

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1 **Name and Address of Company**

Kraken Robotics Inc. (the “Company” or “Kraken”)
189 Glencoe Drive
Mount Pearl, NL, A1N 4P6

ITEM 2 **Date of Material Change**

September 8, 2020.

ITEM 3 **News Releases**

A press release was issued through Globe Newswire on September 8, 2020.

ITEM 4 **Summary of Material Changes**

The Company announced that it had entered into an agreement with the Danish Ministry of Defence, Acquisition and Logistics Organization to supply minehunting sonar equipment to the Royal Danish Navy. The aggregate value of the contract is approximately \$36 million, the majority of which is expected to be received over a two year equipment acquisition phase.

ITEM 5 **Full Description of Material Change**

5.1 – Full Description of Material Change

The Company announced that it had entered into an engagement agreement with the Danish Ministry of Defence, Acquisition and Logistics Organization to supply minehunting sonar equipment to the Royal Danish Navy. The contract was awarded to the Company following a competitive bid process. Pursuant to the agreement, Kraken will deliver its KATFISH™ towed Synthetic Aperture Sonar, Tentacle® Winch and Autonomous Launch and Recovery System to the Royal Danish Navy and Kraken’s minehunting system will be integrated onboard the Royal Danish Navy’s optionally unmanned surface vessels.

The aggregate value of the agreement is approximately \$36 million, the majority of which is expected to be received over a two year equipment acquisition phase. Product margins on this agreement are expected to be in line with historical Kraken averages.

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:

Joe MacKay, CFO
T: 416-303-0605

ITEM 9 **Date of Report**

October 6, 2020.