

Kraken Robotics Reports Q2 2025 Financial Results and Reiterates Annual Financial Guidance

ST. JOHN'S, NEWFOUNDLAND, August 21, 2025 /GLOBE NEWSWIRE/ -- Kraken Robotics Inc. (TSX-V: PNG, OTCQB: KRKNF) ("Kraken" or the "Company"), announced it has filed its financial results for the quarter ended June 30, 2025 ("Q2 2025"). Please refer to the unaudited Condensed Consolidated Interim Financial Statements and Management's Discussion and Analysis ("**MD&A**") for quarter ended June 30, 2025, filed on www.sedarplus.ca for more information. Unless otherwise specified, all dollar amounts are denominated in Canadian dollars.

Q2 2025 Financial Highlights

- Consolidated revenue in Q2 2025 increased 16% to \$26.4 million, compared to \$22.8 million in the prior year. The increase was driven by strong growth in our subsea battery and service businesses and the acquisition of 3D at Depth Inc. (**3D at Depth**) offset by lower sonar revenue.
- Product revenue in the quarter decreased 14% to \$16.5 million, compared to \$19.2 million in the prior year. Our SeaPower™ subsea battery business grew significantly and had its highest quarterly revenue to date, however, this growth was offset by our sonar related revenue which declined as the acquisition component of the Canadian Navy RMDS system integration project nears completion. As in the past, quarterly revenue can fluctuate significantly due to the timing of product orders and shipments.
- Service revenue in the quarter increased 180% to \$9.8 million compared to the prior year due to strong organic growth for sub bottom imaging services and from the acquisition of 3D at Depth with its subsea LiDAR services.
- Gross profit in the quarter increased 27% to \$14.8 million, compared to \$11.6 million in the prior year, implying a gross profit margin of 56% compared to 51% in the prior year. Gross profit margin percentage improved over the prior year due to revenue mix, with a higher percentage of revenues coming from higher margin products and services in the current year compared to the prior year.
- Adjusted EBITDA¹ for the quarter of \$4.7 million, compared to Adjusted EBITDA¹ of \$5.4 million in the comparable quarter, implying an adjusted EBITDA¹ margin of 18% compared to 24% in the comparable year. The lower Adjusted EBITDA¹ margin relates to increased administrative expenses as we have invested in our growth, particularly in business development and systems/processes to help convert our potential pipeline.
- Total assets were \$184.3 million on June 30, 2025, compared to \$98.5 million on June 30, 2024. Cash at the end of the quarter totaled \$32.9 million, compared to \$20.4 million in the prior year, while working capital totaled \$71.8 million, compared to \$41.0 million in the prior year. After the quarter ended, we completed a bought deal equity financing for gross proceeds of \$115 million.
- Capital expenditures/intangible assets purchased were \$6.3 million in the quarter, compared to \$0.7 million in the comparable quarter. The increase is related to our new battery facility in Canada as well as growth in internal marine assets to drive service revenue growth.

¹ Adjusted EBITDA is a non-IFRS financial measure and gross margin, and adjusted EBITDA margin are non-IFRS ratios, in each case with no standard meaning under IFRS, and may not be comparable to similar financial measures disclosed by other issuers. Refer to the "Non-IFRS Measures" section of this press release.

- Net loss in the quarter was \$0.7 million compared to a net income of \$2.6 million in the comparable quarter. Basic and diluted loss per share were \$0.00 compared to \$0.01 basic and diluted earnings per share in the prior year.
- 2025 financial guidance remains unchanged from the guidance provided after Q1 results on May 29, 2025. In 2025, management expects revenue between \$120 million and \$135 million and Adjusted EBITDA¹ between \$26 million to \$34 million. The guidance midpoints represent 40% revenue growth and 45% Adjusted EBITDA growth.

CEO Comments

We continue to build momentum across our businesses:

- For our largest market, naval defense and maritime security, the key growth drivers are naval equipment modernizations and increasing adopting of uncrewed platforms. We provide subsea sensor and power solutions to the major suppliers of uncrewed underwater vehicles (UUVs) who are seeing strong growth. For our towed synthetic aperture sonar sensor platform, KATFISH, we have had a busy year of customer demonstrations, and we expect these activities to start generating value in the second half of the year and into 2026. The level of defense Request for Proposal (RFP) activity expected from 2025 to 2027 is very strong and combined with additional subsea battery manufacturing capacity in Canada coming online, we are excited about our defense market prospects.
- Our recent services-based acquisition, 3D at Depth, is performing well. This helps build out our US footprint and adds depth to our high margin services business focused on the offshore energy market. We see additional opportunities for 3D LiDAR technology in defense and nuclear, areas where 3D has a small revenue base today. In addition, our existing sub bottom imaging focused service business continues to show solid growth, and our recent introduction of a service focused KATFISH will be additive to our services revenue base.
- On the innovation front, we have exciting technology developments on both the sensor and power side which we expect to open additional opportunities for us with existing and new customers.
- Finally, with the oversubscribed \$115 million equity financing that closed in early July, we have added capability to invest in growth organically, and we continue to review acquisition opportunities that are both strategic and financially accretive.

NON-IFRS MEASURES

The Company has included certain non-IFRS financial measures and non-IFRS ratios in this press release, including adjusted EBITDA, adjusted EBITDA margin, gross profit, gross profit margin, and working capital. Management believes that non-IFRS financial measures and non-IFRS ratios, when supplementing measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-IFRS financial measures and non-IFRS ratios do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Adjusted EBITDA and Adjusted EBITDA Margin

The Company believes that, in addition to conventional measures prepared in accordance with IFRS, adjusted EBITDA is useful to securities analysts, investors and other interested parties in evaluating operating performance by presenting the results of the Company on a basis which excludes the impact of certain non-operational items which enables the primary readers of the press release to evaluate the results of the Company such that it was operating without certain non-cash and non-recurring items. Adjusted EBITDA is calculated as earnings before interest expense, interest income, income taxes, depreciation and amortization, stock-based compensation expense and non-recurring impact transactions, if any.

(\$ 000s) Unaudited	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Net Income	(699)	2,609	(484)	4,784
Income Tax	(16)	735	288	791
Financing costs	981	559	1,682	947
Interest income	(208)	-	(519)	-
Foreign exchange loss	693	138	260	69
Share-based compensation	672	30	1,076	87
Depreciation and amortization	2,339	1,373	3,918	2,798
EBITDA - excluding restructuring and transaction costs	3,762	5,444	6,221	9,476
Restructuring and acquisition costs	912	-	1,247	69
Adjusted EBITDA	4,674	5,444	7,468	9,545
Adjusted EBITDA Margin	18%	24%	18%	22%

Gross profit is defined as revenue less cost of total sales. Gross margin is defined as gross margin dividend by total sales.

(\$ 000s) Unaudited	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Revenue	26,390	22,758	42,518	43,633
Cost of sales	11,628	11,151	17,638	22,680
Gross profit	14,762	11,607	24,880	20,953
Gross profit margin (%)	56%	51%	59%	48%



Figure 1: Kraken Robotics' Sub-Bottom Imager (SBI) can be deployed from vessels in nearshore environments, delivering 3D volumetric data down to five meters beneath the seabed.

ABOUT KRAKEN ROBOTICS INC.

Kraken Robotics Inc. (TSX.V: PNG) (OTCQB: KRKNF) is transforming subsea intelligence through 3D imaging sensors, power solutions, and robotic systems. Our products and services enable clients to overcome the challenges in our oceans – safely, efficiently, and sustainably.

Kraken's synthetic aperture sonar, sub-bottom imaging, and LiDAR systems offer best-in-class resolution, providing critical insights into ocean safety, infrastructure, and geology. Our revolutionary pressure tolerant batteries deliver high energy density power for UUVs and subsea energy storage.

Kraken Robotics is headquartered in Canada with offices in North America, South America, and Europe, supporting clients in more than 30 countries worldwide.

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FORWARD LOOKING STATEMENTS

The Company and its management believe that the statements regarding 2025 revenue and adjusted EBITDA contained in this press release are reasonable as of the date hereof, are based on management's current views, strategies, expectations, assumptions and forecasts, and have been calculated using accounting policies that are generally consistent with the Company's current accounting policies. These statements are considered future-oriented financial outlooks and financial information (collectively, "FOFI") under applicable securities laws. These statements and any other FOFI included herein have been approved by management of the Company as of the date hereof. Such FOFI

are provided for the purposes of presenting information about management's current expectations and goals relating to the Company's expected growth in its Products and Services groups. However, because this information is highly subjective and subject to numerous risks, including the risks discussed in the disclaimer for forward looking statements below, it should not be relied on as necessarily indicative of future results. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the FOFI prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although management of the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company disclaims any intention or obligation to update or revise any FOFI, whether as a result of new information, future events or otherwise, except as required by securities laws.

Certain information in this news release constitutes forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Company's public disclosure documents. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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

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