

Sky Quarry Reports 2nd Quarter 2025 Financial Results

WOODS CROSS, Utah, Aug. 15, 2025 (GLOBE NEWSWIRE) -- Sky Quarry Inc. (NASDAQ: SKYQ) ("Sky Quarry" or the "Company"), an integrated energy solutions company focused on sustainable resource recovery, today reported its financial and operational results for the second quarter ended June 30, 2025.

Key Financial and Operational Highlights

- **Generated \$4.54 million in Q2 revenue**, a 35% increase from Q2 2024, driven by regained supply volumes and ongoing operational improvements.
- **Unveiled a strategic growth plan** to ramp operations at the Foreland Refinery to its full permitted production capacity of up to 800,000 barrels per year, positioning the Company to meet growing regional fuel demand.
- **Submitted an application for a recycling permit** to develop an integrated energy facility in Utah that will recover valuable oil from waste asphalt shingles, supporting a fully integrated supply chain for the Company's operations.
- **Launched a strategic digital asset initiative** to explore the tokenization of real-world energy commodities, with the goal of opening new market channels and building a long-term digital treasury.

2nd Quarter 2025 Financial Results

Revenues were \$4.54 million for the three months ended June 30, 2025, compared to \$3.38 million for the comparable period in 2024, representing an increase of 35%. For the six months ended June 30, 2025, revenues were \$10.87 million, compared to \$14.33 million in the prior year period, a decrease of 24%.

Gross profit for the three months ended June 30, 2025 was a loss of \$117,529, compared to a loss of \$485,589 in Q2 2024, an improvement of \$368,060. For the six months ended June 30, 2025, gross profit was a loss of \$843,060, compared to a profit of \$83,860 in the prior year period, a decrease of \$926,920.

Total operating expenses were \$1.62 million for the three months ended June 30, 2025, compared to \$0.97 million in Q2 2024. For the six months ended June 30, 2025, operating expenses totaled \$3.56 million, up from \$2.58 million in the prior year period.

Net loss was \$2.21 million for the three months ended June 30, 2025, compared to \$3.56 million for the same period in 2024. For the six months ended June 30, 2025, net loss was \$5.54 million compared to \$6.03 million in the prior year period.

Net cash used in operating activities for the six months ended June 30, 2025 was \$0.73 million, compared to \$2.60 million in the prior year period.

About Sky Quarry Inc.

Sky Quarry Inc. (NASDAQ: SKYQ) and its subsidiaries are, collectively, an oil production, refining, and a development-stage environmental remediation company formed to deploy technologies to facilitate the recycling of waste asphalt shingles and remediation of oil-saturated sands and soils. Our waste-to-energy mission is to repurpose and upcycle millions of tons of asphalt shingle waste, diverting them from landfills. By doing so, we can contribute to improved waste management, promote resource efficiency, conserve natural resources, and reduce environmental impact. For more information, please visit www.skyquarry.com.

Forward-Looking Statements

This press release may include "forward-looking statements." All statements pertaining to our future financial and/or operating results, future events, or future developments may constitute forward-looking statements. The statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate,"

"will," "project," or words of similar meaning. Such statements are based on the current expectations and certain assumptions of our management, of which many are beyond our control. These are subject to a number of risks, uncertainties, and factors, including but not limited to those described in our disclosures. Should one or more of these risks or uncertainties materialize or should underlying expectations not occur or assumptions prove incorrect, actual results, performance, or our achievements may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. We neither intend, nor assume any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated. You are urged to carefully review and consider any cautionary statements and the Company's other disclosures, including the statements made under the heading "Risk Factors" and elsewhere in the Company's Form 10-K as filed with the SEC on March 31, 2025, as well as the Company's Form 10-Q as filed with the SEC on May 15, 2025. Forward-looking statements speak only as of the date of the document in which they are contained.

Investor Relations

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Sky Quarry Inc.

Condensed Consolidated Balance Sheets

As of June 30, 2025 and December 31, 2024 (Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash	\$173,795	\$385,116
Accounts receivables	622,521	1,123,897
Prepaid expenses and other assets	403,665	339,124
Inventory	1,999,351	3,149,236
Total current assets	3,199,332	4,997,373
Property, plant, and equipment	5,635,527	6,160,318
Oil and gas properties	8,887,940	8,534,967
Restricted cash	801,816	2,929,797
Right-of-use asset	1,066,943	1,115,785
Goodwill	3,209,003	3,209,003
Total assets	\$22,800,561	\$26,947,243
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$4,245,605	\$4,046,319
Current portion of operating lease liability	77,824	38,422
Current portion of finance lease liability	16,964	16,120
Warrant liability	358,441	459,067
Lines of credit	1,133,633	1,260,727
Current maturities of notes payable	5,890,981	6,578,017
Total current liabilities	11,723,448	12,398,672
Notes payable, less current maturities, net of debt issuance costs	2,244,970	2,000,560
Operating lease liability, net of current portion	-	77,824
Finance lease Liability, net of current portion	966,661	971,690
Total Liabilities	14,935,079	15,448,746
Commitments and contingencies		
Shareholders' Equity:		
Common stock \$0.0001 par value: 100,000,000 shares authorized: 22,110,161 and 19,027,208 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	2,211	1,903
Additional paid in capital	37,585,087	35,674,391
Accumulated other comprehensive loss	(211,383)	(209,708)
Accumulated deficit	(29,510,433)	(23,968,089)
Total shareholders' equity	7,865,482	11,498,497
Total liabilities and shareholders' equity	\$22,800,561	\$26,947,243

Sky Quarry Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
For 6 months Ended June 30, 2025 and 2024

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net sales	\$4,541,472	\$3,375,244	\$10,874,439	\$14,327,574
Cost of goods sold	4,658,440	3,860,833	11,717,499	14,243,714
Gross margin	(116,968)	(485,589)	(843,060)	83,860
Operating expenses:				
General and administrative	1,620,696	971,378	3,554,426	2,579,262
Depreciation and amortization	2,916	1,473	4,944	2,945
Total operating expenses	1,623,612	972,851	3,559,370	2,582,207
Loss from operations	(1,740,580)	(1,458,440)	(4,402,430)	(2,498,347)
Other income (expense):				
Interest expense	(318,708)	(2,105,821)	(1,191,176)	(3,414,266)
Gain (loss) on extinguishment of debt	29,093	-	(56,660)	(108,887)
Gain (loss) on warrant valuation	(174,354)	-	100,626	-
Other income (expense)	(4,101)	26,858	3,376	21,552
Gain (loss) on sale of assets	-	(25,075)	3,920	(25,075)
Other expense, net	(468,070)	(2,104,038)	(1,139,914)	(3,526,676)
Loss before provision for income taxes	(2,208,650)	(3,562,478)	(5,542,344)	(6,025,023)
Provision for income taxes	-	-	-	-
Net loss	(2,208,650)	(3,562,478)	(5,542,344)	(6,025,023)
Other comprehensive loss				
Exchange loss on translation of foreign operations	(2,097)	-	(1,675)	(8,134)
Net loss and comprehensive loss	\$(2,210,747)	\$(3,562,478)	\$(5,544,019)	\$(6,033,157)
Loss per common share				
Basic and diluted	\$(0.10)	\$(0.22)	\$(0.27)	\$(0.37)
Weighted average shares outstanding				
Basic and diluted	21,589,413	16,347,767	20,422,497	16,426,722

Sky Quarry Inc.

Condensed Consolidated Statements of Cash Flows (Unaudited)

For 6 months Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$(5,542,344)	\$(6,025,023)
Adjustments to reconcile net loss to cash used in operating activities:		
Share based compensation	309,354	459,968
Depreciation and amortization	557,454	369,521
Amortization of debt issuance costs	807,636	1,540,875
Amortization of right-of-use asset	48,842	34,528
Gain on revaluation of warrant liabilities	(100,626)	-
Loss on extinguishment of debt	56,660	108,887
Loss (gain) on sale of assets	(3,920)	25,075
Changes in operating assets and liabilities:		
Accounts receivable	501,376	2,683,467
Prepaid expenses and other assets	(64,541)	(265,732)
Inventory	1,149,885	(771,672)
Accounts payable and accrued expenses	1,589,955	(728,797)
Operating lease liability	(39,132)	(33,472)
Net cash used in operating activities	(729,401)	(2,602,375)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of assets	14,060	-
Purchase of exploration and evaluation assets	(352,973)	(656,964)
Purchase of property, plant, and equipment	(42,383)	(714,752)
Net cash used in investing activities	(381,296)	(1,371,716)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on lines of credit	8,338,455	16,377,043
Payments on lines of credit	(8,465,550)	(18,426,517)
Proceeds from note payable	574,380	15,054,104
Payments on note payable	(1,670,741)	(8,847,174)
Payment of debt issuance costs	-	(1,043,187)
Payments on finance lease	(3,474)	-
Proceeds on issuance of preferred Stock	-	307,921
Preferred stock offering costs	-	(40,874)
Proceeds on issuance of common stock	-	1,138,077
Common stock offering costs	-	(340,885)
Net cash provided by (used in) financing activities	(1,226,930)	4,178,508
Effect of exchange rate on cash	(1,675)	(8,134)
Increase (decrease) in cash and restricted cash	(2,339,302)	196,283
Cash and restricted cash, beginning of the period	3,314,913	4,680,836
Cash and restricted cash, end of the period	\$975,611	\$4,877,119



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