MAKING WAVES IN POWER™

Wells College Presentation

February 2020
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.
Ocean Power Technologies 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: Oil & Gas | Defense & Security | Science & Research | Communications
Quick Facts

- NASDAQ stock exchange ticker symbol: OPTT
- Organization: Approximately 40 employees with deep marine engineering capabilities
- Intellectual Property: Proprietary technology with over 60 patents and several patents pending
- The OPT Powerbuoy is a zero carbon emission offshore power source
- Headquarters: Located outside Princeton, New Jersey in Monroe Township N.J.
  - 56,000 sq ft production, design center, test bay, electro-mechanical assembly / integration
- Global Presence
  - Sales offices in U.S., U.K., Norway, Asia-Pacific
Why is OPT Making Waves?

• 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** – four recent contracts

• **Stronger opportunity pipeline** than ever before

• **New products** to be deployed that capture more of our addressable market

• **Recent partnerships** connecting us deeper within our markets

• **Experienced and Innovative** management & board

• Focused on **environment and sustainability**
New Production Facility
New customers
New orders
Brand recognition

Company Timeline

2015
2016
2017
2018
2019

Utility Scale Projects
New Management
New Strategy
New Markets
First PB3 PowerBuoy® Commercial Contract
First PB3 PowerBuoy® Commercial Oil & Gas Orders and Revenue
New Products Introduced
New Production Facility
New customers
New orders
Brand recognition

First PB3 PowerBuoy® Sale

1994
2014

Grid Connected Wave Power

2015
2016
2017
2018
2019

Distributed Power
Recent Commercial Highlights

- New product developments and new technology patent awards and filings
- Robust opportunity pipeline – $ millions worth of contract proposals issued
- PowerBuoy® delivery to Oil & Gas customers
- New collaborative and joint marketing agreements
- PowerBuoy® builds planned to address demand
Our Technology

OPT
OCEAN POWER TECHNOLOGIES
How the OPT PB3 PowerBuoy® Technology Works

- The OPT PB3 PowerBuoy® is a moored floating mini-spar that generates power from ocean waves.
- Power is generated through the relative motion of the spar and float components:
  - Submerged **heave plate and spar** remain motionless in ocean waves.
  - **Float** rides ocean waves, driving an **electric generator**.
  - Energy is stored in **on-board batteries** which can then be used to support topsides or subsea payloads.
- A three-leg compliant mooring system controls the response of the buoy and allows it to remain on-station during storm events.
- Power and data can be transmitted to/from the seabed through an umbilical.

![OPT PB3 PowerBuoy® Diagram](image)
PowerBuoy® Market Value Proposition:
Cost Savings and Operational Flexibility

- Eliminating vessels
  - PowerBuoy® powered “unmanned station” provides persistent power and communications
- Increased safety
  - Allows remote operations from shore
- Faster operational decision-making
  - Real-time subsea data communication
- Sustainability
  - Decreased operational carbon footprint
- Further savings and flexibility
  - Powering new subsea technologies
Products & 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 & Services
Under Development

**hybrid PowerBuoy®**
- Shorter Deployments
- High Energy Storage
- Low Maintenance
- Modular / Scalable
- **Prototype Deployment Planned for Spring 2020**

**Subsea Battery Solutions**
- Shorter Deployments
- Low Maintenance
- Complements PowerBuoy®
- **Prototype Deployment Planned for Spring 2020**

**Anchorless PowerBuoy®**
- Advanced Design
- Self-Propelled
- Quick Deploy
- Defense Focus

**Integrated Mooring**
- Combined Power and Comms
- Quick installation
Current Operational Project: Eni Residential AUV Configuration - Adriatic Sea

- Use Powerbuoy® to charge subsea batteries to power resident AUV via docking station.

- Direct AUV subsea activities from on-shore control room (or local platform) via Powerbuoy® - including transmission of AUV mission instructions and receipt of generated data.

Typical time to deploy system on site 1-2 days.
Our Strategy

OPT
OCEAN POWER TECHNOLOGIES
The Blue Economy

Our Total Addressable Market

**OPT**

Ocean Power Technologies

**Communications**
- Wi-Fi and cellular
- $0.5B market

**Science & Research**
- Data collection and communication
- $2.0B market

**Oil & Gas**
- 10,000+ offshore oil & gas sites
- $2.5B market

**Defense & Security**
- Early detection, maritime security
- $3.5B market

Targeting 10-20% displacement

Long-Term TAM > $1.0B

*Refer to Appendix for Market Supporting Information and Sources*
Offshore oil & gas production facilities to be decommissioned between 2018 to 2025*

*Estimated

*Refer to Appendix for Decommissioning Sources of Information
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

[Diagram showing the process with layers for Revenue Stream, Launch Customers, Proposals, and Project Scoping]
Target Market Buying Process

**Base PowerBuoy®**
- Sale or Lease

**Value-Added Engineering**
- Packaged Options
- Customization
- Integration Services

**Support Services**
- Marine Services
- Remote Monitoring
- Extended Service Agreements

*OPT*
*OCEAN POWER TECHNOLOGIES*
Recap
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** – four new recent contracts
- Stronger **opportunity pipeline** than ever before
- **New products** to be deployed that capture more of our addressable market
- **Recent partnerships** connecting us deeper within our markets
- **Experienced and disciplined** management & board
- **Focused on environment and sustainability**
POWERBUOY®
TAPPING INTO THE POWER OF THE OCEAN

Thank you!
**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 five 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 two publicly available reports.

**Defense & Security**
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 five fiscal years beginning 2017.