

# ORPC Investment Opportunity Summary

June 2019



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

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# Executive Summary

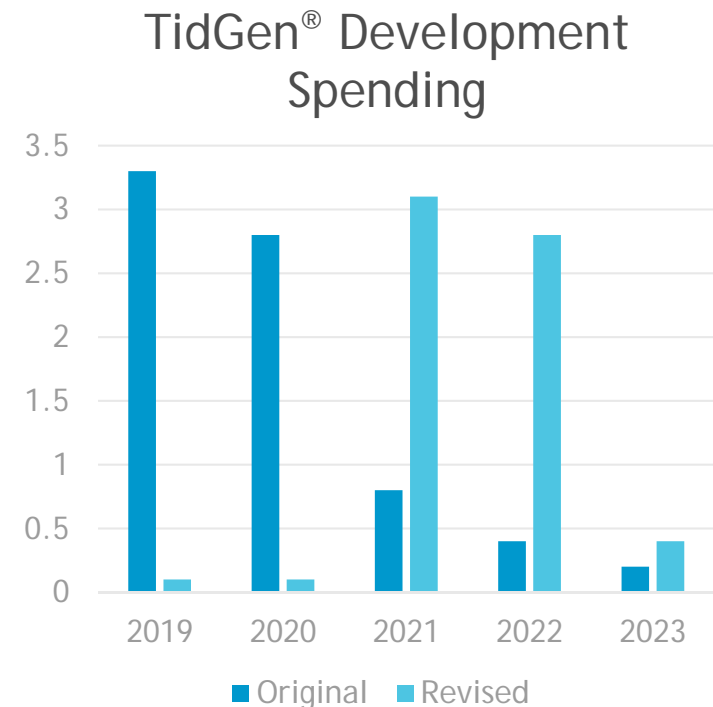
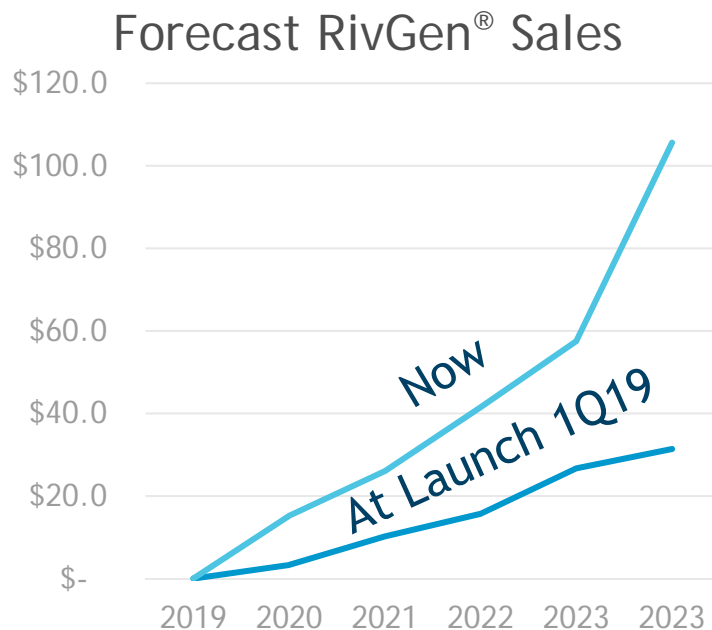
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# Business Plan Update Since Launch

Due to increased market interest in RivGen® Power Systems and cost savings from delaying TidGen® rollout until 2022, ORPC's near term revenue has gone up and development costs have gone down.



*As a result, ORPC's funding need has decreased from \$25MM to \$7.5MM*

# Investment Opportunity Overview

## *Global Market Opportunity*

- Strong worldwide demand for renewable energy coupled with major shift to renewable energy powered microgrids
- Distinct advantages (opportunities) vs. solar and wind
- Early market opportunity with limited competition

## *High Value Solution*

- Proven, patented marine renewable energy (MRE) technology provides predictable, affordable, zero carbon microgrid solution
- Leasing option makes it easy to acquire
- Minimal environmental, viewshed, navigation or land use impact

## *Investment Considerations*

- Scalable business with steep revenue growth potential
- Motivated, seasoned management with achievable profitability plan
- Identified sales prospects leading to profitability within 2 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.



Shown in relative scale

# Immediate Market: Remote Communities

- Globally, 2 billion mostly indigenous people live in remote communities with no access to traditional energy infrastructure
  - 700 million have electricity but rely solely on very costly diesel power generation
- No regional power grids or fuel pipelines
- Many communities in a sustainability crisis, very high energy costs stifle economic development
- Diesel generation too expensive and too risky to their environment
- No major infrastructure exists, power systems must be easy to install
- Remote community microgrids are outdated, need updating
- Most remote communities are located on or near viable tidal or river current resources suitable for ORPC power systems.
- Remote mining, eco resort and other facilities face similar challenges.

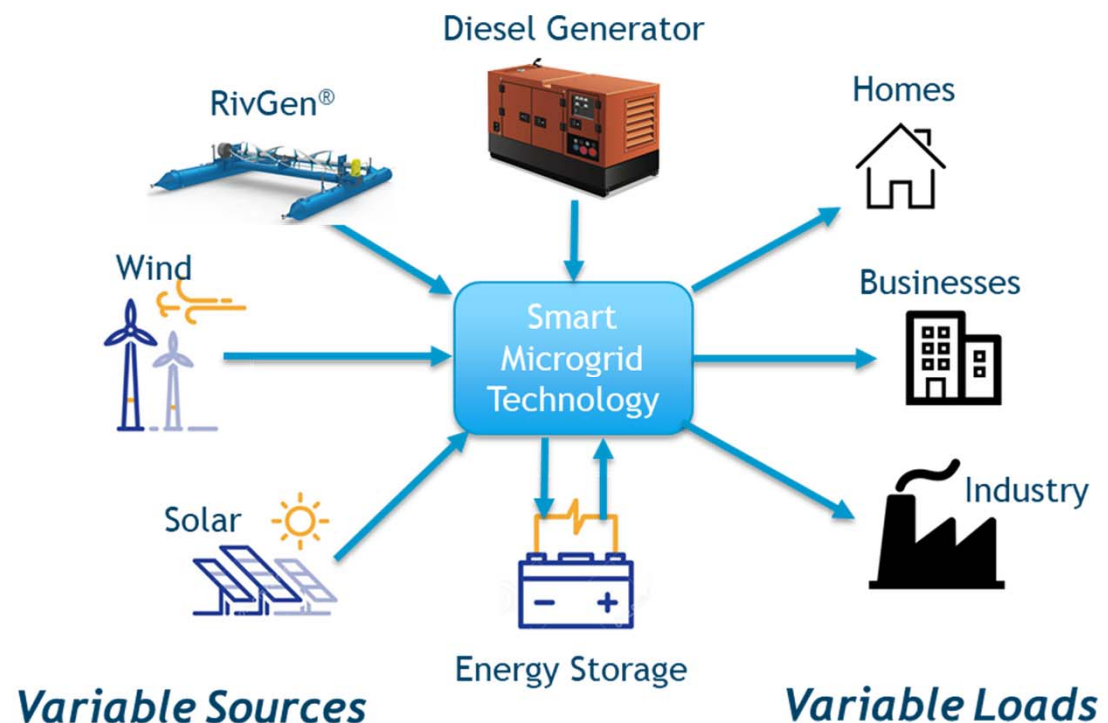




# Solution to Remote Communities' Energy Issue

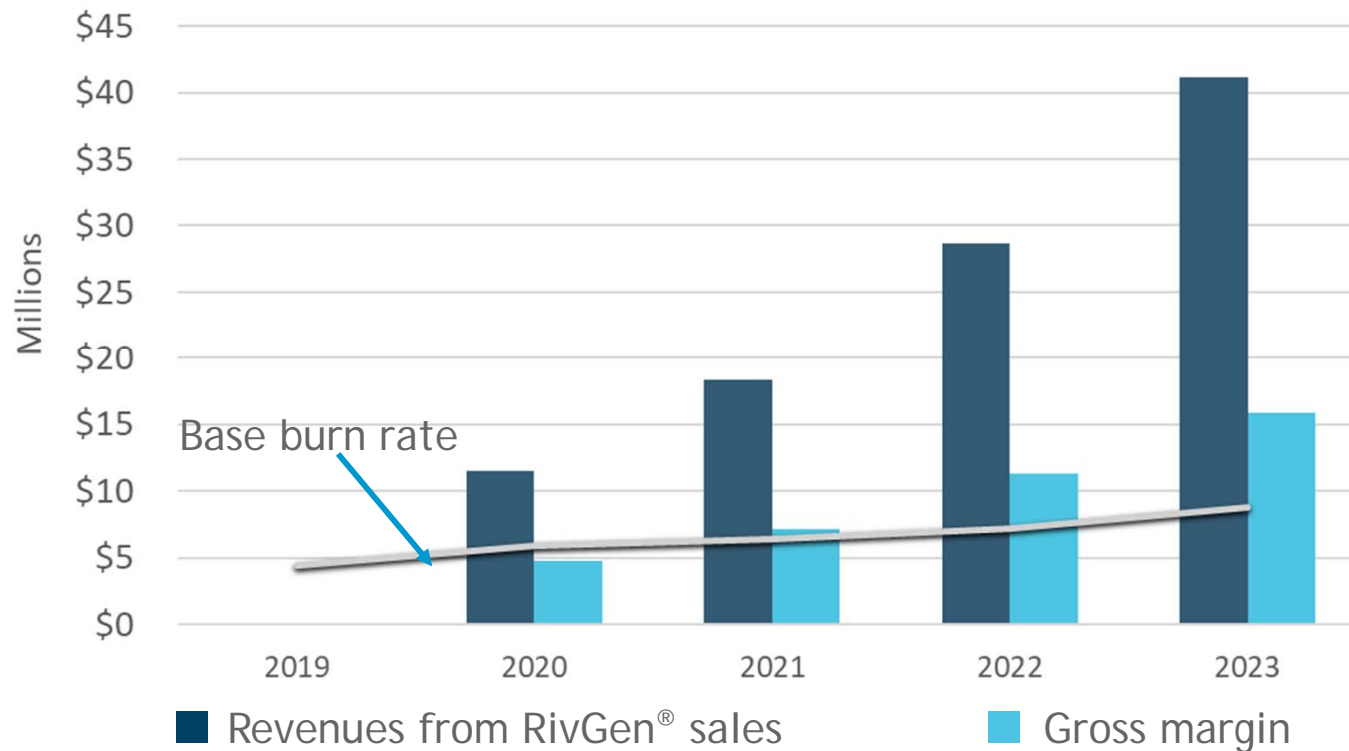
Highest value solution for remote communities is a smart microgrid powered by a RivGen® Power System

- A RivGen® powered smart microgrid can eliminate the need for diesel generators.
- RivGen® provides baseload (firm) power.
- Energy storage and smart controls allow incorporation of intermittent sources like wind and solar.





# Projected RivGen® Sales (Customers Identified)



## *Summary of Projections:*

- *Profitable in 2021 from RivGen® sales to identified customers*
- *\$99MM RivGen® sales, \$39MM gross margin thru 2023*

A dynamic splash of water in shades of blue, with numerous bubbles and ripples, set against a solid dark blue background.

# Market Opportunity

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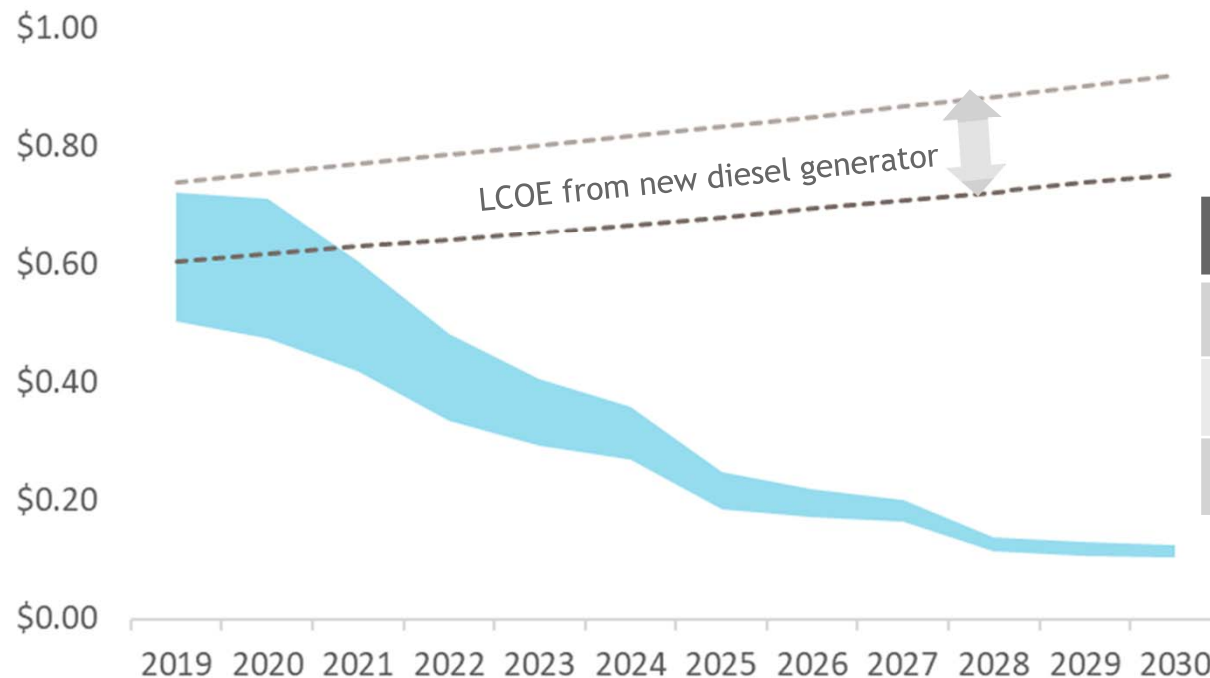
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# Lower Cost of Energy than Diesel

## New Diesel Generators vs. ORPC MRE Power systems

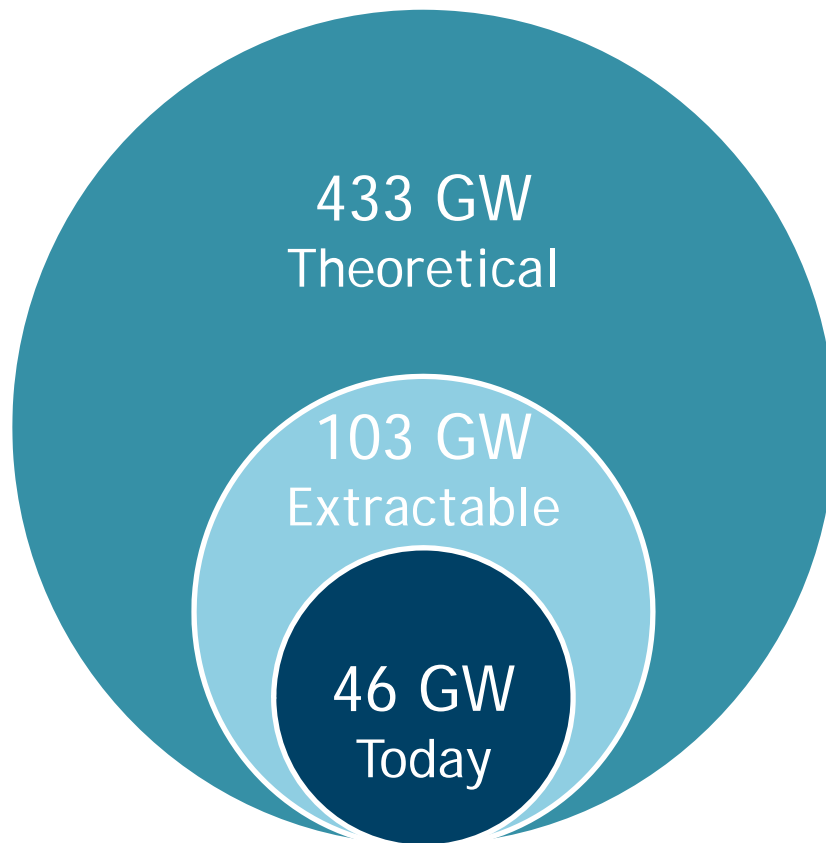
While the cost of diesel generation will increase over time, RivGen® LCOE costs are forecast to decline as experienced in the wind and solar industries.



Renewable Source	Ten-Year Cost Reduction (%)
Solar	85%
Wind	60%
MRE (projected)	70%

Projected Levelized Cost of Energy (LCOE) from ORPC Power Systems

# Estimated Total Global Addressable Market



Note: One RivGen<sup>®</sup> generates between 35 and 80 Kw

## 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 (40,000 RivGen<sup>®</sup>)
- Tidal 37 GW (120,000 TidGen<sup>®</sup>)
- Ocean Current 6 GW

*Addressable Market Today represents \$478 billion ORPC revenue potential*

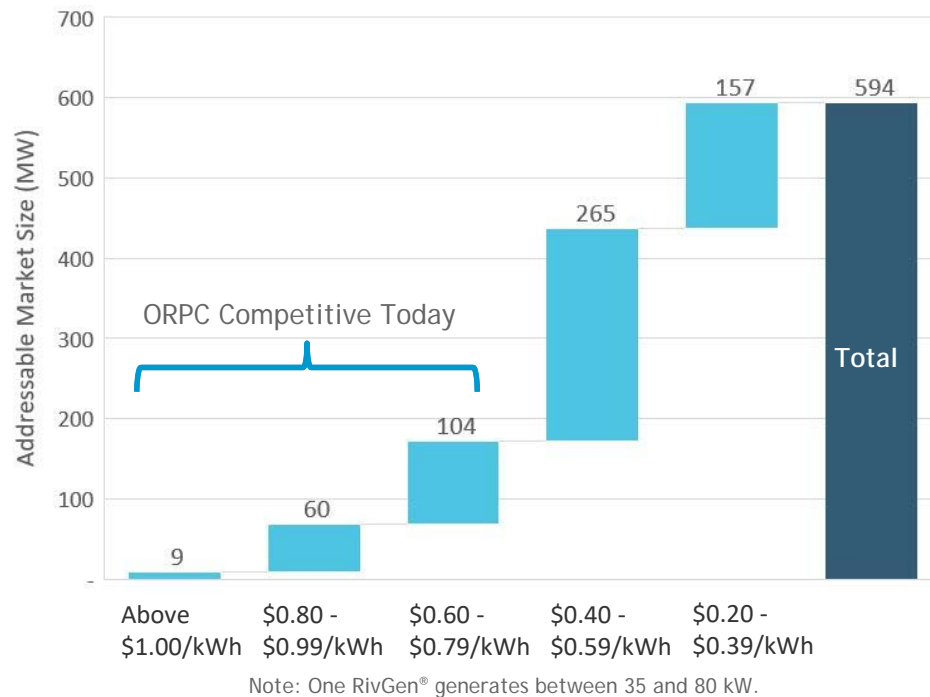
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# Remote Community Market in North America

## Segmented by price of electricity



- 482 remote communities across North America rely on diesel for power needs.
- 60 million gallons of diesel per year consumed for electricity generation in these communities.
- Fuel transportation and storage logistics cause very high delivered cost of diesel (up to \$7.00/gal.)
- Analysis excludes expected annual load growth of 2.4%

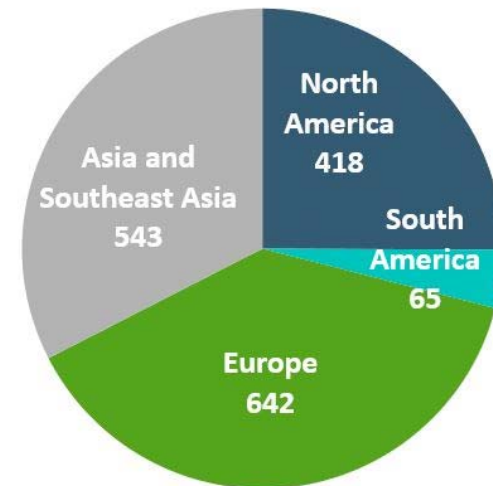
*ORPC offers a competitive zero carbon microgrid solution today to communities with energy costs above \$0.60/kWh, which represents \$3.9 billion in revenue potential from sales of ORPC power systems.*

# Major Contributor to a Carbon-free future

Assuming 100% capture of today's addressable market (46GW), ORPC power systems could reduce global carbon emissions by a cumulative total of 1.6 billion metric tons of carbon dioxide equivalents by 2050, equivalent to:

Carbon Dioxide Equivalent Emissions Avoided by Region

Millions metric tons CO<sub>2</sub>e



Taking  
**354**  
million  
passenger  
vehicles off  
the road

or



Conserving  
**3.8 billion**  
barrels of oil

or



Retiring  
**428**  
coal-fired  
power plants





# Sales and Revenue Projections

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# ORPC Revenue Model

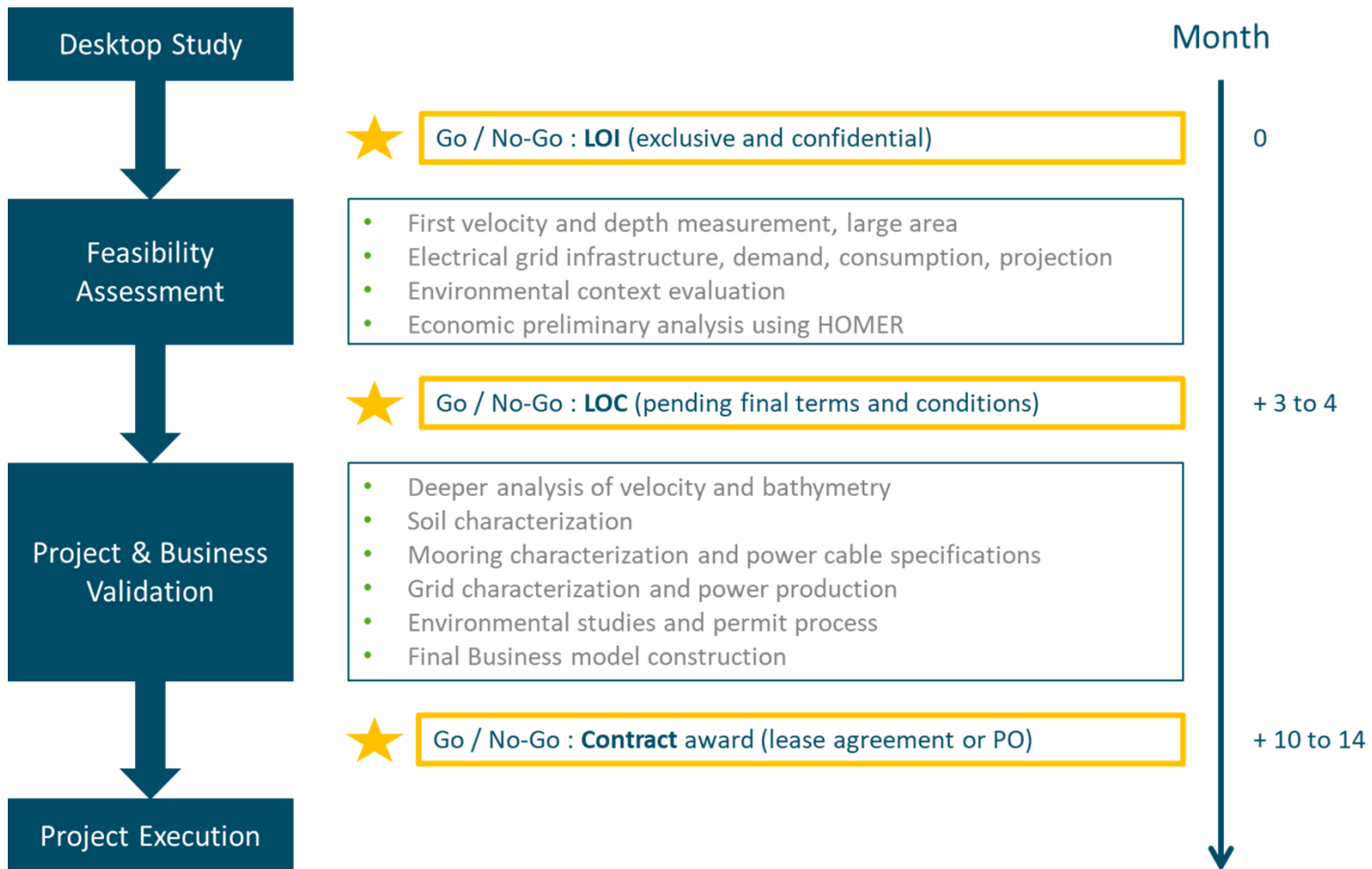
ORPC plans to derive revenues from 3 primary sources:

- Sales of ORPC power systems
  - Systems to be sold at a substantial margin over production cost
  - ORPC anticipates that margin (percentage) 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

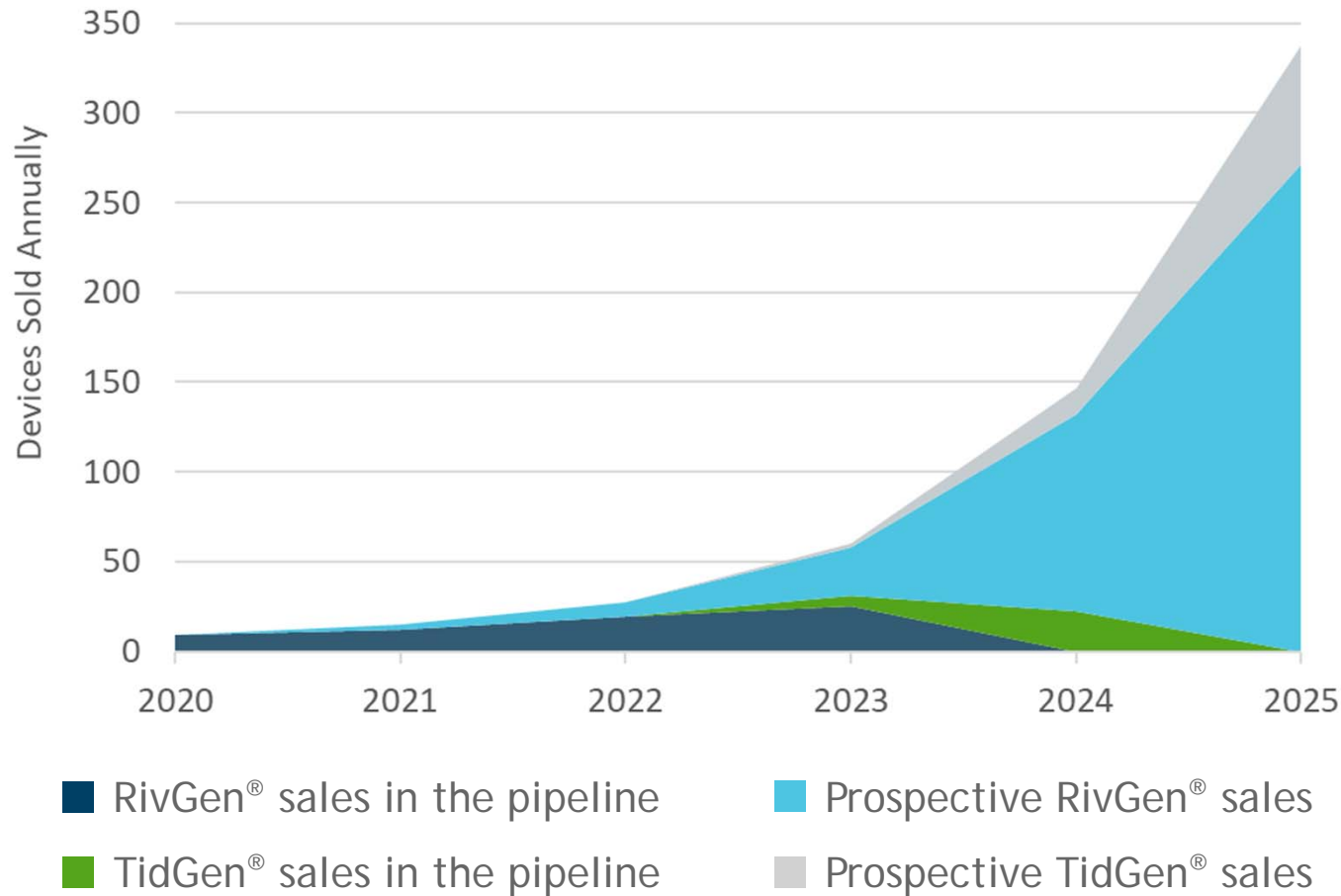
*Investments made in projects and revenues received through project ownership are not included in projections.*



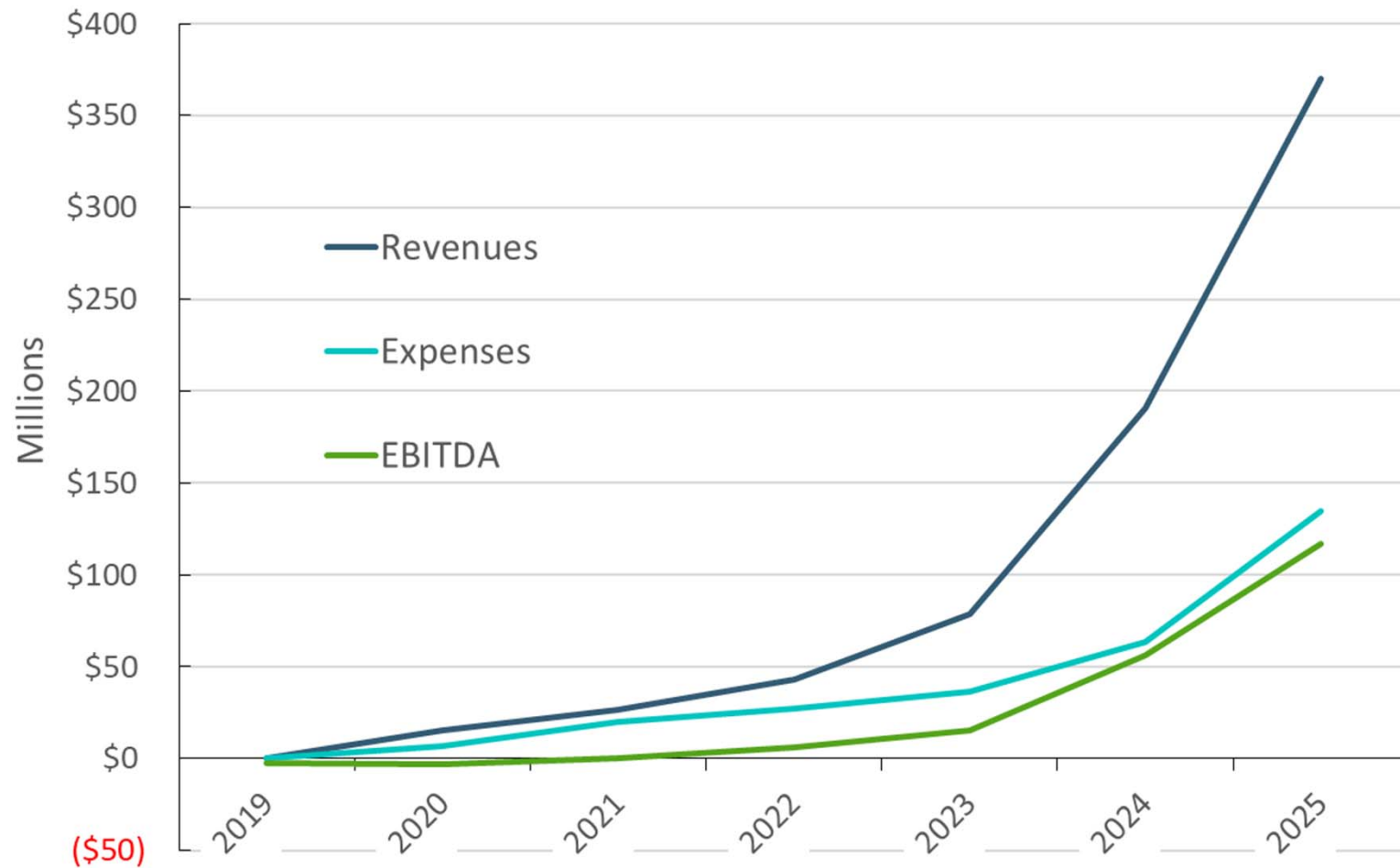
# ORPC Near Term RivGen® Sales Process



# ORPC Device Sales Projections thru 2025



# Financial Projections thru 2025



## 2-Year Budget Projections

- Based on delay in TidGen<sup>®</sup> procurement until late 2021, updated RivGen<sup>®</sup> sales projections, adding needed staff, and providing for working capital, and contingency
- Total 2-year budget (1/1/19 to 1/1/21) is \$19.7MM

<u>Source</u>	<u>Amount</u>
Carryover from 2018	\$1.5MM
Committed Investment	\$1.0MM
Drawdown from Grants	\$3.3MM
RivGen <sup>®</sup> Sales & Services	\$6.4MM
New Investment Needed	<u>\$7.5MM</u>
Total	\$19.7MM

Total Need  
of \$7.5  
Million

- Cash flow breakeven projected to occur by end of 2020



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  
Merci  
Gracias*

