



KOIL Energy Reports Second Quarter 2025 Results and Provides a Business Update

- Revenue of \$5.2 million
- Gross margin of 33%
- Adjusted EBITDA margin of 3%
- Awarded three new projects

HOUSTON, Aug. 14, 2025 (GLOBE NEWSWIRE) -- Koil Energy Solutions, Inc. (OTCQB: KLNG), a specialist in deepwater energy production and distribution equipment and services, released today its second quarter 2025 results and announced three new projects.

"After a modest first half of 2025, momentum is building. Today, we announced three new projects, and recent weeks have brought a sharp rise in service activity and robust order intake on fixed price contracts," said Erik Wiik, President and Chief Executive Officer of KOIL Energy. "These are clear indicators of strengthening demand heading into the second half of the year."

Second Quarter 2025 Results:

For the three months ending June 30, 2025, Koil Energy generated revenue of \$5.2 million and adjusted EBITDA of \$163,000, resulting in a 3% margin. These results represent a 10% decrease in revenue compared to the second quarter of the previous year. Gross margin equaled 33%, driven by increased headcount combined with lower labor utilization early in the quarter. Accordingly, net income was at 1.2% of revenue. At quarter-end, the Company's cash on hand was \$2.2 million. While our team responded to the increased order intake with solid top-line throughput in June, it did not offset the gap created earlier in the quarter.

The increase in headcount is intentional and aligned with our vision for long-term growth. We remain watchful to balance growth with profitability, ensuring that these investments deliver near-term results. These investments, which impacted second quarter margins, have positioned us to execute on the growth plan we have set for the company. We now have the necessary capabilities in place to successfully execute the increased workload ahead.

Business Update:

We are excited to announce the following new projects:

- KOIL Energy has been awarded a significant subsea tie-back project in the Gulf of America. The scope of work includes subsea distribution equipment and commissioning services for a major international oil company.
- KOIL Energy has been awarded a significant cable management services project for a renewable energy project including 5 months of continuous assignments for our service team.
- KOIL Energy has been selected as the supplier for a major international greenfield project, which includes the design and manufacture of over 20 of our proprietary subsea flying leads. This represents our largest project in almost a decade and will be carried out over the next 15 months at our Houston, Texas facility. Follow-on service work is expected to be awarded at a later stage.

Our focus has remained firmly on driving growth and executing our strategic plan. In addition to the significant and major projects mentioned, our sales team achieved a steady flow of new service contracts - clear signs of strong and accelerating momentum. With these large wins, along with a robust pipeline of high-probability opportunities, we are well-positioned to drive revenue growth over the next four quarters.

KOIL Energy will host an investor conference call to review its second quarter 2025 results on Thursday, August 14, 2025, at 10:00 am Eastern Time.

PARTICIPANT WEBCAST LINK:

<https://edge.media-server.com/mmc/p/tnpz3b6k>

PARTICIPANT DIALS:

Participant Toll-Free: 1-833-630-1956

Participant Toll/Int'l: 1-412-317-1837

Password: Koil Energy Solutions call

Replay Dials: (available up to 7 days after the call)

Replay Toll-Free: 1-877-344-7529

Replay Toll/Int'l: 1-412-317-0088

Replay Password: 3264769

The earnings release and a replay of the conference call will also be available on the Company's website, www.koilenergy.com, under the "Investors" section.

About KOIL (www.koilenergy.com)

KOIL Energy is a leading energy services company offering subsea equipment and support services to the world's energy and offshore industries. We provide innovative solutions to complex customer challenges presented between the production facility and the energy source. Our core services and technological solutions include distribution system installation support and engineering services, umbilical terminations, loose-tube steel flying leads, and

related services. Additionally, KOIL Energy's experienced team can support subsea engineering, manufacturing, installation, commissioning, and maintenance projects located anywhere in the world.

Forward-Looking Statements

Any forward-looking statements in the preceding paragraphs of this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties in that actual results may differ materially from those projected in the forward-looking statements. In the course of operations, we are subject to certain risk factors, competition and competitive pressures, sensitivity to general economic and industrial conditions, international political and economic risks, availability and price of raw materials and execution of business strategy. For further information, please refer to the Company's filings with the Securities and Exchange Commission, copies of which are available from the Company without charge.

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KOIL ENERGY SOLUTIONS, INC. SUMMARY FINANCIAL DATA (UNAUDITED)

Comparative Condensed Consolidated Income Statement

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(In thousands, except per share amounts)				
Revenues	\$ 5,183	\$ 5,779	\$ 10,433	\$ 11,570
Cost of sales	3,454	3,530	7,052	7,290
Selling, general and administrative	1,964	1,268	3,693	2,729
Operating income (loss)	(235)	981	(312)	1,551
Total other (income) expense	(304)	(5)	(359)	(14)
Income (loss) before income tax expense	69	986	47	1,565
Income tax expense	8	2	15	5
Net income (loss)	\$ 61	\$ 984	\$ 32	\$ 1,560
Net income (loss) per share, basic	\$ 0.01	\$ 0.08	\$ 0.00	\$ 0.13
Weighted-average shares outstanding, basic	12,088	12,188	12,088	12,079

Comparative Condensed Consolidated Balance Sheets

	June 30, 2025	December 31, 2024
(In thousands)		
Assets:		
Cash	\$ 2,193	\$ 3,422
Other current assets	7,515	6,784
PP&E, net	3,355	2,791
Other non-current assets	6,553	5,743
Total assets	\$ 19,616	\$ 18,740
Liabilities:		
Current liabilities	4,626	4,524
Other long-term liabilities	6,205	5,612
Total liabilities	10,831	10,136
Stockholders' equity	8,785	8,604
Total liabilities and stockholders' equity	\$ 19,616	\$ 18,740

Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(In thousands)				
Net income (loss)	\$ 61	\$ 984	\$ 32	\$ 1,560
(Deduct) Add: Interest (income) expense, net	(2)	(5)	(16)	(13)
Add: Income tax expense	8	2	15	5
Add: Depreciation and amortization	156	149	303	293
Add: Share-based compensation	79	34	149	53
Add (Deduct): Loss (gain) on sale of asset	(11)	3	(12)	3
Add: Loss (Gain) on Litigation Settlement	(250)	-	(250)	-
Add: Restructuring costs	122	-	279	-
Adjusted EBITDA	\$ 163	\$ 1,167	\$ 500	\$ 1,901

Cash Flow Data

(In thousands)

Cash provided by (used in):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating activities	\$ (99)	\$ (82)	\$ (406)	\$ (756)
Investing activities	(810)	16	(820)	(62)
Financing activities	(268)	329	(3)	247
Change in cash	<u>\$ (1,177)</u>	<u>\$ 263</u>	<u>\$ (1,229)</u>	<u>\$ (571)</u>

