United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

September 9, 2022
Date of Report (Date of earliest event reported)

Nauticus Robotics, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-40611**	**85-1699753**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

17146 Feathercraft Lane, Suite 450 Webster, TX 77598	**77598**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(281) 942-9069**

CleanTech Acquisition Corp.
207 West 25th Street, 9th Floor
New York, NY
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock	KITT	The Nasdaq Stock Market LLC
Warrants	KITTW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

INTRODUCTORY NOTE

On September 9, 2022 (the "Closing Date"), Nauticus Robotics, Inc., a Delaware corporation (formerly known as CleanTech Acquisition Corp.) (prior to the Closing Date, "CLAQ" and after the Closing Date, "Nauticus"), consummated the previously announced business combination (the "Closing") pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement," and together with the other agreements and transactions contemplated by the Merger Agreement, the "Business Combination") with CleanTech Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of CLAQ ("Merger Sub"), and Nauticus Robotics, Inc., a Texas corporation (prior to the Closing Date, "Nauticus Robotics Holdings, Inc."). Pursuant to the terms of the Merger Agreement, a business combination between CLAQ and Nauticus Robotics Holdings, Inc. was effected through the merger of Merger Sub with and into Nauticus Robotics Holdings, Inc., with Nauticus Robotics Holdings, Inc. surviving the merger as a wholly owned subsidiary of CLAQ (the "Merger"). On the Closing Date, as contemplated by the Merger Agreement and as described in the definitive proxy statement/prospectus filed by CLAQ with the U.S. Securities and Exchange Commission (the "SEC") on August 15, 2022 (as amended or supplemented, the "Proxy Statement/Prospectus"), CLAQ was renamed "Nauticus Robotics, Inc." and the previous Nauticus Robotics, Inc. was renamed "Nauticus Robotics Holdings Inc.". Capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Proxy Statement/Prospectus.

As a result of the Closing, among other things, (a) each share of Nauticus Preferred Stock, par value $0.01 per share, that was issued and outstanding immediately prior to the Closing converted into shares of Nauticus Common stock, par value $0.01 per share, in accordance with the Certificate of Incorporation of Nauticus Robotics Holdings, Inc. ("Nauticus Preferred Stock Conversion"); (b) that certain (i) Unsecured Convertible Promissory Note, dated June 19, 2021, by and between Goradia Capital, LLC and Nauticus Robotics Holdings, Inc., as amended on December 16, 2021, (ii) Unsecured Convertible Promissory Note, August 3, 2021, by and between Material Impact Fund II, L.P. and Nauticus Robotics Holdings, Inc., as amended on December 16, 2021, (iii) Unsecured Convertible Promissory Note, dated October 22, 2021, by and between In-Q-Tel, Inc. and Nauticus Robotics Holdings, Inc., as amended on December 16, 2021, (iv) Unsecured Convertible Promissory Note, dated July 28, 2020, by and between Schlumberger Technology Corporation and Nauticus Robotics Holdings, Inc., as amended on December 16, 2021, and (v) Unsecured Convertible Promissory Note, dated December 7, 2020, by and between Transocean Inc. and Nauticus Robotics Holdings, Inc., as amended on December 16, 2021 (each, a "Nauticus Convertible Note" and

collectively, the "Nauticus Convertible Notes") was converted into shares of Nauticus Common Stock in accordance with the terms of each such Nauticus Convertible Note; and (c) each share of Nauticus Common Stock (including shares of Nauticus Common Stock outstanding as a result of the Nauticus Preferred Stock Conversion and Nauticus Convertible Notes Conversion, but excluding shares of the holders who perfect rights of appraisal under Delaware law) was converted into the right to receive (i) the Per Share Merger Consideration and (ii) Earnout Shares.

In addition, each outstanding option to purchase shares of Nauticus Common Stock (a "Nauticus Option"), whether or not then vested and exercisable, was assumed by CLAQ and converted automatically (and without any required action on the part of such holder of outstanding Nauticus Option) into an option to purchase shares of the CLAQ's Common Stock equal to the number of shares determined by multiplying the number of shares of the Nauticus Common Stock subject to such Nauticus Option immediately prior to the Closing by the Exchange Ratio. As a result of the Closing, an aggregate of 3,970,266 shares of common stock, par value $0.0001 per share (the "Common Stock" of CLAQ prior to the Closing, and the Common Stock of Nauticus following the Closing) were reserved for issuance upon exercise of these options.

Earnout Shares. Following the closing of the Merger, former holders of shares of Nauticus Common Stock (including shares received as a result of the Nauticus Preferred Stock conversion and the Nauticus Convertible Notes conversion, the "Stockholder Earnout Group") shall be entitled to receive their pro rata share of up to 7,499,993 additional shares of Nauticus Common Stock (the "Earnout Shares"). The Earnout Shares will be released and delivered to the Stockholder Earnout Group upon occurrence of the following (each, a "Triggering Event"):

i. one-half of the Escrow Shares will be released if, within a 5-year period following the signing date of the Merger Agreement, the volume-weighted average price of Nauticus Common Stock equals or exceeds $15.00 per share over any 20 trading days within a 30-day trading period;

ii. one-quarter of the Escrow Shares will be released if, within a 5-year period following the signing date of the Merger Agreement, the volume-weighted average price of Nauticus Common Stock equals or exceeds $17.50 per share over any 20 trading days within a 30-day trading period; and

iii. one-quarter of the Escrow Shares will be released if, within a 5-year period following the signing date of the Merger Agreement, the volume-weighted average price of Nauticus Common Stock equals or exceeds $20.00 per share over any 20 trading days within a 30-day trading period.

Subscription Agreements. In connection with the execution of the Merger Agreement, CLAQ entered into subscription agreements (collectively, the "Subscription Agreements") with certain parties subscribing for shares of Common Stock (the "Subscribers") pursuant to which the Subscribers have agreed to purchase, and CLAQ has agreed to sell to the Subscribers, an aggregate of 3,100,000 shares of Common Stock, for a purchase price of $10.00 per share and an aggregate purchase price of $31 million (the "Equity Financing"). At the Closing, Nauticus issued 3,100,000 shares of Common Stock to the Subscribers. The Subscription Agreements contain customary representations and warranties and provide for certain customary registration rights with respect to the shares issued thereunder. A description of the Subscription Agreements is included in the Proxy Statement/Prospectus in the section entitled "*Proposal 1-The Business Combination Proposal-Certain Related Agreements-Subscription Agreements*", which description is incorporated herein by reference.

Securities Purchase Agreement. In connection with the execution of the Merger Agreement, CLAQ and Nauticus entered into a securities purchase agreement (the "Securities Purchase Agreement") with certain investors purchasing up to an aggregate of $40.0 million in principal amount of secured debentures (the "Debentures") and warrants. The number of shares of Common Stock into which the Debentures are convertible is equal to 120% of the outstanding principal amount of the Debentures divided by the conversion price of $15.00, and the number of shares of Common Stock into which the associated warrants are exercisable is equal to 120% of the outstanding principal amount of the Debentures divided by the conversion price, with an exercise price equal to $20, subject to adjustment (the "Debt Financing," and together with the Equity Financing, the "PIPE Investment"). The exercise price of the associated warrant is subject to (i) customary anti-dilution adjustments; and (ii) in the case of a subsequent equity sale at a per share price below the exercise price, the exercise price of the associated warrant will be adjusted to such lower price, and the number of shares underlying the warrant will increase proportionately. In the event of a rights offering or dividend, the warrant holder will be treated as though the shares underlying the warrant he/she holds were outstanding. These warrants can be exercised on a cashless basis. There will be an original issue discount of 2% from the issued amount of the Debentures. Interest will accrue on all outstanding principal amount of the Debentures at 5% per annum, payable quarterly. The Debentures will be secured by first priority interests, and liens on, all present and after-acquired assets of Nauticus, and will mature on the fourth anniversary of the date of issuance. Upon Closing, ATW Special Situations I LLC ("ATW"), Material Impact Fund II, L.P., and the 2022 SLS Family Irrevocable Trust, subscribed for Debentures in the aggregate principal amount of $36,530,320 (out of the aggregate $40.0 million) which is convertible into 2,922,425 shares of Common Stock and associated warrants for an additional 2,922,425 shares.

Lock-up Agreement and Arrangements. In connection with the Closing, the Sponsors and certain Nauticus stockholders entered into a lock-up agreement (the "Sponsor Lock-Up Agreement" and "Company Stockholder Lock-up Agreement) with Nauticus and CLAQ , pursuant to which each will agree, subject to certain customary exceptions, not to: (i) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of Common Stock received as merger consideration and held by it immediately after the Effective Time (the "Lock-Up Shares"), or enter into a transaction that would have the same effect; (ii) enter into transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any of such shares, whether any of these transactions are to be settled by delivery of such shares, in cash or otherwise; or (iii) publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, or engage in any "Short Sales" (as defined in the Sponsor Lock-Up Agreement and Company Stockholder Lock-up Agreement) with respect to any security of CLAQ; during a "Lock-Up Period" under their respective agreements. A description of the Lock-up Agreement and Arrangements is included in the Proxy Statement/Prospectus in the section entitled "*Proposal 1-The Business Combination Proposal-Certain Related Agreements-Lock-up Agreement and Arrangement*", which description is incorporated herein by reference.

Item 1.01. Entry Into a Material Definitive Agreement.

Amended and Restated Registration Rights Agreement. In connection with the Closing, Nauticus, CLAQ and certain stockholders of each of Nauticus and CLAQ who received shares of Common Stock pursuant to the Merger Agreement, entered into an amended and restated registration rights agreement ("Registration Rights Agreement") mutually agreeable to CLAQ and Nauticus, which became effective upon the Closing.

The foregoing description of the Registration Rights Agreement is not complete and is subject to and qualified in its entirety by reference to the complete text of the Registration Rights Agreement, a copy of which is attached hereto as Exhibit 10.17 and incorporated herein by reference.

Omnibus Incentive Plan. On September 6, 2022, CLAQ's shareholders approved Nauticus' 2022 Omnibus Incentive Plan (the "Omnibus Incentive Plan") at the Special Meeting and on September 9, 2022, the newly constituted board of directors of Nauticus (the "Board") ratified the Omnibus Incentive Plan. The purpose of the Omnibus Incentive Plan is to encourage the profitability and growth of the Company through short-term and long-term incentives that are consistent with the Company's objectives, give participants an incentive for excellence in individual performance, promote teamwork among participants, and give Nauticus a significant advantage in attracting and retaining key employees, non-employee directors and consultants.

The Omnibus Incentive Plan provides for the grant of options, stock appreciation rights, RSUs, restricted stock and other stock-based awards, any of which may be performance-based, and for incentive bonuses, which may be paid in cash, Common Stock or a combination thereof, as determined by the Committee (as defined in the Omnibus Incentive Plan). No awards were granted under the Omnibus Incentive Plan prior to its approval by CLAQ's shareholders.

In addition, certain RSU grants, and their terms and conditions, are expected to be approved and issued pursuant to the Omnibus Incentive Plan upon the effectiveness of a registration statement to filed by Nauticus on Form S-8.

A description of the Omnibus Incentive Plan is set forth in the section of the Proxy Statement/Prospectus entitled "*Proposal 6-The Stock Plan Proposal*", which description is incorporated herein by reference.

The foregoing description of the Omnibus Incentive Plan is not complete and is subject to and qualified in its entirety by reference to the complete text of the Omnibus Incentive Plan, a copy of which is attached hereto as Exhibit 10.9 and incorporated herein by reference.

Indemnification Agreements. In connection with the Closing, Nauticus entered into customary indemnification agreements with the individuals elected to Nauticus' board of directors effective as of the Closing.

Warrant Agreements.

Concurrent with the consummation of CLAQ's initial public offering, CLAQ entered into a Warrant Agreement, dated as of July 14, 2021 (the "Warrant Agreement"), with Continental Stock Transfer & Trust Company ("Continental"). Pursuant to the Warrant Agreement, among other things, CLAQ agreed to, as soon as practicable, but in no event later than thirty (30) business days after the closing of the Business Combination, to use its best efforts to file with the SEC a registration statement for the registration under the Securities Act of 1933, as amended, of the shares of Common Stock issuable upon exercise of the Warrants, and to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Warrants in accordance with the provisions of the Warrant Agreement. In addition, the Company agrees to use its best efforts to register the shares of Common Stock issuable upon exercise of the Warrants under state blue sky laws, to the extent an exemption is not available.

The foregoing descriptions of the Warrant Agreement are not complete and are subject to and qualified in their entirety by reference to the complete text of the Warrant Agreement, which is attached hereto as Exhibit 4.4, and incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "Introductory Note" above, including with respect to the Merger, is incorporated into this Item 2.01 by reference.

Each of the proposals included in the Proxy Statement/Prospectus was approved by CLAQ's shareholders at the special meeting of stockholders held on September 6, 2022 (the "Special Meeting").

As of the Closing Date, and immediately following the consummation of the transactions contemplated by the Merger Agreement (the "Business Combination"), Nauticus had the following issued and outstanding securities:

- 47,250,773 shares of Common Stock;
- 8,625,000 Public Warrants, each exercisable for one share of Common Stock at a price of $11.50 per share; and
- 7,175,000 Private Warrants, each exercisable for one share of Common Stock at a price of $11.50 per share.
- 2,922,425 SPA Warrants, each exercisable for one share of Common Stock at a price of $20.00 per share.

FORM 10 INFORMATION

Prior to the Closing, CLAQ was a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) with no operations, formed as a vehicle to effect a business combination with one or more operating businesses. After the Closing, Nauticus Robotics, Inc. (formerly CleanTech Acquisition Corp.) became a holding company whose only material assets consist of equity interests in Nauticus Robotics Holdings, Inc.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K contains forward-looking statements, including statements regarding the anticipated benefits of the Business Combination, and the financial condition, results of operations, earnings outlook and prospects of Nauticus and may include statements for the period following the consummation of the Business Combination. Forward-looking statements appear in a number of places in this Form 8-K including, without limitation, in the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations of Nauticus" and "Business of Nauticus." In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements are based on the current expectations of the management of Nauticus and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of such statement. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in "Risk Factors," those discussed and identified in public filings made with the SEC by Nauticus and the following:

- Nauticus is an early-stage company with a history of losses, and it expects to incur significant expenses for the foreseeable future.
- Almost all of Nauticus' revenues in 2020, 2021, and the second quarter of 2022 were derived from three customers. A substantial portion of Nauticus' current revenue is generated by sales to government entities, which are subject to a number of uncertainties, challenges, and risks.

- If Nauticus fails to effectively manage its growth, Nauticus may not be able to design, develop, manufacture, market, and launch new generations of its robotic systems successfully.
- Nauticus' operating and financial projections rely on management assumptions and analyses. If these assumptions or analyses prove to be incorrect, Nauticus' actual operating results may be materially different from its forecasted results.
- Nauticus' business plans require a significant amount of capital. Nauticus' future capital needs may require Nauticus to sell additional equity or debt securities that may dilute its stockholders or introduce covenants that may restrict its operations or its ability to pay dividends.
- Nauticus will incur significant increased expenses and administrative burdens as a public company, which could have a material adverse effect on its business, prospects, financial condition and operating results.
- Nauticus operates in a competitive industry that is subject to rapid technological change, and Nauticus expects competition to increase.
- Nauticus' financial results may vary significantly from period to period due to fluctuations in its operating costs, product demand and other factors.
- Nauticus has yet to achieve positive operating cash flow and, given its projected funding needs, its ability to generate positive cash flow is uncertain.

- Because Nauticus will become a public reporting company by means other than a traditional underwritten initial public offering, the Nauticus' stockholders may face additional risks and uncertainties.
- The market price of the Common Stock is likely to be highly volatile, and you may lose some or all of your investment.
- Volatility in the Nauticus' share price could subject Nauticus to securities class action litigation.
- Our management team has limited skills and experience related to managing a public company
- We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.
- Our stock price has fluctuated historically and may continue to fluctuate.

These and other factors that could cause actual results to differ from those implied by the forward-looking statements in this Current Report on Form 8-K are more fully described under the heading "*Risk Factors*" and elsewhere in this Current Report on Form 8-K. Forward-looking statements are not guarantees of performance and speak only as of the date hereof. The forward-looking statements are based on the current and reasonable expectations of Nauticus' management but are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of such statements. There can be no assurance that future developments will be those that have been anticipated or that Nauticus will achieve or realize these plans, intentions or expectations.

All forward-looking statements attributable to Nauticus or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. Nauticus undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, statements of belief and similar statements reflect the beliefs and opinions of Nauticus on the relevant subject. These statements are based upon information available to Nauticus as of the date of this Current Report on Form 8-K, and while Nauticus believes such information forms a reasonable basis for such statements, such information may be limited or incomplete, and statements should not be read to indicate that Nauticus has conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

Business and Facilities

The information set forth in the section of the Proxy Statement/Prospectus entitled "*Information About Nauticus Robotics, Inc.*", including the information regarding the properties used in Nauticus' business included in the subsection thereof entitled "*Information About Nauticus-Facilities*", and in the section of the Proxy Statement/Prospectus entitled "*Information About CLAQ*" is incorporated herein by reference.

Risk Factors

The information set forth in the section of the Proxy Statement/Prospectus entitled "*Risk Factors*" is incorporated herein by reference.

Financial Information

Unaudited Condensed Consolidated Financial Statements

The unaudited condensed financial statements as of and for the quarterly ended June 30, 2022, and the related notes thereto on CLAQ's Quarterly Report on Form 10-Q, filed with the SEC on August 15, 2022 (the "Form 10-Q"), are incorporated herein by reference. These unaudited financial statements should be read in conjunction with the historical audited financial statements of CLAQ from June 18, 2020 (inception) through December 31, 2020 and the related notes included in the Proxy Statement/Prospectus beginning on page F-2, which are incorporated herein by reference.

The unaudited financial statements of Nauticus as of and for the three and six months ended June 30, 2022, and 2021, are set forth in Exhibit 99.2 hereto and are incorporated by reference herein. These unaudited financial statements should be read in conjunction with the historical audited financial statements of Nauticus for the years ended December 31, 2021, and 2020, and the related notes included in the Proxy Statement/Prospectus beginning on page F-53, which are incorporated herein by reference.

Unaudited Pro Forma Condensed Combined Financial Information

The information set forth in Exhibit 99.4 to this Current Report on Form 8-K is incorporated by reference herein.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Managements' discussion and analysis of the financial condition and results of operations prior to the Merger is set for in Exhibit 99.3 and included in (a) Nauticus' Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 183 of the Proxy Statement/Prospectus and incorporated herein by reference and (b) CLAQ's Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 27 of the Form 10-Q and incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding the beneficial ownership of shares of our Common Stock as of July 20, 2022 pre-Business Combination and immediately after the consummation of the Business Combination by:

- each person or "group" (as such term is used in Section 13(d)(3) of the Exchange Act) known by CLAQ to be the beneficial owner of more than 5% of shares of our Common Stock as of July 20, 2022 (pre-Business Combination) or of shares of our Common Stock upon the closing of the Business Combination;
- each of CLAQ's executive officers and directors;
- each person who will become an executive officer or director of Nauticus upon the closing of the Business Combination;
- all of our current executive officers and directors as a group; and
- all executive officers and directors of Nauticus as a group upon the closing of the Business Combination.

As of the Record Date, CLAQ had 6,095,789 shares of Common Stock issued and outstanding.

Beneficial ownership is determined in accordance with SEC rules and includes voting or investment power with respect to securities. Except as indicated by the footnotes below, CLAQ believes, based on the information furnished to it, that the persons and entities named in the table below have, or will have immediately after the consummation of the Business Combination, sole voting and investment power with respect to all shares of our Common Stock that they beneficially own, subject to applicable community property laws. Any shares of our Common Stock subject to options or Warrants exercisable within 60 days of the consummation of the Business Combination are deemed to be outstanding and beneficially owned by the persons holding those options or Warrants for the purpose of computing the number of shares beneficially owned and the percentage ownership of that person. They are not, however, deemed to be outstanding and beneficially owned for the purpose of computing the percentage ownership of any other person.

Subject to the paragraph above, percentage ownership of outstanding shares is based on 55,875,773 shares of our Common Stock to be outstanding upon consummation of the Business Combination, inclusive of the Earnout Shares, the 3,530,000 shares to be issued in connection with the Equity Financing, the 7,175,000 shares underlying the Private Warrants and the 862,500 shares to be issued upon conversion of the CLAQ Rights at the closing of the Business Combination. If the actual facts are different than these assumptions (which they are likely to be), the percentage ownership retained by CLAQ's existing stockholders in CLAQ will be different.

The beneficial ownership of Common Stock post-Business Combination under the header "Post-Business Combination" reflects the 338,799 shares of Common Stock redeemed by the public stockholders of CLAQ (the "Public Stockholders") after July 20, 2022, in connection with the Special Meeting of CLAQ stockholders on September 6, and 1,444,490 shares of Common Stock currently outstanding.

	Pre-Business Combination		Post-Business Combination	
	Number of Shares		Post-Redemptions	
Name and Address of Beneficial Owner[1]	**Number of Shares Beneficially Owned**	**% of Class**	**Number of Shares**	**% of Class[2]**
Five Percent Holders of Nauticus				
CleanTech Sponsor I LLC[3]	2,595,000	42.6%	7,307,333	11.6%
CleanTech Investments[4]	1,437,500	23.6%	3,829,167	6.1%
Transocean Inc.[5]	—	—	11,159,695	20.0%
Schlumberger Technology Corporation[6]	—	—	10,664,084	19.1%
Angela Berka[7]	—	—	4,824,013	8.6%
Material Impact Fund II, L.P.[8]	—	—	3,565,592	5.8%
ATW Special Situations I LLC[9]	—	—	4,734,656	7.7%
Directors and Named Executive Officers of Nauticus				
Nicolaus Radford[10]	—		4,824,012	8.6%
Rangan Padmanabhan	—		—	
Donnelly A. Bohan	—		—	
John Yamokoski[11]	—		887,746	1.6%
M. Dilshad Kasmani	—		—	
Jim Bellingham	—		—	
Joseph W. Dyer	—		—	
John W. Gibson Jr.	—		—	
Mark Mey[12]	—		11,159,695	20.0%
Lisa Porter	—		—	
Adam Sharkawy[13]	—		3,565,592	5.8%
Eli Spiro[14]	—		7,307,333	11.6%
All Directors and Executive Officers post-Business Combination as a group (11 individuals)			27,744,378	49.7%

(1) The business address of each of the individuals is c/o Nauticus Robotics, Inc., 17146 Feathercraft Lane, Suite 450 Webster, TX 77598.

(2) Percentage is calculated assuming the conversion and exercise of 8,625,000 Public Warrants issued in the IPO and including 7,499,993 issued Earnout Shares.

(3) Consists of shares of Common Stock owned by CleanTech Sponsor I LLC, for which Eli Spiro is the managing member. Assuming the conversion and exercise of 7,175,000 Private Warrants (of which 4,783,333 Private Warrants sold to the CleanTech Sponsor I LLC). The business address of Cleantech Sponsor I LLC is 207 West 25th Street, 9th Floor, New York, NY 10001.

(4) Consists of shares of Common Stock owned by CleanTech Investments, for which Jonas Grossman is the managing member. Assuming the conversion and exercise of 7,175,000 Private Warrants (of which 2,391,667 Private Warrants sold to the CleanTech Investments). The business address of Cleantech Investments is 207 West 25th Street, 9th Floor, New York, NY 10001. CleanTech Investments is an affiliate of Chardan Capital Markets, LLC.

(5) Consists of (i) 8,329,492 shares issued as merger consideration, (ii) 2,080,203 Earnout Shares, and (iii) 750,000 shares purchased during the PIPE Investment. Our director, Mark Mey, is the Chief Financial Officer at Transocean Inc. The business address of Transocean Inc. is 1414 Enclave Parkway, Houston, Texas 77077.

(6) Consists of (i) 7,932,920 shares issued as merger consideration, (ii) 1,981,164 Earnout Shares, and (iii) 750,000 shares purchased during the PIPE Investment. The business address of Schlumberger Technology Corporation is 5599 San Felipe Street, Houston, Texas 77056.

(7) Consists of 3,860,015 shares issued as merger consideration and 963,998 Earnout Shares. The business address of Angela Berka is 11522 Orchard Mountain Drive, Houston, Texas 77059.

(8) Consists of (i) 1,999,835 shares issued as merger consideration, (ii) 499,437 Earnout Shares, (iii) 250,000 shares purchased during the PIPE Investment, (iv) 408,160 shares issuable upon the conversion of Debentures purchased by Material Impact Fund II, L.P. and (v) 408,160 shares issuable upon exercise of SPA Warrants (defined below) issued pursuant to the Securities Purchase Agreement. Our director, Adam Sharkawy is a founder and managing partner at Material Impact Fund II, L.P. The business address of Material Impact Fund II, L.P. is 131 Dartmouth Street, Boston, Massachusetts 02116.

(9) Consists of 2,367,328 shares issuable upon the conversion of Debentures purchased by ATW and 2,367,328 shares issuable upon exercise of SPA Warrants (defined below) issued pursuant to the Securities Purchase Agreement.

(10) Consists of 2,956,456 shares issued as merger consideration, (ii) 738,344 Earnout Shares, (iii) 1,065,295 shares of Common Stock transferred to Inna Radford and (iv) 63,916 shares of Common Stock transferred to Dennis Radford and Karen Radford.

(11) Consists of 710,345 shares issued as merger consideration and 177,401 Earnout Shares.

(12) Consists of the following, directly held by Transocean Inc.: 8,329,492 shares issued as merger consideration, (ii) 2,080,203 Earnout Shares, and (iii) 750,000 shares purchased during the PIPE Investment.

(13) Consists of the following, directly held by Material Impact Fund II, L.P.: (i) 1,999,835 shares issued as merger consideration, (ii) 499,437 Earnout Shares, (iii) 250,000 shares purchased during the PIPE Investment, (iv) 408,160 shares issuable upon the conversion of Debentures purchased by Material Impact Fund II, L.P. and (v) 408,160 shares issuable upon exercise of SPA Warrants (defined below) issued pursuant to the Securities Purchase Agreement.

(14) Consists of shares of Common Stock owned by CleanTech Sponsor I LLC, for which Eli Spiro is the managing member. Assuming the conversion and exercise of 8,625,000 Public Warrants issued in the IPO, and 7,175,000 Private Warrants (of which 4,783,333 Private Warrants sold to the CleanTech Sponsor I LLC).

Information about Directors and Executive Officers

Nauticus' directors and executive officers are as follows:

Name	Age	Position
Nicolaus Radford	44	President, Chief Executive Officer and Director
Rangan Padmanabhan	47	Chief Financial Officer
Donnelly A. Bohan	49	Chief Operating Officer
John Yamokoski	44	Chief Technology Officer
M. Dilshad Kasmani	45	Chief Legal and Administrative Officer, and Secretary
Jim Bellingham	60	Director
Joseph W. Dyer	75	Director
John W. Gibson, Jr.	64	Director
Mark Mey	58	Director
Lisa Porter	54	Chairman of the Board
Adam Sharkawy	57	Director
Eli Spiro	50	Director

Information with respect to Nauticus' directors and executive officers immediately after the Closing, including biographical information regarding these individuals, is set forth in the Proxy Statement/Prospectus in the sections entitled "*Proposal 5-The Directors Proposal*", and "*Directors and Executive Officers of Nauticus After the Business Combination*", which information is incorporated herein by reference.

Resignations and Appointments

Each of CLAQ's directors, Brendan Riley, Britt E. Ide, Jonas Grossman, Douglas Cole, Jon Najarian and Bill Richardson, prior to the Closing resigned from their respective position as a director of CLAQ, in each case effective as of the effective time on the Closing Date.

Effective as of the Closing, Nicolaus Radford, Mark Mey, Lisa Porter, Jim Bellingham, Adam Sharkawy, John W. Gibson, Jr., Joseph W. Dyer and Eli Spiro were elected to serve on the Board until their respective successors are duly elected and qualified.

Following the Closing, the size of the Board increased to eight (8) directors. Additionally, the Board is divided into three classes designated as Class I, Class II and Class III. Class I directors, consisting of Jim Bellingham and Adam Sharkawy, will initially serve for a term expiring at the first annual meeting of stockholders following the Closing Date, which is expected to be held in 2023. Class II directors, consisting of Lisa Porter, John W. Gibson, Jr., Joseph Dyer, and Eli Spiro, will initially serve for a term expiring at the second annual meeting of stockholders following the Closing Date, which is expected to be held in 2024. Class III directors, consisting of Nicolaus Radford and Mark Mey, will initially serve for a term expiring at the third annual meeting of stockholders following the Closing Date, which is expected to be held in 2025. At each annual meeting of stockholders, directors will be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting of the stockholders. There is no limit on the number of terms a director may serve on the Board.

The officers of CLAQ and/or its subsidiaries, Eli Spiro, Richard Fitzgerald, Louis Buffalino, and Ankur Dhanuja, resigned from all positions held as an officer of CLAQ or its subsidiaries, in each case effective as of the effective time on the Closing Date.

Effective as of the Closing, Nicolaus Radford was appointed to serve as Nauticus' President and Chief Executive Officer, Rangan Padmanabhan was appointed to serve as Nauticus' Chief Financial Officer, Donnelly A. Bohan was appointed to serve as Nauticus' Chief Operating Officer, M. Dilshad Kasmani was appointed as Nauticus' Chief Legal and Administrative Officer, General Counsel and Secretary, John Yamokoski was appointed as Nauticus' Chief Technology Officer and Tom Matura was appointed as Nauticus' Vice President of Accounting.

Board of Directors

Director Independence

Nasdaq listing rules require that a majority of the board of directors of a company listed on Nasdaq be composed of "independent directors," which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of the company's board of directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Nauticus' Board of Directors has determined that, upon Closing, each of Lisa Porter, Jim Bellingham, Adam Sharkawy, John W. Gibson, Jr., Joseph W. Dyer, and Eli Spiro will be an independent director under the Nasdaq listing rules and Rule 10A-3 of the Exchange Act. In making these determinations, Nauticus' Board of Directors considered the current and prior relationships that each non-employee director has with Nauticus and will have with Nauticus and all other facts and circumstances Nauticus' Board of Directors deemed relevant in determining independence, including the beneficial ownership of our Common Stock by each non-employee director, and the transactions involving them described in the section entitled "*Certain Relationships and Related Transactions.*"

Committees of the Board of Directors

The standing committees of Nauticus' Board of Directors will consist of an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. The composition of each committee is set forth below.

Audit Committee

Our Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Exchange Act and consists of John W. Gibson, Jr., Joseph W. Dyer, and Eli Spiro, each of whom are independent directors and are "financially literate" as defined under the Nasdaq listing standards. John W. Gibson, Jr. serves as chairman of the Audit Committee. Our Board has determined that John W. Gibson Jr. qualifies as an "audit committee financial expert," as defined under rules and regulations of the SEC.

The audit committee's duties are specified in our Audit Committee Charter.

Compensation Committee

Our Compensation Committee consists of Eli Spiro, Jim Bellingham, and Adam Sharkawy, each of whom is an independent director. Eli Spiro serves as chairman of the Compensation Committee. The functions of the Compensation Committee will be set forth in a Compensation Committee Charter.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of John W. Gibson, Jr., Joseph W. Dyer, and Adam Sharkawy, each of whom is an independent director under Nasdaq's listing standards. Joseph W. Dyer serves as the chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for overseeing the selection of persons to be nominated to serve on our board of directors. The Nominating and Corporate Governance Committee considers persons identified by its members, management, shareholders, investment bankers and others.

The guidelines for selecting nominees, will be specified in the Nominating and Corporate Governance Committee Charter.

Code of Business Ethics and Conduct Policy

We have adopted a Code of Business Ethics and Conduct Policy for our directors, officers, employees and certain affiliates in accordance with applicable federal securities laws, a copy of which will be available on Nauticus' website at *www.NauticusRobotics.com*. Nauticus will make a printed copy of the Code of Business Ethics and Conduct Policy available to any stockholder who so requests. Requests for a printed copy may be directed to: legal@nautic.us, Attention: Legal Department.

If we amend or grant a waiver of one or more of the provisions of our Code of Business Ethics and Conduct Policy, we intend to satisfy the requirements under Item 5.05 of Form 8-K regarding the disclosure of amendments to or waivers from provisions of our Code of Business Ethics and Conduct Policy that apply to our principal executive officer, principal financial officer and principal accounting officer by posting the required information on Nauticus' website at *www.NauticusRobotics.com*. The information on this website is not part of this Form 8-K.

Director Compensation

Information relating to director compensation following Closing is described in the Proxy Statement/Prospectus in the section entitled "*Directors and Executive Officers of Nauticus After the Business Combination- Officer and Director Compensation Following the Business Combination*", which information is incorporated herein by reference.

Omnibus Incentive Plan

The Omnibus Incentive Plan was approved by CLAQ's shareholders at the Special Meeting. A description of the Omnibus Incentive Plan is set forth in the section of the Proxy Statement/Prospectus entitled "*Proposal 6-The Stock Plan Proposal*" and is incorporated herein by reference. A copy of the complete text of the Omnibus Incentive Plan is filed as Exhibit 10.9 to this Current Report on Form 8-K and is incorporated herein by reference.

Executive and Director Compensation of CLAQ

None of CLAQ's executive officers or directors have received any cash compensation for services rendered to CLAQ. The Sponsor and CLAQ's executive officers and directors, or their respective affiliates were reimbursed for any out-of-pocket expenses incurred in connection with activities on CLAQ's behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Prior to the Closing, CLAQ's audit committee reviewed on a quarterly basis all payments that were made by CLAQ to the Sponsor and CLAQ's executive officers or directors, or their affiliates. Any such payments prior to the Closing were made using funds held outside CLAQ's trust account. Other than quarterly audit committee review of such reimbursements, CLAQ did not have any additional controls in place governing CLAQ's reimbursement payments to its directors and executive officers for their out-of-pocket expenses incurred in connection with activities on CLAQ's behalf in connection with identifying and consummating an initial business combination. Other than these payments and reimbursements, no compensation of any kind, including finder's and consulting fees, was paid by CLAQ to the Sponsor or CLAQ officers, or their respective affiliates, prior to the Closing. CLAQ was not party to any agreements with its executive officers and directors that provide for benefits upon termination of employment.

Executive and Director Compensation

Executive Compensation

The policies of Nauticus with respect to the compensation of its executive officers and following the Business Combination will be administered by Nauticus' Board and specifically through the compensation committee that the Nauticus Board will establish.

Director Compensation

Nauticus' Board will determine the annual compensation to be paid to the members of the Board. In connection with the consummation of the Business Combination, the Nauticus' Board intends to adopt a non-employee director compensation policy that will be applicable to each of its non-employee directors and that will be consistent with industry standards and practice.

Summary Compensation Table and Narrative

The following table shows information concerning the annual compensation for services provided to the Company by our NEOs for the year ended December 31, 2021.

Name and Position	Year	Salary ($)	Bonus ($)	Option Awards ($)[1]	All Other Compensation ($)[2]	Total ($)
Nicolaus Radford *Chief Executive Officer and Chairman*	2021	250,000	—	688,412	18,075.56	956,487.56
Reginald B. Berka *(Former) Chief Operations Officer and Director*	2021	250,000	—	91,065	18,075.56	359,140.56
Todd Newell *Senior Vice President of Business Development*	2021	225,000	10,000	278,802	6,750.04	520,552.04

(1) The amounts in this column represent the aggregate grant date fair value of option awards granted to each NEO, computed in accordance with FASB ASC Topic 718. See the section entitled *"Management's Discussion and Analysis of Financial Condition and Results of Operations of Nauticus — Critical Accounting Policies and Estimates — Stock-Based Compensation"* for a discussion of assumptions made by us in determining the grant date fair value of our equity awards.

(2) The amounts in this column for Messrs. Radford and Berka represent 401(k) plan safe harbor contributions and automobile and cellphone allowance. The amounts in this column for Mr. Newell represent 401(k) safe harbor contributions.

Narrative Disclosure to Summary Compensation Table

Employee Benefits

Our NEOs are generally eligible to participate in our health and welfare, retirement and other employee benefit programs on the same basis as other employees, subject to applicable law. We maintain a 401(k) plan for eligible employees. Under the 401(k) plan, eligible employees may elect to contribute a portion of their eligible compensation as pre-tax or Roth deferrals in accordance with the limitations imposed under the Internal Revenue Code of 1986, as amended (the "Code"). We provide a safe harbor contribution in an amount not less than 3% of each participant's eligible compensation, subject to limitations imposed under the Code. We may also make discretionary matching and profit-sharing contributions.

Employment Agreements

Existing Employment Agreements

Nicolaus Radford is a party to an employment agreement with the Company, dated August 28, 2015 (the "Existing Radford Employment Agreement"), pursuant to which he is employed on an at-will basis and which provides that he is to be compensated with an annual base salary. Under the Existing Radford Employment Agreement, Mr. Radford is not eligible to receive any severance payments in the event of termination of Mr. Radford's employment.

Todd Newell is party to an employment agreement with the Company, dated June 22, 2020 (the "Existing Newell Employment Agreement"), pursuant to which he is employed on an at-will basis and which provides that he is to be compensated with an annual base salary. Under the Existing Newell Employment Agreement, Mr. Newell is not eligible to receive any severance payments in the event of termination of Mr. Newell's employment. In addition to the stock option grants outlined above in the section titled "Stock Option Awards" of this *Directors and Executive Officers of Nauticus* section, Newell's Offer Letter provides for a discretionary bonus.

New Employment Agreement

The Company entered into an employment agreement with Mr. Radford, dated December 16, 2021, which will become effective upon the closing of the Business Combination (the "New Radford Employment Agreement"). Under the New Radford Employment Agreement, Mr. Radford will serve as Nauticus' Chief Executive Officer. The New Radford Employment Agreement provides for an annual base salary of $375,000 and target annual bonus opportunity equal to 75% of Mr. Radford's then-current annual base salary, subject to the achievement of certain performance goals set by the board of directors, the board of directors' assessment of achievement of those goals and the terms and conditions of the bonus plan to be approved by the board of directors. The New Radford Employment Agreement also provides that Mr. Radford is entitled to receive an annual grant of incentive equity awards pursuant to any plans or arrangements Nauticus may have in effect from time to time subject to the discretion of the board of directors. Additionally, pursuant to the terms of the New Radford Employment Agreement, Mr. Radford is entitled to receive a one-time cash bonus equal to $1,000,000 following the closing of the Business Combination.

In the event that Mr. Radford's employment is terminated without cause or Mr. Radford resigns for good reason following the closing of the Business Combination other than in connection with a change in control, he is eligible to receive (i) continued salary payments and COBRA premiums for twelve months following his termination of employment or resignation; and (ii) payment of his annual bonus for the fiscal year immediately preceding the year in which he is terminated or resigns to the extent such annual bonus is unpaid. In the event that Mr. Radford's employment is terminated without cause or Mr. Radford resigns for good reason following the closing of the Business Combination and within three months prior to a change in control or within twelve months following a change in control, he is eligible to receive (i) continued salary payments and COBRA premiums for eighteen months following his termination of employment or resignation; (ii) payment of his annual bonus for the fiscal year immediately preceding the year in which he is terminated or resigns, to the extent such annual bonus is unpaid; (iii) a lump-sum payment equal to 100% of the higher of (1) his annual bonus as in effect for the fiscal year in which the change in control occurs or (2) his bonus as in effect for the fiscal year in which his termination of employment occurs; and (iv) acceleration of 100% of his outstanding unvested equity awards on the date of his termination (if however, an outstanding equity award is to vest and/or the amount of the equity award to vest is to be determined based on the achievement of performance criteria, then the equity award will vest as to one hundred percent (100%) of the amount of the equity award assuming the performance criteria had been achieved at target levels for the relevant performance period(s), unless otherwise provided in the applicable award agreement).

Outstanding Equity Awards at 2021 Fiscal Year-End

The following table shows information regarding outstanding equity awards held by the NEOs as of December 31, 2021.

	Option Awards				
Name	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
Nicolaus Radford[(2)]	—	37,798	—	35.52	December 16, 2031
Reginald B. Berka[(3)]	—	5,000	—	35.52	December 16, 2031
Todd Newell[(4)]	—	20,000	—	27.57	September 1, 2031

(1) 25% of these stock options vest on the first anniversary of the applicable grant date and the remaining 75% of these stock options vest in thirty-six (36) successive equal monthly installments measured from the first anniversary of the grant date, subject to continued service with the Company through each such vesting date. No stock option is exercisable more than 10 years after the grant date.
(2) Granted on December 16, 2021.
(3) Granted on December 16, 2021.
(4) Granted on September 1, 2021.

Certain Relationships and Related Party Transactions

Stock Options

Pursuant to Nauticus' 2015 Equity Incentive Stock Option Agreement (the "Nauticus Equity Incentive Plan"), Nauticus awards stock options to its employees, officers, and directors. All options issued by the Company vest on the following schedule: 25% of the shares vest one year after the vesting commencement date. The balance of the shares vest in a series of thirty-six (36) successive equal monthly installments measuring from the first anniversary of the vesting commencement date.

Convertible Notes

On July 28, 2020, Nauticus entered into a $1,500,000 convertible promissory note with Schlumberger Technology Corporation ("Schlumberger," and such note, the "Schlumberger Convertible Note"). The Schlumberger Convertible Note is unsecured, payable upon the earliest to occur of (a) the closing of Nauticus' next sale of Nauticus Series C Preferred Stock (the "Next Equity Financing"), (b) the date on which the Schlumberger Convertible Note would be due and payable upon an event of default, or (c) December 31, 2021, and bears interest at a rate of 4.25% per annum. The Schlumberger Convertible Note is convertible into shares of Nauticus Series C Preferred Stock upon the closing of a Next Equity Financing.

On December 7, 2020, Nauticus entered into a $1,500,000 convertible promissory note with Transocean Inc. ("Transocean," and such note, the "Transocean Convertible Note"). The Transocean Convertible Note is unsecured, payable upon the earliest to occur of (a) the closing of the Next Equity Financing, (b) the date on which the Schlumberger Convertible Note would be due and payable upon an event of default, or (c) December 31, 2021, and bears interest at a rate of 10% per annum. The Transocean Convertible Note is convertible into shares of Nauticus Series C Preferred Stock upon the closing of a Next Equity Financing.

On June 19, 2021, Nauticus entered into a $5,000,000 convertible promissory note with Goradia Capital, LLC ("Goradia," and such note, the "Goradia Convertible Note"). The Goradia Convertible Note is unsecured, payable upon the earliest to occur of (a) the closing of a Nauticus Series C Preferred Stock equity financing (a "Qualified Financing"), (b) the closing of a transaction where any person or group of persons becomes a beneficial owner, directly or indirectly, of 51% or more of the outstanding equity interests of Nauticus (a "Change of Control Transaction"), and (c) December 31, 2022, unless earlier accelerated following an event of default, and bears interest at a rate of 10% per annum. The Goradia Convertible Note is convertible into shares of Series C Preferred Stock upon a Qualified Financing or Series B Preferred Stock upon a Change of Control Transaction.

On August 3, 2021, Nauticus entered into a $5,000,000 convertible promissory note with Material Impact Fund II, L.P. ("Material Impact," and such note, the "Material Impact Convertible Note.") The Material Impact Convertible Note is unsecured, payable upon the earliest to occur of (a) a Qualified Financing, (b) a Change of Control Transaction, and (c) December 31, 2022, and bears interest at a rate of 5% per annum. The Material Impact Convertible Note is convertible into shares of Series C Preferred Stock upon a Qualified Financing or Series B Preferred Stock upon a Change of Control Transaction.

On October 22, 2021, Nauticus entered into a $250,000 convertible promissory note with In-Q-Tel, Inc. ("In-Q-Tel," and such note, the "In-Q-Tel Convertible Note"). The In-Q-Tel Convertible Note is unsecured, payable upon the earliest to occur of (a) a Qualified Financing, (b) a Change of Control Transaction, and (c) December 31, 2022, and bears interest at a rate of 5% per annum. The In-Q-Tel Convertible Note is convertible into shares of Series C Preferred Stock upon a Qualified Financing or Series B Preferred Stock upon a Change of Control Transaction.

On December 16, 2021 and in connection with the signing of the Merger Agreement, Nauticus entered into (i) the First Amendment to Convertible Promissory Note with Schlumberger (the "Amended Schlumberger Convertible Note"), (ii) the First Amendment to Convertible Promissory Note with Transocean (the "Amended Transocean Convertible Note"), (iii) the First Amendment to Unsecured Convertible Promissory Note with Goradia (the "Amended Goradia Convertible Note"), (iv) the First Amendment to Unsecured Convertible Promissory Note with Material Impact (the "Amended Material Impact Convertible Note"), and (v) the First Amendment to Unsecured Convertible Promissory Note with In-Q-Tel (the "Amended In-Q-Tel Convertible Note," and, together with the Amended Schlumberger Convertible Note, Amended Transocean Convertible Note, Amended Goradia Convertible Note, and Amended Material Impact Convertible Note, the "Amended Convertible Notes"). The Amended Convertible Notes provide for, among other things, the automatic conversion of such Amended Convertible Notes immediately prior to the Effective Time into shares of Nauticus Common Stock at a specific conversion price, which shares will then be exchanged for common stock in connection with the Business Combination. The Amended Convertible Notes established fixed outstanding balances for each not, which will remain unchanged until their conversion.

As a result of the Merger, an aggregate of 5,299,543 shares of Common Stock will be issued to the holders of Nauticus Convertible Notes.

Transocean

Transocean, Inc. ("Transocean") is an investor in Nauticus Robotics, Inc. since March 2018, holding 31% equity in the form of preferred stock in the company. As a preferred investor, Transocean, Inc. is represented on the Nauticus Board of Directors by Roddie Mackenzie. Transocean also provided a note of $1.5MM of convertible stock on maturity of the note.

Transocean, Inc. has contracted with Nauticus in two (2) technology projects since their initial investment in 2018 — "Spiral" and "HaloGuard". The Spiral project involved methods for automating the handling of drilling pipe on a drilling rig. The Spiral contract resulted in $734K in revenue in 2019. The project was discontinued by Transocean due to a number of factors within the oil & gas market. HaloGuard involved the development of a zone monitoring safety system to detect personnel in hazardous areas of the drilling rig. This project began as a project code named THEIA, later renamed to HaloGuard, with initial funding provided by Transocean. Nauticus assumed all funding of the project in 2020. Nauticus has sold 7 HaloGuard safety systems to Transocean and is in the process of installing the remaining systems on Transocean's drilling ships. Nauticus' revenue from the sales of the HaloGuard system, including installation service fees, are approximately $2,429,861. As of June 22, 2022, Nauticus and Transocean negotiated an end to Nauticus' support on the product line in order to focus more on the mainline revenue generating items for Nauticus.

Stock Repurchase Agreements

On May 12, 2021, Nauticus entered into Amended and Restated CLAQ's Stock Repurchase Agreements with certain key employees, officers and directors of Nauticus (each, a "Stock Repurchase Agreement" and, together, the "Stock Repurchase Agreements"). Pursuant to the Stock Repurchase Agreements, among other things, upon the termination of employment with Nauticus, Nauticus has the right (but not the obligation) to purchase and each such signatory has the obligation to sell, all of their Nauticus Common Stock to Nauticus. Additionally, the key employees, officers and directors signatory to the Stock Repurchase Agreements are subject to repurchase if the owners of more than fifty percent (50%) of the outstanding Nauticus Common Stock receive an offer to purchase their shares of Nauticus Common Stock and which offer is contingent on the offeror's ability to purchase 100% of the Nauticus Common Stock outstanding.

Series A Financing

On August 28, 2015, pursuant to a Series A Preferred Stock Purchase Agreement by and between Nauticus and Schlumberger (the "Series A Stock Purchase Agreement"), Nauticus issued and sold an aggregate of 3,348 shares of Nauticus Series A Preferred Stock at a purchase price of $896.00 per share for aggregate consideration of approximately $3,000,000 (the "Series A Financing").

The participant in the Series A Financing was a holder of more than 5% of Nauticus' capital stock. The following table sets forth the aggregate number of Nauticus Series A Preferred Stock issued to Schlumberger in the Series A Financing:

Stockholder	Shares of Series B Preferred Stock	Total Purchase Price
Schlumberger Technology Corporation	3,348	$ 2,999,808.00

Series B Financing

On March 20, 2018, pursuant to a Series B Stock Purchase Agreement, by and among Nauticus, Schlumberger, and Transocean (the "Series B Stock Purchase Agreement"), Nauticus issued and sold an aggregate of 725,426 shares of Nauticus Series B Preferred Stock at a purchase price of $27.57 per share for aggregate consideration of approximately $20,000,000 (the "Series B Financing").

The participants in the Series B Financing included certain holder of more than 5% of Nauticus' capital stock. The following table sets forth the aggregate number of Nauticus Series B Preferred Stock issued to these related parties in the Series B Financing:

Stockholder	Shares of Series B Preferred Stock	Total Purchase Price
Schlumberger Technology Corporation	181,356	$ 4,999,984.92
Transocean, Inc.	544,070	$ 15,000,009.90

Following the Series B Financing, Nauticus filed a Second Amended and Restated Certificate of Formation (the "Amended and Restated Nauticus Charter") with the Texas Secretary of State, pursuant to which the Nauticus Series A Preferred Stock underwent a 100-for-1 stock split.

Related Person Transaction Policy

Nauticus adopted a related person transaction policy that sets forth its procedures for the identification, review, consideration and approval or ratification of related person transactions. The policy became effective on Closing. A related person transaction is a transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which Nauticus and any related person are, were or will be participants in which the amount involved exceeds $120,000. Transactions involving compensation for services provided to Nauticus as an employee or director are not covered by this policy. A related person is any executive officer, director or

beneficial owner of more than 5% of any class of Nauticus' voting securities and any of their respective immediate family members and any entity owned or controlled by such persons.

Under the policy, if a transaction has been identified as a related person transaction, including any transaction that was not a related person transaction when originally consummated or any transaction that was not initially identified as a related person transaction prior to consummation, Nauticus' management must present information regarding the related person transaction to Nauticus' audit committee, or, if audit committee approval would be inappropriate, to another independent body of Nauticus' Board of Directors, for review, consideration and approval or ratification. The presentation must include a description of, among other things, the material facts, the interests, direct and indirect, of the related persons, the benefits to Nauticus of the transaction and whether the transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party or to or from employees generally. Under the policy, Nauticus will collect information that Nauticus deems reasonably necessary from each director, executive officer and, to the extent feasible, significant stockholder to enable Nauticus to identify any existing or potential related-person transactions and to effectuate the terms of the policy. In addition, under Nauticus' Code of Conduct that Nauticus expects to adopt prior to the closing of this Business Combination, Nauticus' employees and directors will have an affirmative responsibility to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest. In considering related person transactions, Nauticus' audit committee, or other independent body of Nauticus' Board of Directors, will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to Nauticus;
- the impact on a director's independence in the event that the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

The policy requires that, in determining whether to approve, ratify or reject a related person transaction, Nauticus' audit committee, or other independent body of Nauticus' Board of Directors, must consider, in light of known circumstances, whether the transaction is in, or is not inconsistent with, Nauticus' best interests and those of Nauticus' stockholders, as Nauticus' audit committee, or other independent body of Nauticus' Board of Directors, determines in the good faith exercise of its discretion.

Legal Proceedings

In the ordinary course of business, Nauticus is or may be involved in various legal or regulatory proceedings, claims or purported class actions related to alleged infringement of third-party patents and other intellectual property rights, commercial, corporate and securities, labor and employment, wage and hour and other claims. In management's opinion, resolution of all current matters is not expected to have a material adverse impact on Nauticus' consolidated results of operations, cash flows or financial position.

Description of Capital Stock

The following summary sets forth the material terms of our securities following the consummation of the Business Combination. The following summary is not intended to be a complete summary of the rights and preferences of such securities, and is qualified by reference to the Charter, a copy of which is filed as an exhibit to this Form 8-K, and Nauticus' amended and restated bylaws, a copy of which is filed as an exhibit to this Form 8-K. We urge you to read the Charter and Nauticus' amended and restated bylaws in their entirety for a complete description of the rights and preferences of our securities following the consummation of the Business Combination.

Authorized and Outstanding Stock

The Nauticus' Charter (the "Charter") authorizes the issuance of 635,000,000 total shares, consisting of (a) 625,000,000 shares of Common Stock, and (b) 10,000,000 shares of preferred stock. 47,250,773 shares of Common Stock were issued and outstanding immediately following the consummation of the Business Combination, after giving effect to redemptions and excluding shares issuable upon exercise of outstanding warrants. No shares of preferred stock are outstanding as of the date of this report on Form 8-K.

Voting Power

Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, the holders of Common Stock possess all voting power for the election of Nauticus' directors and all other matters requiring stockholder action. Holders of the Common Stock are entitled to one vote per share on matters to be voted on by stockholders.

Dividends

Subject to applicable law and the rights and preferences of any holders of any outstanding series of Nauticus' preferred stock, the holders of the Common Stock, as such, shall be entitled to the payment of dividends on the Common Stock when, as and if declared by the board of directors of Nauticus in accordance with applicable law. The payment of cash dividends in the future will be dependent upon Nauticus' revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of the Business Combination. It is the present intention of the board of directors to retain all earnings, if any, for use in Nauticus' business operations and, accordingly, our board of directors does not anticipate declaring any dividends in the foreseeable future.

Liquidation

Subject to the rights and preferences of any holders of any shares of any outstanding series of Nauticus' preferred stock, in the event of any liquidation, dissolution or winding up of Nauticus, whether voluntary or involuntary, the funds and assets of Nauticus that may be legally distributed to Nauticus' stockholders shall be distributed among the holders of the then outstanding the Common Stock pro rata in accordance with the number of shares of the Common Stock held by each such holder.

Preemptive or Other Rights

There are no sinking fund provisions applicable to the Common Stock.

Limitations on Liability and Indemnification of Officers and Directors

The Charter and the amended and restated bylaws of Nauticus (the "Bylaws") limit the liability of our directors, and provide for the indemnification of our current and former officers and directors, in each case, to the fullest extent permitted by Delaware law.

We have entered into agreements with our officers and directors to provide contractual indemnification in addition to the indemnification provided for in our Charter and Bylaws. The Charter and Bylaws also permit us to secure insurance on behalf of any officer, director or employee for any liability arising out of his or her actions.

In connection with the Closing, CLAQ purchased a tail policy with respect to liability coverage for the benefit of former CLAQ officers and directors. We will maintain such tail policy for a period of no less than six (6) years following the Closing.

These provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against officers and directors, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against officers and directors pursuant to these indemnification provisions.

We believe that these provisions, the directors' and officers' liability insurance and the indemnity agreements are necessary to attract and retain talented and experienced officers and directors.

Certain Anti-Takeover Provisions of Delaware Law; Nauticus' Charter and Bylaws

The Charter and Bylaws contain, and the DGCL contains, provisions, as summarized in the following paragraphs, that are intended to enhance the likelihood of continuity and stability in the composition of the Board. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control and enhance the Board's ability to maximize stockholder value in connection with any unsolicited offer to acquire Nauticus. However, these provisions may have an anti-takeover effect and may delay, deter or prevent a merger or acquisition of Nauticus by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of Common Stock held by stockholders.

Delaware Law

Nauticus is governed by the provisions of Section 203 of the DGCL. Section 203 generally prohibits a publicly held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status, did own) 15% or more of a corporation's voting stock. These provisions may have the effect of delaying, deferring or preventing changes in control of Nauticus not approved in advance by the Board.

Special Meetings

The Charter provides that special meetings of the stockholders may be called only by or at the direction of the Board, the Chairman of the Board or the Chief Executive Officer. The Bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers or changes in control or management of our company.

Advance Notice of Director Nominations and New Business

The Bylaws state that in order for a stockholder to propose nominations of candidates to be elected as directors or any other proper business to be considered by stockholders at the annual meeting, such stockholder must, among other things, provide notice thereof in writing to the secretary at the principal executive offices of Nauticus within the time periods set forth in the Bylaws. Such notice must contain, among other things, certain information about the stockholder giving the notice (and the beneficial owner, if any, on whose behalf the nomination or proposal is made) and certain information about any nominee or other proposed business. Stockholder proposals of business other than director nominations cannot be submitted in connection with special meetings of stockholders.

The Bylaws allow the presiding officer at a meeting of stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if such rules and regulations are not followed. These provisions may also defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to influence or obtain control of our company.

Supermajority Voting for Amendments to Our Governing Documents

Certain amendments to the Charter require the affirmative vote of at least 66⅔% of the voting power of all shares of our Common Stock then outstanding. The Charter provides that the Board is expressly authorized to adopt, amend or repeal the Bylaws and that our stockholders may amend certain provision of the Bylaws only with the approval of at least 66⅔% of the voting power of all shares of our Common Stock then outstanding. These provisions make it more difficult for stockholders to change the Charter or Bylaws and may, therefore, defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to amend the Charter or Bylaws or otherwise attempting to influence or obtain control of Nauticus.

No Cumulative Voting

The DGCL provides that a stockholder's right to vote cumulatively in the election of directors does not exist unless the certificate of incorporation specifically provides otherwise. The Charter does not provide for cumulative voting. The prohibition on cumulative voting has the effect of making it more difficult for stockholders to change the composition of the Board.

Classified Board of Directors

The Charter provides that the Board is divided into three classes of directors, with the classes to be as nearly equal in number as possible, designated Class I, Class II and Class III. The terms of Class I, Class II and Class III directors end at our 2023, 2024 and 2025 annual meetings of stockholders, respectively. Directors of each class the term of which shall then expire shall be elected to hold office for a three-year term. The classification of directors has the effect of making it more difficult for stockholders to change the composition of our Board and require a longer time period to do so. The Charter provides that the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by the Board. The classification of directors has the effect of making it more difficult for stockholders to change the composition of our Board. As a result, in most circumstances, a person can gain control of the Board only by successfully engaging in a proxy contest at two or more meetings of stockholders at which directors are elected.

Removal of Directors; Vacancies

The Charter and Bylaws provide that, so long as the Board is classified, directors may be removed only for cause and only upon the affirmative vote of holders of at least 66⅔% of the voting power of all the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class. Therefore, because stockholders cannot call a special meeting of stockholders, as discussed above, stockholders may only submit a stockholder proposal for the purpose of removing a director at an annual meeting. The Charter and Bylaws provide that vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled only by a majority of the directors then in office or by a sole remaining director. Therefore, while stockholders may remove a director, stockholders are not able to elect new directors to fill any resulting vacancies that may be created as a result of such removal.

Stockholder Action by Written Consent

The DGCL permits any action required to be taken at any annual or special meeting of the stockholders to be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of stock entitled to vote thereon were present and voted, unless the certificate of incorporation provides otherwise. The Charter and Bylaws preclude stockholder action by written consent. This prohibition, combined with the fact stockholders cannot call a special meeting, as discussed above, means that stockholders are limited in the manner in which they can bring proposals and nominations for stockholder consideration, making it more difficult to effect change in our governing documents and the Board.

Warrants

As of the date of this report on Form 8-K, 8,625,000 Public Warrants are outstanding. Each whole Public Warrant entitles the registered holder to purchase one share of Common Stock at a price of $11.50 per share, subject to adjustment as discussed below, at any time commencing on the completion of the Business Combination. However, no Public Warrants will be exercisable for cash unless we have an effective and current registration statement covering the shares of Common Stock issuable upon exercise of the Public Warrants and a current prospectus relating to such shares of Common Stock. Notwithstanding the foregoing, if a registration statement covering the shares of Common Stock issuable upon exercise of the Public Warrants is not effective within 120 days following the consummation of the Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when we shall have failed to maintain an effective registration statement, exercise Public Warrants on a cashless basis pursuant to an available exemption from exemption under the Securities Act. The Public Warrants will expire on the fifth anniversary of our completion of the Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Private Warrants, as well as any warrants underlying the additional Units we issued to officers, directors or their affiliates in payment of working capital loans made to us, are identical in all material respects to the Public Warrants underlying the public Units except that (i) each Private Warrant is exercisable for one share of Common Stock at an exercise price of $11.50 per share, and (ii) such Private Warrants will be exercisable for cash (even if a registration statement covering the shares of Common Stock issuable upon exercise of such warrants is not effective) or on a cashless basis, at the holder's option, and will not be redeemable by us, in each case so long as they are still held by the initial purchasers or their affiliates. The Private Warrants purchased by CleanTech Investments will not be exercisable more than five years from July 14, 2021, in accordance with FINRA Rule 5110(g)(8), as long as Chardan Capital Markets, LLC or any of its related persons beneficially own these private warrants.

Concurrent with the Closing and pursuant to the Securities Purchase Agreement, Nauticus issued 2,922,425 warrants to certain investors (the "SPA Warrants"). The SPA Warrants are immediately exercisable upon issuance and entitle the registered holder to purchase one share of Common Stock at a price of $20.00. If a registration statement covering the shares of Common Stock issuable upon exercise of the SPA Warrants is not effective upon the registered holder's election to exercise their SPA Warrants, the registered holder may, until such time as there is an effective registration statement and during any period when we shall have failed to maintain an effective registration statement, exercise their SPA Warrants on a cashless basis pursuant to an available exemption from exemption under the Securities Act. The SPA Warrants will expire ten years after their initial issuance date, or earlier upon redemption or liquidation.

Redemption

We may call the outstanding Public Warrants for redemption (excluding the Private Warrants and SPA Warrants but including any warrants already issued upon exercise of the unit purchase option), in whole and not in part, at a price of $0.01 per warrant:

- at any time after the Public Warrants become exercisable,
- upon not less than 30 days' prior written notice of redemption to each warrant holder,
- if, and only if, the reported last sale price of the shares of Common Stock equals or exceeds $16.50 per share (subject to adjustment for splits, dividends, recapitalizations and other similar events), for any 20 trading days within a 30-day trading period ending on the third business day prior to the notice of redemption to warrant holders, and
- if, and only if, there is a current registration statement in effect with respect to the shares of Common Stock underlying such warrants at the time of redemption and for the entire 30-day trading period referred to above and continuing each day thereafter until the date of redemption.

The right to exercise will be forfeited unless the warrants are exercised prior to the date specified in the notice of redemption. On and after the redemption date, a record holder of a Warrant will have no further rights except to receive the redemption price for such holder's Warrant upon surrender of such Warrant.

The redemption criteria for our Warrants have been established at a price which is intended to provide warrant holders a reasonable premium to the initial exercise price and provide a sufficient differential between the then-prevailing share price and the warrant exercise price so that if the share price declines as a result of our redemption call, the redemption will not cause the share price to drop below the exercise price of the Warrants, however, such redemption may occur at a time when the redeemable warrants are "out-of-the-money," in which case you would lose any potential embedded value from a subsequent increase in the value of our Common Stock had your Warrants remained outstanding. Historical trading prices for our Common Stock have not exceeded the $16.50 per share threshold at which the Public Warrants would become redeemable. However, this could occur in connection with or after the closing of the Business Combination.

In the event we determined to redeem our Public Warrants, holders of redeemable Public Warrants will be notified of such redemption as described in our warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us, dated July 14, 2021 (the "Warrant Agreement"). Specifically, in the event that we elect to redeem all of the redeemable Warrants as described above, we will fix a date for the redemption (the "Redemption Date"). Notice of redemption will be mailed by first

class mail, postage prepaid, by us not less than 30 days prior to the Redemption Date to the registered holders of the redeemable Warrants to be redeemed at their last addresses as they appear on the Warrant Register. Any notice mailed in the manner provided in the Warrant Agreement will be conclusively presumed to have been duly given whether or not the registered holder received such notice. In addition, beneficial owners of the redeemable Warrants will be notified of such redemption via posting of the redemption notice to DTC.

If we call the Warrants for redemption as described above, our management will have the option to require all holders that wish to exercise warrants to do so on a "cashless basis." In such event, each holder would pay the exercise price by surrendering the Warrants for that number of shares of Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Warrants, multiplied by the difference between the exercise price of the Warrants and the "fair market value" by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of our Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Warrants. Whether we will exercise our option to require all holders to exercise their warrants on a "cashless basis" will depend on a variety of factors including the price of our common shares at the time the Warrants are called for redemption, our cash needs at such time and concerns regarding dilutive share issuances.

If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of Common Stock to be received upon exercise of the warrants, including the "fair market value" in such case. Requiring a cashless exercise in this manner will reduce the number of Common Stock to be issued and thereby lessen the dilutive effect of a warrant redemption.

We believe this feature is an attractive option to us if we do not need the cash from the exercise of the Warrants after the Business Combination. If we call our warrants for redemption and our management does not take advantage of this option, the holders of the Private Warrants and their permitted transferees would still be entitled to exercise their Private Warrants for cash or on a cashless basis using the same formula described above that other warrant holders would have been required to use had all warrant holders been required to exercise their warrants on a cashless basis.

The Warrants were issued in registered form under the Warrant Agreement which provides that the terms of the Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval, by written consent or vote, of the holders of the holders of a majority of the then outstanding warrants in order to make any change that adversely affects the interests of the registered holders.

The exercise price and number of shares of Common Stock issuable on exercise of the Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or our recapitalization, reorganization, merger or consolidation. In addition, if we issue additional shares of Common Stock or equity-linked securities for capital raising purposes in connection with the closing of the Business Combination at a newly issued price of less than $9.20 per share of Common Stock (with such issue price or effective issue price to be determined in good faith by our Board and, in the case of any such issuance to our initial stockholders or their affiliates, without taking into account any founder shares or private warrants held by them, as applicable, prior to such issuance), the exercise price of the Warrants will be adjusted (to the nearest cent) to be equal to 115% of the newly issued price and the $16.50 per share redemption trigger price described below under will be adjusted (to the nearest cent) to be equal to 165% of the market value (the volume weighted average trading price of the Common Stock during the 20 trading day period starting on the trading day prior to the consummation of the Business Combination).

The Warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified or official bank check payable to us, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of shares of Common Stock and any voting rights until they exercise their warrants and receive shares of Common Stock. After the issuance of shares of Common Stock upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

Except as described above, no Public Warrants will be exercisable for cash, and we will not be obligated to issue shares of Common Stock unless at the time a holder seeks to exercise such warrant, a prospectus relating to the shares of Common Stock issuable upon exercise of the Warrants is current and the shares of Common Stock have been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the Warrants. Under the terms of the Warrant Agreement, we have agreed to use our best efforts to meet these conditions and to maintain a current prospectus relating to the shares of Common Stock issuable upon exercise of the Warrants until the expiration of the Warrants. However, we cannot assure you that we will be able to do so and, if we do not maintain a current prospectus relating to the shares of Common Stock issuable upon exercise of the Warrants, holders will be unable to exercise their Warrants, and we will not be required to settle any such warrant exercise. If the prospectus relating to the shares of Common Stock issuable upon the exercise of the warrants is not current or if the Common Stock is not qualified or exempt from qualification in the jurisdictions in which the holders of the Warrants reside, we will not be required to net cash settle or cash settle the warrant exercise, the Warrants may have no value, the market for the Warrants may be limited, and the Warrants may expire worthless.

A holder of a Warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 4.99% or 9.99% (or such other amount as a holder may specify) of Common Stock outstanding.

No fractional shares will be issued upon exercise of the Warrants. If, upon exercise of the Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number the number of shares of Common Stock to be issued to the warrant holder.

We have agreed that, subject to applicable law, any action, proceeding or claim against us arising out of or relating in any way to the Warrant Agreement will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. This provision applies to claims under the Securities Act but does not apply to claims under the Exchange Act or any claim for which the federal district courts of the United States of America are the sole and exclusive forum.

Contractual Arrangements with respect to the Certain Warrants

We have agreed that so long as the Private Warrants are still held by the initial purchasers or their affiliates, we will not redeem such warrants, and we will allow the holders to exercise such warrants on a cashless basis. However, once any of the foregoing warrants are transferred from the initial purchasers or their affiliates, these arrangements will no longer apply. Furthermore, because the private warrants were issued in a private transaction, the holders and their transferees are allowed to exercise the private warrants for cash even if a registration statement covering the shares of Common Stock issuable upon exercise of such Warrants is not effective and receive unregistered shares of Common Stock.

Our Transfer Agent and Warrant Agent

The transfer agent for our Common Stock and warrant agent for our Warrants is Continental Stock Transfer & Trust Company, 1 State Street, New York, New York 10004.

Listing of Securities

Our Common Stock and Warrants are listed on Nasdaq under the symbols "KITT" and "KITTW".

Indemnification of Directors and Officers

The disclosure set forth above in Item 1.01 of this Current Report on Form 8-K under the section entitled "*Indemnification Agreements*" is incorporated herein by reference.

Further information about the indemnification of Nauticus' directors and officers is included in the Proxy Statement/Prospectus in the section entitled "*Comparison of Stockholders Rights*", which is incorporated herein by reference.

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

Prior to the consummation of the Business Combination, the CLAQ Units, CLAQ Common Stock, CLAQ Public Warrants, and CLAQ Rights were listed on the Nasdaq Stock Market LLC ("Nasdaq") under the symbols, "CLAQU," "CLAQ", "CLAQW" and "CLAQR", respectively. On the Closing Date, all of the issued and outstanding CLAQ Units separated into their component securities and the CLAQ Units, CLAQ Public Warrants, CLAQ Common Stock, and CLAQ Rights ceased trading on Nasdaq under the previous ticker symbols. The Common Stock and Public Warrants began trading on Nasdaq under the new ticker symbols "KITT" and "KITTW" on September 13, 2022.

Item 3.02 Unregistered Sales of Equity Securities.

The descriptions of the Subscription Agreements set forth above under "Introductory Note" of this Current Report on Form 8-K are incorporated herein by reference. The information regarding unregistered sales of equity securities set forth under "*Item 2.01 Completion of Acquisition or Disposition of Assets-Recent Sales of Unregistered Securities*" in this Current Report on Form 8-K is incorporated herein by reference.

Item 3.03 Material Modification to Rights of Security Holders.

On the Closing Date, CLAQ filed the certificate of incorporation of Nauticus with the Secretary of State of the State of Delaware. The material terms of the Charter and the general effects on the rights of holders of Nauticus capital stock are described in the sections of the Proxy Statement/Prospectus entitled "*Proposal 3-The Charter Proposal*", which information is incorporated herein by reference. A copy of the Charter is filed as Exhibit 3.5 to this Current Report on Form 8-K and is incorporated herein by reference.

In addition, upon the Closing, pursuant to the terms of the Merger Agreement, Nauticus adopted bylaws (the "Bylaws"). A copy of the Bylaws is filed as Exhibit 3.6 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 4.01 Changes in Registrant's Certified Accountant.

On September 9, 2022, the audit committee approved the engagement of Whitley Penn LLP ("Whitley Penn") as Nauticus' independent registered public accounting firm to audit the Nauticus' consolidated financial statements for the year ended December 31, 2022. Whitley Penn served as the independent registered public accounting firm of Nauticus prior to the Business Combination. Accordingly, WithumSmith+Brown, PC ("Withum"), CLAQ's independent registered public accounting firm prior to the Business Combination, was informed that it would be replaced by Whitley Penn as the Nauticus' independent registered public accounting firm.

Withum's report on CLAQ's financial statements for the year ended December 31, 2021 and for the period from June 18, 2020 (inception) through December 31, 2020 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles, except for an explanatory paragraph regarding substantial doubt about CLAQ's ability to continue as a going concern.

During the period from June 18, 2020 (inception) through December 31, 2021 and the subsequent period through June 30, 2022, there were no: (i) disagreements with Withum on any matter of accounting principles or practices, financial statement disclosures or audited scope or procedures, which disagreements if not resolved to Withum's satisfaction would have caused Withum to make reference to the subject matter of the disagreement in connection with its report or (ii) reportable events as defined in Item 304(a)(1)(v) of Regulation S-K, other than a previously disclosed material weakness in CLAQ's internal control over financial reporting related to CLAQ's accounting for complex financial instruments identified by CLAQ, which resulted in the restatement of CLAQ's financial statements for certain periods.

During the period from June 18, 2020 (inception) to December 31, 2021 and the interim period through June 30, 2022, CLAQ did not consult Whitley Penn with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the CLAQ's financial statements, and no written report or oral advice was provided to CLAQ by Whitley Penn that Whitley Penn concluded was an important factor considered by CLAQ in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K under the Exchange Act, and the related instructions to Item 304 of Regulation S-K under the Exchange Act, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act.

Nauticus has provided Withum with a copy of the disclosures made by Nauticus in response to this Item 4.01 and has requested that Withum furnish Nauticus with a letter addressed to the SEC stating whether it agrees with the statements made by the registrant in response to this Item 4.01 and, if not, stating the respects in which it does not agree. A letter from Withum is attached as Exhibit 16.1 to this Report.

Item 5.01 Changes in Control of the Registrant

The information set forth above under "*Introductory Note*" and in the section entitled "*Security Ownership of Certain Beneficial Owners and Management*" in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Omnibus Incentive Plan

The information set forth under the heading "*Omnibus Incentive Plan*" in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Directors and Executive Officers

The information regarding Nauticus' directors and executive officers and the compensation that will be paid to them set forth under the heading "*Information about Directors and Executive Officers*" in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

The information regarding CLAQ's directors and executive officers and their resignations in connection with the Closing set forth under the heading "*Resignations and Appointments*" in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information set forth in Item 3.03 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.05 Amendments to the Registrant's Code of Ethics

On September 9, 2022, the Board adopted a Code of Business Ethics and Conduct Policy (the "Code") applicable to all directors, officers, employees, and certain affiliates of Nauticus. Among other things, the Code establishes certain guidelines and principles relating to ethics, conflicts of interest, corporate opportunities, confidentiality, compliance with laws, insider trading, anti-corruption and bribery, books and records, data security, external communications and political contributions, internal reporting and compliance procedures.

The foregoing description of the Code is not complete and is qualified in its entirety by reference to the complete text of Code, a copy of which is attached hereto as Exhibit 14.1 and is incorporated herein by reference.

Item 5.06 Change in Shell Company Status

As a result of the Merger, which fulfilled the definition of a business combination as required by the amended and restated certificate of incorporation of CLAQ, CLAQ ceased to be a shell company (as defined in Rule 12b-2 of the Exchange Act) as of the Closing Date. The material terms of the Merger are described in the Proxy Statement/Prospectus in the section entitled "*Proposal 1-The Business Combination Proposal-The Merger Agreement*", which description is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On September 12, 2022, Nauticus issued a press release announcing the consummation of the Business Combination, which is included in this Current Report on Form 8-K as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

The unaudited condensed consolidated financial statements as of and for the quarterly ended June 30, 2022, and the related notes thereto on CLAQ's Quarterly Report on Form 10-Q, filed with the SEC on August 15, 2022 (the "Form 10-Q"), are incorporated herein by reference. These unaudited consolidated financial statements should be read in conjunction with the historical audited financial statements of CLAQ from June 18, 2020 (inception) through December 31, 2020, and the related notes included in the Proxy Statement/Prospectus beginning on page F-2, which are incorporated herein by reference.

The unaudited financial statements of Nauticus as of and for the three and six months ended June 30, 2022, and 2021 are set forth in Exhibit 99.2 hereto and are incorporated by reference herein. These unaudited consolidated financial statements should be read in conjunction with the historical audited financial statements of Nauticus for the years ended December 31, 2021, and 2020 and the related notes included in the Proxy Statement/Prospectus beginning on page F-53, which are incorporated herein by reference.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined balance sheet as of June 30, 2022 and the unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2022 and the year ended December 31, 2021 is set forth in Exhibit 99.4 hereto and is incorporated by reference herein.

(d) Exhibits

Item 21. Exhibits and Financial Statements Schedules

		Incorporated by Reference			
Exhibit	**Description**	**Schedule/ Form**	**File Number**	**Exhibits**	**Filing Date**
2.1#	Merger Agreement dated as of December 16, 2021, by and among CleanTech Acquisition Corp., CleanTech Merger Sub, Inc., Nauticus Robotics, Inc., and Nicolaus Radford, as amended on January 30, 2021.	Form 8-K	001-40611	2.1	December 17, 2021
2.1.1	Amendment No. 2 to Merger Agreement dated June 6, 2022	Form 8-K	001-40611	2.1	June 6, 2022
3.1	Amended and Restated Certificate of Incorporation of CleanTech Acquisition Corp.	Form 8-K	001-40611	3.1	July 21, 2021
3.1.1	Amendment to the Amended and Restated Certificate of Incorporation of CleanTech Acquisition Corp.	Form 8-K	001-40611	3.1	July 19, 2022
3.2	Form of Second Amended and Restated Certificate of Incorporation of CLAQ.	Form S-4 Am. No. 11	333-262431	10.33	August 12, 2022
3.3	Bylaws of CleanTech Acquisition Corp.	Form S-1/A	333-256578	3.3	July 6, 2021

		Incorporated by Reference			
Exhibit	**Description**	**Schedule/ Form**	**File Number**	**Exhibits**	**Filing Date**

3.4	Form of Amended and Restated Bylaws of CleanTech Acquisition Corp.	Form S-4 Am. No. 11	333-262431	10.33	August 12, 2022
3.5	Second Amended and Restated Certificate of Nauticus Robotics, Inc.				
3.6	Amended and Restated Bylaws of Nauticus Robotics, Inc.				
4.1	Specimen Unit Certificate of CleanTech Acquisition Corp.	Form S-1/A	333-256578	4.1	July 6, 2021
4.2	Specimen Common Stock Certificate of CleanTech Acquisition Corp.	Form S-1/A	333-256578	4.2	July 6, 2021
4.3	Specimen Warrant Certificate of CleanTech Acquisition Corp.	Form S-1/A	333-256578	4.3	July 6, 2021
4.4	Warrant Agreement, dated July 14, 2021, by and between Continental Stock Transfer & Trust Company and CleanTech Acquisition Corp.	Form 8-K	001-40611	4.1	July 21, 2021
4.5	Rights Agreement, dated July 14, 2021, by and between Continental Stock Transfer & Trust Company and CleanTech Acquisition Corp.	Form 8-K	001-40611	4.2	July 21, 2021
4.6	Form of 5% Original Issue Discount Senior Secured Debenture to be issued pursuant to the Securities Purchase Agreement dated December 16, 2021	Form S-4 Am. No. 4	333-262431	4.6	June 16, 2022
4.7	Form of Warrants to be issued pursuant to the Securities Purchase Agreement dated December 16, 2021	Form S-4 Am. No. 4	333-262431	4.7	June 16, 2022
10.1	Letter Agreement, dated July 14, 2021, by CleanTech Acquisition Corp.'s officers and directors.	Form 8-K	001-40611	10.1	July 21, 2021
10.2	Letter Agreement, dated July 14, 2021, by CleanTech Sponsor, LLC and CleanTech Investments, LLC.	Form 8-K	001-40611	10.2	July 21, 2021
10.3	Investment Management Trust Agreement, dated July 14, 2021, by and between Continental Stock Transfer & Trust Company and CleanTech Acquisition Corp.	Form 8-K	001-40611	10.3	July 21, 2021
10.3.1	Amendment to the Investment Management Trust Agreement, dated July 19, 2022, by and between Continental Stock Transfer & Trust Company and CleanTech Acquisition Corp.	Form 8-K	001-40611	1.1	July 19, 2022
10.4	Escrow Agreement, dated July 14, 2021, by and among CleanTech Acquisition Corp., Continental Stock Transfer & Trust Company and each of the initial stockholders.	Form 8-K	001-40611	10.4	July 21, 2021
10.5	Registration Rights Agreement, dated July 14, 2021, by and among CleanTech Acquisition Corp., and the initial stockholders.	Form 8-K	001-40611	10.5	July 21, 2021
10.6	Indemnity Agreements dated July 14, 2021 by and between CleanTech Acquisition Corp. and its directors and officers.	Form 8-K	001-40611	10.6	July 21, 2021
10.7	Subscription Agreement, dated July 14, 2021, by and between CleanTech Acquisition Corp., CleanTech Sponsor, LLC and CleanTech Investments, LLC.	Form 8-K	001-40611	10.7	July 21, 2021
10.8	Business Combination Marketing Agreement, dated July 14, 2021, by and between CleanTech Acquisition Corp. and Chardan Capital Markets, LLC.	Form 8-K	001-40611	10.8	July 21, 2021
10.9	Administrative Services Agreement, dated July 14, 2021, by and between CleanTech Acquisition Corp. and Chardan Capital Markets, LLC.	Form 8-K	001-40611	10.9	July 21, 2021
10.9*	2022 Nauticus Robotics, Inc. Omnibus Incentive Plan.				
10.10	Financial Advisory Agreement by and between CleanTech Acquisition Corp. and Chardan Capital Markets, LLC dated December 14, 2021.	Form S-4 Am. No. 1	333-262431	10.10	March 31, 2022

		Incorporated by Reference			
Exhibit	**Description**	**Schedule/ Form**	**File Number**	**Exhibits**	**Filing Date**
10.11	Support Agreement by and among CleanTech Acquisition Corp., CleanTech Sponsor I LLC, CleanTech Investments, LLC and Nauticus Robotics, Inc.	Form 8-K	001-40611	10.1	December 17, 2021
10.12	Support Agreement by and among CleanTech Acquisition Corp., Nauticus Robotics, Inc. and certain shareholders of Nauticus Robotics, Inc.	Form 8-K	001-40611	10.2	December 17, 2021
10.13	Form of Subscription Agreement for certain investors	Form 8-K	001-40611	10.3	December 17, 2021
10.14	Securities Purchase Agreement by and among CleanTech Acquisition Corp., Nauticus Robotics, Inc. and certain investors named therein.	Form 8-K	001-40611	10.4	December 17, 2021
10.14.1	Agreement among CleanTech Acquisition Corp., Nauticus Robotics, Inc. and ATW Partners Opportunities Management, LLC dated January 31, 2022	Form S-4 Am. No. 1	333-262431	10.14.1	March 31, 2022
10.14.2	Letter Agreement between ATW Special Situations I LLC and Material Impact Fund II, L.P. dated December 15, 2021	Form S-4 Am. No. 3	333-262431	10.14.2	May 23, 2022
10.14.3	Letter Agreement between ATW Special Situations I and The 2022 SLS Family Irrevocable Trust dated September 9, 2022				
10.15	Form of Nauticus Robotics, Inc. Stockholder Lock-up Agreement (included as Exhibit H-1 to Exhibit 2.1 hereto)	Form 8-K	001-40611	10.5	December 17, 2021
10.16	Form of Lock-up Agreement for certain holders of Nauticus Robotics, Inc. (f/k/a CleanTech Acquisition Corp.) (included as Exhibit H-2 to the Exhibit 2.1 hereto)	Form 8-K	001-40611	10.6	December 17, 2021
10.17	Form of Amended and Restated Registration Rights Agreement by and among CleanTech Acquisition Corp., Nauticus and certain stockholders.	Form 8-K	001-40611	10.7	December 17, 2021
10.18	Form of Director Nomination Agreement.	Form 8-K	001-40611	10.8	December 17, 2021
10.19	Director Designation Agreement	Form 8-K	001-40611	10.9	December 17, 2021
10.20†	Battery Supplier Agreement, dated as of January 18, 2021.	Form S-4 Am. No. 4	333-262431	10.20	June 16, 2022
10.21†	Fabrication Agreement, dated as of January 17, 2022.	Form S-4 Am. No. 4	333-262431	10.21	June 16, 2022
10.22†	Construction Agreement, dated as of February 14, 2022.	Form S-4 Am. No. 4	333-262431	10.22	June 16, 2022
10.23†	Commercial Proposal, dated as of December 6, 2021.	Form S-4 Am. No. 4	333-262431	10.23	June 16, 2022
10.24†	Defense Innovation Unit Agreement, dated as of August 10, 2021.	Form S-4 Am. No. 4	333-262431	10.24	June 16, 2022

10.25†	Subcontract Agreement, dated as of August 10, 2021.	Form S-4 Am. No. 4	333-262431	10.25	June 16, 2022
10.26	Amended and Restated Financial Advisory Agreement by and between Nauticus Robotics, Inc. and Coastal Equities, Inc. dated April 25, 2022	Form S-4 Am. No. 2	333-262431	10.27	April 27, 2022
10.27	Financial Advisory Agreement by and between CleanTech Acquisition Corp. and Roth Capital Partners, LLC dated February 11, 2022	Form S-4 Am. No. 3	333-262431	10.28	May 23, 2022
10.28	Financial Advisory Agreement by and among CleanTech Acquisition Corp., Nauticus Robotics, Inc. and Lake Street Capital Markets dated February 28, 2022	Form S-4 Am. No. 3	333-262431	10.29	May 23, 2022
10.29†	Kongsberg Maritime AS Agreement, dated March 21, 2022	Form S-4 Am. No. 4	333-262431	10.30	June 16, 2022
10.30†	Collaboration Agreement, dated as of December 4, 2020	Form S-4 Am. No. 4	333-262431	10.31	June 16, 2022
10.31	Memorandum of Understanding, effective as of April 21, 2022	Form S-4 Am. No. 3	333-262431	10.32	May 23, 2022

		Incorporated by Reference			
Exhibit	**Description**	**Schedule/ Form**	**File Number**	**Exhibits**	**Filing Date**
14.1	Code of Business Conduct and Ethics of Nauticus Robotics, Inc.				
16.1	Letter from WithumSmith+Brown, PC to the Securities and Exchange Commission				
21.1	List of Subsidiaries.	Form S-4 Am. No. 7	333-262431	21.1	July 22, 2022
99.1	Press Release issued by Nauticus Robotics, Inc., on September 12, 2022.				
99.2	Unaudited financial statements of Nauticus as of and for the three and six months ended June 30, 2022 and the year ended December 31, 2021.				
99.3	Nauticus' Management's Discussion and Analysis of Financial Condition and Results of Operations.				
99.4	Unaudited pro forma condensed combined balance sheet as of June 30, 2022 and the unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2022 and the year ended December 31, 2021.				
101.INS	Inline XBRL Instance Document.				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

* Indicates management contract or compensatory plan or arrangement.

\# Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601. The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

† The Registrant has redacted provisions or terms of this Exhibit pursuant to Regulation S-K Item 601(b)(10)(iv). While portions of the Exhibits have been omitted, these Exhibits include a prominent statement on the first page of each redacted Exhibit that certain identified information has been excluded from the exhibit because it is both not material and is the type that Nauticus treats as private or confidential. The Registrant agrees to furnish an unredacted copy of the Exhibit to the SEC upon its request.

src

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 15, 2022

NAUTICUS ROBOTICS, INC

By: /s/ Nicolaus Radford
Name: Nicolaus Radford
Title: Chief Executive Officer

Exhibit 3.5

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF CLEANTECH ACQUISITION CORP.

CleanTech Acquisition Corp. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify as follows:

1. The name of the Corporation is CleanTech Acquisition Corp. The Corporation was incorporated under the name CleanTech Acquisition Corp. by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on June 18, 2020 (the "Original Certificate").

2. An Amended and Restated Certificate of Incorporation, which amended and restated the Original Certificate in its entirety, was filed with the Secretary of State of the State of Delaware on July 14, 2021 (as amended from time to time, the "Existing Certificate").

3. This Second Amended and Restated Certificate of Incorporation (the "Second Amended and Restated Certificate"), which amends and restates the Existing Certificate in its entirety, has been approved by the Board of Directors of the Corporation (the "Board of Directors") in accordance with Sections 242 and 245 of the DGCL and has been adopted by the stockholders of the Corporation at a meeting of the stockholders of the Corporation in accordance with the provisions of Section 211 of the DGCL.

4. The text of the Existing Certificate is hereby amended and restated by this Second Amended and Restated Certificate to read in its entirety as set forth in EXHIBIT A attached hereto.

5. This Second Amended and Restated Certificate shall become effective on the date of filing with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, CleanTech Acqusition Corp. has caused this Second Amended and Restated Certificate to be signed by a duly authorized officer of the Corporation, on September 9, 2022.

CLEANTECH ACQUISITION CORP.

By: /s/ Eli Spiro
Name: Eli Spiro
Title: Chief Executive Officer

AmericasActive:17389113.1

EXHIBIT A
ARTICLE I
NAME

The name of the corporation is Nauticus Robotics, Inc. (the "Corporation").

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is c/o Corporation Service Company, 251 Little Falls Drive, in the City of Wilmington, County of New Castle, State of Delaware, 19808, and the name of its registered agent at such address is Corporation Service Company.

ARTICLE III
PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL") as it now exists or may hereafter be amended and supplemented.

ARTICLE IV
CAPITAL STOCK

The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of capital stock which the Corporation shall have authority to issue is 635,000,000. The total number of shares of Common Stock that the Corporation is authorized to issue is 625,000,000, having a par value of $0.0001 per share, and the total number of shares of Preferred Stock that the Corporation is authorized to issue is 10,000,000, having a par value of $0.0001 per share.

The designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation are as follows:

A. COMMON STOCK.

1. General. The voting, dividend, liquidation, and other rights and powers of the Common Stock are subject to and qualified by the rights, powers and preferences of any series of Preferred Stock as may be designated by the Board of Directors of the Corporation (the "Board of Directors") and outstanding from time to time.

2. Voting. Except as otherwise provided herein or expressly required by law, each holder of Common Stock, as such, shall be entitled to vote on each matter submitted to a vote of stockholders and shall be entitled to one (1) vote for each share of Common Stock held of record by such holder as of the record date for determining stockholders entitled to vote on such matter. Except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate (including any Certificate of Designation (as defined below)) that relates solely to the rights, powers, preferences (or the qualifications, limitations or restrictions thereof) or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Second Amended and Restated Certificate (including any Certificate of Designation) or pursuant to the DGCL.

Subject to the rights of any holders of any outstanding series of Preferred Stock, the number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

3. Dividends. Subject to applicable law and the rights and preferences of any holders of any outstanding series of Preferred Stock, the holders of Common Stock, as such, shall be entitled to the payment of dividends on the Common Stock when, as and if declared by the Board of Directors in accordance with applicable law.

4. Liquidation. Subject to the rights and preferences of any holders of any shares of any outstanding series of Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the funds and assets of the Corporation that may be legally distributed to the Corporation's stockholders shall be distributed among the holders of the then outstanding Common Stock *pro rata* in accordance with the number of shares of Common Stock held by each such holder.

B. PREFERRED STOCK

Shares of Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated or expressed herein and in the resolution or resolutions providing for the creation and issuance of such series adopted by the Board of Directors as hereinafter provided.

Authority is hereby expressly granted to the Board of Directors from time to time to issue the Preferred Stock in one or more series, and in connection with the creation of any such series, by adopting a resolution or resolutions providing for the issuance of the shares thereof and by filing a certificate of designation relating thereto in accordance with the DGCL (a "Certificate of Designation"), to determine and fix the number of shares of such series and such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including without limitation thereof, dividend rights, conversion rights, redemption privileges and liquidation preferences, and to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series as shall be stated and expressed in such resolutions, all to the fullest extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, the resolution or resolutions providing for the creation and issuance of any series of Preferred Stock may provide that such series shall be superior or rank equally or be junior to any other series of Preferred Stock to the extent permitted by law and this Second Amended and Restated Certificate (including any Certificate of Designation). Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled only to such voting rights, if any, as shall expressly be granted thereto by this Second Amended and Restated Certificate (including any Certificate of Designation).

The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V
BOARD OF DIRECTORS

For the management of the business and for the conduct of the affairs of the Corporation it is further provided that:

A. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the initial directors of the Corporation shall be classified with respect to the time for which they severally hold office into three classes, designated as Class I, Class II and Class III. The initial Class I directors shall serve for a term expiring at the first annual meeting of the stockholders following the date of this Second Amended and Restated Certificate; the initial Class II directors shall serve for a term expiring at the second annual meeting of the stockholders following the date of this Second Amended and Restated Certificate; and the initial Class III directors shall serve for a term expiring at the third annual meeting following the date of this Second Amended and Restated Certificate. At each annual meeting of the stockholders of the Corporation beginning with the first annual meeting of the stockholders following the date of this Second Amended and Restated Certificate, subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of the stockholders held in the third year following the year of their election. Each director shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation, disqualification or removal. No decrease in the number of directors shall shorten the term of any incumbent director. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II and Class III.

B. Except as otherwise expressly provided by the DGCL or this Second Amended and Restated Certificate, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board of Directors.

C. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, the Board of Directors or any individual director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote at an election of directors.

D. Subject to the special rights of the holders of one or more outstanding series of Preferred Stock to elect directors, except as otherwise provided by law, any vacancies on the Board of Directors resulting from death, resignation, disqualification, retirement, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled exclusively by the affirmative vote of a majority of the directors then in office, even though less than a quorum, or by a sole remaining director (other than any directors elected by the separate vote of one or more outstanding series of Preferred Stock), and shall not be filled by the stockholders. Any director appointed in accordance with the preceding sentence shall hold office until the expiration of the term to which such director shall have been appointed or until his or her earlier death, resignation, retirement, disqualification, or removal.

E. Whenever the holders of any one or more series of Preferred Stock issued by the Corporation shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such directorships shall be governed by the terms of this Second Amended and Restated Certificate (including any Certificate of Designation). Notwithstanding anything to the contrary in this Article V, the number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to paragraph B of this Article V, and the total number of directors constituting the whole Board of Directors shall be automatically adjusted accordingly. Except as otherwise provided in the Certificate of Designation(s) in respect of one or more series of Preferred Stock, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such Certificate of Designation(s), the terms of office of all such additional directors elected by the holders of such series of Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

F. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Amended and Restated Bylaws of the Corporation (as amended and/or restated from time to time, the "Bylaws"). In addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by this Second Amended and Restated Certificate (including any Certificate of Designation in respect of one or more series of Preferred Stock) or the Bylaws of the Corporation, the adoption, amendment or repeal of the Bylaws of the Corporation by the stockholders of the Corporation shall require the affirmative vote of the holders of at least two-thirds (66 and 2/3%) of the voting power of all of the then outstanding shares of voting stock of the Corporation entitled to vote generally in an election of directors.

G. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

ARTICLE VI
STOCKHOLDERS

A. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of the stockholders of the Corporation, and shall not be taken by written consent in lieu of a meeting. Notwithstanding the foregoing, any action required or permitted to be taken by the holders of any series of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable Certificate of Designation relating to such series of Preferred Stock, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of the relevant series of Preferred Stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation in accordance with the applicable provisions of the DGCL.

B. Subject to the special rights of the holders of one or more series of Preferred Stock, special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, at any time only by or at the direction of the Board of Directors, the Chairperson of the Board of Directors, the Chief Executive Officer or the President, and shall not be called by any other person or persons.

C. Advance notice of stockholder nominations for the election of directors and of other business proposed to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VII
LIABILITY

No director of the Corporation shall have any personal liability to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or hereafter may be amended. Any amendment, repeal or modification of this Article VII, or the adoption of any provision of the Second Amended and Restated Certificate inconsistent with this Article VII, shall not adversely affect any right or protection of a director of the Corporation with respect to any act or omission occurring prior to such amendment, repeal, modification or adoption. If the DGCL is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

ARTICLE VIII
INDEMNIFICATION

The Corporation shall have the power to provide rights to indemnification and advancement of expenses to its current and former officers, directors, employees and agents and to any person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

ARTICLE IX
AMENDMENTS

A. Notwithstanding anything contained in this Second Amended and Restated Certificate to the contrary, in addition to any vote required by applicable law, the following provisions in this Second Amended and Restated Certificate may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least two- thirds (66 and 2/3%) of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: Part B of Article IV, Article V, Article VI, Article VII, Article VIII, and this Article IX.

B. If any provision or provisions of this Second Amended and Restated Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Second Amended and Restated Certificate (including, without limitation, each portion of any paragraph of this Second Amended and Restated Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby and (ii) to the fullest extent permitted by applicable law, the provisions of this Second Amended and Restated Certificate (including, without limitation, each such portion of any paragraph of this Second Amended and Restated Certificate containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

Exhibit 3.6

AMENDED AND RESTATED BYLAWS

OF

NAUTICUS ROBOTICS, INC.

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ARTICLE I

STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place, if any, as may be designated from time to time by the Board of Directors (the "Board") of Nauticus Robotics, Inc., (the "Corporation"), the Chairperson of the Board or the Chief Executive Officer or, if not so designated, at the principal office of the Corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board, the Chairperson of the Board or the Chief Executive Officer. The Corporation may postpone, recess, reschedule or cancel any previously scheduled annual meeting of stockholders.

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board, the Chairperson of the Board or the Chief Executive Officer, and may not be called by any other person or persons; *provided* that, prior to the Final Conversion Date (as defined in the Certificate of Incorporation), special meetings of stockholders for any purpose or purposes may also be called by or at the request of stockholders of the Corporation collectively holding shares of capital stock of the Corporation with voting power sufficient to provide the Requisite Stockholder Consent (as defined in the Certificate of Incorporation). Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. The Corporation may postpone, reschedule or cancel any previously scheduled meeting of stockholders; *provided*, *however*, that with respect to any special meeting of stockholders of the Corporation previously scheduled at the request of the Requisite Stockholder Consent, the Corporation shall not postpose, reschedule or cancel any such special meeting without the prior written consent of the stockholders who comprised the Requisite Stockholder Consent.

1.4 Notice of Meetings. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, notice of each meeting of stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice to stockholders given by the Corporation shall be effective if given by electronic transmission in accordance with the General Corporation Law of the State of Delaware (the "DGCL"). The notices of all meetings shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting). The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the DGCL.

1.5 Voting List. The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the

meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder; provided, that such list shall not be required to contain the electronic mail address or other electronic contact information of any stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is to be held at a place, then the list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger contemplated by this Section 1.5 shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.5 or entitled to vote in person or by proxy at any meeting of stockholders.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the holders of a majority in voting power of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the Corporation issued and outstanding and entitled to vote on such matter, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to the same or some other place at which a meeting of stockholders may be held under these Bylaws by the Board, the chairperson of the meeting or, if directed to be voted on by the chairperson of the meeting, by a majority of the votes cast by stockholders present or represented at the meeting and entitled to vote thereon, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment of thirty (30) days or less if the time and place of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for determination of stockholders entitled to vote at the adjourned meeting (in which case the Board shall fix the same or an earlier date as the record date for determining stockholders entitled to notice of such adjourned meeting and shall give notice of the adjourned meeting to each stockholder of record as of such date). At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person or may authorize another person or persons to vote for such stockholder by proxy. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting. Proxies shall be filed with the Secretary of the Corporation. No such proxy shall be voted upon after three years from its date, unless the proxy expressly provides for a longer period. A proxy may be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power, regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation.

1.9 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by a majority of the votes cast by the holders of all of the shares of stock present in person or represented by proxy at the meeting and voting affirmatively or negatively on such matter (or if one or more class, classes or series of stock are entitled to vote as a separate class or series, then a majority of the votes cast by the holders of the shares of stock of such class, classes or series entitled to vote as a separate class or series present or represented by proxy at the meeting and voting affirmatively or negatively on such matter), except when a different or minimum vote is required by law, regulation applicable to the Corporation or its securities, the rules or regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation or these Bylaws, in which case such different or minimum vote shall be the required vote on such matter. When a quorum is present at any meeting, in any election by stockholders of directors other than in a contested election, directors shall be elected by the affirmative vote of a majority of the votes cast in favor or against the election of a nominee at a meeting of stockholders. In a contested election, (i) the directors shall be elected by a plurality of the votes cast at a meeting of stockholders by the holders of stock entitled to vote in such election, and (ii) stockholders shall not be permitted to vote against a nominee. An election shall be considered contested if, as of the tenth (10th) day preceding the date on which the Corporation first mails its notice of meeting for such meeting to the stockholders of the Corporation, there are more nominees for election than directorships on the Board to be filled by election at the meeting.

1.10 Nomination of Directors.

(A) Except for any directors entitled to be elected by the holders of preferred stock, at any meeting of stockholders, only persons who are nominated in accordance with the procedures in this Section 1.10 shall be eligible for election as directors. Nominations of persons for election to the Board at an annual meeting of stockholders or a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting may be made (i) by or at the direction of the Board or any duly authorized committee thereof or (ii) by any stockholder of the Corporation who (x) timely complies with the notice procedures in Section 1.10(B), (y) is a stockholder of record on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such meeting and (z) is entitled to vote at such meeting and on such election.

(B) To be timely, a stockholder's notice must be received in writing by the Secretary at the principal executive offices of the Corporation as follows: (i) in the case of an election of directors at an annual meeting of stockholders, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting (which date of the preceding year's annual meeting shall, for purposes of Sections 1.10 and 1.11 hereof with respect to the Corporation's first annual meeting of stockholders following the listing of its shares on a national securities exchange, be deemed to have occurred on September , 2022); provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days, or delayed by more than seventy (70), from the first anniversary of the preceding year's annual meeting, a stockholder's notice must be so received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which public disclosure of the date of such annual meeting is first made; or (ii) in the case of an election of directors at a special meeting of stockholders, provided that directors are to be elected at such special meeting as set forth in the Corporation's notice of meeting and provided further that the nomination made by the stockholder is for one of the director positions that the notice of meeting states will be filled at such special meeting, not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of (x) the 90th day prior to such special meeting and (y) the tenth day following the day on which public disclosure of the date of such special meeting for the election of directors is first made. The number of nominees a stockholder may nominate for election at a meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such meeting. In no event shall the adjournment or postponement of a meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice.

The stockholder's notice to the Secretary shall set forth: (A) as to each proposed nominee (1) such person's name, age, business address and, if known, residence

address, (2) such person's principal occupation or employment, (3) the class(es) and series and number of shares of stock of the Corporation that are, directly or indirectly, owned, beneficially or of record, by such person, (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among (x) the stockholder, the beneficial owner, if any, on whose behalf the nomination is being made and the respective affiliates and associates of, or others acting in concert with, such stockholder and such beneficial owner, on the one hand, and (y) each proposed nominee, and his or her respective affiliates and associates, or others acting in concert with such nominee(s), on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made or any affiliate or associate thereof or person acting in concert therewith were the "registrant" for purposes of such Item and the proposed nominee were a director or executive officer of such registrant, and (5) any other information concerning such person that must be disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is being made (1) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (2) the class(es) and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such beneficial owner, (3) a description of any agreement, arrangement or understanding between or among such stockholder and/or such beneficial owner and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are being made or who may participate in the solicitation of proxies in favor of electing such nominee(s), (4) a description of any agreement, arrangement or understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder or such beneficial owner, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner with respect to shares of stock of the Corporation, (5) any other information relating to such stockholder and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (6) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and on such election and intends to appear in person or by proxy at the meeting to nominate the person(s) named in its notice and (7) a representation whether such stockholder and/or such beneficial owner intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock reasonably believed by such stockholder or such beneficial owner to be sufficient to elect the nominee (and such representation shall be included in any such proxy statement and form of proxy) and/or (y) otherwise to solicit proxies or votes from stockholders in support of such nomination (and such representation shall be included in any such solicitation materials). Not later than ten (10) days after the record date for determining the stockholders entitled to vote at the meeting, the information required by Items (A)(1)-(5) and (B)(1)-(5) of the prior sentence shall be supplemented by the stockholder giving the notice to provide updated information as of such record date. In addition, to be effective, the stockholder's notice must be accompanied by the written consent of the proposed nominee to serve as a director if elected and to being named in the Corporation's proxy statement and associated proxy card as a nominee of the stockholder. The Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to, among other things, determine the eligibility of such proposed nominee to serve as a director of the Corporation or whether such nominee would be independent under applicable Securities and Exchange Commission and stock exchange rules and the Corporation's publicly disclosed corporate governance guidelines, as applicable. A stockholder shall not have complied with this Section 1.10(B) if the stockholder (or beneficial owner, if any, on whose behalf the nomination is made) solicits or does not solicit, as the case may be, proxies or votes in support of such stockholder's nominee in contravention of the representations with respect thereto required by this Section 1.10.

(C) The chairperson of any meeting shall have the power and duty to determine whether a nomination was made in accordance with the provisions of this Section 1.10 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee in compliance with the representations with respect thereto required by this Section 1.10), and if the chairperson should determine that a nomination was not made in accordance with the provisions of this Section 1.10, the chairperson shall so declare to the meeting and such nomination shall not be brought before the meeting. Without limiting the foregoing, in advance of any meeting of stockholders, the Board shall also have the power to determine whether any nomination was made in accordance with the provisions of this Section 1.10 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee in compliance with the representations with respect thereto required by this Section 1.10).

(D) Except as otherwise required by law, nothing in this Section 1.10 shall obligate the Corporation or the Board to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board information with respect to any nominee for director submitted by a stockholder.

(E) Notwithstanding the foregoing provisions of this Section 1.10, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present a nomination, such nomination shall not be brought before the meeting, notwithstanding that proxies in respect of such nominee may have been received by the Corporation. For purposes of this Article I, to be considered a "qualified representative" of the stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, at the meeting of stockholders.

(F) For purposes of this Article I, "public disclosure" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(G) Notwithstanding anything in this Section 1.10 to the contrary, in the event that the number of directors to be elected to the Board at any annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 1.10(B) and there is no public disclosure by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by Section 1.10(B) with respect to nominations for such annual meeting shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public disclosure is first made by the Corporation.

1.11 Notice of Business to be Brought Before a Meeting

(A) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than the nominations of persons for election to the Board) must constitute a proper matter for stockholder action and must be (i) specified in a notice of meeting given by or at the direction of the Board or any duly authorized committee thereof, (ii) if not specified in a notice of meeting, otherwise brought before the meeting by the Board or any duly authorized committee thereof or the Chairperson of the Board or (iii) otherwise properly brought before the meeting by a stockholder who (A) (1) was a stockholder of record of the Corporation both at the time of giving the notice provided for in this Section 1.11 and at the time of the meeting, (2) is entitled to vote at the meeting, and (3) has complied with this Section 1.11 in all applicable respects or (B) properly made such proposal in compliance with Rule 14a-8 under the Exchange Act. The foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders.

Notwithstanding anything herein to the contrary, unless otherwise required by law, if a stockholder seeking to bring business before an annual meeting pursuant to clause (iii) of this Section 1.11(A) (or a qualified representative of the stockholder) does not appear at the meeting to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such proposed business may have been received by the Corporation.

(B) Without qualification, for business to be properly brought before an annual meeting by a stockholder, the stockholder must (i) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 1.11. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder to be timely must be so delivered, or mailed and received, not later than the 90th day prior to such annual meeting or, if later, the tenth day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of Timely Notice as described above.

(C) To be in proper form for purposes of this Section 1.11, a stockholder's notice to the Secretary shall set forth:

(i) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records); and (B) the class(es) and series and number of shares of the Corporation that are, directly or indirectly, owned of record and beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "Stockholder Information");

(ii) As to each Proposing Person, (A) the full notional amount of any securities that, directly or indirectly, underlie any "derivative security" (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule 16a-1(b) under the Exchange Act) ("Synthetic Equity Position") and that is, directly or indirectly, held or maintained by such Proposing Person with respect to any shares of any class(es) or series of shares of the Corporation; provided that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, provided, further, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be deemed to hold or maintain the notional amount of any securities that underlie a Synthetic Equity Position held by such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer, (B) any rights to dividends on the shares of any class or series of shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (C) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (D) any other material relationship between such Proposing Person, on the one hand, and the Corporation and any affiliate of the Corporation, on the other hand, (E) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the Corporation or any affiliate of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (F) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, (G) a representation that such Proposing Person intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or otherwise solicit proxies from stockholders in support of such proposal and (H) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (G) are referred to as "Disclosable Interests"); provided, however, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner; and

(iii) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), and (C) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder(s) of shares of capital stock of the Corporation or persons(s) who have a right to acquire beneficial ownership at any time in the future of the shares of any class or series of the Corporation (including their names) in connection with the proposal of such business by such stockholder; and (D) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; provided, however, that the disclosures required by this paragraph (iii) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

For purposes of this Section 1.11, the term "Proposing Person" shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, and (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation.

(D) A Proposing Person shall update and supplement its notice to the Corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 1.11 shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business or resolutions

proposed to be brought before a meeting of the stockholders.

(E) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Section 1.11. The chairperson of the meeting shall have the power and duty to determine whether any proposed business was brought in accordance with the provisions of this Section 1.11, and if the chairperson should determine that the business was not properly brought before the meeting in accordance with this Section 1.11, the chairperson shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. Without limiting the foregoing, in advance of any meeting of stockholders, the Board shall also have the power to determine whether any proposed business was made in accordance with the provisions of this Section 1.11.

(F) This Section 1.11 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any proposal made in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement. In addition to the requirements of this Section 1.11 with respect to any business proposed to be brought before an annual meeting of stockholders, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 1.11 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

1.12 Conduct of Meetings.

(A) Meetings of stockholders shall be presided over by the Chairperson of the Board, if any, or in the Chairperson's absence by the Vice Chairperson of the Board, if any, or in the Vice Chairperson's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairperson designated by the Board. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

(B) The Board may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the Corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board, the chairperson of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(C) The chairperson of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted.

(D) In advance of any meeting of stockholders, the Board, the Chairperson of the Board or the Chief Executive Officer shall appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and, when the vote is completed, shall certify their determination of the result of the vote taken and of such other facts as may be required by law. Every vote taken by ballots shall be counted by a duly appointed inspector or duly appointed inspectors.

ARTICLE II

DIRECTORS

2.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, who may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Term. The total number of directors constituting the Board shall be as fixed in, or in the manner provided by, the Certificate of Incorporation. Election of directors need not be by written ballot. The term of office of each director shall be as specified in the Certificate of Incorporation.

2.3 Chairperson of the Board; Vice Chairperson of the Board. The Board may appoint from its members a Chairperson of the Board and a Vice Chairperson of the Board, neither of whom need be an employee or officer of the Corporation. If the Board appoints a Chairperson of the Board, such Chairperson shall perform such duties and possess such powers as are assigned by the Board and, if the Chairperson of the Board is also designated as the Corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these Bylaws. If the Board appoints a Vice Chairperson of the Board, such Vice Chairperson shall perform such duties and possess such powers as are assigned by the Board. Unless otherwise provided by the Board, the Chairperson of the Board or, in the Chairperson's absence, the Vice Chairperson of the Board, if any, shall preside at all meetings of the Board.

2.4 Terms of Office. Directors shall be elected for such terms and in the manner provided by the Certificate of Incorporation and applicable law. The term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation, disqualification or removal. For the avoidance of doubt, no decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

2.5 Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors established by the Board pursuant to Section 2.2 of these Bylaws shall constitute a quorum of the Board. If at any meeting of the Board there shall be less than a quorum, a majority of the directors present may adjourn the

meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.6 Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law, the Certificate of Incorporation or these Bylaws.

2.7 Removal. Directors of the Corporation may only be removed in the manner specified by the Certificate of Incorporation.

2.8 Newly Created Directorships; Vacancies. Any newly created directorship or vacancy on the Board, however occurring, shall be filled in accordance with the Certificate of Incorporation and applicable law.

2.9 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as shall be determined from time to time by the Board; provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 Special Meetings. Special meetings of the Board may be called by the Chairperson of the Board, the Chief Executive Officer, the affirmative vote of a majority of the directors then in office, or by one director in the event that there is only a single director in office.

2.12 Notice of Special Meetings. Notice of the date, place and time of any special meeting of the Board shall be given to each director (a) in person or by telephone at least twenty- four (24) hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile, electronic mail or other means of electronic transmission, or delivering written notice by hand, to such director's last known business, home or means of electronic transmission address at least twenty-four (24) hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director's last known business or home address at least seventy-two (72) hours in advance of the meeting. Such notice may be given by the Secretary or by the Chairperson of the Board, the Chief Executive Officer or one of the directors calling the meeting. A notice or waiver of notice of a meeting of the Board need not specify the purposes of the meeting.

2.13 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.14 Action by Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing or by electronic transmission.

2.15 Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation with such lawfully delegable powers and duties as the Board thereby confers, to serve at the pleasure of the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board and subject to the provisions of law, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board may from time to time request. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board may from time to time determine. No such payment shall preclude any director from serving the Corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

ARTICLE III

OFFICERS

3.1 Titles. The officers of the Corporation may consist of a Chief Executive Officer, a President, a Chief Financial Officer, a Treasurer and a Secretary and such other officers with such other titles as the Board shall from time to time determine. The Board may appoint such other officers, including one or more Vice Presidents and one or more Assistant Treasurers or Assistant Secretaries, as it may deem appropriate from time to time.

3.2 Election. The Chief Executive Officer, President, Treasurer and Secretary shall be elected annually by the Board at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, each officer shall hold office until such officer's successor is duly elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer's earlier death, resignation, disqualification or removal.

3.5 Resignation and Removal. Any officer may resign by delivering a resignation in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the directors then in office. Except as the Board may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the Corporation.

3.6 Vacancies. The Board may fill any vacancy occurring in any office. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is duly elected and qualified, or until such officer's earlier death, resignation, disqualification or removal.

3.7 President; Chief Executive Officer. Unless the Board has designated another person as the Corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general charge and supervision of the business of the Corporation subject to the direction of the Board, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board. The President shall perform such other duties and shall have such other powers as the Board or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 Vice Presidents. Each Vice President shall perform such duties and possess such powers as the Board or the Chief Executive Officer may from time to time prescribe. The Board may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board.

3.9 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board, to attend all meetings of stockholders and the Board and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairperson of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the Corporation, to deposit funds of the Corporation in depositories selected in accordance with these Bylaws, to disburse such funds as ordered by the Board, to make proper accounts of such funds, and to render as required by the Board statements of all such transactions and of the financial condition of the Corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board) shall perform the duties and exercise the powers of the Treasurer.

3.11 Salaries. Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board.

3.12 Delegation of Authority. Subject to these Bylaws and any contrary action by the Board, each officer of the Corporation shall, have in addition to the duties and powers specifically set forth in these Bylaws, such duties and powers as are customarily incident to his or her office, and such duties and powers as may be designated from time to time by the Board. In addition, the Board may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE IV

CAPITAL STOCK

4.1 Stock Certificates; Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock of the Corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the DGCL, and each officer appointed pursuant to Article III shall be an authorized officer for this purpose.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these Bylaws, applicable securities laws or any agreement among any number of stockholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated shares, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the DGCL or, with respect to Section 151 of the DGCL, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.2 Transfers. Shares of stock of the Corporation shall be transferable in the manner prescribed by law, the Certificate of Incorporation and in these Bylaws. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation or by transfer agents designated to transfer shares of stock of the Corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the Corporation by the surrender to the Corporation or its transfer agent of

the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

4.3 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate or uncertificated shares in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

4.4 Record Date. The Board may fix in advance a date as a record date for the determination of the stockholders entitled to notice of any meeting of stockholders, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date on which the resolution fixing the record date is adopted, and such record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action to which such record date relates. If the Board so fixes a record date for determining the stockholders entitled to notice of any meeting of stockholders, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. If no record date is fixed, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting;provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

4.5 Regulations. The issue, conversion and registration of shares of stock of the Corporation shall be governed by such other regulations as the Board may establish.

ARTICLE V

GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board, the fiscal year of the Corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board.

5.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these Bylaws, a written waiver signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5.4 Voting of Securities. Except as the Board may otherwise designate, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer may waive notice, vote, consent, or appoint any person or persons to waive notice, vote or consent, on behalf of the Corporation, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for the Corporation (with or without power of substitution and re-substitution), with respect to the securities of any other entity which may be held by the Corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and/or restated and in effect from time to time, including any certificate of designation relating to any outstanding series of preferred stock.

5.7 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

5.8 Pronouns. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

5.9 Electronic Transmission. For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE VI

AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the Board or by the stockholders as expressly provided in the Certificate of Incorporation.

ARTICLE VII

INDEMNIFICATION AND ADVANCEMENT

7.1 Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation. Subject to Section 7.3, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

7.2 Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 7.3, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity by the Corporation for such expenses which the Court of Chancery or such other court shall deem proper.

7.3 Authorization of Indemnification. Any indemnification under this Article VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 7.1 or Section 7.2, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding set forth in Section 7.1 or Section 7.2 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

7.4 Good Faith Defined. For purposes of any determination under Section 7.3, a person shall, to the fullest extent permitted by law, be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on good faith reliance on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 7.4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 7.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 7.1 or 7.2, as the case may be.

7.5 Right of Claimant to Bring Suit. Notwithstanding any contrary determination in the specific case under Section 7.3, and notwithstanding the absence of any determination thereunder, if (i) following the final disposition of the applicable proceeding, a claim for indemnification under Sections 7.1 or 7.2 of this Article VII is not paid in full by the Corporation within ninety (90) days after the later of a written claim for indemnification has been received by the Corporation, or (ii) a claim for advancement of expenses under Section 7.6 of this Article VII is not paid in full by the Corporation within thirty (30) days after the Corporation has received a statement or statements requesting such amounts to be advanced, the claimant may at any time thereafter (but not before) bring suit against the Corporation in the Court of Chancery in the State of Delaware to recover the unpaid amount of the claim, together with interest thereon, or to obtain advancement of expenses, as applicable. It shall be a defense to any such action brought to enforce a right to indemnification (but not in an action brought to enforce a right to an advancement of expenses) that the claimant has not met the standards of conduct which make it permissible under the DGCL (or other applicable law) for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither a contrary determination in the specific case under Section 7.3 nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the claimant has not met any applicable standard of conduct. If successful, in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim, including reasonable attorneys' fees incurred in connection therewith, to the fullest extent permitted by applicable law.

7.6 Expenses Payable in Advance. Expenses, including without limitation attorneys' fees, incurred by a current or former director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding to which such person is a party or is threatened to be made a party or otherwise involved as a witness or otherwise by reason of the fact that such person is or was a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such current or former director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

7.7 Nonexclusivity of Indemnification and Advancement of Expenses. The rights to indemnification and advancement of expenses provided by or granted pursuant to

this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that, subject to Section 7.11, indemnification of the persons specified in Sections 7.1 and 7.2 shall be made to the fullest extent permitted by law. The provisions of this Article VII shall not be deemed to preclude the indemnification of any person who is not specified in Sections 7.1 or 7.2 but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

7.8 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VII.

7.9 Certain Definitions. For purposes of this Article VII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director or officer of such constituent corporation, or, while a director or officer of such constituent corporation, is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VII, references to "fines" shall include any excise taxes assessed on a person with respect of any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VII.

7.10 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

7.11 Limitation on Indemnification. Notwithstanding anything contained in this Article VII to the contrary, except for proceedings to enforce rights to indemnification or advancement of expenses (which shall be governed by Section 7.5), the Corporation shall not be obligated to indemnify any current or former director or officer in connection with an action, suit proceeding (or part thereof) initiated by such person unless such action, suit or proceeding (or part thereof) was authorized by the Board.

7.12 Contract Rights. The obligations of the Corporation under this Article VII to indemnify, and advance expenses to, a person who is or was a director or officer of the Corporation shall be considered a contract between the Corporation and such person, and no modification or repeal of any provision of this Article VII shall affect, to the detriment of such person, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal.

NAUTICUS ROBOTICS, INC.
2022 OMNIBUS INCENTIVE PLAN

Effective September 9, 2022

Section 1. General.

The purposes of the Nauticus Robotics, Inc. 2022 Omnibus Incentive Plan (the "Plan") are to (a) encourage the profitability and growth of the Company through short-term and long-term incentives that are consistent with the Company's objectives; (b) give Participants an incentive for excellence in individual performance; (c) promote teamwork among Participants; and (d) give the Company a significant advantage in attracting and retaining key Employees, Directors and Consultants. To accomplish such purposes, the Plan provides that the Company may grant (i) Options, (ii) Stock Appreciation Rights, (iii) Restricted Shares, (iv) Restricted Stock Units, (v) Performance-Based Awards (including performance-based Restricted Shares and Restricted Stock Units), (vi) Other Share-Based Awards, (vii) Other Cash-Based Awards or (viii) any combination of the foregoing. The Plan was originally adopted in connection with the consummation of the Company's going public business combination (the "Going Public Transaction") contemplated by that certain Agreement and Plan of Merger, entered into on December 16, 2021 by and among the Company (f/k/a CleanTech Acquisition Corp.), a Delaware corporation, CleanTech Merger Sub, Inc., a Texas corporation, Houston Mechatronics, Inc., a Texas corporation and Nicolaus Radford in his capacity as the Stockholder Representative thereunder (the "Merger Agreement").

Section 2. Definitions.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Administrator" means the Board, or, if and to the extent the Board does not administer the Plan, the Committee in accordance with Section 3 of the Plan.

(b) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. An entity shall be deemed an Affiliate of the Company for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained. For purposes of this definition, "control" (including with correlative meanings, the terms "controlling," "controlled by," or "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

(c) "Articles of Incorporation" means the articles of incorporation of the Company, as amended and/or restated and in effect from time to time.

(d) "Automatic Exercise Date" means, with respect to an Option or a Stock Appreciation Right, the last business day of the applicable term of the Option pursuant to Section 7(k) or the Stock Appreciation Right pursuant to Section 8(h).

(e) "Award" means any Option, Stock Appreciation Right, Restricted Share, Restricted Stock Unit, Performance-Based Award, Other Share-Based Award or Other Cash-Based Award granted under the Plan.

(f) "Award Agreement" means a written agreement, contract or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan. Evidence of an Award may be in written or electronic form, may be limited to notation on the books and records of the Company and, with the approval of the Administrator, need not be signed by a representative of the Company or a Participant. Any shares of Common Stock that become deliverable to the Participant pursuant to the Plan may be issued in certificate form in the name of the Participant or in book-entry form in the name of the Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

(g) "Beneficial Owner" (or any variant thereof) has the meaning defined in Rule 13d-3 under the Exchange Act.

(h) "Board" means the Board of Directors of the Company.

(i) "Bylaws" means the bylaws of the Company, as may be amended and/or restated from time to time.

(j) "Cause" shall have the meaning assigned to such term in any Company, Subsidiary or Affiliate unexpired employment, severance, or similar agreement or Award Agreement with a Participant, or if no such agreement exists or if such agreement does not define "Cause" (or a word of like import), Cause means (i) the Participant's breach of fiduciary duty or duty of loyalty to the Company, (ii) the Participant's conviction of or plea of nolo contendere to a felony or a crime involving moral turpitude, (iii) the Participant's failure, refusal or neglect to perform and discharge his or her duties and responsibilities on behalf of the Company or a Subsidiary of the Company (other than by reason of Disability) or to comply with any lawful directive of the Board or its designee, (iv) the Participant's breach of any written policy of the Company or a Subsidiary or Affiliate thereof (including, without limitation, those relating to sexual harassment or the disclosure or misuse of confidential information), (v) the Participant's breach of any agreement with the Company or a Subsidiary or Affiliate thereof (including, without limitation, any confidentiality, non-competition, non-solicitation or assignment of inventions agreement), (vi) the Participant's commission of fraud, dishonesty, theft, embezzlement, self-dealing, misappropriation or other malfeasance against the business of the Company or a Subsidiary or Affiliate thereof, or (vii) the Participant's commission of acts or omissions constituting gross negligence or gross misconduct in the performance of any aspect of his or her lawful duties or responsibilities, which have or may be expected to have an adverse effect on the Company, its Subsidiaries or Affiliates. A Participant's employment shall be deemed to have terminated for "Cause" if, on the date his or her employment terminates, facts and circumstances exist that would have justified a termination for Cause, to the extent that such facts and circumstances are discovered within three (3) months following such termination. The Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

(k) "Change in Capitalization" means any (i) merger, consolidation, reclassification, recapitalization, spin-off, spin-out, repurchase or other reorganization or corporate transaction or event, (ii) extraordinary dividend (whether in the form of cash, shares of Common Stock or other property), stock split or reverse stock split, (iii) combination or exchange of shares, (iv) other change in corporate structure or (v) payment of any other distribution, which, in any such case, the Administrator determines, in its sole discretion, affects the Common Stock such that an adjustment pursuant to Section 5 of the Plan is appropriate.

(l) "Change in Control" means the occurrence of any of the following:

(i) any Person, other than the Company or a Subsidiary thereof, becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding voting securities (the "Outstanding Company Voting Securities"), excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of paragraph (iii) below or any acquisition directly from the Company; or

(ii) the following individuals cease for any reason to constitute a majority of the number of Directors then serving on the Board: individuals who, during any period of two (2) consecutive years, constitute the Board and any new Director (other than a Director whose initial assumption of office is in connection with an actual

or threatened election contest, including, but not limited to, a consent solicitation, relating to the election of Directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds ($^2/_3$) of the Directors then still in office who either were Directors at the beginning of the two (2) year period or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) the consummation of a merger or consolidation of the Company or any Subsidiary thereof with any other corporation, other than a merger or consolidation (A) that results in the Outstanding Company Voting Securities immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined voting power of the Outstanding Company Voting Securities (or such surviving entity or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof) outstanding immediately after such merger or consolidation, and (B) immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the Board of the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof; or

(iv) the consummation of a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than (A) a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least fifty percent (50%) of the combined voting power of the voting securities of which are owned directly or indirectly by stockholders of the Company following the completion of such transaction in substantially the same proportions as their ownership of the Company immediately prior to such sale or (B) a sale or disposition of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or, if such entity is a subsidiary, the ultimate parent thereof.

For each Award that constitutes deferred compensation under Code Section 409A, a Change in Control (where applicable) shall be deemed to have occurred under the Plan with respect to such Award only if a change in the ownership or effective control of the Company or a change in ownership of a substantial portion of the assets of the Company also constitutes a "change in control event" under Code Section 409A.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of Class A Common Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(m) "Change in Control Price" shall have the meaning set forth in Section 12 of the Plan.

(n) "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

(o) "Committee" means any committee or subcommittee the Board may appoint to administer the Plan. Subject to the discretion of the Board, the Committee shall be composed entirely of individuals who meet the qualifications of a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act and any other qualifications required by the applicable stock exchange on which the shares of Common Stock are traded. If at any time or to any extent the Board shall not administer the Plan, then the functions of the Administrator specified in the Plan shall be exercised by the Committee. Except as otherwise provided in the Company's Articles of Incorporation or Bylaws, any action of the Committee with respect to the administration of the Plan shall be taken by a majority vote at a meeting at which a quorum is duly constituted or unanimous written consent of the Committee's members.

(p) "Common Stock" means common stock, $0.0001 par value per share, of the Company (and any stock or other securities into which such shares of common stock may be converted or into which they may be exchanged).

(q) "Company" means Nauticus Robotics, Inc., a Delaware corporation (or any successor corporation, except as the term "Company" is used in the definition of "Change in Control" above).

(r) "Consultant" means any current or prospective consultant or independent contractor of the Company or an Affiliate thereof, in each case, who is not an Employee, Executive Officer or Non-Employee Director.

(s) "Director" means any individual who is a member of the Board on or after the Effective Date.

(t) "Disability" means, with respect to any Participant who is an Employee, a permanent and total disability as defined in Code Section 22(e)(3).

(u) "Effective Date" shall have the meaning set forth in Section 22 of the Plan.

(v) "Eligible Director" means a person who is (i) with respect to actions intended to obtain an exemption from Section 16(b) of the Exchange Act pursuant to Rule 16b-3, a "non-employee director" within the meaning of Rule 16b-3; and (ii) with respect to actions undertaken to comply with the rules of the New York Stock Exchange, the Nasdaq Stock Market or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, an "independent director" under the rules of the New York Stock Exchange, the Nasdaq Stock Market or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or a person meeting any similar requirement under any successor rule or regulation.

(w) "Eligible Recipient" means: (i) an Employee; (ii) a Non-Employee Director; or (iii) a Consultant, in each case, who has been selected as an eligible recipient under the Plan by the Administrator; provided, that any Awards granted prior to the date an Eligible Recipient first performs services for the Company or an Affiliate thereof will not become vested or exercisable, and no shares of Common Stock shall be issued or other payment made to such Eligible Recipient with respect to such Awards, prior to the date on which such Eligible Recipient first performs services for the Company or an Affiliate thereof. Notwithstanding the foregoing, to the extent required to avoid the imposition of additional taxes under Code Section 409A, "Eligible Recipient" means: an (1) Employee; (2) a Non-Employee Director; or (3) a Consultant, in each case, of the Company or a Subsidiary thereof, who has been selected as an eligible recipient under the Plan by the Administrator.

(x) "Employee" shall mean any current or prospective employee of the Company or an Affiliate thereof, as described in Treasury Regulation Section 1.421-1(h), including an Executive Officer or Director who is also treated as an employee.

(y) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(z) "Executive Officer" means each Participant who is an executive officer (within the meaning of Rule 3b-7 under the Exchange Act) of the Company.

(aa) "Exercise Price" means, with respect to any Award under which the holder may purchase shares of Common Stock, the price per share at which a holder of such Award granted hereunder may purchase shares of Common Stock issuable upon exercise of such Award, as determined by the Administrator in accordance with Code Section 409A, as applicable.

(bb) "Fair Market Value" as of a particular date shall mean: (i) if the shares of Common Stock are listed on any established stock exchange or a national market system, including, without limitation, the New York Stock Exchange or the Nasdaq Stock Market, the Fair Market Value shall be the closing price of a Share (or if no sales were reported, the closing price on the date immediately preceding such date) as quoted on such exchange or system on the day of determination; (ii) if the shares of Common Stock are not then listed on a national securities exchange, the average of the highest reported bid and lowest reported asked prices for a Share as reported by the National Association of Securities Dealers, Inc. Automated Quotations System for the last preceding date on which there was a sale of such stock in such market; or (iii) whether or not the shares of Common Stock are then listed on a national securities exchange or traded in an over-the-counter market or the value of such shares is not otherwise determinable, such value as determined by the Administrator in good faith and in a manner not inconsistent with the regulations under Code Section 409A.

(cc) "Free Standing Rights" shall have the meaning set forth in Section 8(a) of the Plan.

(dd) "Incentive Stock Option" means an Option that is designated by the Committee as an incentive stock option within the meaning of Section 422 of the Code and that meets the requirements set out in the Plan.

(ee) "Non-Employee Director" means a Director who is not an Employee.

(ff) "Nonqualified Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(gg) "Outstanding Common Stock" means the then-outstanding shares of Common Stock of the Company, taking into account as outstanding for this purpose such Common Stock issuable upon the exercise of Options or warrants, the conversion of convertible stock or debt, and the exercise of any similar right to acquire such Common Stock.

(hh) "Option" means an option to purchase shares of Common Stock granted pursuant to Section 7 of the Plan.

(ii) "Other Cash-Based Award" means a cash Award granted to a Participant under Section 11 of the Plan, including cash awarded as a bonus or upon the attainment of Performance Goals or otherwise as permitted under the Plan.

(jj) "Other Share-Based Award" means a right or other interest granted to a Participant under the Plan that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock, including, but not limited to, unrestricted shares of Common Stock or dividend equivalents, each of which may be subject to the attainment of Performance Goals or a period of continued employment or other terms or conditions as permitted under the Plan.

(kk) "Participant" means any Eligible Recipient selected by the Administrator, pursuant to the Administrator's authority provided for in Section 3 of the Plan, to receive an Award under the Plan, and, upon his or her death, his or her successors, heirs, executors and administrators, as the case may be, solely with respect to any Awards outstanding at the date of the Eligible Recipient's death.

(ll) "Performance-Based Award" means any Award granted under the Plan that is subject to one or more Performance Goals. Any dividends or dividend equivalents payable or credited to a Participant with respect to any unvested Performance-Based Award shall be subject to the same Performance Goals as the shares of Common Stock or units underlying the Performance-Based Award.

(mm) "Performance Goals" means performance goals based on performance criteria selected by the Administrator, which may include, but are not limited to, any of the following: (i) earnings before interest and taxes; (ii) earnings before interest, taxes, depreciation and amortization; (iii) net operating profit after tax; (iv) cash flow; (v) revenue; (vi) net revenues; (vii) sales; (viii) days sales outstanding; (ix) income; (x) net income; (xi) operating income; (xii) net operating income; (xiii) operating margin; (xiv) earnings; (xv) earnings per share; (xvi) return on equity; (xvii) return on investment; (xviii) return on capital; (xix) return on assets; (xx) return on net assets; (xxi) total shareholder return; (xxii) economic profit; (xxiii) market share; (xxiv) appreciation in the fair market value, book value or other measure of value of the shares of Common Stock; (xxv) expense or cost control; (xxvi) working capital; (xxvii) customer satisfaction; (xxviii) employee retention or employee turnover; (xxix) employee satisfaction or engagement; (xxx) environmental, health or other safety goals; (xxxi) individual performance; (xxxii) strategic objective milestones; (xxxiii) any other criteria specified by the Administrator in its sole discretion; and (xxxiv) any combination of, or a specified increase or decrease in, as applicable, any of the foregoing. Where applicable, the Performance Goals may be expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company or an Affiliate thereof, or a division or strategic business unit of the Company, or may be applied to the performance of the Company relative to a market index, a group of other companies or a combination thereof, all as determined by the Administrator. The Performance Goals may include a threshold level of performance below which no payment shall be made (or no vesting shall occur), levels of performance at which specified payments shall be made (or specified vesting shall occur), and a maximum level of performance above which no additional payment shall be made (or at which full vesting shall occur). At the time such an Award is granted, the Administrator may specify any reasonable definition of the Performance Goals it uses. Such definitions may provide for equitable adjustments to the Performance Goals in recognition of unusual or non-recurring events affecting the Company or an Affiliate thereof or the financial statements of the Company or an Affiliate thereof, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be unusual in nature, infrequent in occurrence or unusual in nature and infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles. If the Administrator determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or an Affiliate conducts its business, or other events or circumstances render performance goals to be unsuitable, the Administrator may modify such Performance Goals in whole or in part, as the Committee deems appropriate. If a Participant is promoted, demoted or transferred to a different business unit or function during a performance period, the Administrator may determine that the Performance Goals or performance period are no longer appropriate and may (x) adjust, change or eliminate the Performance Goals or the applicable performance period as it deems appropriate to make such goals and period comparable to the initial goals and period, or (y) make a cash payment to the Participant in an amount determined by the Administrator.

(nn) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, however, a Person shall not include (i) the Company or any of its Subsidiaries; (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries; (iii) an underwriter temporarily holding securities pursuant to an offering of such securities; or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company.

(oo) "Plan" means this Nauticus Robotics, Inc. 2022 Omnibus Incentive Plan, as amended and/or amended and restated from time to time.

(pp) "Related Rights" shall have the meaning set forth in Section 8(a) of the Plan.

(qq) "Restricted Shares" means an Award of shares of Common Stock granted pursuant to Section 9 of the Plan subject to certain restrictions that lapse at the end of a specified period or periods.

(rr) "Restricted Stock Unit" means a notional account established pursuant to an Award granted to a Participant, as described in Section 10 of the Plan, that is (i) valued solely by reference to shares of Common Stock, (ii) subject to restrictions specified in the Award Agreement, and (iii) payable in cash or in shares of Common Stock (as specified in the Award Agreement). The Restricted Stock Units awarded to the Participant will vest according to the time-based criteria or Performance Goals, and vested Restricted Stock Units will be settled at the time(s), specified in the Award Agreement.

(ss) "Restricted Period" means the period of time determined by the Administrator during which an Award or a portion thereof is subject to restrictions or, as applicable, the period of time within which performance is measured for purposes of determining whether an Award has been earned.

(tt) "Rule 16b-3" shall have the meaning set forth in Section 3(a) of the Plan.

(uu) "Securities Act" means the Securities Act of 1933, as amended from time to time.

(vv) "Stock Appreciation Right" means the right pursuant to an Award granted under Section 8 of the Plan to receive an amount equal to the excess, if any, of (i) the aggregate Fair Market Value, as of the date such Award or portion thereof is surrendered, of the shares of Common Stock covered by such Award or such portion thereof, over (ii) the aggregate Exercise Price of such Award or such portion thereof.

(ww) "Subsidiary" means, with respect to any Person, as of any date of determination, any other Person as to which such first Person owns or otherwise controls, directly or indirectly, more than fifty percent (50%) of the voting shares or other similar interests or a sole general partner interest or managing member or similar interest of such other Person. An entity shall be deemed a Subsidiary of the Company for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained. Notwithstanding the foregoing, in the case of an Incentive Stock Option or any determination relating to an Incentive Stock Option, "Subsidiary" means a corporation that is a subsidiary of the Company within the meaning of Code Section 424(f).

(xx) "Substitute Award" shall mean an Award granted under the Plan upon the assumption of, or in substitution for, outstanding equity awards granted by a company or other entity in connection with a corporate transaction, such as a merger, combination, consolidation, or acquisition of property or stock; *provided*, *however*, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right. For the avoidance of doubt, the 3,970,266 shares of Common Stock relating to a portion of outstanding stock options assumed by the Company in connection with the Going Public Transaction shall constitute Substitute Awards under the Plan and shall be treated as Awards granted under the Plan for all purposes, but such assumed stock options shall not reduce the shares of Common Stock authorized for grant under the Plan.

Section 3. Administration.

(a) The Plan shall be administered by the Administrator in accordance with the requirements of Rule 16b-3 under the Exchange Act ("Rule 16b-3"), to the extent applicable.

(b) Pursuant to the terms of the Plan, the Administrator, subject, in the case of any Committee, to any restrictions on the authority delegated to it by the Board, shall have the power and authority, without limitation:

(i) to select those Eligible Recipients who shall be Participants;

(ii) to determine whether and to what extent Options, Stock Appreciation Rights, Restricted Shares, Restricted Stock Units, Other Share-Based Awards, Other Cash-Based Awards or a combination of any of the foregoing, are to be granted hereunder to Participants;

(iii) to determine the number of shares of Common Stock to be made subject to each Award;

(iv) to determine the terms and conditions, not inconsistent with the terms of the Plan, of each Award granted hereunder, including, but not limited to, (A) the restrictions applicable to Awards and the conditions under which restrictions applicable to such Awards shall lapse, (B) the Performance Goals and performance periods applicable to Awards, if any, (C) the Exercise Price of each Award, (D) the vesting schedule applicable to each Award, (E) any confidentiality or restrictive covenant provisions applicable to the Award, and (F) subject to the requirements of Code Section 409A (to the extent applicable), any amendments to the terms and conditions of outstanding Awards, including, but not limited to, extending the exercise period of such Awards and accelerating the vesting schedule of such Awards;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, which shall govern all Award Agreements evidencing Options, Stock Appreciation Rights, Restricted Shares, Restricted Stock Units or Other Share-Based Awards, Other Cash-Based Awards or any combination of the foregoing granted hereunder;

(vi) to determine Fair Market Value;

(vii) to determine the duration and purpose of leaves of absence which may be granted to a Participant without constituting termination of the Participant's employment for purposes of Awards granted under the Plan;

(viii) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable;

(ix) to reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan, any Award Agreement or other instrument or agreement relating to the Plan or an Award granted under the Plan; and

(x) to construe and interpret the terms and provisions of the Plan and any Award issued under the Plan (and any Award Agreement relating thereto), and to otherwise supervise the administration of the Plan and to exercise all powers and authorities either specifically granted under the Plan or necessary and advisable in the administration of the Plan.

(c) Except to the extent prohibited by applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of the Company are listed or traded, the Administrator may allocate all or any portion of its responsibilities and powers to any one (1) or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time. Without limiting the generality of the foregoing, the Committee may delegate to one (1) or more officers of the Company, the authority to act on behalf of the Committee with respect to any matter, right, obligation, or election which is the responsibility of, or which is allocated to, the Committee herein, and which may be so delegated

as a matter of law, except for grants of Awards to Directors. Notwithstanding the foregoing in this Section 3(c), it is intended that any action under the Plan intended to qualify for the exemptions provided by Rule 16b-3 will be taken only by the Board or by a committee or subcommittee of two (2) or more Eligible Directors. However, the fact that any member of such committee or subcommittee shall fail to qualify as an Eligible Director shall not invalidate any action that is otherwise valid under the Plan.

(d) All decisions made by the Administrator pursuant to the provisions of the Plan shall be final, conclusive and binding on all persons, including the Company and the Participants. No member of the Board or the Committee, or any officer or employee of the Company or any Subsidiary thereof acting on behalf of the Board or the Committee, shall be personally liable for any action, omission, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Committee and each and any officer or employee of the Company and of any Subsidiary thereof acting on their behalf shall, to the maximum extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, omission, determination or interpretation.

Section 4. Shares Reserved for Issuance Under the Plan and Limitations on Awards.

(a) Subject to this Section 4 and to adjustment in accordance with Section 5 of the Plan, the Administrator is authorized to deliver with respect to Awards granted under the Plan an aggregate of 8,096,209 shares of Common Stock; provided, that the total number of shares of Common Stock that will be reserved, and that may be issued, under the Plan will automatically increase on the first trading day of each calendar year, beginning with calendar year 2023, by a number of shares of Common Stock equal to three percent (3%) of the total number of Outstanding Common Stock on the last day of the prior calendar year. Notwithstanding the foregoing, the Administrator may act prior to January 1 of a given year to provide that there will be no such increase in the share reserve for that year or that the increase in the share reserve for such year will be a lesser number of shares of Common Stock than provided herein.

(b) Notwithstanding anything herein to the contrary, the maximum number of shares of Common Stock subject to Awards granted during any fiscal year to any Non-Employee Director, taken together with any cash fees paid to such Non-Employee Director during the fiscal year with respect to such Director's service as a Non-Employee Director, shall not exceed $500,000 (calculating the value of any such Awards based on the grant date Fair Market Value of such Awards for financial reporting purposes).

(c) Shares of Common Stock issued under the Plan may, in whole or in part, be authorized but unissued shares of Common Stock or shares that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. Any shares of Common Stock subject to an Award under the Plan that, after the Effective Date, are forfeited, canceled, settled or otherwise terminated without a distribution of shares of Common Stock to a Participant will thereafter be deemed to be available for Awards. In applying the immediately preceding sentence, if (i) shares of Common Stock otherwise issuable or issued in respect of, or as part of, any Award are withheld to cover taxes or any applicable Exercise Price, such shares shall be treated as having been issued under the Plan and shall not be available for issuance under the Plan, and (ii) any Share-settled Stock Appreciation Rights or Options are exercised, the aggregate number of shares of Common Stock subject to such Stock Appreciation Rights or Options shall be deemed issued under the Plan and shall not be available for issuance under the Plan. In addition, shares of Common Stock (x) tendered to exercise outstanding Options or other Awards, (y) withheld to cover applicable taxes on any Awards or (z) repurchased on the open market using Exercise Price proceeds shall not be available for issuance under the Plan. For the avoidance of doubt, (A) shares of Common Stock underlying Awards that are subject to the achievement of performance goals shall be counted against the share reserve based on the target value of such Awards unless and until such time as such Awards become vested and settled in shares of Common Stock, and (B) Awards that, pursuant to their terms, may be settled only in cash shall not count against the share reserve set forth in Section 4(a).

(d) Substitute Awards shall not reduce the shares of Common Stock authorized for grant under the Plan. In the event that a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the shares of Common Stock authorized for grant under the Plan; *provided*, that Awards using such available shares of Common Stock shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Affiliates immediately prior to such acquisition or combination.

(e) In the event that the Company or an Affiliate thereof consummates a transaction described in Code Section 424(a) (e.g., the acquisition of property or stock from an unrelated corporation), persons who become Employees or Directors in account of such transaction may be granted Substitute Awards in substitution for awards granted by their former employer, and any such substitute Options or Stock Appreciation Rights may be granted with an Exercise Price less than the Fair Market Value of a Share on the grant date thereof; provided, however, the grant of such substitute Option or Stock Appreciation Right shall not constitute a "modification" as defined in Code Section 424(h)(3) and the applicable Treasury regulations.

Section 5. Equitable Adjustments.

In the event of any Change in Capitalization, including, without limitation, a Change in Control, an equitable substitution or proportionate adjustment shall be made, in each case, as may be determined by the Administrator, in its sole discretion, in (a) the aggregate number of shares of Common Stock reserved for issuance under the Plan, (b) the kind, number and Exercise Price subject to outstanding Options and Stock Appreciation Rights granted under the Plan; *provided*, *however*, that any such substitution or adjustment with respect to Options and Stock Appreciation Rights shall occur in accordance with the requirements of Code Section 409A, and (c) the kind, number and purchase price of shares of Common Stock subject to outstanding Restricted Shares or Other Share-Based Awards granted under the Plan, in each case as may be determined by the Administrator, in its sole discretion; *provided*, *however*, that any fractional shares of Common Stock resulting from the adjustment shall be eliminated. Such other equitable substitutions or adjustments shall be made as may be determined by the Administrator, in its sole discretion. Without limiting the generality of the foregoing, in connection with a Change in Capitalization, the Administrator may provide, in its sole discretion, for the cancellation of any outstanding Award granted hereunder (i) in exchange for payment in cash or other property having an aggregate Fair Market Value of the shares of Common Stock covered by such Award, reduced by the aggregate Exercise Price or purchase price thereof, if any, and (ii) with respect to any Awards for which the Exercise Price or purchase price per share of Common Stock is greater than or equal to the then current Fair Market Value per share of Common Stock, for no consideration. Notwithstanding anything contained in the Plan to the contrary, any adjustment with respect to an Incentive Stock Option due to an adjustment or substitution described in this Section 5 shall comply with the rules of Code Section 424(a), and in no event shall any adjustment be made which would render any Incentive Stock Option granted hereunder to be disqualified as an incentive stock option for purposes of Code Section 422. The Administrator's determinations pursuant to this Section 5 shall be final, binding and conclusive.

Section 6. Eligibility.

The Participants under the Plan shall be selected from time to time by the Administrator, in its sole discretion, from among Eligible Recipients.

Section 7. Options.

(a) *General*. The Administrator may, in its sole discretion, grant Options to Participants. Solely with respect to Participants who are Employees, the Administrator may

grant Incentive Stock Options, Nonqualified Stock Options or a combination of both. With respect to all other Participants, the Administrator may grant only Nonqualified Stock Options. Each Participant who is granted an Option shall enter into an Award Agreement with the Company, containing such terms and conditions as the Administrator shall determine, in its sole discretion, which Award Agreement shall specify whether the Option is an Incentive Stock Option or a Nonqualified Stock Option and shall set forth, among other things, the Exercise Price of the Option, the term of the Option and provisions regarding exercisability of the Option granted thereunder. The provisions of each Option need not be the same with respect to each Participant. More than one Option may be granted to the same Participant and be outstanding concurrently hereunder. Options granted under the Plan shall be subject to the terms and conditions set forth in this Section 7 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable and set forth in the applicable Award Agreement. The prospective recipient of an Option shall not have any rights with respect to such Award, unless and until such recipient has received an Award Agreement and, if required by the Administrator in the Award Agreement, executed and delivered a fully executed copy thereof to the Company, within a period of sixty (60) days (or such other period as the Administrator may specify) after the award date.

(b) *Limits on Incentive Stock Options.* If the Administrator grants Incentive Stock Options, then to the extent that the aggregate fair market value of shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any individual during any calendar year (under all plans of the Company) exceeds $100,000, such Options will be treated as Nonqualified Stock Options to the extent required by Code Section 422. Subject to Section 5, the maximum number of shares that may be issued pursuant to Options intended to be Incentive Stock Options is 8,096,209 shares of Common Stock and, for the avoidance of doubt, such share limit shall not be subject to the annual adjustment provided in Section 4(b).

(c) *Exercise Price*. The Exercise Price of shares of Common Stock purchasable under an Option shall be determined by the Administrator in its sole discretion at the time of grant; *provided*, *however*, that (i) in no event shall the Exercise Price of an Option be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant, and (ii) no Incentive Stock Option granted to a ten percent (10%) stockholder of the Company (within the meaning of Code Section 422(b)(6)) shall have an Exercise Price per Share less than one-hundred ten percent (110%) of the Fair Market Value of a Share on such date.

(d) *Option Term.* The maximum term of each Option shall be fixed by the Administrator, but in no event shall (i) an Option be exercisable more than ten (10) years after the date such Option is granted, and (ii) an Incentive Stock Option granted to a ten percent (10%) stockholder of the Company (within the meaning of Code Section 422(b)(6)) be exercisable more than five (5) years after the date such Option is granted. Each Option's term is subject to earlier expiration pursuant to the applicable provisions in the Plan and the Award Agreement. Notwithstanding the foregoing, the Administrator shall have the authority to accelerate the exercisability of any outstanding Option at such time and under such circumstances as the Administrator, in its sole discretion, deems appropriate. Notwithstanding any contrary provision in this Plan (including, without limitation, Section 7(h)), if, on the date an outstanding Option would expire, the exercise of the Option, including by a "net exercise" or "cashless" exercise, would violate applicable securities laws or any insider trading policy maintained by the Company from time to time, the expiration date applicable to the Option will be extended, except to the extent such extension would violate Code Section 409A, to a date that is thirty (30) calendar days after the date the exercise of the Option would no longer violate applicable securities laws or any such insider trading policy.

(e) *Exercisability*. Each Option shall be exercisable at such time or times and subject to such terms and conditions, including the attainment of pre-established Performance Goals, as shall be determined by the Administrator in the applicable Award Agreement. The Administrator may also provide that any Option shall be exercisable only in installments, and the Administrator may waive such installment exercise provisions at any time, in whole or in part, based on such factors as the Administrator may determine in its sole discretion. Notwithstanding anything to the contrary contained herein, an Option may not be exercised for a fraction of a share.

(f) *Method of Exercise*. Options may be exercised in whole or in part by giving written notice of exercise to the Company specifying the number of shares of Common Stock to be purchased, accompanied by payment in full of the aggregate Exercise Price of the shares of Common Stock so purchased in cash or its equivalent, as determined by the Administrator. As determined by the Administrator, in its sole discretion, with respect to any Option or category of Options, payment in whole or in part may also be made (i) by means of consideration received under any cashless exercise procedure approved by the Administrator (including the withholding of shares of Common Stock otherwise issuable upon exercise), (ii) in the form of unrestricted shares of Common Stock already owned by the Participant which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the shares of Common Stock as to which such Option shall be exercised, (iii) any other form of consideration approved by the Administrator and permitted by applicable law, or (iv) any combination of the foregoing. In determining which methods a Participant may utilize to pay the Exercise Price, the Administrator may consider such factors as it determines are appropriate; *provided*, *however*, that with respect to Incentive Stock Options, all such discretionary determinations shall be made by the Administrator at the time of grant and specified in the Award Agreement.

(g) *Rights as Stockholder*. A Participant shall have no rights to dividends or any other rights of a stockholder with respect to the shares of Common Stock subject to an Option until the Participant has given written notice of the exercise thereof, has paid in full for such shares and has satisfied the requirements of Section 16 of the Plan.

(h) *Termination of Employment or Service*. Unless the applicable Award Agreement provides otherwise, in the event that the employment or service of a Participant with the Company and all Affiliates thereof shall terminate, the following terms and conditions shall apply:

(i) In the event of the termination of a Participant's employment or service by the Company without Cause or due to a resignation by the Participant for any reason, (A) Options granted to such Participant, to the extent that they are exercisable at the time of such termination, shall remain exercisable until the date that is ninety (90) days after such termination (with such period being extended to one (1) year after the date of such termination in the event of the Participant's death during such ninety (90) day period), on which date they shall expire, and (B) Options granted to such Participant, to the extent that they were not exercisable at the time of such termination, shall expire at the close of business on the date of such termination. Notwithstanding the foregoing, no Option shall be exercisable after the expiration of its term.

(ii) In the event of the termination of a Participant's employment or service as a result of the Participant's Disability or death, (A) Options granted to such Participant, to the extent that they were exercisable at the time of such termination, shall remain exercisable until the date that is one (1) year after such termination, on which date they shall expire, and (B) Options granted to such Participant, to the extent that they were not exercisable at the time of such termination, shall expire at the close of business on the date of such termination. Notwithstanding the foregoing, no Option shall be exercisable after the expiration of its term.

(iii) In the event of the termination of a Participant's employment or service for Cause, all outstanding Options granted to such Participant shall expire at the commencement of business on the date of such termination.

(iv) For purposes of determining which Options are exercisable upon termination of employment or service for purposes of this Section 7(h), Options that are not exercisable solely due to a blackout period shall be considered exercisable.

(v) Notwithstanding anything herein to the contrary, an Incentive Stock Option may not be exercised more than three (3) months following the date as of which a Participant ceases to be an Employee for any reason other than death or Disability. In the event that an Option is exercisable following the date that is three (3) months following the date as of which a Participant ceases to be an Employee for any reason other than death or Disability, such Option shall be deemed to be a Nonqualified

Stock Option.

(i) *Other Change in Employment Status.* An Option may be affected, both with regard to vesting schedule and termination, by leaves of absence, changes from full-time to part-time employment, partial disability or other changes in the employment status or service of a Participant, as evidenced in a Participant's Award Agreement.

(j) *Change in Control.* Notwithstanding anything herein to the contrary, upon a Change in Control, all outstanding Options shall be subject to Section 12 of the Plan.

(k) *Automatic Exercise.* Unless otherwise provided by the Administrator in an Award Agreement or otherwise, or as otherwise directed by the Participant in writing to the Company, each vested and exercisable Option outstanding on the Automatic Exercise Date with an Exercise Price per Share that is less than the Fair Market Value per Share as of such date shall automatically and without further action by the Participant or the Company be exercised on the Automatic Exercise Date. In the sole discretion of the Administrator, payment of the exercise price of any such Option shall be made pursuant to Section 7 (f)(i) or (ii), and the Company or any Affiliate shall deduct or withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 16. Unless otherwise determined by the Administrator, this Section 7(k) shall not apply to an Option if the Participant's employment or service has terminated on or before the Automatic Exercise Date. For the avoidance of doubt, no Option with an Exercise Price per Share that is equal to or greater the Fair Market Value per Share on the Automatic Exercise Date shall be exercised pursuant to this Section 7(k).

Section 8. Stock Appreciation Rights.

(a) *General*. Stock Appreciation Rights may be granted either alone ("Free Standing Rights") or in conjunction with all or part of any Option granted under the Plan ("Related Rights"). Any Related Right that relates to a Nonqualified Stock Option may be granted at the same time the Option is granted or at any time thereafter, but before the exercise or expiration of the Option. Any Related Right that relates to an Incentive Stock Option must be granted at the same time the Incentive Stock Option is granted. The Administrator shall determine the Eligible Recipients to whom, and the time or times at which, grants of Stock Appreciation Rights shall be made, the number of shares of Common Stock to be awarded, the price per Share, and all other conditions of Stock Appreciation Rights. Notwithstanding the foregoing, no Related Right may be granted for more shares of Common Stock than are subject to the Option to which it relates and any Stock Appreciation Right must be granted with an Exercise Price not less than the Fair Market Value of a share of Common Stock on the date of grant. The provisions of Stock Appreciation Rights need not be the same with respect to each Participant. Stock Appreciation Rights granted under the Plan shall be subject to the following terms and conditions set forth in this Section 8 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable, as set forth in the applicable Award Agreement.

(b) *Awards; Rights as Stockholder*. The prospective recipient of a Stock Appreciation Right shall not have any rights with respect to such Award, unless and until such recipient has received an Award Agreement and, if required by the Administrator in the Award Agreement, executed and delivered a fully executed copy thereof to the Company, within a period of sixty (60) days (or such other period as the Administrator may specify) after the award date. Participants who are granted Stock Appreciation Rights shall have no rights as stockholders of the Company with respect to the grant or exercise of such rights.

(c) *Exercisability*.

(i) Stock Appreciation Rights that are Free Standing Rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Administrator in the applicable Award Agreement.

(ii) Stock Appreciation Rights that are Related Rights shall be exercisable only at such time or times and to the extent that the Options to which they relate shall be exercisable in accordance with the provisions of Section 7 above and this Section 8 of the Plan.

(d) *Payment Upon Exercise.*

(i) Upon the exercise of a Free Standing Right, the Participant shall be entitled to receive up to, but not more than, that number of shares of Common Stock, determined using the Fair Market Value, equal in value to the excess of the Fair Market Value as of the date of exercise over the price per share specified in the Free Standing Right multiplied by the number of shares of Common Stock in respect of which the Free Standing Right is being exercised.

(ii) A Related Right may be exercised by a Participant by surrendering the applicable portion of the related Option. Upon such exercise and surrender, the Participant shall be entitled to receive up to, but not more than, that number of shares of Common Stock, determined using the Fair Market Value, equal in value to the excess of the Fair Market Value as of the date of exercise over the Exercise Price specified in the related Option multiplied by the number of shares of Common Stock in respect of which the Related Right is being exercised. Options which have been so surrendered, in whole or in part, shall no longer be exercisable to the extent the Related Rights have been so exercised.

(iii) Notwithstanding the foregoing, the Administrator may determine to settle the exercise of a Stock Appreciation Right in cash (or in any combination of shares of Common Stock and cash).

(e) *Termination of Employment or Service.*

(i) Subject to Section 8(f), in the event of the termination of employment or service with the Company and all Affiliates thereof of a Participant who has been granted one or more Free Standing Rights, such rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Administrator in the applicable Award Agreement.

(ii) Subject to Section 8(f), in the event of the termination of employment or service with the Company and all Affiliates thereof of a Participant who has been granted one or more Related Rights, such rights shall be exercisable at such time or times and subject to such terms and conditions as set forth in the related Options.

(f) *Term.*

(i) The term of each Free Standing Right shall be fixed by the Administrator, but no Free Standing Right shall be exercisable more than ten (10) years after the date such right is granted.

(ii) The term of each Related Right shall be the term of the Option to which it relates, but no Related Right shall be exercisable more than ten (10) years after the date such right is granted.

(g) *Change in Control.* Notwithstanding anything herein to the contrary, upon a Change in Control, all outstanding Stock Appreciation Rights shall be subject to

Section 12 of the Plan.

(h) *Automatic Exercise*. Unless otherwise provided by the Administrator in an Award Agreement or otherwise, or as otherwise directed by the Participant in writing to the Company, each vested and exercisable Stock Appreciation Right outstanding on the Automatic Exercise Date with an Exercise Price per Share that is less than the Fair Market Value per Share as of such date shall automatically and without further action by the Participant or the Company be exercised on the Automatic Exercise Date. The Company or any Affiliate shall deduct or withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 16. Unless otherwise determined by the Administrator, this Section 8(h) shall not apply to a Stock Appreciation Right if the Participant's employment or service has terminated on or before the Automatic Exercise Date. For the avoidance of doubt, no Stock Appreciation Right with an Exercise Price per Share that is equal to or greater the Fair Market Value per Share on the Automatic Exercise Date shall be exercised pursuant to this Section 8(h).

Section 9. Restricted Shares.

(a) *General*. Each Award of Restricted Shares granted under the Plan shall be evidenced by an Award Agreement. Restricted Shares may be issued either alone or in addition to other Awards granted under the Plan. The Administrator shall determine the Eligible Recipients to whom, and the time or times at which, grants of Restricted Shares shall be made; the number of shares of Common Stock to be awarded; the price, if any, to be paid by the Participant for the acquisition of Restricted Shares; the Restricted Period, if any, applicable to Restricted Shares; the Performance Goals (if any) applicable to Restricted Shares; and all other conditions of the Restricted Shares. If the restrictions, Performance Goals and/or conditions established by the Administrator are not attained, a Participant shall forfeit his or her Restricted Shares in accordance with the terms of the grant. The terms and conditions applicable to the Restricted Shares need not be the same with respect to each Participant.

(b) *Awards and Certificates*. The prospective recipient of Restricted Shares shall not have any rights with respect to any such Award, unless and until such recipient has received an Award Agreement and, if required by the Administrator in the Award Agreement, executed and delivered a fully executed copy thereof to the Company, within a period of sixty (60) days (or such other period as the Administrator may specify) after the award date. Except as otherwise provided in herein, (i) each Participant who is granted an Award of Restricted Shares may, in the Company's sole discretion, be issued a stock certificate in respect of such Restricted Shares; and (ii) any such certificate so issued shall be registered in the name of the Participant, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to any such Award. The Company may require that the stock certificates, if any, evidencing Restricted Shares granted hereunder be held in the custody of the Company until the restrictions thereon shall have lapsed, and that, as a condition of any award of Restricted Shares, the Participant shall have delivered a stock power, endorsed in blank, relating to the shares of Common Stock covered by such Award. Notwithstanding anything in the Plan to the contrary, any Restricted Shares (whether before or after any vesting conditions have been satisfied) may, in the Company's sole discretion, be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form.

(c) *Restrictions and Conditions*. The Restricted Shares granted pursuant to this Section 9 shall be subject to the following restrictions and conditions and any additional restrictions or conditions as determined by the Administrator at the time of grant or thereafter:

(i) The Restricted Shares shall be subject to the restrictions on transferability set forth in the Award Agreement and in the Plan.

(ii) The Administrator may, in its sole discretion, provide for the lapse of restrictions in installments and may accelerate or waive such restrictions in whole or in part based on such factors and such circumstances as the Administrator may determine, in its sole discretion, including, but not limited to, the attainment of certain Performance Goals, the Participant's termination of employment or service as Non-Employee Director or Consultant of the Company or an Affiliate thereof, or the Participant's death or Disability.

(iii) Subject to this Section 9(c)(iii), the Participant shall generally have the rights of a stockholder of the Company with respect to Restricted Shares during the Restricted Period. In the Administrator's discretion and as provided in the applicable Award Agreement, a Participant may be entitled to dividends or dividend equivalents on an Award of Restricted Shares, which will be payable in accordance with the terms of such grant as determined by the Administrator in accordance with Section 18 of the Plan. Certificates for unrestricted shares of Common Stock may, in the Company's sole discretion, be delivered to the Participant only after the Restricted Period has expired without forfeiture in respect of such Restricted Shares, except as the Administrator, in its sole discretion, shall otherwise determine.

(iv) The rights of Participants granted Restricted Shares upon termination of employment or service as a Non-Employee Director or Consultant of the Company or an Affiliate thereof terminates for any reason during the Restricted Period shall be set forth in the Award Agreement.

(d) *Change in Control.* Notwithstanding anything herein to the contrary, upon a Change in Control, all outstanding Restricted Shares shall be subject to Section 12 of the Plan.

Section 10. Restricted Stock Units.

(a) *General*. Restricted Stock Units may be issued either alone or in addition to other Awards granted under the Plan. The Administrator shall determine the Eligible Recipients to whom, and the time or times at which, grants of Restricted Stock Units shall be made; the number of Restricted Stock Units to be awarded; the Restricted Period, if any, applicable to Restricted Stock Units; the Performance Goals (if any) applicable to Restricted Stock Units; and all other conditions of the Restricted Stock Units. If the restrictions, Performance Goals and/or conditions established by the Administrator are not attained, a Participant shall forfeit his or her Restricted Stock Units in accordance with the terms of the grant. The provisions of Restricted Stock Units need not be the same with respect to each Participant.

(b) *Award Agreement*. The prospective recipient of Restricted Stock Units shall not have any rights with respect to any such Award, unless and until such recipient has received an Award Agreement and, if required by the Administrator in the Award Agreement, executed and delivered a fully executed copy thereof to the Company, within a period of sixty (60) days (or such other period as the Administrator may specify) after the award date.

(c) *Restrictions and Conditions*. The Restricted Stock Units granted pursuant to this Section 10 shall be subject to the following restrictions and conditions and any additional restrictions or conditions as determined by the Administrator at the time of grant or, subject to Code Section 409A, thereafter:

(i) The Administrator may, in its sole discretion, provide for the lapse of restrictions in installments and may accelerate or waive such restrictions in whole or in part based on such factors and such circumstances as the Administrator may determine, in its sole discretion, including, but not limited to, the attainment of certain Performance Goals, the Participant's termination of employment or service as a Non-Employee Director or Consultant of the Company or an Affiliate thereof, or the Participant's death or Disability.

(ii) Participants holding Restricted Stock Units shall have no voting rights. A Restricted Stock Unit may, at the Administrator's discretion, carry with it a right to dividend equivalents, subject to Section 18 of the Plan. Such right would entitle the holder to be credited with an amount equal to all cash dividends paid on one Share

while the Restricted Stock Unit is outstanding. The Administrator, in its discretion, may grant dividend equivalents from the date of grant or only after a Restricted Stock Unit is vested.

(iii) The rights of Participants granted Restricted Stock Units upon termination of employment or service as a Non-Employee Director or Consultant of the Company or an Affiliate thereof terminates for any reason during the Restricted Period shall be set forth in the Award Agreement.

(d) *Settlement of Restricted Stock Units.* Settlement of vested Restricted Stock Units shall be made to Participants in the form of shares of Common Stock, unless the Administrator, in its sole discretion, provides for the payment of the Restricted Stock Units in cash (or partly in cash and partly in shares of Common Stock) equal to the value of the shares of Common Stock that would otherwise be distributed to the Participant.

(e) *Change in Control.* Notwithstanding anything herein to the contrary, upon a Change in Control, all outstanding Restricted Stock Units shall be subject to Section 12 of the Plan.

Section 11. Other Share-Based or Cash-Based Awards.

(a) The Administrator is authorized to grant Awards to Participants in the form of Other Share-Based Awards or Other Cash-Based Awards, as deemed by the Administrator to be consistent with the purposes of the Plan and as evidenced by an Award Agreement. The Administrator shall determine the terms and conditions of such Awards, consistent with the terms of the Plan, at the date of grant or thereafter, including any Performance Goals and performance periods. Shares of Common Stock or other securities or property delivered pursuant to an Award in the nature of a purchase right granted under this Section 11 shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, shares of Common Stock, other Awards, notes or other property, as the Administrator shall determine, subject to any required corporate action.

(b) The prospective recipient of an Other Share-Based Award or Other Cash-Based Award shall not have any rights with respect to such Award, unless and until such recipient has received an Award Agreement and, if required by the Administrator in the Award Agreement, executed and delivered a fully executed copy thereof to the Company, within a period of sixty (60) days (or such other period as the Administrator may specify) after the award date.

(c) Notwithstanding anything herein to the contrary, upon a Change in Control, all outstanding Other Share-Based Awards and Other Cash-Based Awards shall be subject to Section 12 of the Plan.

Section 12. Change in Control.

The Administrator may provide in the applicable Award Agreement that an Award will vest on an accelerated basis upon the Participant's termination of employment or service in connection with a Change in Control or upon the occurrence of any other event that the Administrator may set forth in the Award Agreement. If the Company is a party to an agreement that is reasonably likely to result in a Change in Control, such agreement may provide for: (i) the continuation of any Award by the Company, if the Company is the surviving corporation; (ii) the assumption of any Award by the surviving corporation or its parent or subsidiary; (iii) the substitution by the surviving corporation or its parent or subsidiary of equivalent awards for any Award, *provided, however*, that any such substitution with respect to Options and Stock Appreciation Rights shall occur in accordance with the requirements of Code Section 409A; or (iv) settlement of any Award for the Change in Control Price (less, to the extent applicable, the per share exercise or grant price), or, if the per share exercise or grant price equals or exceeds the Change in Control Price or if the Administrator determines that Award cannot reasonably become vested pursuant to its terms, such Award shall terminate and be canceled without consideration. To the extent that Restricted Shares, Restricted Stock Units or other Awards settle in shares of Common Stock in accordance with their terms upon a Change in Control, such shares of Common Stock shall be entitled to receive as a result of the Change in Control transaction the same consideration as the shares of Common Stock held by stockholders of the Company as a result of the Change in Control transaction. For purposes of this Section 12, "Change in Control Price" shall mean (A) the price per Share paid to stockholders of the Company in the Change in Control transaction, or (B) the Fair Market Value of a Share upon a Change in Control, as determined by the Administrator. To the extent that the consideration paid in any such Change in Control transaction consists all or in part of securities or other non-cash consideration, the value of such securities or other non-cash consideration shall be determined in good faith by the Administrator.

Section 13. Amendment and Termination.

(a) The Board or the Committee may amend, alter or terminate the Plan, but no amendment, alteration, or termination shall be made that would adversely alter or impair the rights of a Participant under any Award theretofore granted without such Participant's prior written consent.

(b) Notwithstanding the foregoing, (i) approval of the Company's stockholders shall be obtained for any amendment that would require such approval in order to satisfy the requirements of Code Section 422, if applicable, any rules of the stock exchange on which the shares of Common Stock are traded or other applicable law, and (ii) without stockholder approval to the extent required by the rules of any applicable national securities exchange or inter-dealer quotation system on which the shares of Common Stock are listed or quoted, except as otherwise permitted under Section 5 of the Plan, (A) no amendment or modification may reduce the Exercise Price of any Option or Stock Appreciation Right, (B) the Administrator may not cancel any outstanding Option or Stock Appreciation Right and replace it with a new Option or Stock Appreciation Right, another Award or cash and (C) the Administrator may not take any other action that is considered a "repricing" for purposes of the stockholder approval rules of the applicable securities exchange or inter-dealer quotation system.

(c) Subject to the terms and conditions of the Plan and Code Section 409A, the Administrator may modify, extend or renew outstanding Awards under the Plan, or accept the surrender of outstanding Awards (to the extent not already exercised) and grant new Awards in substitution of them (to the extent not already exercised).

(d) Notwithstanding the foregoing, no alteration, modification or termination of an Award will, without the prior written consent of the Participant, adversely alter or impair any rights or obligations under any Award already granted under the Plan.

Section 14. Unfunded Status of Plan.

The Plan is intended to constitute an "unfunded" plan for incentive compensation. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan. With respect to any payments not yet made or shares of Common Stock not yet transferred to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general unsecured creditor of the Company.

Section 15. Deferrals of Payment.

To the extent permitted by applicable law, the Administrator, in its sole discretion, may determine that the delivery of shares of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award, shall be deferred. The Administrator may also, in its sole discretion, establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of any such consideration, including any applicable election procedures, the timing of such elections, the mechanisms for payments of amounts, shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program. Deferrals by Participants (or deferred settlement or payment required by the Administrator) shall be made

in accordance with Code Section 409A, if applicable, and any other applicable law.

Section 16. Withholding Taxes.

Each Participant shall, no later than the date as of which the value of an Award first becomes includible in the gross income of such Participant for federal, state and/or local income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any federal, state, or local taxes of any kind, domestic or foreign, required by law or regulation to be withheld with respect to the Award. The obligations of the Company under the Plan shall be conditional on the making of such payments or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to such Participant. Whenever cash is to be paid pursuant to an Award granted hereunder, the Company shall have the right to deduct therefrom an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto. Whenever shares of Common Stock are to be delivered pursuant to an Award, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy any related federal, state and local taxes, domestic or foreign, to be withheld and applied to the tax obligations. With the approval of the Administrator, a Participant may satisfy the foregoing requirement by electing to have the Company withhold from delivery of shares of Common Stock or by delivering already owned unrestricted shares of Common Stock, in each case, having a value equal to the amount required to be withheld or other greater amount not exceeding the maximum statutory rate required to be collected on the transaction under applicable law, as applicable to the Participant, if such other greater amount would not, as determined by the Administrator, result in adverse financial accounting treatment (including in connection with the effectiveness of FASB Accounting Standards Update 2016-09). Such shares of Common Stock shall be valued at their Fair Market Value on the date of which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such an election may be made with respect to all or any portion of the shares of Common Stock to be delivered pursuant to an Award. The Company may also use any other method of obtaining the necessary payment or proceeds, as permitted by law, to satisfy its withholding obligation with respect to any Option or other Award.

Section 17. Certain Forfeitures.

The Administrator may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to the applicable vesting conditions of an Award. Such events may include, without limitation, breach of any non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in an Award Agreement or that are otherwise applicable to the Participant, a termination of the Participant's employment for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and its Subsidiaries and/or its Affiliates.

Section 18. Dividends; Dividend Equivalents.

Notwithstanding anything in this Plan to the contrary, to the extent that an Award contains a right to receive dividends or dividend equivalents while such Award remains unvested, such dividends or dividend equivalents will be accumulated and paid once and to the extent that the underlying Award vests.

Section 19. Non-United States Employees.

Without amending the Plan, the Administrator may grant Awards to eligible persons residing in non-United States jurisdictions on such terms and conditions different from those specified in the Plan, including the terms of any award agreement or plan, adopted by the Company or any Subsidiary thereof to comply with, or take advantage of favorable tax or other treatment available under, the laws of any non-United States jurisdiction, as may in the judgment of the Administrator be necessary or desirable to foster and promote achievement of the purposes of the Plan and, in furtherance of such purposes the Administrator may make such modifications, amendments, procedures, sub-plans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or its Subsidiaries operates or has employees.

Section 20. Transfer of Awards.

No purported sale, assignment, mortgage, hypothecation, transfer, charge, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any Award or any agreement or commitment to do any of the foregoing (each, a "Transfer") by any holder thereof in violation of the provisions of the Plan or an Award Agreement will be valid, except with the prior written consent of the Administrator, which consent may be granted or withheld in the sole discretion of the Administrator, and other than by will or by the laws of descent and distribution. Any purported Transfer of an Award or any economic benefit or interest therein in violation of the Plan or an Award Agreement shall be null and void *ab initio*, and shall not create any obligation or liability of the Company, and any person purportedly acquiring any Award or any economic benefit or interest therein transferred in violation of the Plan or an Award Agreement shall not be entitled to be recognized as a holder of such shares of Common Stock. Unless otherwise determined by the Administrator in accordance with the provisions of the immediately preceding sentence, an Option may be exercised, during the lifetime of the Participant, only by the Participant or, during any period during which the Participant is under a legal disability, by the Participant's guardian or legal representative. Under no circumstances will a Participant be permitted to transfer an Option or Stock Appreciation Right to a third-party financial institution without prior stockholder approval.

Section 21. Continued Employment.

The adoption of the Plan shall not confer upon any Eligible Recipient any right to continued employment or service with the Company or an Affiliate thereof, as the case may be, nor shall it interfere in any way with the right of the Company or an Affiliate thereof to terminate the employment or service of any of its Eligible Recipients at any time.

Section 22. Effective Date.

The Plan will be effective as of the date of consummation of the transactions contemplated by the Merger Agreement so long as the Plan has been approved by the Company's stockholders. The Plan will be unlimited in duration and, in the event of Plan termination, will remain in effect as long as any shares of Common Stock awarded under it are outstanding and not fully vested; *provided*, *however*, that no Awards will be made under the Plan on or after the tenth anniversary of the Effective Date;*provided further,* that in no event may an Incentive Stock Option be granted more than ten years after the earlier of (a) the date of the adoption of the Plan by the Board or (b) the Effective Date.

Section 23. Code Section 409A.

The intent of the parties is that payments and benefits under the Plan be either exempt from Code Section 409A or comply with Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and be administered consistent with such intent. Any payments described in the

Plan that are due within the "short-term deferral period" as defined in Code Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in the Plan, to the extent required in order to avoid accelerated taxation and/or tax penalties under Code Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided upon a "separation from service" to a Participant who is a "specified employee" shall be paid on the first business day after the date that is six (6) months following the Participant's separation from service (or upon the Participant's death, if earlier). In addition, for purposes of the Plan, each amount to be paid or benefit to be provided to the Participant pursuant to the Plan, which constitute deferred compensation subject to Code Section 409A, shall be construed as a separate identified payment for purposes of Code Section 409A. Nothing contained in the Plan or an Award Agreement shall be construed as a guarantee of any particular tax effect with respect to an Award. The Company does not guarantee that any Awards provided under the Plan will be exempt from or in compliance with the provisions of Code Section 409A, and in no event will the Company be liable for any or all portion of any taxes, penalties, interest or other expenses that may be incurred by a Participant on account of any Award being subject to, but not in compliance with, Code Section 409A.

Section 24. Compliance with Laws.

(a) The obligation of the Company to settle Awards in shares of Common Stock or other consideration shall be subject to (i) all applicable laws, rules, and regulations, (ii) such approvals as may be required by governmental agencies or the applicable national securities exchange on which the shares of Common Stock may be admitted, and (iii) policies maintained by the Company from time to time in order to comply with applicable laws, rules, regulations and corporate governance requirements, including, without limitation, with respect to insider trading restrictions. Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell, and shall be prohibited from offering to sell or selling, any shares of Common Stock pursuant to an Award unless such shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless the Company has received an opinion of counsel (if the Company has requested such an opinion), satisfactory to the Company, that such shares of Common Stock may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. The Company shall be under no obligation to register for sale under the Securities Act any of the shares of Common Stock to be offered or sold under the Plan. The Administrator shall have the authority to provide that all shares of Common Stock or other securities of the Company issued under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, the applicable Award Agreement, the federal securities laws, or the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or inter-dealer quotation system on which the securities of the Company are listed or quoted and any other applicable federal, state, local or non-U.S. laws, rules, regulations and other requirements, and the Administrator may cause a legend or legends to be put on certificates representing shares of Common Stock or other securities of the Company issued under the Plan to make appropriate reference to such restrictions or may cause such shares of Common Stock or other securities of the Company issued under the Plan in book-entry form to be held subject to the Company's instructions or subject to appropriate stop-transfer orders. Notwithstanding any provision in the Plan to the contrary, the Committee reserves the right to add any additional terms or provisions to any Award granted under the Plan that it, in its sole discretion, deems necessary or advisable in order that such Award complies with the legal requirements of any governmental entity to whose jurisdiction the Award is subject.

(b) The Administrator may cancel an Award or any portion thereof if it determines, in its sole discretion, that legal or contractual restrictions and/or blockage and/or other market considerations would make the Company's acquisition of shares of Common Stock from the public markets, the Company's issuance of shares of Common Stock to the Participant, the Participant's acquisition of shares of Common Stock from the Company and/or the Participant's sale of shares of Common Stock to the public markets, illegal, impracticable or inadvisable. If the Administrator determines to cancel all or any portion of an Award in accordance with the foregoing, the Company shall, subject to any limitations or reductions as may be necessary to comply with Code Section 409A, (i) pay to the Participant an amount equal to the excess of (A) the aggregate Fair Market Value of the shares of Common Stock subject to such Award or portion thereof canceled (determined as of the applicable exercise date, or the date that the shares of Common Stock would have been vested or issued, as applicable), over (B) the aggregate Exercise Price (in the case of an Option or Stock Appreciation Right) or any amount payable as a condition of issuance of shares of Common Stock (in the case of any other Award), and such amount shall be delivered to the Participant as soon as practicable following the cancellation of such Award or portion thereof, or (ii) in the case of Restricted Shares, Restricted Stock Units or Other Share-Based Awards, provide the Participant with a cash payment or equity subject to deferred vesting and delivery consistent with the vesting restrictions applicable to such Restricted Shares, Restricted Stock Units or Other Share-Based Awards, or the underlying shares of Common Stock in respect thereof.

Section 25. Clawback/Recovery.

The Plan and all Awards issued hereunder shall be subject to any compensation recovery and/or recoupment policy adopted by the Company to comply with applicable law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or to comport with good corporate governance practices, as such policies may be amended from time to time. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or a Subsidiary.

Section 26. Governing Law.

The Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law of such state.

Section 27. Plan Document Controls.

The Plan and each Award Agreement together constitute the entire agreement with respect to the subject matter hereof and thereof; *provided*, that in the event of any inconsistency between the Plan and such Award Agreement, the terms and conditions of the Plan shall control.

Exhibit 10.14.3

CLEANTECH ACQUISITION CORP.
207 West 25th Street, 9th Floor
New York, NY 10001

September 9, 2022

ATW Partners Opportunities Management, LLC
17 State Street, Suite 2100
New York, NY 10004

Re: ATW Special Situations I LLC

Ladies and Gentlemen:

As you are aware, ATW Special Situations I LLC, a Delaware limited liability company (the "**SPV**") managed by ATW Partners Opportunities Management, LLC ("**ATW**"), has entered into (i) a Securities Purchase Agreement dated as of December 16, 2021 with CleanTech Acquisition Corp., a Delaware corporation (together with its successors and assigns, "**Cleantech**") and Nauticus Robotics, Inc., a Texas corporation (together with its successors and assigns, "**Nauticus**") (as amended by that certain letter agreement dated as of January 31, 2022, by and among Cleantech, Nauticus and the SPV (the "**January Letter Agreement**"), and as further amended, amended and restated, supplemented or otherwise modified from time to time, the "**Securities Purchase Agreement**") and (ii) a letter agreement dated as of December 16, 2021 with Material Impact Fund II, L.P., a Delaware limited partnership ("**MIF II**") (the "**MIF II Letter Agreement**"), providing that if the SPV consummates the secured convertible term loan investment in the Company (as defined in the MIF II Letter Agreement) (the "**Investment**"), MIF II will make a capital contribution of $5,000,000 to the SPV (the "**MIF II Contribution**") to be invested by the SPV in the Investment. Capitalized terms used in this letter agreement (this "**Letter Agreement**") but not defined shall have the meanings assigned thereto in the Securities Purchase Agreement.

The parties hereto acknowledge (i) that under the terms of the Securities Purchase Agreement in effect prior to the amendment thereto effected by the January Letter Agreement (the "**Original Securities Purchase Agreement**"), the SPV agreed, subject to the terms and conditions of the Securities Purchase Agreement, to purchase a Debenture and an associated Warrant from Cleantech by the advance of a Subscription Amount in the amount of $32,300,000 and (ii) that pursuant to the January Letter Agreement, the SPV, Cleantech and Nauticus agreed that upon the receipt by the SPV of the MIF II Contribution, the Subscription Amount that the SPV had agreed to advance subject to the terms and conditions of the Securities Purchase Agreement would automatically increase from $32,300,000 to $37,200,000 (the "**SPV Automatic Increase Provision**"), with the Principal Amount of the Debenture and the number of Warrant Shares initially issuable under the associated Warrant subscribed for by the SPV being increased accordingly to reflect the increased Subscription Amount, in accordance with the terms of the Securities Purchase Agreement.

Further, the parties hereto acknowledge that the SPV's signature page to the Original Securities Purchase Agreement contained an incorrect formula for determining the Principal Amount of the Debenture to be subscribed for and that the correct formula for determining the Principal Amount is as set forth in the definition of "Principal Amount" as defined in the Original Securities Purchase Agreement, and desire to amend the SPV's signature page to the Securities Purchase Agreement to reflect the correct formula for determining the Principal Amount of the Debenture to be subscribed for by the SPV.

Further, the parties hereto desire to amend the Securities Purchase Agreement such that (i) the Subscription Amount that the SPV is required to advance to Cleantech subject to the terms and conditions of the Securities Purchase Agreement be reduced from $32,300,000 to $29,000,000, (ii) the Subscription Amount that the SPV is required to advance to Cleantech subject to the terms and conditions of the Securities Purchase Agreement shall not be increased upon receipt of any capital contribution or other amount received by the SPV from MIF II as contemplated by the SPV Automatic Increase Provision of the January Letter Agreement, and (iii) the SPV Automatic Increase Provision shall have no force or effect, and instead MIF II shall be made a party to the Securities Purchase Agreement as a Purchaser and subscribe for Securities (including a Debenture and associated Warrant) pursuant to and subject to the terms and conditions of the Securities Purchase Agreement as amended hereby, by the advance by MIF II to Cleantech of a Subscription Amount in the amount of $5,000,000 (and accordingly, the parties hereto desire to make certain other amendments to the terms of the Securities Purchase Agreement in connection therewith).

Further, the parties hereto acknowledge that the SPV and MIF II desire to terminate the MIF II Letter Agreement, along with any rights and obligations of MIF II and the SPV provided therein. For the avoidance of doubt, the SPV and MIF II acknowledge that they have mutually agreed to terminate the MIF Letter Agreement.

Further, the parties hereto acknowledge that The 2022 SLS Family Irrevocable Trust, a Florida Trust ("**SLS Family Trust**") desires to become a party to the Securities Purchase Agreement as a Purchaser and subscribe for Securities (including a Debenture and associated Warrant) pursuant to and subject to the terms and conditions of the Securities Purchase Agreement as amended hereby, by the advance by SLS Family Trust to Cleantech of a Subscription Amount in the amount of $1,800,000, and accordingly, the parties hereto desire to make certain other amendments to the terms of the Securities Purchase Agreement in connection therewith.

Further, the parties hereto desire to amend the definition of the term "Exempt Issuance" in the Securities Purchase Agreement to provide that the anti-dilution provisions of the Debentures and Warrants to be issued to the Purchasers under the Securities Purchase Agreement shall not be triggered by the sale and issuance by Cleantech, during the period beginning on the date of the consummation of the Merger and ending on the date that is one (1) year following the date of the consummation of the Merger, of shares of Common Stock with gross proceeds to the Company not to exceed $5,000,000 for an effective per share purchase price of such shares of Common Stock of not less than $10.00.

Further, the parties hereto desire to amend the form of Debenture attached as Exhibit A to the Securities Purchase Agreement and the form of Warrant attached as Exhibit C to the Securities Purchase Agreement to, among other things, reflect the change of the legal names of Cleantech and Nauticus contemplated to take effect at the closing of the Merger.

Now, therefore, the parties hereto agree as follows:

1. Amendment to the Securities Purchase Agreement. The Securities Purchase Agreement shall be amended, effective as of the date hereof, as follows (and for the avoidance of doubt, to the extent of any conflict between the terms of this Letter Agreement and the terms of the January Letter Agreement and the Securities Purchase Agreement in effect prior to the execution of this Letter Agreement (the "**Existing Securities Purchase Agreement**"), the terms of this Letter Agreement shall control):

(a) The Subscription Amount that the SPV has agreed to advance to Cleantech for the purchase of Securities (including a Debenture and associated Warrant) subject to the terms and conditions of the Securities Purchase Agreement as amended hereby is $29,000,000, and accordingly, (i) the Principal Amount of the Debenture subscribed for by the SPV is $29,591,600 (i.e., after applying the multiplier of 1.0204 to such Subscription Amount pursuant to the Securities Purchase Agreement as amended hereby); and (ii) the number of Warrant Shares initially issuable under the associated Warrant subscribed for by the SPV is 2,367,328 shares, subject to adjustment under the terms of such Warrant.

(b) The SPV's signature page to the Securities Purchase Agreement shall be replaced with the SPV's executed signature page attached as Annex 1 hereto, which reflects the foregoing amendments set forth in the preceding Section 1(a) and correctly states the formula for determining the Principal Amount of the Debenture to be purchased by the SPV subject to the terms and conditions of the Securities Purchase Agreement as amended hereby.

(c) Notwithstanding anything set forth in the January Letter Agreement (including without limitation the SPV Automatic Increase Provision), the Subscription Amount that the SPV has agreed to advance to Cleantech for the purchase of Securities under and pursuant to the terms of the Securities Purchase Agreement shall not be increased upon receipt by Cleantech of the MIF II Contribution or any other amount received by Cleantech from MIF II.

(d) The following defined term is inserted in the appropriate alphabetical order in Section 1.1 of the Securities Purchase Agreement:

"Agent" shall mean ATW Special Situations I LLC, a Delaware limited liability company, in its capacity as Agent (as defined in the Pledge and Security Agreement) on behalf of the Creditors (as defined in the Pledge and Security Agreement).

(e) The following defined terms appearing in Section 1.1 of the Securities Purchase Agreement are hereby amended and restated as follows:

"Escrow Agreement" means the escrow agreement to be entered into on or prior to the Closing Date, by and among the Company, the Purchasers and the Escrow Agent pursuant to which the Purchasers shall deposit Subscription Amounts with the Escrow Agent, subject to the terms and conditions of this Agreement, in form and substance satisfactory to the Lead Purchaser, to be applied to the transactions contemplated hereunder.

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder, warrants to the Placement Agent in connection with the transactions pursuant to this Agreement and any securities upon exercise of warrants to the Placement Agent and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.13(a) herein, and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities, (d) securities issued pursuant to the Merger Agreement, provided that the effective price per share of any such securities is not lowered, any such securities are not amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such securities are otherwise materially changed in any manner that adversely affects any of the Purchasers, (e) concurrently with the Closing, as contemplated by the Merger Agreement, a private placement of shares of Common Stock with strategic or existing investors with gross proceeds to the Company of at least $25 million for an effective per share purchase price of Common Stock of not less than $10.00 and provided no additional securities, resets or rights shall be granted to the purchasers in connection therewith and further provided that such purchasers may be granted pro-rata registration rights in connection therewith (but not on better terms than the Registration Rights Agreement) with the shares underlying the Debentures (the "Concurrent Financing"), and (f) during the period beginning on the date of the consummation of the Merger and ending on the date that is one (1) year following the date of the consummation of the Merger, a private placement of shares of Common Stock with gross proceeds to the Company not to exceed $5 million for an effective per share purchase price of Common Stock of not less than $10.00 and provided no additional securities, resets or rights shall be granted to the purchasers in connection therewith and provided further such purchasers may be granted registration rights in connection therewith (but not on better terms than the Registration Rights Agreement) with the shares underlying the Debentures.

"Lock-Up Agreements" means the Lock-Up Agreements, dated as of the Closing Date, by and among the Company and the directors, officers, and 5% or more stockholders of the Company immediately following the consummation of the Merger, in the form of Exhibit H-1 and H-2 attached hereto, as applicable. Alternatively, if provided by such party pursuant to the Merger and the terms thereof are substantially similar to Exhibit H1 and/or H2, as applicable, such lock-up agreement shall be sufficient for purposes of this Agreement and shall be deemed a Lock-Up Agreement hereunder.

"Permitted Indebtedness" means (a) the indebtedness evidenced by the Debentures, (b) the indebtedness existing on the date hereof and set forth on Schedule 4.22, (c) lease obligations (including capital leases) and purchase money indebtedness of up to $500,000, in the aggregate, incurred in connection with the acquisition of capital assets and lease obligations with respect to newly acquired or leased assets, (d) indebtedness that (i) is expressly subordinate to the Debentures pursuant to a written subordination agreement with the Purchasers that is acceptable to each Purchaser in its sole and absolute discretion and (ii) matures at a date later than the 91st day following the Maturity Date (as defined in the Debentures), (e) up to $75 million, in the aggregate, indebtedness that is senior, pari-passu or junior to the Debentures (including unsecured indebtedness), provided that (i) any such indebtedness does not include any equity or equity-linked component thereof, (ii) any pari-passu or junior indebtedness incurred pursuant to this clause (e) (other than unsecured indebtedness) shall be subject to a written intercreditor agreement with the Purchasers that is acceptable to each Purchaser in its sole discretion and (iii) any indebtedness incurred pursuant to this clause (e) shall not be incurred by a Foreign Subsidiary (as defined in the Pledge and Security Agreement), (f) additional unsecured indebtedness in an amount not to exceed $1,500,000 in the aggregate, and (g) the indebtedness existing on the Original Issue Date (as defined in the Debentures) set forth on Schedule 20 to the Perfection Certificate (attached as Exhibit A to the Pledge and Security Agreement).

"Pledge and Security Agreement" means the Pledge and Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time), dated as of the Closing Date, among the Company, the Target, the Agent, and the other debtors from time to time party thereto and each of the Purchasers who purchase Securities hereunder, in form and substance satisfactory the Lead Purchaser in its sole discretion.

"Registration Rights Agreement" means the Registration Rights Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time), dated as of the Closing Date, among the Company and the Purchasers party thereto, in the form of Exhibit B attached hereto.

"Security Documents" shall mean the Pledge and Security Agreement, the Intellectual Property Security Agreements, the Subsidiary Guarantee, the original Pledged Securities, along with medallion guaranteed executed blank stock powers to the Pledged Securities, any other documents, instruments or filings required under the Pledge and Security Agreement and/or the Intellectual Property Security Agreements, as applicable, including without limitation all UCC-1 filing receipts, each in form and

substance satisfactory to the Lead Purchaser in its sole discretion, and any other documents, instruments or filing necessary or appropriate, as determined by the Lead Purchaser in its sole discretion, in order to grant the Agent on behalf of the Creditors (as defined in the Pledge and Security Agreement) a first priority security interest in the assets of the Company and the Subsidiaries, each in form and substance satisfactory to the Lead Purchaser in its sole discretion.

"Subsidiary Guarantee" means the Subsidiary Guarantee (as amended, amended and restated, supplemented or otherwise modified from time to time), dated as of the Closing Date, by the Target and each other Subsidiary (other than Excluded Subsidiaries (as defined in the Pledge and Security Agreement)) from time to time party thereto, in favor of the Agent on behalf of the Creditors (as defined in the Pledge and Security Agreement), in form and substance satisfactory to the Lead Purchaser in its sole discretion.

"Transaction Documents" means this Agreement, that certain Letter Agreement dated as of September 9, 2022, by and among the Company, the Target and the Purchasers, the Debentures, the Warrants, the Registration Rights Agreements, the Pledge and Security Agreement, the Intellectual Property Security Agreements, the Subsidiary Guarantee, the Lock-Up Agreements, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

(f) Section 2.1 of the Securities Purchase Agreement is hereby amended and restated in its entirety as follows:

"2.1 Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein substantially concurrent with the consummation of the Merger, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, up to an aggregate of $40,000,000 in principal amount of the Debentures. Each Purchaser shall deliver to the Escrow Agent, via wire transfer immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser, and the Company shall deliver to each Purchaser its respective Debenture and a Warrant, as determined pursuant to Section 2.2(a), and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of EGS or such other location as the parties shall mutually agree. Notwithstanding anything contained in this Agreement to the contrary, the obligations of the Lead Purchaser (as defined in Section 5.2 hereto) to purchase the Securities set forth in this Agreement from the Company and the obligations of the Company to sell such Securities to the Lead Purchaser shall not be conditioned on the satisfaction of the closing conditions set forth in Section 2.3(a)(i), Section 2.3(a)(ii) and Section 2.3(a)(iii) of this Agreement, other than with respect to the Lead Purchaser itself in each case."

(g) Section 2.2(a) of the Securities Purchase Agreement is hereby amended and restated in its entirety as follows:

"(a) On or prior to the Closing Date, the Company shall deliver or cause to be delivered to each Purchaser (or if specified in the provisions of this Section 2.2(a) below, to the Lead Purchaser), the following:

(i) this Agreement duly executed by the Company;

(ii) one or more legal opinions of Company Counsel and Target Counsel, in form and substance reasonably satisfactory to the Lead Purchaser;

(iii) a Debenture with a principal amount equal to such Purchaser's Principal Amount, registered in the name of such Purchaser;

(iv) a Warrant registered in the name of such Purchaser to purchase up to a number of shares of Common Stock equal to 120% of such Purchaser's Principal Amount of Debentures issued on the Closing Date divided by the Conversion Price, with an exercise price equal to $20, subject to adjustment as provided therein;

(v) the Company's wire instructions, on Company letterhead and executed by the Chief Executive Officer or Chief Financial Officer of the Company;

(vi) the Pledge and Security Agreement, duly executed by the Company and each Subsidiary, along with all of the Security Documents, including without limitation the Subsidiary Guarantee, duly executed by the parties thereto;

(vii) to the Lead Purchaser, evidence of insurance and loss payee endorsements required under the Pledge and Security Agreement and certificates of insurance policies and/or endorsements naming the Agent as additional insured or loss payee, or such other or further documents required to grant Agent on behalf of the Creditors (as defined in the Pledge and Security Agreement a collateral interest in such policies or the proceeds thereof, as applicable, in form and substance reasonably satisfactory to Lead Purchaser in its sole discretion;

(viii) to the Lead Purchaser, the original Pledged Securities and corresponding stock powers;

(ix) one or more intellectual property security agreements, duly executed by the Company and each Subsidiary, in form and substance satisfactory to the Lead Purchaser in its sole discretion (the "Intellectual Property Security Agreements");

(x) a perfection certificate, duly executed by the Company, Target and each Subsidiary and Target Subsidiary as of the date of hereof, and a bring-down perfection certificate, duly executed by the Company, the Target and each Subsidiary and Target Subsidiary as of the Closing Date, each in form and substance satisfactory to the Lead Purchaser in its sole discretion;

(xi) the duly executed Lock-Up Agreements;

(xii) the Registration Rights Agreement duly executed by the Company;

(xiii) the duly executed Escrow Agreement;

(xiv) such other documents and instruments with respect to the transactions contemplated hereby as the Lead Purchaser may reasonably request."

(h) Article V of the Securities Purchase Agreement is hereby amended by adding the following new Section 5.23 in the appropriate numerical order:

"5.23 Decisions of Purchasers. Notwithstanding anything set forth herein or in any of the other Transaction Documents, any term or provision of this Agreement or any other Transaction Document providing that a decision, selection, objection, or action, shall, in order to be made or permitted hereunder or thereunder (as the context requires), require the consent, approval, or objection of "a majority in interest of the Purchasers" or "the Purchasers of a majority in interest of the Securities then outstanding" or "the Holders of a majority of the Registrable Securities" or "the Purchasers with at least 51% of the Subscription Amounts" or "the holders of at least 51% of the principal

amount of the then outstanding Debentures" or "the Creditors holding a majority in principal amount of Debentures (based on then-outstanding principal amounts of Debentures at the time of any such determination)" or "a Majority in Interest" or other words of similar effect, if any employee, officer, partner, director, manager, member, stockholder, agent, representative or other affiliate of any Purchaser is, at the time such consent, approval or objection is to be made or given, as applicable, a member of the Board of Directors of the Company, the vote of such Purchaser shall not be counted in determining whether the applicable consent, approval or objection shall be made or given, as applicable (any such Purchaser, a "Restricted Purchaser"); provided, for the avoidance of doubt and without limiting the foregoing, the restriction on the ability of a Restricted Purchaser to vote in decisions to be made by the Purchasers hereunder or in any other Transaction Document provided in this Section 5.23 shall apply to any action of the Company or any Subsidiary not permitted to be taken without the consent of the applicable Purchasers (as provided hereunder or in any other Transaction Document), and accordingly, the vote of any Restricted Purchaser shall not be counted in determining whether the Company or such Subsidiary, as applicable, shall be permitted to take such action in accordance with this Agreement or such other Transaction Document, as applicable. Notwithstanding the foregoing or anything else in this Agreement or any other Transaction Document to the contrary, in no event shall any amendment or other modification be made to, nor shall there be any waiver with respect to, this Agreement or any other Transaction Document, nor shall any side letter or other agreement be entered into by any Person with respect to this Agreement or any other Transaction Document, that disproportionately and adversely affects the rights or obligations of any Restricted Purchaser relative to any other Purchaser or holder of Securities, or that results in any Restricted Purchaser being treated differently and adversely from or otherwise less favorably than any other Purchaser or holder of Securities, unless such Restricted Purchaser has provided its prior written consent to any such amendment, modification, waiver, side letter or other agreement."

(i) The form of Debenture attached as Exhibit A to the Securities Purchase Agreement (the "**Existing Form of Debenture**") shall be amended and restated in its entirety and replaced by, effective as of the date hereof, the form of Debenture attached as Annex 2 hereto. All references in the Securities Purchase Agreement to the Existing Form of Debenture are hereby modified and shall now be deemed to refer to the form of Debenture as modified by this Letter Agreement

(j) The form of Warrant attached as Exhibit C to the Securities Purchase Agreement (the "**Existing Form of Warrant**") shall be amended and restated in its entirety and replaced by, effective as of the date hereof, the form of Warrant attached as Annex 3 hereto. All references in the Securities Purchase Agreement to the Existing Form of Warrant are hereby modified and shall now be deemed to refer to the form of Warrant as modified by this Letter Agreement.

(k) All references in the Transaction Documents to the Existing Securities Purchase Agreement are hereby modified and shall be deemed to refer to the Securities Purchase Agreement as modified by this Letter Agreement.

2. Termination of the MIF Letter Agreement by Mutual Agreement of the SPV and MIF II. Effective as of the date hereof, the MIF II Letter Agreement is hereby terminated, and accordingly all provisions of the MIF II Letter Agreement shall have no further force or effect. The SPV hereby releases MIF II, its officers, partners, managers, employees, directors, agents and representatives from and against any and all claims, losses, damages, liabilities, demands, costs and expenses attributable to, or arising out of, in any way the MIF II Letter Agreement. MIF II hereby releases the SPV, its officers, partners, managers, employees, directors, agents and representatives from and against any and all claims, losses, damages, liabilities, demands, costs and expenses attributable to, or arising out of, in any way the MIF II Letter Agreement. The SPV and MIF II expressly agree and acknowledge that their entering into this Letter Agreement shall not be construed in any manner as an admission of any liability, obligation, or wrongdoing on the part of either the SPV or MIF II with respect of the MIF Letter Agreement. Each of the SPV and MIF II expressly denies any and all liability or wronging with respect to the MIF Letter Agreement. This Letter Agreement states the entire agreement among the SPV and MIF II and the other parties hereto about the termination of the MIF Letter Agreement, and supersedes all and all prior agreements, commitments, communications, negotiations, offers (whether in writing or oral), representations, statements, understandings and writings pertaining thereto, and may not be amended or modified except by written instrument duly executed and delivered by all of the parties hereto.

3. Subscription and Joinder as a Purchaser by MIF II. Effective as of the date hereof, MIF II shall be joined to the Securities Purchase Agreement as amended hereby as a Purchaser, and MIF II hereby agrees to advance to Cleantech, pursuant to and subject to the terms and conditions of the Securities Purchase Agreement as amended hereby, a Subscription Amount for the purchase of Securities (including a Debenture and associated Warrant) in the amount of $5,000,000, and accordingly, (i) the Principal Amount of the Debenture subscribed for by MIF II is $5,102,000 (i.e., after applying the multiplier of 1.0204 to such Subscription Amount pursuant to the Securities Purchase Agreement as amended hereby); and (ii) the number of Warrant Shares initially issuable under the associated Warrant subscribed for by MIF II is 408,160 shares, subject to adjustment in accordance with the terms of such Warrant. In furtherance of the foregoing, MIF II hereby delivers to Cleantech the executed signature page of MIF II to the Securities Purchase Agreement attached as Annex 4 hereto, which reflects the Subscription Amount to be advanced by MIF II to Cleantech subject to the terms and conditions of the Securities Purchase Agreement as amended hereby and the resulting Principal Amount of the Debenture and number of Warrant Shares initially issuable under the Warrant being subscribed for by MIF II, subject to the terms and conditions of the Securities Purchase Agreement as amended hereby, as described in the foregoing sentence; and upon such delivery, effective as of the date hereof, MIF II assumes all of the rights and obligations of a Purchaser under the Securities Purchase Agreement as amended hereby and makes all of the representations and warranties applicable to a Purchaser under the Securities Purchase Agreement, for itself and for no other Purchaser. MIF II acknowledges that, in addition to this Letter Agreement, MIF II and its counsel have had the opportunity to review the Original Securities Purchase Agreement and the January Letter Agreement amending the Original Securities Purchase Agreement (which collectively are amended by this Letter Agreement and, to the extent of any conflict between the terms therein and the terms of this Letter Agreement, superseded by this Letter Agreement), copies of which are attached as Annex 6 and Annex 7 hereto, respectively.

4. Subscription and Joinder as a Purchaser by The 2022 SLS Family Irrevocable Trust Effective as of the date hereof, SLS Family Trust shall be joined to the Securities Purchase Agreement as amended hereby as a Purchaser, and SLS Family Trust hereby agrees to advance to Cleantech, pursuant to and subject to the terms and conditions of the Securities Purchase Agreement as amended hereby, a Subscription Amount for the purchase of Securities (including a Debenture and associated Warrant) in the amount of $1,800,000, and accordingly, (i) the Principal Amount of the Debenture subscribed for by SLS Family Trust is $1,836,720 (i.e., after applying the multiplier of 1.0204 to such Subscription Amount pursuant to the Securities Purchase Agreement as amended hereby); and (ii) the number of Warrant Shares initially issuable under the associated Warrant subscribed for by SLS Family Trust is 146,937 shares, subject to adjustment in accordance with the terms of such Warrant. In furtherance of the foregoing, SLS Family Trust hereby delivers to Cleantech the executed signature page of SLS Family Trust to the Securities Purchase Agreement attached as Annex 5 hereto, which reflects the Subscription Amount to be advanced by SLS Family Trust to Cleantech subject to the terms and conditions of the Securities Purchase Agreement as amended hereby and the resulting Principal Amount of the Debenture and number of Warrant Shares initially issuable under the Warrant being subscribed for by SLS Family Trust, subject to the terms and conditions of the Securities Purchase Agreement as amended hereby, as described in the foregoing sentence; and upon such delivery, effective as of the date hereof, SLS Family Trust assumes all of the rights and obligations of a Purchaser under the Securities Purchase Agreement as amended hereby and makes all of the representations and warranties applicable to a Purchaser under the Securities Purchase Agreement, for itself and for no other Purchaser. SLS Family Trust acknowledges that, in addition to this Letter Agreement, SLS Family Trust and its counsel have had the opportunity to review the Original Securities Purchase Agreement and the January Letter Agreement amending the Original Securities Purchase Agreement (which collectively are amended by this Letter Agreement and, to the extent of any conflict between the terms therein and the terms of this Letter Agreement, superseded by this Letter Agreement), copies of which are attached as Annex 6 and Annex 7 hereto, respectively.

Except as otherwise set forth in this Letter Agreement, each party hereto agrees that this Letter Agreement shall be limited to the precise meaning of the words as written herein and shall not be deemed to be a consent to any waiver or modification of any other term or condition of either the Securities Purchase Agreement or any other Transaction Document. The interpretation and enforceability of this Letter Agreement and the rights of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without regard to its principles of conflicts of laws. This Letter Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument. This Letter Agreement may be executed by facsimile or other electronic transmission, including by email with attached "pdf". This Letter Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties hereto. This Letter Agreement may be amended, supplemented or otherwise modified only by a written agreement duly executed by or on behalf of each of the parties hereto. The provisions of this Letter Agreement may be waived only by a written instrument duly executed by or on behalf of the party against whom such waiver is sought to be enforced.

(Signature Page Follows)

Please execute this Letter Agreement where indicated below in order to confirm your agreement with the foregoing provisions.

Very truly yours,

CLEANTECH ACQUISITION CORP.

By: /s/ Eli Spiro
Name: Eli Spiro
Title: Chief Executive Officer

NAUTICUS ROBOTICS, INC.

By: _____
Name: Nicolaus Radford
Title: President and Chief Executive Officer

Accepted and agreed
as of the date first written above by:

ATW SPECIAL SITUATIONS I LLC,
as a Purchaser and a party to the MIF II Letter Agreement

By: ATW PARTNERS OPPORTUNITIES
MANAGEMENT, LLC, its Manager

By: _____
Name: Antonio Ruiz-Gimenez
Title: Authorized Signatory

MATERIAL IMPACT FUND II, L.P.,
as a Purchaser and a party to the MIF II Letter Agreement

By: MATERIAL IMPACT FUND PARTNERS II, LLC, its General Partner

By: _____
Name: Adam Sharkawy
Title: Managing Member

THE 2022 SLS FAMILY IRREVOCABLE TRUST,
as a Purchaser

By: _____
Name: Adam Westreich
Title: Trustee

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as a Purchaser

By: /s/ Adam Westreich

Name: Adam Westreich
Title: Trustee

NAUTICUS ROBOTICS, INC.

CODE OF BUSINESS ETHICS AND CONDUCT

Effective as of September 9, 2022

1. Overview

Nauticus Robotics, Inc. (the "***Company***") is committed to achieving the highest standards of professionalism and ethical conduct in its operations and activities and expects its employees, directors, and officers to conduct their business according to the highest ethical standards of conduct and to comply with all applicable laws, rules, and regulations.

The Company strives to create a culture of accountability and transparency. This Code of Business Ethics and Conduct ("***Policy***") is meant to assist employees, directors, and officers in making the right ethical and professional choices while conducting the Company's business. It is the Company's profound intent to create a culture of ethics in its daily operations through policies and procedures contained in this Policy, as well as other company policies, along with education and training conducted under the Human Resources and Legal Departments.

An employee's failure to comply with this Policy may result in swift and immediate adverse employment consequences up to, and including, termination of employment. If circumstances warrant, the Company is obligated to notify appropriate law enforcement agencies. Illegal or unethical actions by anyone acting on the Company's behalf is unacceptable.

Additionally, as a public company, we have a responsibility to ensure that our filings with the Securities and Exchange Commission (the "***SEC***") and other public communications are timely and accurate. We expect each of our directors and officers and other employees to take this responsibility very seriously and act in accordance with the highest standards of personal and professional integrity in all aspects of their work related to our financial reporting.

Our board of directors (the "***Board of Directors***"), Chief Executive Officer, and Chief Financial Officer each have a special responsibility both to adhere to these principles themselves and to ensure that a culture exists throughout our organization as a whole, which ensures accurate and timely financial reporting. Because of these and other responsibilities, each of our directors, officers, and other employees is bound by this Policy.

2. Honest and Ethical Conduct

Company employees, officers, and directors must conduct their business affairs in an ethical, proper, and lawful manner. This means business must be conducted in compliance with all governing laws, regulations, and rules. But it also means that employees, directors, and officers must focus on doing what is right. Be mindful when discharging your duties and responsibilities so that your conduct is of the highest integrity. Employees, directors, and officers must not engage in questionable conduct or activities that may raise questions as to the Company's honesty, ethics, impartiality, or reputation or that may cause the Company reputational harm or embarrassment.

This additionally includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Deceit and subordination of principle are inconsistent with integrity. Each director, officer, and employee must (as applicable):

- engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- produce full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with or submit to the SEC and in other public communications we make;
- comply with applicable governmental laws, rules, and regulations;
- promptly report any illegal, improper, or unethical conduct or any violations of this Policy to our General Counsel, as applicable, or highest-ranking qualified officer, or to the Audit Committee.

- act with integrity, including being honest and ethical while still maintaining the confidentiality of information where required or consistent with the Company's policies;
- observe both the form and the spirit of laws and governmental rules and regulations and accounting standards; and
- adhere to a high standard of business ethics.

Additionally, each officer, director, and employee (as applicable):

- Will not partake of activity that creates a conflict of interest for the Company and/or themselves personally. Personal Investments or activities that create a conflict are prohibited.
- Will not seek personal gain through inappropriate use of the Company's nonpublic information or abuse of their position.
- Will protect the Company's information from improper disclosure and will follow all restrictions on use and disclosure of information.
- Will protect Company, customer, and third-party information, property, and assets and will use them only for appropriate Company-approved activities.

- Will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or unfair dealings.

- Will not either directly or indirectly, or allow others acting on the Company's behalf to, offer, make, or promise anything of value, or approve or authorize the giving of anything of value to an employee of any government, government-owned or -controlled political party, or international organization, or to a political party itself, in order to retain business to gain any improper advantage or benefit.

- Will not make payments, promises, or offers to expedite or facilitate any routine governmental action except as stated in the Anti-Bribery/Anti-Corruption section, and then only with the express approval of senior management.

- Will maintain complete and accurate books, records, and accounts in accurate detail that reflect all transactions including all expenses, disbursements, and receipts and the disposition of assets complying with accepted accounting rules and controls. Records shall be retained in accordance with the Company's Record Retention Policy.

- Will not retaliate against an employee who speaks up to report a concern.

Employees, directors, and officers must immediately report any actual or suspected violations of law, rules, regulations, or this Policy or any unethical conduct connected with the Company's business. Employees, directors, and officers are to seek guidance regarding any suspected code-of-conduct violations by sending an inquiry seeking guidance to legal@nautic.us.

The Company will not tolerate retaliation. Specifically, no employee, director, or officer of the Company may retaliate, threaten to retaliate, or cause any other person to retaliate or threaten to retaliate against any person who, in good faith, makes any compliance report, assists a colleague in making a report, or participates in any investigation.

The Company will endeavor to keep confidential the source of reports; however, disclosure may be required in certain circumstances under applicable laws or regulations, or made to facilitate an investigation or take appropriate remedial action. Employees should report concerns to their supervisor, the Company's designated personnel, and the Company's Human Resources. Alternatively, employees can also report their concerns to the Company's Legal Department.

Reports involving directors and senior management may be made directly to the Company's Legal Department.

Nothing in this Policy in any way prohibits or is intended to restrict or impede you from exercising protected rights or otherwise disclosing information to law enforcement, regulatory, or administrative agencies as permitted by law.

3. Workplace Conduct

The Company is committed to providing its employees with a healthy, safe, fair, and productive work environment. All Company employees are expected to fully comply with the Company's policies and procedures and all applicable federal and state laws and regulations relating to health, safety, and the environment.

The Company believes diversity is an asset and will not tolerate discrimination or harassment of any kind. The Company strictly prohibits any kind of discrimination on the basis of race, color, veteran status, religion, disability, national origin, ethnicity, gender, sex, age, sexual orientation, gender identity, or any other characteristics protected by law. Sexual, verbal, physical, or visual harassment is prohibited.

Company employees should follow the Company reporting procedures for discrimination, harassment, and retaliation located in the Company Policy Manual.

4. Anti-Bribery/Anti-Corruption

The Company is committed to complying with the highest ethical standards, including anti-bribery and anti-corruption obligations. As such, each director, officer, and employee shall not solicit, receive, give, or offer bribes, kickbacks, or inappropriate gifts or engage in other corrupt practices to obtain or maintain business or favors. These activities are illegal, and violations may be subject to fines, civil penalties, criminal prosecution, and/or imprisonment.

In particular, the Company's directors, officers, or employees shall not authorize, provide, promise, or offer to provide anything of value to a third party for the purpose or with the intent of improperly influencing his or her decisions or improperly performing his or her functions.

"***Bribery***" is defined as offering, promising, giving, receiving, or soliciting anything of value in order to influence how someone carries out a public, commercial, or legal duty.

"***Gratuity***" is defined as a payment made to someone in consideration of their past actions.

"***Third party***" is defined as customers, vendors, suppliers, agents, distributors, developers, and local or foreign governments, agencies, political organizations, political candidates, etc.

This is especially important when providing anything of value to a "government official" or "foreign official." All gifts, entertainment, or other items of value that a Company employee may consider giving to a government or foreign official must be preapproved by the Company's Legal Department. If approved, such payments are subject to strict record-keeping requirements.

It is also unlawful for companies to bribe or make corrupt payments to foreign government officials or any instrumentality of a foreign government. This includes foreign officials, any foreign political party or official, any candidate for foreign political office, or any person who knows that all or part of the payment will be offered, given, or promised to an individual falling within one of these categories. A "***foreign official***" is also defined as "any officer or employee of a foreign government or any department, agency, or instrumentality thereof or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agent or instrumentality, or for or on behalf of any such public international organization." This includes foreign state-owned and -controlled "business," including those operating in industries such as defense contracting and aerospace. Even low-level employees of these industries in foreign countries can be considered "foreign officials" under anti-corruption/bribery statues. The Foreign Corrupt Practices Act ("***FCPA***") is a federal law that prohibits offering, giving, or promising to give anything of value to a non-U.S. government official to obtain or retain business, or obtain an improper business advantage. Accordingly, it is the Company's policy to keep accurate records of all transactions involving government officials.

Should the Company hire third parties or agents to perform services, these same procedures must be followed:

- Due diligence background check
- Written contract containing FCPA compliance, annual certification, termination for FCPA violation, or Company policy

Should a situation arise that may involve corruption, report the situation to the Company's Legal Department immediately.

5. Gifts and Entertainment

Employees, officers, and directors are to avoid situations where gifts/entertainment appear to be a bribe or conflict of interest or could cause the Company reputational damage. It is never acceptable or appropriate to give personal benefits to a government official to bias a decision or to convey favor, and doing so for any reason is prohibited without alerting management in advance. The Company strictly follows laws prohibiting bribery, kickbacks, and corruption.

6. Conflicts of Interest

A "***conflict of interest***" arises when an individual's personal interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer, or employee takes actions or has personal interests that may make it difficult to perform his or her Company work objectively and effectively. For all employees and officers of the Company, any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the General Counsel, as applicable, or highest-ranking qualified officer. For all directors of the Company, any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the members of the Nominating and Corporate Governance Committee, who will act as arbiter in the matter. Interests in other companies, including potential competitors and suppliers, that are purely for investment purposes, are not significant to the individual, and do not include involvement in the management of the other entity, or where an otherwise questionable relationship is disclosed to the Company's Board of Directors and any necessary action is taken to ensure there will be no effect on the Company, are not considered conflicts unless otherwise determined by our Board of Directors. Fidelity or service to the Company should never be subordinated to or dependent on personal gain or advantage. Conflicts of interest should, whenever possible, be avoided. In most cases, anything that would constitute a conflict for a director, officer, or employee also would present a conflict if it is related to a member of his or her family.

Employees must report any actual or potential conflicts, including information necessary to determine whether a conflict exists. Participation in the following are a few examples of actual or potential conflicts:

- partnerships, directorships, trusteeships, and officers;
- acting as a consultant or otherwise performing work for a Company competitor, supplier of material, or service provider or a business that seeks to do business with the Company;
- investments in enterprises with which the Company does business or competes;

- giving a Company contract to a business you, your family, or your friend owns;
- compensation for services other than from the Company; and
- receiving loans, commissions, payments, or reimbursements for non–work-related expenses.

All disclosures must be written and directed to the Company's Legal Department. The Legal Department will review and determine whether there are conflicts and which, if any, can be resolved.

7. Antitrust

The Company must comply with anti-competition laws. These laws, also known as antitrust laws, protect competition by prohibiting anticompetitive behavior. Nonacceptable agreements with competitors include price fixing, bid rigging, market allocation, group boycotts, unlawful lying, anticompetitive information exchange, monopolization, and agreements that restrict supply. Employees are never to enter into these types of agreements. Entering into agreements or relationships that exchange competitively sensitive information with competitors is prohibited. Never share Company confidential or sensitive information with third parties. Of particular concern, do not share information related to operational and marketing strategies, costs, customers, or suppliers.

Entering agreements to restrict your sales to certain customers or purchase from certain suppliers is also prohibited. This includes reaching agreements with competitors restricting where and/or to whom the Company will sell its products and/or purchase its materials.

The Company must make pricing decisions independently of competitors. Violations of the antitrust laws have both criminal and civil penalties for the Company and individuals.

8. Government Dealings and Political Activity

Company employees must ensure that information provided to government, regulatory, or agency officials is truthful and accurate whether provided orally, in writing, or otherwise. Should the matter involve a government investigation, other than a standard bid-award process, ensure records and information relevant to the inquiry are preserved. Never attempt to obstruct the investigation by concealing, altering, or destroying information, documents, or records that may be subject to the investigation.

The Company is not involved in any political activity. The Company will not make political contributions in cash or in kind. United States federal law prohibits the use of corporate funds, goods, or services to candidates for, or holders of, federal offices. Company policy prohibits all such contributions for any purpose to any office seeker or office holder anywhere. This also applies to Company support of campaign committees and political parties.

Company funds and assets may not be utilized for foreign or domestic political contribution or support without prior written consent from the Company's General Counsel. The Company will not reimburse personal political contributions.

We encourage employees to be involved in the political process as individuals, not as Company representatives. However, do not use the Company's time, property, or equipment to further personal political activities.

9. Cybersecurity and Digital Systems

All employees, directors, and officers of the Company must maintain strict security of Company information. Company information is the lifeblood of our business. Employees must keep all Company digital and cyber assets secure by adhering to security protocols administered by the Company's management.

Only Authorized Users who are current, active Company employees can access Company computers and network services including the Internet, email applications, and directories. Authorized Users can only access digital assets needed to fulfill their job responsibilities. Company employees must keep their Company computer equipment secure and safe, including mobile equipment used for business, such as phones and laptops. Company employees must protect user IDs and passwords. Do not share user ID and password information or allow anyone else to use your assigned account. Company–issued computer equipment and related services such as email and Internet should be used primarily for Company business. Employees may utilize these systems for limited personal use. Immediately report to the Company's management and the Company's IT Department any suspected electronic security breach, computer virus, lost equipment, or lost information/documentation. Never transfer/copy Company confidential information into a memory stick unless permission is granted to do so. Never install or utilize unauthorized software.

Employees are not to make or retain any physical or electronic copies of any Company company documents containing proprietary, confidential, or sensitive information belonging to the Company.

Never access, post, store, or publish pornographic images, sexually explicit content, or material that is terroristic, harassing, obscene, or abusive. The Company will not tolerate use of Company equipment, servers, or web access for the conduct of any illegal activities.

Employees must make sure to follow the Company's policies and procedures that are designed to protect the Company's systems, applications, networks, and assets from unauthorized access.

10. Protection of Company Assets

All employees are responsible for protecting the Company's assets from fraud, abuse, or waste. Company assets include physical property, intellectual Company property, business information, information, funds, corporate opportunities, operational and marketing strategies, costs, customers/potential customers, suppliers, and Company equipment. This information is both confidential and sensitive to the Company.

Intellectual Company property to be protected includes, but is not limited to, unpatented inventions, patented inventions, trademarks, designs, copyrighted materials, and trade secrets.

Intellectual property involves Company business information including, but not limited to, sales, marketing strategies, plans, and data; technical data and research; business proposals, strategies, and ideas; product development and design; software used by the Company; and customer strategies, marketing, and pricing.

The Company's most valuable assets are information gathered and developed, and its business operations. Some of this information is unknown to our competitors or the public and must be kept confidential.

Examples include:

- strategic business plans;
- information on pending sales, acquisitions, deals, or projects;
- vendor lists, customer information, pricing, and marketing information;
- personnel information;
- identified confidential information;
- proprietary data developed or held by the Company; and
- internal financial documents.

Employees must not disclose sensitive or nonpublic information with individuals outside the Company. Discussions between the Company and its lawyers may be privileged. Disclosure of those discussions to a third party may result in a waiver of the attorney–client privilege, resulting in potential harm to the Company.

Company assets are never to be used for a dishonest purpose, fraudulent act, or misappropriation. Company employees are prohibited from buying or selling a security on the basis of material, nonpublic information learned as a result of or through their position at the Company. Employees owe a duty of trust and confidence, or fiduciary duty, to the Company regarding information they learn through their Company employment. Employees may learn of business opportunities through their association with the Company or their use of Company property, information, or position. These opportunities belong to the Company and must be disclosed to the Company. Employees may not disclose the opportunity to a third party or invest in that opportunity without the Company's prior written permission.

11. ITAR and EAR Compliance

International Traffic in Arms Regulation ("***ITAR***") and the Export Administration Regulation ("***EAR***") are two U.S. export control laws affecting distribution, sales, and manufacturing of technology. The laws control access to specific categories of technology and data. The focus of the law is to prevent disclosure or transfer of sensitive information to foreign nationals. For ITAR or EAR compliance, the manufacturer or Exporter must register with the U.S. State Department Directorate of Defense Trade Controls. It is the responsibility of the manufacturer/exporter to certify that they are in compliance with the regulations.

ITAR (22 C.F.R. pts. 120–130):

- Covers military items or defense articles.
- Regulates goods and technology designed to kill or defend against death in military settings.
- Includes space-related technology because of application to missile technology.
- Includes technical data related to defense articles and services.
- Contains strict regulator licensing—does not address commercial or research objectives.

EAR (15 C.F.R. pts. 730–774):

- Regulates items designed for a commercial purpose that could have military applications such as computer or software.
- Covers both the goods and the technology.
- Licensing addresses competing interests and foreign availability.
- Combines commercial and research objectives with national security.

Disclosure to a foreign person (including oral or visual disclosure) is referred to as a "deemed export." "***Foreign person***" includes anyone who is not a U.S. citizen or not a lawful permanent resident. It is the Company's policy to detect and prevent unauthorized deemed exports.

12. U.S. Sanctions

Sanctions programs are administered by the U.S. Department of Treasury Office of Foreign Assets Control ("***OFAC***"). The Company will not conduct business with countries identified on the OFAC list. Countries currently identified on the OFAC list are Cuba, Iran, Sudan, Syria, and North Korea. Employees must ensure that no Company transactions violate U.S. sanctions by looking out for facilitation or diversion of items to a sanctioned country. This includes use of an intermediary or third party in another country to facilitate a transaction with an OFAC-prohibited country.

13. Disclosure

Each director, officer, or employee—to the extent involved in the Company's disclosure process, including the Chief Executive Officer and the Chief Financial Officer (the "***Senior Financial Officers***")—is required to be familiar with the Company's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that the Company's public reports and documents filed with the SEC comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition, and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely, and understandable disclosure. Each director, officer, or employee, to the extent involved in the Company's disclosure process—including, without limitation, the Senior Financial Officers—must:

- familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company; and
- not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators, and self-regulatory organizations.

14. Compliance

It is the Company's policy to comply with all applicable laws, rules, and regulations. It is the personal responsibility of each employee, officer, and director to adhere to the standards and restrictions imposed by those laws, rules, and regulations in the performance of their duties for the Company, including those relating to accounting and auditing matters and insider trading. Generally, it is against Company policy for any individual to profit from undisclosed information relating to the Company or any other company in violation of insider-trading or other laws. Anyone who is aware of material nonpublic information relating to the Company, our customers, or other companies may not use the information to purchase or sell securities in violation of the federal securities laws. If you are uncertain about the legal rules involving your purchase or sale of any Company securities or any securities in companies that you are familiar with by virtue of your work for the Company, you should consult with the Company's Legal Department, as applicable, before making any such purchase or sale. Other policies issued by the Company also provide guidance as to certain of the laws, rules, and regulations that apply to the Company's activities.

15. Record-Keeping

As aforementioned, the Company's records and reports must be completed accurately and in compliance with accepted accounting rules and controls. This also applies to Company financial information. Books and records must be made and kept in reasonable detail and must accurately and fairly reflect transactions. Undisclosed or unrecorded funds or assets of the Company are not allowed. No entries will be made to intentionally conceal or disguise the true nature of any Company transaction. Misrepresentation or falsification of records or facts will not be tolerated. Any reports, documents, patents, or data that the employee creates while working for the Company belongs to the Company. Without proper Company documentation and management authorization, never sell, transfer, or dispose of Company assets. Further, never destroy or remove records without obtaining permission. Relating to actual, pending, or threatened litigation or governmental investigations, never conceal, alter, transfer, or destroy Company information or property.

Any electronic or paper information is to be retained and/or destroyed only pursuant to the Company's policies on document management and applicable laws.

16. External Communications

Only authorized employees, consisting of the Company's management or its designees, shall respond to inquiries from the media, investors, brokers, and analysts.

17. Reporting, Accountability, No Retaliation

Reports of observed or suspected violations of this Policy will be investigated promptly, thoroughly, and in accordance with our legal obligations. Confidentiality is maintained to the fullest extent possible. We are all obliged to cooperate with investigations and provide complete, accurate, and truthful information. Violations of this Policy, which include failure to report potential violations by others, may be viewed as a severe disciplinary matter that may result in disciplinary action, up to and including termination of employment. Waivers of this Policy applicable to our directors and executive officers must be approved by our Board of Directors and will be publicly disclosed if granted. Waivers of this Policy to all other employees must be approved by the General Counsel, as applicable, or highest-ranking qualified officer.

It is a violation of this Policy to retaliate against any employee for good-faith reporting of violations of this code or cooperating in an investigation. Acts of retaliation may be considered misconduct that could result in disciplinary action.

Exhibit 16.1

September 13, 2022

Office of the Chief Accountant
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
United States of America

Commissioners:

We have read Nauticus Robotics, Inc.'s (formerly known as CleanTech Acquisition Corp.'s) statements included under Item 4.01 of its Form 8-K dated September 9, 2022. We agree with the statements concerning our Firm under Item 4.01, in which we were informed of our dismissal on September 9, 2022. We are not in a position to agree or disagree with other statements contained therein.

Very truly yours,

/s/ WithumSmith+Brown, PC

New York, New York

CleanTech Acquisition Corp. and Nauticus Robotics, Inc. Complete Business Combination

Nauticus to Begin Trading on NASDAQ Under the Ticker Symbols "KITT" and "KITTW" Beginning September 13, 2022

New York, NY and Houston, TX – September 12, 2022 **–** Nauticus Robotics, Inc., formerly known as CleanTech Acquisition Corp. ("CLAQ") (NASDAQ: CLAQ), today announced the successful closing of its business combination on September 9, 2022 with Nauticus Robotics, Inc. ("Nauticus"), a developer of ocean robots, autonomy software, and services to the marine industries. Nauticus' mission is to become the most impactful ocean robotics company through the deployment of autonomous maritime systems.

The resulting combined company will operate under the name Nauticus Robotics, Inc. and will be led by Nauticus Founder and CEO Nicolaus Radford and the current executive team. The combined company's common stock and public warrants will trade on NASDAQ under the symbols "KITT" and "KITTW," respectively, effective September 13, 2022.

On or about September 13, 2022, all remaining CLAQ units will separate into their underlying components, which consist of one share of CLAQ common stock, one right and one-half of one warrant. All of the rights will automatically be converted into shares of common stock, with every 20 rights being automatically converted into one share of common stock. The transaction was approved by CLAQ's stockholders at the special meeting held on September 6, 2022.

"The closing of this business combination represents a pivotal milestone in our company's history as we take public our pursuit of transforming the ocean robotics industry with autonomous systems," said Mr. Radford. "Not only is the ocean a tremendous economic engine, but it is also the epicenter for building a sustainable future. Our robotic fleet of Aquanauts and Hydronauts powered by our autonomy software platform, ToolKITT, will significantly reduce emissions, offshore personnel, and costs for our customers. The capital raised in this transaction from both new and existing investors will enable us to deliver the start of this fleet and accelerate our growth trajectory. I would like to give a heartfelt thank you to the Nauticus and CLAQ teams for their tireless work throughout this process as we begin demonstrating our execution and capabilities on the public stage."

Eli Spiro, former CEO of CLAQ, commented, "We are pleased with this outcome that takes Nauticus public and allows them to further their mission of positively impacting the cost and emission profiles of the massive ocean economy. I continue to believe Nauticus' Robotics-as-a-Service business model will be appealing to public markets investors and have confidence in their long-term growth trajectory."

Advisors

Chardan Capital Partners ("Chardan"), Lake Street Capital Markets and ROTH Capital Partners, LLC served as financial advisors to CLAQ. Chardan acted as sole placement agent on the private placement of public equity. Loeb & Loeb LLP acted as the legal advisor to CLAQ. Winston & Strawn LLP acted as the legal advisor to Nauticus.

About Nauticus

Nauticus Robotics, Inc. is a developer of ocean robots, autonomy software, and services delivered to the marine industries. Nauticus' robotic systems and services are delivered to commercial and government-facing customers through a Robotics-as-a-Service (RaaS) business model and direct product sales for both hardware platforms and software licenses. Besides a standalone service offering and products, Nauticus' approach to ocean robotics has also resulted in the development of a range of technology products for retrofit/upgrading legacy systems and other third-party vehicle platforms. Nauticus provides customers with the necessary data collection, analytics, and subsea manipulation capabilities to support and maintain assets while reducing their operational footprint, operating cost, and greenhouse gas emissions, to improve offshore health, safety, and environmental exposure.

About CLAQ

CleanTech Acquisition Corp. was a special purpose acquisition company formed in June 2020 with the purpose of entering into a business combination with one or more businesses. CleanTech Sponsor I LLC and CleanTech Investments LLC, an affiliate of Chardan, are the founders and co-sponsors of CLAQ.

Forward-Looking Statements

This press release contains forward-looking statements, within the meaning of section 27A of the U.S. Securities Act of 1933, as amended (the "Securities Act"), and section 21E of the U.S. Securities Exchange Act of 1934 ("Exchange Act") that are based on beliefs and assumptions and on information currently available to CLAQ and Nauticus. In some cases, you can identify forward-looking statements by the following words: "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing," "target," "seek" or the negative or plural of these words, or other similar expressions that are predictions or indicate future events or prospects, although not all forward-looking statements contain these words. Any statements that refer to expectations, projections or other characterizations of future events or circumstances, including projections of market opportunity and market share, the capability of Nauticus' business plans including its plans to expand, the sources and uses of cash from the proposed transaction, the anticipated enterprise value of the combined company following the consummation of the proposed transaction, any benefits of Nauticus' partnerships, strategies or plans as they relate to the proposed transaction, anticipated benefits of the proposed transaction and expectations related to the terms and timing of the proposed transaction are also forward-looking statements. These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by these forward-looking statements. Although each of CLAQ and Nauticus believes that it has a reasonable basis for each forward-looking statement contained in this communication, each of CLAQ and Nauticus caution you that these statements are based on a combination of facts and factors currently known and projections of the future, which are inherently uncertain. In addition, risks and uncertainties are described in the definitive proxy statement/prospectus relating to the proposed transaction, which has been filed by CLAQ with the SEC and other documents filed by CLAQ or Nauticus from time to time with the SEC. These filings may identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Neither CLAQ nor Nauticus can assure you that the forward-looking statements in this communication will prove to be accurate. These forward-looking statements are subject to a number of risks and uncertainties, including, among others, the ability to complete the business combination due to the failure to obtain approval from CLAQ's stockholders or satisfy other closing conditions in the business combination agreement, the occurrence of any event that could give rise to the termination of the business combination agreement, the ability to recognize the anticipated benefits of the business combination, the amount of redemption requests made by CLAQ's public stockholders, costs related to the transaction, the impact of the global COVID-19 pandemic, the risk that the transaction disrupts current plans and operations as a result of the announcement and consummation of the transaction, the outcome of any potential litigation, government or regulatory proceedings and other risks and uncertainties, including those to be included under the heading "Risk Factors" in the final prospectus for CLAQ's

initial public offering filed with the SEC on July 16, 2021 and in its subsequent quarterly reports on Form 10-Q and other filings with the SEC. There may be additional risks that neither CLAQ or Nauticus presently know or that CLAQ and Nauticus currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by CLAQ, Nauticus, their respective directors, officers or employees or any other person that CLAQ and Nauticus will achieve their objectives and plans in any specified time frame, or at all. The forward-looking statements in this press release represent the views of CLAQ and Nauticus as of the date of this communication. Subsequent events and developments may cause those views to change. However, while CLAQ and Nauticus may update these forward-looking statements in the future, there is no current intention to do so, except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing the views of CLAQ or Nauticus as of any date subsequent to the date of this communication.

For investor and media inquiries, please contact:

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Nauticus Robotics, Inc.

Results of Review of Interim Financial Statements

We have reviewed the condensed balance sheet of Nauticus Robotics, Inc. as of June 30, 2022, and the related condensed statements of operations, changes in stockholders' equity (deficit), and cash flows for the three-month and six-month periods ended June 30, 2022 and 2021, and the related notes (collectively referred to as the "interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the balance sheet of Nauticus Robotics, Inc. as of December 31, 2021, and the related statements of operations, stockholders' equity (deficit), and cash flows for the year then ended (not presented herein); and in our report dated March 24, 2022, except for Note 13, as to which the date is April 27, 2022, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed balance sheet as of December 31, 2021, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the entity's management. We conducted our reviews in accordance with the standards of the PCAOB. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Whitley Penn LLP

Houston, Texas
August 10, 2022, except for Note 11, as to which the date is September 6, 2022

HLB WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

NAUTICUS ROBOTICS, INC.
CONDENSED BALANCE SHEETS
(UNAUDITED)

	June 30, 2022 Unaudited	December 31, 2021
Assets		
Current Assets		
Cash and cash equivalents	$ 7,962,254	$ 20,952,867
Restricted certificate of deposit	251,236	251,236
Accounts receivable, net	1,605,152	794,136
Inventories	2,380,429	—
Contract assets	953,960	893,375
Other current assets	1,437,561	277,444
Total Current Assets	14,590,592	23,169,058
Property and equipment, net	6,238,247	1,437,311
Right-of-use asset – operating lease	425,551	513,763
Other assets	247,209	47,240
Total Assets	$ 21,501,599	$ 25,167,372
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	$ 3,715,184	$ 1,400,514
Accrued payroll	463,279	411,008
Accrued interest	1,263,490	703,544
Other accrued liabilities	151,551	90,000
Contract liabilities	—	373,791
Operating lease liabilities – current	396,012	353,598
Notes payable – current	25,058,179	10,250,000
Notes payable, related parties – current	3,000,000	3,000,000

Total Current Liabilities	34,047,695	16,582,455
Operating lease liabilities – long-term	269,412	467,208
Notes payable – long-term	—	14,708,333
Other liabilities	268,093	20,833
Total Liabilities	34,585,200	31,778,829
Commitments and Contingencies		
Stockholders' Equity (Deficit)		
Series A preferred stock, $0.01 par value; 334,800 shares authorized, issued, and outstanding	3,348	3,348
Series B preferred stock, $0.01 par value; 725,426 shares authorized, issued, and outstanding	7,254	7,254
Common stock, $0.01 par value; 10,000,000 shares authorized, 952,200 and 952,200 shares issued, respectively, and 680,600 and 680,600 shares outstanding, respectively	9,522	9,522
Treasury stock, at cost; 271,600 shares	(944,927)	(944,927)
Additional paid-in capital	34,546,691	34,157,877
Accumulated deficit	(46,705,489)	(39,844,531)
Total Stockholders' Equity (Deficit)	(13,083,601)	(6,611,457)
Total Liabilities and Stockholders' Equity (Deficit)	$ 21,501,599	$ 25,167,372

The accompanying notes are an integral part of these condensed financial statements.

NAUTICUS ROBOTICS, INC.
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three months ended June 30,		Six months ended June 30,	
	2022	**2021**	**2022**	**2021**
Revenue				
Service	$ 2,796,159	$ 793,213	$ 5,032,124	$ 954,691
Service – related party	193,400	176,113	193,400	317,378
Total revenue	2,989,559	969,326	5,225,524	1,272,069
Costs and Expenses				
Cost of revenue (exclusive of items shown separately below)	2,540,062	1,463,369	4,439,223	2,162,257
Depreciation and amortization	117,086	86,785	228,405	174,501
Research and development	583,870	466,824	1,851,282	1,669,542
General and administrative	2,271,138	637,169	3,917,179	1,296,875
Total costs and expenses	5,512,156	2,654,147	10,436,089	5,303,175
Operating loss	(2,522,597)	(1,684,821)	(5,210,565)	(4,031,106)
Other expense (income)				
Other income, net	(19,301)	(686,735)	(5,241)	(1,574,888)
Interest expense, net	853,660	76,825	1,655,634	138,375
Total other (income) expense, net	834,359	(609,910)	1,650,393	(1,436,513)
Net loss	$ (3,356,956)	$ (1,074,911)	$ (6,860,958)	$ (2,594,593)
Earnings (loss) per common share				
Basic	$ (4.93)	$ (1.58)	$ (10.08)	$ (3.82)
Diluted	$ (4.93)	$ (1.58)	$ (10.08)	$ (3.82)
Basic weighted average shares outstanding	680,600	678,400	680,600	678,400
Diluted weighted average shares outstanding	680,600	678,400	680,600	678,400

The accompanying notes are an integral part of these condensed financial statements.

NAUTICUS ROBOTICS, INC.
CONDENSED STATEMENTS OF CHANGES OF STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Treasury	Additional Paid-in	Accumulated	Total Stockholders' Equity
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Stock**	**Capital**	**Deficit**	**(Deficit)**
Balance at December 31, 2020	334,800	$ 3,348	725,426	$ 7,254	950,000	$ 9,500	$ (944,927)	$ 24,213,006	$ (24,716,902)	$ (1,428,721)
Stock-based compensation	—	—	—	—	—	—	—	107,794	—	107,794
Net loss	—	—	—	—	—	—	—	—	(1,519,682)	(1,519,682)

Balance at March 31, 2021	334,800	$ 3,348	725,426	$ 7,254	950,000	$ 9,500	$ (944,927)	$ 24,320,800	$ (26,236,584)	$ (2,840,609)
Stock-based compensation	—	—	—	—	—	—	—	100,570	—	100,570
Net loss	—	—	—	—	—	—	—	—	(1,074,911)	(1,074,911)
Balance at June 30, 2021	334,800	$ 3,348	725,426	$ 7,254	950,000	$ 9,500	$ (944,927)	$ 24,421,370	$ (27,311,495)	$ (3,814,950)
Balance at December 31, 2021	334,800	$ 3,348	725,426	$ 7,254	952,200	$ 9,522	$ (944,927)	$ 34,157,877	$ (39,844,531)	$ (6,611,457)
Stock-based compensation	—	—	—	—	—	—	—	200,157	—	200,157
Net loss	—	—	—	—	—	—	—	—	(3,504,002)	(3,504,002)
Balance at March 31, 2022	334,800	$ 3,348	725,426	$ 7,254	952,200	$ 9,522	$ (944,927)	$ 34,358,034	$ (43,348,533)	$ (9,915,302)
Stock-based compensation	—	—	—	—	—	—	—	188,657	—	188,657
Net loss	—	—	—	—	—	—	—	—	(3,356,956)	(3,356,956)
Balance at June 30, 2022	334,800	$ 3,348	725,426	$ 7,254	952,200	$ 9,522	$ (944,927)	$ 34,546,691	$ (46,705,489)	$ (13,083,601)

The accompanying notes are an integral part of these condensed financial statements.

NAUTICUS ROBOTICS, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six months ended June 30,	
	2022	**2021**
Cash Flows From Operating Activities		
Net loss	$ (6,860,958)	$ (2,594,593)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	228,405	174,501
Stock-based compensation	388,814	208,364
Amortization of debt discount	347,106	—
Noncash impact of lease accounting	88,212	79,961
Other income – PPP Loan	—	(1,578,500)
Changes in operating assets and liabilities:		
Accounts receivable	(811,016)	54,908
Inventories	(2,380,429)	—
Contract assets	(60,585)	(226,414)
Other assets	(1,360,086)	180,346
Accounts payable and accrued liabilities	1,039,296	315,312
Contract liabilities	(373,791)	(285,156)
Operating lease liabilites	(155,382)	(140,786)
Net cash from operating activities	(9,910,414)	(3,812,057)
Cash Flows From Investing Activities		
Additions to property and equipment	(3,080,199)	(3,008)
Net cash from investing activities	(3,080,199)	(3,008)
Cash Flows From Financing Activities		
Proceeds from PPP Loan	—	1,578,500
Proceeds from notes payable	—	5,000,000
Payments of note payable	—	(239,244)
Net cash from financing activities	—	6,339,256
Net change in cash and cash equivalents	(12,990,613)	2,524,191
Cash and cash equivalents, beginning of period	20,952,867	3,298,180
Cash and cash equivalents, end of period	$ 7,962,254	$ 5,822,371
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 761,189	$ 49,133

Cash paid for taxes	$ —	$ —
Supplemental non-cash investing actives		
Additions of property and equipment included in accounts payable	$ 1,949,142	$ —

The accompanying notes are an integral part of these condensed financial statements.

NAUTICUS ROBOTICS, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

1. Description of the Business

Nauticus Robotics, Inc. ("Nauticus", "Company", "our", or "we") was initially incorporated as Houston Mechatronics, Inc. on March 27, 2014 in the State of Texas. Effective November 24, 2021, the Company changed its legal name to Nauticus Robotics, Inc. Nauticus' principal corporate offices are located in Webster, Texas. The Company is developing an ecosystem of ocean robots that are controlled through an AI-driven cloud software platform which enables a sliding scale spectrum of autonomous operations — from direct operator control to complete hands-off, robot self-sufficient control. Instead of the conventional tethered connection between the operator and the subsea robot, Nauticus has developed an acoustic communication networking, compression, and protocols that allows the robot to perform its tasks without a direct, cabled connection. This offering permits significant operational flexibility and cost savings over the methods currently employed in the marketplace.

Impact of COVID-19 Pandemic on Business — The global spread of COVID-19 has created significant market volatility and economic uncertainty and disruption during 2021. The Company was adversely affected by the deterioration and increased uncertainty in the macroeconomic outlook as a result of the impact of COVID-19. We continue to actively monitor the situation and may take further actions altering our business operations that we determine are in the best interests of our employees, customers, suppliers, and stakeholders, or as required by federal, state, or local authorities.

Liquidity — The Company has had recurring losses and negative cash flows since inception. As such, the Company has been dependent on debt and equity funding to meet its development efforts. The Company continues to develop its principal products and conducts extensive research and development activities. At June 30, 2022, the Company's current liabilities exceeded its current assets by $19,457,103.

On October 15, 2021, the Company signed a purchase order with Triumph Subsea Construction Limited (Customer) for the sale of four Aquanaut systems over a period from September 2022 through January 2025 for a total of $54.2 million. In the second quarter of 2022, the milestone payment terms with Triumph Subsea Construction Limited were renegotiated. This renegotiation has resulted in a shift of the first payment from the second quarter of 2022 to the third quarter of 2022. The Company has begun construction of these products and is scheduled to deliver the first Aquanaut system under this contract in the fourth quarter of 2022.

On December 16, 2021, Nauticus entered into a merger agreement with CleanTech Acquisition Corporation ("CleanTech"), a special purpose acquisition company ("SPAC"). In this agreement, Nauticus agreed to a business combination that is intended to lead to its public stock listing on the NASDAQ in August 2022. CleanTech brings approximately $260 million in sponsored investment and public investment in private equity funding to the business combination. Although this level of funding is potentially available, a threshold of $50 million has been established in the merger documents as the minimum cash position for internal planning purposes.

Management believes that with the revenue from its existing and new contracts, the ability to reduce costs as necessary, and the pending merger with CleanTech, the Company will have sufficient cash from operations to meet its obligations for at least one year from the issuance date of this report.

2. Summary of Significant Accounting Policies

Basis of Presentation — These interim condensed financial statements are unaudited. Certain disclosures have been condensed or omitted from these financial statements. Accordingly, they do not include all the information and notes required by accounting principles generally accepted in the United States of America ("GAAP") for complete financial statements and should be read in conjunction with the audited December 31, 2021, financial statements and notes.

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2. Summary of Significant Accounting Policies (cont.)

In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of normal recurring adjustments, necessary to fairly present the financial position as of, and the results of operations for, all periods presented. In preparing the accompanying financial statements, management has made certain estimates and assumptions that affect reported amounts in the condensed financial statements and disclosures of contingencies. Actual results may differ from those estimates. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. These interim financial statements should be read in conjunction with the financial statements and noted thereto for the year ended December 31, 2021. The results of the operations for the period ended June 30, 2022 are not necessarily indicative of the operating results that may be expected for a full year. The condensed balance sheet as of December 31, 2021 contains financial information taken from the audited financial statements as of that date.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the (i) estimates of future costs to complete customer contracts recognized over time, (ii) valuation allowances for deferred income tax assets, and (iii) valuation of stock-based compensation award. Actual results could differ from those estimates.

Fair Value Measurements — The estimated fair values of accounts receivable, contract assets, accounts payable, accrued expenses, and indebtedness with unrelated parties approximate their carrying amounts due to the relatively short maturity or time to maturity of these instruments. Notes payable with related parties may not be arms-length transactions and therefore, may not reflect fair value.

The Company's non-financial assets measured at fair value on non-recurring basis include stock-based compensation awards. These are considered Level 3 measurements as they involve significant unobservable inputs.

Inventories — Inventories consist of raw materials and work in process used in the construction and installation of a portfolio of ocean robotics systems technology products that include the Aquanaut and Olympic Arm. Raw materials consist of composite marine structures, commercial off- the-shelf or COTS, batteries, and hardware and electrical components. Work in progress inventories consists of raw materials and labor for construction of projects. Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. The Company periodically reviews inventories for specifically identifiable items that are unusable or obsolete based on assumptions about future demand and market conditions. Based on this evaluation, the Company makes provisions for unusable and obsolete inventories in order to write inventories down to their net realizable value.

Inventories consist of the following:

	June 30, 2022	December 31, 2021
Raw material and supplies	$ 520,274	$ —
Work in progress	1,860,155	—
Finished goods	—	—
Total inventories	$ 2,380,429	$ —

Revenue — The Company's primary sources of revenue are from providing technology and engineering services and products to the offshore industry and governmental entities. Revenue is generated pursuant to contractual arrangements to design and develop subsea robots and software and to provide related engineering, technical, and other services according to the specifications of the customers. These contracts can be service sales (cost plus fixed

2. Summary of Significant Accounting Policies (cont.)

fee or firm fixed fee) or product sales and typically have terms of up to 18 months. The Company has no product sales as its core products are still under development. Product sales to date have been for HaloGuard, a red zone monitoring solution the Company developed, which has been phased out as of March 31, 2022.

A performance obligation is a promise in a contract to transfer distinct goods or services to a customer. The products and services in our contracts are typically not distinct from one another. Accordingly, our contracts are typically accounted for as one performance obligation.

The Company's performance obligations under service agreements generally are satisfied over time as the service is provided. Revenue under these contracts is recognized over time using an input measure of progress (typically costs incurred to date relative to total estimated costs at completion). This requires management to make significant estimates and assumptions to estimate contract sales and costs associated with its contracts with customers. At the outset of a long-term contract, the Company identifies risks to the achievement of the technical, schedule and cost aspects of the contract. Throughout the contract term, on at least a quarterly basis, we monitor and assess the effects of those risks on its estimates of sales and total costs to complete the contract. Changes in these estimates could have a material effect on the Company's results of operations.

The components of revenue are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Cost plus fixed fee	$ 2,212,061	$ 969,326	$ 3,635,320	$ 1,272,069
Firm fixed-price	399,165	—	833,537	
Firm fixed-price-vehicle lease	378,333	—	756,667	—
Total	$ 2,989,559	$ 969,326	$ 5,225,524	$ 1,272,069

Firm-fixed price contracts present the risk of unreimbursed cost overruns, potentially resulting in lower-than-expected contract profits and margins. This risk is generally lower for cost plus fixed fee contracts which, as a result, generally have a lower margin.

In June 2021, Nauticus Robotics signed a Subcontractor Agreement with an unrelated third party to provide engineering, design, development and other services which also includes a lease for an Aquanaut vehicle ("Vehicle Lease"). The Vehicle Lease is for a total of $ 2,270,000, or $126,111 per month for 18 months. Service revenue recognized for the equipment rental income for the three and six months ended June 30, 2022, was $378,333 and $756,667, respectively. The Company comparably recorded no revenue for the three and six months ended June 30, 2021.

The lease is an operating lease as defined by accounting standards codification 842 for Leases, and revenue is recognized on a straight-line basis over the lease term. The estimated future revenue under the vehicle lease is as follows:

Minimum Future Rental Income **Year ended December 31, 2022**	Amount
2022 (remainder)	$ 756,667
Thereafter	—
Total	$ 756,667

Performance obligations for product sales typically are satisfied at a point in time. This occurs when control of the products is transferred to the customer, which generally is when title and risk of loss have passed to the customer.

2. Summary of Significant Accounting Policies (cont.)

Unfulfilled Performance Obligations

As of June 30, 2022, we expect to recognize approximately $61.7 million of revenue in future periods from unfulfilled performance obligations from existing contracts with customers including $54.2 million that relates to the Triumph Subsea Construction Purchase Order as described in Note 1.

Set forth below is a table summarizing the expected revenue from our remaining performance obligations:

	Expected Revenue from Unfulfilled Performance Obligations by Period				
($ in millions)	Total	Remainder of 2022	2023	2024	2025
Unfulfilled performance obligations:					
Triumph Subsea Construction Limited	$ 54.2	$ 7.7	$ 19.4	$ 13.6	$ 13.5
All other performance obligations	7.5	5.7	1.8	—	—
Total unfulfilled performance obligations	$ 61.7	$ 13.4	$ 21.2	$ 13.6	$ 13.5

If any of our contracts were to be modified or terminated, the expected value of the unfilled performance obligations of such contracts would be reduced.

Accounts receivable, net, at June 30, 2022 totaled $1,605,152 due from customers for contract billings and is expected to be collected within the next three to six months. At December 31, 2021, accounts receivable, net, totaled $794,136. The increase in accounts receivable at June 30, 2022 as compared with December 31, 2021 corresponds to the higher revenue recognized in 2022 from new customer contracts. At June 30, 2022 and December 31, 2021 allowances for doubtful accounts included in accounts receivable totaled $17,827 and $0, respectively. Bad debt expense was $0 and of $17,827, respectively for the three months and six months period ended June 30, 2022. There was no bad debt expense recorded for the three months and six months period ended June 30, 2021.

Contract assets include unbilled amounts typically resulting from sales under contracts when the cost-to-cost method of revenue recognition is utilized, and revenue recognized exceeds the amount billed to the customer. Contract assets are recorded at the net amount expected to be billed and collected. Contract assets increased $60,585 in the first six months of 2022, primarily due to the timing of the billing for the recognition of revenue related to the satisfaction or partial satisfaction of performance obligations.

Contract liabilities include billings in excess of revenue recognized and accrual of certain contract obligations. The Company did not record any contract liabilities at June 30, 2022. Contract liabilities at December 31, 2021 included $306,791 of billings in excess of revenue recognized and $67,000 for contract completion obligations associated with a customer contract for a modified Aquanaut vehicle. These amounts were recognized in the statements of operations during the six months ended June 30, 2022.

Capitalized Interest — The Company capitalizes interest costs incurred to work in process during the related construction periods. Capitalized interest is charged to cost of revenue when the related completed project is delivered to the buyer. During the three months and six months period ended June 30, 2022, the Company incurred $913,614 and $1,754,908 of interest expense, respectively. For the six months period ended June 30, 2022, the Company recognized $1,669,701 in interest expense, net in the statement of earnings and the remainder of interest expense of $85,207 was capitalized to work in process attributable to inventories and property and equipment. During the six-month period ended June 30, 2021, the Company incurred $138,375 of interest, all of which was included in interest expense, net in the condensed statement of operations.

Earnings (Loss) per Share — Basic earnings per share is computed by dividing income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed in the same manner as basic earnings per share except that the denominator is increased to include the number of additional shares of common stock that could have been outstanding assuming the exercise of stock options and conversion of convertible debt.

2. Summary of Significant Accounting Policies (cont.)

Major Customer and Concentration of Credit Risk— The Company has a limited number of customers. During the three months and six months ended June 30, 2022, sales to one customer accounted for 84% and 89% of total revenue, respectively. The total balance due from this customer as of June 30, 2022, made up80% of accounts receivable. During the three months ended June 30, 2021, sales to two customers accounted for 82% and 18% of total revenue, respectively. During the six months ended June 30, 2021, sales to two customers accounted for 75% and 25% of total revenue, respectively. The total balances due from these customers as of December 31, 2021, made up 86% of accounts receivable. No other customer represented more than 10% of revenue in either six or three month period.

Reclassifications — Financial statements presented for prior periods include reclassifications that were made to conform to the current-period presentation.

Recent Accounting Pronouncements — In June 2016, the FASB issued ASU2016-13, *Financial Instruments — Credit Losses*, which replaces the existing incurred loss impairment model with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company adopted this standard on January 1, 2022. There was no impact from the adoption of this standard on the Company's financial statements.

There are no other new accounting pronouncements that are expected to have a material impact on the Company's financial statements.

3. Property and Equipment

Property and equipment consisted of the following:

	Useful Life (years)	June 30, 2022	December 31, 2021
Leasehold improvements	5.1	$ 789,839	$ 789,839
Property & equipment	5	1,396,293	1,216,609
Technology	5	1,154,357	773,535
Work in progress		4,619,055	150,220
Total		7,959,544	2,930,203
Less accumulated depreciation		(1,721,297)	(1,492,892)
Total property and equipment, net		$ 6,238,247	$ 1,437,311

4. Notes Payable

Notes payable consisted of the following:

	June 30, 2022	December 31, 2021
Schlumberger Technology Corp. contingently convertible promissory note	$ 1,500,000	$ 1,500,000
Transocean Inc. contingently convertible promissory note	1,500,000	1,500,000
Goradia Capital LLC contingently convertible promissory note	5,000,000	5,000,000
Material Impact Fund II, LP contingently convertible promissory note	5,000,000	5,000,000
In-Q-Tel, Inc. contingently convertible promissory note	250,000	250,000
RCB Equities #1, LLC term loan credit agreement	14,808,179	14,708,333
Total	28,058,179	27,958,333
Less: current portion, unrelated parties	(25,058,179)	(10,250,000)
current portion, related parties	(3,000,000)	(3,000,000)
Total notes payable – long-term	$ —	$ 14,708,333

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4. Notes Payable (cont.)

Schlumberger Technology Corp. Contingently Convertible Promissory Note — In July 2020, the Company issued an unsecured convertible promissory note to Schlumberger Technology Corp. ("Schlumberger"), a related party. There were two advances of $ 750,000 each under the note made by Schlumberger upon achievement of key project development milestones. The Company received both advances in 2020.

The convertible promissory note bears interest at 4.25% and, as amended, matures on the earliest to occur of the following dates: (1) the issuance of a new series of preferred stock, (2) upon the occurrence of an event of default, or (3) December 31, 2022. In the event that an issuance by the Company of a new series of preferred stock occurs before an event of default or December 31, 2022, outstanding principal and unpaid accrued interest shall be converted into the new series of preferred stock at a conversion price of 90% of the issuance price per share of such new series.

An amendment to the promissory note executed on December 16, 2021, added another conversion option that in the event of the consummation of the merger between Nauticus and CleanTech occurring earlier than the other conversion options listed above, allows Schlumberger to convert the outstanding principal and unpaid accrued interest into Nauticus common shares at a conversion price of $35.52 per share.

Transocean Inc. Contingently Convertible Promissory Note — In December 2020, the Company issued an unsecured convertible promissory note to Transocean Inc. ("Transocean"), a related party. There was one advance of $ 1,000,000 and another of $500,000 under the note made by Transocean upon achievement of key project development milestones. The Company received both advances in 2020.

The convertible promissory note bears interest at 10% and, as amended, matures on the earliest to occur of the following dates: (1) the issuance of a new series of preferred stock, (2) upon the occurrence of an event of default, or (3) December 31, 2022. In the event that an issuance by the Company of a new series of preferred stock occurs prior to the earlier of an event of default or December 31, 2022, outstanding principal balance and unpaid accrued interest shall be converted into the new series of preferred stock at a conversion price of 90% of the issuance price per share of such new series.

An amendment to the promissory note executed on December 16, 2021, added another conversion option that in the event of the consummation of the merger between Nauticus and CleanTech occurring earlier than the other conversion options listed above, allows Transocean to convert the outstanding principal and unpaid accrued interest into Nauticus common shares at a conversion price of $35.52 per share.

Goradia Capital, LLC Contingently Convertible Promissory Note— On June 19, 2021, the Company issued an unsecured convertible promissory note to Goradia Capital, LLC ("Goradia") in the amount of $5,000,000. The amount was funded upon execution of the agreement.

The convertible promissory note bears interest at 10% and, as amended, matures on the earliest to occur of the following dates: (1) the issuance of a new series of preferred stock, (2) upon the occurrence of a change of control, or (3) December 31, 2022. In the event that an issuance by the Company of a new series of preferred stock occurs before a change of control or December 31, 2022, outstanding principal and unpaid accrued interest shall be converted into the new series of preferred stock at a conversion price of the lower of: (1) 90% of the issuance price per share of such new series and (2) the price per share equal to an amount obtained by dividing (x) $75,000,000 by (y) the fully diluted shares outstanding of the Company as of June 19, 2021, which equals $37.01.

An amendment to the promissory note executed on December 16, 2021, added another conversion option that in the event of the consummation of the merger between Nauticus and CleanTech occurring earlier than the other conversion options listed above, allows Goradia to convert the outstanding principal and unpaid accrued interest on the promissory note into Nauticus common shares at a conversion price of $35.52 per share.

Material Impact Fund II, L.P. Contingently Convertible Promissory Note — On August 3, 2021, the Company issued an unsecured convertible promissory note to Material Impact Fund II, L.P. ("MIF") in the amount of $5,000,000. The amount was funded upon execution of the agreement.

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4. Notes Payable (cont.)

The convertible promissory note bears interest at 5% and matures on the earliest to occur of the following dates: (1) the issuance of a new series of preferred stock, (2) upon the occurrence of a change of control, or (3) December 31, 2022. In the event that an issuance by the Company of a new series of preferred stock occurs before a change of control or December 31, 2022, outstanding principal and unpaid accrued interest shall be converted into the new series of preferred stock at a conversion price of the lower of: (1) 90% of the issuance price per share of such new series and (2) the price per share equal to an amount obtained by dividing (x) $75,000,000 by (y) the fully diluted shares outstanding of the Company as of August 3, 2021, which equals $37.01.

An amendment to the promissory note executed on December 16, 2021, added another conversion option that in the event of the consummation of the merger between Nauticus and CleanTech occurring earlier than the other conversion options listed above, allows MIF to convert the outstanding principal and unpaid accrued interest into Nauticus common shares at a conversion price of $35.52 per share.

In-Q-Tel, Inc. Contingently Convertible Promissory Note — On October 22, 2021, the Company issued an unsecured convertible promissory note to In-Q-Tel, Inc. ("IQT") in the amount of $250,000. The amount was funded upon execution of the agreement.

The convertible promissory note bears interest at 5% and matures on the earliest to occur of the following dates: (1) the issuance of a new series of preferred stock with gross proceeds to the Company of at least $10,000,000, (2) upon the occurrence of a change of control, or (3) December 31, 2022. In the event that an issuance by the Company of a new series of preferred stock occurs before a change of control or December 31, 2022, outstanding principal and unpaid accrued interest shall be converted into the new series of preferred stock at a conversion price of the lower of: (1) 90% of the issuance price per share of such new series and (2) the price per share equal to an amount obtained by dividing (x) $75,000,000 by (y) the fully diluted shares outstanding of the Company as of August 3, 2021, which equals $37.01.

An amendment to the promissory note executed on December 16, 2021, added another conversion option that in the event of the consummation of the merger between Nauticus and CleanTech occurring earlier than the other conversion options listed above, allows IQT to convert the outstanding principal and unpaid accrued interest into Nauticus common shares at a conversion price of $35.52 per share.

RCB Equities #1, LLC Term Loan Credit Agreement — On December 16, 2021, the Company entered into a Term Loan Credit Agreement with RCB Equities #1, LLC ("RCB") in the amount of $15,000,000 to provide funds for the Company's working capital and general corporate purposes. The note bears interest at 13% per annum and is payable in 18 monthly installments of interest only through its maturity date of June 16, 2023. A 2% commitment fee totaling $300,000 was paid upon loan inception and is presented as a debt discount. There is also a 5% exit fee totaling $750,000 is payable at the maturity date and is being accrued over the note term. If the merger with CleanTech occurs prior to the maturity date, then within three days of the consummation of the merger, the note is due in full including all accrued and unpaid interest and fees. The outstanding principal balance of the note was $14,808,179 at June 30, 2022 and its effective interest rate is approximately 17.7%.

5. Leases

The Company leases its office and manufacturing facility under a 64-month operating lease expiring April 30, 2024. The lease includes rent escalations and chargebacks to the Company for build-out costs. The right-of-use asset and lease liability amounts were determined using an 8% discount rate which was the interest rate related to the leasehold improvement obligation.

5. Leases (cont.)

The operating lease includes a leasehold improvement obligation of $190,650 which bears interest at 8% and matures on April 30, 2024. The balance of this obligation was $76,879 and $96,375 as of June 30, 2022, and December 31, 2021, respectively, and is included in operating lease liabilities in the balance sheets.

Total operating lease expense, which is accounted for in cost of revenue, was as follows:

	For the three months ended, June 30,		For the six months ended, June 30,	
	2022	2021	2022	2021
Fixed lease expense	$ 69,190	$ 71,106	$ 136,881	$ 138,602
Variable lease expense	43,008	47,294	89,016	91,802
Total	$ 112,198	$ 118,400	$ 225,897	$ 230,404

6. Commitments and Contingencies

Litigation — From time to time, the Company may be subject to litigation and other claims in the normal course of business. No amounts have been accrued in the financial statements as of June 30, 2022, with respect to any matters.

The Company would be committed to pay the following advisory fees to investment banks related to Cleantech Acquisition listed below upon closing of the business combination.

Capital Markets Advisory Services Related to Cleantech Acquisition — In order to broaden Nauticus' reach to additional potential investors, parties have entered into a few letter agreements with investment banks for their capital markets advisory services.

Pursuant to a letter agreement dated February 28, 2022 with Lake Street Capital Markets ("Lake Street"), Nauticus has agreed to pay Lake Street a non-refundable retainer of $350,000 within ten days following the closing of the Business Combination for Lake Street's capital markets advisory services which include, among other things, (i) providing advice and assistance to CLAQ in evaluating its capital raising strategies and alternatives; (ii) assisting CLAQ in refining and communicating its investor presentation; and (iii) working and coordinating with CLAQ's investors relations resources to conduct a non-deal investor roadshow in the U.S. and solicit, and analyse investors' feedback.

Pursuant to a letter agreement dated March 23, 2022 with Cowen and Company, LLC ("Cowen"), Nauticus has agreed to pay Cowen an advisory fee of $1,750,000 (the "Business Combination Fee") upon closing of the Business Combination for its capital market advisory services which include, among other things, (i) familiarizing itself with the business, properties and operation of each of CLAQ and Nauticus; (ii) advising Nauticus on investor outreach, assisting Nauticus in scheduling and arranging meetings with current and potential holders of its securities; and (iii) assisting Nauticus in formulating a marketing strategy for the Business Combination. If this agreement with Cowen is terminated, the Business Combination Fee will still be payable if a business combination is consummated within twelve months from the date of the termination of the agreement (the "Residual Period"). If during the term of this agreement with Cowen or the Residual Period, Nauticus proposes to affect any restructuring, acquisition or disposition, or certain sales of securities, Nauticus has agreed to engage Cowen and offer Cowen no less than 35% of the total economics for any such capital raising transaction.

Pursuant to an amended and restated letter agreement dated April 25, 2022 with Coastal Equities, Inc. ("Coastal"), Nauticus has agreed to pay Coastal a cash fee of $7,600,000 ("Cash Fee") upon closing of the Business Combination or any other transaction defined as a "Sale" of Nauticus pursuant to the letter agreement in return for Coastal's financial advisory services which include, among other things, (i) facilitating potential purchasers' or financing participants' due diligence investigation; (ii) performing valuation analyses; (iii) identifying opportunities for the Sale of Nauticus; and (iv) as requested by Nauticus, participating on Nauticus' behalf in negotiations concerning such Sale. If this letter agreement with Coastal is terminated, the Cash Fee will still be payable if the Sale of Nauticus occurs within 9 months from March 29,

2022, the effective date of the letter agreement.

7. Income Taxes

Income tax provisions for interim periods are generally based on an estimated annual effective income tax rate calculated separately from the effect of significant, infrequent, or unusual items related specifically to interim periods. No income tax expense was recognized for the three or six months ended June 30, 2022, and June 30, 2021, as the Company expects no taxable income and has a full valuation allowance offsetting deferred tax assets.

8. Equity

Common Stock — A total of 680,600 shares of common stock were outstanding at June 30, 2022.

Series A Preferred Stock — The Company has 334,800 shares of Series A Preferred Stock outstanding. Each share of the Series A Preferred Stock may be converted at the holder's option into common stock of the Company at a conversion price of $8.96 for each share of Series A Preferred Stock. The Series A Preferred Stock possesses full voting rights, on an as-converted basis, with the common stock of the Company, and has no stated dividend rate. Holders of Series A Preferred Stock are entitled to dividends at the same rate payable on the Company's common stock should a common stock dividend be declared. The Series A Preferred Stock has priority rights in a liquidation, wind-up, sale, or merger of the Company.

Series B Preferred Stock — The Company has 725,426 shares of Series B Preferred Stock outstanding. Each share of the Series B Preferred Stock may be converted at the holder's option into common stock of the Company at a conversion price of $27.57 for each share of Series B Preferred Stock. The Series B Preferred Stock possesses full voting rights, on an as-converted basis, with the common stock of the Company, and has no stated dividend rate. Holders of Series B Preferred Stock are entitled to dividends at the same rate payable on the Company's common stock should a common stock dividend be declared. The Series B Preferred Stock has priority rights in a liquidation, wind-up, sale, or merger of the Company.

Common Stock Repurchase Agreements — The Company entered into agreements with its stockholders and option holders for the repurchase at the Company's option of up to 950,000 shares of outstanding common stock at prices based upon agreed valuation formulas. The Company is not obligated to make such repurchases but may exercise its rights under these agreements at any time on or after the separation or retirement of the stockholder from employment at the Company. Repurchased shares are held as treasury shares at their cost. The payment for repurchased shares is, at the Company's option, either (a) made in full at the time of repurchase, or (b) made over a 24-month period.

Stock-Based Compensation — The Company has a stock-based compensation plan under which stock options may be granted as incentive compensation. At June 30, 2022, 8,180 shares were available under the current plan for future award.

Options vest assuming continuous service to the Company with 25% of the options vesting one year after grant and the balance vesting in a series of 36 successive equal monthly installments measured from the first anniversary of grant. During the vesting period, the participants have voting rights, but the options may not be sold, assigned, transferred, pledged, or otherwise encumbered. Unvested shares are forfeited upon termination of employment and vested shares may be repurchased by the Company at its option.

Compensation expense for option awards totaled $188,657 and $388,814 for the three months and six months ended June 30, 2022, respectively. Compensation expense for option awards totaled $100,571 and $208,364 for the three months and six months ended June 30, 2021, respectively. As of June 30, 2022, there was $1,855,864 of total unrecognized compensation cost related to options to be recognized over a remaining weighted average period of 25 months.

8. Equity (cont.)

The following table summarizes options outstanding, as well as activity for the periods presented:

	Shares	Weighted Average Grant Date Fair Value	Weighted Average Exercise Price
Outstanding as of December 31, 2020	165,100	$ 10.90	$ 22.63
Forfeited	(750)	13.26	27.57
Outstanding as of June 30, 2021	164,350	$ 10.88	$ 24.08
Outstanding as of December 31, 2021	277,848	$ 12.99	$ 24.75
Granted	11,750	18.60	35.32
Forfeited	(9,800)	16.55	32.23
Cancelled	(500)	11.07	27.57
Outstanding as of June 30, 2022	279,298	$ 12.39	$ 26.29

The remaining weighted average contractual life of exercisable options at June 30, 2022 was 5.99 years.

9. Related Party Transactions

Contingently Convertible Promissory Notes — In 2020, Nauticus issued convertible promissory notes to Schlumberger and Transocean, each with an amount of

$1,500,000. These notes were modified in December 2021. As of June 30, 2022, Schlumberger N.V. owned 29.7% and Transocean Ltd. owned 31.3% of the voting stock of Nauticus. See Note 4 for more information about the contingently convertible notes.

Revenue and Accounts Receivable — Revenue from Transocean Ltd. for contract services and products totaled $0 and $193,400 for the three months and six months ended June 30, 2022, respectively. Revenue from Transocean Ltd. for contract services and products totaled $176,113 and $317,378 for the three months and six months ended June 30, 2021, respectively. Accounts receivable included $193,400 and $0 outstanding from Transocean Ltd. at June 30, 2022 and December 31, 2021, respectively.

10. Earnings (Loss) Per Share

The following table is a calculation of the net earnings (loss) per basic and diluted share:

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Numerator				
Net loss	$ (3,356,956)	$ (1,074,911)	$ (6,860,958)	$ (2,594,593)
Denominator				
Weighted average shares used to compute basic EPS	680,600	678,400	680,600	678,400
Dilutive effect of stock-based awards	—	—	—	—
Weighted average shares used to compute diluted EPS	680,600	678,400	680,600	678,400
Loss per share				
Basic	$ (4.93)	$ (1.58)	$ (10.08)	$ (3.82)
Diluted	$ (4.93)	$ (1.58)	$ (10.08)	$ (3.82)

Diluted EPS for June 30, 2022, and June 30, 2021, excludes 279,298 and 164,350 options, respectively, along with the shares related to the contingently convertible debt, because their effect would be anti-dilutive.

11. Subsequent Events

In preparing the condensed financial statements, the Company has evaluated all subsequent events and transactions for potential recognition or disclosure through September 6, 2022, the date the financial statements were available for issuance.

On July 18, 2022, a special meeting of stockholders were held, CLAQ's stockholders approved an amendment to CLAQ's certificate of incorporation (the "Charter Amendment Proposal") and an amendment to the Investment Management Trust Agreement with Continental Stock Transfer & Trust Company, dated July 14, 2021 (the "Trust Agreement Proposal"), giving CLAQ the right to extend the Combination Period six (6) times for an additional one (1) month each time by depositing into the Trust Account $100,000 for each one-month extension, up to January 19, 2023 (the first extension to August 19, 2022 was already made). We refer to the amendments to the certificate of incorporation and to the Trust Agreement collectively as the "July 18 Amendments." As a result of the July 18 Amendments, public stockholders forfeited their right to receive up to $1,725,000, and up to an aggregate of $3,450,000 under certain agreements entered into in connection with CLAQ's IPO, if CLAQ seeks to extend the Combination Period for three or six months, respectively, but does not consummate a business combination.

As a result of the July 18 Amendments, CLAQ's Co-Sponsors are no longer be required to deposit into the Trust Account $1,725,000 prior to each three-month extension (up to $3,450,000 in the aggregate) and these amounts may not be repaid if a business combination is not consummated to the extent funds are not available outside of the Trust Account.

As a result of the July 18 Amendments, CLAQ may extend the Combination Period up to January 19, 2023, by depositing into the Trust Account for the benefit of the public stockholders $100,000 for each one (1) month extension (or an aggregate of $600,000 if the Combination Period is extended six times). The additional redemption amount added to the Trust Account was reduced from what was included in CLAQ's initial public offering prospectus, which was $0.10 per share for each three-month extension to approximately $0.06 per share for each one-month extension.

Pursuant to a letter agreement dated March 23, 2022, with Cowen and Company, LLC ("Cowen"), Nauticus has agreed to pay Cowen an advisory fee of $1,750,000 (the "Business Combination Fee") upon closing of the Business Combination for its capital market advisory services. On August 11, 2022, this agreement was terminated by Cowen.

On August 18, 2022, Nauticus Robotics, Inc. signed an Amendment to the December 23, 2021, Promissory Note with RCB Equities #1, LLC (the "Amendment"). The Amendment provides for additional borrowing of $2,000,000, with no interest and a maturity date of 60 days form funding date. There was a $3,000 fee at closing with additional fee due of $100,000 if paid within 30 days from funding date. There will be an additional fee of $100,000 if paid after 30 days.

On August 29, 2022, the Company renegotiated and signed a revised sales contract with Triumph Subsea Construction Limited for the sale of four Aquanaut systems which was originally over a period from September 2022 through January 2025 for a total of $54.2 million. The new terms provide for the first delivery of the one Aquanaut and one Hydronaut as a pair to be delivered in October 2023 compared to September 2022, with all other Aquanaut Hydronaut pairs remain to be on schedule for the subsequent years. The shift of the delivery date from 2022 to 2023 reduces the estimated revenue in 2022 by $7.7 million. The change in delivery dates also adjust the timing of milestone payments accordingly.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF NAUTICUS

The following discussion and analysis provide information that Nauticus' management believes is relevant to an assessment and understanding of Nauticus' results of operations and financial condition. The discussion should be read together with "Selected Summary Historical Financial Information of Nauticus," the historical audited annual financial statements as of and for the years ended December 31, 2021 and 2020, the unaudited interim condensed financial statements as of June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, and the related respective notes thereto, included elsewhere in this prospectus. The discussion and analysis should also be read together with Nauticus' unaudited pro forma financial information for the year ended December 31, 2021 and the six months ended June 30, 2022. See "Summary Unaudited Pro Forma Condensed Combined and Consolidated Financial Information." This discussion may contain forward-looking statements based upon Nauticus' current expectations, estimates and projections that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements due to, among other considerations, the matters discussed under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." Unless the context otherwise requires, all references in this section to "we," "our," "us" or "Nauticus" refer to the business of Nauticus Robotics, Inc., a Texas corporation, prior to the consummation of the Business Combination, which will be the business of the Post-Combination Company and its subsidiaries following the consummation of the Business Combination.

Overview

Nauticus Robotics provides 21st century ocean robotic solutions to combat the global impacts on the world's marine environment. The interconnected, purpose-built product ecosystem of both surface and subsea robots is powered by Nauticus' autonomous software platform that affords our robots real machine intelligence, not just automation. This approach will transform the industry to an economically efficient and environmentally sustainable model.

Nauticus Robotics, Inc. (Nauticus) was initially incorporated as Houston Mechatronics, Inc. (HMI) on March 27, 2014 in the State of Texas. Nauticus" principal corporate offices are located in Webster, Texas. The Company is developing an ecosystem of subsea robots that are controlled through an AI-driven cloud software platform which enables a sliding scale spectrum of autonomous operations — from direct operator control to complete hands-off, robot self-sufficient control. Instead of the conventional tethered connection between the operator and the subsea robot, Nauticus has developed an acoustic communication networking, compression, and protocols that allows the robot to perform its tasks without a direct, cabled connection, this offering permits significant operational flexibility and cost savings over the methods currently deployed in the marketplace. The full range of Nauticus subsea robot technologies combine to provide unique capabilities heretofore not seen in the commercial subsea market and delivered to the market at substantially reduced cost and environmental footprint.

Nauticus' subsea robotic ecosystem is headlined by the Company's flagship product, Aquanaut, a vehicle that begins its mission in a hydrodynamically efficient configuration which enables efficient transit to the worksite (i.e., operating as an autonomous underwater vehicle, or AUV). During transit (operating in survey mode), Aquanaut's sensor suite provides capability to observe and inspect subsea assets or other subsea features. Once it arrives at the worksite, Aquanaut transforms its hull configuration to expose two work-class capable, electric manipulators that can perform dexterous tasks with (supervised), or without (autonomous), direct human involvement. In this intervention mode, the vehicle has capabilities similar to a conventional Remotely Operated Vehicles (ROV). The ability to operate in both AUV and ROV modes is a quality unique to Nauticus' subsea robot and is protected under a US Patent. To take advantage of these special configuration qualities, Nauticus has developed underwater acoustic communication technology, called Wavelink, Nauticus' over-the-horizon remote connectivity solution, which removes the need for long umbilicals to connect the robot with topside vessels. Eliminating these umbilicals and communicating with the robot through acoustic or other latent, laser, or RF methods reduces much of the system infrastructure that is currently required for ROV servicing operations and is at the heart of Nauticus' value proposition.

The Argonaut, a derivative product of the Aquanaut, is aligned at non-industrial, government applications. This vehicle embodies many of the Aquanaut's core technologies but varies in form and function necessary to perform specialized missions.

The component technologies that comprise the Aquanaut are also marketable to the existing worldwide ROV fleet. Aquanaut's perception and control software technologies, combined with its sensor platform and electric manipulators, can be retrofitted on existing ROV platforms to improve their ability to perform subsea maintenance activities.

Nauticus' robotic systems will be delivered to commercial and government customers primarily through a Robotics as a Service ("RaaS") subscription business model, but also as direct product sales, where required — such as to the defense industries.

Our mission is to disrupt the current subsea service paradigm through the introduction and integration of advanced robotic technologies. These key technologies are autonomous platforms, acoustic communications networks, electric manipulators, AI-based perception and control software, and high-definition workspace sensors. Implementation of these technologies enables substantially improved operations at significantly reduced costs over conventional methods.

Business Combination and Public Company Costs

On December 16, 2021, Nauticus entered into a Merger Agreement with CleanTech and Merger Sub pursuant to which, among other things, Merger Sub will merge with and into Nauticus, with Nauticus surviving the merger and becoming a wholly owned direct subsidiary of CleanTech. Thereafter, Merger Sub will cease to exist and CleanTech will be renamed Nauticus Robotics, Inc. Nauticus will be deemed the accounting predecessor and the Post-Combination Company will be the successor SEC registrant, which means that Nauticus' financial statements for previous periods will be disclosed in the Post-Combination Company's future periodic reports filed with the SEC.

The Business Combination is anticipated to be accounted for as a reverse recapitalization. Under this method of accounting, CleanTech will be treated as the acquired company for financial statement reporting purposes. The most significant change in the Post-Combination Company's future reported financial position and results are expected to be an estimated increase in cash (as compared to Nauticus' balance sheet at December 31, 2021) of between approximately $50.2 million, assuming maximum stockholder conversions permitted under the Business Combination Agreement, and $224.5 million, assuming no stockholder redemptions. Total non-recurring transaction costs are estimated to be approximately $21.7 million, of which Nauticus expects approximately $1.4 million to be expensed as part of the Business Combination and recorded in accumulated deficit, and the remaining approximately $20.2 million was determined to be equity issuance costs and offset to additional-paid-in-capital. See "*Summary Unaudited Pro Forma Condensed Combined and Consolidated Financial Information*."

Upon closing of the Business Combination, it is expected that the Post-Combination Company will continue to be listed on the NASDAQ and trade under the ticker symbol "KITT." As a majority of Nauticus' current management team and business operations will comprise the Post-Combination Company's management and operations, the Post-Combination Company will need to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. Nauticus expects the Post-Combination Company will incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting, legal and administrative resources, including increased audit and legal fees.

Impacts from the Covid-19 Pandemic

The global spread of COVID-19 has created significant market volatility and economic uncertainty and disruption during 2020. The Company was adversely affected by the deterioration and increased uncertainty in the macroeconomic outlook as a result of the impact of COVID-19.

The impact of the COVID-19 pandemic on Nauticus Robotics can be traced to the beginning of February/March 2020. At the time, Nauticus and a private equity firm were finalizing a Series-C funding round when the initial lockdowns were put in place. As a result of the drop in the value of stocks due to the uncertainty of the pandemic, the Series-C offer was put on indefinite hold and eventually rescinded completely. This funding interruption caused Nauticus' management to adjust its financial plan in order to sustain the business. The new financial plan delayed hardware purchases, froze hiring, and forced the company to focus on immediate contractual milestones. As the pandemic lingered on, the markets stabilized and Nauticus was able to find bridge investments to sustain its business.

Throughout the pandemic, Nauticus, like other manufacturing companies, has experienced significant delays in receiving parts and other materials, thus impacting the vehicle building schedules. During this time, long lead items were especially problematic, with parts normally delivered in weeks now being delivered in months. The unevenness of the deliveries further complicated vehicle assembly and integration activity.

Nauticus created and maintains an active COVID mitigation policy that is consistent with CDC guidelines to reduce infections in the workplace. The vaccination rate among employees is over 90% which has played a key role in reduced workplace infections and reduced absenteeism.

Nauticus will continue to actively monitor the situation and may take further actions altering our business operations that we determine are in the best interests of our employees, customers, suppliers, and stakeholders, or as required by federal, state, or local authorities.

Key Factors Affecting Nauticus' Operating Results

Nauticus believes that its future performance and success depends to a substantial extent on its ability to capitalize on the following opportunities, which in turn is subject to significant risks and challenges, including those discussed below and in the section of this prospectus entitled "*Risk Factors.*"

Pricing, Product Cost and Margins. Our pricing and margins will depend on market response to Nauticus' innovative approach to subsea Inspection, Maintenance, and Repair ("IMR") operations. This new and disruptive approach utilizes a substantially reduced infrastructure that is afforded by the implementation of AI technologies and acoustic, non-cabled communications system between the surface vessel and the subsea robotic vehicle. Nauticus will leverage its significantly reduced cost posture to provide reduced services pricing to the market while retaining current market margins. The technologies employed by Nauticus enable pricing flexibility across our various markets that improve competitive stature and enhance market acceptance.

Nauticus believes it has the opportunity to establish high margin unit economics while scaling the business to a global enterprise. Nauticus' future performance will depend on our ability to deliver on the cost savings brought by advanced automation applied to subsea robotics. The reductions in manned labor cost in maritime operations combined with substantially reduced carbon footprint from smaller surface vessels yields lower operational costs that will enable widespread industry adoption. The Nauticus business model is well-positioned for scalability due to the ability to leverage the same product platform across multiple markets where enhancements developed for one market can be applied across the service fleet to other markets.

Nauticus expects to achieve and maintain high margins on its IMR services and vehicle sales offerings, however, macroeconomics conditions within the target industries as well as the emergence of competition with similar technical approaches may place downward pressure on pricing, margins, and market share. Reduced pricing and lower margins are typically associated with commodity products and services, Nauticus believes its unique technology complement provides a compelling value proposition for favorable margins and unit economics in the target markets. Should Nauticus fail to deliver market-ready autonomous and semi-autonomous capability in its subsea and surface vehicles in the planned market opportunity window, Nauticus may be required to raise additional debt or equity capital, which may not be available or may only be available on terms that are onerous to Nauticus' Stockholders.

Commercialization of autonomous/semi-autonomous subsea robotic service vehicles. We believe that the market for subsea services can be disrupted through new technical approaches that offer cost savings to the customer and reducing the impact on the environment. However, the pace of market adoption of these technologies may not be linear and may fluctuate on a quarterly basis, at least over the near term. As market acceptance matures, these fluctuations will reduce and the recurring nature of Nauticus' business model will stabilize revenue growth.

Nauticus expects to commercially launch its RaaS business model to the public at large by the end of 2022. To date, our product sales have been for HaloGuard, a red zone monitoring solution we developed. As of the date of this prospectus, Nauticus Robotics intends to quickly phase out the HaloGuard product, which process is underway. This shift in our revenue sources causes our reported financial information not to be indicative of future operating results or financial condition. A delay in the delivery and readiness of our core products or reduced commercial interest in the RaaS subscription model could delay or limit the generation of revenue.

Sales Volume. Each of the products that Nauticus will sell to its customers in the target markets has a projected sales volume, pricing, and cost which factors in our view of the market acceptance and the delivery capacity of Nauticus. These projections depend on several factors, including market adoption of new technology-based approaches, Nauticus product capabilities, and the ability of Nauticus to meet market demand. In addition to end market demand, sales volumes will also depend on macroeconomic factors affecting our target industries. In certain cases, we may provide discounts or strategic customer pricing on sales of our products which in turn could adversely impact our gross margins. Nauticus' ability to achieve profitability is dependent upon market acceptance, penetration, and increasing market share. Delays in market acceptance of the new Nauticus service paradigm could result in Nauticus being unable to achieve its revenue targets and profitability over the course of these projections.

Our operating results are impacted by our ability to manage costs and expenses while achieving a balance between making appropriate investments to grow revenue while driving increased profitability. Cost and expense management will have a direct impact on our financial performance. We look to drive revenue growth through investments in marketing, technology, collaboration agreements with key partners, product and service offerings and ultimately market share. These efforts will need to be weighed against creating a more cost-efficient business to reduce operating expenses as a percentage of revenue.

Impact of COVID-19 Pandemic on Business — The global spread of COVID-19 has created significant market volatility and economic uncertainty and disruption during 2020. The Company was adversely affected by the deterioration and increased uncertainty in the macroeconomic outlook as a result of the impact of COVID-19. We continue to actively monitor the situation and may take further actions altering our business operations that we determine are in the best interests of our employees, customers, suppliers, and stakeholders, or as required by federal, state, or local authorities.

Impact of supply chain disruptions on business operations. Nauticus continues to work with our suppliers (i) to mitigate the effects of recent procurement shortages, (ii) to negate the impacts on costs, and (iii) to schedule for key product developments. Mitigation steps undertaken by Nauticus include design modifications that utilize parts and materials that are more readily available and expansion of Nauticus' supply chain to form a wider procurement network to source products in short supply. To date, these mitigation steps have been successful at reducing the impact of supply chain disruptions while also maintaining Nauticus' commitment to product quality and performance reliability. To date no new material risks have emerged as a result of these mitigation steps. Nauticus anticipates these supply chain challenges will continue to exist over the

near term and plans to continually employ mitigation strategies to reduce the impact on future product deliveries.

Impact of Raw Material Shortages on Nauticus Fleet. On April 26, 2022, Nauticus announced the initial production run of the Nauticus Fleet, a robotic navy of 20 Hydronaut — Aquanaut pairs. The first sets of robots were to be delivered in Q3 2022, with the remainder being fulfilled by the end of 2024. Nauticus has encountered some supply chain disruptions stemming from the limited availability of certain raw materials, which has caused the initial delivery of one Aquanaut to the Nauticus Fleet to be delayed to Q4 2022, two Aquanauts delayed to Q1 2023, and two Hydronauts to be delayed to Q2 2023. Nauticus will provide updates to investors as further information becomes available.

Inflation. Nauticus continually monitors various global economic factors, including inflation, that affect its business and associated operational risks. In this period of high inflation, Nauticus has seen increases in labor and material costs caused by inflation that could potentially reduce margins. Notwithstanding these increases, the Nauticus pricing model reserves a large upside potential due to the significant reduction in service delivery costs over the status quo. Nauticus anticipates that the services it offers will be priced at a level that is accepted by the market and offsets the increases seen in the labor and material markets.

Components of Results of Operations

Revenue

The Company's primary sources of revenue are from providing technology and engineering services and products to the offshore industry and governmental entities. Revenue is generated pursuant to contractual arrangements to design and develop subsea robots and software and to provide related engineering, technical, and other services according to the specifications of the customers. These contracts can be service sales (cost plus fixed fee and firm fixed fee) or product sales.

Costs and Expenses

Cost of revenue

Cost of revenue principally includes direct material, direct labor and allocation of overhead associated with product development operations. Cost of revenue also includes the direct cost and appropriate allocation of overhead involved in execution of non-recurring engineering and technology services. Nauticus' cost of revenue is expected to increase as its revenue continues to grow as customers reach commercialization.

Depreciation

Depreciation costs are related to the depreciation of the Company's property and equipment which consists of leasehold improvements, equipment, and technology.

Research and development

Nauticus' research and development efforts are focused on enhancing and developing additional functionality for its existing products and on new product development. Research and development expenses consist primarily of:

- Personnel-related expenses, including salaries, benefits, and stock-based compensation expense, for personnel in Nauticus' research and engineering functions; and
- Expenses related to materials, software licenses, supplies and third-party services.

Nauticus expenses research and development costs as incurred. Nauticus expects its research and development costs to increase for the near future as it continues to invest in research and development activities to achieve its product roadmap.

General and administrative expenses

General and administrative expenses consist of personnel and personnel-related expenses, including stock-based compensation of Nauticus' executive, finance, and information systems functions, as well as legal and accounting fees for professional and contract services. Nauticus expects its general and administrative expenses to increase for the near future as it scales headcount with the growth of its business, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities, and other administrative and professional services.

General and administrative expenses also include selling and marketing expenses which consists of personnel and personnel-related expenses, including stock-based compensation of Nauticus business development team as well as advertising and marketing expenses. These include the cost of trade shows, promotional materials, and public relations. Nauticus expects to increase its sales and marketing activities, expand customer relationships, and increase market share. Nauticus also expects that its sales and marketing expenses will increase over time as it continues to hire additional personnel to scale its business.

Other income and expense

Other income and expense consist primarily of gain/(loss) on disposition of assets, miscellaneous non-operating income, miscellaneous receipts and reimbursements, and the forgiveness of loans pursuant to the SBA Paycheck Protection Program.

Interest expense (income), net

Interest expense (income), net consists primarily of income earned on Nauticus' cash equivalents, investments in marketable securities, and interest incurred on the Company's indebtedness. These amounts will vary based on Nauticus' cash, cash equivalents and short-term investment balances as well as any changes in market rates.

Results of Operations

Comparison of the Three and Six Months Ended June 30, 2022 and June 30, 2021

The results of operations presented below should be reviewed in conjunction with the financial statements and notes included elsewhere in this prospectus. The following table sets forth summarized condensed financial information for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Change	Change	Six Months Ended June 30,		Change	Change
	2022	2021	$	%	2022	2021	$	%
Revenue								
Service	$ 2,796,159	$ 793,213	$ 2,002,946	253%	$ 5,032,124	$ 954,691	$ 4,077,433	427%
Service – related party	193,400	176,113	17,287	10%	193,400	317,378	(123,978)	(39)%
Total revenue	2,989,559	969,326	2,020,233	208%	5,225,524	1,272,069	3,953,455	311%
Costs and Expenses								
Cost of revenue (exclusive of items shown seperately below)	2,540,062	1,463,369	1,076,693	74%	4,439,223	2,162,257	2,276,966	105%
Depreciation & amortization	117,086	86,785	30,301	35%	228,405	174,501	53,904	31%
Research and development	583,870	466,824	117,046	25%	1,851,282	1,669,542	181,740	11%
General and administrative	2,271,138	637,169	1,633,969	256%	3,917,179	1,296,875	2,620,304	202%
Total costs and expenses	5,512,156	2,654,147	2,858,009	108%	10,436,089	5,303,175	5,132,914	97%
Operating loss	(2,522,597)	(1,684,821)	(837,776)	50%	(5,210,565)	(4,031,106)	(1,179,459)	29%
Other income	(19,301)	(686,735)	667,434	(97)%	(5,241)	(1,574,888)	1,569,647	(100)%
Interest expense, net	853,660	76,825	776,835	1011%	1,655,634	138,375	1,517,259	1096%
Net loss	$ (3,356,956)	$ (1,074,911)	$ (2,282,045)	212%	$ (6,860,958)	$ (2,594,593)	$ (4,266,365)	164%

Revenue

For the three months ended June 30, 2022, net revenue increased by $2.0 million, or 208%, to $3.0 million for 2022, as compared to $1.0 million for 2021. The increase in revenue is primarily attributable to the addition of revenue from three service contracts, including the continued lease of an Aquanaut vehicle, during 2022.

For the six months ended June 30, 2022, net revenue increased by $3.9 million, or 311%, to $5.2 million for 2022, as compared to $1.3 million for 2021. The increase in revenue is primarily attributable to the addition of revenue from three service contracts, including the continued lease of an Aquanaut vehicle, during 2022 offset with a $0.1 million decrease to a related party, Transocean Inc., due to product and engineering services.

Costs and expenses

Cost of revenue

For the three months ended June 30, 2022, cost of revenue increased by $1.1 million, or 74%, to $2.5 million for 2022, as compared to $1.5 million for 2021. The increase in cost of revenue is attributable to the addition of executing three service contracts from prior year discussed above.

For the six months ended June 30, 2022, cost of revenue increased by $2.3 million, or 105%, to $4.4 million for 2022, as compared to $2.2 million for 2021. The increase in cost of revenue is attributable to the addition of executing three service contracts from prior year discussed above.

Depreciation

For the three months ended June 30, 2022, depreciation increased by $30 thousand, or 35%, to $117 thousand for 2022, as compared to $87 thousand for 2021 primarily due to facility upgrades during first quarter 2022.

For the six months ended June 30, 2022, depreciation increased by $53 thousand, or 31%, to $228 thousand for 2022, as compared to $175 thousand for 2021 primarily due to facility upgrades during first quarter 2022.

Research and development

For the three months ended June 30, 2022, total research and development expenses increased by $0.1 million, or 25%, to $.6 million for 2022, as compared to $.5 million for 2021. The increase was due primarily to product research and development activity.

For the six months ended June 30, 2022, total research and development expenses increased by $.2 million, or 11%, to $1.9 million for 2022, as compared to $1.7 million for 2021. The increase was due primarily to product research and development activity.

General and administrative

For the three months ended June 30, 2022, total general and administrative expenses increased by $1.7 million, or 256%, to $2.3 million for 2022, as compared to $0.6 million for 2021. General and administrative expenses increased primarily due to an increase in company headcount, sales and marketing expense, professional fees and other costs incurred in preparation for the business combination transaction with CleanTech.

For the six months ended June 30, 2022, total general and administrative expenses increased by $2.6 million, or 202%, to $3.9 million for 2022, as compared to $1.3 million for 2021. General and administrative expenses increased primarily due to an increase in company headcount, sales and marketing expense, professional fees and other costs incurred in preparation for the business combination transaction with CleanTech.

Other income expense, net

For the three months ended June 30, 2022, other income decreased by $667 thousand to other net of $20 thousand for 2022 as compared to $687 thousand of income net in 2021. The decrease was due primarily to the recognition of the Paycheck Protection Program or (PPP) loan during the second quarter of 2021.

For the six months ended June 30, 2022, other income decreased by $1,570 thousand to other income net of $5 thousand for 2022 as compared to $1,575 thousand of income in 2021. The decrease was due primarily to the recognition of the Paycheck Protection Program or (PPP) loan during the first and second quarter of 2021.

Interest expense, net

For the three months ended June 30, 2022, interest expense, net increased by $777 thousand to $854 thousand for 2022 as compared to $77 thousand in 2021. Interest expense, net increased due to an increase in indebtedness entered into by the Company during the third and fourth quarter of 2021.

For the six months ended June 30, 2022, interest expense, net increased by $1,517 thousand to $1,656 thousand for 2022 as compared to $139 thousand in 2021. Interest expense, net increased due to an increase in indebtedness entered into by the Company during the third and fourth quarter of 2021.

Comparison of the Years Ended December 31, 2021 and 2020

The results of operations presented below should be reviewed in conjunction with the financial statements and notes included elsewhere in this prospectus. The following table sets forth Nauticus' results of operations data for the periods presented:

	Year ended December 31,		Change
	2021	2020	$
Revenue			
Service	$ 7,854,068	$ 3,184,629	$ 4,669,439
Product	242,637	—	242,637
Service – related party	332,767	619,883	(287,116)
Product – related party	162,068	189,928	(27,860)
Total revenue	8,591,540	3,994,440	4,597,100
Costs and Expenses			
Cost of revenue (exclusive of items shown separately below)	6,850,248	4,059,991	2,790,257
Depreciation	365,097	400,432	(35,335)
Research and development	3,533,713	4,951,619	(1,417,906)
General and administrative	4,362,400	3,319,455	1,042,945
Total costs and expenses	15,111,458	12,731,497	2,379,961
Operating loss	(6,519,918)	(8,737,057)	2,217,139
Other income	(1,601,568)	(1,609,962)	(8,394)
Loss on extinguishment of debt	9,484,113	—	(9,484,113)
Interest expense, net	725,166	66,943	658,223
Net loss	$ (15,127,629)	$ (7,194,038)	$ (7,933,591)

Revenue

Revenue increased by $4.6 million, or 115%, to $8.6 million for 2021, from $4.0 million for 2020. The increase in revenue is attributed to the addition of revenue from three service contracts, including the lease of an Aquanaut vehicle, during 2021. Revenue decreased by $1.8 million, or 31%, to $4.0 million for 2020, from $5.8 million for 2019. The decrease in revenue is attributed to the completion of various projects during 2019 which accounts for $2.7 million of the decrease and a reduction in sales from 2019 to 2020 of $1.2 million to a related party, Transocean Inc., due to lower demand of HaloGuard product and related services. These decreases are offset by an increase in revenue from 2019 to 2020 related to a new sales agreement executed at the end of 2019 resulting in $2.0 million of revenue in 2020.

Cost of Revenue

In fiscal year 2020, the Cost of Revenue exceeded Revenue, a trend which was subsequently reversed in fiscal year 2021 (as shown in the chart above). The causes related to the Cost of Revenue exceeding the total Revenue for fiscal year 2020 is directly related to the reduction in revenue associated with the COVID-19 pandemic and the retention of overhead staffing levels during this fiscal period. Nauticus Robotics was the recipient of the Paycheck Protection Program loan and used these funds to maintain staffing levels. The downturn in the commercial energy markets combined with the completion of and subsequent delays in the continuation of a defense related program resulted in a reduction in Revenue. The Cost of Revenue reflects the higher costs incurred by Nauticus Robotics by maintaining staffing levels in comparison to the reduced income experienced during fiscal year 2020.

In fiscal year 2021, follow-on defense contracts were awarded and the energy markets recovered leading to an increase in Revenue. Overhead staffing levels were maintained at 2020 levels but provided a better match to the improved revenue. These market trends are the reason why 2020 Cost of Revenue exceeds total Revenue and why it recovered as the pandemic effects were mitigated.

Products and Services

Historically, Nauticus has generated revenue through engineering service contracts while concomitantly investing internal resources toward the product development of its subsea robotics portfolio. These previously developed products are now, in 2022, emerging into a revenue generating status. The revenue chronology for Nauticus' contract history is shown in the table below.

The Jacobi Motors service contract began in 2018 to assist in the development of an electric motor targeted for the electric motor market. This contract was completed in 2020. The beginning of the U.S. Department of Defense programs that Nauticus is currently participating in, each supporting the advancement in autonomy in subsea vehicles, was started in 2018 and continued to 2019. This effort gave rise to the larger program in 2019, with contractual milestones completed in 2020 and continuing to this day. The Office of Naval Research funded an effort with Aquanaut for more dexterous subsea manipulation activities and hardware in 2019 and 2020. Transocean, the lead investor for the Series B investment round, co-funded some product development activities for automated drill pipe handling (Spiral) and for a zone monitoring safety system (THEIA/HaloGuard). Although the Sprial project was completed in 2019, the HaloGuard system has been deployed to four (4) offshore drilling ships to enhance drill floor safety.

Current contracts support Nauticus' core subsea vehicle products — Aquanaut and Argonaut. Nauticus has work ongoing with a Large Confidential Government Contractor for the manufacturing and commissioning of Argonaut, an Aquanaut-variant aimed specifically for U.S. defense and intelligence missions. The project was awarded to the joint team of a Large Confidential Government Contractor and Nauticus team in 2021 with the initial phase milestone running through December 2022. As part of the effort, the Aquanaut is leased to the program to support data collection and autonomous subsea manipulation operations; therefore generating revenue. In 2022, Nauticus' Hydronaut surface vessel also generates revenue in support of the Aquanaut. Other Nauticus products currently generating revenue in 2022 also include the Olympic Arm (electric subsea manipulators), with the delivery of the first article to IKM Subsea expected in the third quarter of 2022, and ToolKITT, which is licensed as software to IKM Subsea and used in with the Defense Innovation Unit.

Nauticus' project backlog includes continued work on a project under a subcontract to our partner, a Large Confidential Government Contractor, through 2022. Phase 2 of this project begins in January 2023 and will run for approximately 18 months. This next phase of the project includes an option to purchase an Argonaut vehicle. The Defense Innovation Unit contract will continue through 2022 and into 2023. Other items in the sales pipeline include Olympic Arm sales, commercial subsea service opportunities in the North Sea in late 2022 or early 2023, and a contract opportunity for maritime environmental surveillance using an Aquanaut with the Singaporean government.

Among the other items in the pipeline, Nauticus has also tendered a bid, in partnership with Schlumberger in Brazil, for work with Petrobras. Possible award for that multiyear/multimillion dollar contract is imminent. Nauticus is also under contract with Shell and progressing toward a service contract pilot in the Gulf of Mexico for fall 2022. Additionally, in April 2022, Nauticus signed a Memorandum of Understanding with Wood, Plc, an engineering and consulting firm in the United Kingdom for the purpose of jointly pursuing subsea inspection services for oil & gas and wind markets. Pursuant to the Memorandum of Understanding agreement, each party will utilize its expertise and capabilities to deliver subsea inspection services to specific targeted markets.

Lastly, Nauticus recently announced its intention to launch a "robotic navy" comprised of Hydronaut and Aquanaut pairs, which publicized Nauticus' strategic plans to grow its commercial services fleet to markets in the North Sea, offshore Brazil, and the Asian-Pacific region. This initiative is part of an overall financial plan, which includes the production of these units in order to perform subsea services in strategically important regions around world. Nauticus is currently working with legal and financial firms in the United Kingdom to assist in the development of a regional operations center in Aberdeen, Scotland, United Kingdom as well as in Norway. In 2023, Nauticus plans to expand operations in Brazil as part of an opportunity presented through Petrobras. In 2024, the opening of an operations center in Singapore is planned to provide a logistics and operations hub for the Asia-Pacific market. The Houston office plans to support Gulf of Mexico operations as they develop over the near term.

HaloGuard

The HaloGuard product is a red-zone safety monitoring system that utilizes methods derived from robotic perception to locate and identify individuals that have crossed into a designated safety zone. If the individual that has entered a designated safety zone is not authorized for that entry, an alarm will alert the operator. The system is capable of not only warning the operator through audible alarms and computer displays but is also capable of shutting down equipment moving in the safety zone. The HaloGuard is comprised of a network of perception sensors (cameras and time of flight sensors that measure distance to objects), an electronics rack for housing the computer system, and the HaloGuard software that includes the user displays and integrates the elements together to form the functioning safety system. The purpose of this system is to improve the safety of human workers in and around hazardous equipment.

In terms of process and performance obligation, after the HaloGuard components are assembled, the equipment is set up in a test area at Nauticus Robotics. The customer inspects the components, and a functional checkout of the system is performed. The customer then accepts the product and takes ownership of the HaloGuard system. It is at this point that the "title and risk of loss" passes onto our customers. Nauticus Robotics stores the equipment until arrangements for installation of the HaloGuard on the drilling rig have been put in place. Nauticus Robotics dispatches trained personnel to go to the drilling rig and install the HaloGuard. Installation services are billed to the customer when performed and accepted by the customer.

At Nauticus, the HaloGuard product was initially developed under funding from Transocean and shown in the table below as "THEIA" in 2019. After this initial funding, Nauticus Robotics assumed the cost of further development. After completion of the first system, Transocean ordered 7 separate installations on their drilling rigs and this revenue is shown in the table below as "Transocean — HaloGuard". In 2020, the HaloGuard was installed on the first Transocean drilling rig for testing and final acceptance. Subsequently, the HaloGuard was installed on 3 additional drilling rigs. The installation schedule was delayed due to the downturn in the energy market during the first year of the pandemic. As these systems have been installed, various purchase orders were negotiated with Transocean to improve the HaloGuard system, effect repairs, perform maintenance, etc. These revenues are shown in the table below as "Transocean NRE and Other". Work under these contracts funded ongoing product support and maintenance at Nauticus Robotics. Recently, Nauticus Robotics delivered a computer rack, alarm tower, and provided five (5) perception sensors for Salunda for installation (by Salunda) at a customer site. That revenue is shown in the table below as "HaloGuard — Salunda".

Contract terms for sales of this product to Transocean has been structured as a purchase of the various hardware and software elements of the system. Costs for installation and support are billed to Transocean separately.

As of the date of this prospectus, Nauticus Robotics intends to quickly phase out this product, which process is underway. As HaloGuard is a small market adjacency that was primarily executed as directed by Transocean, we are in the process of discontinuing our support relationship with this product and any further development. Nauticus has ceased all new operations with the product HaloGuard as of the beginning of the fiscal year 2022, and Nauticus will not have any legacy obligation to support this product after it is phased out.

Nauticus Revenue Generation by Service and Product Contract

Product/Contract	2021	2020	2019	Reason for Change
Jacobi Motors	—	69,029	1,276,758	Completed in 2020
DARPA	—	—	204,561	Completed in 2019
Exxon	—	—	140,000	Completed in 2019
Large Confidential Government Contractor	—	2,440,600	418,805	Completed in 2020 – Transition to project in 2021
Office of Naval Research	—	675,000	847,693	Completed in 2020
Transocean – HaloGuard	162,068	619,883	1,647,910	Fewer Orders Placed
Spiral	—	—	733,726	Completed in 2019
Transocean NRE and Other	332,767	189,928	122,963	Performed On As Needed Basis
Other	—	—	10,000	Performed On As Needed Basis

THEIA	—	—	420,377	Completed in 2019
Defense Innovation Unit	182,811	—	—	New Client in 2021
HaloGuard – Salunda	242,637	—	—	New Client in 2021
Large Confidential Government Contractor	2,614,221	—	—	Started in 2021
Large Confidential Government Contractor – Aquanaut Charter	756,666	—	—	Part of government contract
Large Confidential Government Contractor – Argonaut	4,300,370	—	—	Began Work in 2021
Total	8,591,540	3,994,440	5,822,793	

Costs and expenses

Cost of revenue

Cost of revenue increased by $2.8 million, or 69%, to $6.9 million for 2021, from $4.1 million for 2020. The increase in cost of revenue is attributed to the addition of three service contracts for 2021.

Depreciation

Depreciation decreased by $35 thousand, or 9%, to $365 thousand for 2021, from $400 thousand for 2020 due to the aging of selected categories of fixed assets during 2021.

Research and development

Total research and development expenses decreased by $1.4 million, or 29%, to $3.5 million for 2021, from $5.0 million for 2020. The decline was due primarily to a reduction in overall research and development activity.

General and administrative

Total general and administrative expenses increased by $1.0 million, or 31%, to $4.4 million for 2021, from $3.3 million for 2020. General and administrative expenses increased primarily due to an increase in Company activity and professional and other costs related to the filing of Form S-4.

Other income

Other income decreased by $8 thousand to $1.6 million for 2021 from $1.6 million in 2020. The decrease was due primarily to the reduction in other miscellaneous receipts and refunds.

Loss on Extinguishment of Debt

The Company recognized a loss on extinguishment of debt of $9.5 million for 2021 due to an amendment of outstanding contingently convertible notes to allow the notes to be converted into Nauticus common stock as of the closing date of the Business Combination between CleanTech and Nauticus. The amendment was treated as an accounting extinguishment of debt. A loss was recognized for the difference between the carrying amounts of the notes and their fair values as of the date the notes were modified.

Interest expense, net

Interest expense, net increased by $0.6 million to $0.7 million for 2021 from $0.1 million in 2020. Interest expense, net increased due to an increase in indebtedness during 2021.

Liquidity and Capital Resources

Sources of Liquidity

Nauticus' capital requirements will depend on many factors, including sales volume, the timing and extent of spending to support R&D efforts, investments in technology, the expansion of sales and marketing activities, and market adoption of new and enhanced products and features. As of June 30, 2022, Nauticus had cash and cash equivalents totaling $8.0 million. The cash equivalents consist of money market funds. To date, Nauticus' principal sources of liquidity have been proceeds received from the issuance of debt, equity funding from its principal owners and cash flow from operations.

At this time Nauticus does not generate sufficient revenue from its sales of subsea robots, services, and software to cover operating expenses, working capital and capital expenditures. However, Nauticus expects funds raised in a Business Combination from a merger agreement with CleanTech Acquisition Corporation, a special purpose acquisition company, including the PIPE private placement, to fund cash needs. Any equity securities issued may provide for rights, preferences, or privileges senior to those of holders of the Post-Combination Company's common stock subsequent to the Business Combination. If Nauticus raises funds by issuing debt securities, these debt securities would have rights, preferences, and privileges senior to those of holders of Nauticus Common Stock. The terms of debt securities or borrowings could impose significant restrictions on Nauticus' operations. The credit market and financial services industry have in the past, and may in the future, experience periods of uncertainty that could impact the availability and cost of equity and debt financing.

Nauticus has incurred negative cash flows from operating activities and losses from operations in the past as reflected in its accumulated deficit of $46.7 million as of June 30, 2022. Nauticus had total current assets of $14.6 million and total current liabilities of $34.0 million as of June 30, 2022. Management believes cash on-hand, including the funds raised in the Business Combination, together with revenue from the Company's existing and new contracts will be sufficient to meet its obligations for at least one year from the filing date of this document.

Cash Flow Summary

The following table summarizes our cash flows for the periods presented:

	Year ended December 31,		Six months ended June 30,	
	2021	2020	2022	2021
Net cash provided by (used in):				
Operating activities	$ (5,923,190)	$ (4,499,775)	$ (9,910,414)	$ (3,812,057)
Investing activities	$ (922,487)	$ 996,482	$ (3,080,199)	(3,008)
Financing activities	$ 24,500,364	$ 2,539,909	—	$ 6,339,256

Operating Activities

For the year ended December 31, 2020, net cash used in operating activities was $4.5 million. The primary factors affecting Nauticus' operating cash flows during this period were Nauticus' net loss of $7.2 million, offset by a customer advance of $1.8 million, non-cash expenses of depreciation and amortization of $0.4 million and stock-based compensation of $0.4 million, the non-cash impact of lease accounting implementation of $0.2 million, and net cash outflows of $0.2 million from changes in operating assets and liabilities.

For the year ended December 31, 2021, net cash used in operating activities was $5.9 million. The primary factors affecting Nauticus' operating cash flows during this period were its net loss of $15.1 million offset by the noncash loss of $9.5 million related to extinguishment of debt, non-cash expenses of stock-based compensation of $0.4 million, depreciation expense of $0.4 million, a $2.3 million increase in accounts payable and accrued liabilities and a $1.4 million reduction in contract liabilities.

For the six months ended June 30, 2022, net cash used in operating activities was $9.9 million. The primary factors affecting Nauticus' operating cash flows during this period were its net loss of $6.9 million, accounts receivable of $0.8 million, inventories of $2.4 million and other assets of $1.4 million offset by non-cash expenses of stock-based compensation of $0.4 million, depreciation expense of $0.2 million, amortization of debt discount of $0.3 million, $1.0 million increase in accounts payable and accrued liabilities and a $0.4 million reduction in contract liabilities.

Investing Activities

For the year ended December 31, 2020, net cash provided by investing activities was $1.0 million primarily due to the proceeds from short-term investments.

For the year ended December 31, 2021, net cash used in investing activities was $0.9 million due to the purchase of equipment.

For the six months ended June 30, 2022, net cash used in investing activities was $3.1 million due to the purchase of property and equipment.

Financing Activities

For the year ended December 31, 2020, net cash provided by financing activities was $2.5 million. The primary factor affecting Nauticus' financing cash flows during this period were proceeds from a notes payable of $3.0 million offset by payments of notes payable of $0.5 million.

For the year ended December 31, 2021, net cash provided by financing activities was $24.5 million. The primary factor affecting Nauticus' financing cash flows during this period were proceeds from a notes payables of $25.0 million offset by payments on notes payable of $0.5 million.

For the six months ended June 30, 2022, the Company had no net cash provided by or used for financing activities.

Contractual Obligations

Contingently Convertible Promissory Note

The following promissory notes were amended as of December 16, 2021 to allow the note to be converted into Nauticus common stock as of the closing date of the Business Combination between CleanTech and Nauticus. The notes also include an option permitting the notes to be converted into shares of preferred stock in the event of an additional financing by Nauticus. More information about each of these notes is included in Note 4 to Nauticus' financial statements for the years ended December 31, 2021 and 2020 included elsewhere in this filing.

Schlumberger Technology Corp. Contingently Convertible Promissory Note — In July 2020, the Company issued an unsecured convertible promissory note to Schlumberger Technology Corp. in the amount of $1,500,000, bearing interest at 4.25%, and was amended to extend the maturity date to December 31, 2022.

Transocean Inc. Contingently Convertible Promissory Note — In December 2020, the Company issued an unsecured convertible promissory note to Transocean Inc. in the amount of $1,500,000, bearing interest at 10%, and was amended to extend the maturity date to December 31, 2022.

Goradia Capital, LLC Contingently Convertible Promissory Note— On June 19, 2021, the Company issued an unsecured convertible promissory note to Goradia Capital, LLC in the amount of $5,000,000, bearing interest at 10%, and maturing on December 31, 2022.

Material Impact Fund II, L.P. Contingently Convertible Promissory Note — On August 3, 2021, the Company issued an unsecured convertible promissory note to Material Impact Fund II, L.P. in the amount of $5,000,000, bearing interest at 5%, and maturing on December 31, 2022.

In-Q-Tel, Inc. Contingently Convertible Promissory Note — On October 22, 2021, the Company issued an unsecured convertible promissory note to In-Q-Tel, Inc. in the amount of $250,000, bearing interest at 5%, and maturing on December 31, 2022.

Term Loan Credit Agreement

RCB Equities #1, LLC Term Loan Credit Agreement — On December 16, 2021, the Company entered into a Term Loan Credit Agreement with RCB Equities #1, LLC ("RCB") in the amount of $15,000,000 to provide funds for the Company's working capital and general corporate purposes. The note bears interest at 13% per annum and is payable in 18 monthly installments of interest only through its maturity date of June 16, 2023. A 2% commitment fee totaling $300,000 was paid upon loan inception and is presented as a debt discount. There is also a 5% exit fee totaling $750,000 is payable at the maturity date and is being accrued over the note term. The effective interest rate on the loan is approximately 17.7%.

Leases

The Company leases its office and manufacturing facility under a 64-month operating lease expiring April 30, 2024. The lease includes rent escalations and chargebacks to the Company for build-out costs. The right-of-use asset and lease liability amounts were determined using an 8% discount rate which was the interest rate related to the leasehold improvement obligation. More information about each of this lease is included in Note 6 to Nauticus' financial statements for the years ended December 31, 2021 and 2020 included elsewhere in this filing.

Off-Balance Sheet Arrangements

As of June 30, 2022, Nauticus has not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Related Party Transactions

As of June 30, 2022, Schlumberger owns 30% and Transocean owns 31% of the stock of Nauticus. See section above related to Contingently Convertible Promissory Notes above for more detail. In 2020, HMI issued convertible promissory notes to Schlumberger and Transocean, each with an amount of $1,500,000.

There are revenues, accounts receivable balances, and contract asset amounts from Transocean. Refer to Note 11— *Related Party Transactions* in Nauticus' financial statements for the years ended December 31, 2021 and 2020 and Note 9 in Nauticus' financial statements for the six months ended June 30, 2022 and 2021 included elsewhere in this filing for more details.

Critical Accounting Policies and Estimates

Nauticus prepares its financial statements in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that can significantly impact the amounts Nauticus reports as assets, liabilities, revenue, costs and expenses and the related disclosures. Nauticus bases its estimates on historical experience and other assumptions that it believes are reasonable under the circumstances. Nauticus' actual results could differ significantly from these estimates under different assumptions and conditions. Nauticus believes that the accounting policies discussed below are critical to understanding its historical and future performance as these policies involve a greater degree of judgment and complexity.

Stock-Based Compensation

Nauticus recognizes the cost of stock-based awards granted to its employees and directors based on the estimated grant-date fair value of the awards. Cost is recognized on a straight-line basis over the service period, which is the vesting period of the award. Nauticus elected to recognize the effect of forfeitures in the period they occur. Nauticus determines the fair value of stock options using the Black-Scholes option pricing model, which is impacted by the following assumptions:

- Expected Term — Nauticus uses the option's expected term
- Expected Volatility — As Nauticus' stock is not currently publicly traded, the volatility is based on a benchmark of comparable companies within the robotics and ROV technology industries.
- Expected Dividend Yield — The dividend rate used is zero as Nauticus has never paid any cash dividends on its common stock and does not anticipate doing so in the foreseeable future.
- Risk-Free Interest Rate — The interest rates used are based on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term equal to the expected life of the award.

The grant date fair value of Nauticus Common Stock was determined using valuation methodologies which utilizes certain assumptions, including probability weighting of events, volatility, time to liquidation, a risk-free interest rate, and an assumption for a discount for lack of marketability (Level 3 inputs).

Based on Nauticus' early stage of development and other relevant factors, it was determined that an Option Pricing Model ("OPM"), specifically the Black-Scholes OPM, was the most appropriate method for allocating our enterprise value to determine the estimated fair value of Nauticus Common Stock. Application of the OPM involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding its expected future revenue, expenses, and cash flows, discount rates, market multiples, the selection of comparable companies, and the probability of future events.

Accounting Extinguishments of Debt

The December 16, 2021 modifications of the five contingently convertible notes discussed above were treated as extinguishments of debt for accounting purposes because the conversion options were considered substantive. A loss on the extinguishment of debt totaling $9.5 million was recognized for the difference between the carrying amounts of the notes and their fair values as of the modification date. Because the fair values of the notes included a substantial premium above their face values and the contingently convertible options did not require bifurcation, the premium was recorded to additional paid-in capital.

The fair values of the contingently convertible notes were determined by an independent valuation specialist whose model considered the stated terms of the notes, the Company's effective borrowing rate for debt having similar terms and valuation of each of the convertible options. The conversion options were valued using the Black-Scholes option pricing model which is impacted by the following assumptions:

- Expected Term — Nauticus used the expected term of the Notes
- Expected Volatility — Since there is no public market for the Company's common stock, the expected volatility for options was determined based on a peer group of publicly traded companies. In evaluating similarity of this peer group, the Company considered factors such as stage of development, risk profile, enterprise value and position within the industry.
- Expected Dividend Yield — The dividend rate used is zero as Nauticus has never paid any cash dividends on its common stock and at the modification date had no plans to do so.
- Risk-Free Interest Rate — The risk-free rate was based on the U.S. Treasury yield curve in effect at the modification date for the time until maturity of the notes.
- CleanTech Stock Price — Nauticus used the publicly traded price of Cleantech's common stock at the modification date in valuing the conversion option in the event the merger is consummated.

- Nauticus Stock Price — Nauticus used the estimated fair value of the Company's common stock as of the modification date.

The Company referenced its recent term loan borrowing with RCB to estimate its effective borrowing rate for debt having similar terms. The effective rate used was 17.7%.

The fair values of each component of the contingently convertible notes were probabilistically weighted to determine the overall fair value of each note. This probability weighting considered the likelihood that the planned merger of Nauticus and Cleantech will be completed, the probability of additional financing as well as the probability of a cash repayment of the notes at maturity if the conversion options are not exercised.

Revenue Recognition

The Company's primary sources of revenue are from providing technology and engineering services and products to the offshore industry and governmental entities. Revenue is generated pursuant to contractual arrangements to design and develop subsea robots and software and to provide related engineering, technical, and other services according to the specifications of the customers. These contracts can be service sales (cost plus fixed fee or firm fixed fee) or product sales and typically have terms of up to 18 months. The Company has limited product sales as its core products are still under development. Product sales to date have been for HaloGuard, a red zone monitoring solution we developed.

A performance obligation is a promise in a contract to transfer distinct goods or services to a customer. The products and services in our contracts are typically not distinct from one another. Accordingly, our contracts are typically accounted for as one performance obligation.

The Company's performance obligations under service agreements generally are satisfied over time as the service is provided. Revenue under these contracts is recognized over time using an input measure of progress (typically costs incurred to date relative to total estimated costs at completion). This requires management to make significant estimates and assumptions to estimate contract sales and costs associated with its contracts with customers. At the outset of a long-term contract, the Company identifies risks to the achievement of the technical, schedule and cost aspects of the contract. Throughout the contract term, on at least a quarterly basis, we monitor and assess the effects of those risks on its estimates of sales and total costs to complete the contract. Changes in these estimates could have a material effect on the Company's results of operations.

Cost plus fixed fee contracts are largely used for development projects.

Firm-fixed price contracts provide products or services generally over an agreed upon time frame for a predetermined amount. Firm-fixed price contracts present the risk of unreimbursed cost overruns, potentially resulting in lower-than-expected contract profits and margins. This risk is generally lower for cost plus fixed fee contracts which, as a result, generally have a lower margin.

Service revenue included equipment operating lease income in 2021 recognized based on the contractual cash lease payments for the period.

Performance obligations for product sales typically are satisfied at a point in time. This occurs when control of the products is transferred to the customer, which generally is when title and risk of loss have passed to the customer.

Contract assets include unbilled amounts typically resulting from sales under contracts when the cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Contract assets are recorded at the net amount expected to be billed and collected. Contract liabilities include billings in excess of revenue recognized and accrual of certain unsatisfied performance obligations.

Emerging Growth Company Status

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable.

CleanTech is an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. Following the consummation of the Business Combination, the Post-Combination Company will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which the market value of CleanTech Common Stock that is held by non-affiliates exceeds $700 million as of the end of that year's second fiscal quarter, (ii) the last day of the fiscal year in which the Post-Combination Company has total annual gross revenue of $1.07 billion or more during such fiscal year (as indexed for inflation), (iii) the date on which the Post-Combination Company has issued more than $1 billion in non-convertible debt in the prior three-year period or (iv) the last day of the fiscal year following the fifth anniversary of the IPO closing date, and the Post-Combination Company expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare the Post-Combination Company's financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

Recent Accounting Pronouncements

See Note 2 to Nauticus' financial statements for the six months ended June 30, 2022 and 2021 or years ended December 31, 2021 and 2020 included elsewhere in this prospectus for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the date of this prospectus.

Internal Control Over Financial Reporting

Nauticus has identified a material weakness in its internal control over financial reporting. This material weakness could continue to adversely affect Nauticus' ability to report its results of operations and financial condition accurately and in a timely manner.

Nauticus management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with GAAP. Nauticus' management is likewise required, on a quarterly basis, to evaluate the effectiveness of its internal controls. Nauticus has identified a material weakness in its internal control over financial

reporting, such that there is a reasonable possibility that a material misstatement of Nauticus' annual or interim financial statements will not be prevented or detected on a timely basis.

Nauticus identified certain deficiencies in internal control over financial reporting including a lack of segregation of duties within the accounting function and systems, and inadequate procedures for the accounting close process including obtaining information supporting significant accounting estimates and judgments affecting the financial statements on a timely basis. As a result, Nauticus management concluded that a material weakness existed in its internal control over financial reporting. As a result of this material weakness, Nauticus' management concluded that its internal control over financial reporting was not effective as of December 31, 2021.

To address this material weakness, Nauticus has engaged a technical accounting and financial reporting consulting firm to assist the company with (i) its financial accounting close, (ii) the application of technical accounting literature, (iii) the preparation of its financial statements, and (iv) the independent audit of its financial statements. Nauticus' plan is to employ additional financial and accounting personnel in key finance and accounting positions. The company has identified some new personnel and expects to secure their full-time employment by the end of third quarter 2022. As of August 31, 2022, Nauticus filled positions of Senior Accountant and Accounts Receivable to remediate this weakness in its internal controls. In addition, Nauticus added a Chief Financial Officer and transition one contracted personnel to Vice President of Accounting to strengthen its internal controls and financial reporting. Nauticus also plans to transition one other current contracted personnel to a position of Corporate Controller. Nauticus is also strengthening internal controls over financial reporting by implementing an Enterprise Resource Planning system ("ERP"), a software used to automate business processes, containing workflows and business rules that ensure process is followed by approved policies, roles, and procedures. The Company expects to complete the ERP implementation by year end December 2022.

The resulting fully integrated system will enhance financial reporting and transactional interfaces. Nauticus will also add RaaS operations personnel as required when the production Aquanauts are completed, commissioned, and put into service. Nauticus' management will make an assessment of these remediation steps and add additional staff, if necessary to remediate the weakness. In 2022, we expect to complete implementation of a new enterprise resource planning system supporting day-to-day business activities including accounting, procurement, project management, supply chain and operations. Finally, we have taken steps to strengthen our financial close process and ensure information is obtained timelier to support preparation of our financial statements in accordance with U.S. GAAP.

We expect to incur on-going significant costs to meet the corporate governance provisions of the Sarbanes-Oxley Act of 2002, related regulations of the SEC and the requirements of the NASDAQ, with which we are not required to comply presently as a private company. Complying with these statutes, regulations and requirements will occupy a significant amount of time for our board of directors and management and will significantly increase our costs and expenses.

While we believe these actions will address the reported material weakness, we can give no assurance that these will remediate this deficiency in internal control or that additional material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our financial statements that could result in a restatement of our financial statements and cause us to fail to meet our reporting obligations.

Any failure to maintain such internal control could adversely impact Nauticus' ability to report its financial position and results from operations on a timely and accurate basis. If Nauticus' financial statements are not accurate, investors may not have a complete understanding of its operations. Likewise, if after the Business Combination, Nauticus' financial statements are not filed on a timely basis, Nauticus could be subject to sanctions or investigations by the stock exchange on which its common stock is listed, the SEC or other regulatory authorities. In either case, it could result in a material adverse effect on Nauticus' business. Ineffective internal controls could also cause investors to lose confidence in Nauticus' reported financial information which could have a negative effect on the trading of Nauticus stock.

Nauticus can give no assurances that the measures it has taken and plans to take in the future will remediate the material weakness identified or that any additional material weaknesses or restatements of financial results will not arise in the future due to failure to implement and maintain adequate control over financial reporting or circumvention of these controls. In addition, even if Nauticus is successful in strengthening its controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair preparation and presentation of our consolidated financial statements.

Quantitative and Qualitative Disclosures About Market Risk

Nauticus has not, to date, been exposed to material market risks given its early stage of operations. Upon the significant increase in commercial operations, Nauticus expects to be exposed to foreign currency translation and transaction risks and potentially other market risks, including those related to interest rates or valuation of financial instruments, among others.

Foreign Currency Exchange Risk

There was no material foreign currency risk for the six months ended June 30, 2022 and 2021, or years ended December 31, 2021 and 2020.

INFORMATION ABOUT NAUTICUS ROBOTICS, INC.

The following discussion should be read in conjunction with the information about Nauticus contained elsewhere in this prospectus, including the information set forth in Nauticus' consolidated financial statements and the related notes. Some of the information contained in this section or set forth elsewhere in this prospectus, including information with respect to Nauticus' plans and strategy for its business, includes forward-looking statements that involve risks and uncertainties. You should read the sections titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion. Unless the context otherwise requires, all references in this subsection to the "Company," "we," "us" or "our" refer to the business of Nauticus Robotics, Inc., a Texas corporation, and its subsidiaries prior to the consummation of the Business Combination, which will be the business of the post-combination company and its subsidiaries following the consummation of the Business Combination.

Overview

Nauticus Robotics provides 21st century ocean robotic solutions to combat the global impacts on the world's marine environment. The interconnected, purpose-built product ecosystem of both surface and subsea robots is powered by Nauticus' autonomous software platform that affords our robots real machine intelligence, not just automation. This approach will transform the industry to an economically efficient and environmentally sustainable model. Nauticus Robotics, Inc. was initially incorporated as Houston Mechatronics, Inc. on March 27, 2014, in the State of Texas. Nauticus' principal corporate offices are located in Webster, Texas. The Company is developing an ecosystem of ocean robots that are controlled through an AI-driven cloud software platform which enables a sliding scale spectrum of autonomous operations — from direct operator control to complete hands-off, robot self-sufficient control. Instead of the conventional tethered connection between the operator and the subsea robot, Nauticus has developed an acoustic communication networking, compression, and protocols that allows the robot to perform its tasks without a direct, cabled connection. This offering permits significant operational flexibility and cost savings over the methods currently deployed in the marketplace.

The full range of Nauticus ocean robot technologies combine to provide unique capabilities heretofore not seen in the commercial ocean market and delivered to the market at substantially reduced cost and reduced environmental footprint. Under the current subsea service paradigm, large vessels are deployed with ROVs/AUVs and supporting equipment to the work area. A large surface presence is required to control the robot through direct teleoperation of the vehicle and through robotic manipulators; including the launch, recovery, and transport of the asset to and from the worksite. Direct contact must be maintained with the ROV to provide the teleoperators with sufficient video feedback and transmit control signals. The direct communication requires a tether that is spooled on the deck and reaches depths in excess of 3,000m. The size of this equipment dictates the size of the surface vessel. A larger surface vessel results in a complex infrastructure that creates additional excessive costs. For example, a larger vessel requires more crew members to manage and operate the vessel while on station at a worksite (including transit to and from the work location. Additionally, from an environmental perspective, the GHG emissions from this style of operation can be as high as 70MT of CO_2 per day.

Unlike the current subsea service paradigm, Nauticus' approach features a system without the need for a high-capacity network (fiber) with a traditional ROV. This allows software and autonomy control most of the actions of the machines through a supervised autonomous acoustic network given that in communication is limited to low bandwidth signaling between our small surface ship (Hydronaut) and Aquanaut. These signals are transmitted through satellite communication or other mobile networks (e.g., 4G/LTE/5G) to a shore-based control center where operators "supervise" the actions of the Aquanaut. However, they are not in real time control as in the current paradigm. With no tether required, the ship only carries the Aquanaut and can, therefore, be much smaller. Smaller ships burn far less fuel and thereby (i) incur significantly less expenses, and (ii) reduce greenhouse gas emissions by a significant margin.

Products and Services

Nauticus' ocean robotic ecosystem is headlined by the Company's flagship product, Aquanaut, a vehicle that begins its mission in a hydrodynamically efficient configuration which enables efficient transit to the worksite (i.e. operating as an autonomous underwater vehicle, or AUV). During transit (operating in survey mode), Aquanaut's sensor suite provides capability to observe and inspect subsea assets or other subsea features. Once it arrives at the worksite, Aquanaut transforms its hull configuration to expose two work-class capable, electric manipulators that can perform dexterous tasks with (supervised), or without (autonomous), direct human involvement. In this intervention mode, the vehicle has capabilities similar to a conventional Remotely Operated Vehicles (ROV). The ability to operate in both AUV and ROV modes is a quality unique to Nauticus' subsea robot and is protected under a US Patent. To take advantage of these special configuration qualities, Nauticus has developed underwater acoustic communication technology, called *Wavelink*, Nauticus' over-the-horizon remote connectivity solution, that removes the need for long umbilicals to connect the robot with topside vessels. Eliminating these umbilicals and communicating with the robot through acoustic or other latent, laser, or RF methods reduces much of the system infrastructure that is currently required for ROV servicing operations and is at the heart of Nauticus' value proposition.

The Argonaut, a derivative product of the Aquanaut, is aligned at non-industrial, government applications. This vehicle embodies many of the Aquanaut's core technologies but varies in form and function necessary to perform specialized missions.

The component technologies that comprise the Aquanaut are also marketable to the existing worldwide ROV fleet. Aquanaut's perception and control software technologies, combined with its sensor platform and electric manipulators, can be retrofitted on existing ROV platforms to improve their ability to perform subsea maintenance activities.

Nauticus' robotic systems will be delivered to commercial and government customers primarily through a Robotics as a Service ("RaaS") subscription business model (a business model planned for future commercial services but not yet implemented), but also as direct product sales, where required — such as to the defense industries.

Nauticus' mission is to disrupt the current ocean service paradigm through the introduction and integration of advanced robotic technologies. These key technologies are autonomous platforms, acoustic communications networks, electric manipulators, AI-based perception and control software, and high-definition workspace sensors. Implementation of these technologies enables substantially improved operations at significantly reduced costs over conventional methods.

Nauticus' portfolio of robotics systems include:

- ***Aquanaut.*** The Aquanaut is designed to be launched from shore or off the back of an autonomous surface vessel to operate as a free-swimming subsea vehicle that is controlled through an acoustic communication system and capable of performing a wide range of inspection and manipulation tasks. The defining capability of Aquanaut is to operate in two separate modes — Inspection and Intervention. The Inspection mode involves the use of sensors during vehicle transit and the Intervention mode uses work class manipulators (Nauticus' Olympic Arms) to perform work in the subsea environment.

  The Aquanaut will be offered through RaaS (a business model planned for future commercial services but not yet implemented) and through direct sales to strategic clients. Nauticus has produced two units, one developmental and one is under contract in service with a Department of Defense customer. Three units are in production and were expected to be completed by the end of the third quarter of 2022. However, due to supply chain disruptions one of the Aquanauts is to be delivered in Q4 2022 and the remaining two (2) Aquanauts are to be delivered in Q1 2023 and commissioned in early 2023. The current production timeline for a single Aquanaut is six months, but Nauticus expects that timeline to decrease to three months in coming years, with production efficiency gains and economies of scale. Nauticus expects that it will be able to sell, lease, or add to its commercial service fleet each Aquanaut within a maximum of 90 days of completed production.

- ***Argonaut.*** A derivative of the Aquanaut vehicle is the Argonaut which has enhanced capabilities for transit and autonomous operations. This vehicle has been orchestrated to provide Nauticus' government-facing customers with the capabilities to perform their specialized mission scenarios. The Argonaut is completing final assembly in our facility. Upon completion, expected in the third quarter of 2022, the first Argonaut vehicle will undergo commissioning in the Gulf of Mexico leading to its acceptance by the customer, a Large Confidential Government Contractor, for further use in US government applications. Specifically, this vehicle will be used by a Large Confidential Government Contractor, in conjunction with Nauticus, to perform under a current contract. This product and other variants are already available for direct sales to U.S. Department of Defense entities, contractors, and is planned for future commercial services through a RaaS contract for ongoing services.

  Since there is very little difference between Argonaut and Aquanaut except for the outer mold line ("OML"), and minor navigational and other sensors, the current production timeline for a single Argonaut is also six months. But Nauticus expects that timeline to similarly decrease to three months in coming years. Nauticus expects that it will be able to sell or lease an Argonaut within 90 days of completed production.

- ***Olympic Arm.*** An all-electric, work-class manipulator built to serve ROV and hovering and resident AUV markets, providing an electric advantage that allows for more perception-driven decision making for semi-autonomous tasking. The current existing hydraulic solutions are undesirous for both operating costs and environmental concerns. Fully electric systems that make use of advanced sensing and control techniques will increase reliability and reduce time-on-task (vessel days saved). Further the all-electric architecture helps prevent hydraulic oil spills for the current offering for more environmentally sensitive areas. (e.g., North Sea, Canada, etc.).

  The Olympic Arm is currently offered as both a standalone product and as a component to both the Aquanaut and in future models of the Argonaut. As such, the Olympic Arm is offered both through direct sales and is planned for future commercial services through RaaS. As a standalone product, Nauticus is preparing to deliver the first unit to the first customer, IKM Subsea, followed by a second unit to an additional customer by the end of the first quarter of 2023. The current production timeline for a single Olympic Arm is two months, but Nauticus expects that timeline to decrease to one month in coming years, with production efficiency

gains. Nauticus expects that it will be able to sell or lease an Olympic Arm, or incorporate it into an existing product order, within 90 days of completed production.

- ***ToolKITT.*** This software suite is a multi-layered, multi-tool, software platform that can operate the Aquanaut, Argonaut, Olympic Arm, or other 3rd party ocean robotic vehicles through all mission phases. Its capabilities include navigational guidance, vehicle, and manipulator control as well as perception and planning and execution of tasks. ToolKITT is currently generating revenue through a Defense Innovation Unit contract. Under this contract, the ToolKITT operates and controls a 3rd party ROV called a VideoRay Defender (a "Defender ROV") to perform a set of tasks in support of subsea defense operations. Upon the successful completion of this contract, Nauticus will have the opportunity to license ToolKITT to the U.S. Department of Defense for use on their existing fleet of Defender ROVs.

- ***Hydronaut.*** A small, optionally crewed autonomous surface vessel that will support the real-time operations of Aquanaut in long range and deep water commercial applications. Hydronaut will ferry Aquanaut to and from the worksite and support battery recharging and the over-the-horizons communications link to shore.

  The first Hydronaut is currently fulfilling charter days for a Large Confidential Government Contractor, related to a Department of Defense customer. The lease agreement for Hydronaut 1 was based on a usage rate of $6,000 per day, with no fixed number of operational days, beginning on January 31, 2022. Through the four months ended April 30, 2022, the vessel had only been utilized three (3) days for a total revenue of $18,000. Hydronaut will support the RaaS model, when implemented, for Aquanaut. Nauticus will also independently offer Hydronaut through RaaS, when available, and currently offers Hydronaut through direct sales. Nauticus currently has one Hydronaut in service. It also has two more Hydronauts in production with Diverse Marine, in the UK, which were expected to be completed by the end of the first quarter of 2023. However, due to supply chain disruptions the two Hydronauts are expected to be completed and commissioned in Q2 2023. Nauticus expects that it will be able to sell, lease, or add to its commercial service fleet, a Hydronaut within 90 days of completed production.

Nauticus has an experienced team with deep operational expertise in bringing emerging technologies to market. Nauticus' engineering and design efforts are led by a highly experienced robotics team with over 200 years of cumulative robotics experience. Nauticus' core engineering team has been working together for over 10 – 15 years and has designed and deployed advanced robotics systems for both public and private market applications.

Nauticus' engineering process is a blend of Agile principles and a traditional phase-gate development workflows. The nature of robotics is highly intra- and multidisciplinary, containing both hardware and software components and requires a blend of both design methodologies. On the hardware side, Nauticus has created two design workflows (Standard Design and Simplified Design) that allow for quick-turn development as well as rigorous and detailed engineering work. Nauticus has also implemented a modified Agile Scrum workflow that allows for continual delivery of value, ability to change priorities, and resolve problems quickly.

Nauticus' principal executive offices are located at 17146 Feathercraft Lane, Suite 450, Webster, TX 77598. Our telephone number in the USA is (281) 942-9069. Additional company and product information is available at *www.nauticusrobotics.com*.

Current Operations and Transitions

Nauticus Robotics is transforming from a business where revenue was primarily generated through engineering service contracts, with both government and commercial customers, to a company that performs subsea robotic services through various technology-based products. Aquanaut is currently under a services contract with the government, through a Large Confidential Government Contractor, as a robotic platform for a government customer. In addition, Hydronaut 1 is also chartered under a Large Confidential Government Contractor, for program operations as a surface support vessel during Aquanaut subsea testing. The Olympic Arm product is being commissioned for its first delivery to IKM Subsea for acceptance testing under a purchase order agreement. The ToolKITT software is currently undergoing testing and trials with the Defense Innovation Unit on the VideoRay Defender ROV platform. The successful outcome of this testing will lead to the deployment of ToolKITT on the existing Defender ROV fleet (possibly resulting in 99 licenses) used by the U.S. Navy. These initial orders substantiate our belief that these products are emerging into a revenue generating status, although it is recognized by Nauticus that further commercial maturity will be required as these products are introduced and scaled into the market. The status of these products is "early stage" since the development of commercial success is concomitant with further improvements to these products based on additional market feedback.

Nauticus Robotics has successfully performed under previous projects and continues to advance subsea vehicles, manipulation, and autonomy technology space. Nauticus leverages its relationship with advanced technology areas of the U.S. Department of Defense to improve the capabilities of its products and advance their state-of-the-art.

Nauticus currently uses its surface vessel, the Hydronaut, for transport and communications node for the Aquanaut as it performs subsea tasks. This paradigm substantially reduces the size of the surface expression of the support infrastructure and thereby significantly reduces burning of hydrocarbon fuels during the work campaigns. Using these substantially smaller support vessels, with far fewer crew members (and eventually zero crew members), dramatically reduces costs. The autonomous/semi-autonomous operating modes of vehicles like the Aquanaut improve robot performance and reduce the time for task completion. Each of these key operational characteristics improves the efficiency of the service delivery and makes for a more environmentally sustainable operation.

Industry Background

Evolution of Aquatic Robotics

The modern ocean robotic vehicles known as unmanned underwater vehicles (UUVs) can be traced to work performed by the US Navy in the 1960's. As this technology developed through the 1970's and 80's, the oil and gas industry began to utilize this technology to support exploration projects in water depths that exceeded the capability of human divers. Since these beginnings, remotely operated vehicles (ROVs) and autonomous underwater vehicles (AUVs) have expanded their reach into many fields beyond the ocean energy marketplace. These robotic vehicles have played a key role in exploration and discovery as well as ocean rescue missions. Today, these vehicles are routinely used to perform a wide variety of tasks in support of many fields of use including offshore wind energy and aquaculture.

UUVs generally have two missions: data gathering or manipulation. They are operated in two distinct classifications — remotely operated or autonomous. The current vehicle designs are optimized and limited to performing one mission or the other. The long-range observation and data gathering missions are often oceanographic data, communication cable inspections, or subsea topographical surveys. These vehicles are usually AUVs and are non-hovering, tetherless 'submarine shaped' hulls optimized for long range cruising. Not only do these platforms neglect any manipulation, it also makes them less than ideally suited for tasks requiring high maneuverability. There are some hovering AUVs and even some that offer limited manipulation. However, these hydraulic arms are very rudimentary add-on features incapable of complex coordination or more advanced concepts like goal directed, impedance-force control.

On the other hand, most manipulation missions are performed by ROV designs. These*tethered* robots are specifically aimed at subsea manipulation which are attached to topside support vessels for power and communication. As such, they take advantage of high data rates and the power rich environment afforded by the tether. Although operator fatigue is a notorious problem, most ROV operators are paid 'by the hour' and that has unfortunately held down advancing the state of the art in operational efficiency, control, or manipulation sophistication. And it is these exact technology advancements that are required in a communication poor, power limited environment.

There is an emerging need for the hybrid operation: a highly maneuverable platform that can perform manipulation work and also travel efficiently for tens of kilometers. This might include deployment from shore or from some other vehicle and then traveling large distances to then perform manipulation or observation work or both.

Market Opportunity

Although AUV and ROV technology has progressed over the years, the fundamental solution architecture has not changed from its beginning. Servicing missions at depth requires a large surface ship and for intervention tasks, tether spooling systems to be mounted and controlled from the vessel. Beyond the obvious mobilization/demobilization and operating costs of the ship, the tether system introduces its own set of operational challenges and constraints to account for entanglement and sea current-induced disturbances. The size and complexity of the tether system contributes to the size requirements of the vessel. The current paradigm typically includes onboard crew to operate the ROV, further increasing the vessel requirements. The current architecture drives the high cost of this service through the large size of the surface vessel combined with the encumbrance of the connecting cable between the surface vessel and the ROV.

The Nauticus Robotics solution addresses the primary factors that drive the cost of the current servicing paradigm. Eliminating the need for the several thousand meters of cable and therefore the onsite vessel and people using acoustic communications substantially reduces the cost of operations. In addition to removing the cost and maintenance of the cable, the surface vessel does not need to accommodate the size and complexity of this system, reducing its size and associated cost. Reducing the size of the surface vessel yields cost savings through reduced crew and vessel operating cost. Importantly, reducing the size of the surface vessel also substantially reduces the carbon expression during servicing operations.

Removing the cable, which provides high bandwidth communications between the surface and the ROV, while still performing dexterous manipulation tasks has been a central technical achievement of Nauticus Robotics. Increasing the autonomy of the ROV through artificial intelligence enables the full set of capabilities required by the market but achieved through low bandwidth data links. In this new control paradigm, high-bandwidth teleoperation gives way to low-bandwidth supervised autonomy. Taking the responsibility for robotic interventions from a real-time operator and placing it with the robot itself also improves performance of the system by reducing task completion times. This benefit results when the robot, not the operator, compensates for local disturbances while completing tasks in the workspace.

Another key benefit provided by Nauticus Robotics' Aquanaut is its unique ability to transform its hull to optimize performance during different phases of the mission. The AUV-style, hydrodynamically efficient hull configuration enables the robot to traverse long distances when performing subsea pipe or cable inspections. After this transit, the vehicle can transform its shape to expose workclass-capable manipulators to interact with its environment. This ability to transit long distances and then perform manipulation tasks is enabled by both the vehicle design as well as the freedom from a cabled surface connection. This unique capability of the Aquanaut brings new capacity to subsea robotic interventions and further disrupts the status quo.

Nauticus Robotics believes that these new technical advances will redefine how ocean intervention services are performed. However, it is possible that these beliefs will prove incorrect. For additional discussion of risks relating to operational and financial projections, please see "*Risk Factors — Nauticus' operating and financial projections rely on management assumptions and analyses. If these assumptions or analyses prove to be incorrect, Nauticus' actual operating results may be materially different from its forecasted results*."

The new and unique capabilities of the Aquanaut represent a significant market opportunity for Nauticus Robotics to disrupt the ocean services marketplace, especially given the lack of comparable systems.

The market for this technology is vast and covers several independent market segments including offshore renewables, oil & gas, telecommunications, aquaculture, mining, defense, ports, and shipping just to name a few. The worldwide energy (O&G & Wind) IMR services market is projected to grow based on aging assets with O&G, and asset growth with Offshore Windfarms.[1] Over the next 4 years, there will be tremendous growth of wind farm infrastructure installed into the global offshore market.[2] Currently, 25GW of offshore renewables are installed off the coast of Europe with expectations to double by 2030. The Biden Administration announced the installation of 30GW of offshore renewables by 2030 to be installed off American shores. In total, that would include around 15,000 more wind turbines to be installed in just the United States and Europe. Today these markets are served by service companies offering Vessel based services with the cost of these services being split substantially on the cost to operate the vessel over the ROV.

1 Source: *https://www.westwoodenergy.com/reports/world-rov-operations-market-forecast-2019-2023.*
2 Source: *https://gwec.net/global-offshore-wind-report-2021/*.

Overall, the Defense market is expected to perform strongly in the next 5 years as geopolitical tensions continue to indicate that peer competitor and near-peer competitor engagements are likely in the ocean domain. The U.S. Department of Defense periodically issues Offset Strategy reports that summarize strategic planning and analysis as guidance for future technology investments. As highlighted in the 3rd Offset Strategy, unmanned systems especially in the maritime domain will be front and center and see heavy investment. Highlighted by the inherent stealth of the undersea domain presents, this will see sharp increase in development spending and acquisitions. In general, the geo-political tension drives defense spending for reconnaissance and covert littoral battlefield, and deepwater assets such as Aquanaut and our customers have affirmed this belief. COVID-19 has had a minimal effect on defense spending on our products. We have seen some increase in discretionary spending even while COVID-19 has caused a decrease in government spending in other areas. We do not expect a reduction in spending from supporting agencies.

The use of technology like Aquanaut is a significant topic in port security and management but is difficult to properly assess through industry reports alone. Due to this, our findings through target customer interactions is the size of the port and security market and expected adoption in the next 3 – 5 years will be substantial. As a point of reference, there are over 800 major ports worldwide and Aquanaut can address the work required to assess port seabed conditions, vessel hull anomalies, sensor placements and retrievals, change detection monitoring and unauthorized vessel detection. We plan to have multiple service offerings for the Port and Harbor Security Market through vehicle sales and leases to the customer, including all equipment necessary to conduct Aquanaut missions. This will lead to Autonomy as a Service, using the ToolKITT and a behavior development license agreements for our customer base. Aquanaut is an excellent multi-tool, but many of the 'tools' required for the vehicle are software based. Due to the specific nature of security requests, we believe that custom development will be a requirement. We plan to provide over the air updates from our Houston based engineering team will ensure that vehicles are equipped and qualified with the latest behaviors in our autonomy framework. We believe we will have a residual revenue opportunity through a long term license for the autonomy updates.

Aquaculture is expected to increase significantly. With the world's population on course to reach 9.7 billion by 2050, the global demand for protein is expected to grow by 40%.[3] One way to meet our protein needs is to sustainably maintain both wild fish reserves and farmed fish. Furthermore, the rising trend of smart fishing and the increase in seafood trade is also propelling the demand for aquaculture products. Major factors driving the growth of the market include rising demand for protein rich aqua food across the world, rapid adoption of advanced technologies — IoT, artificial intelligence (AI), feeding robots, and underwater remotely operated vehicles (ROVs) on aquaculture farms;

increasing investment and rising R&D expenditure in aquaculture technology worldwide; and the growing popularity of land-based recirculating aquaculture systems.

The most addressable portion of this market today is associated with how Salmon is farmed in both Norway and Chile, South America. Regular net cleaning is important to maintaining the health of the fish and the current man in the loop semi-automated cleaners damage the netting over time and nets break. When the nets break the fish are lost, but the farmers are also fined for allowing farm fish to escape into the wild population of fish. Aquanaut-type and Aquanaut technologies could reside within the farm, clean the net more regularly, in a less aggressive manner that reduces net wear. This robot could also use its machine vision technology to measure and classify the net wear characteristics over time which would trigger preventative maintenance in order to avoid nets break, and by doing so avoid the fine.

The Nauticus Robotics Solution

We are developing a portfolio of ocean robotic vehicles and manipulators controlled by our multi-layered software suite. This software provides sensed perception of the environment combined with guidance, navigation, and control of the vehicle. Additionally, the software suite provides cutting-edge intelligence to control the dual arm manipulators to perform dexterous tasks. Complex task execution without a high-bandwidth tether to the robot necessitates a command-and-control architecture that permits local command authority as well as a level of self-sufficiency to execute high-level, human-directed tasks. Many studies have demonstrated that naive implementation of autonomy can result in opaque systems unless a focus of the system architecture is the interdependence between human and robotic system. Besides basing our success metrics on operator mental burden, advances in three key areas will differentiate this architecture. Those areas are automatic task planning, probabilistic-based perception, and novel data compression.

[3] Source: Henchion M, Hayes M, Mullen AM, Fenelon M, Tiwari B. Future Protein Supply and Demand: Strategies and Factors Influencing a Sustainable Equilibrium. Foods. 2017;6(7):53. Published 2017 Jul 20. doi:10.3390/foods6070053.

Our technological innovations also include:

- A subsea vehicle that can transform its hull shape from a hydrodynamic transit vehicle to a working ROV mode that exposes two workclass manipulators
- A multi-layered software subsystem that handles vehicle control, perception, and manipulation that are supported through machine learning paradigms
- An acoustic-based mesh network communication system that provides multi-point communication capabilities between multiple subsea vehicles and the sea surface

We believe the primary drivers towards the adoption of Nauticus Robotics' products include:

- Substantial reduction in the cost to deliver subsea inspection, maintenance, and repair services will yield disruptive cost savings to customers
- Reduced carbon footprint provided by the reduction in size of the surface vessels required to perform work

Reduced number of crew exposed to offshore work hazards

- Additional cost savings through fewer vessel days due to improved operational efficiencies
- Reduction of hydraulic fluid leaks

We believe the benefits of our robotic systems will have clear implications across many industries including offshore wind, port security, aquaculture, traditional energy, subsea mining, and telecommunications.

Competitive Strengths

Differentiated and Proprietary Technology

Several key technical advances underpin the Nauticus Robotics ocean technology and service offering. Namely, an acoustic communication protocol and capability to control ocean robots and perform complex tasks without the need for a high-bandwidth, cabled connection between the operator and robot. The freedom from constraining tethers enables a freedom of movement that is unprecedented in previous ocean robotic archetypes. Taking advantage of a tetherless control paradigm motivates a vehicle that can transit long distances and then interact with objects in the workspace. This new type of subsea robotic archetype, which we call an Autonomous Underwater Robotic Vehicle (AURV) is capable of a changeable hull configuration that is efficient for transit and then transforms to expose manipulators used to perform tasks at a designated worksite. This new robotic vehicle archetype is protected for Nauticus Robotics by US patent.

Early Mover Across Key Markets

Nauticus Robotics has market tested its product portfolio through demonstrations to potential customers and discussions with industry leaders in the target markets. Prospective customer response has been positive and this has been reflected in the numerous paid studies under contract with major energy customers to detail the Nauticus solution to their use cases. Nauticus Robotics has organized an Advisory Panel with high-level representatives from commercial and defense markets that also serves as a focus group to test and guide Nauticus product development activities. Each of these members have offered their positive feedback regarding product features and capabilities.

Visionary and Experienced Management

We have an experienced team with deep operational expertise in bringing emerging technologies to market. Our team is led by Nicolaus A. Radford, our Chief Executive Officer who has over 20 years of experience with robotics and technical leadership. Our engineering and design efforts are led by a highly experienced robotics team with over 200 years of cumulative robotics experience, with our core engineering team trained in high-tech robotics at NASA and working together for over 15 years.

The nominees for the board of directors of the post-combination company have extensive experience across a wide array of disciplines including the industries that Nauticus intends to serve. This technical and commercial expertise will guide the production and delivery of complex hardware and software solutions to the market. For more information about the expected composition of the board of directors following the consummation of the Business Combination, see the section entitled "*Management of the Combined Company*."

Strategic Collaborators

We collaborate with market leaders in complementary technologies such as energy storage and sensors while nurturing market relationships with key customers. Our collaborations with high profile industry leaders provide valuable feedback that we believe will enhance our early mover advantage. We also expect that these relationships will provide us enhanced credibility and better lead generation and conversion of additional potential customers.

Growth Strategy

The key elements of our growth strategy include:

Accelerate the Development of our Robotic Systems

Nauticus Robotics is committed to the development of a complete ocean eco-system of robotic technologies. Each product is developed from an advanced automation perspective with focus on increased performance, lower cost, and environmentally friendly operations. The Nauticus product portfolio includes a new archetype of subsea vehicle, the AURV we call Aquanaut, that can change its configuration to optimize performance during various transit and manipulation phases of the mission. Our expertise in dexterous manipulation supports the deployment of electric, subsea manipulators that will be used by Nauticus for its own vehicles, but that also address a market need to retrofit existing ROV's with manipulators that have both workclass strength and reach envelopes. ToolKITT integrates total robot and vehicle functions that simplify operational control through 'mouse clicks', not joysticks. This superior approach to operational control of robots reduces both task times and mission cost. The Nauticus acoustic communication technology serves as a many-to-many data connection between multiple mobile assets in the marine environment. This technology enables multiple robotic actors to participate in complex servicing activities with over-the-horizon control by remote operators. These products combine to minimize mission execution cost, enhance safety, and enable the application of state-of-the-art robotic technologies to the needs of the ocean customer.

Continued Investment in Innovation

We will continue to invest significant resources in developing proprietary technologies across hardware, firmware, software, and controls to commercialize our robotic systems. We expect our research and development activities to focus on various sizes of vehicles and manipulators to meet different market needs. Improving network data communication to include both acoustic and optical modalities that optimize bandwidth over the near and far range is also a part of the development roadmap.

Our Product Platforms

We expect to offer a range of robotic systems that draw on our intellectual property, years of expertise, and innovative core technologies.

Aquanaut

The Aquanaut represents a new type of subsea vehicle that takes advantage of new subsystem technologies to bring best-in-class performance to the ocean realm.

We believe the following to be the key capabilities of the Aquanaut:

- Transformable hull design that enables efficient operations in transit (AUV mode) and at the worksite (ROV mode)
- All-electric design for both propulsion and manipulation

- Capable of operating under supervised autonomy and fully autonomous vehicle control modes
- Multi-modal sensor suite capable of creating a high resolution 3-D map of the near-space environment to support manipulation
- Onboard navigation that enables extended transit to a worksite

Hydronaut

An 18m long, optionally crewed vessel that will support the real-time operations of Aquanaut in commercial applications. Hydronaut will ferry Aquanaut to and from the worksite and support battery recharging and the over-the-horizons communications link to shore.

ToolKITT

ToolKITT is a cloud software platform consisting of interrelated products for ocean sensing, manipulation, autonomous behaviors, survey, search & recovery, and manual intervention. This functionality encompasses robotic controls, user interfaces, sensor integration, simulation, data analysis, and communication frameworks purposely built to enable work subsea. This software unifies all of Nauticus' products into a single control architecture. This system includes a communications middleware that orchestrates vehicle activities, performs updates, and enables multi-agent interaction and mission planning. However, the software platform can also be used across other robotic platforms in the ocean space and, theoretically, outside of the ocean domain as well.

This product embodies a complete command and control suite of software components that provide the intelligence necessary to transit and perform work with minimal interventions. Although the entire suite is comprised of the following components, each one is capable of existing independently, being seamlessly integrated into existing customer platforms and systems:

- ***Helmsman*** — Safe, efficient, reactive, on-board control system for maritime robotic platforms
- ***Commander*** — Mission planning, autonomy, and direct commanding of maritime robotic platforms
- ***Wayfinder*** — Perception-based mapping and world modelling
- ***Wavelink*** — Disruption-tolerant, secure, communication network for maritime robotic platforms
- ***Loggerhead*** — Data collection and analysis for customer data products and diagnostics

Olympic Arm

The Olympic Arm is an all-electric, work-class manipulator built to serve the remotely operated vehicle (ROV) as well as the hovering and resident AUV markets. These manipulators provide an electric advantage that allows for more perception-driven decision making for semi-autonomous tasking. The existing hydraulic solutions cannot

achieve this and therefore will be replaced in the pending recapitalization of the market. In other words, fully electric systems make use of advanced sensing and control techniques that will increase reliability and reduce time-on-task (vessel days saved). Further the all-electric architecture helps prevent hydraulic oil spills for the current offering for more environmentally sensitive areas. (e.g. North Sea, Canada, etc). This arm has similar kinematic characteristics to workclass ROV hydraulic arms currently used in the market and can be retrofitted into existing ROV designs.

- 6 – 7 actuated degrees of freedom
- All-electric design
- Force sensing and control
- Autonomous tasking and tool change capability

HaloGuard

The HaloGuard system is a restricted access monitoring and control system powered by deep Learning algorithms that are deployed into hazardous operational areas. HaloGuard is currently deployed for redzone management in offshore platforms.

Competition

Current Solutions:

Ocean Services utilizing AUVs/ROVs are based on vessel companies contracting two ways with clients — Long Term Annual Contracts and Spot Market Contracts. ROV Vessels — the price ranges from $40k/day to $100k/day depending upon specification of vessel with ROVs at $8k/day to $10k/day. These vessel companies either own their own fleet of AUV/ROVs or they subcontract with an AUV/ROV services providers. The mobilization and demobilization costs of the equipment is an additional service fee, the majority of the time. AUVs are utilized within the market differently than ROVs with smaller survey vessels used that do not have crane systems or DP2 position control classification. These types of vessels will cost up to $60k/day with the AUV related costs being between $10 – 20k/day.

Sample of Traditional Energy Market Service Providers:

- Oceaneering*
- Subsea 7*
- Fugro*
- DOF
- C-Innovations
- Helix
- Saipem*

(*build their own ROVs and buy Hugin AUVs from Kongsberg).

Sample of Platform Manufacturers (Product Sales):

- Forum
- TechnipFMC (now moving into services)
- SMD
- SAAB

(Products are sold to service providers with a margin rate ranging from 30 – 50%.)

Sample of Autonomous Surface Vessel coupled to Subsea Platform Assets:

- Ocean Infinity
- Reach Subsea
- Fugro

Drawbacks to the current business model:

Contracting is based on discrete services being rendered, and value gets converted into a day rate. There is an emphasis on how the job is done and not what job is done, and it is billable accordingly. For example, the entire work process is broken down into steps and phases and the service contactor bills for each step. There are mobilization costs, trip costs, stand by costs, actual onsite costs, costs for tooling, demobilization costs, etc.

Customers and Partners

Nauticus Robotics is actively engaged in the development of specialized ocean vehicles for the U.S. Government interests. In this work, we are teaming with a Large Confidential Government Contractor to deliver ocean vehicles that meet the challenging objectives of the US Services. At times, we are a direct performer for the Defense Advanced Research Projects Agency for the development of advanced ocean capabilities.

For go to market in commercial ocean services, Nauticus Robotics has teamed with local service providers in the North Sea to leverage their relationships with customers operating in this active region for ocean energy services. Through our investment relationship with both Transocean, Inc. and Schlumberger, we have in place a global footprint of opportunities to pursue and infrastructure that can be leveraged to expedite service deployments.

Customers

Nauticus Robotics currently has developed two models of subsea robots — Aquanaut and Argonaut. The vehicles both exhibit the ability to traverse long distances, transform its hull to expose dual robotic manipulators, perform robotic tasks, and then return to the launch site or other predetermined location. The Aquanaut is designed to meet commercial requirements related to performing inspection, maintenance, and repair work in subsea oil and offshore wind energy applications. Its capabilities also satisfy the requirements established for port security and maintenance, aquaculture, and telecommunications or subsea mining markets. In this setting, the vehicle performs a variety of tasks, including inspection, maintenance, and repair of customer assets. The Argonaut is designed for a different mission set that is driven by the needs of the U.S. Department of Defense. The Argonaut is distinguished from the Aquanaut in several ways, but most importantly, this vehicle is capable of extended range during transit. Other distinguishing features include a different sensor complement and improved autonomous behaviors. Nauticus has created two separate vehicles for two important markets in order to allow each vehicle to evolve to meet the requirements of their respective market. But more importantly, the Argonaut contains technology that makes it ITAR restricted whereas the Aquanaut does not contain such technology.

The Aquanaut is currently under contract, through Nauticus' subcontract with a Large Confidential Government Contractor, for a government customer. The initial Aquanaut commercial fleet is planned to begin deliveries to the United Kingdom in the fourth quarter of 2022, where it will be tested and qualified in the North Sea. The two (2) remaining Aquanauts are to be delivered in the first quarter of 2023. Initial opportunities for commercial work will be through Ramfjord Technologies and/or Stinger Technology. Nauticus Robotics has executed a Memorandum of Understanding (MOU) with both of these companies to pursue opportunities in the North Sea.

In addition, Transocean, Inc., the world leader in offshore drilling for oil exploration and production, has been an invested partner with Nauticus since 2018. Opportunities to deploy Aquanauts off Transocean drilling rigs has already been extensively discussed between Nauticus and Transocean.

The first Argonaut is in testing and is scheduled for acceptance in late 2022 by a Large Confidential Government Contractor. The Argonaut is outfitted with special sensors and equipment to support its deployment on specialized missions for various U.S. defense and intelligence agencies.

Nauticus also plans to leverage its Collaboration Agreement with a Large Confidential Government Contractor to pursue business opportunities in these markets. The Collaboration Agreement was entered into on December 4, 2020, for a term of two years. The Collaboration Agreement covers the design, integration, and assembly of a modified vehicle and integrated systems.

The Collaboration Agreement serves to give Nauticus Robotics access to classified markets within the government and defense industries. This access to the classified markets is greatly simplified by the Collaboration Agreement as at present Nauticus does not easily possess access to this particular customer base, which includes U.S. government intelligence agencies. The Collaboration Agreement subsequently will foster and provide Nauticus with greater access to contracts with U.S. government agencies and entities (among other opportunities within the classified defense/governmental arena). The Collaboration Agreement establishes a mutually beneficial arrangement that provides an administrative buffer between Nauticus Robotics and the eventual end customer requiring special security oversight and data controls. This agreement is also competition sensitive. A copy of the Collaboration Agreement is included as Exhibit 10.31 hereto.

In addition to the subsea vehicles, Nauticus has signed a Purchase Agreement with IKM Group in Norway for an Olympic Arm — Nauticus' all-electric, work-class, subsea manipulators. This robotic arm is set to be delivered to the IKM Group by the end of the third quarter of 2022 and undergo work in Norway. These manipulators are targeted for the existing ROV fleet of commercial subsea service providers, such as Oceaneering International, SMD, and Fugro.

Nauticus has also developed a full featured software stack, called ToolKITT, that provides autonomous and semi-autonomous control modes covering all aspects of subsea vehicle missions. This software, although indigenous to Nauticus' own subsea vehicles, can also be deployed in existing ROV's to enhance and expand their operational capabilities. This software is currently showcased in the Defense Innovative Unit contract as the intelligent machine driving the VideoRay Defender ROV. At the conclusion of this contract, Nauticus will have the opportunity to deploy this software system under license to the U.S. Navy for use on their existing Defender ROVs.

Material Contracts

Nauticus has derived significant revenue from its U.S. Department of Defense related contracts and customers. Recently, due to security clearance implications, these contracts have primarily functioned as a subcontractor to a traditional U.S. government contracting company, whereby that Large Confidential Government Contractor administers the contract and handles any sensitive and classified access to the information and mission sets. Most recently, a particular phase of the U.S. Department of Defense program that we have been involved with for a couple of years was subcontracted to a Large Confidential Government Contractor, which began in June 2021 and will run through December 2022. Subsequent phases of this contract will run to mid-2024. This contract is to develop highly advanced autonomous subsea vehicles that provide autonomous navigation and manipulation capabilities for use on Nauticus' Aquanaut and Argonaut vehicles. In this contracted program, the U.S. Department of Defense has also signalled its intent to purchase an additional Argonaut vehicle from Nauticus for $10.69mm. Additionally, the contract leases the Aquanaut subsea vehicle for data collection, manipulation autonomy, and operational use in support of this program.

Nauticus is also a prime contractor for the Defense Innovation Unit and has a contract to integrate the Nauticus ToolKITT software platform with the VideoRay Defender ROV platform. This software will substantially improve the VideoRay Defender's autonomy and capability to perform specialized missions for the U.S. Navy.

These contracts mentioned herein are included as Exhibits 10.24 and 10.25 to this prospectus.

In addition to these material contracts, Nauticus is also the counterparty of various manufacturing and supply agreements that are included herein as Exhibits 10.20, 10.21, 10.22, 10.23, and 10.24. A summary of their key terms are included in the chart below.

Exhibit	Agreement	Key Terms
10.20	Battery Supplier Agreement, dated as of January 18, 2021	Purpose: Li-ion subsea battery supply Term: Approximately 1 year from quote to delivery Termination: Contract delivery complete
10.21	Fabrication Agreement, dated as of January 17, 2022	Purpose: Outsourced Manufacture of Aquanauts Term: 9 months (Time and Materials) Termination: 7 days notice

10.22	Construction Agreement, dated February 14, 2022	Purpose: Fabrication of two Hydronaut vessels Term: Approximately 1 year Termination: By written notice, subject to breach of fundamental terms, insolvency, and other requirements therein.
10.23	Commercial Proposal, dated December 6, 2021	Purpose: Purchase of Drix vehicle for use with Aquanaut Term: Approximately 7 months Termination: Upon breach (without remedy within 30 calendar days), termination of order, and other requirements therein.
10.24	Defense Innovation Unit Agreement, dated August 10, 2021	Purpose: Purchase order of supplies/services Term: Approximately 24 months Termination: By government with written notice and other requirements therein.

Research and Development

The Nauticus Robotics engineering team includes multi-disciplinary skills in mechanical engineering, electrical engineering, artificial intelligence, systems engineering, and computer science. The technical team is composed of research engineers from NASA's Johnson Space Center robotics lab and balanced by roboticists from the subsea energy and commercial robotics sectors. Key technical elements of solutions for space robotics are migrated by this engineering team to the ocean realm and applied to the Aquanaut platform. The focus of this team is the development of ocean vehicles that can perform dexterous manipulation with limited and latent communication between the robot and operator.

Our Agile-based research and development processes emphasize rapid prototyping, testing, and design iterations to meet market-driven requirements.

Sales and Marketing

Our commercial sales and marketing efforts will be direct to customers as well as through teaming agreements with complementary service providers. The North Sea, Gulf of Mexico, Southeast Asia, and offshore Brazil are all areas where near term business is anticipated through commitments from customers and service providers. The sales of Argonaut will take advantage of our existing relationships within the defense industry, both direct to government officials as well as through our ability to subcontract through other government contractor organizations.

We intend to operate on a RaaS business model (a business model planned for future commercial services but not yet implemented) for commercial services supported by the Aquanaut platform. This approach emphasizes the recurring revenue model for extended service contracts and transfers customer expenditures from capital to operating expenses.

Manufacturing and Suppliers

As part of the original development of engineering prototypes, Nauticus Robotics has established supplier relationships with key COTS and custom part manufacturers. Consideration is given within our international supply chain for redundancy, where possible. In cases of limited supplier options, Nauticus Robotics initiates procurement early in the manufacturing schedule to mitigate risk of supply interruption.

Currently, Nauticus manages a supply chain with many suppliers that specialize in parts aimed toward subsea vehicles. A shared and key component of Aquanaut and Argonaut subsea vehicles is the energy storage system — a Li-ion battery. There are a variety of suppliers available to provide this battery subsystem. One battery, in particular, that Nauticus uses is from SubCTech, a German company. The batteries are a long lead time item and are ordered well in advance of the time they are required to be integrated into the vehicle. A copy of the most recent SubCTech battery contract is included as Exhibit 10.20. However, there are suitable replacement battery systems, and Nauticus is not dependent on SubCTech necessarily (e.g. Kracken). In the most extreme event that battery suppliers are unable to produce battery packs for Nauticus, Nauticus might and could resort to pulling that subsystem vertical and producing batteries for the subsea vehicles in house. Nauticus has tremendous battery design, manufacturing, and assembly expertise and former NASA energy systems division experts are on staff.

For parts and fabricated components, Nauticus is using an outsourced manufacturing strategy to fabricate Aquanauts (subsea vehicle) and Hydronauts (optionally crewed surface vessel). This strategy reduces in-house manufacturing and allows Nauticus to perform the final integration and functional acceptance test of the Aquanaut prior to shipping. Nauticus has three (3) Aquanauts that are under a fabrication contract with International Submarine Engineering (ISE) a British Columbia, Canadian company. Two (2) Hydronauts are under contract with Diverse Marine in the United Kingdom. The contracts for the ISE Aquanaut fabrication and the Diverse Marine Hydronaut vessel builds are included as Exhibits 10.21 and 10.22.

Nauticus also has a purchase contract with iXBlue (France) to purchase a Drix unmanned surface vessel. This vessel also pairs with the subsea Aquanaut as a communications node in place of the Hydronaut. A copy of the contract is included here as Exhibit 10.23.

As we progress toward production of our ocean vehicles, trade studies will be conducted to identify subassembly outsourcing options that will reduce the number of parts required in-house for final assembly at our facility. We recognize that the outsourcing trades may have advantages in limiting required lease space, tooling, and manpower requirements, but these benefits may be offset by quality control or other issues leading to full in-house assembly of the vehicles. Nauticus Robotics is committed to exploring the options that will lead to the most capital efficient manufacturing process and support our sales driven build schedule.

Government Regulation

In addition to our compliance regarding federal regulations affecting businesses of this type, Nauticus Robotics also maintains compliance with the International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR) governing the sale of our technology products. In addition to these commercial regulations, compliance with the U.S. Department of Defense requirements for safeguarding data and other sensitive information is a main focus of the organization.

Intellectual Property

The ability to obtain and maintain intellectual property protection through patent and trademark filings is important to our business. Nauticus Robotics utilizes a combination of the protections afforded to the owners of patents, copyrights, trade secrets, and trademarks to secure its intellectual property. In addition, Nauticus Robotics requires employment agreements which stipulate IP protections for the company. For external relationships, non-disclosure agreements and other contractual restrictions are used to establish and protect our intellectual property.

Nauticus Robotics will file for patent protection if the invention is believed to be patentable and the resulting patent will be beneficial in protecting the invention in the marketplaces. Consideration is also given, particularly with respect to software, as to the benefits of seeking a patent against the associated market risks of providing public exposure of the invention. In many cases with our software, Nauticus Robotics holds this code and algorithms as trade secrets.

Nauticus Robotics has patented its reconfigurable hull design for subsea vehicles. This approach protects the company's vehicle configuration that enables it to transit long distances and then transform into a working robot once at the worksite. This capability is key to exploiting the vehicle architecture and its tetherless operational modes. Similarly, Nauticus Robotics has applied for patent protection for its all-electric, workclass robotic manipulators. These manipulators are the first in their market class and utilize specialized actuation systems to achieve the strength performance necessary for workclass systems. Since this application is still in process, there is no assurance that the patent application will be accepted in its present form and may require adjustments to the present claims.

Nauticus Robotics has also filed for protection of our Company name and brand under trademark registration in the United States.

Legal Proceedings

Nauticus Robotics is not engaged in any legal proceedings and there is no legal action anticipated by the company.

Human Capital

Currently, Nauticus employs 90 personnel. These employees can be categorized into the following groups:

- Management: 11
- Business Administration: 12
- Business Development: 2
- Mechanical Engineering: 13
- Electrical Engineering: 8
- Software Engineering: 26
- Technicians: 16
- Interns: 2

Facilities

We operate in a corporate and manufacturing facility in Webster, Texas, USA. We currently occupy a facility that is has approximately 30,000 square feet of office, development, and manufacturing space pursuant to a lease that, under options to extend, we expect to expire in April, 2024. Should we need additional space, we believe we will be able to obtain additional space on commercially reasonable terms.

UNAUDITED PRO FORMA CONDENSED COMBINED AND CONSOLIDATED FINANCIAL INFORMATION

Defined terms included below have the same meaning as terms defined and included elsewhere in the Current Report on Form 8-K (the "Form 8-K") filed by the Company with the Securities and Exchange Commission (the "SEC") on September 6, 2022 and, if not defined in the Form 8-K, the Proxy Statement. Unless the context otherwise requires, "Nauticus" refers to Nauticus Robotics, Inc. prior to the Closing, the "Company" refers to Nauticus Robotics, Inc. (f/k/a CleanTech Acquisition Corp.) after the Closing, and "CLAQ" refers to CleanTech Acquisition Corp. prior to the Closing.

The following unaudited pro forma condensed combined and consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses" and presents the combination of the historical financial information of CLAQ and Nauticus adjusted to give effect to the Business Combination and related transactions.

CLAQ is a blank check company formed for the purpose of acquiring, through a merger, share exchange, asset acquisition, stock purchase, reorganization, recapitalization, or other similar business transaction, one or more operating businesses or entities.

The unaudited pro forma condensed combined balance sheet as of June 30, 2022 combines the historical balance sheet of CLAQ and the historical balance sheet of Nauticus on a pro forma basis as if the Business Combination and the related transactions contemplated by the Merger Agreement, summarized below, had been consummated on June 30, 2022. The unaudited pro forma condensed combined statements of operations for the for the six months ended June 30, 2022 and for the year ended December 31, 2021, combines the historical statements of operations of CLAQ and Nauticus for such periods on a pro forma basis as if the Business Combination and the related transactions, summarized below, had been consummated on January 1, 2021, the beginning of the earliest period presented.

The pro forma condensed combined financial information may not be useful in predicting the future financial condition and results of operations of the Company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The historical financial information of CLAQ was derived from the unaudited financial statements of CLAQ as of and for the six months ended June 30, 2022 and the audited financial statements for the year ended December 31, 2021. The historical financial information of Nauticus was derived from the unaudited financial statements of Nauticus as of and for the six months ended June 30, 2022 and the audited financial statements for the year ended December 31, 2021. This information should be read together with CLAQ and Nauticus' audited financial statements and related notes, the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations of CLAQ*," and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of Nauticus"* contained in the Proxy Statement.

Accounting for the Business Combination

The Business Combination is accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, CLAQ is treated as the "acquired" company for financial reporting purposes. Nauticus has been determined to be the accounting acquirer because Nauticus, as a group, have retained a majority of the outstanding shares of the combined company, they have nominated eight of the nine members of the board of directors, Nauticus' management will continue to manage the combined company and Nauticus' business will comprise the ongoing operations of the combined company.

The unaudited pro forma condensed combined balance sheet as of June 30, 2022 assumes that the Business Combination and related transactions occurred on June 30, 2022. The unaudited pro forma condensed combined and consolidated statement of operations for the six months ended June 30, 2022 gives pro forma effect to the Business Combination and related transactions as if they had occurred on January 1, 2021. CLAQ and Nauticus have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

These unaudited pro forma condensed combined and consolidated financial statements are for informational purposes only. They do not purport to indicate the results that would have been obtained had the Business Combination and related transactions actually been completed on the assumed date or for the periods presented, or which may be realized in the future. The pro forma adjustments are based on the information currently available and the assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information

Description of the Business Combination

On December 16, 2021, CLAQ entered into an Merger Agreement with the Merger Sub, and Nauticus. Pursuant to the terms of the Merger Agreement, a business combination between CLAQ and Nauticus was effected through the merger of Merger Sub with and into Nauticus, with Nauticus surviving the merger as a wholly owned subsidiary of CLAQ.

At the closing of the Business Combination, the total consideration received by Nauticus Equity Holders from CLAQ was an aggregate value equal to $300,312,900, as paid, in the case of Nauticus Equity Holders, solely in new shares of Common Stock. The new shares of Common Stock are deliverable to Nauticus Equity Holders and have been allocated pro rata after giving effect to the required conversion of all of the Nauticus securities into shares of Nauticus common stock. Based on the number of shares of Nauticus outstanding immediately prior to closing (together, solely for the purposes of this calculation, with additional Nauticus shares issued upon exercise of Nauticus Convertible Notes) on a fully-diluted and as-converted basis, taking into account the assumptions further described below, Nauticus Stockholders received 30,031,290 shares of Common Stock.

Following the closing of the Business Combination, former holders of shares of Nauticus Common Stock (including shares received as a result of the Nauticus Preferred Stock Conversion and the Nauticus Contingently Convertible Notes Conversion) each are entitled to receive their pro rata share of up to 7,499,993 additional shares of CLAQ Common Stock (the "Earnout Shares") if, within a 5-year period following the signing date of the Merger Agreement, the closing share price of the CLAQ Common Stock equals or exceeds any of three thresholds over any 20 trading days within a 30-day trading period (each, a "Triggering Event").

(i) one-half of the Escrow Shares will be released if, within a 5-year period following the signing date of the Merger Agreement, the volume-weighted average price of the Combined Company Common Stock equals or exceeds $15.00 per share over any 20 trading days within a 30-day trading period;

(ii) one-quarter of the Escrow Shares will be released if, within a 5-year period following the signing date of the Merger Agreement, the volume-weighted average price of the Combined Company Common Stock equals or exceeds $17.50 per share over any 20 trading days within a 30-day trading period; and

(iii) one-quarter of the Escrow Shares will be released if, within a 5-year period following the signing date of the Merger Agreement, the volume-weighted average price of the Combined Company Common Stock equals or exceeds $20.00 per share over any 20 trading days within a 30-day trading period.

The accounting treatment of the Earnout Shares shall be recognized at fair value upon the closing of the Business Combination and classified in stockholders' equity. Because the Business Combination is accounted for as a reverse recapitalization, the issuance of the Earnout Shares will be treated as a deemed dividend and since CLAQ will not have retained earnings, the issuance will be recorded within additional-paid-in-capital. The unaudited pro forma condensed combined financial information does not reflect pro forma adjustments related to the recognition of these shares because there is no net impact on additional paid-in capital on a pro forma combined basis.

Subscription Agreements

In connection with the execution of the Merger Agreement, CLAQ entered into subscription agreements (collectively, the "Subscription Agreements") with certain parties subscribing for shares of CLAQ Common Stock (the "Subscribers") pursuant to which the Subscribers have agreed to purchase, and CLAQ has agreed to sell to the Subscribers, an aggregate of 3,100,000 shares of CLAQ Common Stock, for a purchase price of $10.00 per share and an aggregate purchase price of $31.0 million. At the Closing, Nauticus issued 3,100,000 shares of Common Stock to the Subscribers. The Subscription Agreements contain customary representations and warranties and provide for certain customary registration rights with respect to the shares issued thereunder.

Securities Purchase Agreement

In connection with the execution of the Merger Agreement, CLAQ and Nauticus entered into Securities Purchase Agreement, with certain parties allowed to purchase up to an aggregate of $40.0 million in principal amount of the Debentures and warrants equal to 120% of the aggregate issued amount of the Debentures divided by the then conversion price, with an exercise price equal to $15.00 per share of CLAQ common stock, subject to adjustment. The exercise price of the associated warrant is subject to (i) customary anti-dilution adjustments; and (ii) in the case of a subsequent equity sale at a per share price below the exercise price, the exercise price of the associated warrant will be adjusted to such lower price, and the number of shares underlying the warrant will increase proportionately. In the event of a rights offering or dividend, the warrant holder will be treated as though the shares underlying the warrant he/she holds were outstanding. The obligations to consummate the transactions contemplated by the Securities Purchase Agreement are conditioned upon, among other things, customary closing conditions and the consummation of the transactions contemplated by the Merger Agreement. There was an original issue discount of 2% from the issued amount of the Debentures. Interest will accrue on all outstanding principal amount of the Debentures at 5% per annum, payable quarterly. The Debentures are secured by first priority interests, and liens on, all present and after-acquired assets of Nauticus, and will mature on the fourth anniversary of the date of issuance. Upon Closing, ATW, Material Impact Fund II, L.P., and the 2022 SLS Family Irrevocable Trust, subscribed for Debentures in the aggregate principal amount of $36,530,320 (out of the aggregate $40.0 million) which is convertible into 2,922,425 shares of Common Stock and associated warrants for an additional 2,922,425 shares.

The pro forma adjustments giving effect to the Business Combination and related transactions are summarized below, and are discussed further in the footnotes to these unaudited pro forma condensed combined and consolidated financial statements:

- the consummation of the Business Combination and reclassification of cash held in CLAQ' Trust Account to cash and cash equivalents, net of redemptions (see below);
- issuance of Common Stock pursuant to the Rights;
- the consummation of the Subscription Agreements;
- the consummation of the Debt Financing;
- the Bridge Loans (as defined in the Merger Agreement); and
- the accounting for certain offering costs and transaction costs incurred by both CLAQ and Nauticus; and
- the redemption of 15,805,510 shares of CLAQ common stock

Charter Amendment and Trust Amendment

As approved by CLAQ stockholders at a Special Meeting of Stockholders (the "Meeting") on July 18, 2022, CLAQ entered into an amendment (the "Trust Amendment") to the investment management trust agreement, dated as of July 14th, 2021, with Continental Stock Transfer & Company on July 19, 2022. Pursuant to the Trust Amendment, the Company has the right to extend the time to complete a business combination six (6) times for an additional one (1) month each time from July 19, 2022, to January 19, 2023, by depositing $100,000 to the trust account for each one-month extension.

As approved by CLAQ stockholders at the Meeting on July 18, 2022, the Company filed an amendment to its Amended and Restated Certificate of Incorporation with the Delaware Secretary of State on July 19, 2022 (the "Charter Amendment"), giving the Company the right to extend the date by which it has to complete a business combination up to six (6) times for an additional one (1) month each time, from July 19, 2022 to January 19, 2023.

In connection with the stockholders' vote at the Meeting, 15,466,711 shares were tendered for redemption.

On August 12, 2022, CLAQ extended the time it has to complete its initial business combination from August 19, 2022, to September 19, 2022 by depositing $100,000 to the trust account.

On September 6, 2022, CLAQ held a special virtual meeting of its stockholders of record (the "Special Meeting"), at which the Company's stockholders of record voted on certain matters related to the business combination. On September 1, 2022, the end of the redemption period for the shares of CLAQ common stock issued as part of the units in the CLAQ's initial public offering consummated on July 19, 2021, an aggregate of 361,986 shares of CLAQ common stock was tendered for redemption in connection with the Special Meeting, bringing the total redemptions of CLAQ common stock to 15,805,510.

In connection with the stockholders' vote at the special meeting of stockholders held on September 6, 2022, 361,986 shares were tendered for redemption, and $3.5 million was withdrawn from the Trust Account to pay for such redemption.

The unaudited pro forma condensed combined and consolidated financial information reflects CLAQ stockholders' approval of the Business Combination on September 12, 2022, as well as the redemption of 15,805,510 shares held by CLAQ's public stockholders prior to the Closing Date.

The following summarizes the pro forma ownership of common stock of CLAQ following the Business Combination and the PIPE Investment:

	Number of Shares	Percentage of Outstanding Shares
Nauticus stockholders(1)	30,031,290	75.6%
CLAQ public stockholders(2)(3)(4)	2,306,990	5.8%
Initial Stockholders(5)	4,312,500	10.8%
PIPE Investment investors	3,100,000	7.8%
Pro forma Common Stock at June 30, 2022	**39,750,780**	**100.0%**

(1) Excludes 7,499,993 Earnout Shares of Common Stock as the earnout contingency has not yet been met. Such shares were deposited into escrow and subject to reduction or forfeiture in accordance with the terms of the Merger Agreement. The Nauticus stockholders in whose names the Earnout Shares are issued at Closing maintain voting rights related to such shares unless forfeited.

(2) Excludes 8,625,000 Public Warrants and includes the issuance of 862,500 shares of Common Stock pursuant to the Rights.

(3) Reflects the redemption of 15,466,711 CLAQ Public Shares in connection with the Extension Amendment and the redemption of 338,799 CLAQ Public Shares in connection with the Special Meeting.

(4) Excludes 8,096,209 shares reserved for stock compensation plan referred to as "IAP Pool" which represents 10% of the number of CLAQ Public Shares on a fully diluted basis pursuant to the 2022 Onmibus Incentive Plan effective as of the closing of the Business Combination.

(5) Excludes 7,175,000 Private Warrants. The founder shares were placed into an escrow account maintained in New York, New York by Continental Stock Transfer & Trust Company, acting as escrow agent. Subject to certain limited exceptions, (i) 50% of the 4,312,500 founder shares will not be released from escrow until the earlier of (A) six (6) months after the closing of the Business Combination, or (B) the date on which the closing price of shares of common stock equals or exceeds $12.50 per share for any 20 trading days within any 30-trading day period commencing after the Business Combination; and (ii) the remaining 50% of the founder shares will not be released from escrow until six (6) months after the closing of the Business Combination, or earlier, in either case, if, subsequent to the Business Combination, consummate a subsequent liquidation, merger, stock exchange or other similar transaction which results in all stockholders having the right to exchange their shares of common stock for cash, securities or other property.

UNAUDITED PRO FORMA CONDENSED COMBINED AND CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2022

	Cleantech (Historical)	Nauticus (Historical)	Transaction Accounting Adjustments		Pro Forma Combined
ASSETS					
Current assets					
Cash and cash equivalents	$ 172,785	$ 7,962,254	$ 18,335,470	C	$ 54,786,462
			66,800,000	D	
			(22,506,548)	E	
			2,100,000	K	
			(18,077,500)	L	
Restricted certificate of deposit	—	251,236	—		251,236
Accounts receivable, net of allowance	—	1,605,152	—		1,605,152
Inventory	—	2,380,429	—		2,380,429
Contract assets	—	953,960	—		953,960
Other current assets	30,157	1,437,561	—		1,467,718
Total current assets	202,942	14,590,592	46,651,423		61,444,957
Investments held in Trust Account	174,483,243	—	(156,347,773)	A	—
			200,000	B	
			(18,335,470)	C	
Property and equipment, net	—	6,238,247	—		6,238,247
Right-of-use asset - operating lease	—	425,551	—		425,551
Other assets	—	247,209	—		247,209
Total assets	$ 174,686,185	$ 21,501,599	$ (127,831,820)		$ 68,355,964
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)					
Current liabilities					
Accounts payable	$ 325,387	$ 3,715,184	$ (50,000)	E	$ 3,990,571
Accrued liabilities	1,018,979	1,878,320	(1,100,990)	G	837,189
			(796,620)	E	
			(162,500)	K	
Accrued liabilities - related party	113,333	—	—		113,333
Franchise tax payable	100,000	—	—		100,000
Promissory note - related party	400,333	—	200,000	B	100,000
			(500,333)	E	
Operating lease liabilities - current	—	396,012	—		396,012
Notes payable - current	—	25,058,179	(12,350,000)	G	—
			2,100,000	K	
			(14,808,179)	L	
Noted payable, related parties - current	—	3,000,000	(3,000,000)	G	—
Total current liabilities	1,958,032	34,047,695	(30,468,622)		5,537,105
Warrant liability	5,056,000	—	—		5,056,000
Notes payable - long-term	—	—	—		—

Convertible senior secured notes	—	—	20,252,699	D	20,252,699
Operating lease liabilities - long-term	—	269,412	—		269,412
Other liabilities	—	268,093	(20,833)	L	247,260
Total liabilities	7,014,032	34,585,200	(10,236,756)		31,362,476
Common stock subject to possible redemption	174,370,884	—	(156,347,773)	A	—
			(18,023,111)	H	
Stockholders' equity (deficit)					
Series A preferred stock	—	3,348	(3,348)	I	—
Series B preferred stock	—	7,254	(7,254)	I	—
Common stock	431	9,522	310	D	3,975
			86	F	
			530	G	
			144	H	
			(7,049)	I	
Treasury stock	—	(944,927)	944,927	I	—
Additional paid-in capital	—	34,546,691	46,546,991	D	100,313,198
			(6,526,397)	E	
			(86)	F	
			15,349,470	G	
			18,022,967	H	
			(927,276)	I	
			(6,699,162)	J	
Accumulated deficit	(6,699,162)	(46,705,489)	(14,633,198)	E	(63,323,685)
			1,100,990	G	
			6,699,162	J	
			(3,085,988)	L	
Total stockholders' equity (deficit)	(6,698,731)	(13,083,601)	56,775,820		36,993,488
Total liabilities, temporary equity, and stockholders' (deficit) equity	$ 174,686,185	$ 21,501,599	$ (127,831,820)		$ 68,355,964

UNAUDITED PRO FORMA CONDENSED COMBINED AND CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022

	Cleantech (Historical)	Nauticus (Historical)	Transaction Accounting Adjustments		Pro Forma Combined
Revenue					
Service	$ —	$ 5,032,124	$ —		$ 5,032,124
Service - related party	$ —	193,400			$ 193,400
	—	5,225,524	—		5,225,524
Costs and Expenses					
Cost of revenue (exclusive of items shown separately below)	—	4,439,223	—		4,439,223
Depreciation and amortization	—	228,405	—		228,405
Research and development	—	1,851,282	—		1,851,282
Operating costs	1,905,106	—	—		1,905,106
Franchise tax expense	96,761	—	—		96,761
General and administrative	—	3,917,179	—		3,917,179
Total operating costs	2,001,867	10,436,089	—		12,437,956
Operating loss	(2,001,867)	(5,210,565)	—		(7,212,432)
Other expense (income)					
Net gain on investments held in Trust Account	(252,815)	—	252,815	AA	—
Change in fair value of warrant liabilities	(2,917,250)	—	—		(2,917,250)
Other (income) expense, net	—	(5,241)	—		(5,241)
Interest expense, net	—	1,655,634	(1,400,841)	CC	2,846,913
			2,592,120	DD	
Total other (income) expense, net	(3,170,065)	1,650,393	1,444,094		(75,578)
Income (loss) before income taxes	$ 1,168,198	$ (6,860,958)	$ (1,444,094)		$ (7,136,854)
Income taxes	(12,359)	—	$ —		$ (12,359)
Net income (loss)	$ 1,155,839	$ (6,860,958)	$ (1,444,094)		$ (7,149,213)
Net income (loss) per share (Note 4)					
Weighted average shares outstanding	21,562,500	680,600			39,750,780
Basic and diluted net income (loss) per share	$ 0.05	$ (10.08)			$ (0.18)

UNAUDITED PRO FORMA CONDENSED COMBINED AND CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Cleantech (Historical)	Nauticus (Historical)	Transaction Accounting Adjustments		Pro Forma Combined
Revenue					
Service	$ —	$ 7,854,068	$ —		$ 7,854,068
Product	—	242,637	—		242,637
Service - related party	—	332,767	—		332,767
Product - related party	—	162,068	—		162,068
	—	8,591,540	—		8,591,540
Costs and Expenses					
Cost of revenue (exclusive of items shown separately below)	—	6,850,248	—		6,850,248
Depreciation and amortization	—	365,097	—		365,097
Research and development	—	3,533,713	—		3,533,713
Operating and formation costs	1,201,383	—	—		1,201,383
Franchise tax expense	97,200	—	—		97,200
General and administrative	—	4,362,400	14,633,198	**BB**	18,995,598
Total operating costs	1,298,583	15,111,458	14,633,198		31,043,239
Operating loss	(1,298,583)	(6,519,918)	(14,633,198)		(22,451,699)
Other expense (income)					
Transaction costs	155,037	—	—		155,037
Net gain on investments held in Trust Account	(5,428)	—	5,428	**AA**	—
Change in fair value of warrant liabilities	(1,077,750)	—	—		(1,077,750)
Change in fair value of over-allotment option liability	225,000	—	—		225,000
Other income	—	(1,601,568)	—		(1,601,568)
Loss on extinguishment of debt	—	9,484,113	—		9,484,113
Interest expense (income), net	—	725,166	(703,933)	**CC**	4,707,685
			4,686,452	**DD**	
Total other (income)	(703,141)	8,607,711	3,987,947		11,892,517
Net income (loss)	$ (595,442)	$ (15,127,629)	$ (18,621,145)		$ (34,344,216)
Net income (loss) per share (Note 4)					
Weighted average shares outstanding	11,781,678	678,406			39,750,780
Basic and diluted net income (loss) per share	$ (0.05)	$ (22.30)			$ (0.86)

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED AND CONSOLIDATED FINANCIAL INFORMATION

Note 1. Basis of Presentation

The Business Combination was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, CLAQ will be treated as the "accounting acquiree" and Nauticus as the "accounting acquirer" for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination is treated as the equivalent of Nauticus issuing shares for the net assets of CLAQ, followed by a recapitalization. The net assets of CLAQ are stated at historical cost. Operations prior to the Business Combination were those of Nauticus.

The unaudited pro forma condensed combined and consolidated balance sheet as of June 30, 2022 gives effect to the Business Combination and related transactions as if they occurred on June 30, 2022. The unaudited pro forma condensed combined and consolidated statement of operations for the six months ended June 30, 2022 gives effect to the Business Combination and related transactions as if they occurred January 1, 2021, the beginning of the earliest period presented. These periods are presented on the basis that Nauticus is the acquirer for accounting purposes.

The pro forma adjustments reflecting the consummation of the Business Combination and the related transaction are based on certain currently available information and certain assumptions and methodologies that CLAQ management believes are reasonable under the circumstances. The unaudited condensed combined and consolidated pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments, and it is possible that the difference may be material. CLAQ management believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Business Combination and the related transactions based on information available to management at this time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined and consolidated financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the Business Combination. The unaudited pro forma condensed combined and consolidated financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination and related transactions taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the post-combination company. They should be read in conjunction with the historical financial statements and notes thereto of CLAQ and Nauticus, and other financial information included elsewhere.

Note 2. Accounting Policies and Reclassifications

Upon consummation of the Business Combination, management performed a comprehensive review of the two entities' accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of the post-combination company. Based on its initial analysis, management did not identify any differences that would have a material impact on the unaudited pro forma condensed combined and consolidated financial information. As a result, the unaudited pro forma condensed combined and consolidated financial information does not assume any differences in accounting policies.

As part of the preparation of these unaudited pro forma condensed combined and consolidated financial statements, certain reclassifications were made to align CLAQ's financial statement presentation with that of Nauticus.

Note 3. Adjustments to Unaudited Pro Forma Condensed Combined and Consolidated Financial Information

The unaudited pro forma condensed combined and consolidated financial information has been prepared to illustrate the effect of the Business Combination and related transactions and has been prepared for informational purposes only.

The following unaudited pro forma condensed combined and consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses." Release No. 33-10786 replaces the existing pro forma adjustment criteria with simplified requirements to depict the accounting for the transaction ("Transaction Accounting Adjustments") and present the reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur ("Management's Adjustments"). CLAQ has elected not to present Management's Adjustments and will only be presenting Transaction Accounting Adjustments in the unaudited pro forma condensed combined and consolidated financial information. CLAQ and Nauticus have not had any historical relationship prior to the Business Combination. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The pro forma combined provision for income taxes does not necessarily reflect the amounts that would have resulted had the post-combination company filed consolidated income tax returns during the periods presented. The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined and consolidated statement of operations are based upon the number of Nauticus' ordinary shares outstanding, assuming the Business Combination and related transactions occurred on January 1, 2021.

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

The adjustments included in the unaudited pro forma condensed combined balance sheet as of June 30, 2022 are as follows:

A. Reflects the redemption payment totaling appropriately $160.0 million as a result of the redemption of 15,805,510 shares on CLAQ Common Stock in connection with the Extension Amendment and $3.7 million of available interest at September 12, 2022.

B. Reflects $0.2 million deposited into the Trust Account in connection with the Extension Amendment for the months of July and August.

C. Reflects the reclassification of $18.3 million held in the Trust Account, inclusive of interest earned on the Trust Account, to cash and cash equivalents that becomes available at closing of the Business Combination.

D. Represents cash proceeds of $66.8 million pursuant to the PIPE Investment. Pursuant to the PIPE Investment an aggregate of 3,100,000 shares of CLAQ Common Stock is issued at a purchase price of $10.00 per share and an aggregate purchase price of $31.0 million and corresponding offset to additional-paid-in-capital; in addition the issuance an aggregate of $36.5 million in principal amount of secured debentures and 2,922,425 Warrants for proceeds of $35.8 million. There will be an original issue discount of 2% from the issued amount of the debentures. Interest will accrue on all outstanding principal amount of the debentures at 5% per annum, payable quarterly. The Company determined that the Warrants will be equity-classified. For purposes of the unaudited pro forma condensed combined balance sheet, the estimated fair value of the Warrants, $15.5 million will be recorded as a debt discount with an offset to additional-paid-in capital. The fair value of the Warrants was based on a Monte Carlo simulation with key inputs and assumptions such as stock price, term, dividend yield, risk-free rate, and volatility.

E. Represents estimated transaction costs and the repayment of the CLAQ related party promissory note. Of the estimate transaction costs $0.9 million has already been incurred and reflected in the historical financial statements of CLAQ. This adjustment reflects the settlement of estimated remaining transaction costs to be incurred as part of the Business Combination, including $0.1 million within accounts payable of CLAQ. Estimated transaction costs is comprised of of equity issuance costs of $6.5 million that was offset to additional-paid-in-capital, primarily consisting of $7.6 million pursuant to an amended and restated financial advisory agreement with Coastal, $1.2 million pursuant to a Financial Advisory Agreement with Chardan representing 6.0% of the gross proceeds received from the PIPE Investment, and $2.3 million in estimated legal costs estimated to be incurred by Nauticus that directly result from the Business Combination. Approximately $14.6 million estimated to be incurred by CLAQ was expensed as part of the Business Combination and recorded in accumulated deficit. This includes $5.3 million pursuant to a Business Combination Marketing Agreement with Chardan, $1.1 million in estimated legal costs estimated to be incurred by CLAQ, $0.7 million pursuant to letter agreements with Roth and Lake Street, $1.9 million in insurance costs and approximately $1.1 million of miscellaneous and estimated printing and accounting services. On March 23, 2022, Nauticus also entered into an agreement with Cowen for Cowen to provide capital market advisory services. On August 11, 2022, this agreement was terminated by Cowen.

F. Reflects the issuance of 862,500 shares of Common Stock pursuant to the 17,250,000 outstanding Rights. Each Right represents the right to receive one-twentieth (1/20) of one share of Common Stock upon the consummation of the Business Combination and related transactions.

G. Represents the conversion of the outstanding principal and related accrued interest of the Nauticus Convertible Notes into shares of Nauticus Common Stock, in contemplation of the Business Combination and related transactions. Nauticus Common Stock is a component of Nauticus equity interests converted into shares of Common Stock pursuant to the Merger Agreement.

H. Reflects the reclassification of approximately $174.4 million of Common Stock subject to possible redemption to permanent equity.

I. Represents recapitalization of Nauticus' outstanding equity as a result of the reverse recapitalization and the issuance of Common Stock to Nauticus Equity Holders as consideration for the reverse recapitalization.

J. Reflects the reclassification of CLAQ' historical accumulated deficit into additional paid-in capital as part of the reverse recapitalization.

K. Reflects the proceeds from the working capital loan issued in August to Nauticus in the amount of $2.1 million.

L. Reflects the payment of the Term Loan Credit Agreement (the "Bridge Loan" as defined in the Merger Agreement) by and among Nauticus and RCB Equities #1, LLC dated December 16, 2021, as well as the elimination of accrued interest and associated debt discount. The Bridge Loan principal amount is $15.0 million. Nauticus agreed to pay the lender a commitment fee equal to 2.0% of the principal amount as well as an exit fee of 5% of amounts due upon payment. Additionally, the payment of the working capital loan in full.

Adjustments to Unaudited Pro Forma Condensed Combined and Consolidated Statements of Operations

The pro forma adjustments included in the unaudited pro forma condensed combined and consolidated statement of operations for the six months ended June 30, 2022 are as follows:

AA. Reflects elimination of investment income on the Trust Account.

BB. Reflects the estimated transaction costs of approximate $14.6 million as if incurred on January 1, 2021, the date the Business Combination occurred for the purposes of the unaudited pro forma condensed combined statement of operations. This is a non-recurring item.

CC. Represents the elimination of the interest expense related to the conversion of the outstanding principal and related accrued interest of the Nauticus Convertible Notes into shares of Nauticus Common Stock, in contemplation of the Business Combination and related transaction as if they had occurred on January 1, 2021.

DD. To reflect an adjustment to recognize interest expense and amortization of the debt discount associated with the original issue discount and Warrant pursuant to the secured debentures issued pursuant to the PIPE Investment as it is assumed that they would have been outstanding as if the Business Combination and related transactions had occurred on January 1, 2021 and interest being accrued on all outstanding principal amount of the debentures at 5% per annum.

Note 4. Net Loss per Share

Net loss per share was calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Business Combination and the related transactions, assuming the shares were outstanding since January 1, 2021. As the Business Combination and the related transactions are being reflected as if they had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Business Combination and related have been outstanding for the entirety of all periods presented.

The unaudited pro forma condensed combined and consolidated financial information has been prepared based on the following information:

	Six Months Ended June 30, 2022 [1]	Year Ended December 31, 2021 [1]
Pro forma net loss	$ (7,149,213)	$ (34,344,216)
Weighted average shares outstanding - basic and diluted	39,750,780	39,750,780
Net loss per share - basic and diluted	$ (0.18)	$ (0.86)
Excluded securities:[2]		
Public Warrants	8,625,000	8,625,000
Private Warrants	7,175,000	7,175,000
Earnout Shares	7,499,993	7,500,000
Nauticus Options	3,970,266	3,970,266
Debentures	2,922,425	2,922,425
Warrants	2,922,425	2,922,425
Incentive Plan	8,096,209	8,096,209

(1) Pro forma loss per share includes the related pro forma adjustments as referred to within the section "Unaudited Pro Forma Condensed Combined and Consolidated Financial Information."

(2) The potentially dilutive outstanding securities were excluded from the computation of pro forma net loss per share, basic and diluted, because their effect would have been anti-dilutive, issuance or vesting of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the periods presented.