

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1 **Name and Address of Company**

Kraken Robotics Inc. (the “**Company**”)
430 Water Street, Suite 100
St. John’s, NL, A1C 1E2

ITEM 2 **Date of Material Change**

December 20, 2018.

ITEM 3 **News Releases**

A press release was issued through Globe Newswire on December 20, 2018.

ITEM 4 **Summary of Material Changes**

The Company announced that it closed a previously announced “bought deal” financing of 15,000,000 common shares for aggregate gross proceeds of \$6,000,000.

ITEM 5 **Full Description of Material Change**

5.1 – Full Description of Material Change

The Company completed a “bought deal” short form prospectus offering of common shares (the “**Offering**”). A total of 15,000,000 common shares of the Company (“**Common Shares**”) were sold at a price of \$0.40 per Common Share (the “**Issue Price**”) for gross proceeds of \$6,000,000.

The Offering was completed by a syndicate of underwriters led by Clarus Securities Inc. as lead underwriter and sole bookrunner, and including Beacon Securities Limited (the “**Underwriters**”). In consideration for their services, the Underwriters received a cash commission equal to 6% of the gross proceeds of the Offering (3% in respect of President’s List purchasers) and compensation options (each a “**Compensation Option**”) equal to 4% of the Common Shares sold pursuant to the Offering (2% in respect of President’s List purchasers). Each Compensation Option entitles the holder thereof to purchase one Common Share at a price of \$0.60 until December 20, 2020.

5.2- Disclosure for Restructuring Transactions

Not Applicable.

ITEM 6 **Reliance of subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

ITEM 7 **Omitted Information**

Not applicable.

ITEM 8 **Executive Officer**

The name and business number of an executive officer of the Company who is knowledgeable about the material change and this report is:

Greg Reid, CFO
T: 416-818-9822

ITEM 9

Date of Report

December 20, 2018.