Kraken Robotics Announces $6 Million Bought Deal Prospectus Offering

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TORONTO, Dec. 03, 2018 (GLOBE NEWSWIRE) -- Kraken Robotics Inc. ("**Kraken**" or the "**Company**") (TSXV: PNG) is pleased to announce that it has entered into an engagement agreement with Clarus Securities Inc. (the "**Lead Underwriter**") on behalf of a syndicate of underwriters (the "**Underwriters**") pursuant to which Underwriters have agreed to purchase, on a "bought deal" basis, 15,000,000 Common Shares (the "**Common Shares**") of the Company at a price of $0.40 per Common Share (the "**Offering Price**") for aggregate gross proceeds to the Company of $6,000,000 (the "**Offering**").

The Company has agreed to grant the Underwriters an over-allotment option to purchase up to an additional 2,250,000 Common Shares at the Offering Price, exercisable in whole or in part at any time for a period ending 30 days from and including the closing date of the Offering. If the over-allotment option is exercised in full, the aggregate gross proceeds of the Offering will be $6,900,000.

The Company intends to use the net proceeds from the Offering for leasehold improvement, capital expenditures, technology licensing payments, additional equity investment in Kraken Power GmbH, parts and inventory and general corporate and working capital purposes.

The Common Shares will be offered: (a) by way of a short form prospectus to be filed in each of the provinces of Canada, other than Québec; (b) by way of a private placement in the United States; and (c) in those jurisdictions outside of Canada and the United States which are agreed to by the Company and the Underwriter, where the Common Shares can be issued on a private placement basis, exempt from any prospectus, registration or other similar requirements.

The Offering is expected to close on or about December 31, 2018 and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange Inc. ("**TSXV**").

*The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with the requirements of an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

About Kraken

Kraken Robotics Inc. is a marine technology company engaged in the design, development and marketing of advanced sensors, software and underwater robotics for Unmanned Maritime Vehicles used in military and commercial applications. We are recognized as world leading innovators of synthetic aperture sonar (SAS), a revolutionary underwater imaging technology that dramatically improves seabed surveys by providing ultra-high resolution imagery at superior coverage rates. Kraken has evolved from building world class SAS sensors to building world class underwater vehicles including tethered (KATFISH™) and autonomous (THUNDERFISH®) versions.
For more information, visit www.krakenrobotics.com.

Forward-Looking Information

Certain information in this press release constitutes forward-looking information within the meaning of applicable Canadian securities legislation. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by Kraken as of the date of this press release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to, completion of the Offering and the factors described in greater detail in the "Risk Factors" section of our Annual Information Form dated October 11, 2018 available at www.sedar.com, and the "Risk Factors" section of the final prospectus relating to the Offering, which will be available at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect Kraken; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. The forward-looking statements contained in this press release are made as of the date of this press release, and Kraken expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

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