World Leaders in Underwater Sensors & Robotics

Kraken Robotics Inc.

(TSX-V: PNG, OTCQB: KRKNF)

March 2018

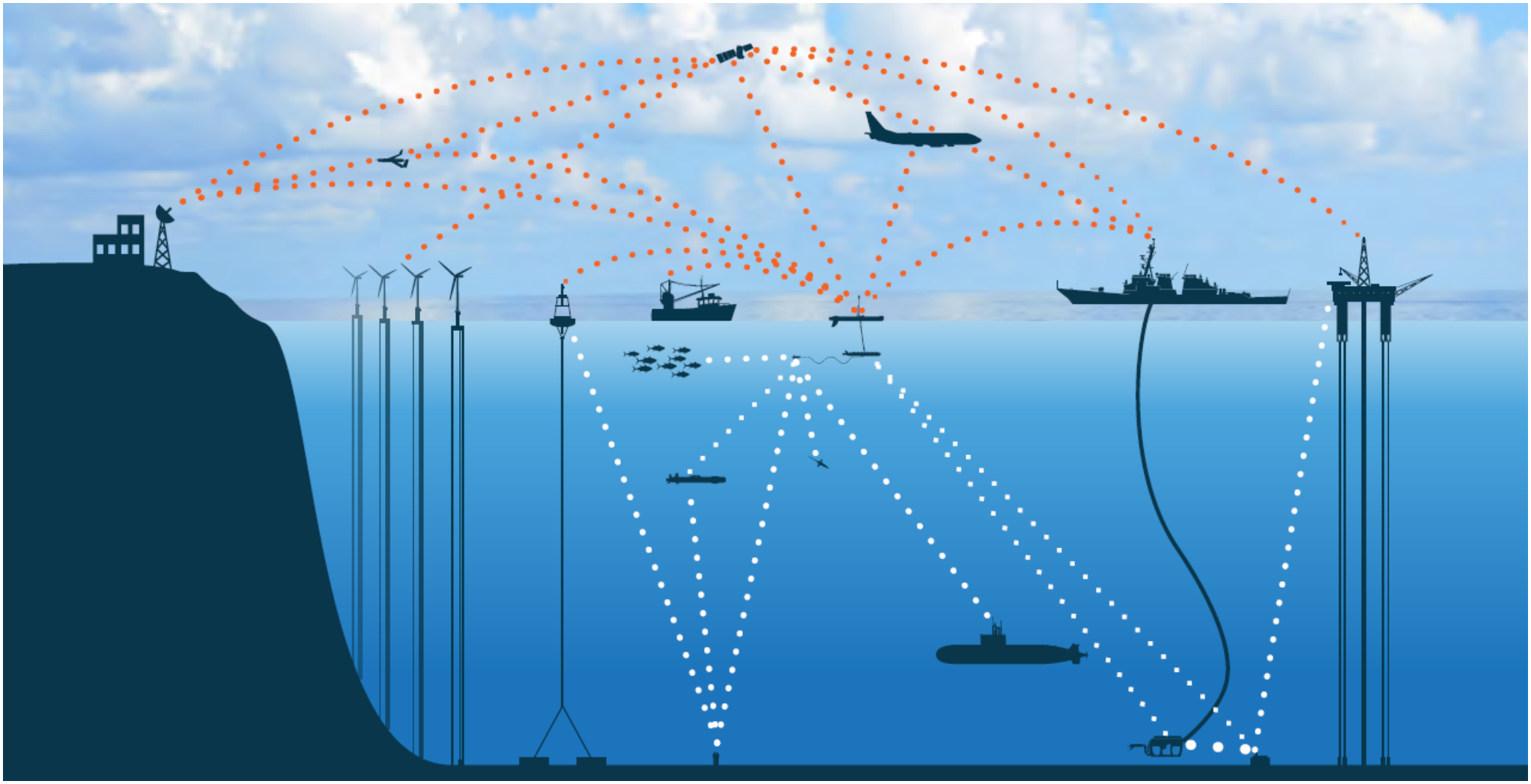
Forward Looking Statements

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.

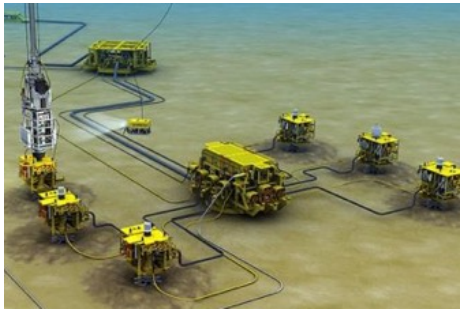
These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by 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.

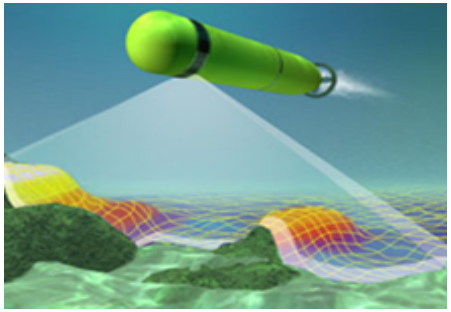
Known risk factors include risks associated with the ability to close contracts, working capital risk to be able to build inventory, loss of key personnel, lack of patents protecting intellectual property, changes in competing technology, continuing shrinkage of military budgets or other target customer 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.

Sensors, Systems, Software, Services for the Digital Ocean



US$5B Maritime Robotics Market By 2020





MILITARY

COMMERCIAL

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

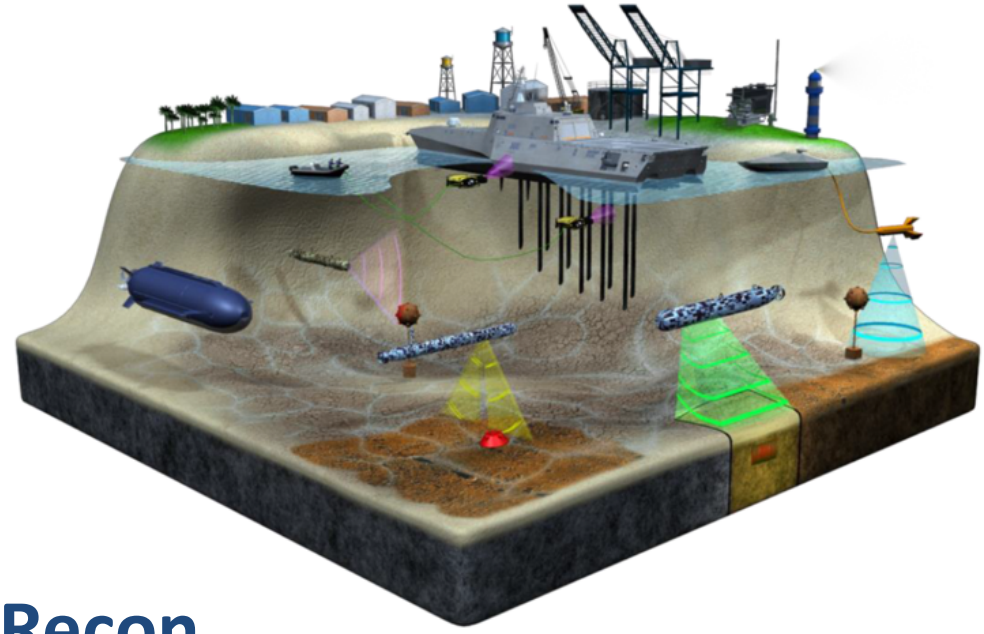
40%
$2B

60%
$3B

Mine Counter Measures	Cable & Pipeline Survey	Hydrography & Seabed Mapping	Offshore Wind, Wave and Tidal Farms
Intel, Surveillance and Reconnaissance	Subsea Infrastructure Monitoring	Search, Locate & Recovery	Ocean Thermal Energy Conversion
Anti-Submarine Warfare	Inspection, Repair & Maintenance	Treasure Hunting & Salvage	Seafloor Mineral Extraction

Military Applications

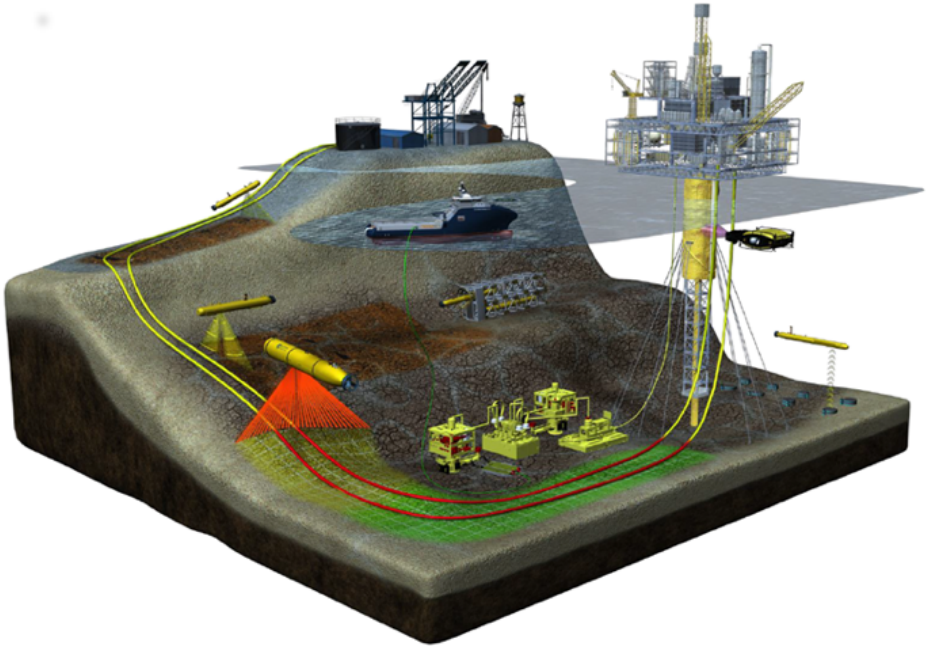
- **Mine Warfare**
  500,000 underwater mines
- **Anti-Submarine Warfare**
  400 operational submarines
- **Intelligence, Surveillance, Recon**
  Special forces, covert operations, environmental assessment



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.

Corporate Overview

- **Kraken Is A Leader in Maritime Robotics**
  - Founded in 2012.
  - Leveraging over C$30M in sensors & robotics IP, technology and products
  - Evolving for Sensors to Robotics as a Service (RaaS)

- **Advanced Technology & Proven Products**
  - Validated by leading navies and defence contractors
  - Exported to 10 countries. Over US$150M in active contract pursuits
  - Significant contract wins in last 6 months prove value proposition

- **Experienced Management & Strong Technical Team**
  - 40+ employees in Canada, USA, and Germany
  - Significant ocean tech expertise, deep industry insights, key relationships

- **A Significant Market Opportunity**
  - Maritime robotics positioned where aerial drones were in mid-90s
  - Growing from US$2B in 2017 to over US$5B industry by 2020
  - International partnerships and multi-sector collaboration to extend global 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.

Management & Technical Team Depth

Karl Kenny, President & CEO

- Ex-Canadian Navy maritime surface officer and Microsoft employee pre-public company
- 20 year history in imaging technologies having founded 3 companies

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

Jeff Bartkowski, Director of Business Development

- 12 years experience in the marine technology industry specializing in imaging, navigation, and positioning
- 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
- 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.
- 12 patents - several unique designs ranging from towed platforms to launch and recovery devices.

Dr. Jakob Schwender, MD 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; led multi-disciplinary teams on autonomy in both space and underwater robotics.

Vice Admiral Mike Connor, Board of Directors

- CEO of ThayerMahan and Former commander of U.S. submarine force from September 2012 until September 2015.

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

- Strong technology offering in industry with high barriers to entry and few competitors
- $150M+ 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 38% of outstanding shares
- Current market cap is less than the value of $30M+ company IP
- Maritime Robotics as a Service (RaaS)

Capital Structure

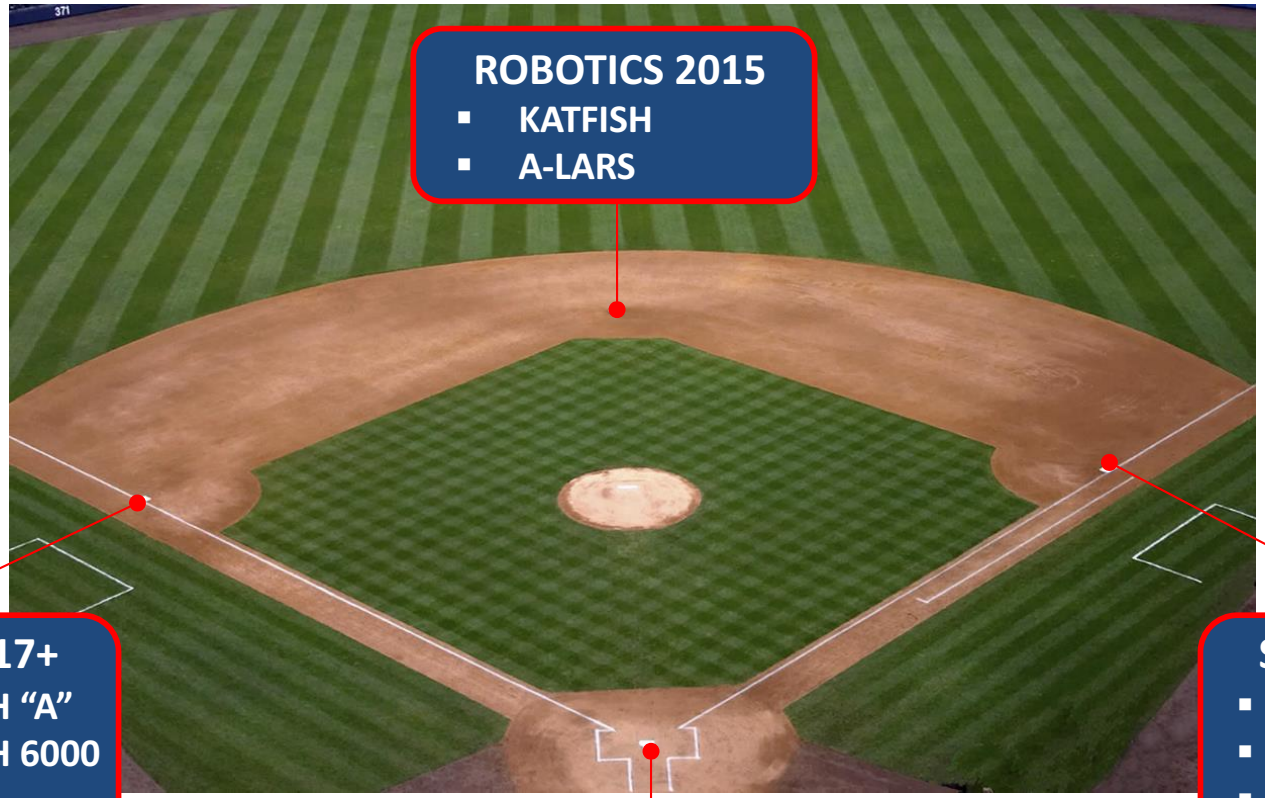
- **Management and insiders own ~ 38% of outstanding shares**

- **$30+ million of subsea sensor and robotics intellectual property (organic, acquired, partnerships)**

MARKET CAPITALIZATION	
All figures in C$ million except per share values	
Share price as of March 2, 2018	$0.175
Shares outstanding	104.0
Options	7.6
Warrants	9.6
Fully diluted shares outstanding	121.2
Market Capitalization (fully diluted)	$21.2
Add debt	$0.8
Less cash and short term investments	$1.5
Less cash from options and warrants	$4.4
Total Enterprise Value	$16.1

- **$1.5M in non repayable grant funds available to draw over 4 quarters**

Business Strategy



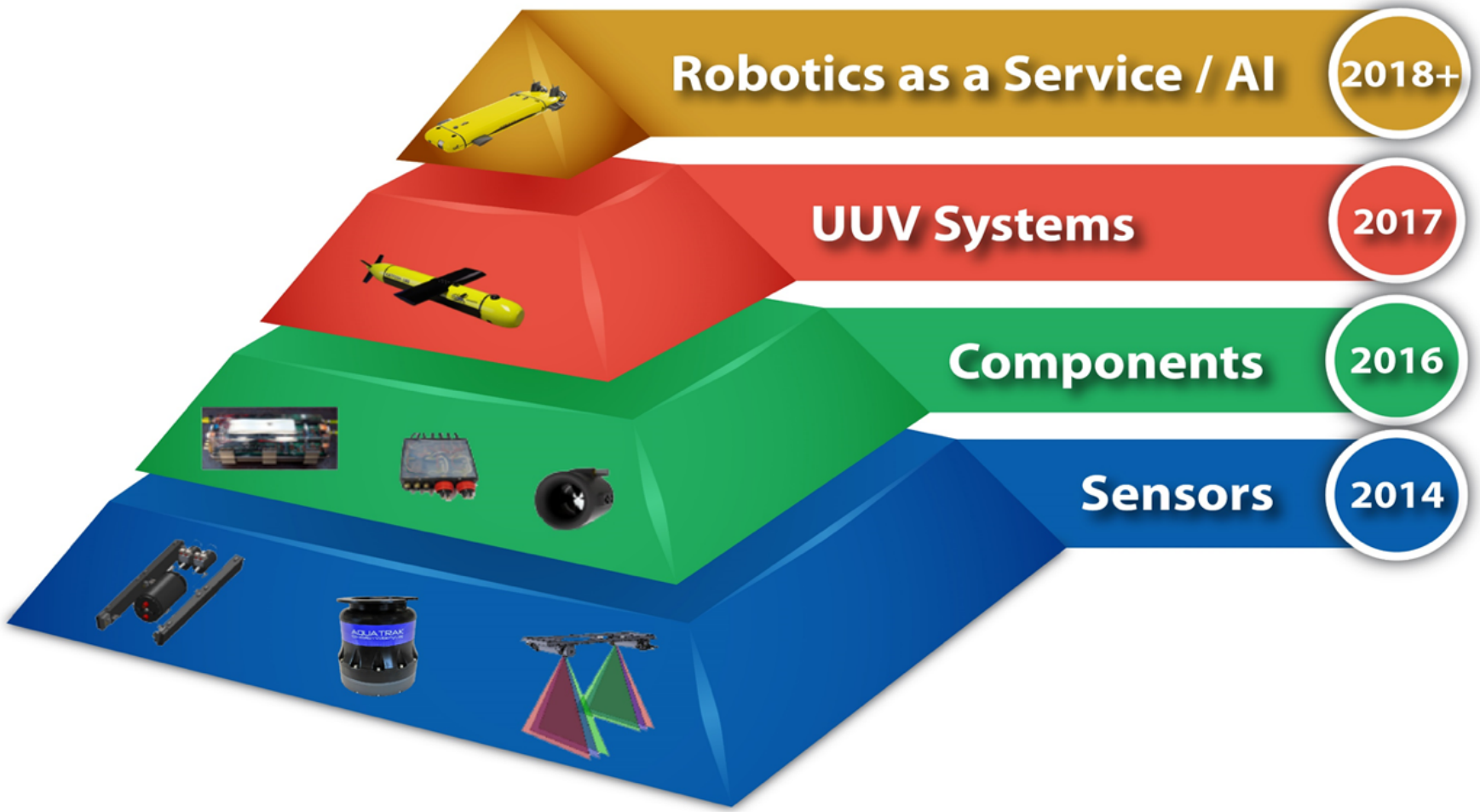
ROBOTICS 2015
- KATFISH
- A-LARS

ROBOTICS 2017+
- THUNDERFISH "A"
- THUNDERFISH 6000

SENSORS 2012
- ACOUSTIC
- LASER
- OPTICAL

RaaS 2018+
- DATA ACQUISITION
- ARTIFICIAL INTELLIGENCE
- DATA ANALYTICS

Over $30M in Sensor & Robotics IP



- Internal development funded by product sales, non-repayable grants ($5M); equity ($7M)
- Creatively structured asset acquisitions and partnerships ($20M+ of value): MRI, Enitech, Fraunhofer

Sensors - Synthetic Aperture Sonar (SAS)

Compared to conventional sidescan sonar systems:

- **SAS significantly improves the image resolution allowing for automatic detection and classification of small objects on the seafloor.**

Ultra High Image Resolution

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

Increased Area Coverage Rate

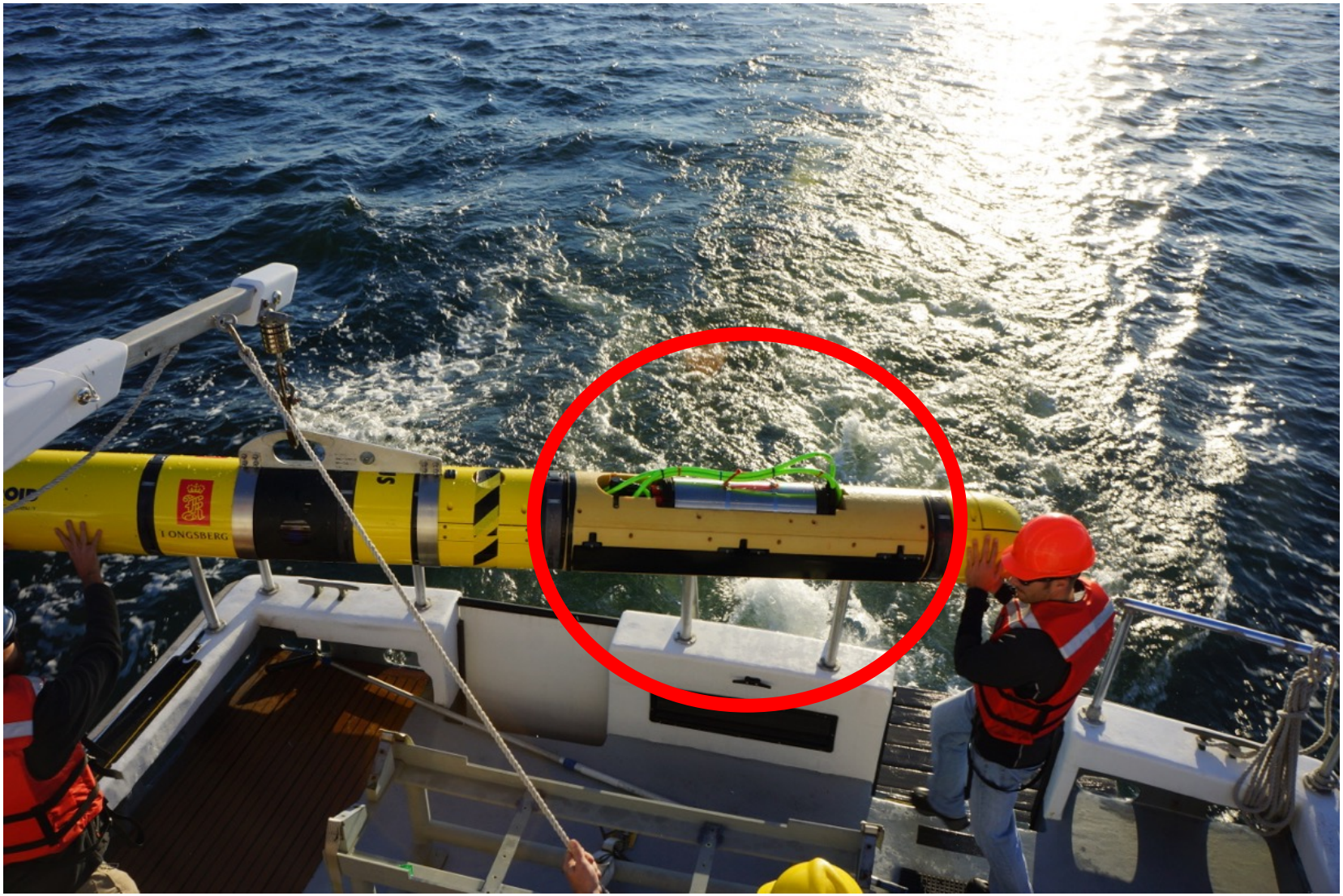
- Up to 4 km^2/h and up to 600m swath
- 10x better compared to Real Aperture Sonar

Operational Safety

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

Image courtesy ECA Robotics

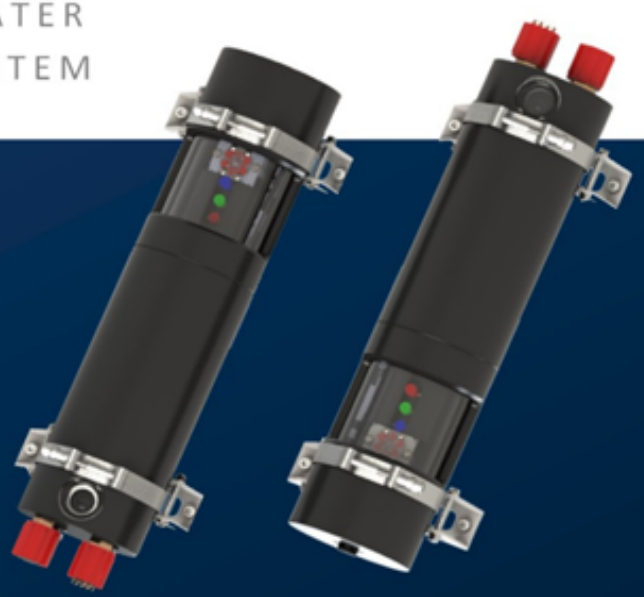
Kraken's SAS on US Navy Drone – Nov. 2017

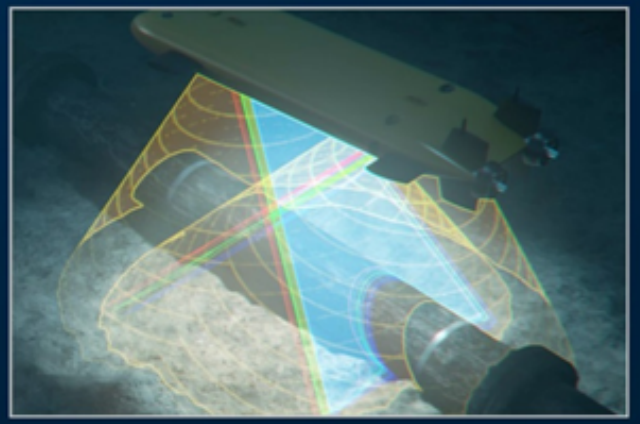


Sensors - World 1st: Full Colour 3D Underwater Laser

SEAVISION™ | 3D UNDERWATER IMAGING SYSTEM

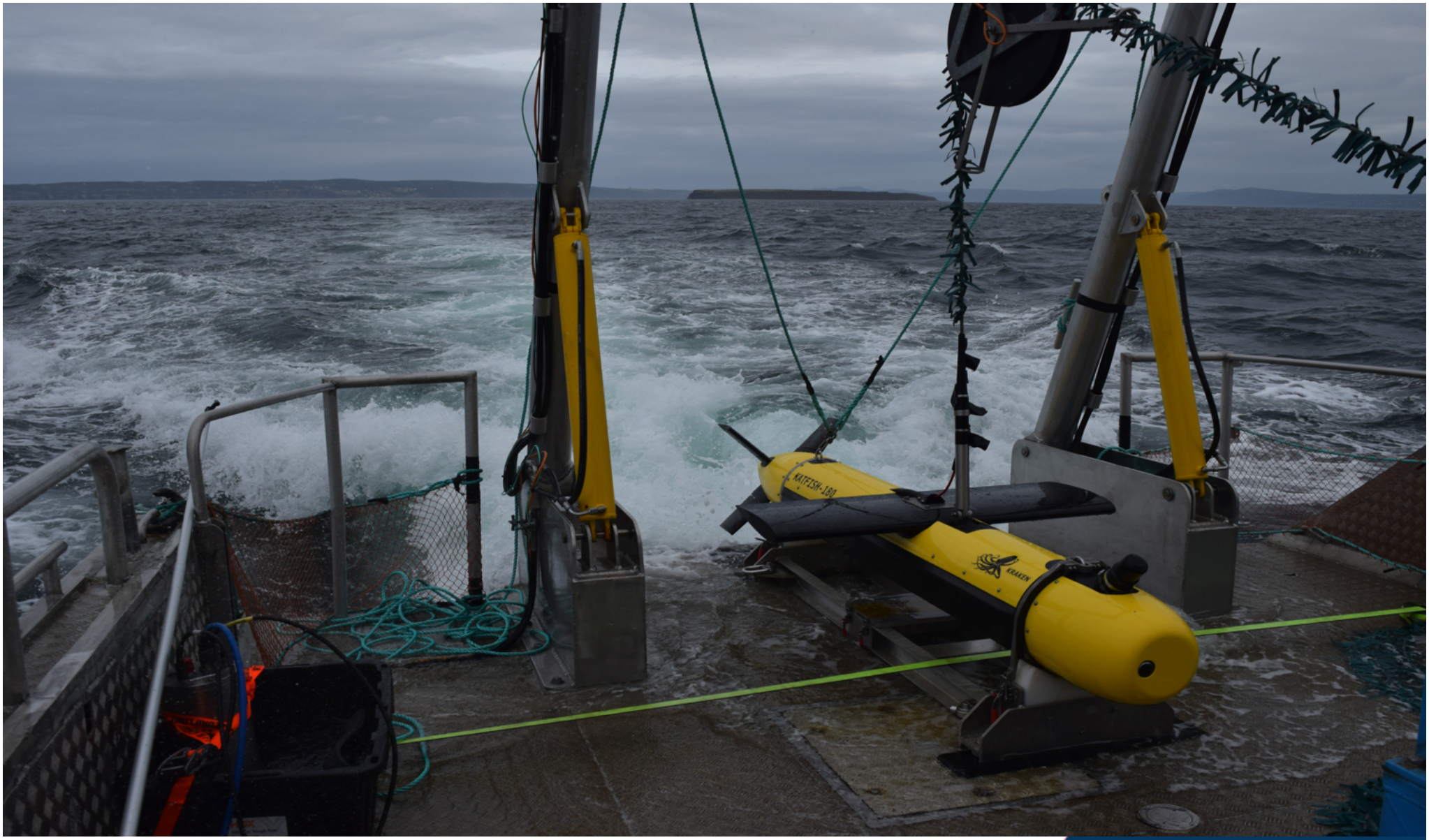
- Ultra-high resolution
- Twin pods enable flexible mounting on ROVs and AUVs
- Dynamic (profiling) or static (scanning) operation
- Full colour point clouds from RGB lasers
- Unprecedented scan speed (300,000 points/second)
- High-sensitivity colour camera with live video streaming
- No wet moving parts
- 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





Evolving from Sensors to Systems and RaaS

KATFISH – Tethered Underwater Towfish



THUNDERFISH ® - Autonomous Underwater Vehicle

2017/2018 Strategic Milestones

2017

- 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.
- **Vice Admiral Mike Connor, former commander of US Submarine Force, joins Board**
- **Announce strategic partnership with GE Avitas for robotic subsea inspection**

2018

- SAS sensor deployed on US Navy AUV
- Win European offshore energy technology competition with Carbon Trust
- **Ocean Supercluster chosen as one of 5 cluster winners to share $950M in funding**
- **Strategic alliance with ThayerMahan**

Historical Financials

	Actual C2015	Actual C2016	9 mth end Sept 30/2017
Sensors	$1,730,116	$1,372,828	$1,259,101
KATFISH towed vehicle	$163,183	$894,990	$0
THUNDERFISH AUV	$0	$0	$0
ALARS	$0	$0	$0
Project Contracts	$0	$0	$157,558
Survey Services (RAAS)	$0	$0	$577,420
Revenue	**$1,893,299**	**$2,267,818**	**$1,994,079**
Cost of Sales	$805,488	$487,880	$1,095,438
Gross Margin	**$1,087,811**	**$1,779,939**	**$898,641**
	57.5%	**78.5%**	**45.1%**
Wages & Benefits			
Gross Wages & Benefits	$1,483,370	$2,232,899	Reallocated
Technology grants	($698,370)	($894,568)	Reallocated
Net Wages & Benefits	$785,000	$1,338,331	
Headcount	**21**	**30**	**43**
Research & Development			
Expenditures	$158,498	$496,203	$1,437,334
SR&ED Tax Credits	$0	$0	$0
Net Research & Development	$158,498	$496,203	$1,437,334
Selling, General & Administrative			
Administrative	$812,730	$1,123,643	
Sales & Marketing	$70,983	$95,738	
	$883,713	$1,219,381	$1,766,510
Total Operating Expenses	$1,827,211	$3,053,915	$3,203,844
EBITDA	**($739,400)**	**($1,273,977)**	**($2,305,203)**

- Historical financial represent various trial sales of SAS sensors to defense customers
- > 80% of revs to date have been single unit AquaPix sales
- Product gross margins 55% - 80%

- **$7M+ orders in last 12 months**
  - **Q3 2017: first multi unit SAS order (8 unit)**
  - **Q3 2017: $2M KATFISH order**
- **Entered 2018 with ~ $5M of backlog**
- Break-even at annual revenue ~$8M

2017/2018 Financial Milestones

2017

- **$**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
- **$3.1M Contract with Ocean Infinity for SAS sensors on Hugin AUVs**
- $0.5M RaaS contract (Avro Arrow test model search)
- **$2.0M Robotics contract with unnamed customer**
- $0.1M Paid trial with major global defense company
- $0.8M Robotics contract from oil and gas sector

2018

- $0.4M Contract from US defense customer
- Completed Private Placement of $1.5M and $0.75M term loan

Financial Snapshot & Customers

- **New products & partnerships will drive growth:**
  - Revenues to date $9.0 million ($2.2M in 2016) mainly sensors with ASPs of $350K
  - Strong outlook for New Products: sensors (ASP $100k to $1M), KATFISH product (ASP of $2M commercial, $3M military standard), ALARS (ASP $750k)
  - Broadening distribution channels with strong partners: GE, Atlas Elektronik, Elbit, Ocean Infinity

Avg Sales Price	
AquaPix (SAS)	$450,000
New sensors (SeaVision)	$100,000
New sensors (QB SAS)	$1,300,000
KatFish - COTS	$1,950,000
KatFish - MIL-STD	$3,250,000
ALARS	$975,000
THUNDERFISH	$3,900,000

US$150M+ Contract Pipeline – Defense Industry

- **In the Midst of an Industry Upgrade Cycle for Mine Counter Measures (MCM) Tech**
- **Active Defense Industry Contract Pursuits**
  - Far East Navy – $60M+ 12 (+6) KATFISH – Technical trials expected 2H/18. German partner
  - European Navy 1 – $20-$30M+ KATFISH (4+2), partnered with UK defense contractor. Expect 2018 event
  - European Navy 2 - $25M+ SAS & KATFISH, expect RFP in Q2 2018
  - Canadian Navy - $15M+, RMDS, RFI complete, expect contract end 2018, AUV 9”; 12 ¾” AUVs
  - Middle East – Near term KATFISH & ALARS opportunity; can grow to multi-unit opportunity in the region.
  - US Navy
    - Various manned and unmanned platforms, ROV’s and Towfish
    - Could dwarf all international opportunities
    - Have deployed sensor on mid size and large AUVs. Single unit sales to prove technical and operational capabilities
    - To demonstrate sensor on small AUVs in 2018.
    - 2018 US defense industry trials: Multiple trials across various platforms
  - Key defense company partners: ThayerMahan (US), Atlas (Germany), ECA Robotics (France), Ultra Electronics (UK), Elbit (Israel)

US$150M+ Contract Pipeline – Commercial Market

- **Active Commercial Market Contract Pursuits**
  - AquaPix SAS sensors
  - SeaVision 3D laser imaging system – More than 50 active leads. First commercial sales in Q2/2018
  - Oil & Gas AUV Contract
    - $1M software development for European oil and gas service company
    - Multi phase tech development contract for US oil and gas service company
  - Government - BCIP Contract - $1.5M for ThunderFish and SeaVision
  - German Ocean Sciences - $3M from various private research organizations
  - Kraken Power GmbH
    - Batteries for commercial customer fleet upgrades – US$10M
    - Initial battery development for customers
    - $2M annual contract for thrusters for fish farm cleaners
  - Robotics as a Service
    - Using KATFISH and THUNDERFISH platforms
  - Ocean Supercluster opportunities
  - Above ground oil storage tank inspections

Financial Scenario Analysis

NOTE: TABLE BELOW IS NOT A FORECAST

Product or Service	Date Commercialized	2018 Units/jobs	2018 Revenue	2020 Units/jobs	2020 Revenue
Sensors					
SAS (acoustic)	2014	4	$2,000,000	12	$5,250,000
CVL (acoustic) royalty	2017	8	$100,000	25	$312,500
SeaVision (laser)	2018	8	$800,000	40	$4,000,000
Systems					
KATFISH towfish	2017	2	$3,750,000	6	$11,250,000
ALARS	2018	0	$0	4	$4,000,000
ThunderFish AUV	2020	0	$0	2	$7,500,000
Other					
Kraken Germany Projects	n.a.	n.a.	$500,000	n.a.	$2,000,000
Kraken Power (minority holding)	n.a.	n.a.	$500,000	n.a.	$4,000,000
RaaS	n.a.	1	$500,000	10	$5,000,000
Total Revenue			**$8,150,000**		**$43,312,500**
Gross Margin			$4,890,000		$25,987,500
			60%		60%
Operating expenses			$5,400,000		$11,500,000
EBITDA			**($510,000)**		**$14,487,500**
			-6%		33%

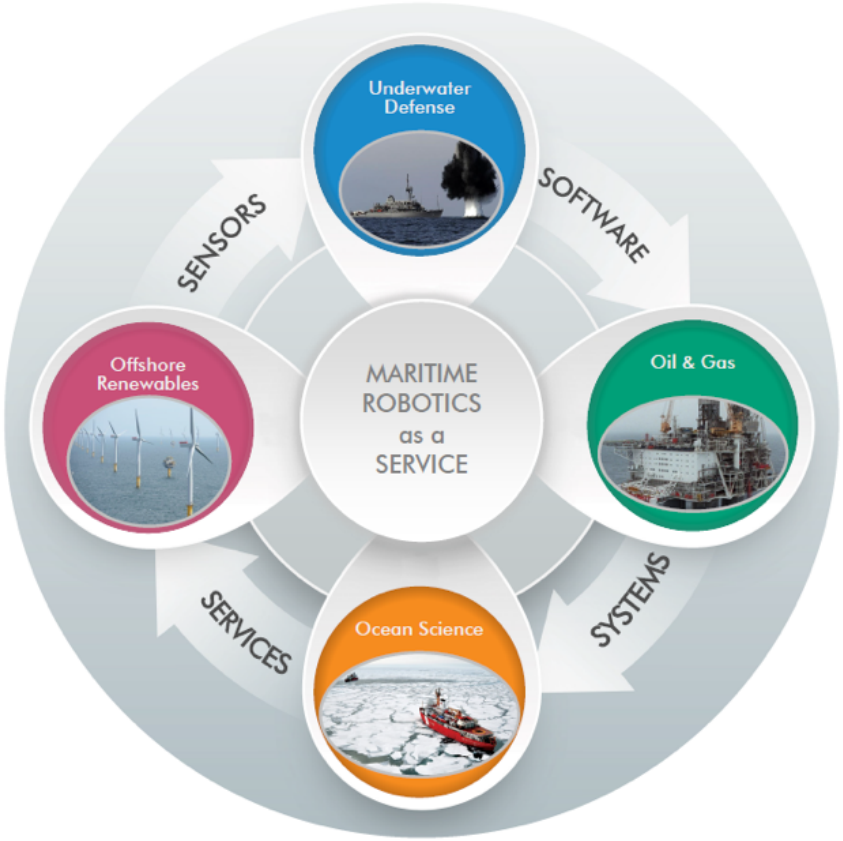
- New products available in 2017/2018 drive growth
- System sales just starting
- Kraken Germany emerging
- RaaS revenue emerging

- Significant operating leverage in business model

Strong Upside Potential

- **Sub $20M market cap today yet $30M+ of sensor and robotics IP**
- **Market leading technology, products, team in an industry with high barriers to entry**
- **Kraken Organic Growth will be strong driven by new products, new partners, and industry upgrade cycles.**
- **Accelerating M&A in the sector:**
  - 2016 - General Dynamics acquired Bluefin Robotics, a manufacturer of unmanned vehicles
  - 2016 - Boeing acquired Liquid Robotics, maker of a wave glider, reportedly for over US$300M
  - 2017 - L3 Technologies acquired Ocean Server Technology, maker of AUVs
  - 2017 - L3 Technologies acquired Open Water Power, a developer of UUV battery technology
  - 2017 - L3 Technologies acquired Adaptive Methods, a supplier of autonomy and sensor payload systems for use in UUVs

Contact Details



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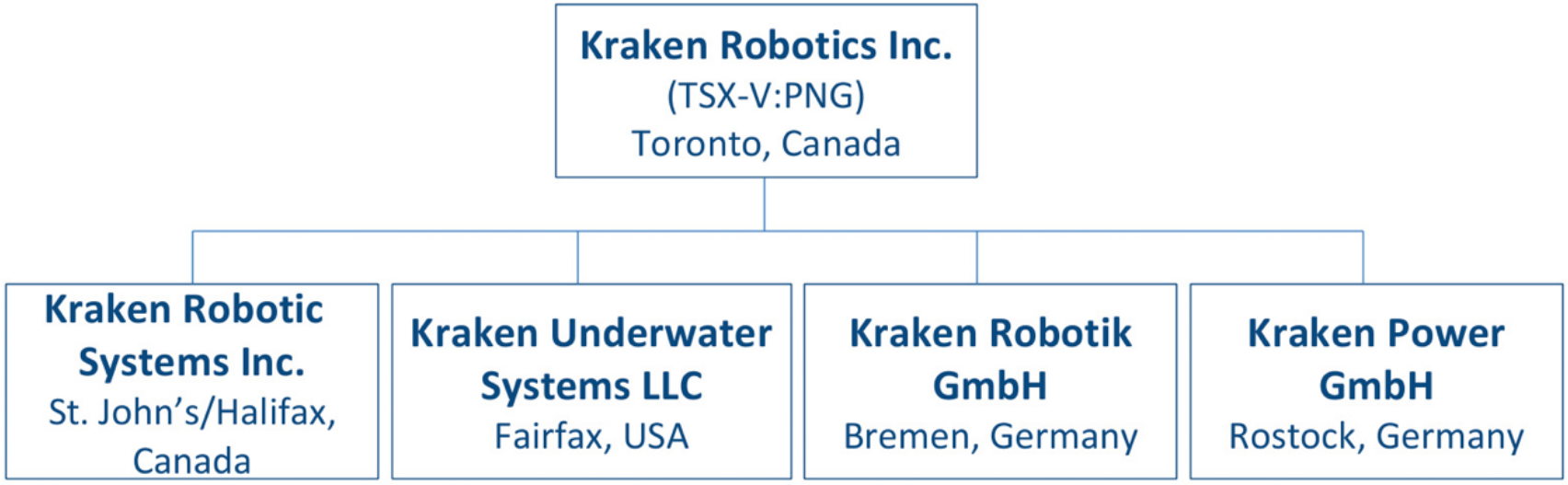
Supplementary Slides

Corporate Structure



- Synthetic Aperture Sonar
- RT SAS Signal Processing
- RT 3D Seabed Mapping
- 3D Visualization Software
- Correlation Velocity Logs
- KATFISH SAS Towfish
- Handling Systems/A-LARS
- THUNDERFISH AUV

- Engineering Services
- Business Development

- Laser/Optic Sensors
- Artificial Intelligence
- Machine Learning
- AUV Control Systems
- Subsea Docking Systems
- Brazilian Support Office

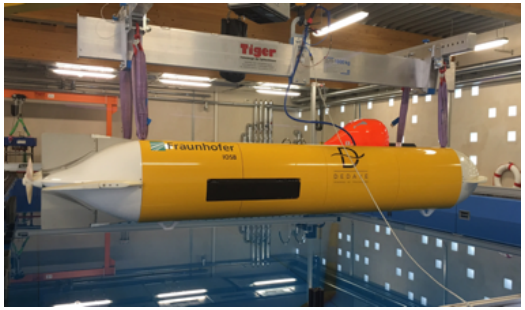
- Pressure Tolerant Molding
- Batteries & BMS
- Drives
- Thrusters
- JELLYFISH H-ROV

German Activities Bearing Fruit

- Kraken Robotik GmbH (KRG) established in January and now staffed with 5 underwater robotics experts (ex DFKI) including 3 PHDs.
- DFKI (German Center for Artificial Intelligence Research)
  - FlatFish AUV & precursor to SeaVision laser scanner
- Fraunhofer IOSB AUV partnership (Apr 2017) – ThunderFish Alpha & access to technical talent
- Kraken Power GmbH 19.9% investment (May 2017) – Starting to win notable contracts (thrusters, batteries)
- First KRG contract Alfred Wegener Institute (AWI) delivered (Jul 2017)
- Atlas Elektronik – Delivered 2 SAS units to date, partnered on Far East Navy bid, teaming agreement for Canada, other
- SeaVision expected to be ship in Q2/2018

THUNDERFISH® - Next Gen Hovering AUV

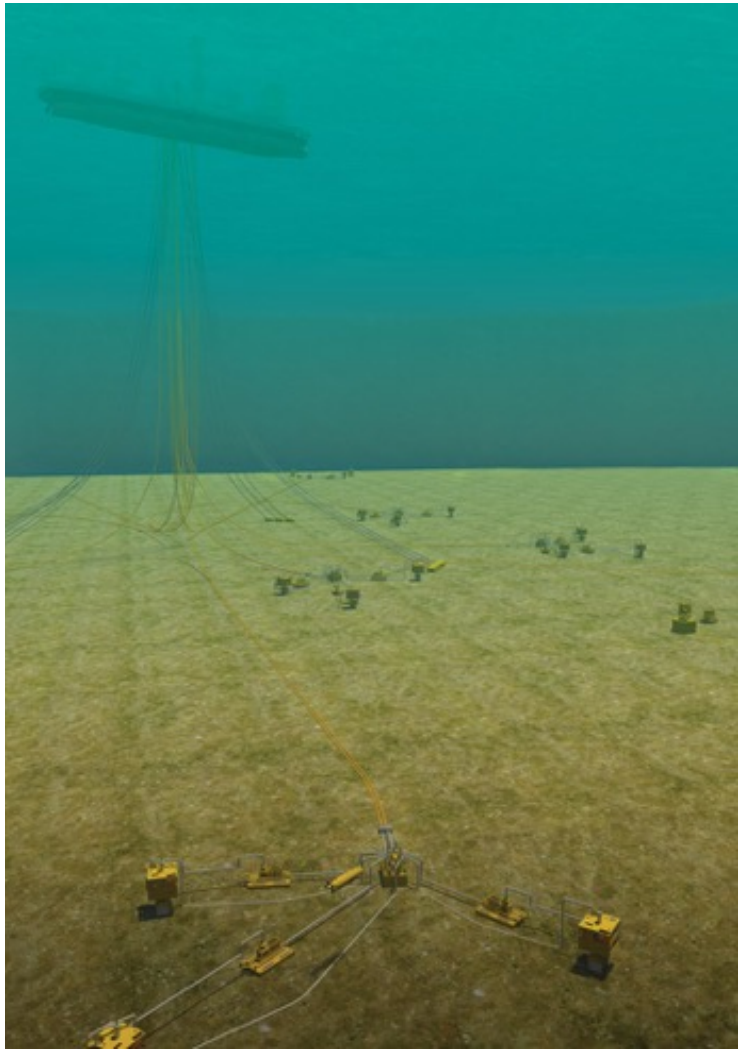
- Kraken acquired all AUV IP and technology assets from Marine Robotics Inc. (MRI) in 2015
- Former MRI engineering and software team work at Kraken. MRI assets and IP from KATFISH enable next-gen AUV development
- Senior DFKI engineering and software team (German) joined Kraken in 2017. Strong background 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*



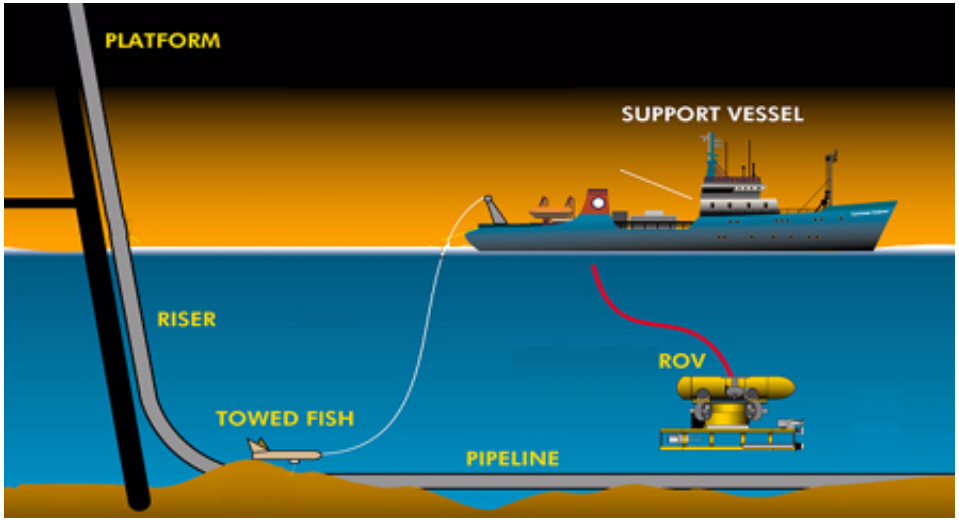
THUNDERFISH® Technology Demo Platform

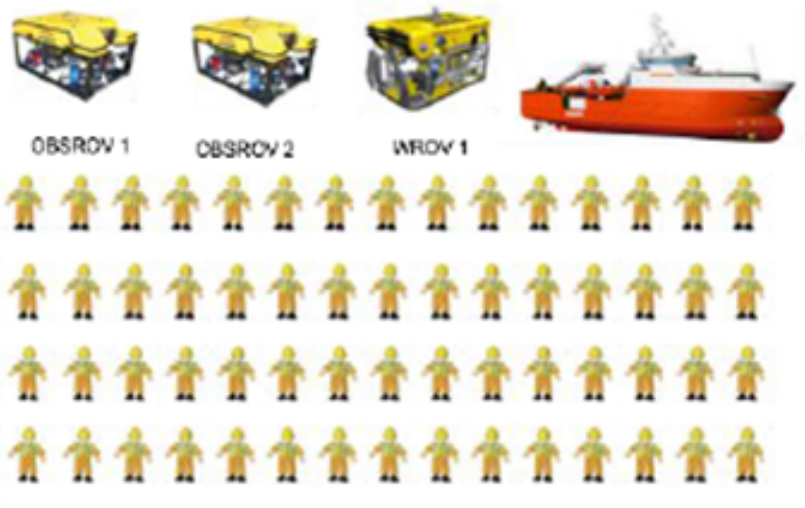
Maritime Robotics as a Service (RaaS)

- 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



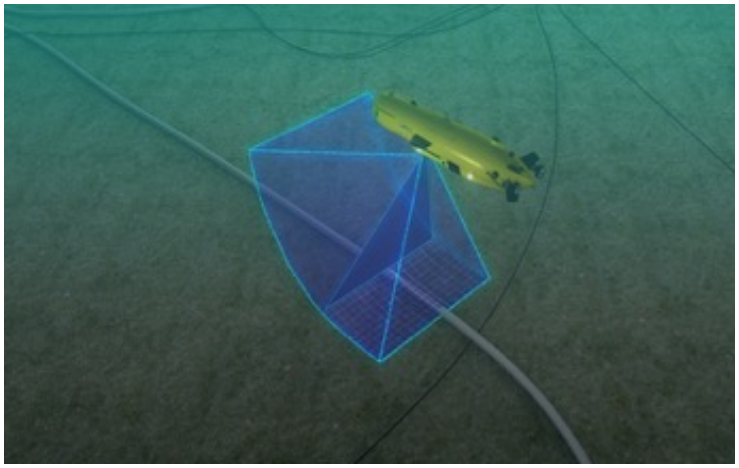


Shipboard Personnel: 40 - 60 people

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

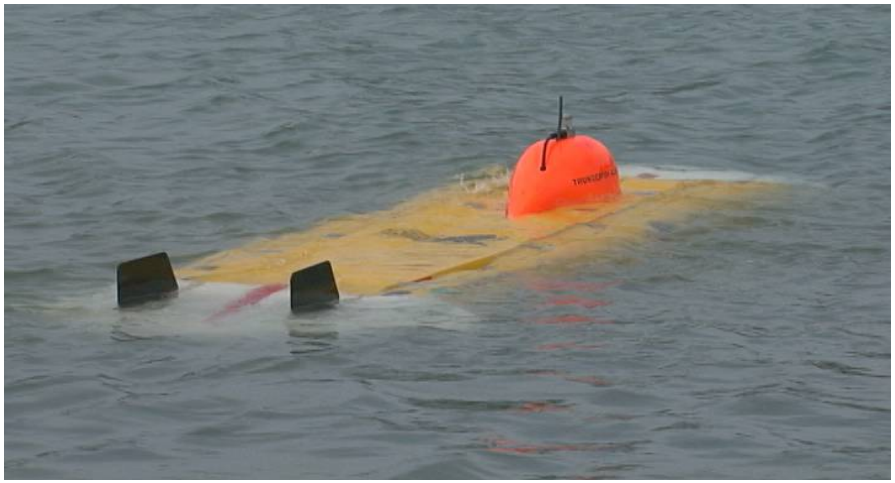
Speed of Advance: 2 knots max.

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”

Avro Arrow – Q3 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

THUNDERFISH in Lake Ontario

Avro Arrow – August 2017