ALUULA Delivers Record Fiscal 2025 Results and Profitable Quarter

Annual Sales of $7.9 Million, 24% Year-Over-Year Growth, as Core Business Achieves Quarterly Profit

Victoria, British Columbia--(Newsfile Corp. – February 9, 2026) - ALUULA Composites Inc. (TSXV: AUUA; OTCQB: AUUAF) ("ALUULA" or the "Company") today reported its financial results for the three and twelve month periods ended October 31, 2025 (“Q4 2025” and “FY 2025” respectively). All currency amounts noted are in Canadian dollars.

Fiscal 2025 marked a year of momentum for ALUULA, with strong sales growth, increasing binding purchase commitments, and gross margins within the Company’s 40–45% target range.

“Q4 2025 was ALUULA’s strongest quarter to date, extending the momentum from Q3 and delivering record annual sales of $7.9 million, confirming strong market demand for ALUULA’s high-performance, ultra-light, no-sew, recycle-ready composite fabrics,” said Sage Berryman, CEO and President of ALUULA. “The results also reflect our disciplined pricing, cost control, and operational efficiencies, with Q4 delivering a positive net income for the core business. In 2026, we will build on this foundation as we transition from early-stage disruption to sustainable growth, increase manufacturing capacity, expand our presence in key markets, and deepen relationships with global partners. To support this next phase, we will pursue additional funding options to accelerate our growth.”

Key Q4 2025 Highlights

- Sales for Q4 2025 were $2,916,427 compared to $1,666,861 in Q4 2024, representing a 75% increase quarter over quarter.
    - Performance Outdoor sales increased 92% (or $1,319,075) compared to Q4 2024, with windsports up 109%, supported by optimized SKU selection and larger volume orders.
- Open sales orders at October 31, 2025 stayed consistent with July 31, 2025 at over $3 million as the Company received new sales orders at a pace that matched production.
- Cost of sales in Q4 2025 increased to $1,671,980 compared to $1,015,256 in Q4 2024.
- Gross Margins increased to 43% compared to 39% in Q4 2024.
- Validated a new method of manufacturing and successfully produced and shipped the first samples at a 1.5-meter width to customers.
- Net comprehensive income from continued operations was $77,742 compared to net comprehensive loss from continued operations of $1,166,371 in Q4 2024. Q4 2024 loss was largely due to a deferred tax expense adjustment during the period relating to the IFRS treatment of deferred tax assets. If this adjustment had been excluded, net comprehensive loss from continued operations would have been $339,070.

Key FY 2025 Highlights

- Sales for FY 2025 were $7,873,221 compared to $6,359,229 in FY 2024, a 24% increase.
    - 23% increase in sales from Performance Outdoor
        - In packs and bags, 8 additional brands successfully launched products in FY 2025, with a majority of brands that launched in FY 2024 making follow-on orders during FY 2025.
    - Commercial Industrial channel increased by 34% in FY 2025 compared to FY 2024, primarily due to continued demand from a key customer in the wind power vertical market.
- Cost of sales increased to $4,527,891 in FY 2025 compared to $3,756,656 in FY 2024, ending 2025 with gross margins at 42%, remaining in the anticipated range of 40-45% even during a year of growth.
- Operating expenses excluding non-cash share-based compensation expense were $3,622,090 in FY 2025 compared to $4,554,341 in FY 2024. The decrease is primarily due to higher bad debt and warranty expenses in FY 2024.
- Share-based compensation in FY 2025 was $708,742 compared to $113,927 in FY 2024. During the year, ALUULA modified certain stock option grants to provide meaningful equity incentives essential for attracting and retaining top talent to support long-term growth objectives. The modifications were accounted for in accordance with IFRS 2, Share-based Payment, and were the primary driver of the increase; without these modifications, FY 2025 share-based compensation would have been in line with historical levels.
- Net and comprehensive loss from Ocean Rodeo's discontinued operations was $229,850 in FY 2025, compared to a net and comprehensive loss of $1,302,590 in FY 2024, representing a decrease of $1,072,740. This decrease is a result of declining operating costs and spending controls put in place as operations were wound down, as well as a deferred tax expense recognized in FY 2024 but not in FY 2025.

Outlook

ALUULA has built a strong foundation as an emerging leader in advanced composite materials, delivering exceptional strength, durability, and recyclability through its proprietary UHMWPE based materials. Our patented process produces adhesive-free, mono-material fabrics that are waterproof, UV-resistant, and designed for circularity, offering a performance and environmental advantage over traditional composite materials. As an ingredient brand, ALUULA materials have become a visible mark of quality and innovation across partner products in outdoor and wind power, and now building in defense, and aerospace applications. This growing presence has strengthened brand recognition and expanded customer adoption.

ALUULA closes fiscal 2025 with a robust base of contracted revenues, consistent gross margins, and a validated manufacturing capability ready for expansion. Our premium ingredient brand strategy and marquee partnerships in industrial, commercial, and performance outdoor markets are translating into strong revenue growth and enhanced market visibility. With a solid

open sales orders book and binding purchase agreements, we anticipate continued momentum, subject to capacity constraints, as new manufacturing investments ramp up.

The priorities for the coming fiscal year are clear: secure and deploy growth capital, scale manufacturing capacity, deepen strategic partnerships, and continue to expand the technology portfolio. While near-term revenue conversion and margins may be slightly tempered by capacity investments and fewer productive manufacturing days in early 2026, these efforts are essential for supporting our transition from early-stage disruption to durable, repeatable growth. Management remains focused on managing margins through this phase, maintaining high operating leverage, and advancing the Company's leadership in both technological and environmental performance, with the goal of driving sustained value for shareholders.

Financial Statements and Management's Discussion and Analysis

This earnings press release should be read in conjunction with ALUULA's audited consolidated financial statements for the year ended October 31, 2025 and the related management discussion and analysis, which can be found on ALUULA's website and its issuer profile on the System for Electronic Document Analysis and Retrieval Plus at www.sedarplus.ca.

About ALUULA Composites

ALUULA is an ultra-light, high performance and recycle-ready composite materials brand that enhances the performance of outdoor gear as well as commercial and industrial equipment. Proudly owned and manufactured on the Canadian west coast, ALUULA's innovation is driven by a deep understanding that equipment does not need to sacrifice performance for sustainability. ALUULA's materials are known for their unique construction capabilities and their ability to make products lighter, stronger, and more sustainable.

aluula.com | TSXV: AUUA ; OTCQB: AUUAF

On behalf of the Board of Directors,
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ALUULA's Brand Partners

The term “brand partners” does not refer to formal partnerships with our customers. The term refers to marketing relationships with our customers who use ALUULA’s technology as a brand ingredient in their products.

TSX Venture Exchange

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

The information in this news release includes certain information and statements about management's view of future events, expectations, plans, and prospects that constitute forward-looking statements, including, but not limited to: the Company’s growth plans, the Company’s plan to increase manufacturing capacity, the Company’s plan to pursue additional funding opportunities, the Company’s future focus on Commercial Industrial and defense applications, and the Company’s plan to expand technology portfolio’s. These statements are based on assumptions subject to significant risks and uncertainties as described in the Company's management discussion and analysis. Because of these risks and uncertainties and as a result of a variety of factors, including the timing and receipt of all applicable regulatory, corporate third-party approvals, the actual results, expectations, achievements, or performance may differ materially from those anticipated and indicated by these forward-looking statements. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statement will prove to be correct. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.