

ORPC Investment Opportunity Summary

March 2019



*Improving people's lives, and their environment,
through sustainable energy solutions*

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Compelling Investment Opportunity

Global Market Opportunity

- Strong worldwide demand for renewable energy coupled with shift from large utility grids to renewable powered microgrids
- Estimated Total Addressable Market of 433GW
- 46GW estimated immediate addressable market

High Value Solution

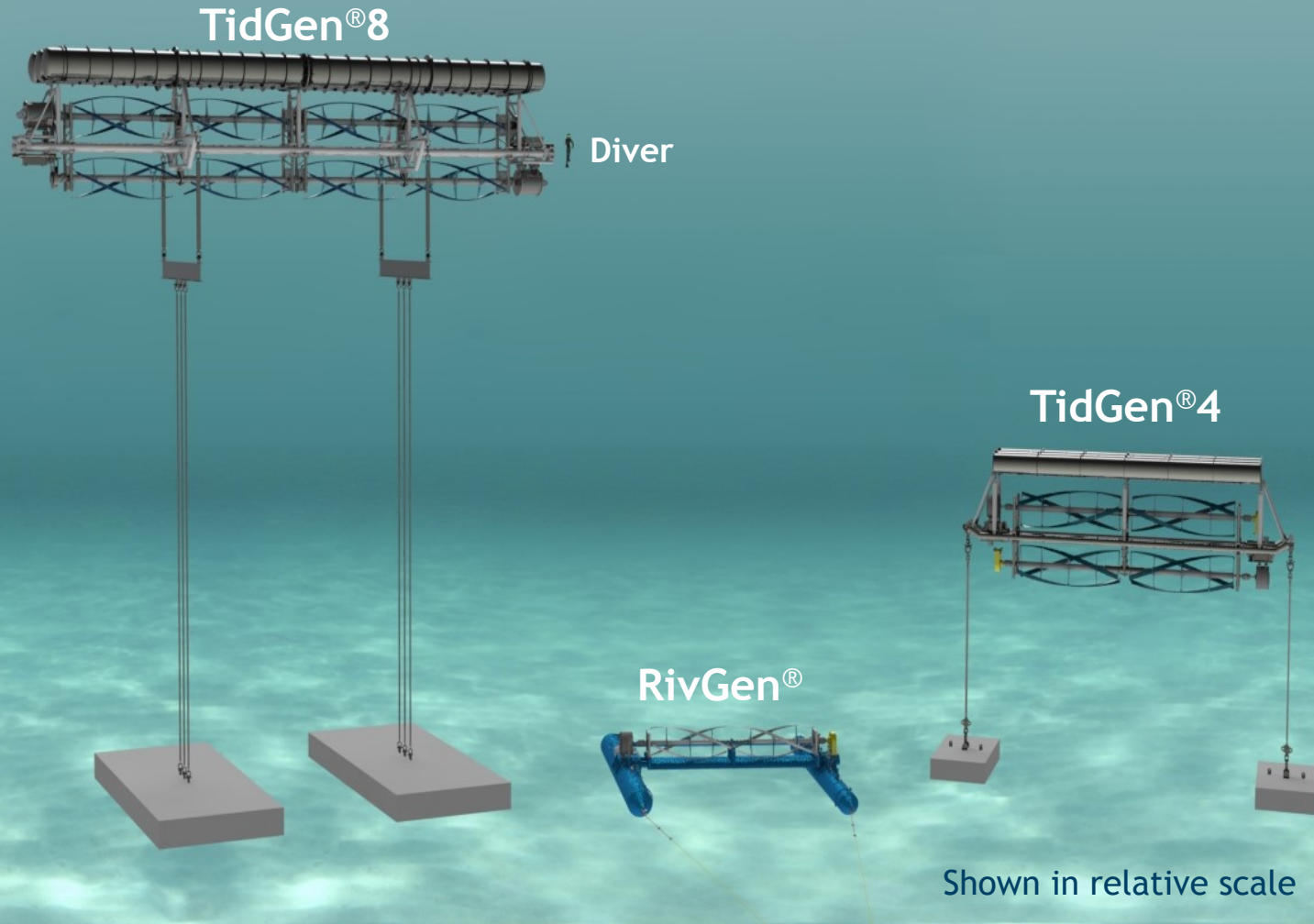
- Proven, patented marine renewable energy (MRE) technology
- Predictable, affordable, no-carbon energy from local water currents
- Minimal environmental, viewshed, navigation or land use impacts
- Key element of community sustainability solution
- First-to-market opportunity with limited competition

Very Attractive Investment

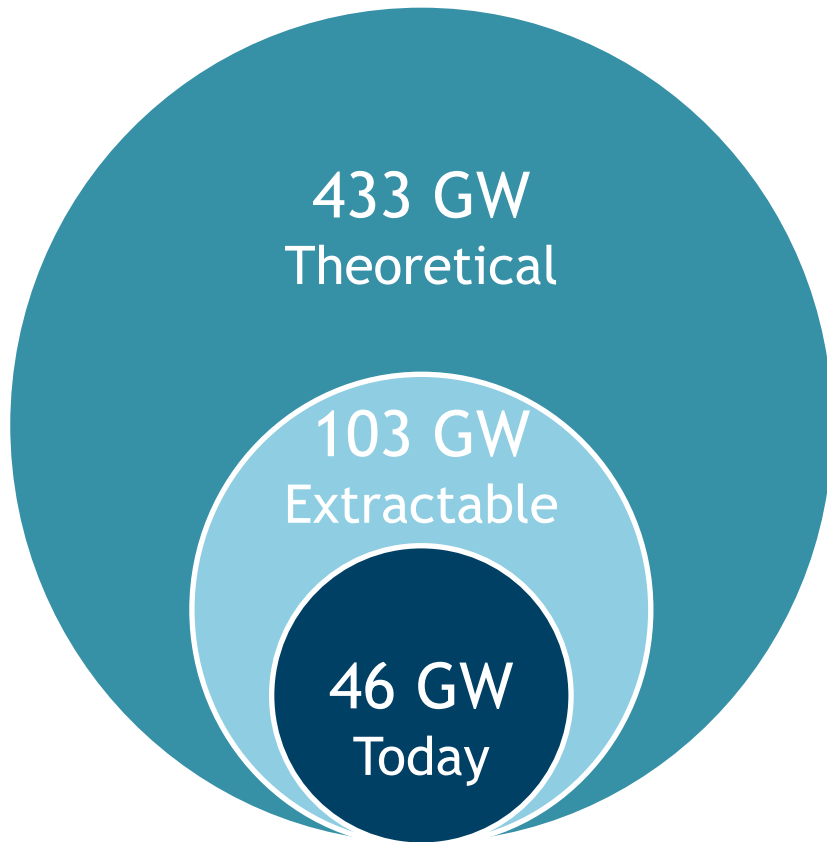
- Scalable business with steep revenue growth potential
- Motivated, seasoned management team
- Attractive valuation and potential exit opportunities in 5-7 years

ORPC Power Systems

- Built around ORPC's proprietary and proven core technology, the turbine generator unit or "TGU"
- Highly adaptable, modular TGU adapted for river and tidal applications.



Estimated Total Addressable Market



Theoretical 433 GW

- River 183 GW
- Tidal 238 GW
- Ocean Current 12 GW

Extractable 103 GW

(assumes 5% to 50% of theoretical can be extracted)

- River 41 GW
- Tidal 55 GW
- Ocean Current 6 GW

Addressable Today 46 GW

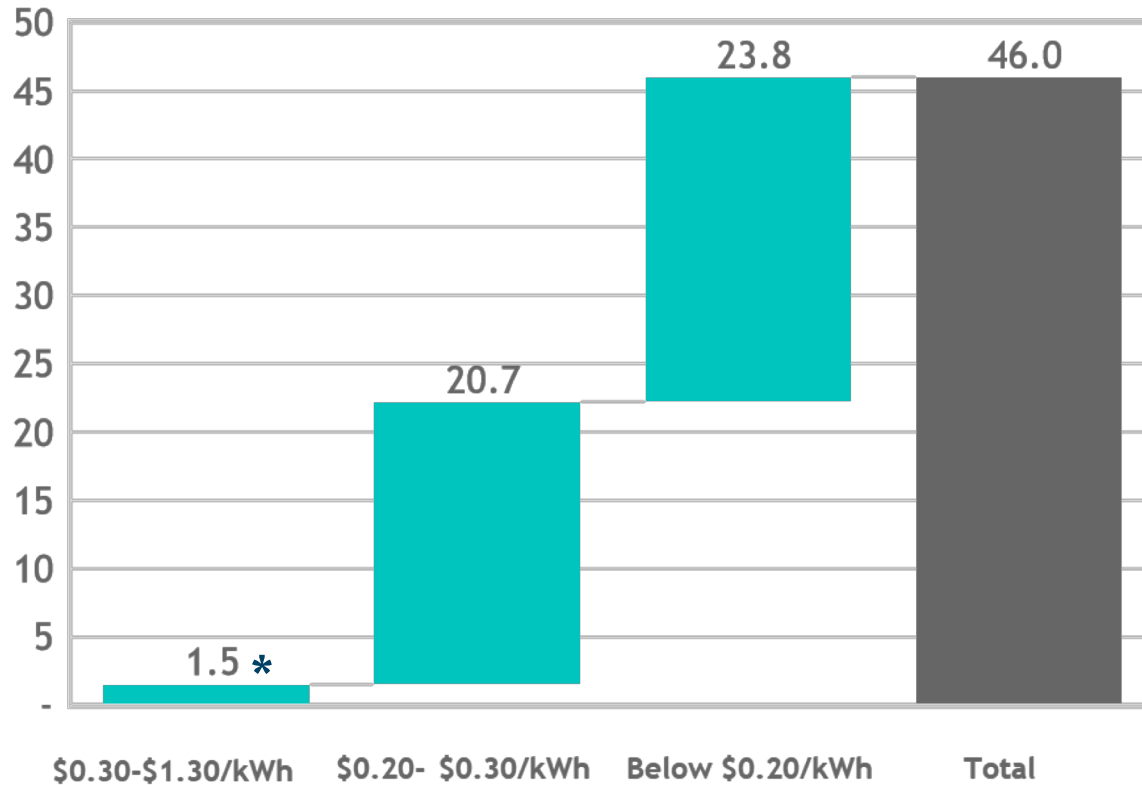
(considers existing demand)

- River 2 GW
- Tidal 37 GW
- Ocean Current 6 GW

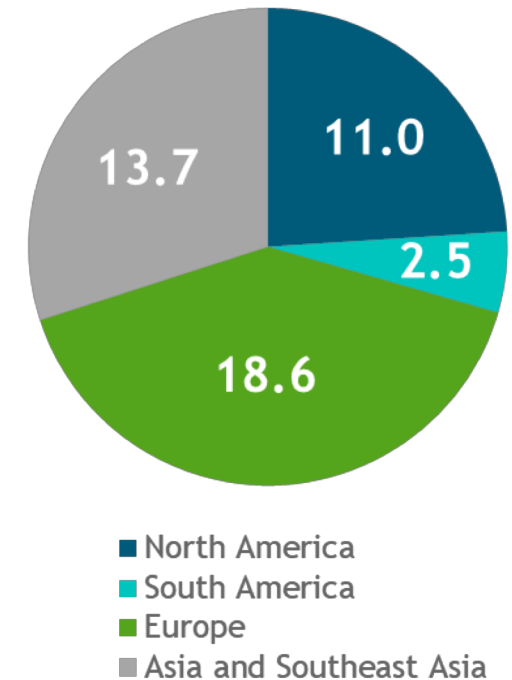
46 GW (46,000 MW) represents \$478 billion ORPC revenue potential

Estimated 46 GW Addressable Market Today

Today's Addressable Market (GW) by Price Point



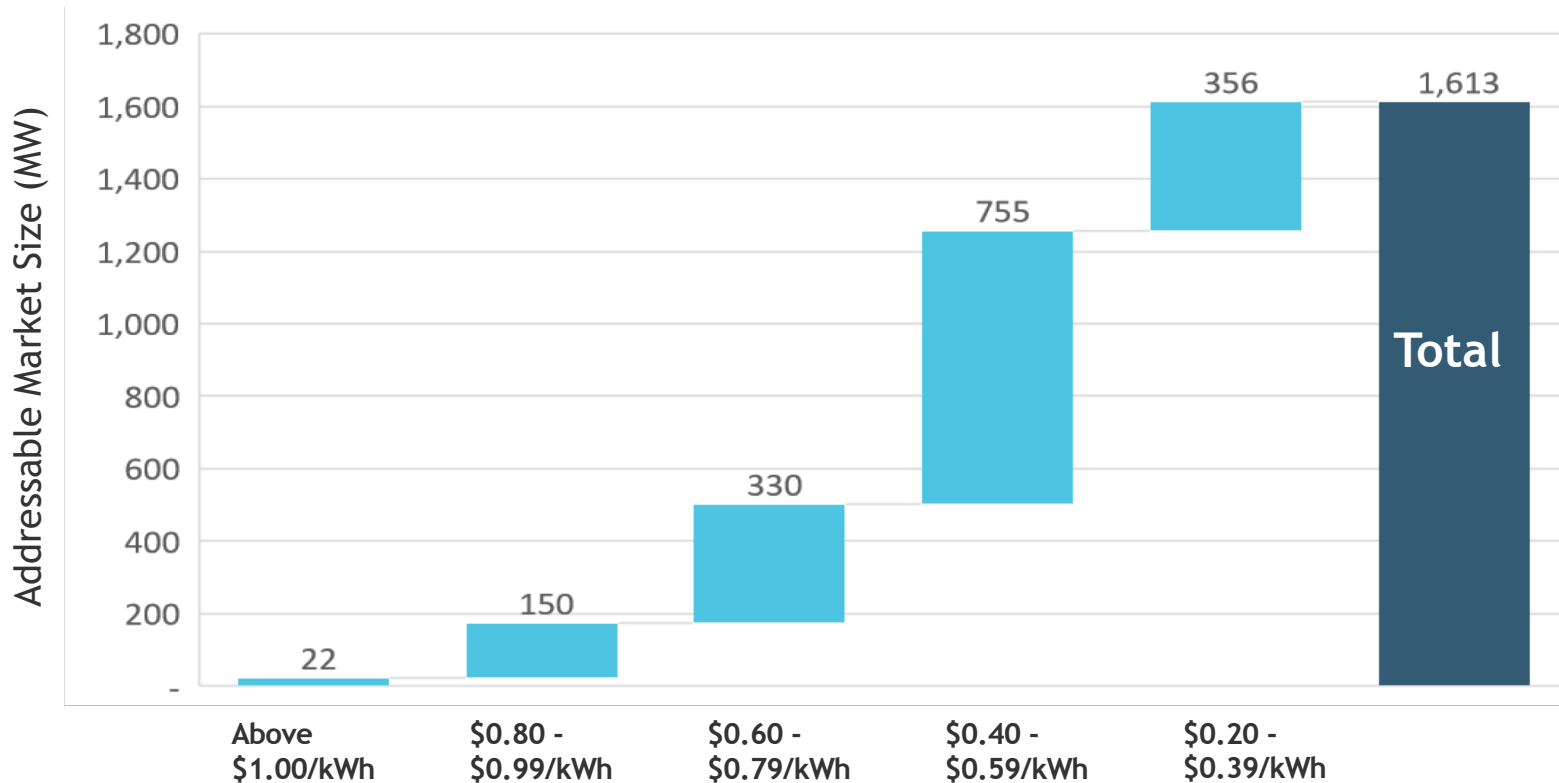
Today's Addressable Market (GW) by Region



* 1.5 GW represents nearly \$16 billion of ORPC revenue potential.

Immediate Market in Islanded Communities

Estimated Addressable Market Today (MW) in North American Islanded Communities, by Price of Electricity



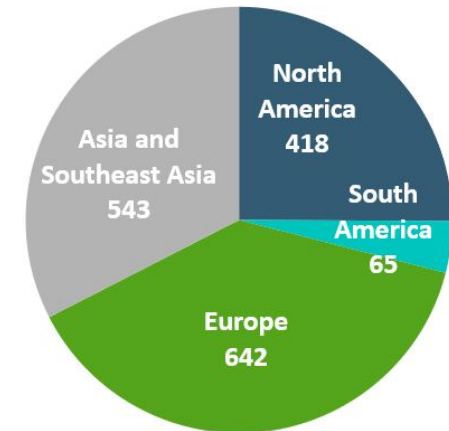
Market above \$0.80/kWh represents \$1.8 billion of ORPC revenue potential.

Contributing to a Carbon-free future

- Assuming 100% capture of today's addressable market, ORPC estimates its power systems would significantly reduce global carbon emissions, offsetting a cumulative total of 1.6 billion metric tons of carbon dioxide equivalents by 2050.
- Achieving these reductions between now and 2050 is equivalent to the impact of:

Carbon Dioxide Equivalent Emissions Avoided by Region

Millions metric tons CO₂e



Taking
354
million
passenger
vehicles off
the road

or



Conserving
3.8 billion
barrels of oil

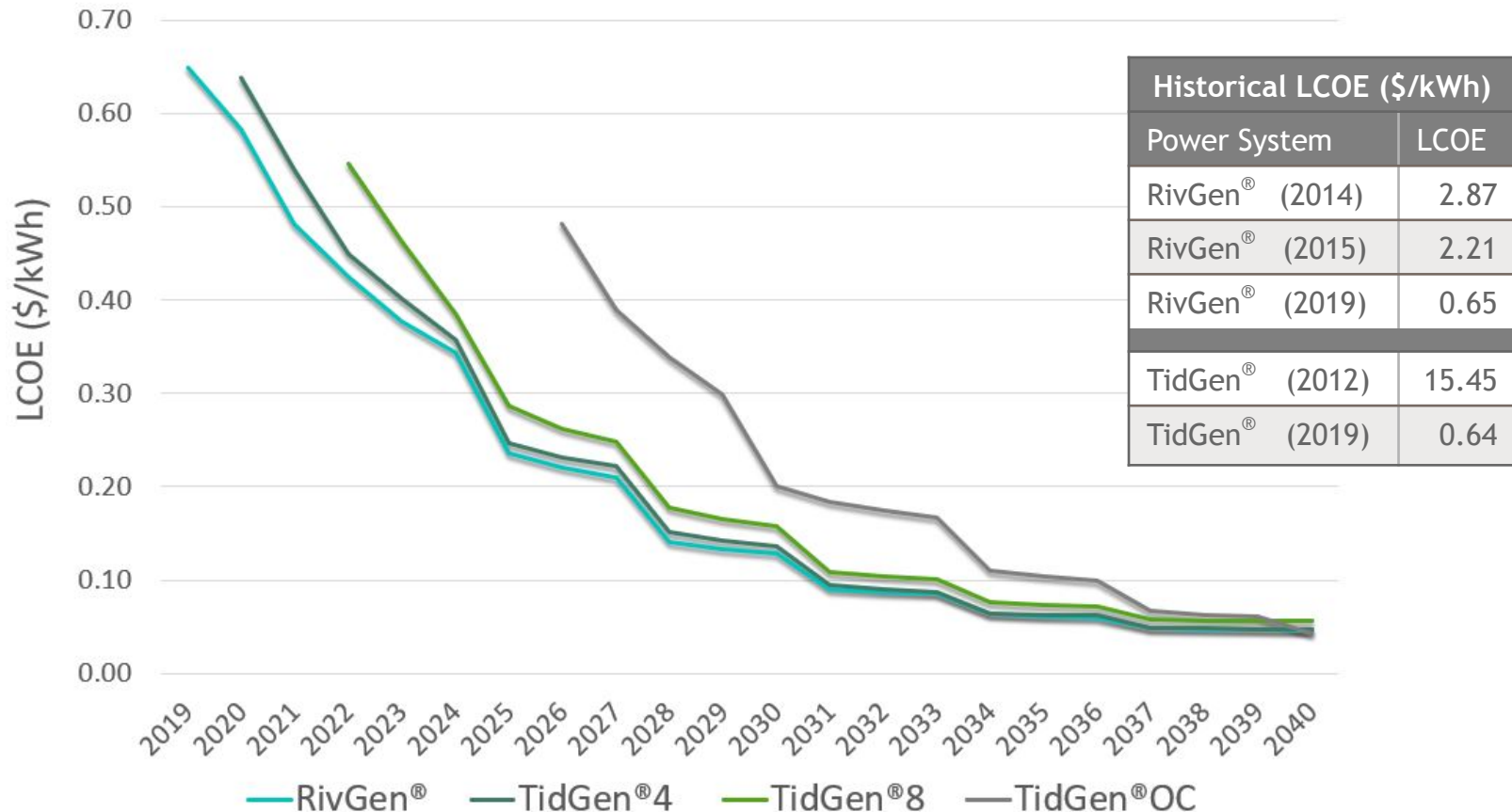
or



Retiring
428
coal-fired
power plants

Levelized Cost of Energy (LCOE) Projection

Levelized Cost of Energy from ORPC Power Systems



ORPC Competitive Advantages

Versus MRE Competitors

- Advanced design cross flow turbines
 - Foils structurally supported along length, reducing stresses
 - Rotate in same direction in reversing tidal currents
 - Single gearless driveshaft, only one moving part
- Low vertical profile suitable for shallower sites: bigger market
- Completely submerged—no interference with views or vessel traffic
- Optimized for lower current speeds—significantly increases market
- Easier to deploy and retrieve with locally available equipment

Versus Wind and Solar

- Water currents are predictable with much higher energy density
- No visibility or land use issues
- Solar not viable in far northern/southern latitudes
- Wind not viable due to harsh, frigid, icy weather
- Being submerged in extreme weather is a major advantage!

Formidable Leadership Position

Significant protection for ORPC's leadership position:

- First-to-market opportunity in North and South America
- Proven, patented technology developed over a 14-year period using proprietary, highly complex computer design tools
- Unique know-how and trade secrets from the design, build, installation and operation of 5 generations of technology in 11 projects with no observed negative effects to the environment
- Cited by federal and state agencies as the model for permitting and licensing of MRE projects
- Strong customer and partner relationships built from the ground up and based on common values and goals
- Business plan based on early customer cultivation, collaboration, inclusion, measured risk reduction and focus on commercialization

ORPC Business Model

- Focus now on high cost markets in islanded communities
- Drive costs down through optimized design, streamlined supply chain, and volume manufacturing
- Penetrate larger lower cost markets as LCOE comes down
- Use U.S. success to expand into Canada (via Québec), South America (via Chile) and Europe (via Ireland)



- Reach production scale and global relevance by dominating the islanded community market.
- Achieve high profitability from power systems sales, technical services and technology licensing fees
- Invest in select projects through in-kind or direct investment (not included in ORPC financial projections)

Accomplished Management Team



Chris Sauer
Chairman, CEO & Co-founder

- 40 years in energy business
- Senior management at Wheelabrator and PG&E National Energy Group
- Led \$2 billion in energy deals



Abbey Manders
Vice President & CFO

- 10 years in energy business
- 15 years financial management experience



Cian Marnagh
Vice President, Engineering & Program Management

- 20+ years in systems engineering, operations & product development



John Ferland
President & COO

- 30+ years technology commercialization, port operations, stakeholder engagement



Jarlath McEntee, P.E.
Senior Vice President & CTO

- 25+ years in energy technology research and development



Nathan Johnson
Vice President, Development

- 20 years in renewable energy, construction management and environmental affairs



Alexandre Paris
President & CEO, ORPC Canada

- 20+ years as entrepreneur and executive for private and public sector companies across Canada, U.S., Europe & Asia.
- Former Sr. Manager, Growth & Innovation, Hydro-Québec



ORPC Advisory Board

Highly experienced, well-respected leaders contributing technical, programmatic and strategic guidance to ORPC



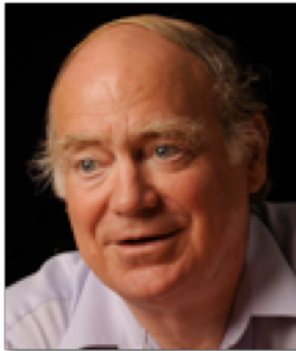
Millard S. Firebaugh, Sc.D.
Retired Rear Admiral

- Chair of Advisory Board
- 35-year U.S. Navy career
- Chief Engineer, Electric Boat (General Dynamics)
- COO, Satcon Technology Corp. Technology



John "Dugan" Shipway
Retired Rear Admiral

- 35-year U.S. Navy career
- Former President, Bath Iron Works (General Dynamics)
- Special Assistant, Electric Boat (General Dynamics)



James L. Kirtley, Jr., Ph.D.
Professor of Electrical Engineering, MIT

- Satcon Technology Corp.
- General Electric
- Swiss Federal Institute of Technology



Denis Chartrand
Retired Hydro-Québec (HQ)

- Former Director, HQ Distribution Network Strategies
- Now with DistSmartNet, QUATRIC and Cima+, Montréal
- HQ rep to Canadian Electrical Assoc. and Electric Power Research Institute

RivGen[®] Power System

Power

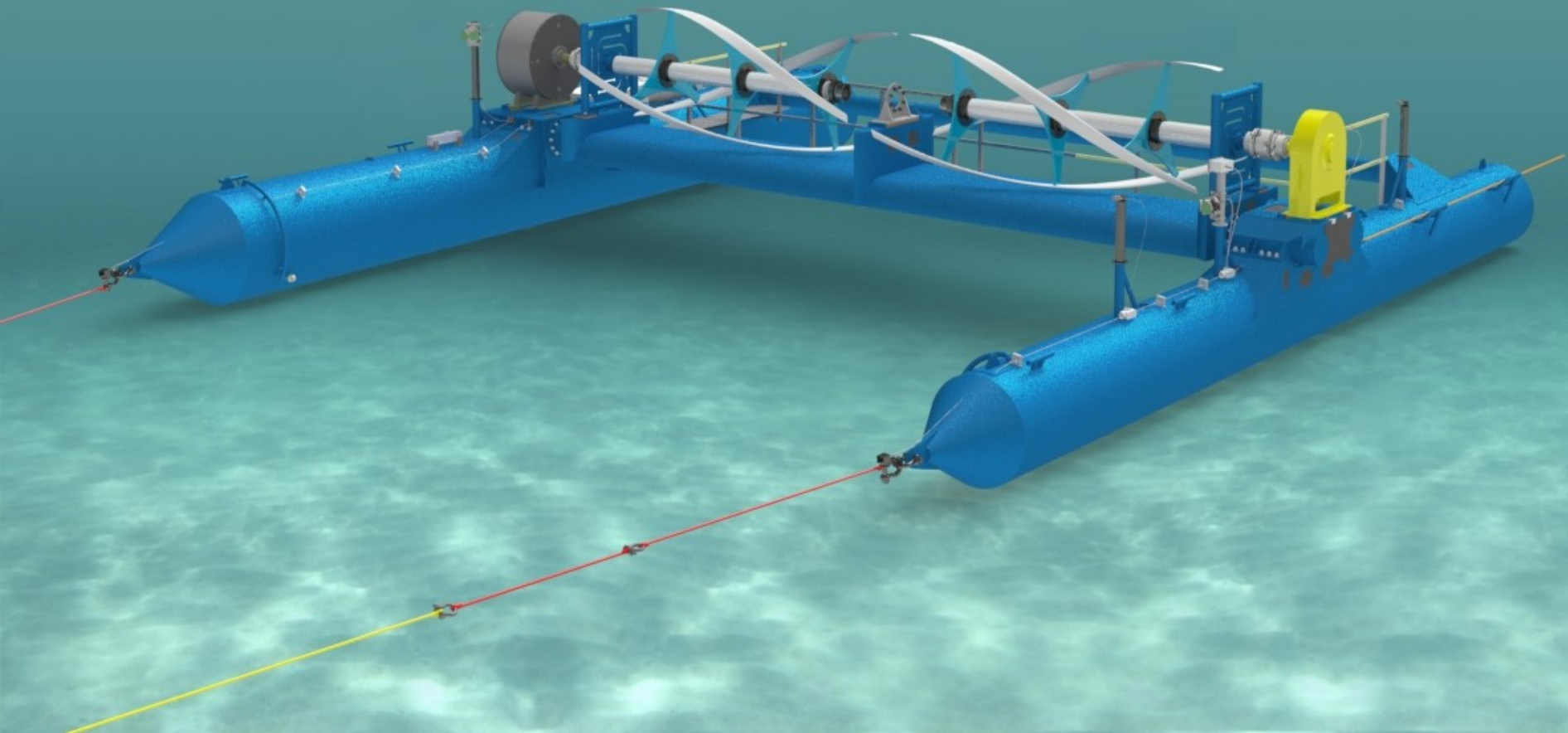
- 40 kW onboard power rated at 2.25 m/s
- 80 kW maximum at 3.5 m/s
- Operational up to 3.5 m/s

Logistics

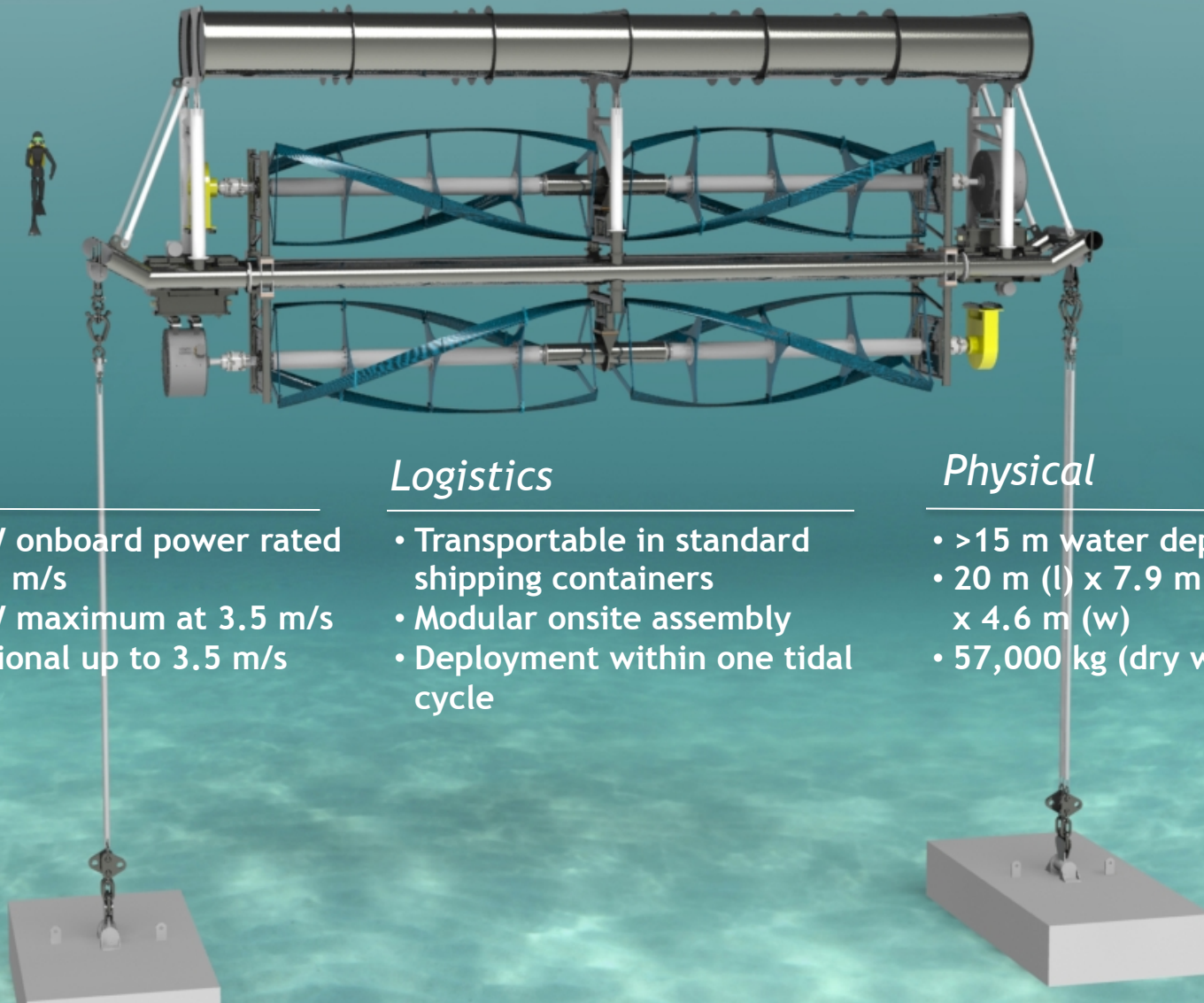
- Transportable in standard shipping containers
- Modular onsite assembly
- Towable, self-deploying system

Physical

- 5 m to 10 m water depths
- 15.8 m (l) x 3.5 m (h) x 14.4 m (w)
- 26,000 kg (dry weight)



TidGen[®]4 Power System



Power

- 125 kW onboard power rated at 2.25 m/s
- 350 kW maximum at 3.5 m/s
- Operational up to 3.5 m/s

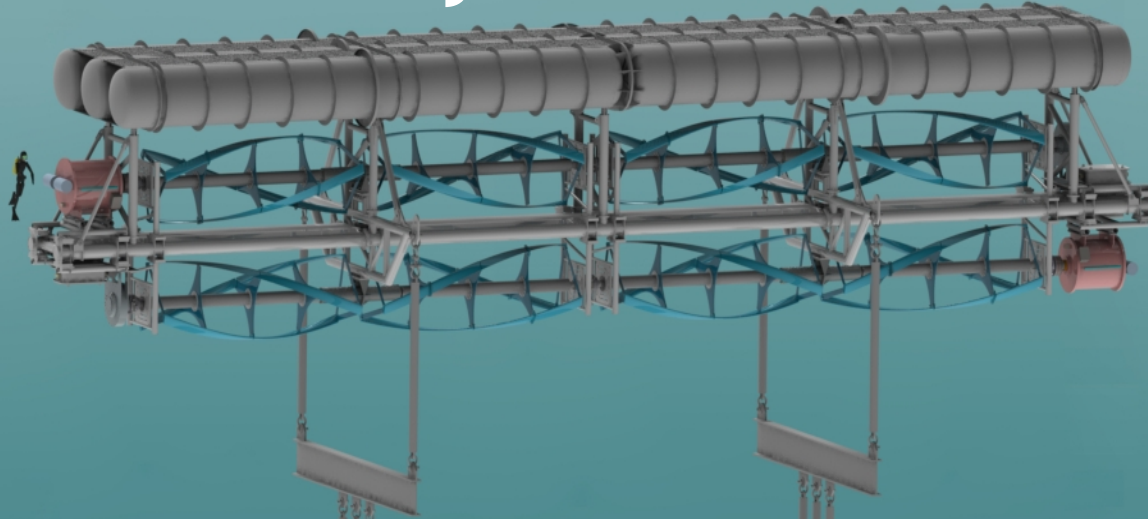
Logistics

- Transportable in standard shipping containers
- Modular onsite assembly
- Deployment within one tidal cycle

Physical

- >15 m water depths
- 20 m (l) x 7.9 m (h) x 4.6 m (w)
- 57,000 kg (dry weight)

TidGen[®]8 Power System



Power

- 250 kW onboard power rated at 2.25 m/s
- 700 kW maximum at 3.5 m/s
- Operational up to 3.5 m/s

Logistics

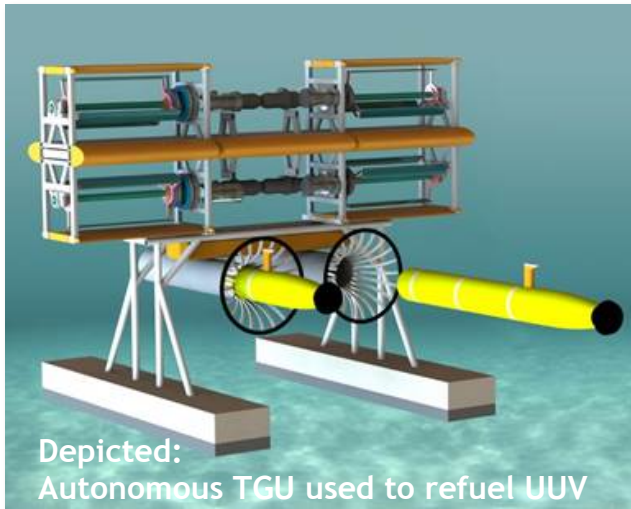
- Transportable in standard shipping containers
- Modular onsite assembly
- Deployment within a single tidal cycle

Physical

- >18 m water depths
- 34.6 m (w) x 8.8 m (h) x 5.2 m (d)
- 160,000 kg (dry weight)

Future Products in Development

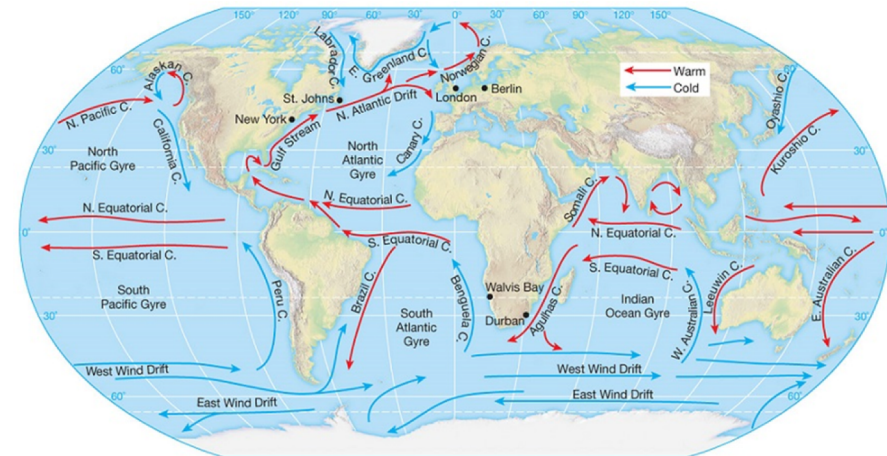
Autonomous TGU (ATGU)



- Robotic TGU that can self-propel, self-deploy, self-retrieve, generate and store electricity, and perform heavy lifts
- Markets include underwater vehicle refueling, powering subsea monitors, underwater research, subsea O&M, offshore construction and defense

TidGen® OC Power System

- Adaptation of TidGen® technology for unidirectional, constantly flowing, offshore ocean currents
- Offshore ocean currents exist around the world, Florida Current is the world's most robust (fastest flowing)



Global Offshore Ocean Currents

ORPC Revenue Model

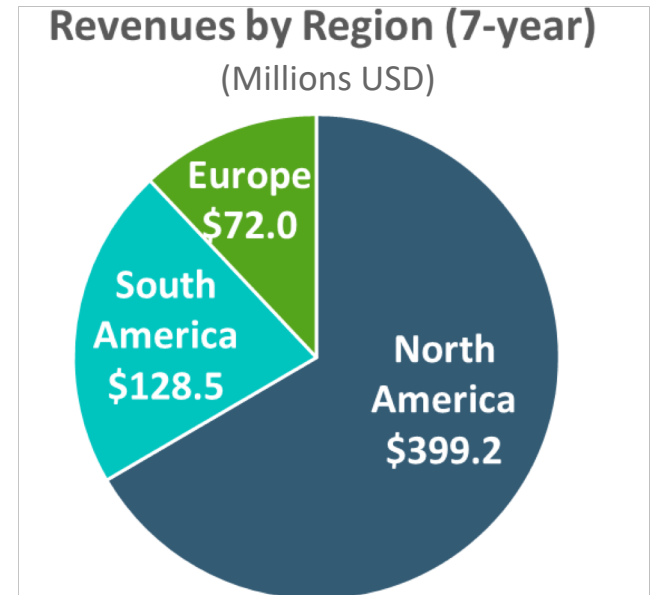
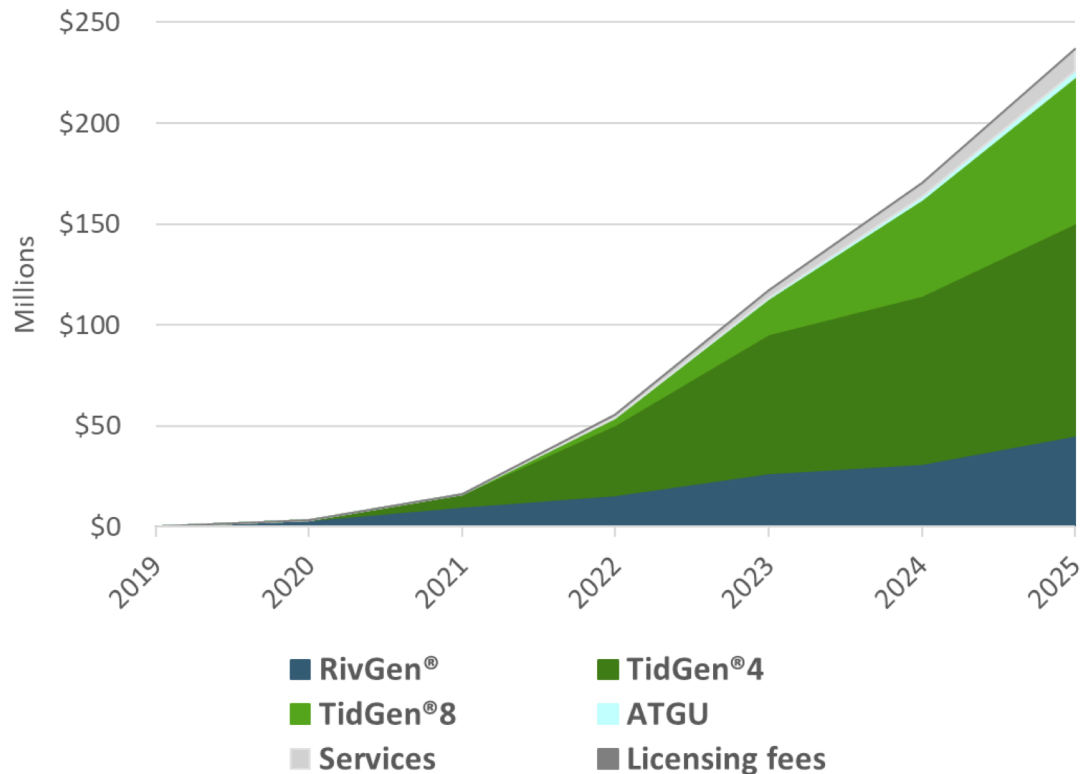
ORPC revenues from 3 primary sources:

- Sales of ORPC power systems
 - Systems to be sold at a substantial margin over production cost
 - ORPC projects margins will increase over time
- Sales of project development and ongoing technical services
 - Project development can include site assessment and design, permitting, project management, training, etc.
 - Technical services can include operations monitoring, predictive maintenance, maintenance management, etc.
- Technology licensing
 - Licensing of technology to third parties
 - Technology licensing within joint ventures

Investments in projects and revenues received through project investments are not included in projections.

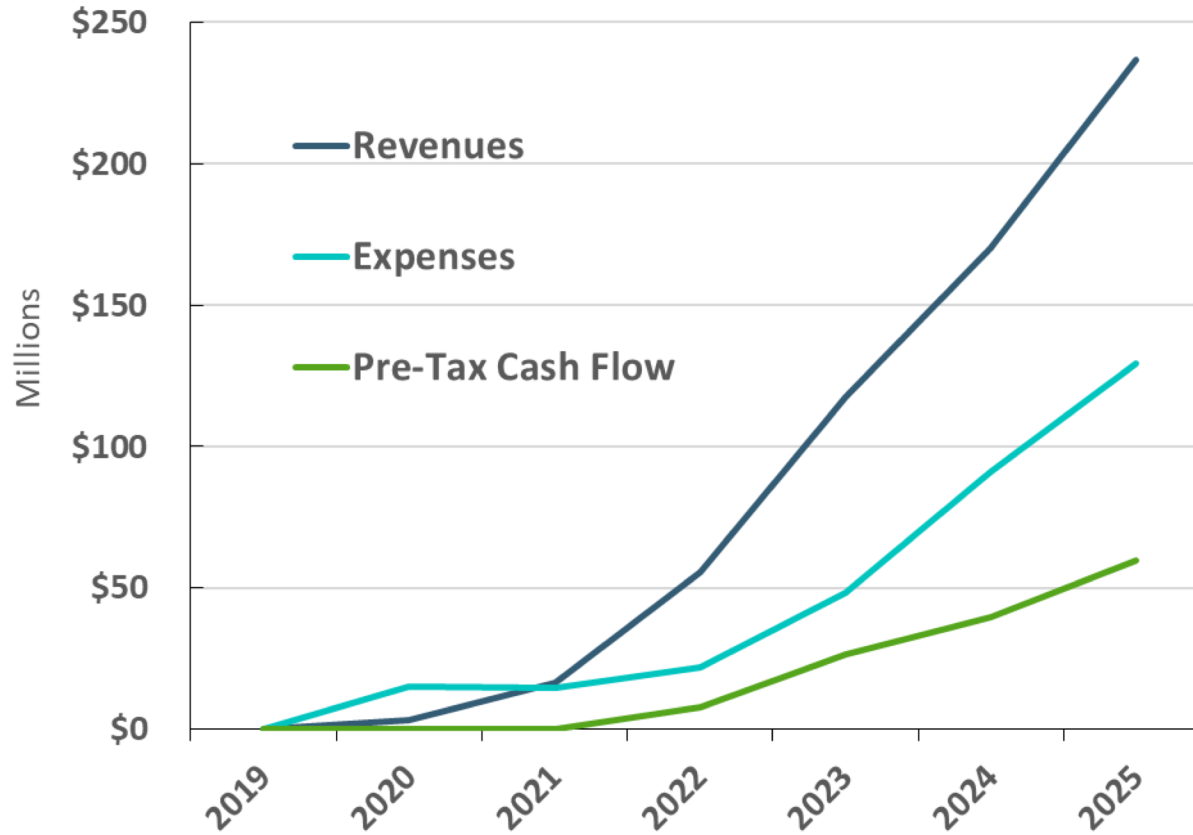


Revenue Projections - First 7 Years



Projected revenue in year 20 (2039) exceeds \$2 billion.

Projection of 7-Yr. Rev., Exp. & P-T Cash Flow



ORPC projects P-T cash flow of \$1 billion within 20 years.

Meaningful Funding to Date

- **\$90MM raised to date**
 - \$49MM from private investors
 - \$41MM from various government agencies in U.S., Canada and EU (70 percent success rate with grant applications)
- **Private investment, primarily family offices**
 - \$37.8MM from a single family office (initially invested in 2009)
 - \$4.0MM from J. Sebastian Scripps
 - \$7.2MM from other family offices & Patient Capital Collaborative
- **Government funding**
 - \$30.5MM from U.S. federal agencies (\$30MM DOE, \$0.5MM USDA)
 - \$6.2MM from Maine (Maine Technology Institute & Coastal Enterprises)
 - \$2.5MM from Alaska (primarily Alaska Energy Authority)
 - \$1.6MM from EU Horizon 2020 & Sustainable Energy Authority of Ireland
 - \$0.2MM from Canadian agencies

Investment Opportunity

Total Investment \$25MM

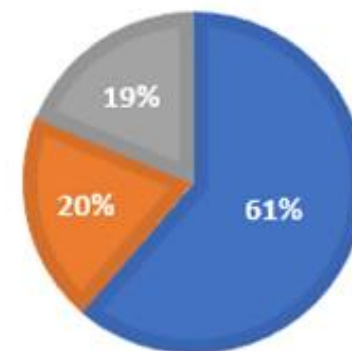
- **Near Term Round: \$10MM**
 - Target closing 2Q19
 - Funds the company through 1Q20
 - Matched by \$4.7MM of government funding (mostly DOE)
 - Provides needed growth capital
- **Final Round: \$15MM (Estimate)**
 - Target closing end of 1Q20
 - Will fund the company to positive cash flow by 2022
 - Exact amount of final capital raise to be determined in 4Q19
 - Expect substantially higher valuation

Uses of \$10MM Funding

	<u>Grants</u>	<u>Equity</u>
<u>Product Development & Optimization</u>		
Product Development Payroll	\$0.1	\$1.6
Technology Optimization	\$0.6	\$0.2
TidGen® Systems Benchmarking	\$2.8	\$4.0
RivGen® Benchmarking	\$1.0	\$0.3
Autonomous TGU Product Testing	\$0.1	\$0.0
<u>Bus. Dev., Marketing & Sales</u>		
Marketing & Sales Payroll	\$0.0	\$1.2
Travel, Consultants & Site Assessment	\$0.0	\$0.8
<u>Management, General & Administration</u>		
MG&A Payroll	\$0.0	\$0.9
Overhead	<u>\$0.0</u>	<u>\$1.0</u>
Total	\$4.7	\$10.0

USES OF \$10MM FUNDING

- Product Development & Optimization
- Business Development, Marketing & Sales
- Management, General & Administrative



Milestones for \$10MM Round

- Add needed ORPC personnel, most notably to build supply chain management and marketing/sales teams
- Build, install, operate, benchmark performance of 1st commercial product, RivGen® in Igiugig, Alaska
- Complete design, procure and assemble 2nd commercial product, TidGen®4 - ready for installation in Cobscook Bay, ME in April 2020
- Turn initial customer interest into sales commitments in Alaska, Canada and Chile
- Execute key strategic partnerships in Canada and Chile
- Position final \$15MM investment round for success and higher Company valuation

Valuation History

- Total investment of \$90MM in ORPC to date, \$49MM equity invested by private investors
- Substantial risks and uncertainties have been retired through prior (higher risk) investment in successful demonstration projects.
- Significant recent transactions based on \$32.8MM valuation:
 - Conversion of all private debt to equity in 2017
 - \$1.8MM new investment in ORPC convertible preferred stock in 2017 (\$32.75/preferred share), new significant investor
 - \$3.7MM sale of common stock (\$20/share) since 1Q18, 2 new investors
- Significant progress since last rounds: JDA's with Hydro-Québec, CIMA+ and Homer Electric Coop., completion of RivGen® design, \$2.4MM new grant funding from DOE for Igiugig project
- Projected company value between \$1.4 to \$1.8 billion in 7 years (based on 8 to 10 times estimated 2025 EBITDA)

Can a Small Maine Town's Innovation Turn the Tides on Sustainable Energy?



SBIR Program 2013 Tibbetts Award

FAST COMPANY

MOST INNOVATIVE COMPANIES 2013

THE WORLD'S TOP 10 MOST INNOVATIVE COMPANIES IN ENERGY

The New York Times

The Search for Energy Takes a Turn Underwater

Thank you

