

A cutaway illustration of a submarine, glowing with blue light, showing internal components like a conning tower and various sensors. The submarine is oriented horizontally, with the bow on the left and the stern on the right. The interior is filled with various mechanical and electronic components, all highlighted with a bright blue glow. The hull is dark, and the overall scene is set against a dark blue background with some light rays emanating from the submarine.

# Mission-Critical Subsea Intelligence Solutions for Maritime Security and Offshore Energy

July 2026

# Cautionary Notes

## Forward-Looking Statements

Certain statements contained in this presentation constitute "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws. In certain cases, forward-looking statements can be identified by the use of forward-looking terminology such as "seeks", "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations of such words and phrases or statements that certain actions, conditions, events or results "may", "could", "should", "would", "might", or "will be taken", "occur" or "be achieved", or the negative forms of any of these words and other similar expressions. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of historical fact. Forward-looking statements in this presentation include, but are not limited to, statements with respect to: the effects on the Company of the acquisition (the "Acquisition") of Covelya Group Limited ("Covelya"), including on the Company's operations, financial condition, cash flows and overall strategy; the Company's ability to retain and attract new business, achieve synergies and maintain market position arising from successful integration plans relating to the Acquisition; the Company's ability to integrate Covelya within anticipated time periods and at expected cost levels; forward-looking financial and operating information and expectations for fiscal 2026 and 2027; expectations regarding anticipated cost savings and synergies; expectations regarding future Adjusted EBITDA (as defined herein), Adjusted EBITDA Margin (as defined herein), revenue, revenue mix, Gross Profit (as defined herein) and Gross Profit Margin (as defined herein), expenses and operations of the Company; expectations regarding financial and operating results of the Company for the financial year ending December 31, 2026 ("2026E"); the strength, complementarity and compatibility of Covelya's business with the Company's existing business and teams; the Company's competitive position, business strategies, and its expectations regarding competition and its future success in competitive bidding processes; the completion of existing purchase orders, and receipt of expected purchase orders; the performance of the Company's business and operations; growth of the business, operations and potential activities of the Company; research and development programs; the acceptance by customers and the marketplace of new products and solutions; the ability to attract new customers and develop and maintain existing customers; the ability to successfully leverage current and future strategic partnerships and alliances; the Company's ability to attract and retain personnel; the anticipated trends and challenges in the Company's business and the markets and jurisdictions in which the Company operates and expects to operate.

Forward-looking statements reflect the Company's current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company's forward-looking statements are based.

In making the forward-looking statements included in this presentation, the Company has made various material assumptions, including, but not limited to: continued compliance with regulatory requirements; the Company will have sufficient working capital and be able to secure additional funding necessary for continued growth and development; demand for the Company's products and services and supply opportunities; the Company's eligibility to participate in known and expected competitive bidding processes, and the Company's likelihood of being selected as the successful proponent; revenue to be earned from new and existing contracts and expected renewals; the Company's ability to maintain current and projected revenue if it fails to successfully compete for new contracts; the continued employment of key personnel, and that the Company will be able to obtain and retain additional qualified personnel, as needed, in a timely and cost-efficient manner; foreign exchange rates; the continuance of current tax, environmental and other laws; the continuance of relevant supply chains; the operating performance of the Company (including Covelya) post-Acquisition will be in line with current performance; Kraken's ability to obtain the anticipated benefits of the Acquisition; the accuracy of historical and forward-looking operational and financial information and estimates provided by Covelya and the seller; the accuracy of financial and operational projections of Kraken; inflation rates in the jurisdictions where the Company conducts its business; current and future geopolitical events and economic conditions, and their impact on the market for the Company's products and services; and tariffs and other controls on imports and exports, tax, immigration or other policies that may impact relations with foreign countries or result in retaliatory policies. Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct.

Risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking statements include, but are not limited to: failure to realize the anticipated benefits of the Acquisition; the materiality of the final closing adjustments to the purchase price for Covelya; unforeseen difficulties in integrating the business acquired pursuant to the Acquisition into Kraken's operations; the inaccuracy of information provided by Covelya and the seller in respect of the Acquisition; the inaccuracy of financial and operational projections; the Company's expectations regarding Kraken's business, financial condition, cash flows and operations after giving effect to the Acquisition

may be incorrect; increased indebtedness; potential undisclosed costs or liabilities associated with the Acquisition; increased exposure to risks relating to foreign exchange rates; the collection of accounts receivable; increased competition; changes in market demand; and other risks inherent in the business conducted by the Company. For a discussion of these and other factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements, purchasers are also advised to carefully review and consider the risk factors identified in this presentation and the Company's most recent MD&A and annual information form, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

To the extent any forward-looking statements in this presentation constitute future-oriented financial information or financial outlook within the meaning of applicable securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlook, as with forward-looking information generally, are based on current assumptions and are subject to risks, uncertainties and other factors.

Financial outlook and future-oriented financial information contained in this presentation about prospective financial performance or financial position is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that any such financial outlook and future-oriented financial information should not be used for purposes other than for which it is disclosed herein. The prospective financial information included in this presentation has been prepared by, and is the responsibility of, management and has been approved by management as of July 2, 2026. The Company and management believe that prospective financial information has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. The preparation of any financial outlook is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to do so could lead to undue emphasis on any particular factor or analysis. Furthermore, readers should not assume that any combined financial information included in this presentation will be the actual financial position of the Company's in the future. Prospective financial information is provided for illustrative purposes only.

Forward-looking statements speak only as of the date the statements are made. The forward-looking statements contained in this presentation are expressly qualified in their entirety by the foregoing cautionary statements and those made in our other filings with applicable securities regulators in Canada. The Company assumes no obligation to update publicly or otherwise revise any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.

# Cautionary Notes

## External Sources

Where this document quotes any information or statistics from any external source, it should not be interpreted that the Company has adopted or endorsed such information or statistics as being accurate. The description of and information about Covelya contained in this document, as well as combined information after giving effect to the Acquisition, is based solely upon information provided by Covelya to the Company in connection with the Acquisition. Accordingly, an unavoidable level of risk remains regarding the accuracy and completeness of the information provided to the Company by Covelya, including with respect to facts or circumstances that would affect the completeness or accuracy of such information and which are unknown to the Company.

## Trademarks and Service Marks

This presentation includes trademarks, trade names and service marks which are protected under applicable intellectual property laws for use in connection with the operation of our business, and which are the property of the Company. All other trade names, trademarks or service marks appearing in this presentation that are not identified as marks owned by us are the property of their respective owners. Solely for convenience, trademarks, service marks and trade names referred to in this presentation may be listed without the ®, ™ and SM symbols, however, we will assert, to the fullest extent under applicable law, our applicable rights in these trademarks, service marks and trade names.

## Presentation of Financial Information and Exchange Rate Information

All dollar amounts set forth in this presentation are in Canadian dollars unless otherwise indicated. References to "\$" or "C\$" are to Canadian dollars, and references to "US\$" are to U.S. dollars.

## Non-IFRS Measures

This presentation includes certain non-IFRS measures and non-IFRS ratios. The Company believes that non-IFRS financial measures and non-IFRS ratios, when supplementing measures determined in accordance with IFRS, provide investors with an improved ability to understand how management analyzes results, show the impacts of specified items on the results of the reported periods, and allows readers to assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Company's operations. Non-IFRS financial measures and non-IFRS ratios do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

In this presentation, the Company uses the following non-IFRS financial measures and non-IFRS ratios with respect to the Company: EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Gross Profit, and Gross Profit Margin. For explanations of the composition and usefulness of Gross Profit, and Gross Profit Margin, and reconciliations of such measures to the most directly comparable IFRS measures disclosed in the Company's financial statements, see "Non-IFRS Measures" in this presentation. Explanations of the composition and usefulness of each other measure, and reconciliations of such measures to the most directly comparable IFRS measures disclosed in the Company's financial statements can be found in the section entitled, "Non-IFRS Measures" in the Company's (i) management's discussion and analysis ("MD&A") for the financial year ended December 31, 2025 (in the case of the financial years ended December 31, 2025 and 2024), (ii) MD&A for the financial year ended December 31, 2023 (in the case of the financial years ended December 31, 2023 and 2022), and (iii) MD&A for the financial year ended December 31, 2021 (in the case of the financial years ended December 31, 2021 and 2020), which sections are incorporated by reference in this document and are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Strategy

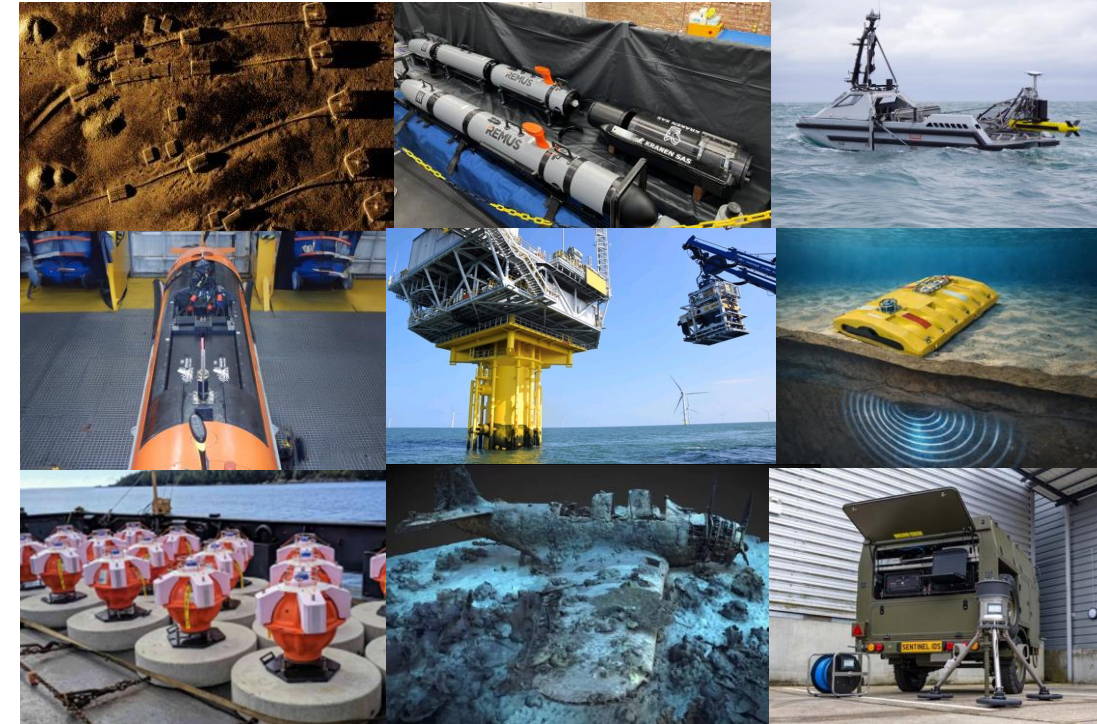
- To **deliver market-leading value** to customers through a portfolio of leading-edge technologies and a culture centered around innovation

## Business Overview

- Kraken, following the acquisition of Covelya, will offer a portfolio of **mission-critical subsea technology solutions with dual-use applications** for maritime security and offshore energy
- **Provides both products and services** to customers across defence, energy and ocean science end markets

## Differentiating Factors

- ✓ **Extensive experience** in harsh operating environments
- ✓ Highly **skilled workforce** with specialized domain expertise
- ✓ **Proprietary products** with **proven IP** and performance
- ✓ Advanced design engineering with an **integrated product offering**
- ✓ **Advanced facilities** located in key regions globally with ability to scale
- ✓ Long-standing **customer relationships**
- ✓ Dual-use technology with a **large total addressable market**



## Key Financial Figures in CAD\$

Ticker: PNG (TSXV) / KRKNF (OTC)

Shares Outstanding (basic)	370.9 million
Shares Outstanding (fully diluted)	385.1 million
Market Capitalization (fully diluted)	\$2.4 billion

Market capitalization based on closing price on June 30, 2026



## Record 2025 Annual Results

\$102MM Revenue and \$25MM Adj. EBITDA  
(Kraken Pre-Acquisition)



## Strong 2026 Outlook

\$290MM-\$320MM 2026 Revenue Guidance  
(Includes Half-Year Contribution From Covelya Acquisition)



## New Product Development

Higher Energy Density Battery, USV-LARS and C-SAS



## \$110MM of Orders Announced YTD 2026

Demand in SeaPower Batteries, SAS and KATFISH  
(Kraken Pre-Acquisition)



## Bolstered Leadership Team

New Executive and Board Members



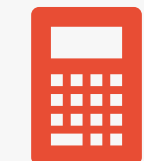
## Expanded Manufacturing Capacity

New 60,000 sq/ft Battery Facility in Nova Scotia





## Closed Covelya Acquisition

Transformative and Highly Strategic



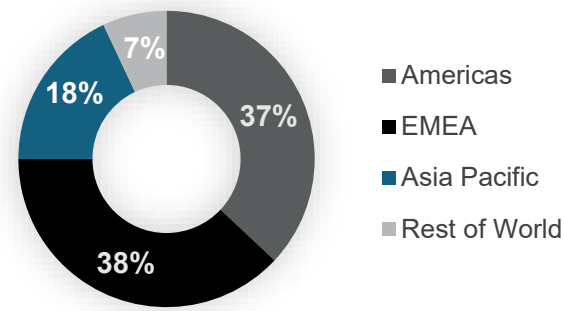
## Strong Balance Sheet

Financial Flexibility for Future Growth Opportunities

-  Manufacturing and/or Testing & Calibration Facility (13)
-  Product Development or Sales & Support Facility (12)



**Combined Geographic Revenue (2025)**



**~1,200**  
Employees

**25**  
Facilities

**>450,000** sq ft  
Production Capacity

**700+**  
Customers

**Top 10** Customers  
~50% of Revenues (2025E)

**>110**  
IP Patents

Select Key Markets



Figures are approximate. Figures presented above are for the combined entity and remain subject to change.  
 Intellectual property includes a combination of 74 active and 40 pending patents. Facility count includes a combination of leased and owned locations.  
 Production capacity defined as facilities engaged in a combination of product development, manufacturing, testing & calibration and repairs & support; production capacity is based on both leased and owned locations.

### Power Systems

High-energy density, pressure-tolerant battery and a proprietary battery management system

### Navigation


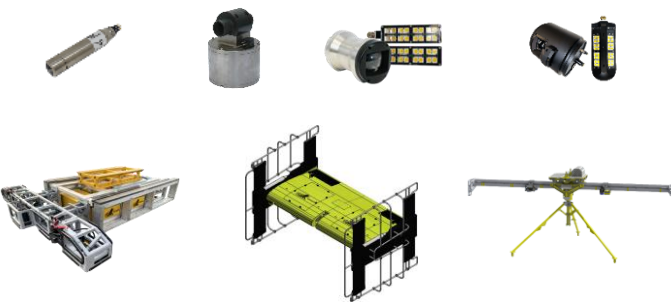
All-in-one acoustic-Inertial Navigation System (INS). Outputs position, velocity, altitude, orientation, rates and depth

### Platforms

Actively motion compensated towed platforms for mine-counter measures (MCM), monitoring critical infrastructure (CUI), ocean survey and surveillance

### Sonar Systems

Synthetic aperture sonar (SAS), circular-SAS, forward looking, multi-aperture and underwater security sonar systems. Wide area coverage and high-resolution

	<b>Power Systems</b>		<b>Communication &amp; Monitoring</b>
			
<b>Navigation &amp; Positioning</b>			
			
<b>Platforms, Software &amp; Autonomy</b>			
			
<b>Sonar Systems, Optical Sensing &amp; Imagery</b>			
			

### Communication & Monitoring

Acoustic and optical comms and subsea to surface data transfer (high-speed, real-time, large data files)

Acoustic Doppler Current Profiler (ADCP) product for ocean monitoring

### Positioning

Long BaseLine (LBL) and Ultra Short Baseline (USBL) positioning systems, consisting of software and in-water transponders

### Software

Survey data acquisition, processing and visualization software, along with autonomy software for remotely operated vehicles and autonomous underwater vehicles

### Optical Sensing and Imagery

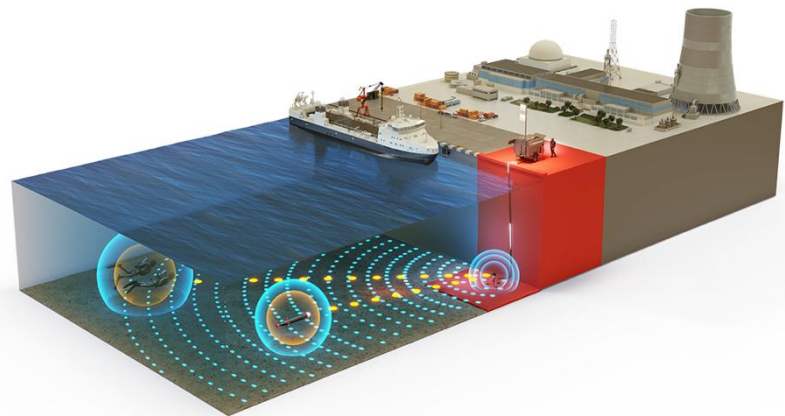
Optical multi-parameter biological and chemical sensors, environmental measurement systems

Camera and laser imaging solutions with enhanced image enhancement features and 3D reconstruction workflows

**Large technological suite of products allows Kraken to offer an integrated solution and address the larger, more complex needs of customers**  
**An integrated solution enhances power efficiency and provides better data, calibration, and reduces operational issues**

The combined company will have access to multiple technical capabilities and end markets for both defense and commercial use. Some illustrative examples are below.

### Intruder Detection



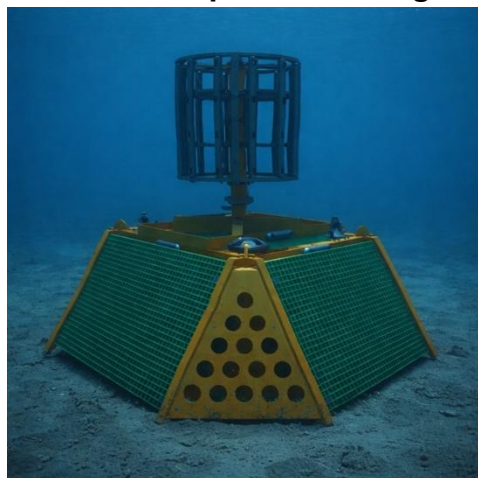
### Anti-Submarine Warfare



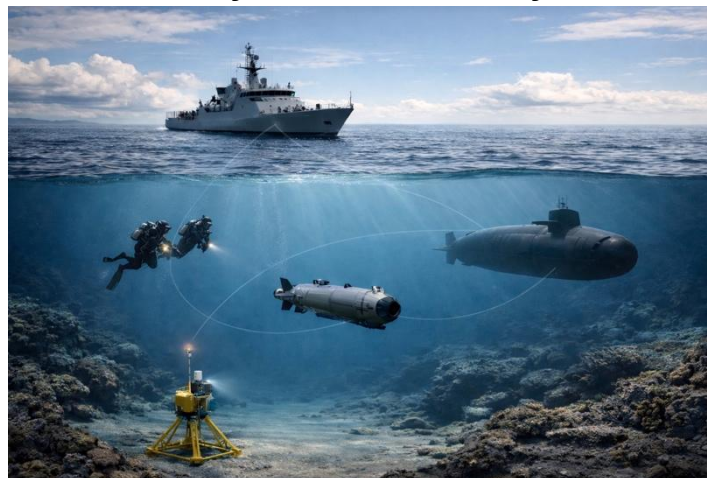
### Offshore Oil & Gas Seismic Data (4D)



### Carbon Capture & Storage



### Stationary Sensor Network Systems



### Water and Exhaust Level Compliance



The combined company will have access to multiple technical capabilities and end markets for both defense and commercial use. Some illustrative examples are below.

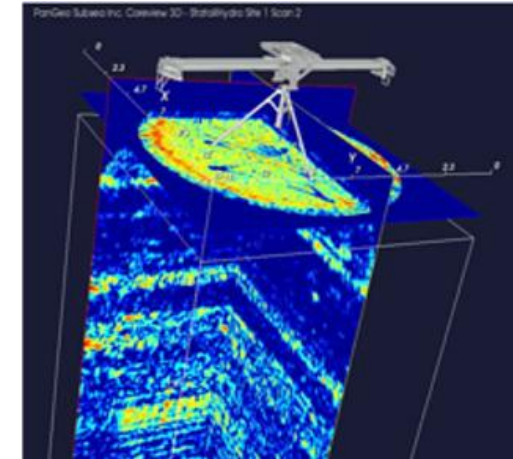
## Mine Counter Measures (MCM)



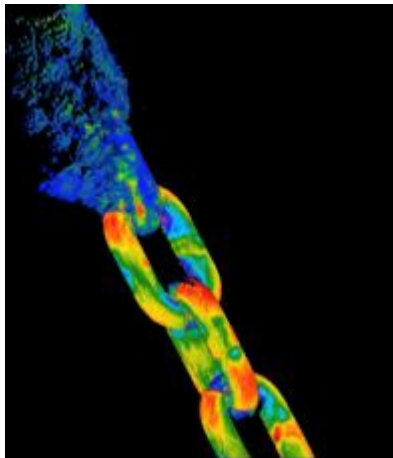
## Intelligence, Surveillance and Reconnaissance



## Sub-Seabed Surveys



## Asset Integrity



## Critical Underwater Inspection (CUI)



## Site Surveys and Inspection of Subsea Infrastructure

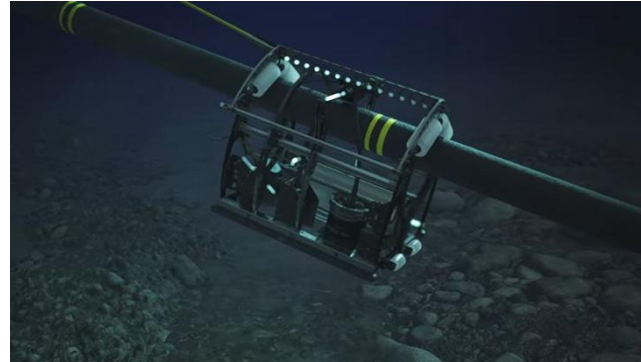


The combined company will have access to multiple technical capabilities and end markets for both defense and commercial use. Some illustrative examples are below.

### Subsea Communication Strategies



### Subsea Cable Installation



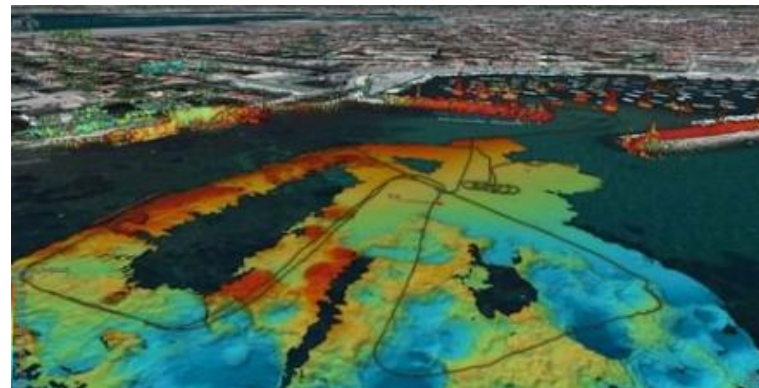
### Enhanced ROV Control Software



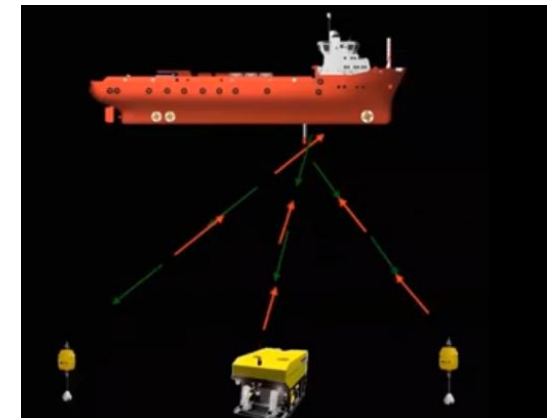
### Monitoring Ocean Subduction Zones (Environmental Mapping)



### Software and Data Collection



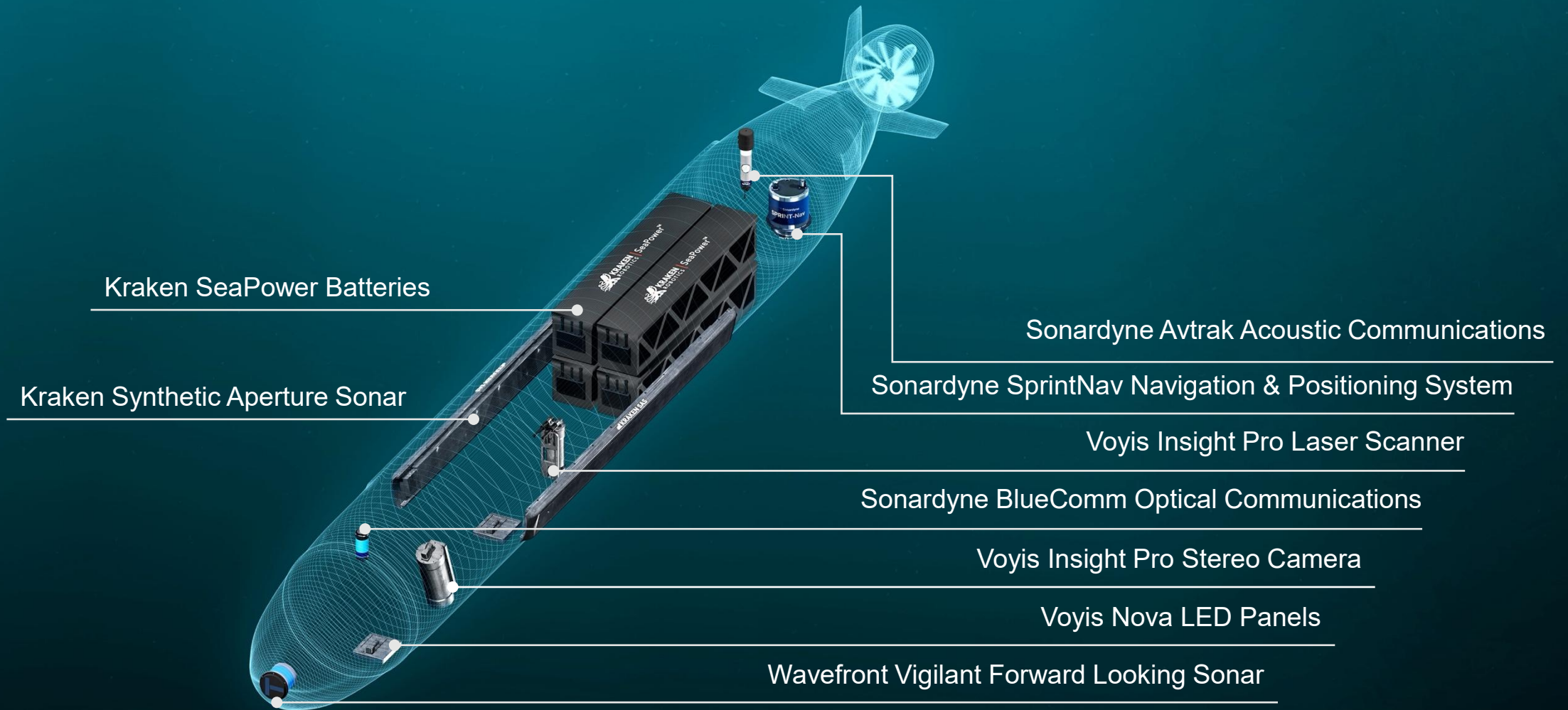
### LBL and USBL Positioning



	ROV / ROTV	AUV	Stationary Sensors	USV	Crewed Vessel	Diver
Underwater Comms	●	●	○	●	●	○
Navigation	●	●	-	●	●	-
Positioning	●	●	●	●	●	●
Imaging Sensors	●	●	●	●	●	-
Launch & Recovery	●	-	-	-	-	-
Power	●	●	●	-	-	-
Platforms	●	-	-	-	-	-

Kraken Strength: ● Kraken Capability: ○

**Strong competitive position and exposure to various underwater platforms**

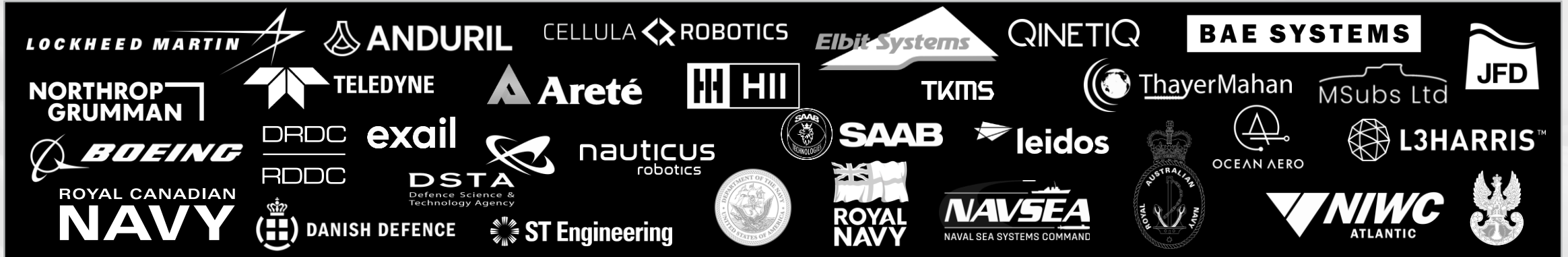








Defence



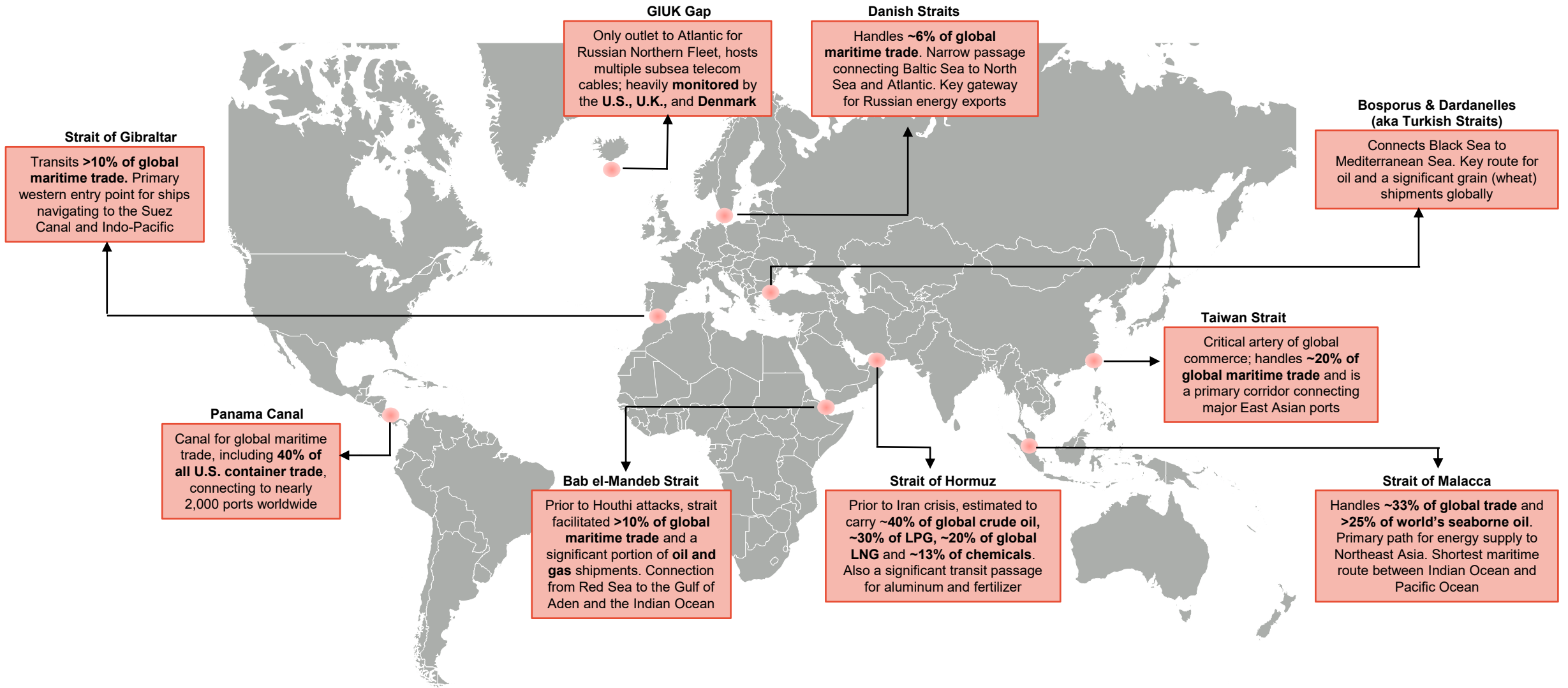
Commercial



Larger set of capabilities combined with a diversified customer base positions Kraken for future growth via multiple channels



- Underwater mines have long been considered an effective way to immobilize enemy ships, block sea lanes, threaten assets, disrupt commerce
  - The use of sea mines adjacent to maritime choke points presents a ubiquitous / deadly threat
  - **Mine Counter Measures (MCM) is a foundational capability for any modern navy**
- The average in-service life for MCM ships suggests that **vessels are approaching their service limits**
  - Fleets for major NATO countries entered service in the 1980s-early 1990s
  - **Navies are now modernizing** their mine hunting fleets and transitioning from crewed minehunter ships to unmanned, autonomous vehicles
- **Large pipeline of opportunities driven by MCM and critical underwater infrastructure (CUI) programs. Significant RFP activity from several navies (2026 and onwards) with additional programs likely to follow. Positive outlook for Kraken's KATFISH and SAS product lines**



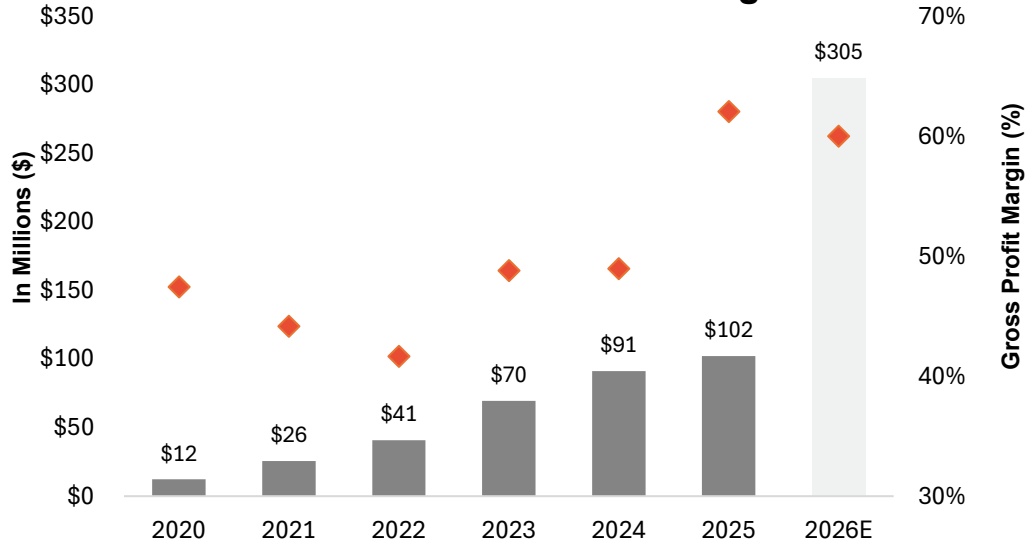
Recent attacks in Strait of Hormuz highlight the importance around maritime chokepoints and their impact on global trade and the economy



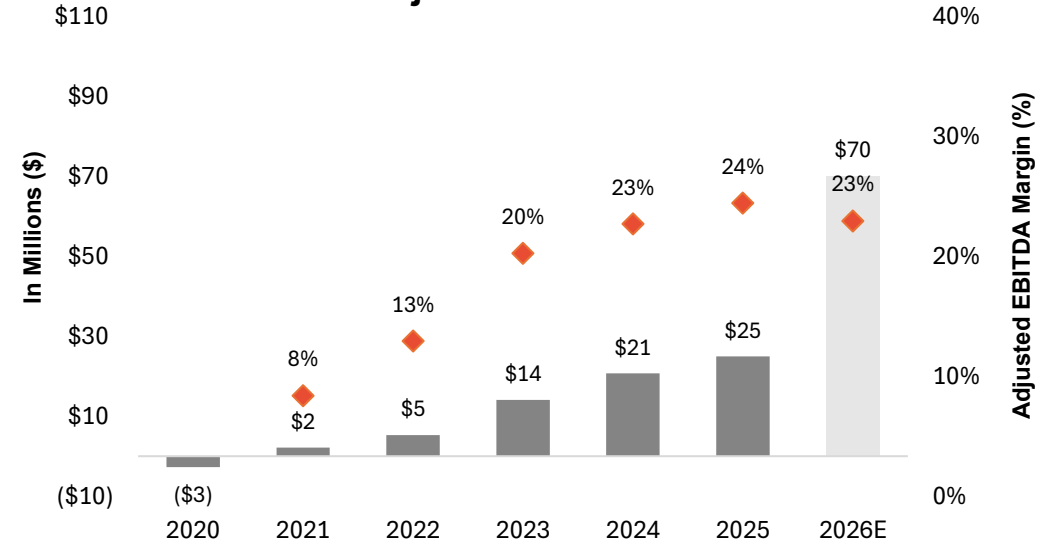
# Kraken Historical Results and 2026 Guidance

Transforming Subsea Intelligence

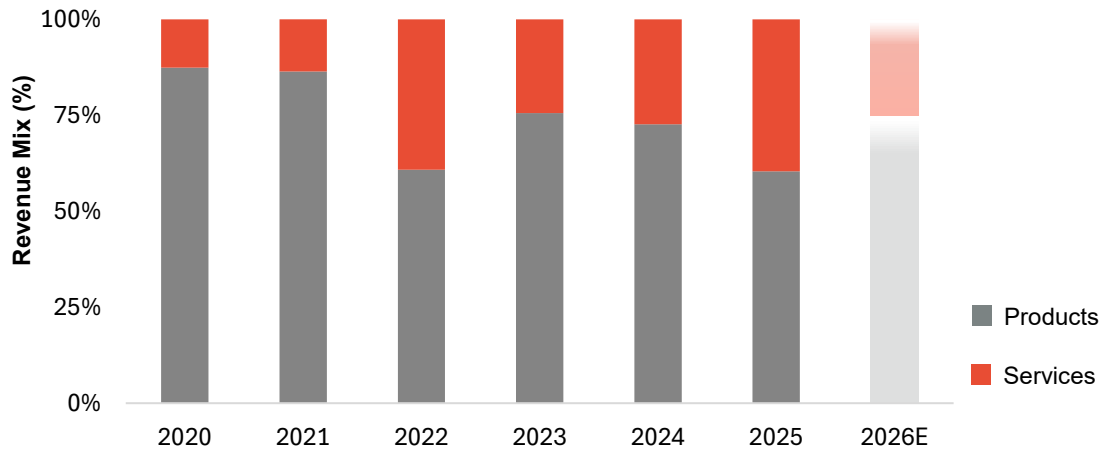
## Revenue & Gross Profit Margins



## Adjusted EBITDA



## Product & Service Revenue Mix



## 2026E Guidance

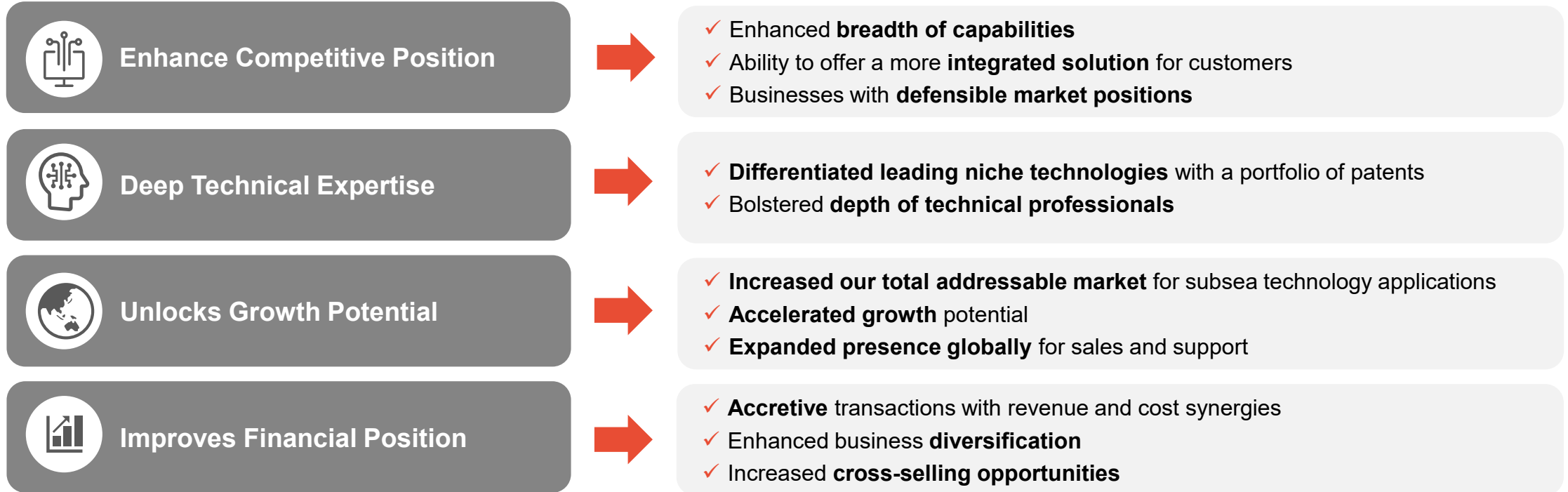
(\$ 000s)	Low	High
Consolidated Revenues	\$290,000	\$320,000
Adjusted EBITDA	\$65,000	\$75,000
Adjusted EBITDA Margin	22%	23%
Capital Expenditures / Intangible Assets	\$27,000	\$33,000

- Guidance includes partial year contribution from Covelya (Closed July 2, 2026)
- ~\$10 million of cost efficiencies expected in 24 months
- Potential for revenue synergies, including cross-selling opportunities
- Kraken to maintain a strong balance sheet with flexibility for future growth

**Strong growth profile with attractive profitability margins and a diversified (dual-use) offering**

## M&A Criteria

## Our Historical Acquisition Track Record



**Acquisitions to date have added new products and services, opened new markets and provided greater geographic diversification**



**Experienced management team and Board of Directors with deep expertise and market knowledge in a results driven organization centered on creating long-term value**



**Strategically positioned in a fast-growing market, driven by the defence sector followed by offshore energy**



**Attractive financial profile within a high margin product and service business and a strong balance sheet to support future growth**



**Significant production capacity with highly advanced facilities already in place located in key defence and offshore energy markets**



**Outstanding R&D capabilities with a large team of technical professionals**



**Integrated provider with a breadth of mission-critical technology solutions and exposure to various underwater platforms**

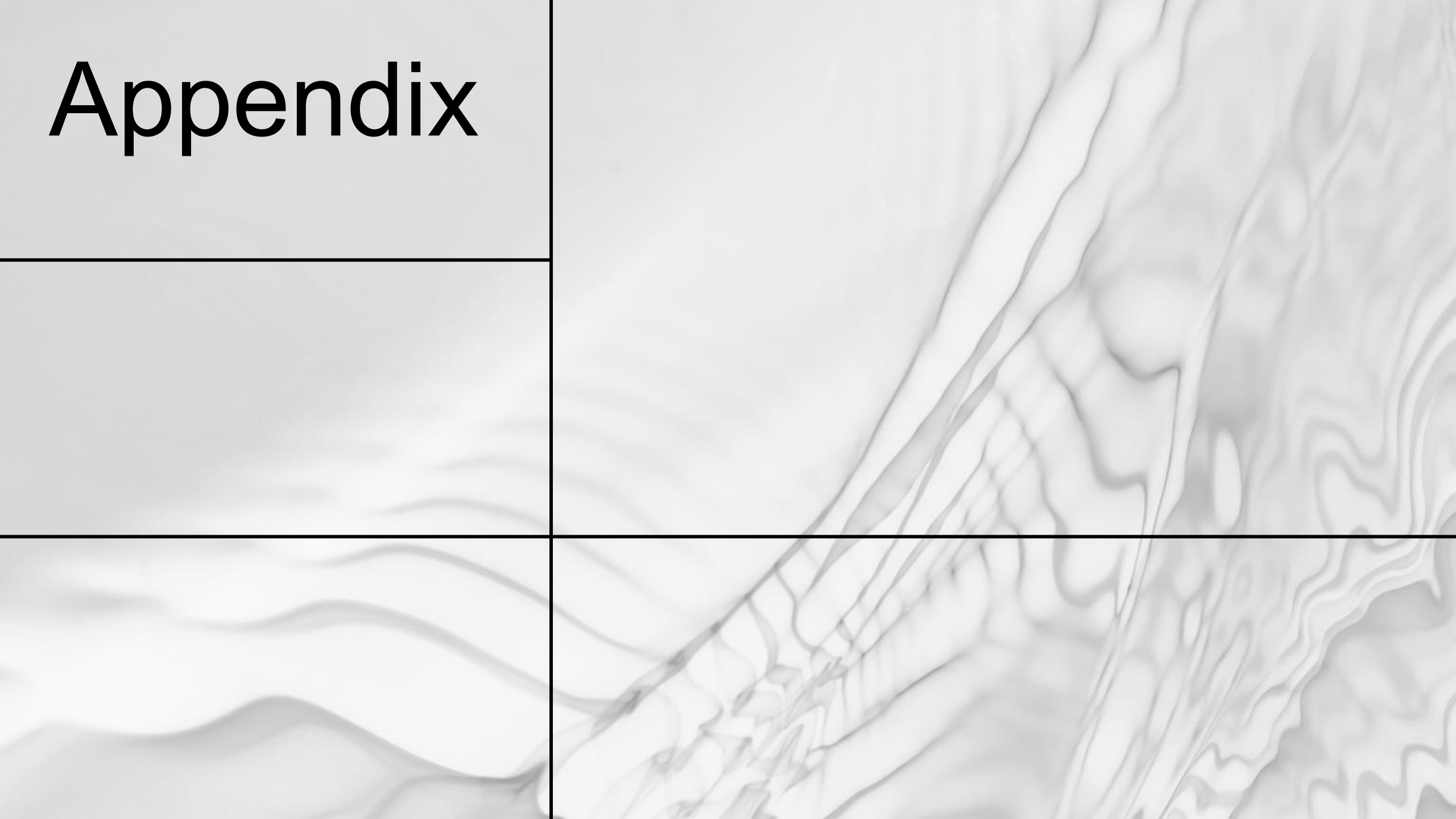


**Solid customer relationships, a multi-decade track record and a strong history of innovation, quality manufacturing, product reliability and customer service**



**Track record of successful M&A to acquire, incubate and grow complementary underwater technologies**

# Appendix



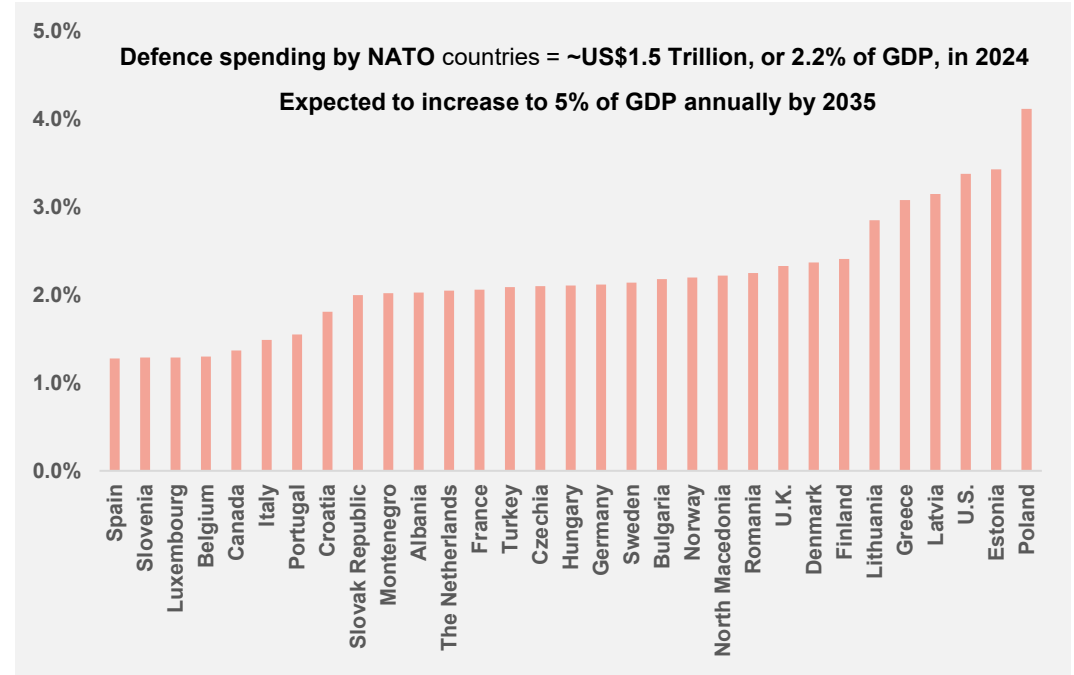
## Strong Value Proposition and Macro Drivers for Defence







- **Geopolitical Drivers:** National and economic security concerns are driving increased focus on spending given the growing threats to underwater attacks
- **Changing Nature of Warfare:** Adoption of uncrewed systems and drones are increasing in adoption to act as force multipliers with other military platforms
- **Modernizing Defence Procurement:** Governments are moving to make quicker decisions with a focus on speed, flexibility and innovation

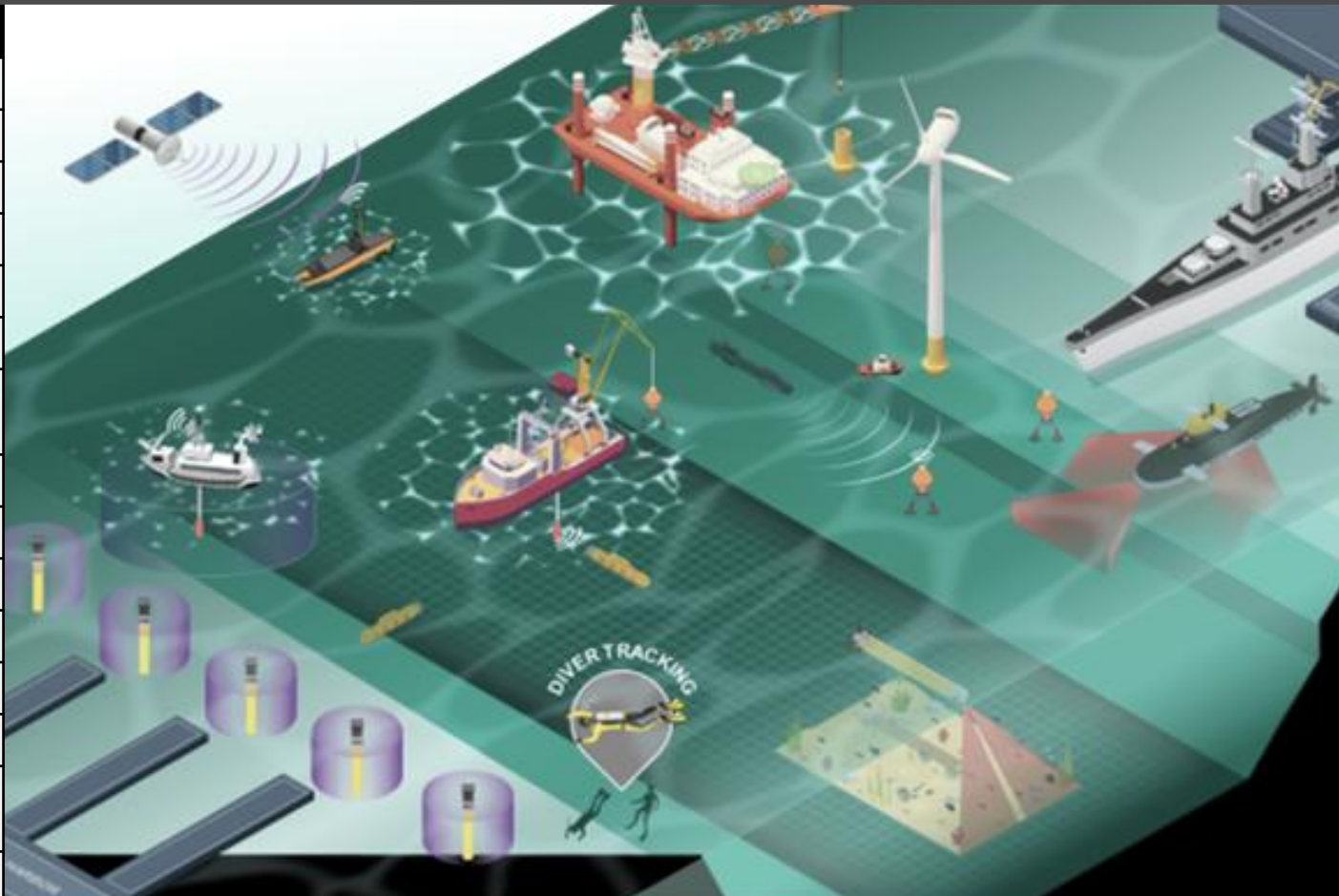
## Recent Government Programs Targeting Maritime Security

- **Baltic Sentry** – NATO initiative to protect critical infrastructure in the Baltic Sea
- **One Big Beautiful Bill Act** – U.S. Department of Defense initiative to enhance military capabilities through developing and deploying low-cost, autonomous systems
- **Atlantic Bastion Programme** – U.K. initiative to enhance undersea defence capabilities
- **Readiness 2030 (ReARM Europe Initiative)** – Enhance EU’s defence capabilities
- **Security Action for Europe** – Financial support for urgent defense investments
- **AUKUS** – Australia, U.K. and U.S. alliance to promote a free and open Indo-Pacific

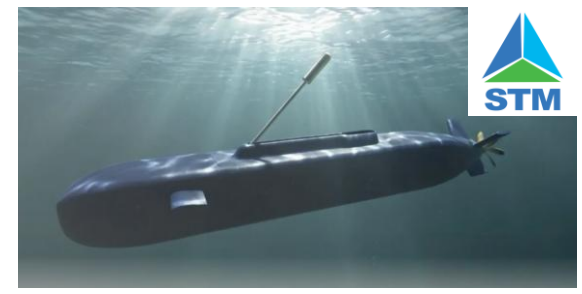
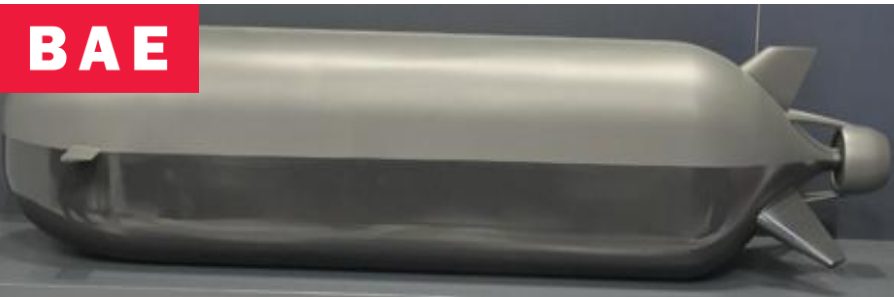
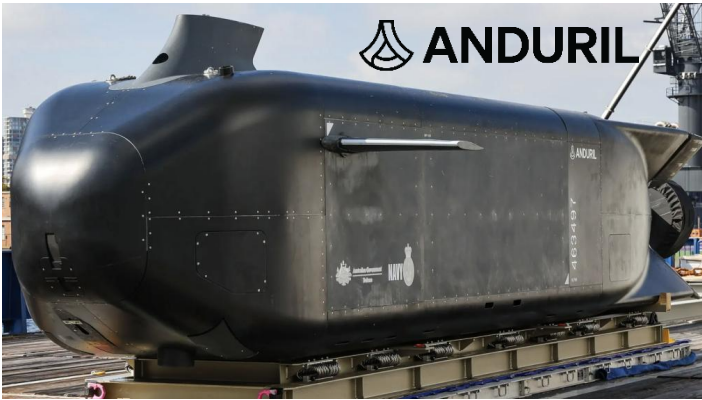
## NATO Defence Spending as a % of GDP (2024)



Country	Outlook	CAGR	By 2035	Times 2024A Spend
Total Non-US NATO		9.6%	\$1.37T	2.6x
Turkiye		13.3%	\$99B	4.0x
Canada		13.6%	\$119B	4.1x
Italy		10.5%	\$111B	3.0x
France		8.5%	\$155B	2.5x
U.K.		8.2%	\$183B	2.4x
Germany		9.4%	\$230B	2.7x
All Other		9.1%	\$47B	4.0x

Technical Capabilities		Combined End Market Applications
Navigation		<p data-bbox="1974 335 2484 364"><b><u>Defence &amp; Maritime Surveillance</u></b></p> <ul data-bbox="1949 385 2497 735" style="list-style-type: none"> <li>▪ Anti-Submarine Warfare (ASW)</li> <li>▪ Critical Underwater Infrastructure (CUI)</li> <li>▪ Intelligence, Surveillance and Reconnaissance (ISR)</li> <li>▪ Intruder Detection (IDS)</li> <li>▪ Initial Preparation of Operating Environment (IPOE)</li> <li>▪ Mine Countermeasures (MCM)</li> <li>▪ Strike and Mine Laying</li> <li>▪ Q-Route Survey</li> </ul>
Dynamic Positioning		<p data-bbox="2127 771 2331 799"><b><u>Commercial</u></b></p> <ul data-bbox="1949 821 2484 1099" style="list-style-type: none"> <li>▪ Carbon Capture and Storage (CCS)</li> <li>▪ Marine Construction</li> <li>▪ Maritime Shipping</li> <li>▪ Offshore Oil and Gas</li> <li>▪ Offshore Renewables (ORE)</li> <li>▪ Subsea Mining</li> <li>▪ Subsea Power and Utilities</li> <li>▪ Oceanic and Environmental Research</li> </ul>
Underwater Communication		
Subsea Data Collection		
Intruder Detection Sonar		
Cable Route & Site Survey		
Subsea Integrity and Production Monitoring		
Geohazard Monitoring		
Software & Integrated Solutions		
Seabed Survey & Imaging		
UXO Identification		
Forward-Look Sonar		
Side-Scan Sonar		
Subsea Infrastructure Installation		
ROTVs		

Large total addressable market and opportunities for revenue growth in both products and services

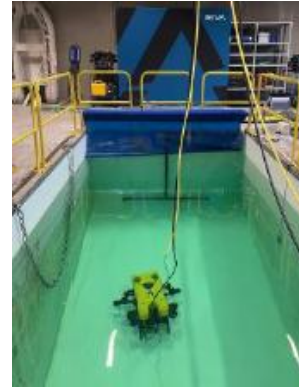


Kraken will have >450,000 sq. feet of production capacity upon closing of its acquisition of Covelya, including highly advanced facilities located in key defence markets

## *Product Development & Manufacturing*



## *Significant Capabilities for Testing, Calibration, Product Demos & Training*



Combined company will have facilities located across North America, South America, Europe and Asia Pacific.

- **Pressure-tolerant battery**
  - Potted battery with proprietary pressure tolerant design and polymer matrix
  - Eliminates the need for oil, compensators, or pressure vessels
  - Enables higher energy density (reducing weight and volume)
  - Rated to 6,000-meter depth
  - Cost effective, modular and scalable solution
  - Track record for safety and reliable, enhanced with proprietary battery management system (BMS)
- **>15 years of experience** in the entire manufacturing process, including proprietary intelligence of pressure tolerant battery design
- Source third-party lithium-ion battery cells; flexible model and **can adapt to newest battery technology** and chemistries
- Adheres to ISO 9001 production standards
- **Introducing new compact design in 2026** with ~30% improvement in energy density allowing Kraken to target smaller and medium sized vehicles
- Longer-term goal to expand into **offshore energy storage**
- Current **battery manufacturing capacity** in Rostock, Germany and Halifax, Nova Scotia



This 20 kWh battery weighs ~ 150 Kg  
 XLUUVs include 50-60 of these batteries

- **2022:**
  - Entered underwater domain via acquisition of Dive Technologies; won US\$90 million Royal Australian Navy (RAN) contract for 3 XL-UUVs prototypes
- **2024:**
  - US Navy and Defense Innovation Unit awards Anduril, and its Dive family of large AUVs, a contract to innovate new capabilities for undersea warfare
  - Australia says to invest up to US\$4.6 billion for development/acquisition of subsea warfare capabilities with new uncrewed maritime vehicles
  - US\$26 million co-investment contract with Royal Australian Navy to ramp production capability of Ghost Shark in Australia
- **2025:**
  - Announces opening of a new AUV manufacturing plant in Rhode Island and plans for a new US\$1 billion Arsenal-1 factory in Ohio to hyperscale drone manufacturing
  - Announced new Copperhead family of AUVs and Seabed Sentry subsea sensor system
  - Announced a US\$1.1 billion 5-year program for Ghost Shark XL-UUV for the Royal Australian Navy
- **2026:**
  - Defense Innovation Unit (DIU) and U.S. Navy select Anduril for participation in the Combat Autonomous Maritime Platform (CAMP) project, an XL-AUV program



**Kraken and Covelya supply a number of mission-critical systems to Anduril's underwater platforms**

- Huntington Ingalls Industries (HII) is America's largest shipbuilder. They are a large defense contractor prime with over 44,000 employees building aircraft carriers, submarines, and surface combatant ships for the US Navy
- Acquired Hydroid in 2020, (US\$350 million purchase price or 24x EBITDA), a leading UUV provider to U.S. / allied navies with >900 REMUS UUVs sold at that time
- **Kraken has integrated SAS to REMUS vehicles of all sizes (REMUS 6000, REMUS 600, REMUS 300, REMUS 100)**
  - REMUS 620 has Kraken MINSAS as an OEM standard sonar payload



- **Teledyne Marine's suite of AUV products (Gavia, Osprey, and SeaRaptor) provide standard solutions for military, commercial, and scientific applications worldwide, with depth ratings up to 6,000-meters**
  
- Such marine projects include:
  - Autonomous underwater surveys
  - Critical undersea infrastructure
  - Energy mapping and monitoring
  - Hydrographic surveys
  - Marine construction and dredging
  - Object detection
  - Pipeline tracking and inspection
  - Seismic surveys
  
- **Kraken has integrated SAS to each of Teledyne's AUVs, and provides SeaPower batteries into its larger SeaRaptor vehicle**
  - Teledyne is a long-standing customer having placed multiple orders over the years

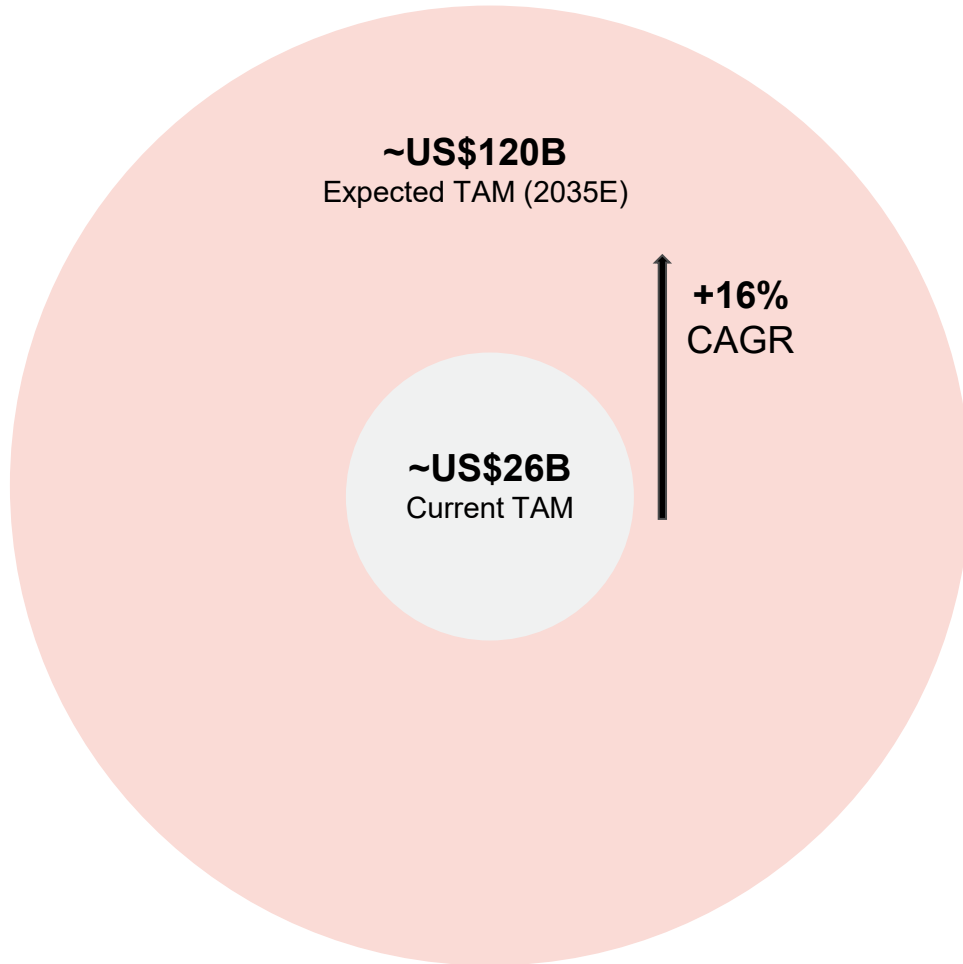


- **Denmark:** Sept 2020, \$30-\$35 million. Four systems plus reference system over 2-yr acquisition program followed by 7-yr service & support + options. Competitors were Northrop Grumman and Thales
- **Poland:** \$15-\$20 million from initial order in Sept 2020 and follow-on order in 2022. Integrated to Kormoran II class mine-hunting vessels. Additional purchase order for KATFISH in 2026
- **Australia:** \$15-\$20 million from initial paid demo in Q1 2023 to order for complete KATFISH system and subsequent baseline seabed survey in H1 2024
- **U.K.:** \$16 million providing continued support to U.K. classified programmes through Covelya. Main contract to deliver by 2028 with equipment support through 2035. Follow on from previous equipment delivery contracts. Also, provision of \$5 million containerized ROTV solution to RN in 2024



- Baltic:** \$20 million provision of expeditionary Sentinel Sonar Systems and deployment solutions to provide flexible coastal, harbour and river protection from underwater intruders. Provided through U.S. FMS contracts
- Indian Navy:** \$11 million protection of six navy ports across India with permanent fixed intruder detection sonars. Initial installation 2020 through to 2025. Ongoing maintenance and redevelopment expected at greater than \$7 million in 2026 to 2028
- Middle East Navies:** Multiple ports and harbours protected across UAE and Kingdom of Saudi Arabia (KSA) with circa \$14 million investment over last 4 years. Further \$18 million contract to support future port protection projects (delivery in 2026/2027) in Middle East country through U.S. FMS contract
- Other European:** \$7 million Multiple Navy Frigate class vessels equipped with Intruder Detection Solutions including Italian PPA and Polish Miecznik programmes

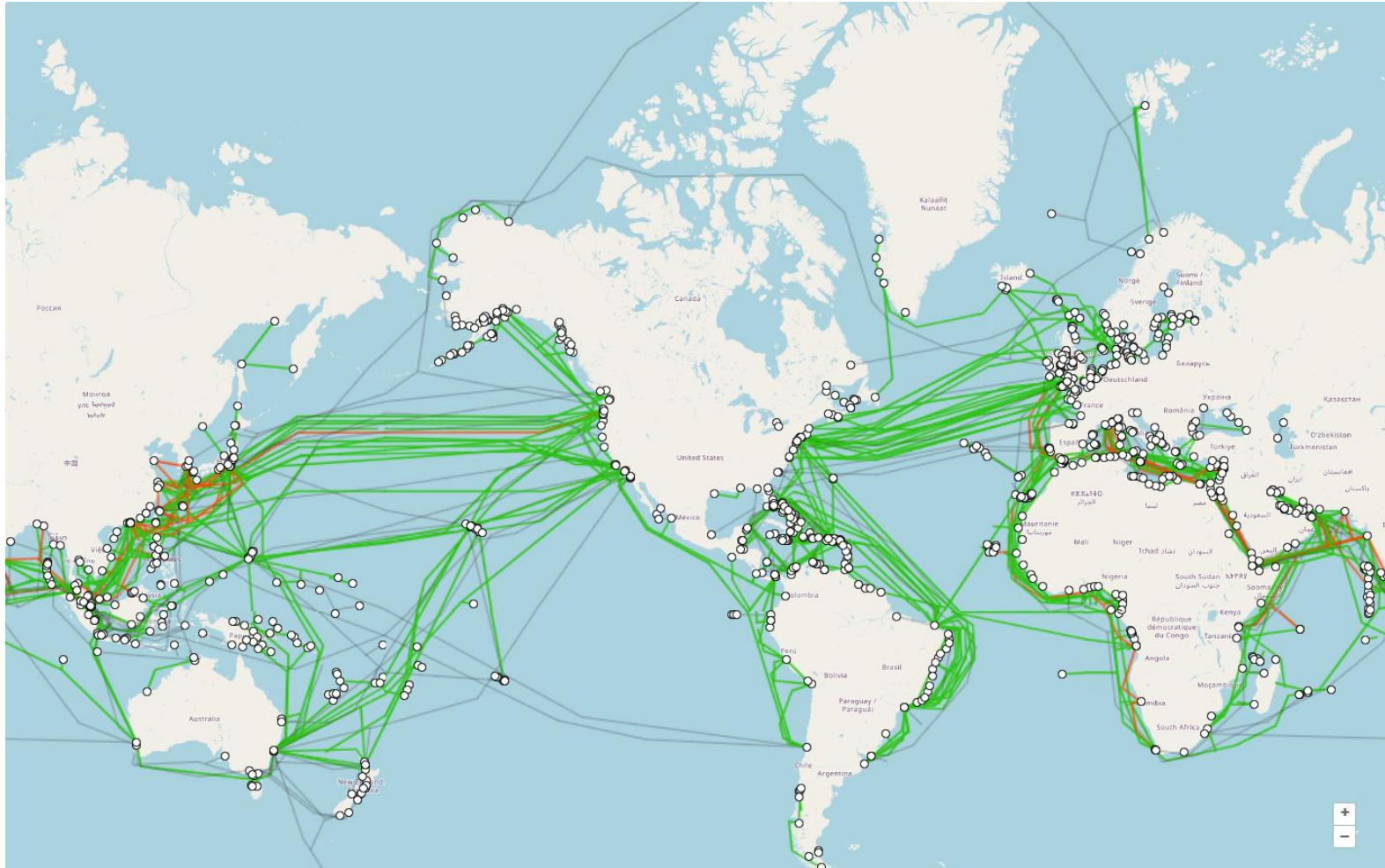




- **The largest segment is the UUV market, which is growing at a CAGR of ~24% by 2035 driven by the defence sector followed by oil and gas**

Sources:

The total address market (TAM) highlighted in the chart above includes the expected market size for: Uncrewed Underwater Vehicles (UUVs) (Astute Analytica Market Research), Seabed Security for Critical Underwater Infrastructure (CUI) (Market Research Future), Underwater Wireless Communication (Precedence Research), Sensors and Monitoring of the Ocean Floor (Market Research Future), Uncrewed Surface Vessels (USVs) (Wise Guy Reports), Subsea Navigation and Tracking (Future Market Insights), Layered Defense Systems (Renaissance Strategic Advisors), Maritime Tactical Modules (Renaissance Strategic Advisors), Sonar (Spherical Insights LLP), Subsea Battery Energy Storage (Data Intelo) and USBL Positioning (Strategic Market Research)



Source: Global Submarine Cable Map via FiberAtlantic.com.

- ~750,000 miles of submarine fiber-optic cables across the seafloor carry 95-99% of international internet and data traffic across roughly 500 active subsea cable systems<sup>1</sup>
- **These fiber-optic cables are essential to economic stability** and support cloud computing, financial transactions, communications and defense operations
- In recent years, fiber-optic cables have been sabotaged in the Gulf of Finland, Baltic Sea, Red Sea, the Taiwan Strait, among other regions
- Governments around the world are deploying advanced underwater monitoring systems to protect this critical underwater infrastructure for national security – creating a new defense industry for subsea cables
- **UUVs are increasingly being used to patrol cable routes to inspect the seabed, identify suspicious threats and detect unauthorized cuts in real-time**

Source:  
 (1) TechSpot and Submarine Networks

## Reconciliation of Adjusted Gross Profit and Gross Profit Margin

### Gross Profit and Gross Profit Margin

Gross profit is defined as revenue less cost of total sales. Gross profit margin is defined as gross profit divided by total sales. The following table sets out the calculation of these measures for the following financial years:

Figures in \$ Millions

	For the Year Ended Dec. 31st					
	2020	2021	2022	2023	2024	2025
Revenue	\$12.3	\$25.6	\$40.9	\$69.6	\$91.3	\$102.2
Cost of Sales	\$6.5	\$14.3	\$23.9	\$35.6	\$46.6	\$38.8
<i>Gross Profit</i>	\$5.8	\$11.3	\$17.0	\$34.0	\$44.7	\$63.4
<i>Gross Profit Margin</i>	47%	44%	42%	49%	49%	62%

## Management and Board of Directors

<b>Kraken Group - Executive Team</b>	<b>Position</b>
Greg Reid, CPA, CA, CFA	Chief Executive Officer (CEO)
Bernard Mills	President
Joe Mackay, CPA, CA, CFA	Chief Financial Officer (CFO)
Terra Penrose	Chief People Officer (CPO)
John Salama	Chief Information Officer (CIO)
Andrew Griffin	Chief Legal Officer (CLO)

<b>Board</b>	<b>Position</b>
Shaun McEwan (Chairman) <sup>1</sup>	Director
Greg Reid, CPA, CA, CFA	Director
Kim Butler <sup>2</sup>	Director
Vice Admiral Mike Connor <sup>3</sup>	Director
Peter Hunter	Director
Kristin Robertson	Director
Don Robertson	Director

1. Chair of Nominating and Governance Committee
2. Chair of Audit Committee
3. Chair of Compensation Committee

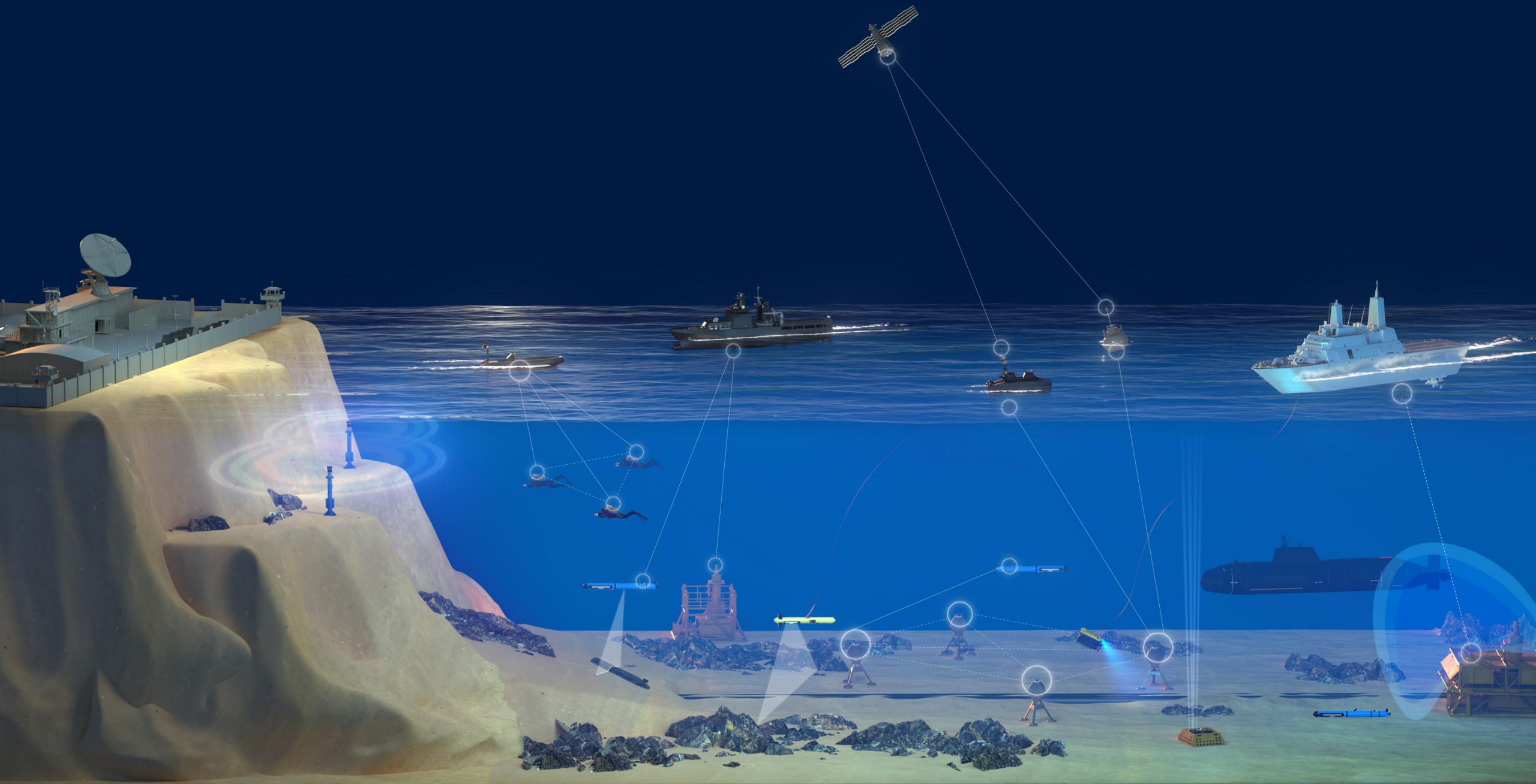
## Corporate Partnerships

Auditors	Ernst & Young, LLP
Counsel	Gowling WLG

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