



Kraken Announces Closing of \$10 Million Bought Deal Financing

ST. JOHN'S, Newfoundland and Labrador, July 26, 2021 (GLOBE NEWSWIRE) -- Kraken Robotics Inc. ("**Kraken**" or the "**Company**") (TSX-V: PNG, OTCQB: KRKNF), is pleased to announce it has closed its previously announced "bought deal" short form prospectus offering (the "**Offering**") of units of the Company ("**Units**"). A total of 20,000,000 Units were sold at a price of \$0.50 per Unit for gross proceeds of \$10,000,000. Each Unit consists of one common share of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (each whole purchase warrant, a "**Warrant**"). Each Warrant entitles the holder to acquire one Common Share (a "**Warrant Share**") at a price of \$0.60 per Warrant Share for a period of two years following the closing of the Offering, subject to acceleration in certain circumstances.

The Offering was completed by a syndicate of underwriters led by Canaccord Genuity Corp. and including Raymond James Ltd., Desjardin Securities Inc., Beacon Securities Limited, and Research Capital Corp. (the "**Underwriters**").

The Offering was made by way of a prospectus supplement dated July 22, 2021 (the "**Prospectus Supplement**") to the Company's existing short form base shelf prospectus dated April 6, 2021 (the "**Base Shelf Prospectus**"). The Prospectus Supplement has been filed with the securities commissions in each of the provinces of Canada, and is available on SEDAR at www.sedar.com. A copy of the Base Shelf Prospectus can also be obtained on SEDAR at www.sedar.com.

Among other uses as described in the Prospectus Supplement, the Company expects to use the net proceeds from the Offering to fund a portion of the consideration for the acquisition of PGH Capital Inc. and its subsidiaries, PanGeo Subsea Inc. and PanGeo Subsea Scotland Limited (collectively with PGH Capital, "**PanGeo**") and for general working capital for Kraken to strengthen its balance sheet and provide flexibility to position the Company for future growth. The Offering is subject to TSX Venture Exchange ("**TSXV**") final acceptance of requisite regulatory filings.

The Company has granted the Underwriters an option (the "**Over-Allotment Option**") to cover overallotments and for market stabilization purposes, exercisable at any time, in whole or in part, until the date that is 30 days following the closing of the Offering, to purchase up to an additional 3,000,000 Units on the same terms and conditions of the Offering, for additional gross proceeds of up to \$1,500,000. The Over-Allotment Option is exercisable to acquire Units, Common Shares and/or Warrants (or any combination thereof) at the discretion of the Underwriters.

The Units, and the Common Shares and Warrants comprising the Units, 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 state securities laws. Accordingly, Units may not be offered or sold within the United States, its territories or possessions, any state of the United States or the District of Columbia (collectively, the "**United States**") except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Units in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction. No securities regulatory authority has either approved or disapproved of the contents of this press release.

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ABOUT KRACKEN ROBOTICS INC.

Kraken Robotics Inc. (TSX.V:PNG) (OTCQB: KRKNF) is a marine technology company dedicated to the production and sale of software-centric sensors, subsea batteries and thrusters, and underwater robotic systems. The company is headquartered in Newfoundland with offices in Canada, U.S., Germany, Denmark, and Brazil. Kraken is ranked as a Top 100 marine technology company by Marine Technology Reporter.

Certain information in this news release constitutes forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, statements relating to the Offering, including the use of proceeds of the Offering. These statements involve known and unknown risks, uncertainties and other factors that

may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, the ability of the Company to satisfy all closing conditions of the acquisition of PanGeo; the ability to integrate the operations of PanGeo into Kraken's Robotics and Data as a Service business model; the positive reception of the acquisition of PanGeo by Kraken's target market for sub-seabed acoustic imaging; changes in market; competition; governmental or regulatory developments; the ability of Kraken to obtain final approval of the TSXV on a timely basis, or at all; that the Company's use of proceeds of the Offering may differ from those indicated; additional financing requirements, general economic conditions and other factors set out in the Company's public disclosure documents. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release, and the OTCQB has neither approved nor disapproved the contents of this press release.

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