



Ocean Power Technologies, Inc.

Investor Presentation

September 2019



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® and other products and services; increasing the power output of PowerBuoys®; hiring new key employees; expected costs of company products; 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 provider of distributed offshore power equipment which provides persistent, reliable and economical power and communications for remote, offshore topside and subsea applications.”

OPT Markets

Offshore Oil & Gas

Defense & Security

Science & Research

Telecommunications

OPT

OCEAN POWER TECHNOLOGIES

Ocean Power Technologies... Quick Facts

- NASDAQ: OPTT
- Market Cap: approx. \$9.8M*
- TTM Revenue: approx. \$800K*
- Cash, cash equivalents, & restricted cash : \$13.5M*
- Organization: Nearly 40 employees including deep engineering capabilities
- Intellectual Property: Proprietary technology with over 60 patents and several patents pending
- Headquarters: Monroe, New Jersey



Why Invest in Ocean Power Technologies?

- OPT is the go-to solution provider for remote offshore power
- First-mover advantage with no near-term competition and a strong intellectual property portfolio
- Fully commercialized due to prior investments
- Revenue acceleration... five new recent contracts
- Stronger opportunity pipeline than ever before
- New product releases... to capture more of our addressable market
- New partnerships... connecting us deeper within our markets
- Experienced and disciplined management
- Focused on environment and sustainability



Management Team – Experienced and Disciplined

Executive	Title	Selected Experience
George H. Kirby	Chief Executive Officer	   
Matthew T. Shafer	Chief Financial Officer	   

Sophisticated and engaged board of directors
Energized and talented organization

OPT Timeline



Distributed Power

Progress/
Impact

Grid Connected
Wave Power

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1994

2014

2015

2016

2017

2018

2019

8

2020

New
Mgmt

New
Strategy

New
Products &
Markets

PB3
1st Commercial
Contract

PB3
1st Commercial
O&G Orders &
Revenue

Additional
New
Products
Introduced

- New Production Facility
- Leadership Additions
- New customers
- New orders
- Brand recognition

Recent Wins and Highlights

O&G PB3
Contract
Eni S.p.A.-
Mar'18

O&G PB3
Contract
Premier
Oil-
June '18

Services
Contract
Enel Green
Power-
Aug '18

AUV/ROV
JMA Saab
Seaeye-
Jan '19

Services
SBIR U.S.
Navy-
Feb '19

Master
Service
Contract w/
leading O&G
operator-
Mar'19

- ✓ New product developments and new technology patent awards and filings
- ✓ *Robust opportunity pipeline – \$ millions worth of contract proposals issued
- ✓ *Oil & gas customer PowerBuoy® delivery
- ✓ *Multiple PowerBuoy® builds to address demand

***OPT 1st**

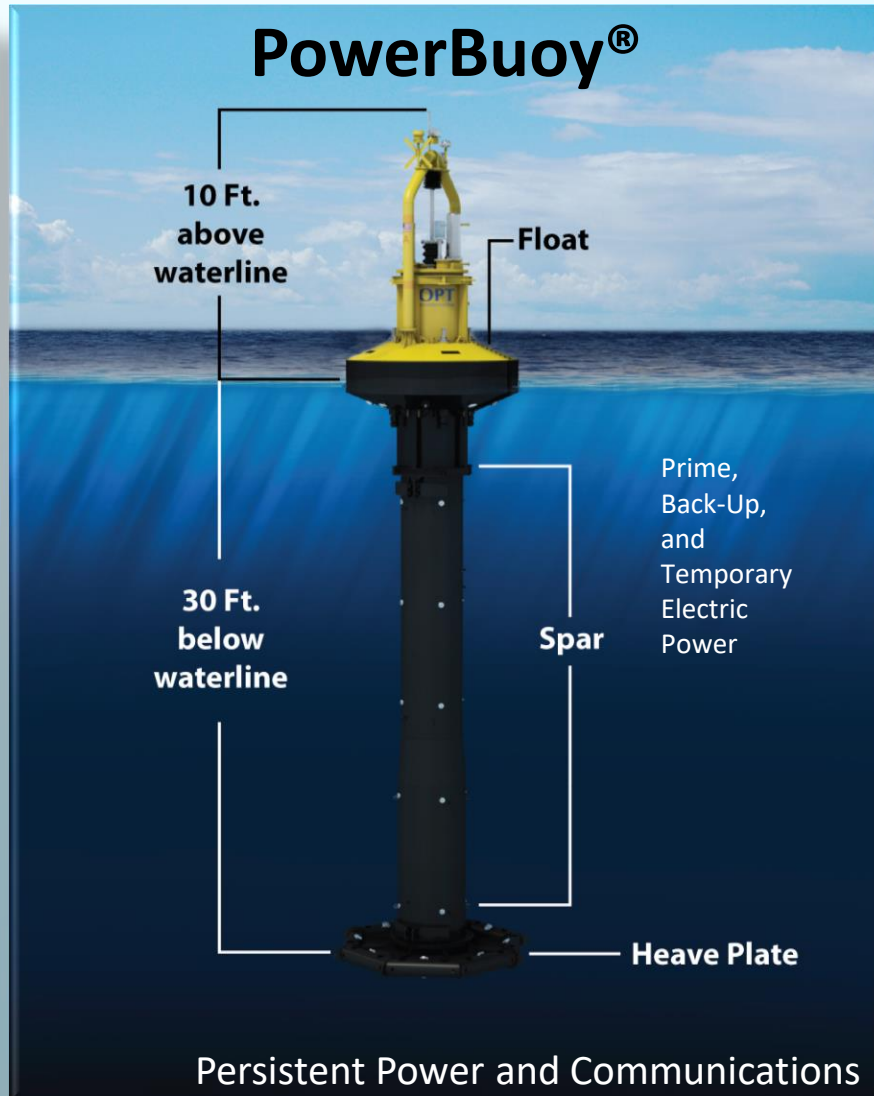
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Our Technology

How Our PB3 PowerBuoy® Technology Works



- Floating system... standard **anchorage** down to 3,000 feet
- 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

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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



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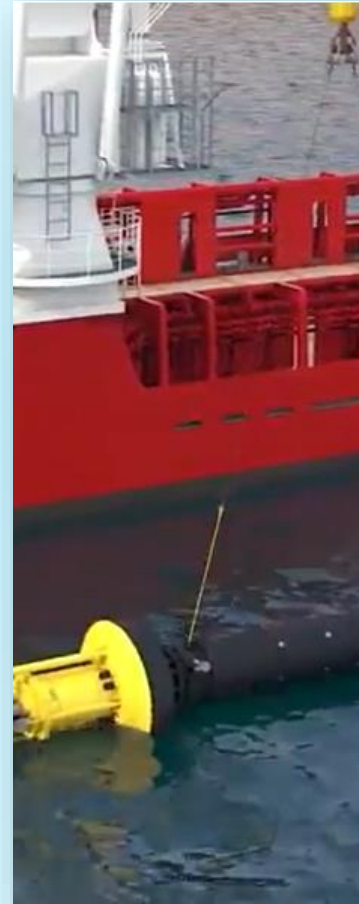
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Products and Services – Fully Commercial Today



PB3 PowerBuoy®

- Long Deployments
- Persistent Power
- Low Maintenance
- Renewable



Support Services

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

Products and Services – Under Development



hybrid PowerBuoy®

- Shorter Deployments
- High Energy Storage
- Low Maintenance
- Modular / Scalable
- **Prototype Deployment Planned for Fall 2019**



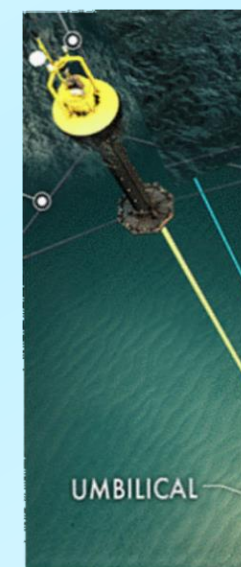
Subsea Battery Solutions

- Shorter Deployments
- Low Maintenance
- Complements PowerBuoy®
- **Prototype Deployment Planned for Early 2020**



Anchorless PowerBuoy®

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

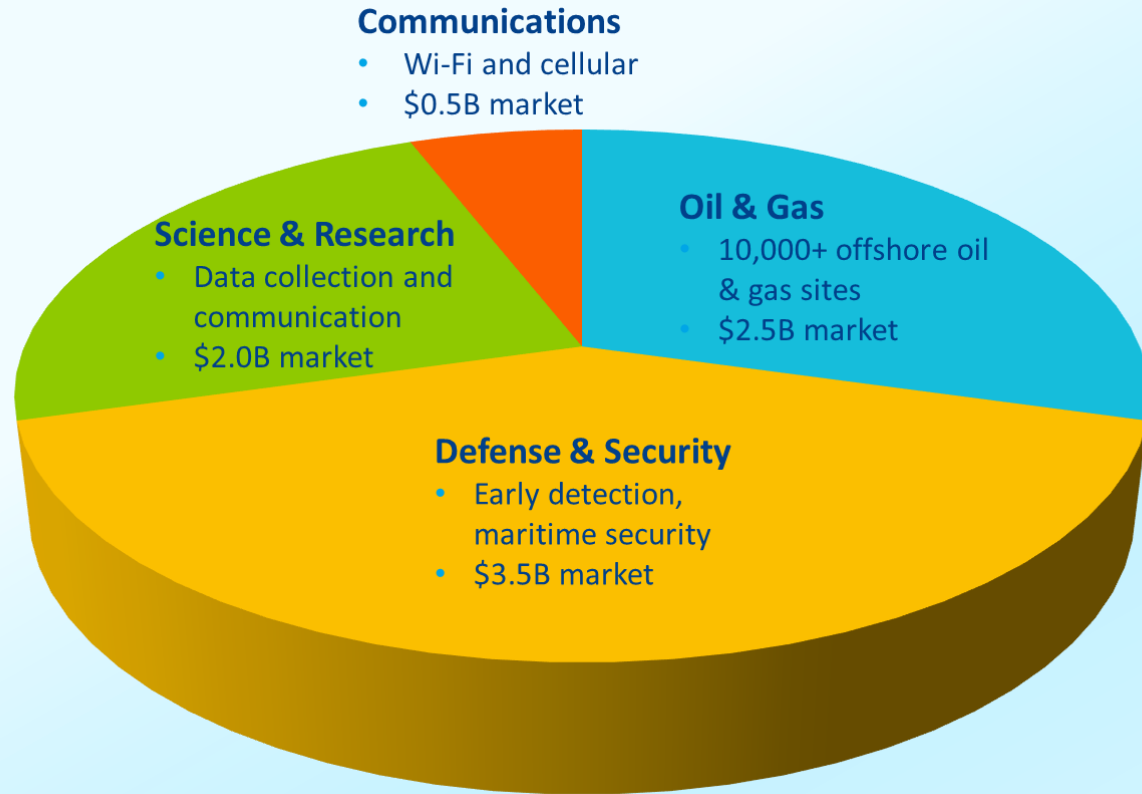


Integrated Mooring

- Combined Power and Comms
- Quick installation

Our Strategy

The Blue Economy – Our Total Addressable Market



Targeting 10-20% displacement

Long-Term TAM > \$1.0B

*Refer to Appendix for Market Supporting Information and Sources

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Current Customer Projects



Eni S.p.A. (Adriatic)

- 1 ½ year lease
- 1 ½ year extend option
- Purchase option
- Achieved One Megawatt-Hour

Premier Oil (North Sea)

- 9-month lease w/ext. option
- Purchase option
- Deployed in August 2019 in Central North Sea

Enel Green Power (Chile)

- Chile feasibility study
- Evaluating next steps
- Potential deployment in Chilean waters

Large O&G Operator (Gulf of Mexico)

- Study completed
- Critical to subsea monitoring business

US Navy (SBIR Phase 1)

- Key partnership with Lockheed Martin
- Interim study report submitted and approved
- Phase 2 decision anticipated Fall 2019*

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** Estimated Date*

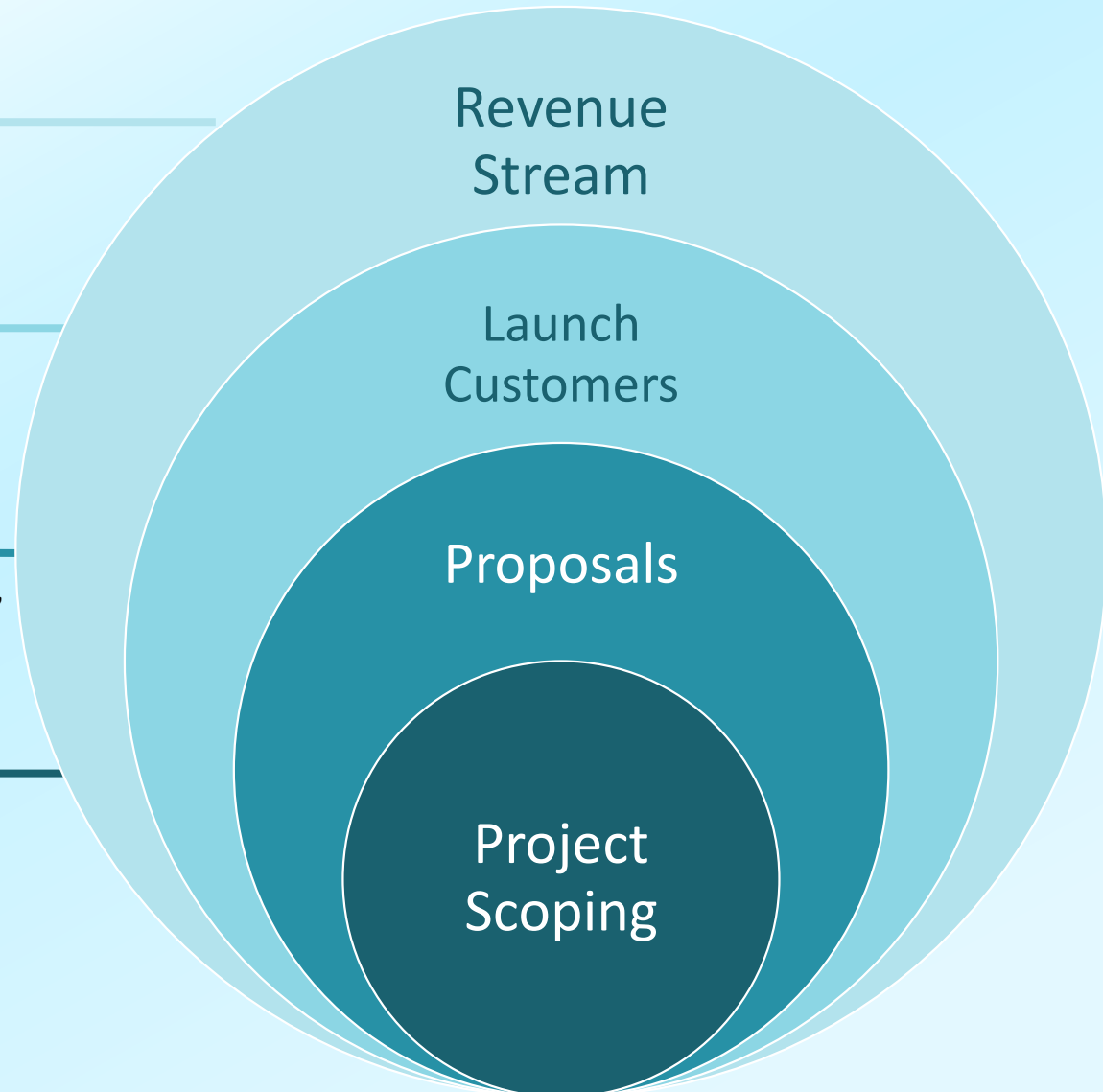
Target Market Buying Process

New/repeat customers, multiple PowerBuoy® purchases, revenue backlog generation

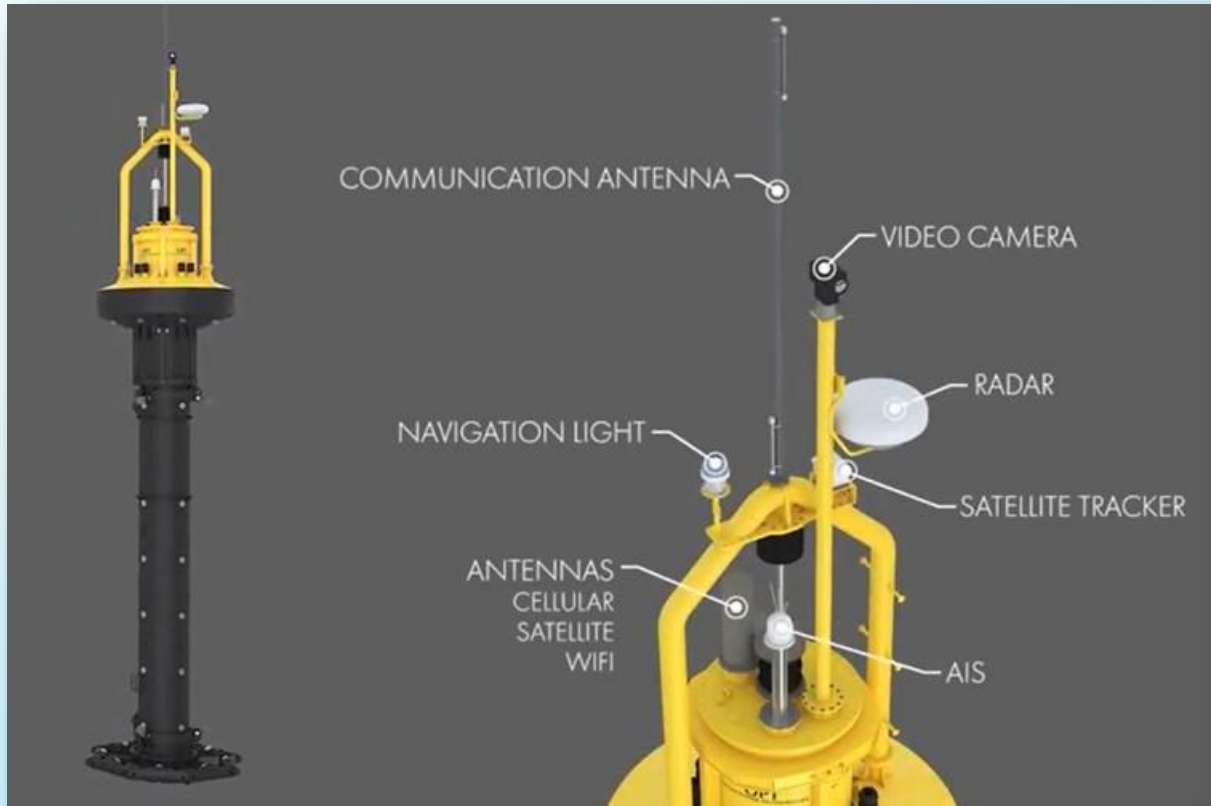
Initial demonstration projects, rental/service revenues, “try before you buy”

Budgetary estimates, technical proposals, contract negotiations

Non-disclosure agreements, front-end engineering design (FEED) studies



Transaction Economics



Base PowerBuoy® + Value-Added Engineering + Support Services

- Sale or Lease

- Packaged Options
- Customization
- Integration Services

- Marine Services
- Remote Monitoring
- Extended Service Agreements

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Offshore Oil & Gas - Example

Oilfield Decommissioning Market Segment



Current Opportunities

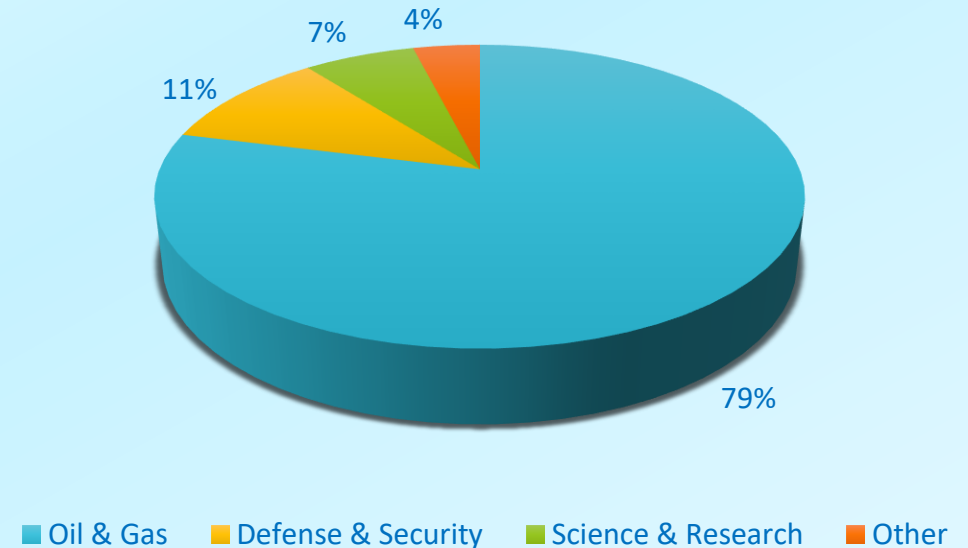
Current State of the Market

- Oil & Gas advancing projects with less personnel
- Eni project success leading to increased market interest / requests for quotations
- Increased interest in unmanned / autonomous solutions across all markets

Accelerating Toward Contracts

- Increased sales team footprint
- Streamlined bid preparation process
- Aggressive pricing
- Additional product offerings forthcoming

Leads & Opportunities - Market Breakdown



Total pipeline: Over 70 leads & opportunities in various stages

- ❑ 20 opportunities: potential value: \$10M+
- ❑ Majority are developing / not yet proposed

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Oil & Gas | Defense & Security | Science & Research | Communications

Financials

Financial Profile

Selected Financial Information (in 000s)	
Balance Sheet (unaudited)	
Cash, cash equivalents, restricted cash ⁽¹⁾	\$13,487
Total current assets ⁽¹⁾	\$14,107
Property & equipment, net ⁽¹⁾	\$583
Total current liabilities ⁽¹⁾	\$2,078
No debt on balance sheet	

Capital Structure ^(1,2)	
Total shares outstanding ^(1,2,3)	5,771,134
% owned by directors & officers ⁽⁴⁾	~2.0%
Warrants outstanding ⁽¹⁾	5,347,463
Options outstanding	63,984

Recap Why Invest in Ocean Power Technologies?

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Contact

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A yellow OPT PowerBuoy is shown floating on the ocean. The buoy has a cylindrical base with 'OPT' written on it, and a vertical mast with various sensors and a light. The background is a sunset over the ocean with a bright sun low on the horizon.

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MAKING WAVES IN POWER™

Thank You!

POWERBUOY®

TAPPING INTO THE POWER OF THE OCEAN

www.oceanpowertechnologies.com

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 insitu vs remote systems and also for the different types of insitu 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.ogi.com/articles/2018/07/woodmac-32-billion-to-be-spent-on-decommissioning-worldwide-in-5-years.html>