



World Leaders in Underwater Sensors & Robotics

Kraken Robotics Inc.
(TSX-V: PNG, OTCQB: KRKNF)
February 2018



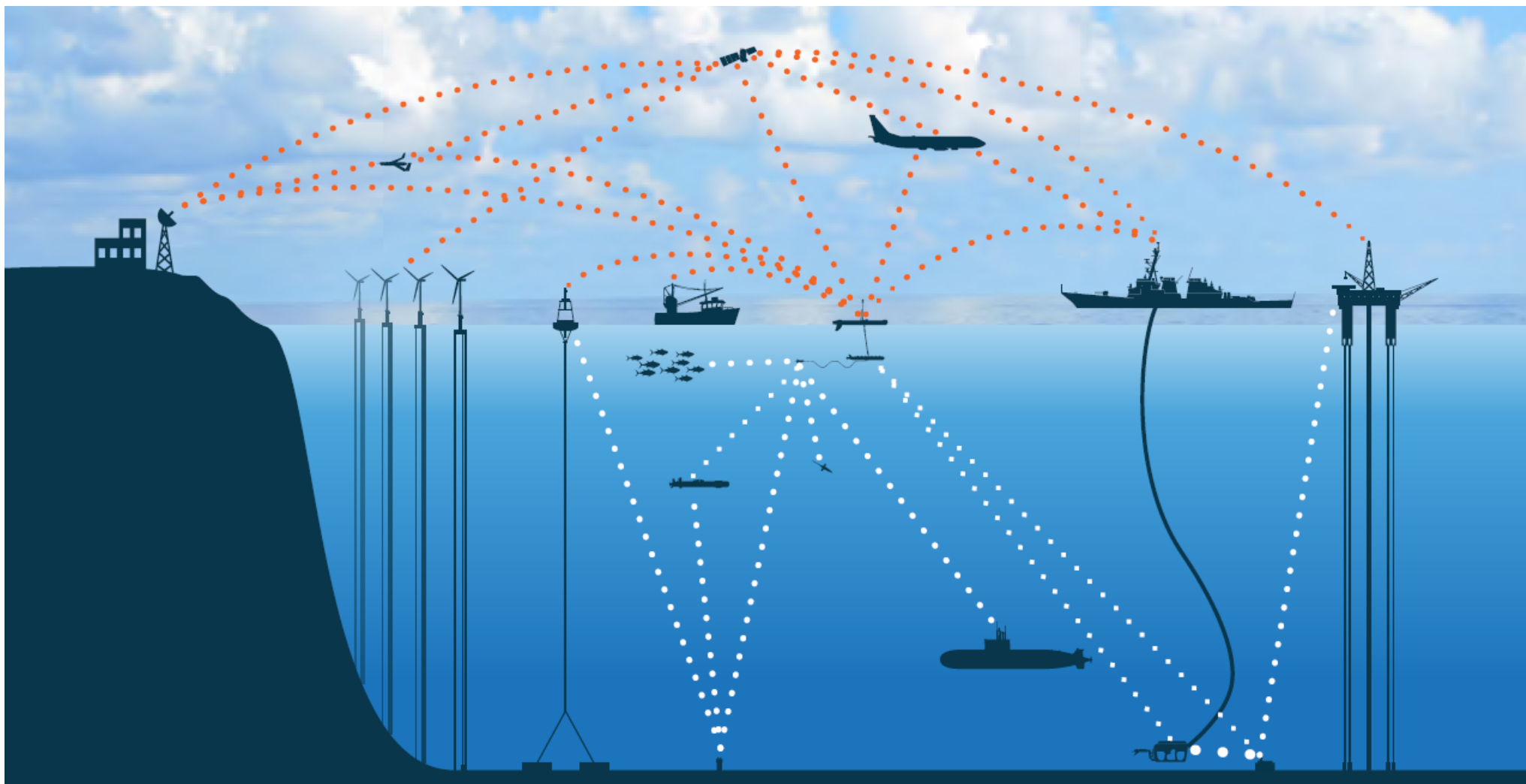
Forward Looking Statements

Some statements herein contain forward-looking information. The use of any of the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "will," "plans," "project," "should," "target" and similar expressions are intended to identify forward-looking statements. These statements may include, but are not limited to, statements with respect to potential markets and contracts, the completion of a proposed transaction, sales and EBITDA projections or potential applications.

These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors and assumptions include, among others, the effects of general economic conditions, the ability to project future sales and margins from current fundamentals and assumptions about market share, changing foreign exchange rates and actions by government authorities or cross-border authorities with jurisdiction over waterways, and negotiations and misjudgments in the course of preparing forward-looking information. Kraken believes the expectations reflected in those statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this presentation should not be unduly relied upon. These statements speak only as of the date of this presentation. In addition, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements.

Known risk factors include risks associated with the ability to close contracts, working capital risk to be able to build inventory, loss of key personnel, lack of patents protecting intellectual property, changes in competing technology, continuing shrinkage of military budgets or other target customer budgets, risks associated with publicly traded company obligations, inability to raise required capital, and other potential risks that arise in the normal course of business. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law.

The Digital Ocean – Maritime RaaS



Corporate Overview

■ Kraken Is A Leader in Maritime Robotics

- Founded in 2012. IPO in February 2015 (TSX-V: PNG)
- Leveraging over \$25M in sensors & robotics IP, technology and products
- Evolving from Sensors to-Robotics as a Service (RaaS)

■ Advanced Technology & Proven Products

- Validated by leading navies and international defence contractors
- Exporting to 10 countries. Over US\$100M in active contract pursuits
- Significant contract wins over past 6 months confirms value proposition

■ Experienced Management & Technical Team

- 40+ employees in Canada, USA and Germany.
- Significant ocean technology expertise, deep industry insights, key relationships

■ A Significant Market Opportunity

- Maritime robotics positioned where aerial drones were in mid-90s
- Industry growing from US\$2B in 2017 to over US\$5B industry by 2020
- International partnerships and multi-sector collaboration to extend reach and revenue



Since 2012, Kraken has been named to the annual MTR 100 list every year – the top 100 marine technology companies in the world.

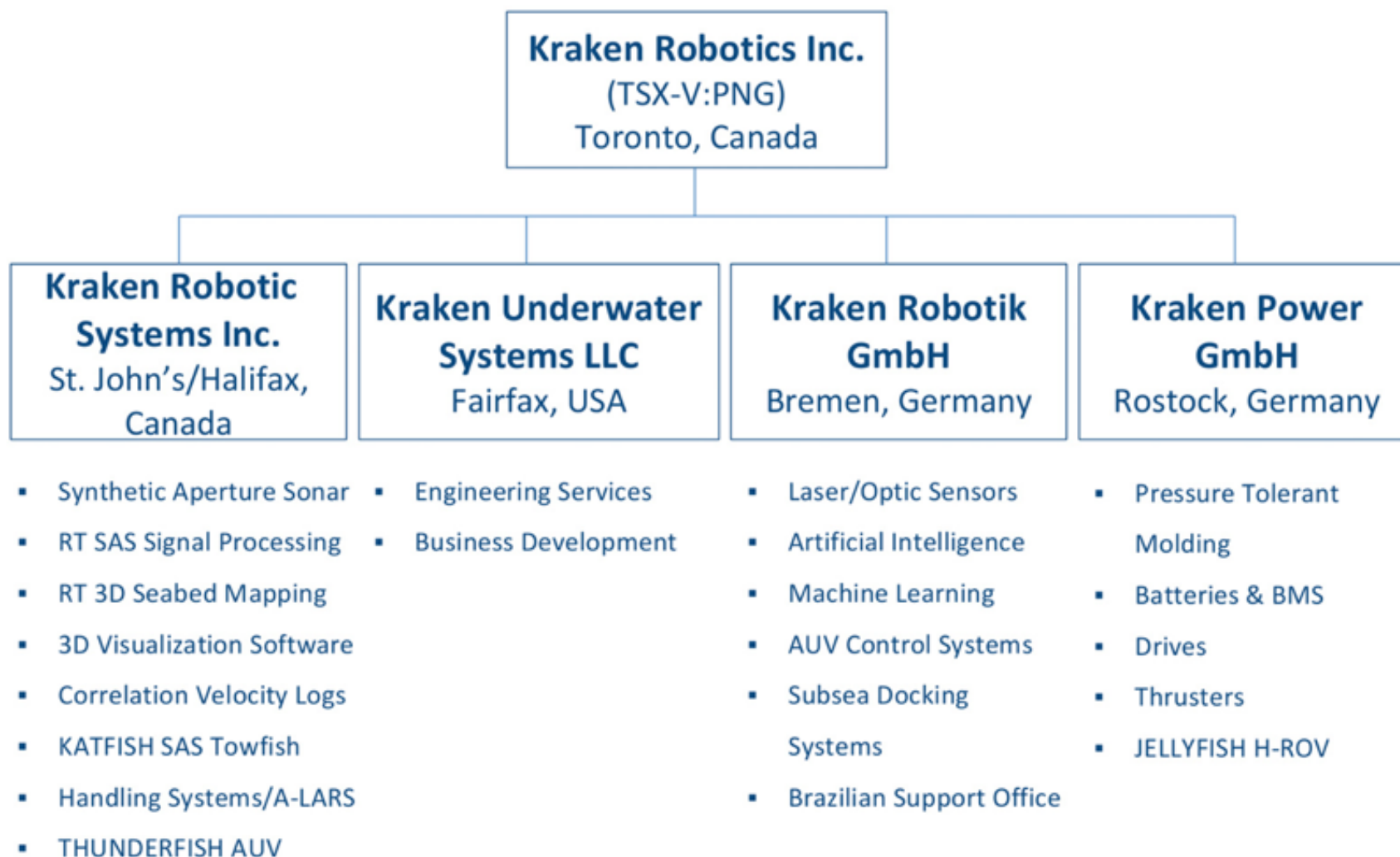




Reasons to Own Kraken Stock (TSX-V:PNG)

- Strong technology offering in industry with high barriers to entry
- \$100M+ active business pursuits with expected awards in next 12 months
- Short listed as one of two suppliers for contract worth \$70M+ to Kraken
- Proven technology, high value add, high margin business (60%+ gross margins)
- Emerging commercial market validation with recent notable contract wins with GE Oil and Gas; Ocean Infinity (conducting the MH370 search)
- Management and insiders own 37% of outstanding shares
- Current market cap is less than the value of \$25M+ company IP
- Maritime Robotics as a Service (RaaS)

Corporate Structure





Strong Management & Technical Team

Karl Kenny, President & CEO

- Co-founder of Telepix Imaging Inc., sold for \$50 million + shares
- Co-founder Marport Canada, President and CEO until Dec 2011
- Twice named to Top 50 CEOs by Atlantic Business Magazine
- Ex-Canadian Navy maritime surface officer and Microsoft employee pre-public company

Greg Reid, Chief Financial Officer

- 20+ years of finance, investment, and business development experience
- Founding partner of Wellington West Capital Markets, led technology and clean technology research and then investment banking efforts
- CPA, CA, CFA

Jeff Bartkowski, Director of Business Development

- 12 years experience in the marine technology industry specializing in imaging, navigation, and positioning
- 10+ years of sales and business development experience with both commercial and defense customers
- Worked at both larger marine technology companies such as Teledyne-RESON and iXBlue and start-ups such as Sea Machines Robotics

David Shea, VP Engineering

- Designed, built & operated AUVs for International Submarine Engineering, University of Southern Mississippi & University of Victoria
- BEng in Electrical Engineering from University of Victoria, specializing in Mechatronics
- Formerly Engineering Manager for Marine Robotics Inc. (Marport spin off)

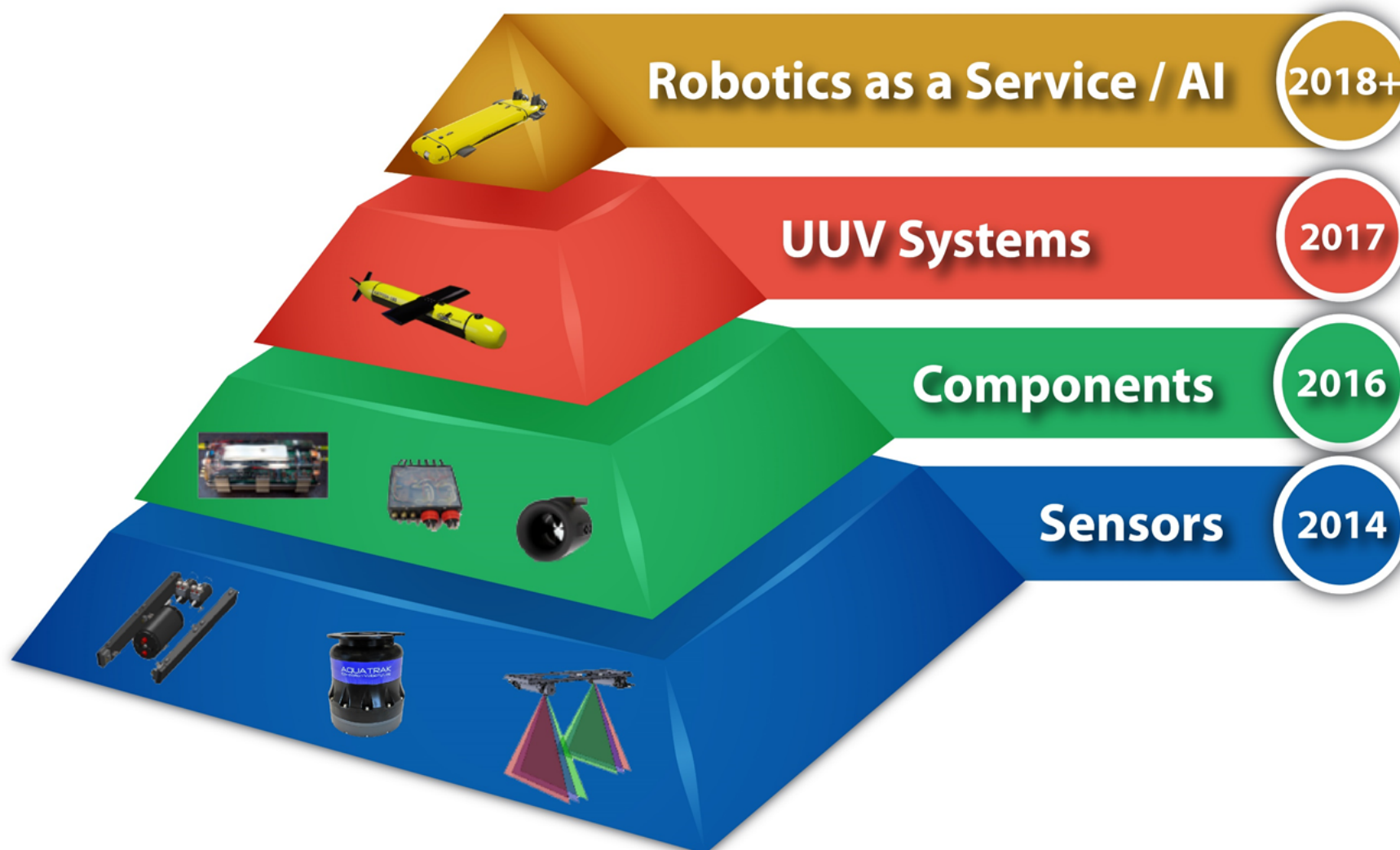
Dr. Tom Tureaud, VP Underwater Systems

- 30 years experience in the underwater community across a wide spectrum of disciplines, including technology development, prototype underwater systems development, & management of highly effective engineering teams.
- Previously senior engineer at Draper Laboratory and recently chief engineer at Vehicle Controls Technology.
- PhD in Mechanical Engineering from the University of Notre Dame.

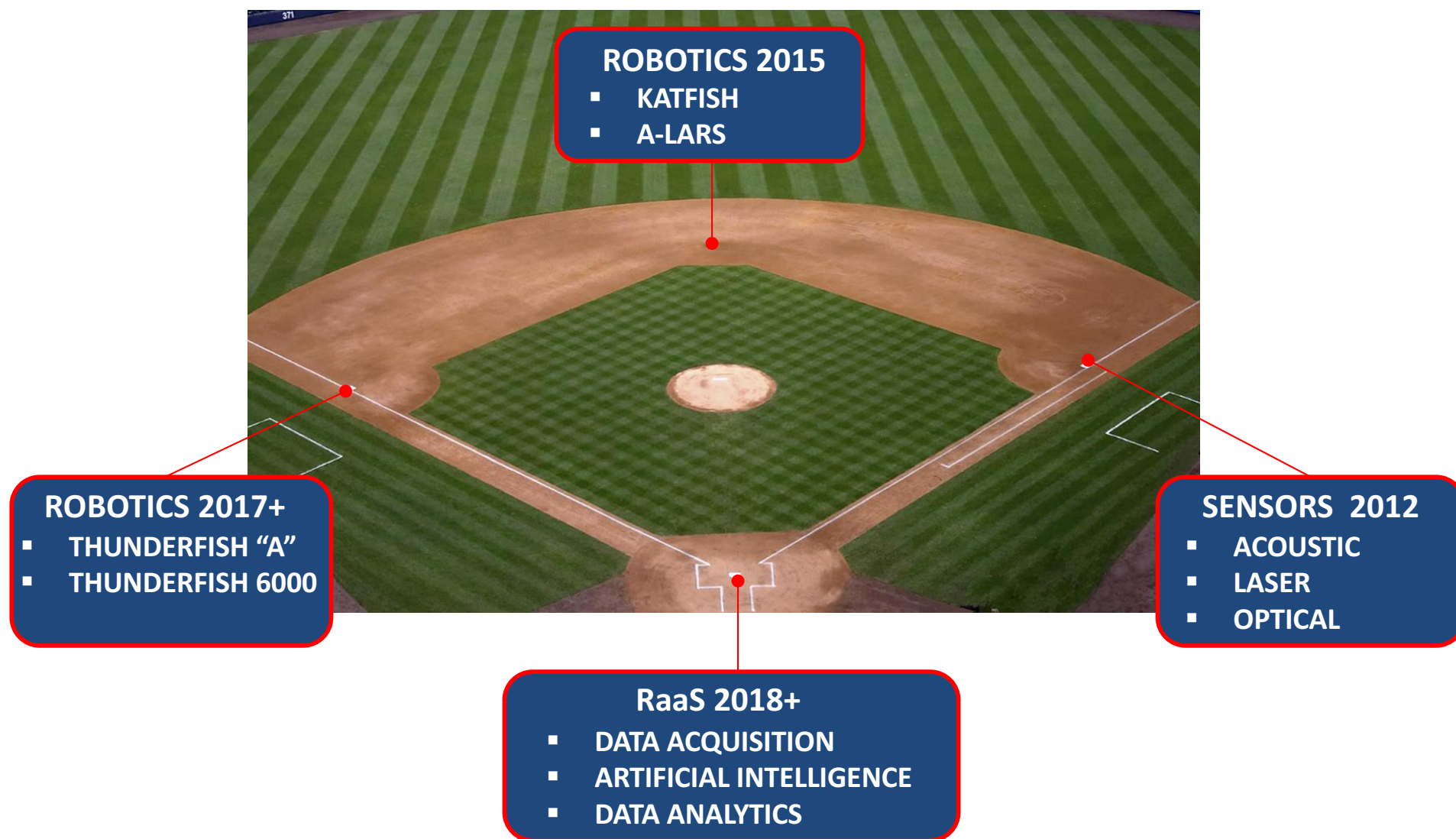
Dr. Jakob Schwender, Managing Director for Kraken Germany

- 10 years at DFKI, (the German Research Center for Artificial Intelligence) as an expert in autonomy, systems and software engineering for robotics, mission management, SLAM navigation, embedded systems, sensor processing and sensor fusion.
- PhD in Robot Navigation in 2013 and since then had led a multi-disciplinary team on autonomy.

Over \$25M in Sensor & Robotics IP



Kraken's Business Strategy



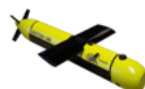
Maritime Products from \$50K to \$3M+

Product Portfolio

Sensors & Software

- AQUAPIX® Synthetic Aperture Sonar
- SEAVISION™ 3D Underwater RGB Laser
- INSIGHT™ RT Sensor Signal Processing
- SOUNDVIEW™ RT 3D Seabed Mapping
- 3D Visualization Software
- AQUATRAK® Correlation Velocity Logs
- Pressure Tolerant Encapsulation
- Batteries & Battery Management
- Drives & Thrusters
- LARS & Underwater Docking Systems

Unmanned Underwater Vehicles



Towed

KATFISH
US\$ 1,500,000
Now



Hybrid
Operation

JELLYFISH
US\$ 1,000,000
2018



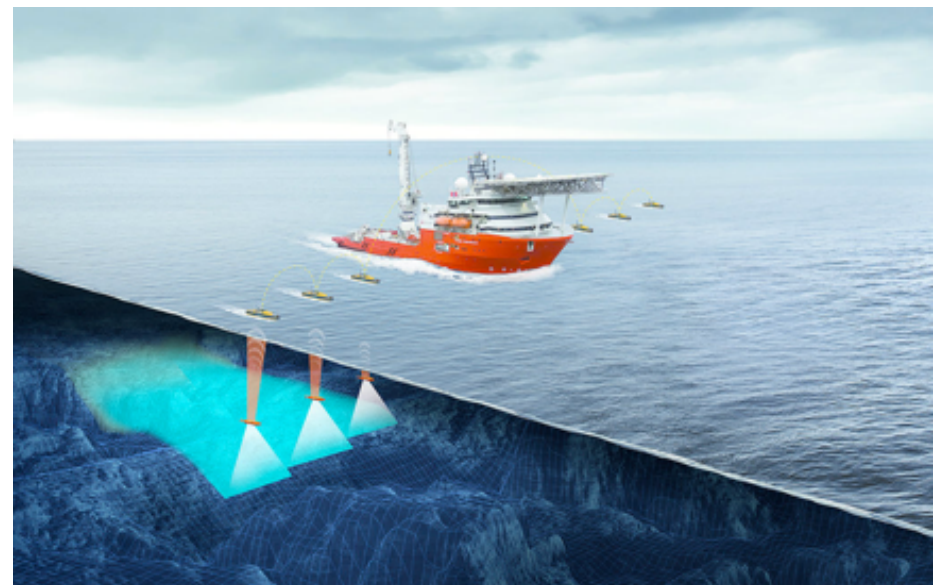
Autonomous

THUNDERFISH
US\$ 3,000,000
2018-2020



Recent Contract Announcements

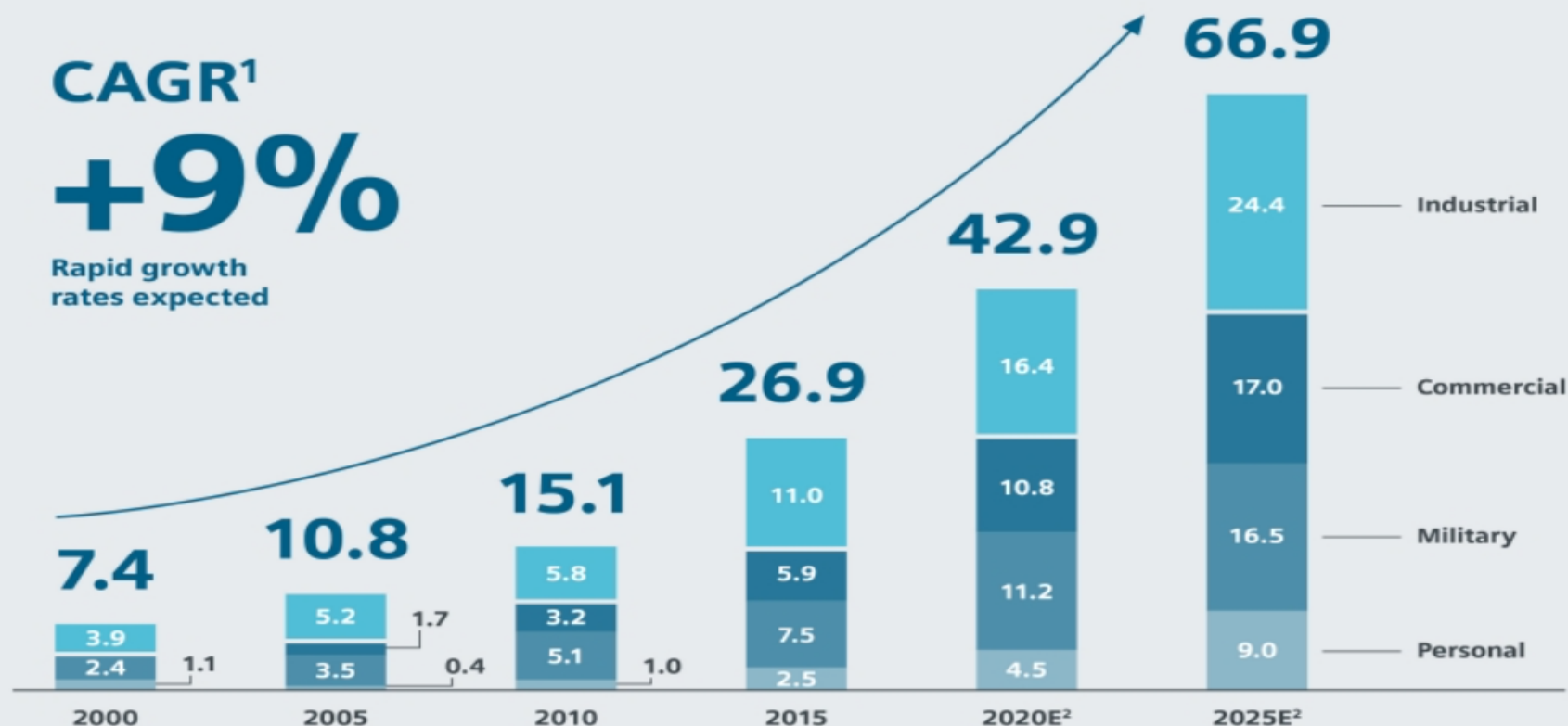
- **ECA Robotics** – French defense company; 2nd order for integration on Alister 18 AUV.
- **Atlas Elektronik** – KATFISH partner on India bid, MINSAS sale and integration onto SeaCat AUV, teaming agreement on Canadian RMDS and other
- **Unnamed Defence Customer** - \$2M robotics contract
- **Ocean Infinity** – \$3M contract to equip Kongsberg Hugin AUVs; will deploy flotilla of AUVs at once
- **GE Avitas** – Partnership for underwater robotics for predictive maintenance analytics of subsea assets
- **PRNL** - \$750,000 for robotics hardware and software for digitalization of oil fields



Robotics Are Transforming Industries

Worldwide Spending on Robotics is Expected to Reach US\$ 67 Billion by 2025

Global robotics market (US\$ Billions)

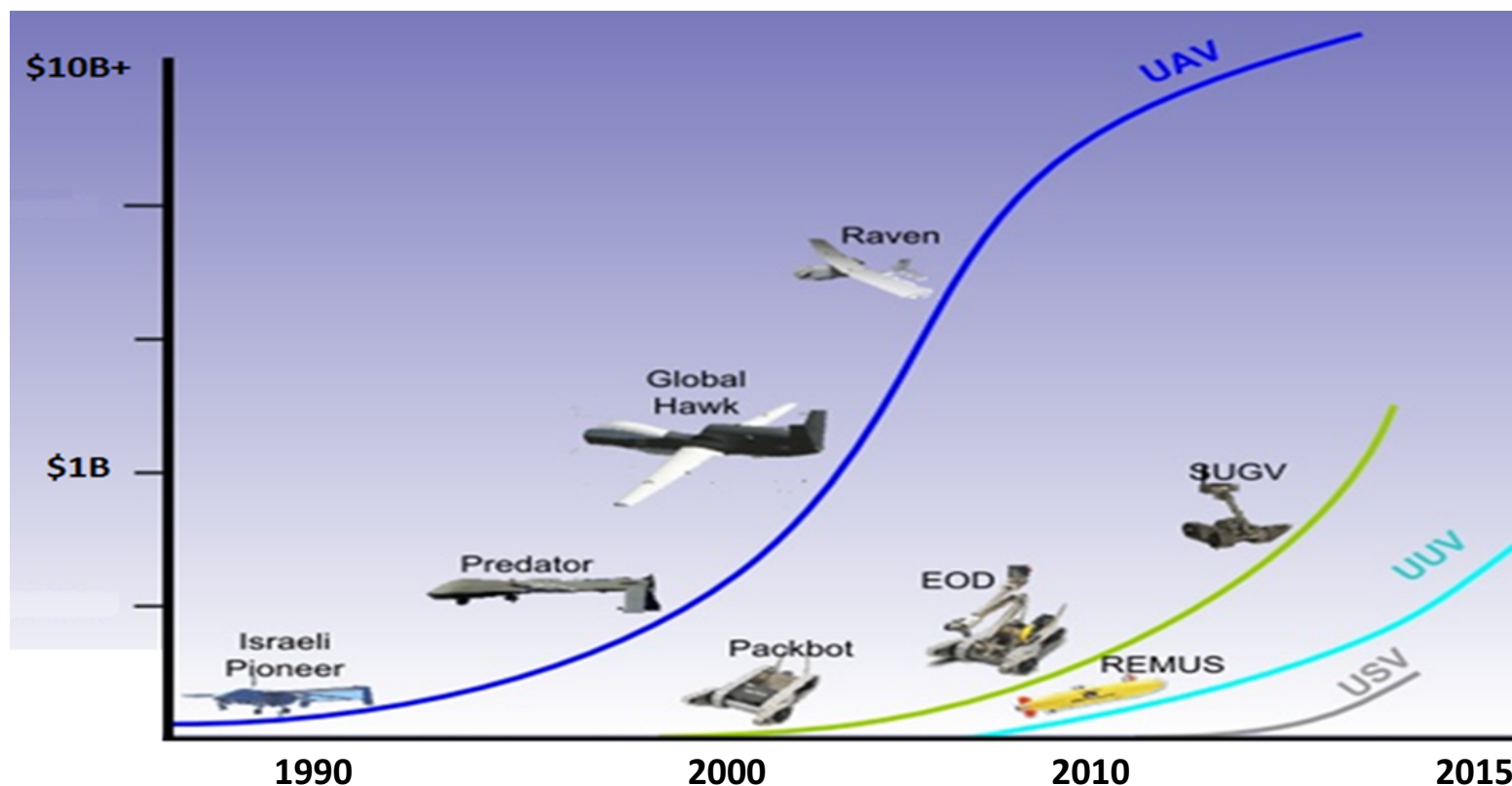


¹ Compound Annual Growth Rate

² E = Expected

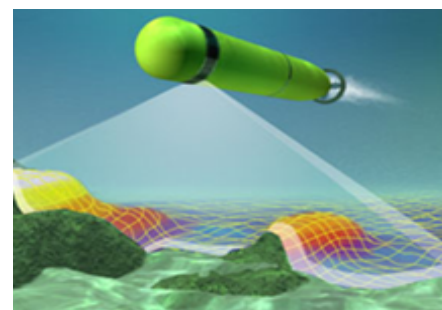
Source: International Federation of Robotics, Japan Robot Association; Japan Ministry of Economy, Trade & Industry; euRobotics; company fillings; BCG analysis.

Maritime Robotics Poised For Major Growth



Ocean drones now positioned where the \$10B+ aerial drone industry was in the 2000's. Ocean drones market growing from under \$1B in 2010 to over \$5B by 2020.

US\$5B Maritime Robotics Market By 2020



MILITARY

40%
\$2B

Mine Counter Measures

Intel, Surveillance and Reconnaissance

Anti-Submarine Warfare

COMMERCIAL

Hydrography, Oil & Gas, Subsea IRM, Science and Emerging Sectors

60%
\$3B

Cable & Pipeline Survey

Subsea Infrastructure Monitoring

Inspection, Repair & Maintenance

Hydrography & Seabed Mapping

Search, Locate & Recovery

Treasure Hunting & Salvage

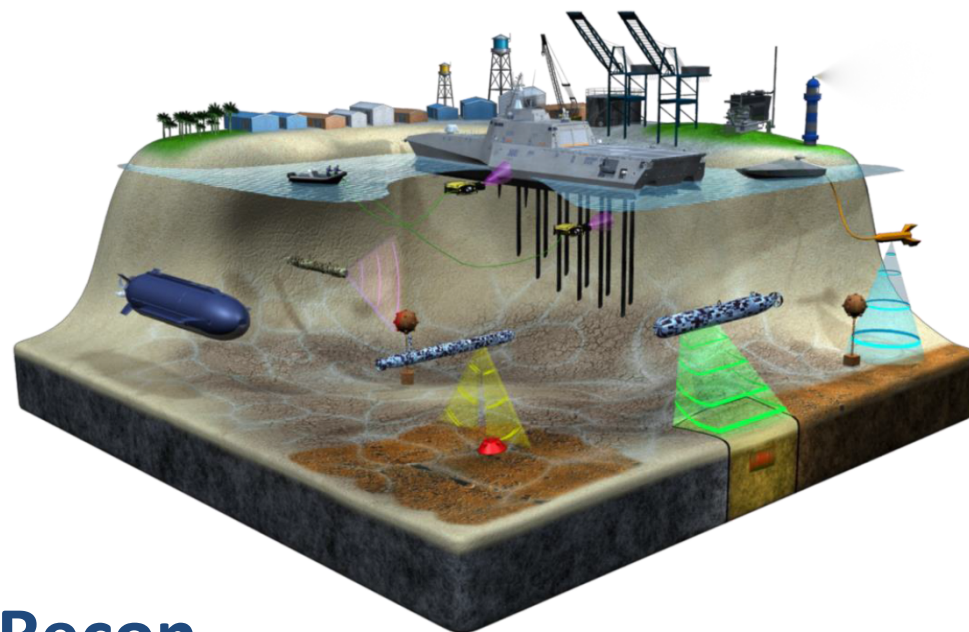
Offshore Wind, Wave and Tidal Farms

Ocean Thermal Energy Conversion

Seafloor Mineral Extraction

Military Applications

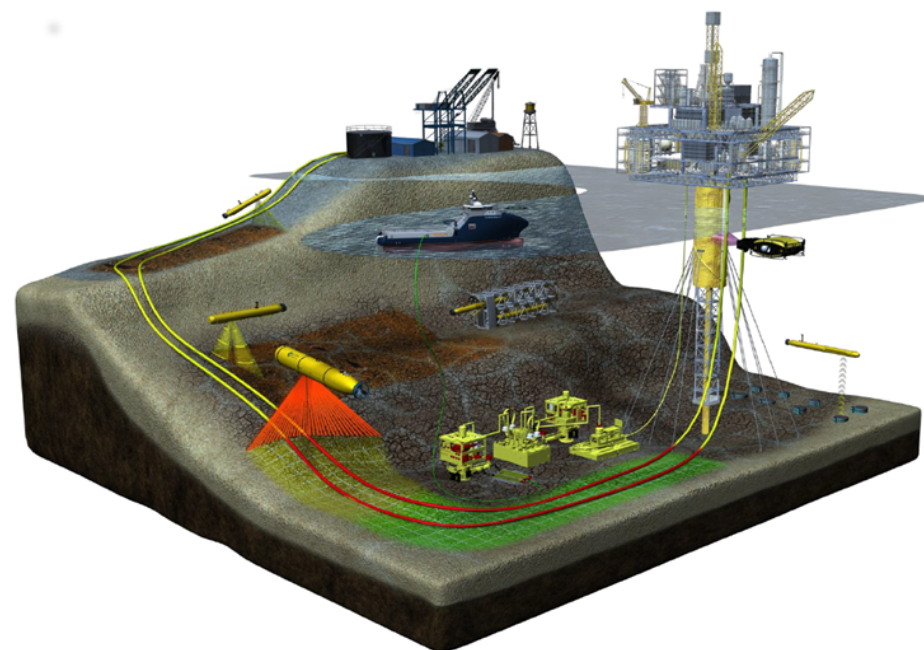
- **Mine Warfare**
500,000 underwater mines
- **Anti-Submarine Warfare**
400 operational submarines
- **Intelligence, Surveillance, Recon**
Special forces, covert operations, environmental assessment



Resurgence in underwater warfare driving demand for unmanned systems for “dull, dirty, dangerous” missions.

Offshore Energy Applications

- >7,000 fixed platforms
- >200 floating platforms
- >4,000 subsea wells
- >650 offshore drilling rigs
- >200,000 km subsea pipelines
- >4,000 offshore wind turbines
- >600,000 subsea connectors



Maintenance of existing infrastructure is a major driver for underwater sensors and robotics.

Synthetic Aperture Sonar Technology



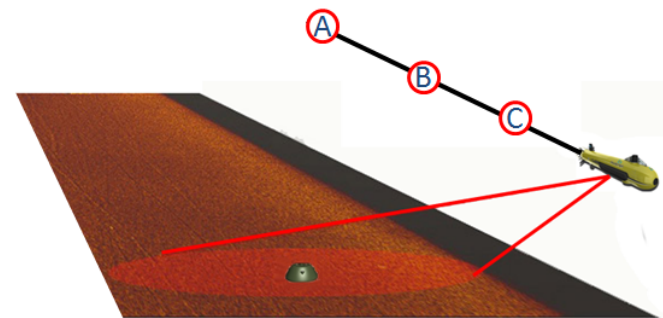
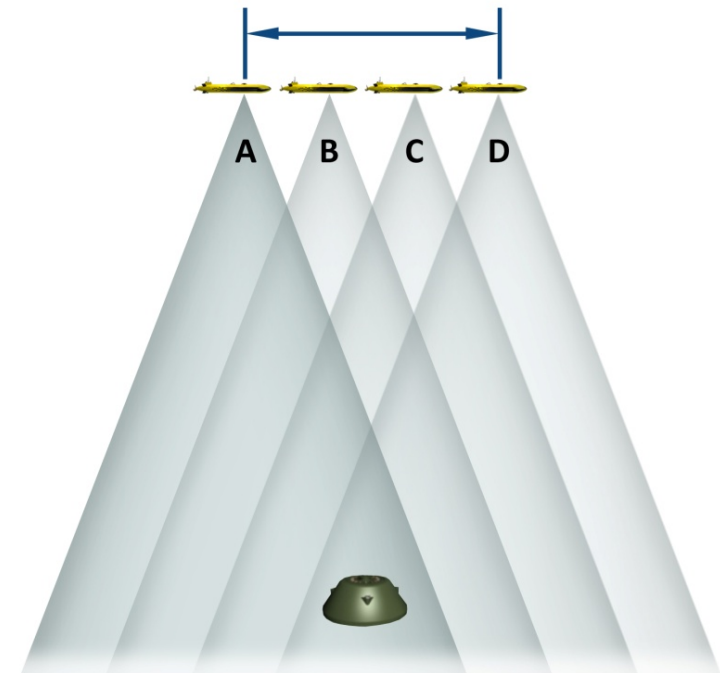
Compared to conventional sidescan sonar systems, SAS significantly improves the image resolution allowing for automatic detection and classification of small objects on the seafloor.

The principle of SAS is to move a sonar along a line and illuminate the same spot on the seafloor with several acoustic pings. This produces a “synthetic aperture” equal to the platform distance traveled.

SAS uses sophisticated signal processing software to coherently recombine the acoustic pings and create ultra-high resolution images.

SAS image resolutions are MCM GRADE (5cm) and provide over 10x the area coverage rates of conventional sidescan sonar.

Interferometric SAS enables real-time 3D bathy data that’s co-registered with the imagery.



Why Synthetic Aperture Sonar?



Ultra High Image Resolution

- Constant along/across track resolution of 3cm x 3cm
- 15x better compared to Real Aperture Sonar

Increased Area Coverage Rate

- Up to 4 km²/h
- Up to 600m swath
- 10x better compared to Real Aperture Sonar

Operational Safety

- Ability to fly high off-bottom
- 10x UUV altitude (ie. 30m altitude = 300m range /600m swath)

Additional By-Products

- Real-time, co-registered high resolution 3D bathymetry
- Multi-aspect creates optical-like quality imagery
- Shadow enhancement improves target classification
- Enables Real Time ATR
- SAS micro-navigation output to INS increases accuracy

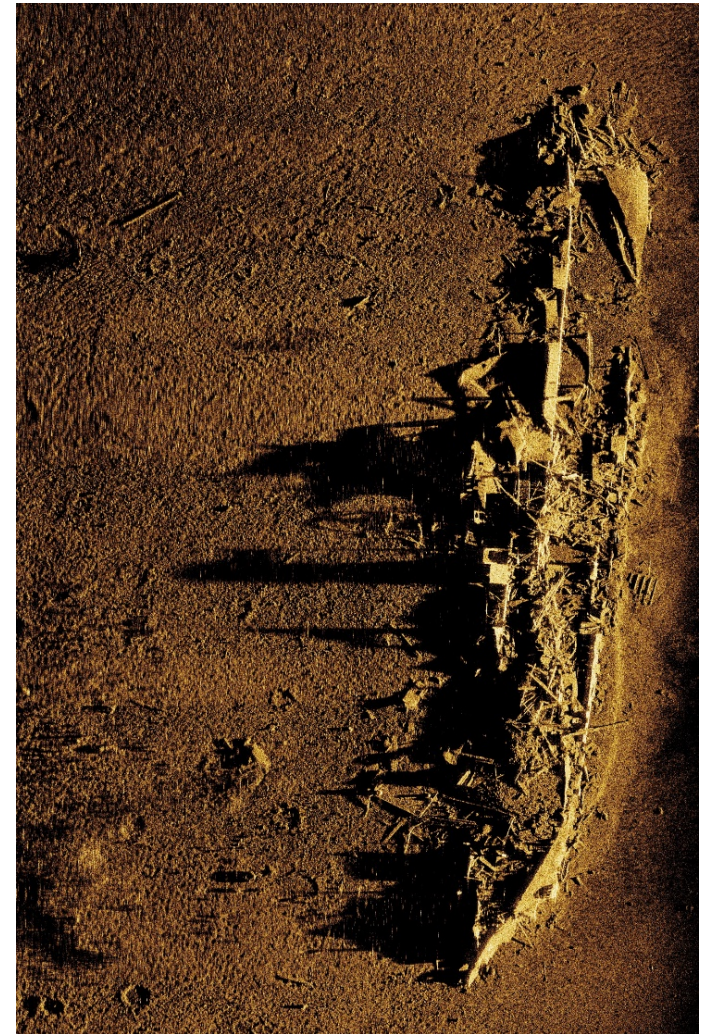
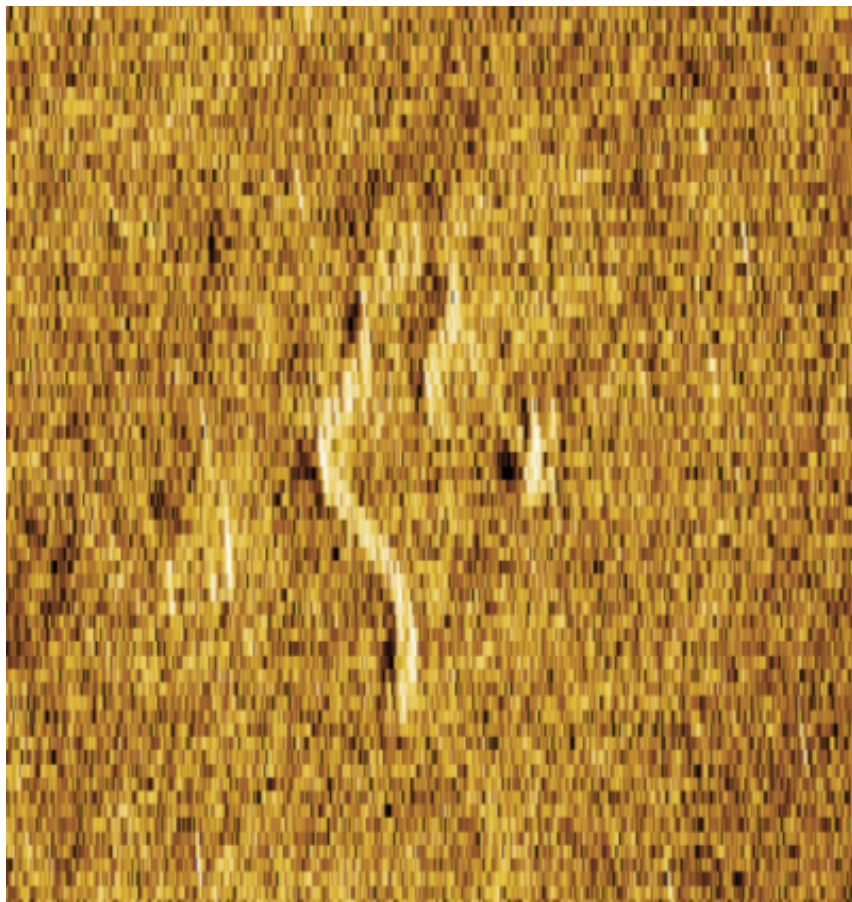


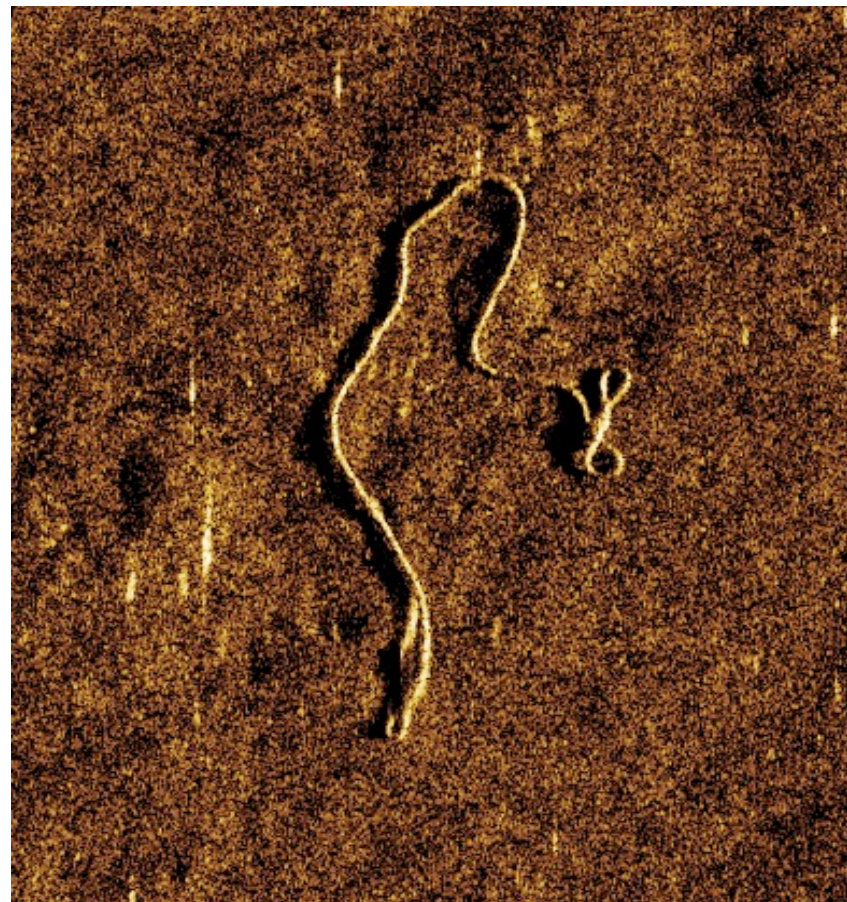
Image courtesy ECA Robotics

Synthetic Aperture Sonar Technology

Conventional Sonar vs Kraken's Sonar – Towrope (50m range)

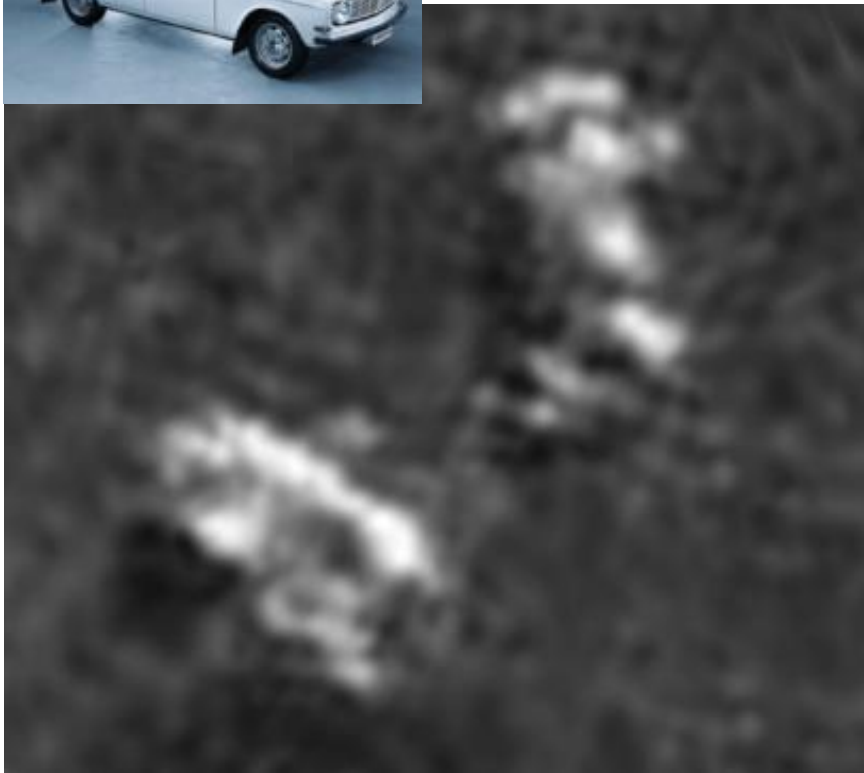


Conventional Sonar



Kraken AquaPix® SAS

Synthetic Aperture Sonar Technology

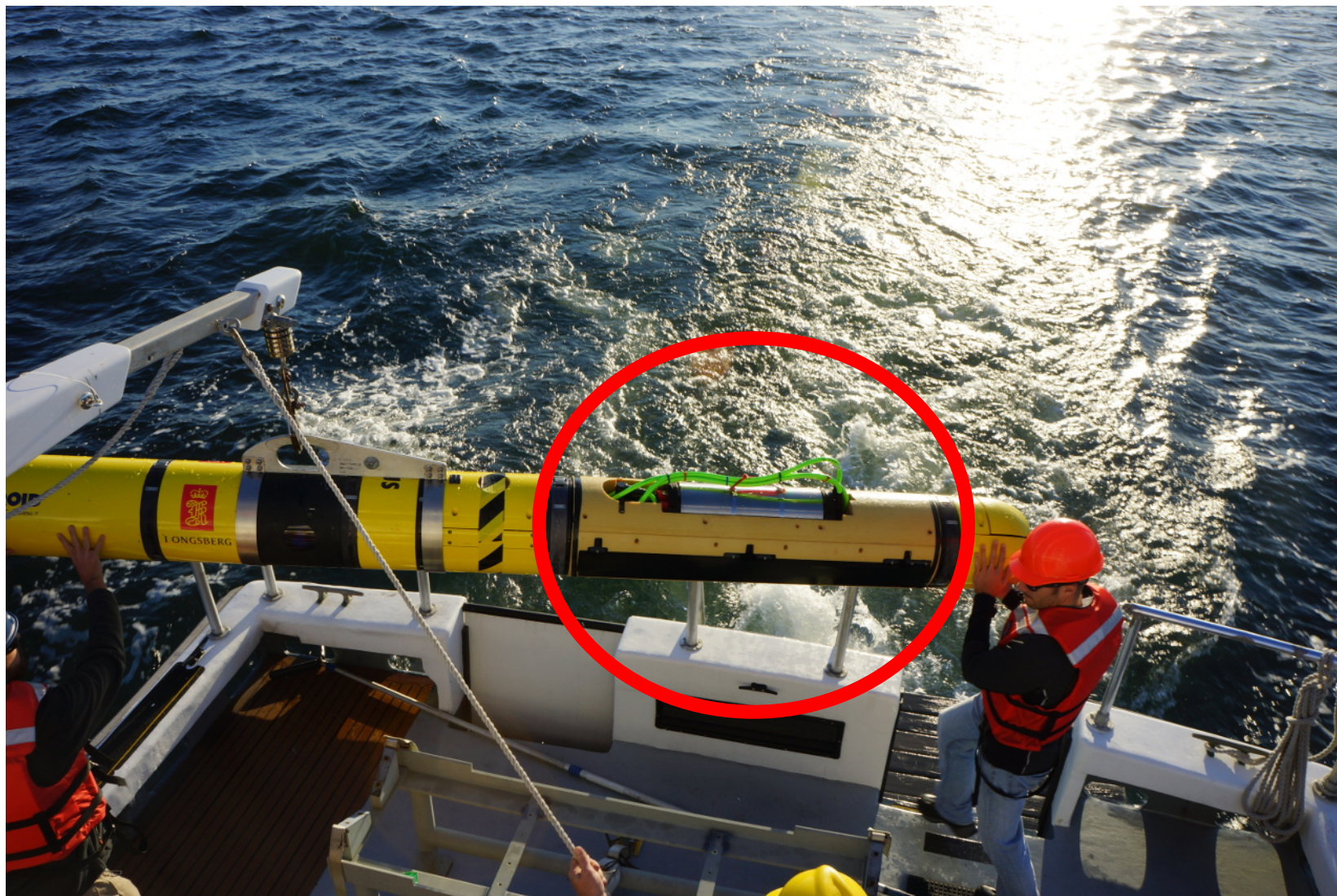


Conventional Side Scan Sonar
Pixel Resolution: 20cm @ 80m range



Kraken AquaPix® SAS
Pixel Resolution: 3cm @ 80m range

Kraken's SAS on US Navy Drone – Nov. 2017

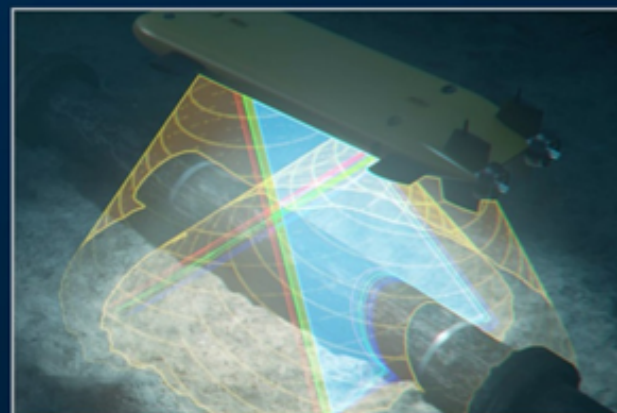
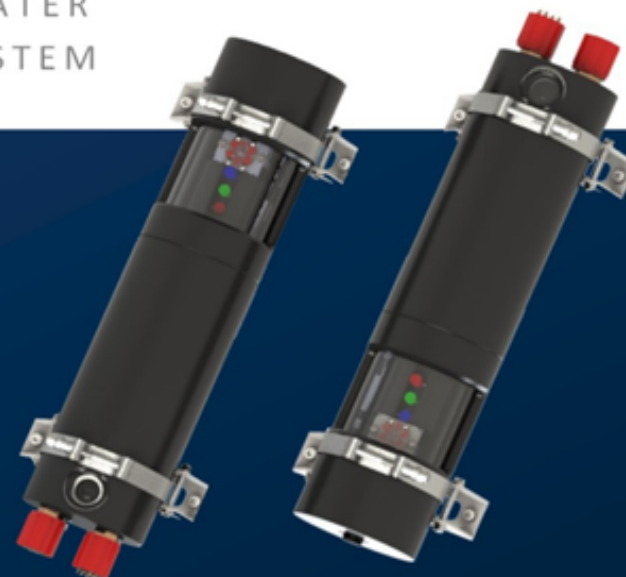


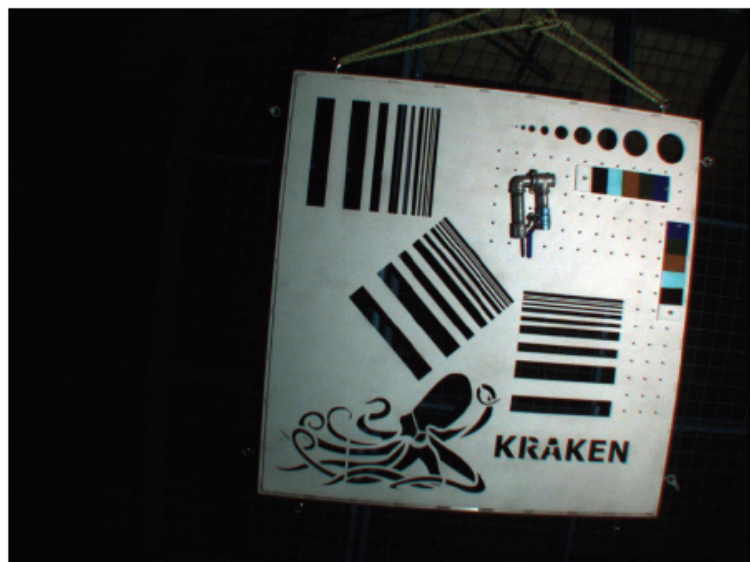
World's First Full Colour 3D Underwater Laser

SEAVISION™

3D UNDERWATER
IMAGING SYSTEM

- Ultra-high resolution
- Twin pods enable flexible mounting on ROVs and AUVs
- Dynamic (profiling) or static (scanning) operation
- Full colour point clouds from RGB lasers
- Unprecedented scan speed (300,000 points/second)
- High-sensitivity colour camera with live video streaming
- No wet moving parts
- Real-time signal and image processing
- Embedded inertial navigation system
- Simple in-field, on-deck calibration
- Compact and lightweight
(42 cm length x 11.4 cm diameter, 6 kg)
- Low capital cost



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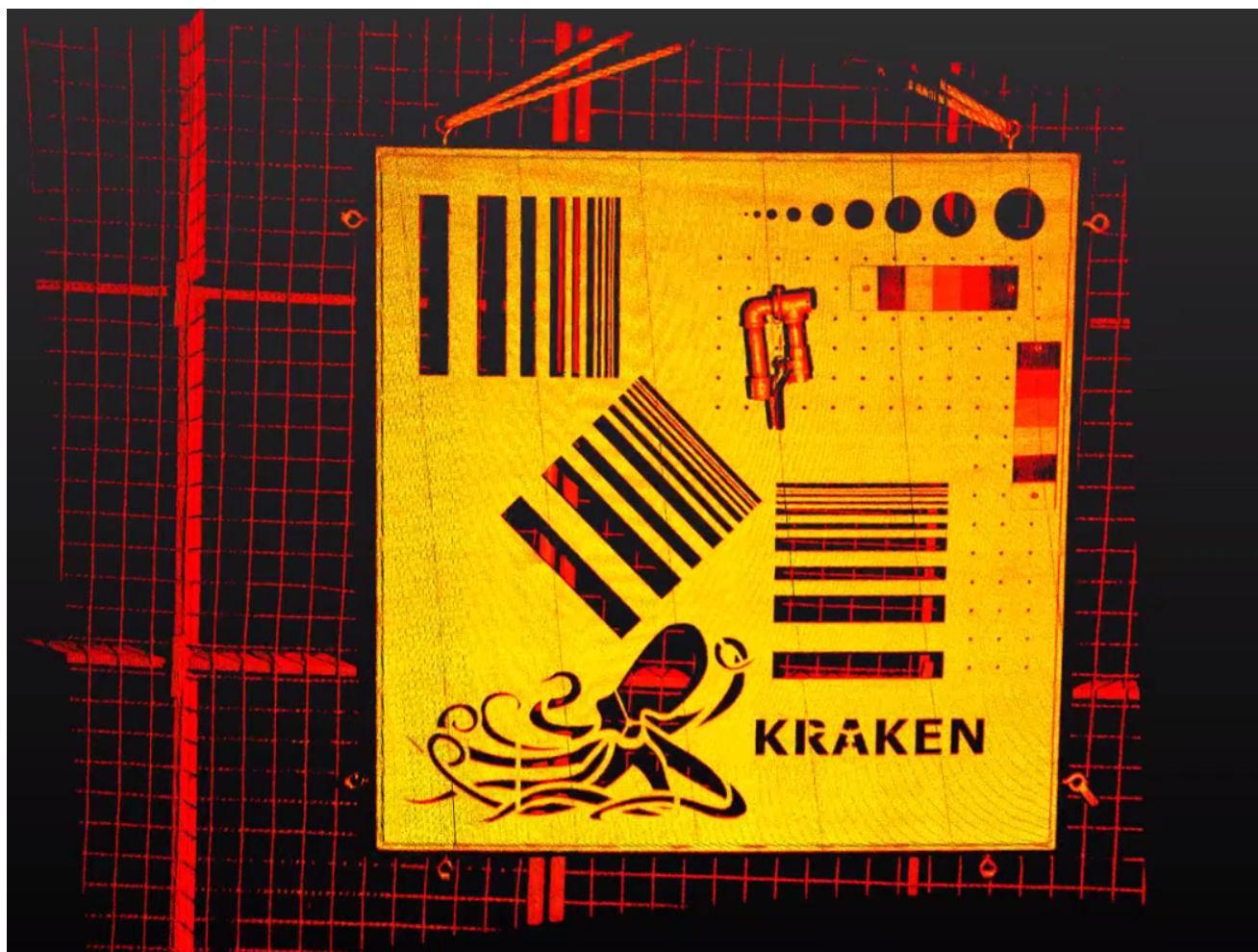
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3D Laser Scan

Scan Time: 8 seconds

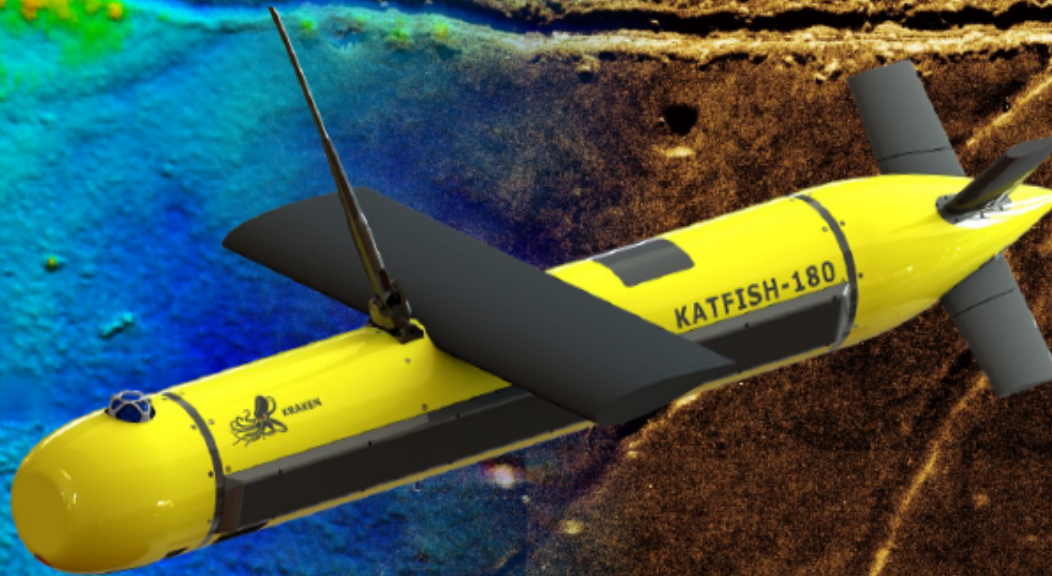
Distance: 2 metres

Point Spacing: 1.5mm



Survey Smarter.

KATFISH - Actively Stabilized Towed SAS System



Real-Time SAS Signal Processing

Fast Area Coverage Rate: 3 km² / hour

Long Range: 600 m Swath

Ultra High Resolution Imagery: 3 cm x 3 cm

Simultaneous Bathymetry: 6 cm x 6 cm

Real-Time 3D Seabed Mapping

Industry's Best Price & Performance



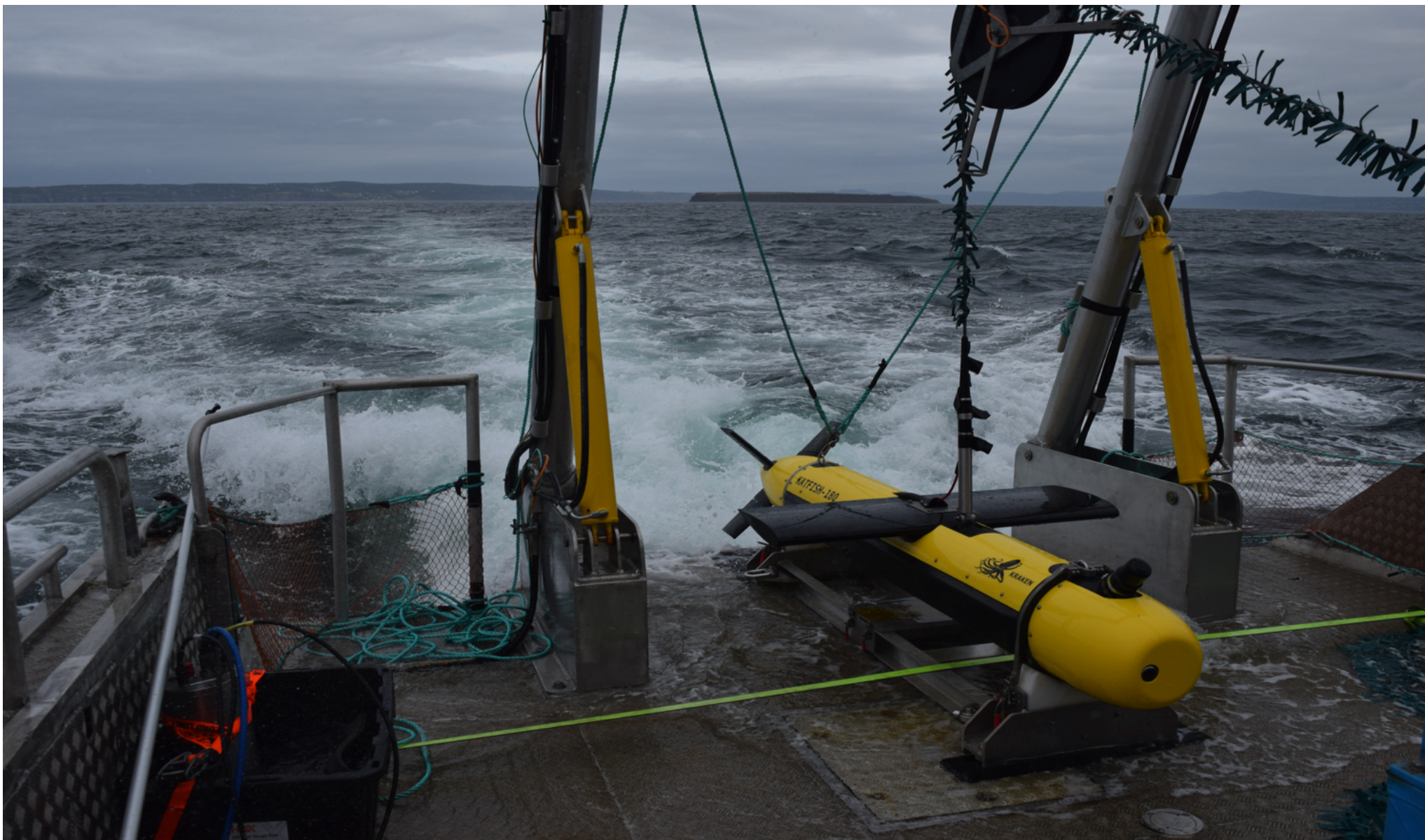
LENGTH = 7.5 m
RANGE = 150 m



KRAKEN

www.krakensonar.com

KATFISH – Tethered Underwater Towfish

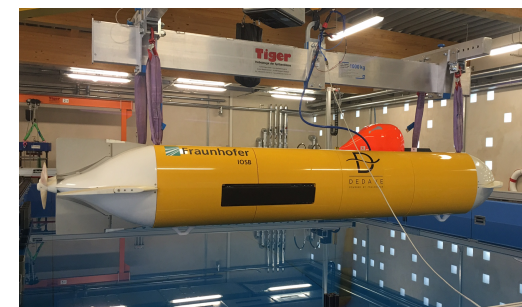




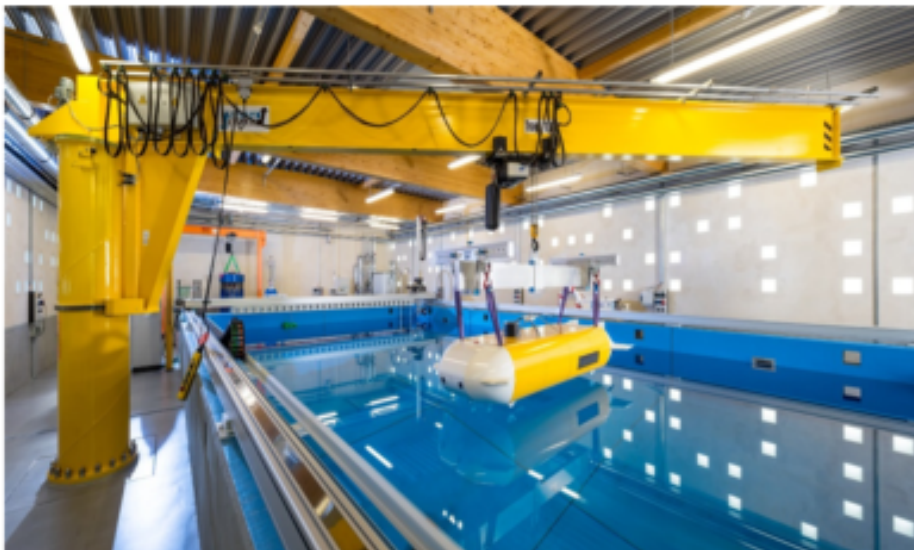
THUNDERFISH® - Next Gen AUV

THUNDERFISH® - Next Gen Hovering AUV

- Kraken acquired all AUV IP and technology assets from Marine Robotics Inc. (MRI) in 2015
- Former MRI engineering and software team work at Kraken. MRI assets and IP from KATFISH enable 70% IP for next-gen AUVs
- Senior DFKI engineering and software team (German) joined Kraken in 2017. Strong background in AI, machine learning, autonomy, robotics
- Fraunhofer (Germany) partnership provides Kraken exclusive access to AUV IP. Kraken acquired Fraunhofer AUV that is deployed as a technology demonstrator – *ThunderFish Alpha*



THUNDERFISH® Technology Demo Platform



THUNDERFISH[®] - Autonomous Underwater Vehicle



Avro Arrow – August 2017 – First RaaS Job



Kraken ThunderFish® AUV

- Wet-flooded payload section
- Kraken MINSAS 120 Sonar
- Kraken Real-Time SAS Processor
- Reson T-20 MBES
- Sonardyne Sprint INS
- Full integration into control system

Operational Area in Lake Ontario

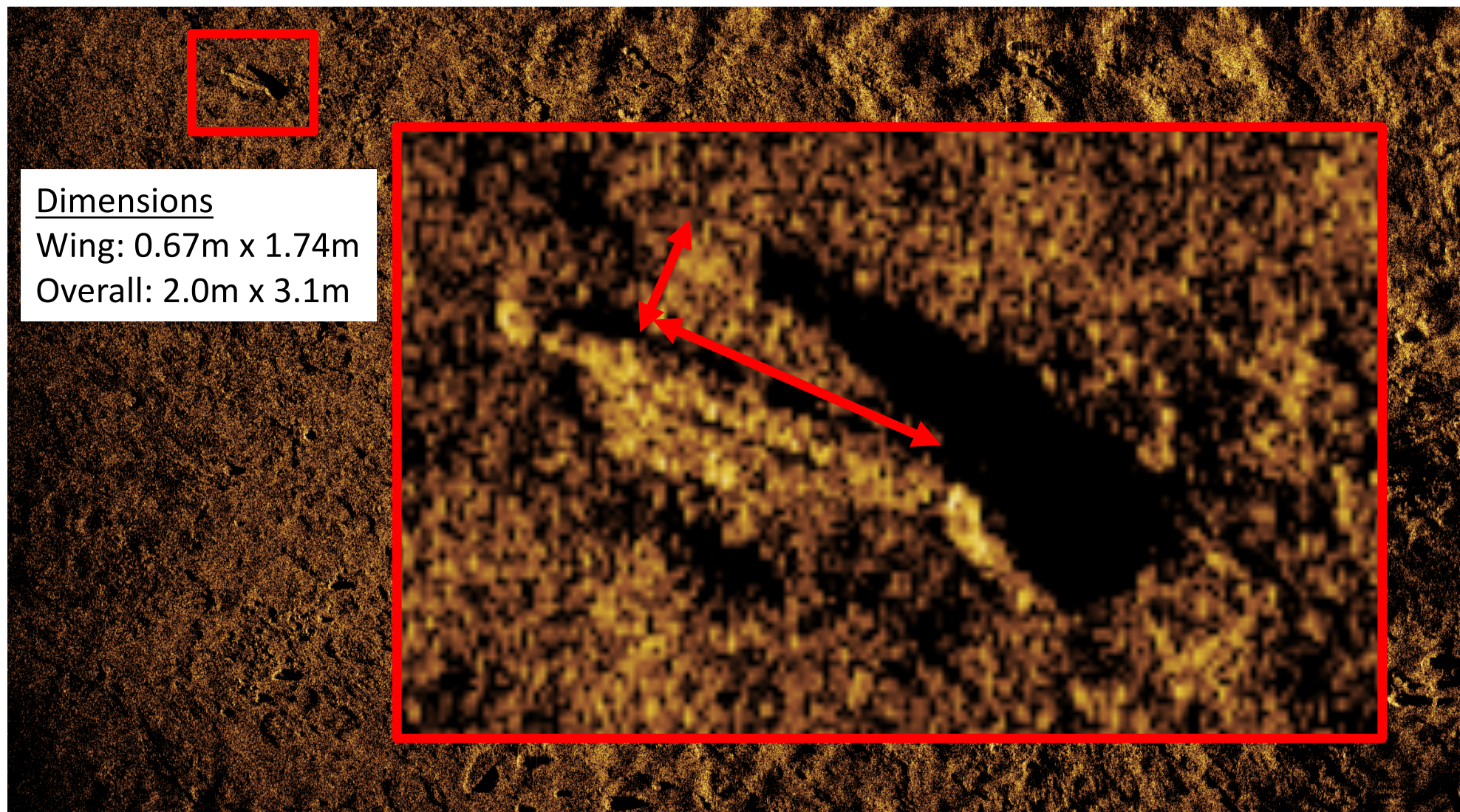
- 150+ hours of real world field trials and shakedown
- Demonstrated onboard, real-time SAS processing
- Located rockets, missiles
- Successfully located two Avro Arrow Free Flight Models
- Expect follow on work in 2018



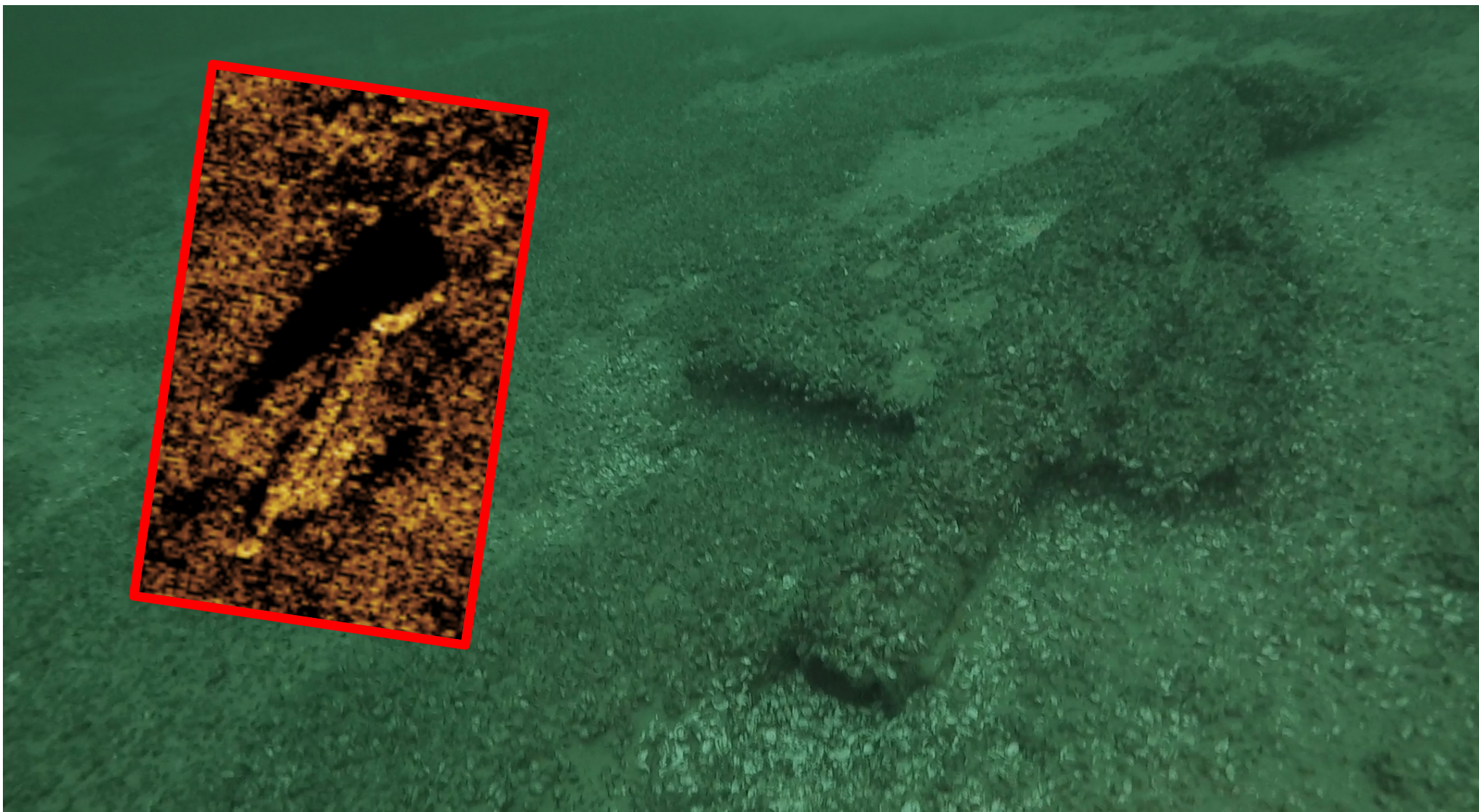
THUNDERFISH in Lake Ontario



Avro Arrow – August 2017

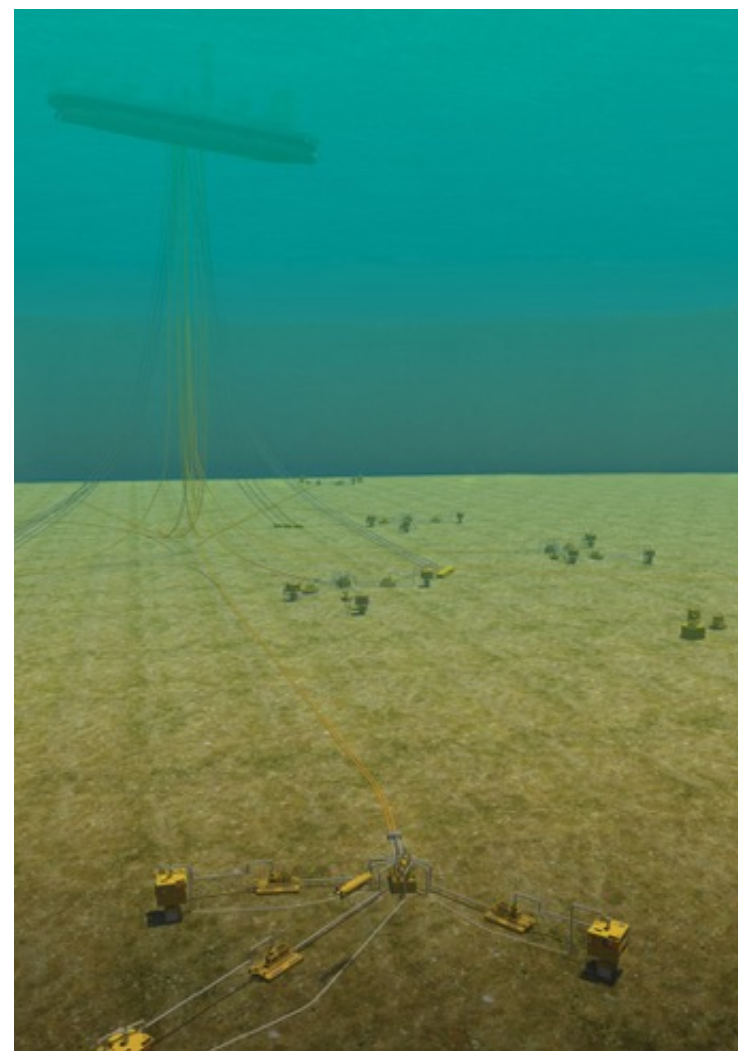


Avro Arrow – August 2017

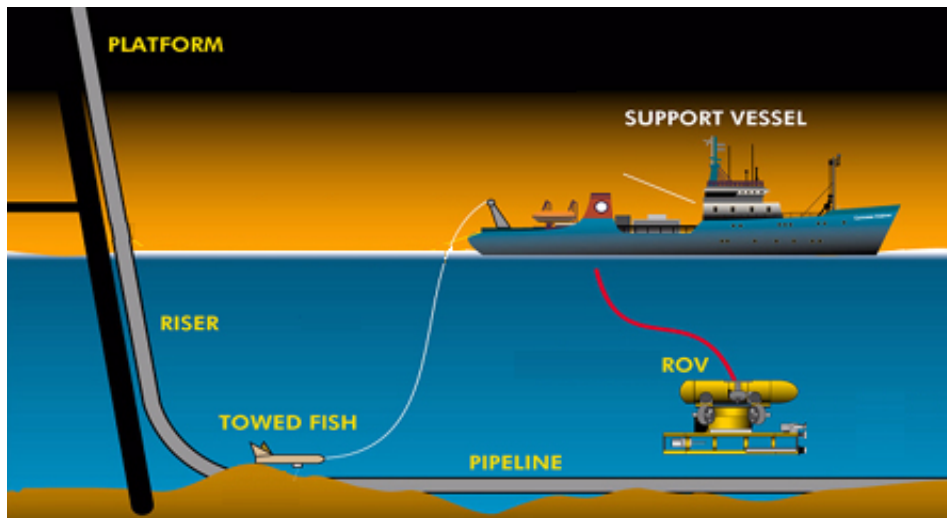


Maritime Robotics as a Service (RaaS)

- Future underwater robotic intelligence will come in the form of Robotics as a Service (RaaS).
- Instead of selling hardware, RaaS firms own their fleet and provide customers a recurring **data acquisition and seabed intelligence** service
- Customers do not have to incur significant capex and maintenance costs and lower total cost of data acquisition
- Kraken is positioned to become a leader in Maritime RaaS.



Maritime RaaS Application: Pipeline Survey

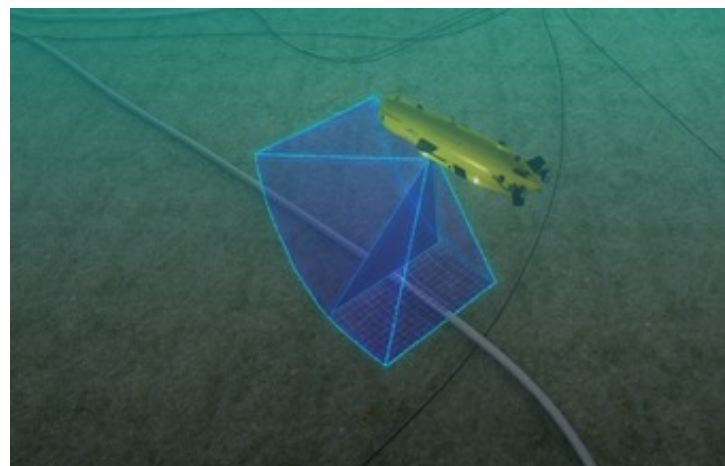


Shipboard Personnel: 40 - 60 people

Daily Opex: \$150,000 - \$200,000 per day

Speed of Advance: 2 knots max.

Maritime RaaS Offers Compelling Value Proposition



Conventional	RaaS	Operator Benefit
\$150,000 per day	\$20K per day	Significantly Lower Opex
60 Survey / Ops Personnel	4 Ops Personnel	Mitigates Operational HSSE
Emergency Response: 72 Hours	Emergency Response: Immediate	Mitigates Production Losses and Safety Issues
Daily Area Coverage: 50 miles	Daily Area Coverage: 100 miles	Increased Area Coverage & Ability to "Force Multiply"

2017 Milestones – Strategic

Strategic

- Established Kraken Robotik GmbH in Bremen, Germany
- Reached Exclusive Robotics IP Agreement with Fraunhofer Institute
- Established Kraken Power GmbH in Rostock, Germany.
- OTCQB Stock listing in the U.S.
- Took delivery of AUV from Fraunhofer and renamed THUNDERFISH
- Found Avro Arrow models with THUNDERFISH AUV in First RaaS Project
- Rebranded as Kraken Robotics Inc.
- Announced strategic cooperation with GE Avitas for underwater robotics for predictive maintenance
- Finalist Supercluster team member as part of Ocean Technology Supercluster - Canadian government to choose winning clusters in Q1/18

2017 Milestones – Financial (C\$)

Financial

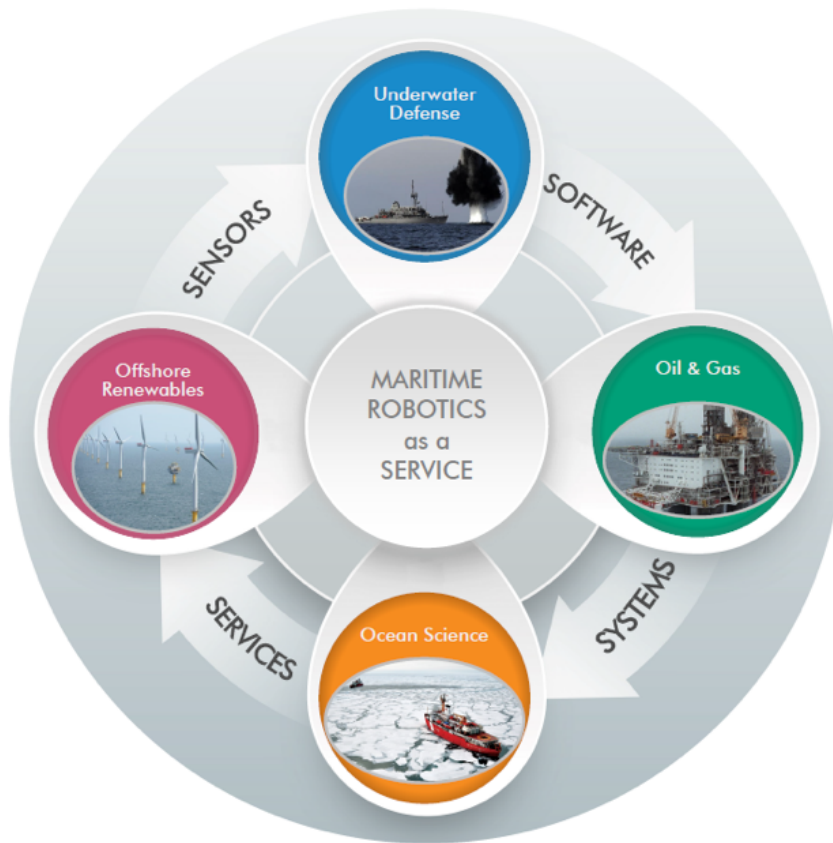
- \$1.5M Grant from NRC and \$0.75M Grant from RDC
- Completed Private Placement of \$2.1M; sold Non-Core Asset Proceeds \$0.9M
- \$0.2M First contract for KRG for customized SeaVision for subsea crawler
- \$0.4M Repeat Contract from European Defence Contractor (ECA Robotics)
- \$0.4M Contract from Atlas Elektronik of Germany
- **\$3M Contract with Ocean Infinity for SAS sensors on Hugin AUVs**
- \$0.5M RaaS contract (Avro Arrow test model search)
- **\$2M Robotics contract with unnamed customer**
- \$0.1M Paid trial with major global defense company
- \$0.75M Contract with PRNL for robotics for digitization of oil fields



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Questions?



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