

Nocopi Technologies, Inc.

OTC Pink: NNUP

Reactive Ink Technologies for Security & Consumer Product Applications





Safe Harbor for Forward-Looking Statements

This release may contain projections and other "forward-looking statements" relating to Nocopi's business, that are often identified by the use of "believes," "expects" or similar expressions. Forward-looking statements involve a number of estimates, assumptions, risks and uncertainties that may cause actual results to differ materially from those anticipated. Forward-looking statements may address uncertainties regarding customer preferences or demand for products incorporating Nocopi technology that underlie the company's revenue expectations, the company's ability to develop new products and new product applications, the financial condition of customers and the timeliness of their payments, the impact of fluctuations in currencies, global trade and shipping markets, etc. Actual results could differ from those projected due to numerous factors and uncertainties, and Nocopi can give no assurance that such statements will prove to be correct nor that Nocopi's actual results of operations, financial condition and performance will not differ materially from those reflected or implied by its forward-looking statements. Investors should refer to the risk factors outlined in Nocopi's Form 10-K, 10-Q and other SEC reports available at www.sec.gov/edgar. Forward-looking statements are made as of the date of this news release; Nocopi assumes no obligation to update these statements.

www.nocopi.com

About Nocopi (www.nocopi.com)



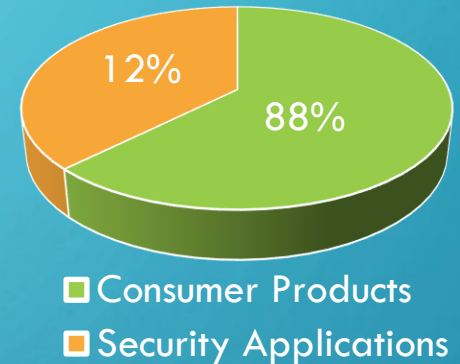
Nocopi develops specialty reactive inks that are invisible when printed but transform into vibrant colors when scratched or written on with proprietary developing agents. Nocopi's unique technology has been proven commercially valuable for a growing base of consumer products and in security applications for global brands across automotive, cosmetics, pharmaceuticals, fragrances, and other sectors.

Consumer Products: Nocopi inks and clear developing agents enable a variety of mess-free activity books, coloring books and other printed items for entertainment and educational applications, targeted principally at kids.

- *Popular Topics, High Profile Brands*
- *Mess Free & Creative*
- *Parent friendly "no TV or computer screens"*
- *Value price, broadly available*

Security: Nocopi technology has also be proven highly effective combatting document and receipt fraud; product counterfeiting and/or the diversion of products into unauthorized markets. Nocopi's inks and technologies are protected by multiple patents and trade secrets.

2019 Revenue Sources



Nocopi at a Glance



Recent Price	\$0.17	Cash*	\$1.1M
52wk Range:	\$0.026 - \$0.25	Working Capital*	\$2.1M
Shares O/S **:	67.4M	Book Value*	\$2.9M
Market Cap:	\$10.5M	Enterprise Value:	\$9.4M

** At August 10, 2020

* At June 30, 2020

Q2 '20

<i>Revenue:</i>	\$627k
<i>Rev Growth</i>	22%
<i>Net Income:</i>	\$71k
LTM P/E:	14x

Consumer Products



Nocopi licenses its ink technology to produce a range of activity books for sale worldwide. The products feature a mix of branded and non/branded content, including many of the highest profile entertainment brands.

Nocopi-powered products are available in over 80,000 retail outlets across North America and online:

- Walmart, Target, Amazon, etc.
- News stands
- Drug, convenience & specialty stores
- Airport, train, bus stations, rest stops & newsstands



"imagine ink"



"INKcredibles"

Security Applications



Nocopi licenses its ink technology to combat fraud, counterfeiting & gray market product diversion for global customers across:

- Automotive parts
- Fragrances / cosmetics
- Luxury / designer goods
- Cash register receipts
- Pharmaceuticals
- Eye care & accessories
- Music & movie products
- Veterinary medicine
- Document reproduction



“Invisible” Nocopi inks are printed on packaging, labels, forms, etc. and revealed by the customer using a variety of security market methods.

Nocopi Security Inks Ready to Ship

Security Market Growth Prospects

Nocopi “embedded” with several long-term Fortune 500 customers

- While the sales cycle can be slow, the business is recurring and offers substantial growth potential.

Managing global supply chain security is a growing and increasingly complex opportunity with significant financial consequences.

Imported fake goods estimated to be \$509B or 3.3% of worldwide trade - 24% of US brands/patents impacted*

Nocopi continues to develop technology easily & cost effectively incorporated into existing product manufacturing workflow.

Some technologies are trade secrets where we haven't filed patents to document how they are made.

We wish we could say more - but our customers require secrecy.

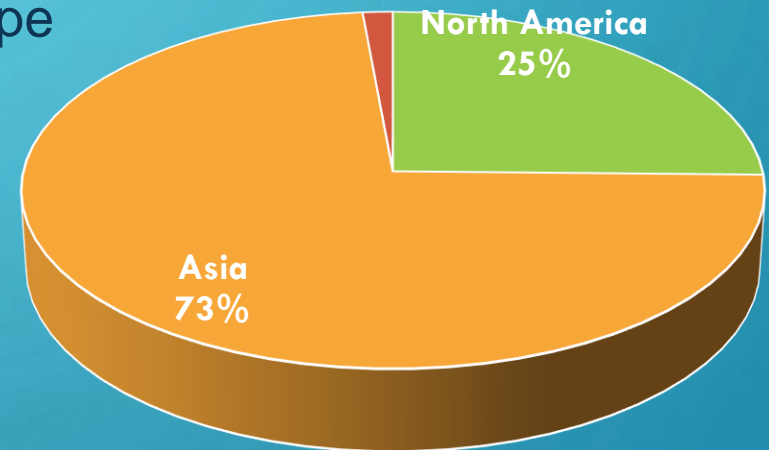
**Source Organization for Economic Cooperation & Development (OECD)*

Growth Opportunities



- New Product Formulations/Applications
 - Consumer
 - Security
- Growing Customer Relationships
 - New products and customers
 - Expanded distribution; includes Europe
- Pricing / Margin Opportunities
- Potential Vertical Integration
- Ongoing Cost Management

Revenue by Territory – H1 2020



Revenue & Cash Flow Growth



		Financial Highlights			
	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19
Revenue	\$627,300	\$520,300	\$974,400	\$637,500	\$516,100
Net Income	\$70,800	\$52,600	\$311,200	\$206,800	\$148,900
Weighted Ave. Shares	61M	61M	60M	60M	59M
Cash	\$1,052,000	\$1,205,00	\$688,000	\$798,000	\$506,500
Total Current Assets	\$2,566,000	\$2,379,000	\$2,303,200	\$1,874,600	\$1,562,400
Working Capital	\$2,065,000	\$1,926,000	\$1,835,300	\$1,454,600	\$1,132,800
Book Value	\$2,913,000	\$2,842,000	\$2,789,700	\$2,450,500	\$2,201,000
Book Value Per Share	\$0.047	\$0.046	\$0.046	\$0.041	\$0.037

Capital Allocation Priorities



Reinvest Cash Flow to Enhance Shareholder Value:

- *New Product Development*
- *Sales, Marketing & Brand Awareness*
- *Opportunistic Share Repurchases*
- *Possible Joint Product Development JVs*
- *M&A focused on complementary businesses*
- *Dividends / Return of Capital*

Open to Strategic Alternatives to Accelerate Value Creation.

Investment Merits

- Proprietary tech enables high margin revenue + royalties
- Scalable “asset light” business with limited operational needs
- Proven lean team with financial & operating discipline
- Substantial growth potential via expanded global distribution and new technologies, applications and customers
- Trades 14x LTM EPS despite 39% adj. revenue growth in 2019
- \$1M net cash position + positive cash flow
- NOLs to shelter ~\$1.6M of future income from taxes
- Executing IR plan to “get on the radar” & build liquidity

Industry Valuations — *figures in \$M*

Name	Ticker	Mkt Cap	EV	TTM	
				Revenue	P/E
Newell	NWL	7,430	13,600	9,190	32
ACCO	ACCO	665	1,660	1,790	8
Scholastic	SCHL	840	760	1,500	64
Ingevity	NGVT	2,350	3,550	1,220	14
PolyOne	POL	2,260	2,210	2,685	24
Digimarc	DMRC	190	167	23	7.5 *
Intellicheck	IDN	140	137	10	13*
Nocopi	NNUP	10.5	9.4	2.8	14

* Indicates Price / Sales

INDUSTRY color key
Consumer
Publishing
Specialty Chemicals
Security / Authentication

Share Ownership



Executives/Directors	Shares	Percentage
Michael Feinstein, MD - CEO	3,752,083	6.2%
Herman Gerwitz - Director	918,196	1.5%
Philip White – Director	311,245	0.5%
Marc Rash - Director	208,333	0.3%
Terry W. Stovold - COO	12,000	-
<i>Total</i>	<i>5,201,857</i>	<i>8.6%</i>

5% Stockholders

SRK Fund I, LP Group **	13,228,079	21.9%
Philip Hudson **	5,637,918	9.3%
Ross Campbell **	3,264,457	5.4%
Westvaco Brand Security	3,917,030	6.5%

- *Sub of WestRock (NYSE: WRK)*

**** members of a 13D/A filing schedule**

Operating Results



	Three Months ended June 30	
	2020	2019
Revenues		
Licenses, royalties and fees*	\$ 107,100	\$ 192,000
Product and other sales	520,200	324,100
	<u>627,300</u>	<u>516,100</u>
Cost of revenues		
Licenses, royalties and fees	58,600	31,600
Product and other sales	247,200	123,400
	<u>305,800</u>	<u>155,000</u>
Gross profit	<u>321,500</u>	<u>361,100</u>
Operating expenses		
Research and development	41,900	39,400
Sales and marketing	86,000	74,300
General and administrative	120,000	86,900
	<u>247,900</u>	<u>200,600</u>
Net income from operations	<u>73,600</u>	<u>160,500</u>
Other income (expenses)		
Interest income	4,300	1,500
Interest expense, bank charges and accretion of interest	(2,100)	(2,700)
	<u>2,200</u>	<u>(1,200)</u>
Net income before income taxes	<u>75,800</u>	<u>159,300</u>
Income taxes	5,000	10,400
Net income	<u>\$ 70,800</u>	<u>\$ 148,900</u>
Basic and diluted net income per common share	\$.00	\$.00
Weighted average common shares outstanding		
Basic	61,044,698	58,616,716
Diluted	61,605,985	58,973,280

* Q2'20 revenues from licenses, royalties and fees do not reflect approximately \$100,000 in quarterly minimum guaranteed royalties received in cash during Q2'20. These royalties were previously recorded as revenues pursuant to an amended and extended four-year licensing agreement with a major customer. Pursuant to the agreement, which went into effect on July 1, 2019, Nocopi expects to receive approximately \$100,000 in minimum guaranteed royalty payments each quarter, through Q2'23, which payments will not be recorded as revenue.

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