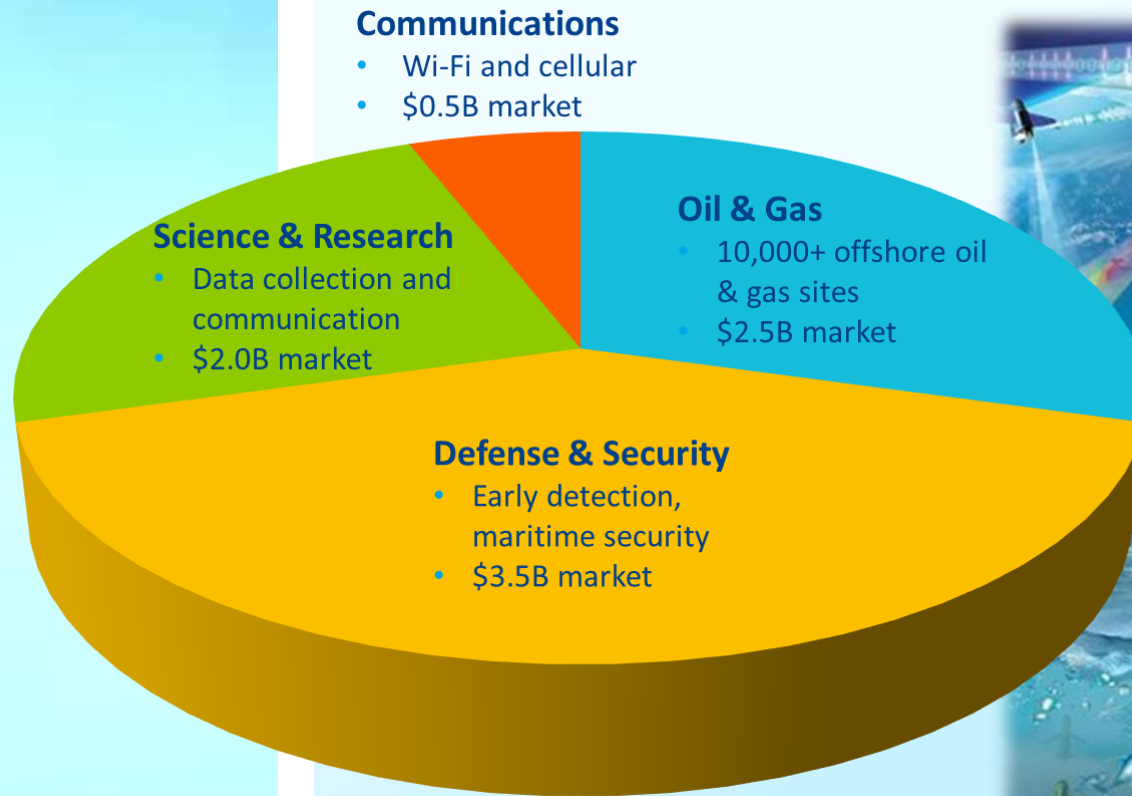


- Chile feasibility study
- Nov.-Dec. '18* evaluation
- Potential deployment in Chilean waters

* Estimated Dates

Strategic Position

The Blue Economy – Our Total Addressable Market



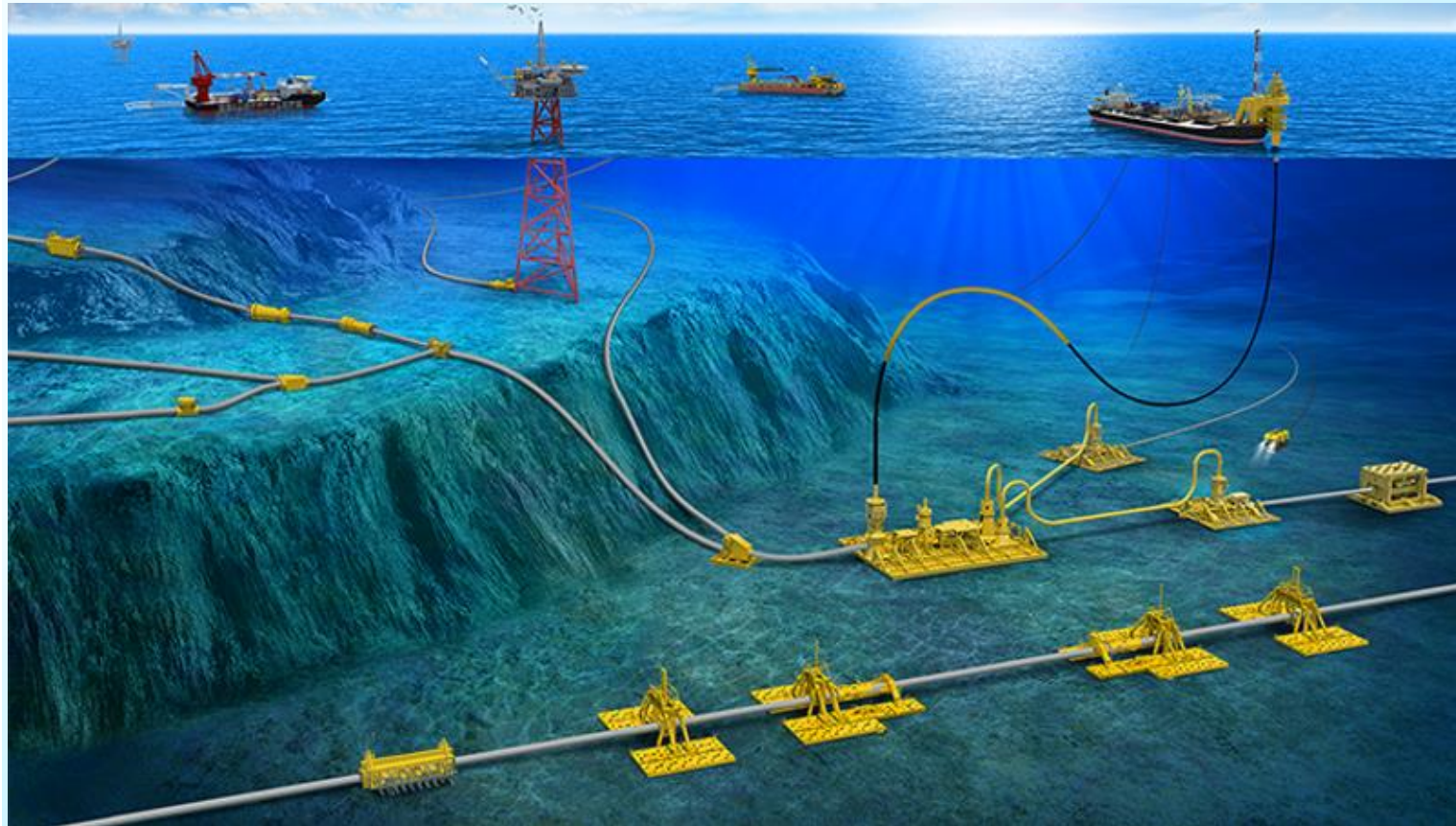
Targeting 10-20% displacement
Long-Term TAM > \$1.0B



Offshore Oil & Gas

Applications

- Improved site safety and security
- Equipment monitoring and control
- Communications
- Subsea battery charging
- Subsea robots and drones
- Seismic mapping
- Reservoir management



<http://oilstates.com/offshore/subsea-pipeline-products>

Key drivers

- Moving toward electrification and digitization
- >10,000 sites require power
- Deep/ultra-deep waters means farther offshore
- New technology investment
- Oil field decommissioning

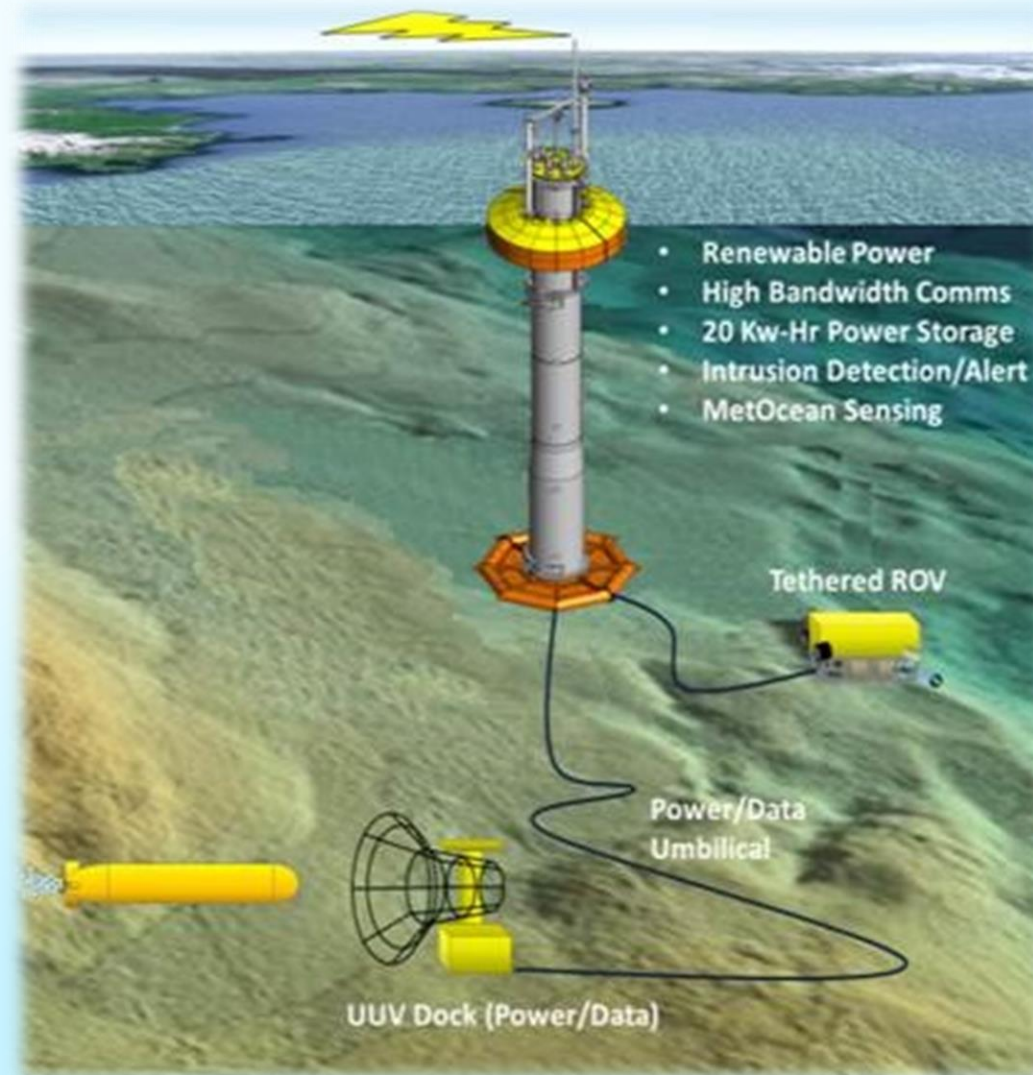
Example: Oil Field Decommissioning Market Segment



Defense & Security

Applications

- Early warning systems and remote surveillance
- Remote networks and communications
- Subsea charging stations for AUV
- Remote radar and sonar stations
- Electro-optical and infrared sensors



Key drivers

- Surface threat detection
- Subsea / submarine / AUV threat detection
- Disputed territories
- Remote communication gaps and complexity
- Operational flexibility

Defense & Security - Strategy



OPT's PB3 PowerBuoy™
(Fully Commercial)



Defense
Contractors

Defense
Strategy

Leverage
Existing DOD
Contracts

Rapid
Funding
Organizations



OPT's Anchorless PowerBuoy™
(Under Development)

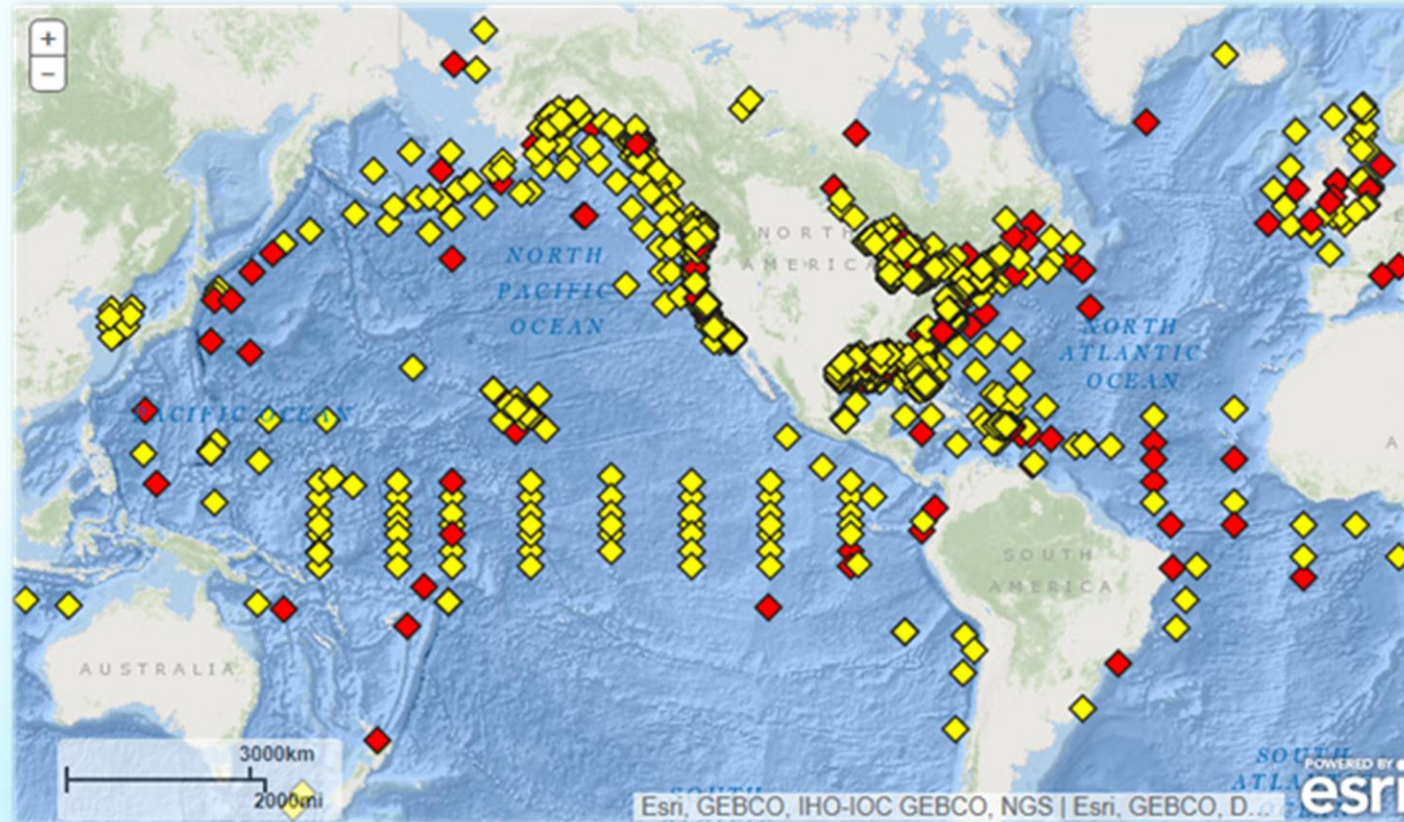
OPT

OCEAN POWER TECHNOLOGIES

Science & Research

Applications

- Climate change
- Weather forecasting
- Ocean currents, waves, chemistry, and seismometry
- Fish and mammal migration
- Environmental and biological monitoring



Source: National Data Buoy Center website

Key drivers

- Life-cycle cost
- Power availability and persistence
- Real-time environmental intelligence
- Increasing big-data requirements

Communications

Applications

- Military/civilian remote Wi-Fi and cellular comms
- Range extension and data relay stations
- 4G offshore base stations
- Quick-deploy search and rescue
- Migrant offshore aid station

Key drivers

- Disaster recovery
- Increasing big-data requirements
- Deep water operations
- Bandwidth constrained satellite comms

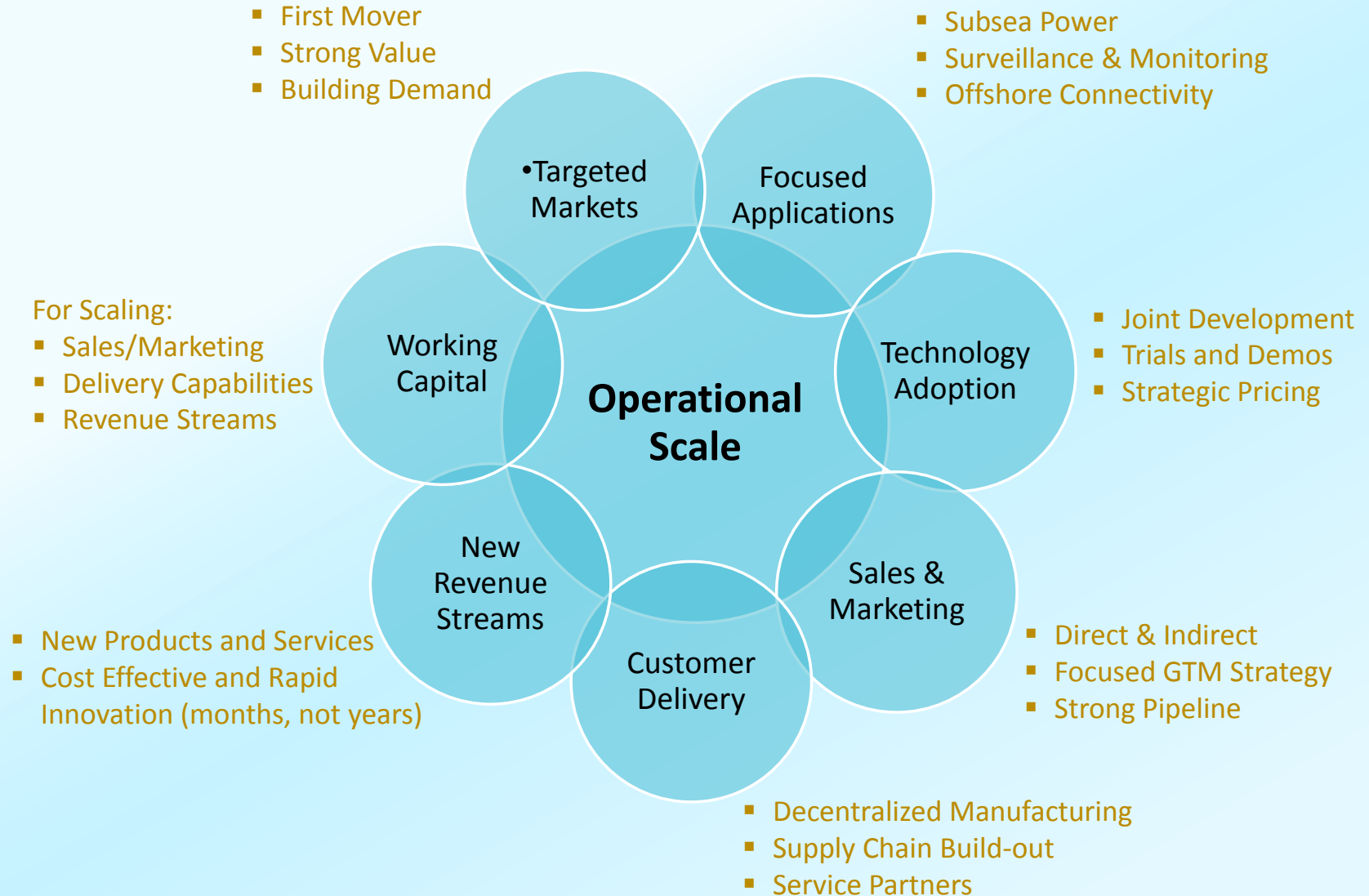


Credit: Tampnet Website

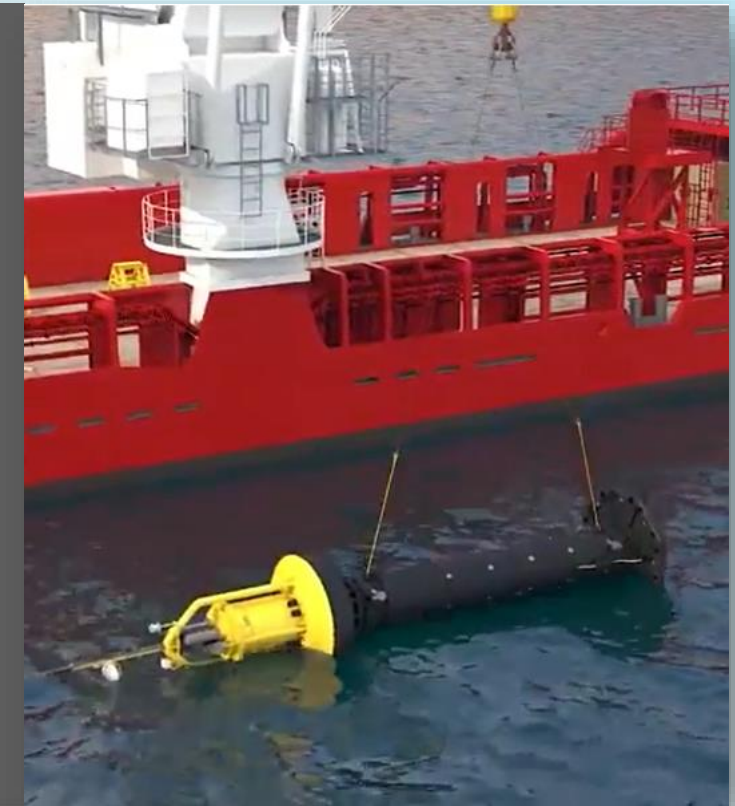
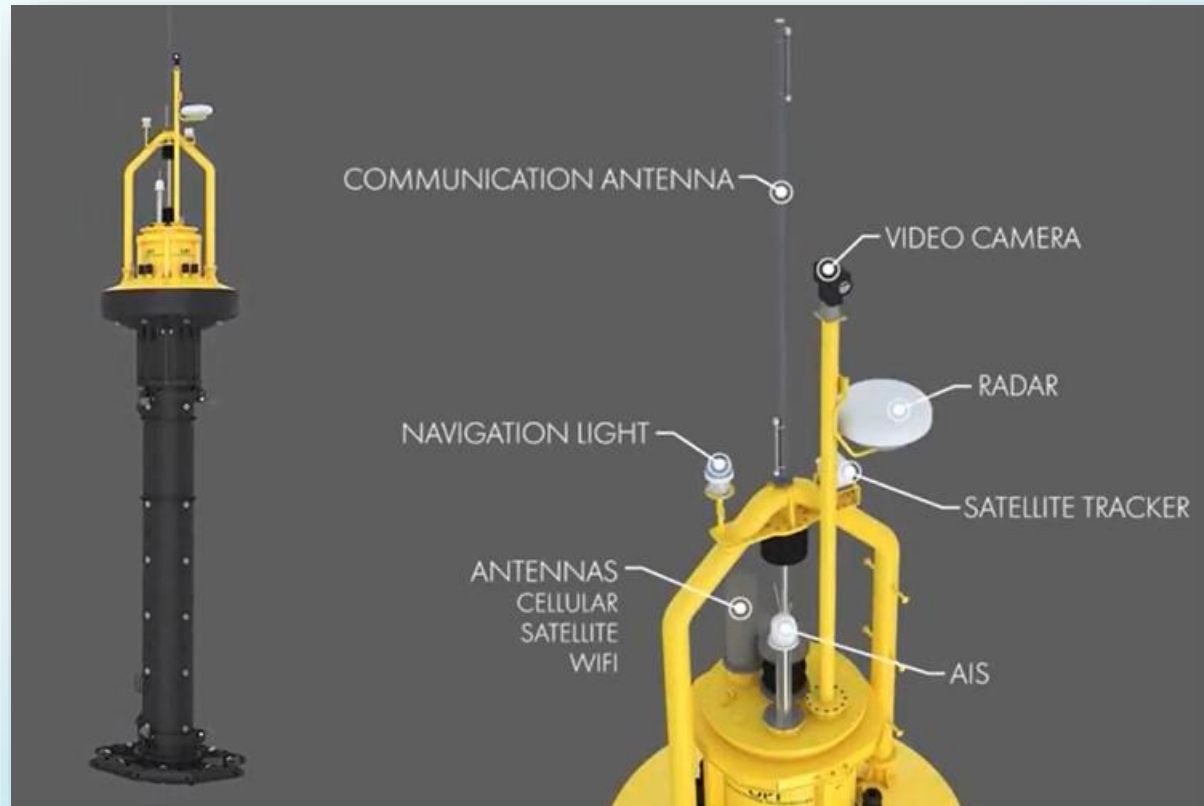
Our Strategy

“Skate to where the puck’s going to be,
not where it’s been.”
– Wayne Gretzky

Commercialization Strategy



Transaction Economics



Base PowerBuoy™

+

Value-Added Engineering

+

Support Services

- Sale or Lease

- Packaged Options
- Customization
- Integration Services

- Marine Services
- Remote Monitoring
- Extended Service Agreements

Products and Services

Fully Commercial Today



**PB3
PowerBuoy™**

- Long Deployments
- Persistence
- Permanency
- Low Maintenance
- Renewable



**Support
Services**

- Customization
- Packaged Options
- Engineering/Design
- Innovation/Testing
- Marine Services

Under Development



***Anchorless
PowerBuoy™**

- Advanced Design
- Self Propelled
- Quick Deploy
- Defense Focus

New Product Considerations

- Short Deployments
- High Energy Storage
- Fast Deploy & Retrieve
- Quick Deploy System
- Low Maintenance
- Modular / Scalable
- Complimentary / Adjacent Products

Management Team – Experienced and Disciplined

Executive	Title	Selected Experience
George H. Kirby	Chief Executive Officer	   
Matthew T. Shafer	Chief Financial Officer	   
Christopher A. Phebus	V.P. of Engineering	   
Matthew J. May	V.P. of Global Business Development	   

Sophisticated and engaged board of directors
Energized and talented organization

Our Financials

Financial Profile

Selected Financial Information		Capital Structure	
Balance Sheet (unaudited)	7/31/18	Total shares outstanding ⁽¹⁾	18,368,286
Cash, equivalents, restricted cash	\$8,362	% owned by directors & officers ⁽²⁾	>1.7%
Total current assets	8,923	Warrants outstanding	324,452
Property & equipment, net	706	Options outstanding	359,954
Total current liabilities	2,559		
Other financial information			
Monthly cash burn	~900 ⁽³⁾		

Dollars in thousands, except per share data; capital structure as of 7/31/18 unless otherwise noted

⁽¹⁾ Excludes warrants and options outstanding

⁽²⁾ As of FY19 proxy

⁽³⁾ Excludes variable and non-recurring costs

Investment Thesis

- Fully commercial and growing
- Innovative products and services
- Strong intellectual property portfolio
- Large and diverse addressable markets:
 - Offshore Oil & Gas
 - Defense & Security
 - Science & Research
 - Telecommunications
- Experienced and disciplined management





Contacts

Matthew Shafer

Chief Financial Officer & Treasurer

mshafer@oceanpowertech.com

(609) 730-0400 ext. 224

Porter, LeVay & Rose

Michael Porter, President

ocean@plrinvest.com

(212) 564-4700



OPT
OCEAN POWER TECHNOLOGIES

MAKING WAVES IN POWER™

Thank You!

POWERBUOY™

TAPPING INTO THE POWER OF THE OCEAN

www.oceanpowertechnologies.com

Sources and References

Market Supporting Information and Sources

Total Addressable Market

The National Oceanographic and Atmospheric Administration (“NOAA”) 2016 Ocean Enterprise Report

Oil & Gas

Source: U.S. Bureau of Safety and Environmental Enforcement

Greater than 10,000 sites are currently in operation or ready for decommissioning.

Ocean Observing

The National Oceanographic and Atmospheric Administration (“NOAA”) 2016 Ocean Enterprise Report

Estimated total addressable market is \$2B for 5 fiscal years beginning 2017. The market was refined for in-situ vs remote systems and also for the different types of in-situ systems such as fixed vs mobile; this was based on data from 2 publicly available reports.

Defense & Security

Global Border and Maritime Security Market Executive Summary, Frost and Sullivan report, February 2014

Estimated total addressable market is \$3.5B based on whether applications are coastal, remote, or aerial systems.

Communications

2015 Frost & Sullivan Oil & Gas Satellite Communications market report

The estimated total addressable market is \$0.5B for 5 fiscal years beginning 2017.

Decommissioning Sources



Footnote:

- Oil & Gas UK Decommissioning Insight 2017 <https://oilandgasuk.co.uk/wp-content/uploads/2017/11/Decommissioning-Report-2017-27-Nov-final.pdf>
- Decommissioning Opportunities in Brazil's Oil and Gas Horizon <https://www.export.gov/article?id=Decommissioning-Opportunities-in-Brazil-s-Oil-and-Gas-Horizon>
- Deloitte: Decommissioning has potential to be Australia's next oil and gas boom <https://www2.deloitte.com/au/en/pages/media-releases/articles/australias-next-oil-and-gas-boom-160517.html>
- Preparing for the Next Wave of Offshore Decommissioning <https://www.bcg.com/publications/2018/preparing-for-next-wave-offshore-decommissioning.aspx>
- WoodMac: \$32 billion to be spent on decommissioning worldwide in 5 years <https://www.ogj.com/articles/2018/07/woodmac-32-billion-to-be-spent-on-decommissioning-worldwide-in-5-years.html>