



News Release

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Conrad Industries Announces 2022 Results and Backlog

Morgan City, Louisiana (March 31, 2023) – Conrad Industries, Inc. (OTC Pink: CNRD) today announced its 2022 results and backlog.

The Company had net loss of \$17.4 million and loss per diluted share of \$3.47 for the twelve months ended December 31, 2022 compared to net income of \$6.5 million and earnings per diluted share of \$1.29 for the twelve months ended December 31, 2021. Net income for 2021 included the Paycheck Protection Program loan being forgiven and our qualification for the Employee Retention Credit in 2021. The Company's financial reports are available at www.otcmarkets.com.

Our backlog as of December 31, 2022 was \$244.1 million, compared to \$148.5 million at December 31, 2021, and \$183.7 million at December 31, 2020.

Johnny Conrad, Chairman and CEO stated, "Our results for 2022 reflect a continued challenging operating environment, with losses primarily related to new construction gross losses from jobs on which actual costs varied from original estimates due to higher labor hours, higher labor costs, higher material costs and other inflationary cost increases. Many of these jobs were booked in mid-to-late 2020 and early 2021 and were completed or neared completion in 2022."

Mr. Conrad continued, "Although we face substantial uncertainties in our markets, we believe we are well-positioned to take advantage of opportunities as market fundamentals improve, due to our shipyard capacity, our investments in improving our shipyards' capabilities and efficiencies, and our experienced team. Bid activity in early 2023 has been strong, and there is increased government funding available for infrastructure and military projects. We have actively pursued government contracts in an effort to further diversify our new construction portfolio. We

believe some delayed customer orders will move forward if steel prices stabilize or our customers' business opportunities or fleet replacement needs require the vessels. We remain optimistic about opportunities in our repair and conversions segment."

Mr. Conrad concluded, "We believe that our ability to provide products and services to a variety of customers and to respond to demand for new types of vessels is a competitive strength. The infrastructure, government, pressurized barge, offshore wind and other markets are presenting us with exciting opportunities. We are intently focused on executing our backlog effectively and on obtaining new projects that will benefit our stockholders, employees, customers, suppliers and our community."

Conrad Industries, Inc., established in 1948 and headquartered in Morgan City, Louisiana, designs, builds and overhauls barges, dredges and dredge support equipment, tugboats, ferries, drydocks, liftboats, offshore support vessels and other steel products for both the commercial and government markets. The company provides both repair and new construction services at its five shipyards located in southern Louisiana and Texas.

Cautionary statement: This press release contains forward-looking statements, which are all statements other than those of historical facts, and reflect our expectations as of the date of this press release about future events. Forward-looking statements are subject to risks and uncertainties, including risks and uncertainties related to the higher steel, other material and labor costs along with generally high inflation in the U.S. economy, labor and supply constraints, rising interest rates, our reliance on cyclical industries, our reliance on principal customers and government contracts, our ability to perform contracts at costs consistent with estimated costs utilized in bidding, ability to replenish our backlog and compete in changing markets, customer financial condition and risk of default, the possible termination of contracts included in our backlog at the option of customers, operating risks, competition, our ability to retain and implement effective succession plans for key management personnel and to continue to attract and retain skilled workers, the availability and cost of capital, the COVID-19 pandemic and war in Ukraine, risk of failure of any bank in which we deposit our funds, and general industry and economic conditions. These and other risks are discussed in more detail in our Annual Report and subsequent reports available on www.otcmarkets.com. Should one or more of these risks materialize, achievement of anticipated results may differ materially from those anticipated. We do not intend to update these forward-looking statements, other than through our regular quarterly and annual reports.