

Kraken Robotics Reports Q1 2025 Financial Results and Reiterates 2025 Guidance

ST. JOHN'S, NEWFOUNDLAND, May 29, 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 March 31, 2025 ("Q1 2025"). Please refer to the unaudited Consolidated Financial Statements and Management's Discussion and Analysis ("**MD&A**") for quarter ended March 31, 2025, filed on www.sedarplus.ca for more information. Unless otherwise specified, all dollar amounts are denominated in Canadian dollars.

Q1 2025 Financial Highlights

- Consolidated revenue in Q1 2025 decreased 23% to \$16.1 million, compared to \$20.9 in the prior year. The decrease was driven by a year-over-year decline in Product revenue.
- Product revenue in the quarter decreased 42% to \$9.2 million, compared to \$15.8 million in the prior year. While the quarter saw significant growth in our SeaPower™ subsea battery business, our sonar related revenue declined as the acquisition part of the Canadian Navy 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 38% to \$7.0 million compared to the prior year due to the continued demand for Sub-Bottom Imager™ and Acoustic Corer™ services. Just after the quarter ended, we completed the acquisition of subsea LiDAR services company, 3D at Depth. Combined with the recent introduction of our KATFISH subsea survey platform into the commercial offshore service market, we have a growing complement of solutions to offer our expanding Services customer base.
- Gross profit in the quarter increased 8% to \$10.1 million, compared to \$9.3 million in the prior year, implying a gross margin of 62.7% compared to 44.8%. Gross margin percentage was impacted by several one time items in the quarter. Future quarters are expected to be reflective of our historic gross profit margins.
- Adjusted EBITDA¹ for the quarter decreased 32% to \$2.8 million, compared to Adjusted EBITDA¹ of \$4.1 million in the comparable quarter, implying an adjusted EBITDA¹ margin of 17.3% compared to 19.6% in the comparable year.
- Total assets were \$178.8 million on March 31, 2025, compared to \$73.5 million on March 31, 2024. Cash at the end of the quarter totaled \$58.3 million, compared to \$1.5 million in the prior year, while working capital totaled \$94.6 million, compared to \$6.5 million in the prior year.
- Capital expenditures/intangible assets purchased were \$2.7 million in the quarter, compared to \$0.8 million in the comparable quarter. The increase is related to our new battery facility in Canada as well as growth in internal assets to drive service revenue growth.
- Net income for the quarter was \$0.2 million compared to a profit of \$2.2 million in the comparable quarter. Basic and diluted earnings per share were \$0.00 compared to \$0.01 in the prior year.

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.

Management Comments

“Similar to previous years, we expect financial results to improve throughout the year and expect strong top and bottom-line growth in 2025, as indicated by our 2025 financial guidance given a month ago. Our largest market of naval defense has strong macro fundamentals with growth being seen across the globe as navies modernize for the future and increasingly adopt uncrewed platforms. In providing sensor and power solutions to the major suppliers of UUVs, we benefit from this growing adoption. For our towed synthetic aperture sonar sensor platform, KATFISH, we have a busy year of customer demonstrations in North America, Europe, the Middle East, and Asia Pacific. Historically, successful demonstrations have driven future contract wins. The level of defense RFP activity expected from 2025 to 2027 is at levels the industry has not seen in many decades and is driving our optimism on this segment of our business.

With new manufacturing capacity in Canada coming online at the end of this year and a growing presence in the US both organically and through our acquisition of 3D at Depth, we are well positioned to meet customer needs in the offshore energy and naval defense markets,” said Kraken President and CEO Greg Reid.

Recent Company Highlights

Since the end of Q4, Kraken Robotics announced:

- Several meaningful new orders, including almost \$45 million in subsea battery orders and \$3 million in orders for Kraken SAS.
- Plans to open a new battery production facility in Nova Scotia to meet increasing defense market demand.
- The acquisition of subsea LiDAR company 3D at Depth with offices in Texas, Colorado, and the UK.
- The introduction of KATFISH synthetic aperture sonar service for the global offshore energy market.

2025 Financial Guidance

Annual financial guidance remains unchanged from the [guidance provided on April 28, 2025](#). In 2025, we expect revenue between \$120 million and \$135 million and Adjusted EBITDA¹ margin in the \$26 million to \$34 million range. The midpoint of guidance represents 40% revenue growth and 45% Adjusted EBITDA growth.

Capital expenditures in 2025 are expected to range from \$13 million to \$17 million with approximately \$10 million of this spending related to a new subsea power manufacturing facility that is expected to be operational in Nova Scotia near the end of 2025. Consistent with prior years, revenue is expected to be more weighted toward the second half of calendar year 2025.

(\$ 000s)	Actual	2025 Guidance Range		Implied Change	
	2024	Low	High	Low	High
Consolidated revenue	91,292	120,000	135,000	31%	48%
Adjusted EBITDA ¹	20,713	26,000	34,000	26%	64%
Adjusted EBITDA percentage ¹	23%	22%	25%	-100 bps	300 bps
Capital expenditures/Intangible assets	5,809	13,000	17,000	124%	193%

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	Q1 2025	Q1 2024
Net Income	215	2,175
Income Tax	304	56
Financing costs	701	388
Interest income	(311)	-
Foreign exchange gain	(433)	(69)
Share-based compensation	404	57
Depreciation and amortization	1,579	1,425
EBITDA - excluding restructuring and acquisition costs	2,459	4,032
Restructuring and acquisition costs	335	69
Adjusted EBITDA	2,794	4,101
Adjusted EBITDA Margin	17%	20%

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

Gross Profit		
(\$ 000s) Unaudited	Q1 2025	Q1 2024
Revenue	16,128	20,875
Cost of sales	6,010	11,529
Gross profit	10,118	9,346
Gross profit margin (%)	63%	45%



Figure 1: Kraken's Sub-Bottom Imager (SBI) delivers 3D data, enabling a clear understanding of subsea stratigraphy, underwater infrastructure, and hazards.

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.

LINKS:

www.krakenrobotics.com

SOCIAL MEDIA:

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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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