

Jones Soda Reports Second Quarter 2025 Results

SEATTLE, Aug. 15, 2025 /CNW/ - Jones Soda Co. (CSE: JSDA) (OTCQB: JSDA) ("Jones Soda" or the "Company"), today announced its financial results for the second quarter ended June 30, 2025.

Second Quarter 2025 Financial Summary vs. Year-Ago Quarter

- Revenue was \$4.9 million compared to \$6.7 million.
- Net income was \$2.6 million, or \$0.02 per share, compared to a net loss of \$1.6 million, or \$(0.02) per share. The increase was driven primarily by the sale of the Cannabis business as well as continued reductions in operating costs during the quarter.
- Adjusted EBITDA¹ was \$(0.5) million compared to \$(1.2) million and an improvement of \$0.7 million or 56% over the prior year.

Second Quarter 2025 and Recent Activity Update

- Announced the sale of its cannabis beverage business, including all related assets under the Mary Jones™ brand, to MJ Reg Disrupters LLC for \$3 million.
- HD9 sales were \$0.8 million representing a \$0.2 million dollar increase from the second quarter of 2024.
- Jones will be expanding into the Club Channel in Q3 with its iconic 12oz glass bottle.
- Strong demand through direct to consumer from our Crayola and Fallout offerings this quarter, with a upcoming unique offering in Q4 in coordination with Bethesda and Fallout II.
- Announced in April that Pop Jones, is now featured in Modern Beverage POGs across over 1500 national and regional chain stores including Safeway, Albertsons, Kroger, Market Basket, HyVee Stores, and will be expanding into another major mid-west chain in Q3.
- Launched Jones Zero Cola in March across 10,000+ national and regional grocery stores, with plans to introduce additional zero-calorie flavors and Jones Zero Root Beer, later in 2025.

¹ Adjusted EBITDA is defined as net income (loss) from operations before interest expense, interest income, taxes, depreciation, amortization and stock-based compensation and is a non-GAAP measure (reconciliation provided below).

Management Commentary

"In the second quarter of 2025, we built on the solid foundation laid in the first quarter, making meaningful strides in our strategic turnaround and are maintaining strong early momentum," said Scott Harvey, CEO of Jones Soda. "Most significantly, the second quarter marked a return to positive net income of \$2.6 million, primarily driven by the gain on the sale of our Cannabis business. While this milestone highlights the immediate financial benefit of the divestiture, it also reflects our team's continued focus on operating efficiently and managing expenses effectively. This strategic portfolio refinement has streamlined operations and sharpened our focus, enabling us to dedicate our full attention to strengthening and growing our core beverage business."

"With a disciplined cost structure and clear operational levers, we are prioritizing driving top-line growth across our three main categories: core soda, modern soda, and adult beverages. Our priority remains accelerating sales through strategic partnerships while continuing to strengthen relationships with our suppliers to capture market opportunities in all channels. Overall, Jones is well-positioned to capitalize on growth opportunities in the soda and beverage market as we continue refine our brand, optimize operations, and advance our strategic sales initiatives."

Second Quarter 2025 Financial Results

Revenue in the second quarter of 2025 was \$4.9 million compared to \$6.7 million in the prior year period. This included

\$0.8 million from sales of its HD9 products, compared to \$0.6 in the second quarter of 2024. The decline in revenue was primarily attributable to a large one-time pipeline fill in the second quarter of 2024. This was partially offset by growth in, direct to consumer, food service, convenience stores and HD9 products.

Gross profit for the second quarter of 2025 was \$1.6 million compared to \$2.3 million in the year-ago period. The decline was primarily driven by the lower sales revenue.

Total operating expenses in the second quarter of 2025 were \$2.4 million compared to \$4.0 million in the year-ago period. The decrease was primarily driven by the continued cost management and supply chain optimization efforts.

Net income increased to \$2.6 million, or \$0.02 per share, compared to a net loss of \$1.6 million, or \$(0.02) per share. The increase in net income was primarily driven by the gain on sale of its Cannabis businesses as well as the decreases in selling and marketing expenses and general and administrative expenses.

Adjusted EBITDA² was \$(0.5) million compared to \$(1.2) million and an improvement of \$0.7 million or 56% over the prior year.

² Adjusted EBITDA is defined as net income (loss) from operations before interest expense, interest income, taxes, depreciation, amortization and stock-based compensation and is a non-GAAP measure (reconciliation provided below).

Conference Call

Jones Soda will hold a conference call today at 8:30 a.m. Eastern time to discuss its results for the second quarter ended June 30, 2025.

Date: Friday, August 15, 2025

Time: 8:30 a.m. Eastern time (5:30 a.m. Pacific time)

Toll-free dial-in number: 1-877-407-0784

International dial-in number: 1-201-689-8560

Conference ID: 13755191

Please call the conference telephone number five minutes before the start time. An operator will register your name and organization. If you have any difficulty connecting to the call, please contact Gateway Group at 1-949-574-3860.

The conference call will be broadcast live and available for replay [here](#) and via the investor relations section of the Company's website at www.jonessoda.com.

A telephonic replay of the conference call will be available after 12:30 p.m. Eastern time on the same day through August 29, 2025.

Toll-free replay number: 1-844-512-2921

International replay number: 1-412-317-6671

Replay ID: 13755191

Presentation of Non-GAAP Information

This press release contains disclosure of the Company's Adjusted EBITDA which is not a United States Generally Accepted Accounting Principle ("GAAP") financial measure. The difference between Adjusted EBITDA (a non-GAAP measure) and Net Loss (the most comparable GAAP financial measure) is the exclusion of interest expense and income, income tax expense, depreciation and amortization expense and stock-based compensation. We have included a reconciliation of Adjusted EBITDA to Net Loss under "Jones Soda Co. Non-GAAP Reconciliation" at the end of this press release. This non-GAAP measure should be considered in addition to results prepared in accordance with

GAAP, but should not be considered a substitute for or superior to GAAP. Adjusted EBITDA has certain limitations in that it does not take into account the impact of certain expenses to our consolidated statements of operations. In addition, because Adjusted EBITDA may not be calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies. We believe that Adjusted EBITDA provides useful information to investors about the Company's results attributable to operations, in particular by eliminating the impact of non-cash charges related to stock-based compensation, amortization and depreciation that is consistent with the manner in which management evaluates the Company's performance. These adjustments to the Company's GAAP results are made with the intent of providing a more complete understanding of the Company's underlying operational results and provide supplemental information regarding the Company's current ability to generate cash flow. Adjusted EBITDA is not intended to be considered in isolation or as a replacement for, or superior to Net Loss as an indicator of the Company's operating performance, or cash flow, as a measure of its liquidity. Adjusted EBITDA should be reviewed in conjunction with Net Loss as calculated in accordance with GAAP.

About Jones Soda Co.

Jones Soda Co.[®] (CSE: JSDA, OTCQB: JSDA) is a leading craft soda manufacturer with a subsidiary dedicated to cannabis products. The company markets and distributes premium craft sodas under the Jones[®] Soda brand, and a variety of cannabis products under the Mary Jones brand. Jones' mainstream soda line is sold across North America in glass bottles, cans and on fountain through traditional beverage outlets, restaurants and alternative accounts. The company is headquartered in Seattle, Washington. For more information, visit www.jonessoda.com or www.myjones.com.

Forward-Looking Statements Disclosure

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all passages containing words such as "will," "aims," "anticipates," "becoming," "believes," "continue," "estimates," "expects," "future," "intends," "plans," "predicts," "projects," "targets," or "upcoming." Forward-looking statements also include any other passages that are primarily relevant to expected future events or that can only be evaluated by events that will occur in the future. Forward-looking statements are based on the opinions and estimates of management at the time the statements are made and are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Factors that could affect the Company's actual results, including its financial condition and results of operations, include, among others: its ability to successfully execute on its growth strategies and operating plans for the future;; the Company's ability to continue to develop and market THC/CBD-infused and/or cannabis-infused beverages and edibles, and comply with the laws and regulations governing cannabis, hemp or related products, and the timing and costs of the development of these new product lines; the Company's ability to manage operating expenses and generate sufficient cash flow from operations; the Company's ability to create and maintain brand name recognition and acceptance of its products; the Company's ability to adapt and execute its marketing strategies; the Company's ability to compete successfully against much larger, well-funded, established companies currently operating in the beverage industry generally and in the craft beverage segment specifically; the Company's ability to respond to changes in the consumer beverage marketplace, including potential reduced consumer demand due to health concerns (including obesity) and legislative initiatives against sweetened beverages (including the imposition of taxes); its ability to develop and launch new products and to maintain brand image and product quality; the Company's ability to maintain and expand distribution arrangements with distributors, independent accounts, retailers or national retail accounts; its ability to manage inventory levels and maintain relationships with manufacturers of its products; its ability to maintain a consistent and cost-effective supply of raw materials and flavors and to manage factors affecting its supply chain; its ability to attract, retain and motivate key personnel; its ability to protect its intellectual property; the impact of future litigation and the Company's ability to comply with applicable regulations; its ability to maintain an effective information technology infrastructure, fluctuations in freight and fuel costs; the impact of currency rate fluctuations; its ability to

access the capital markets for any future equity financing; the Company's ability to maintain disclosure controls and procedures and internal control over financial reporting; dilutive and other adverse effects from future potential securities issuances; and any actual or perceived limitations by being traded on the OTCQB Marketplace. More information about factors that potentially could affect the Company's operations or financial results is included in its most recent annual report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission ("SEC") on April 1, 2024 and in the other reports filed with the SEC since that date. Readers are cautioned not to place undue reliance upon these forward-looking statements that speak only as to the date of this release. Except as required by law, the Company undertakes no obligation to update any forward-looking or other statements in this press release, whether as a result of new information, future events or otherwise.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

(Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash	\$ 650	\$ 1,275
Accounts receivable, net of allowance of \$31 and \$77, respectively	2,782	1,858
Current note receivable	886	-
Current licensing fees receivable	150	-
Inventories, net	3,271	3,364
Prefunded insurance premiums from financing	111	199
Prepaid expenses and other current assets	1,370	614
Current assets of discontinued operations	-	1,070
Total current assets	9,220	8,380
Long-term note receivable	1,096	-
Long-term licensing fees receivable	1,551	-
Fixed assets, net of accumulated depreciation of \$452 and \$422, respectively	74	108
Non-current assets of discontinued operations	-	35
Total assets	\$ 11,941	\$ 8,523
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,686	\$ 3,279
Accrued expenses	1,629	2,464
Revolving credit facility	916	291
Insurance premium financing	58	199
Promissory notes	313	-
Current liabilities of discontinued operations	-	134
Total current liabilities	7,602	6,367
Total liabilities	7,602	6,367
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Common stock, no par value:		
Authorized - 800,000,000 issued and outstanding shares - 116,567,152 shares and 115,867,659 shares, respectively	95,221	94,883
Common stock, no par value Authorized - 800,000,000 issued and outstanding shares -116,564,720 shares and 115,865,227 shares, respectively	95,221	94,883
Accumulated other comprehensive income	308	222
Accumulated deficit	(91,190)	(92,949)
Total shareholders' equity	4,339	2,156
Total liabilities and shareholders' equity	\$ 11,941	\$ 8,523

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net Revenue	\$ 4,894	\$ 6,659	\$ 9,124	\$ 11,240
Cost of goods sold	(3,266)	(4,396)	(6,101)	(7,363)
Gross profit	1,628	2,263	3,023	3,877
Operating expenses:				
Selling and marketing	1,060	1,685	2,173	3,109
General and administrative	1,328	2,289	2,531	3,757
Total operating expenses	(2,388)	(3,974)	(4,704)	(6,866)
Loss from operations	(760)	(1,711)	(1,681)	(2,989)
Other income (expenses):				
Interest income	5	-	6	6
Interest expense	(70)	1	(148)	(7)
Other (expense) income, net	(179)	24	(273)	18
Gain on disposition of subsidiaries	3,663	-	3,663	-
Total other income	3,419	25	3,248	17
Income (loss) before income taxes	2,659	(1,686)	1,567	(2,972)
Income tax expense, net	(7)	(11)	(7)	(21)
Net income (loss) from continuing operations	2,652	(1,697)	1,560	(2,993)
Loss (income) from discontinued operations	(41)	129	199	273
Net income (loss)	\$ 2,611	\$ (1,568)	\$ 1,759	\$ (2,720)

Earning (loss) per share - basic and diluted

Income (loss) from continuing operations	\$ 0.02	\$ (0.02)	\$ 0.01	\$ (0.03)
Income from discontinued operations	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00
Total	\$ 0.02	\$ (0.02)	\$ 0.02	\$ (0.03)

Weighted average common shares

outstanding - basic and diluted	116,180,383	102,256,899	116,023,676	101,867,317
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NON-GAAP RECONCILIATION

(Unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
GAAP net income (loss) from continuing operations	2,652	(1,697)	1,560	(2,993)
Stock-based compensation			287	619
Finance costs	70	(1)	148	7
Depreciation			30	27
Income tax expenses	7	11	7	21
Gain on disposition of subsidiaries	(3,663)	-	(3,663)	-
Others	179	(24)	273	(18)
Non-GAAP Adjusted EBITDA	(542)	(1,238)	(1,358)	(2,337)

SOURCE Jones Soda Co.

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