

## *Introduction*

- Paragon Technologies, the largest shareholder of Ocean Power Technologies (OPT), owning approximately 4.9% of the outstanding shares of the Company.
- **Earlier this year Paragon expressed serious concerns about OPT's alarming financial and share price underperformance under the current Board and CEO.** Since raising those concerns OPT's financial deterioration has gotten significantly worse.
- Under the leadership of the current Board and CEO, **OPT's share price has declined from \$2.50 a share to \$0.31, a decline of nearly 90%.**
- Paragon believes the Board and CEO have been misleading shareholders by making positive statements about the Company's future while the financial condition of the Company continues to deteriorate.
- OPT share price is very likely headed lower in 2024 unless a significant restructuring happens immediately, and change is made at the Board of Directors.
- **Paragon believes OPT could be worth +\$3 a share, or 10x return, with an improved operating cost structure, disciplined capital allocation, and a realigned focus on potential growth of Marine Advanced Robotics.**

# ***OPT's Board and CEO Continue to Mislead Shareholders Leading Them Down a Disastrous Path for Shareholders – Vote ONLY the BLUE Proxy Card to Send a Clear Message!***

## **OPT's Misleading Statements...**

- OPT's Board tells shareholders to protect their investment by voting for their Board.
- OPT's Board tells shareholders votes for Paragon will not be counted.
- OPT's Board claims to have taken decisive action to create shareholder value.
- The newly installed CEO and three directors, since 2020, have exponentially increased costs and losses while OPT continues to generate minimal revenues.
- The Board claims it seeks to work constructively with Paragon.

## **...and the Evidence**

- Under the current Board and CEO, OPT's stock price has declined in value by 90%.
- The Delaware Courts will determine the votes ***that count***
- Under the leadership of the Board and CEO, OPT has reported deteriorating financial condition each year.
- Management and the Board refuse to significantly cut costs while they pay themselves more money.
- ***Management and the Board*** continue to spend millions of dollars painting a false narrative of the business aiming to hold their Board seats by taking actions depriving shareholders a voice in

***Make your vote count and send a clear message that the Board's self-serving tactics have harmed shareholders – vote ONLY the BLUE Proxy Card***

- Disregard any WHITE proxy from OPT. Do NOT vote WITHHOLD. ***Instead send a strong message and ONLY vote the BLUE proxy.***
- If you voted to withhold, you can change your vote and send a stronger message by voting the BLUE proxy card.
- The BLUE proxy card is the ONLY VOTE AGAINST the current Board.
- Do not cast any vote on the WHITE card.

***Make your vote count and send a clear message that the Board's self-serving tactics have harmed shareholders – vote ONLY the BLUE Proxy Card***

- Your vote matters and it will not be up to OPT to determine if your vote counts.
- Please email us at [ir@pgntgroup.com](mailto:ir@pgntgroup.com) about how to vote your BLUE proxy card or contact our Proxy Solicitor, Alliance Advisors at [OPTT@allianceadvisors.com](mailto:OPTT@allianceadvisors.com).
- A vote on the BLUE proxy card is the ONLY VOTE AGAINST the current Board.
- **Do not cast any vote on the WHITE proxy card.**

By voting on Paragon's BLUE universal proxy card, you can send a message to OPT that you do not support their actions in relation to the Annual Meeting and attempting to block the recognition of Paragon's nominees. OPT has said that it will disregard proxy votes in favor of Paragon's director nominees. Whether OPT may lawfully disregard Paragon's director nominees is an issue that Paragon expects will be resolved by the Delaware courts. Stockholders should review the section of Paragon's proxy statement titled "Questions And Answers Relating To This Proxy Solicitation-- Why is OPT saying it will disregard Paragon's director nominations, and how does that impact proxies that stockholders provide to Paragon?"

***Our director nominees have a distinguished track record of delivering sustainable, significant shareholder value while remaining 100% aligned with ALL shareholders. We will do the same at OPT.***

- Paragon Technologies is a diversified holding company with business activities in automation, technology distribution, and real estate. In 2010, Paragon's current Board was appointed and in 2015, Paragon Chairman/CEO Sham Gad was appointed CEO of automation subsidiary SI Systems.
- Insiders own nearly 30% of Paragon, with an approximate 28% stake owned by Sham Gad, Chairman and CEO. Over 93% of his holdings were purchased in the open market.
- Since Mr. Gad's appointment as CEO in 2015, Paragon Technologies has evolved from a single subsidiary automation business to a diversified holding company with three profitable subsidiaries.
- From 2015 to 2022, Paragon's revenues have grown from \$11.6 million to \$108 million and operating profit from \$848,000 to \$3.6 million, respectively.<sup>1</sup>
- Since 2015, Paragon shares have increased **nine-fold, over 800%, an annualized return of approximately 35% per year** versus 15% and 18% per year for the S&P 500 and Nasdaq, respectively.

1. FINANCIAL DATA FROM PARAGON TECHNOLOGIES 2015 AND 2022 ANNUAL REPORT FILED WITH THE OTC.

2. SHARE PRICE DATA PROVIDED BY MORGAN STANLEY/E-TRADE AND REFLECTS SHARE PRICE OF \$0.85 AS OF 1/1/2015 AND \$9.00 ON 1/38/2024