



July 13, 2022

Dear Shareholders,

Ocean Power Technologies, Inc. is well positioned to capitalize on the opportunity to become the global leader in *Energizing Ocean Intelligence*<sup>TM</sup>.

Our fiscal 2022 proved to be transformative as OPT undertook several key actions which have positioned us well for long-term growth and success.

- We appointed Dr. Philipp Stratmann CEO in June 2021 and immediately embarked on a strategic review aimed at accelerating the growth of our company.
- We deepened the bench of senior talent within the areas of Finance, Sales & Marketing, Engineering, and Human Resources.
- Our strategy was quickly operationalized and communicated throughout the organization. Full alignment is critical to our success as we are now moving fast.
- We increased our focus on offshore testing to further integrate our offerings.
- We used a combination of cash and stock to close an accretive acquisition - Marine Advanced Robotics (MAR) - that is aligned with our strategy, providing an increased focus on offshore wind energy and connecting our services, including consulting

In our letter last year, we laid out four important goals for fiscal 2022. One of our key values is accountability and we commit to transparency with all stakeholders. As such, we would like to report on how we performed against each goal.

1. Provide essential solutions safely and sustainably to our customers.
  - ↳ We made significant process on our proprietary Maritime Domain Awareness Solution (MDAS), which helps to address the issue of material monitoring gaps in the ocean. Through April 30, 2022, we have invested more than \$2 million to develop software and hardware which can safely and sustainably capture one of the most comprehensive data sets in the world. This will serve as a cornerstone of our Data-as-a-Service (DaaS) offering.
  - ↳ We advanced several demonstrations of the PowerBuoy, which is an important initial step to revenue generation within our Power-as-a-Service (PaaS) offering.
2. Expand our revenues and our global reach
  - ↳ We grew revenues to \$1.8 million in fiscal 2022.
  - ↳ The acquisition of MAR in November 2021 added autonomous vehicles to our product portfolio, providing us with roaming assets to complement our stationary buoys and support our DaaS offering.



- ↘ We completed the integration of our February 2021 acquisition of 3Dent Technology. This served as the foundation for the successful year of our Strategic Consulting Services.
  - We were notified of an award for a DOE Small Business Innovation Research program (“SBIR”) to support the development of the next generation of our wave energy conversion systems. The project began in August 2021 and was completed in April 2022.
3. Identify high-revenue growth opportunities
- ↘ We added offshore windfarms to our list of target markets and our consulting team completed its first project in support of a U.S. East Coast windfarm customer.
  - ↘ Our bench of industry experts continues to deepen, which will help drive our Strategic Consulting Services practice with a widening range of clients.
4. Build critical partnerships to enable future growth
- ↘ Fathom5 and Greensea continue to be strong partners with our MDAS development.
  - ↘ We recently partnered with the Naval Surface Warfare Center’s Port Hueneme Division for its Advanced Naval Technology Exercise Coastal Trident demonstration, where OPT will be deploying a single PowerBuoy equipped with its next generation Maritime Domain Awareness platform.
  - ↘ We recently entered into a Master Services Agreement for short and long term leases, development, and support services with Sulmara Subsea, Inc. (Houston, TX) for MAR. This is the type of partnership we are seeking going forward – to help us add regional expertise or complementary services quicker than doing it ourselves.

We are seeing positive results from our pivot towards also being an ocean data provider as we are generating growing interest for our autonomous vessels and our MDAS. Our consulting team continues to expand into the offshore renewables market, and we currently have more platforms deployed offshore simultaneously than during any time in our history.

As we move into fiscal 2023, there are many other reasons why we are excited:

1. We continue to maintain a strong and healthy balance sheet with sufficient cash and no debt.
2. We have a team that has confidence in what we are doing. We are aligned with our shareholders as reflected by our executive compensation plans being tied to performance targets for fiscal 2023
3. We have several successful projects and demonstrations underway with a growing pipeline.
4. Our MDAS is on the cusp of going live.



Our opportunity is massive – over 70% of the world is water, with most of it oceans. The time is now. We are acting fast to drive our company to levels it has not achieved before. We have the team. We have the strategy. We now have a growing portfolio of some of the best products, services, and solutions in the world to provide a wealth of data and power to customers worldwide.

Our goals for 2023 are:

1. Achieve \$9.0 million in orders, with much of this activity being recorded as fiscal 2023 revenue. We will do this through a mix of DaaS, PaaS, and strategic consulting services.
2. Complete the integration of MAR, including establishing WAM V manufacturing capability in NJ, fully integrating the commercial teams, and developing joint engineering solutions.
3. Focus on our presence in the U.S by expanding on our work with U.S. Government. We will also continue to seek international business opportunistically in targeted regions of interest.

As we continue to grow, we expect our solution offering will also evolve. But the focus will always be in providing clean energy, data, and solutions. Our vision is to be the go-to resource for offshore power, data, and analytics. We want to remain nimble and focused on optimizing our cost base, while delivering accelerated growth in every area we do business. The build out of our asset fleet is continuing and we are expanding our manufacturing capabilities at our existing plants.

Thank you for your continued support of OPT.

/s/ Philipp Stratmann

President and Chief Executive Officer

/s/ Terence J. Cryan

Chairman of the Board