



News Release

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Conrad Industries Announces Third Quarter 2023 Results and Backlog

Morgan City, Louisiana (November 14, 2023) - Conrad Industries, Inc. (OTC Pink: CNRD) announced today its third quarter and nine months ended September 30, 2023 financial results and backlog at September 30, 2023.

For the quarter ended September 30, 2023, Conrad had net loss of \$3.2 million and loss per diluted share of \$0.63 compared to net loss of \$5.3 million and loss per diluted share of \$1.06 during the third quarter of 2022. The Company had net loss of \$14.1 million and loss per diluted share of \$2.82 for the nine months ended September 30, 2023 compared to net loss of \$8.8 million and loss per diluted share of \$1.75 for the nine months ended September 30, 2022. The Company's financial reports are available at www.otcmarkets.com.

During the first nine months of 2023, Conrad added \$203.7 million of backlog to its new construction segment compared to \$251.0 million added to backlog during the first nine months of 2022. Conrad's backlog was \$289.7 million at September 30, 2023, \$244.1 million at December 31, 2022 and \$260.5 million at September 30, 2022.

Johnny Conrad, CEO, stated, "The net loss for the first nine months of 2023 was primarily the result of three more complex projects for a single customer that were originally signed in 2020 and early 2021 during the COVID-19 pandemic and suffered from the subsequent supply chain and inflationary issues. Two of these projects are now complete, with the third nearing completion, and we are extremely proud of the quality of the vessels that our Conrad team constructed for our customer. Our repair and conversion segment achieved gross profit of \$3.2 million for the nine months ended September 30, 2023, compared to a gross loss of \$655,000 during

the same period in 2022, demonstrating solid performance in a competitive environment. We are optimistic about future demand, based on current projects, bid activity and market outlook in our repair and conversion segment.”

“We are cautiously optimistic about the future of our vessel construction segment due to recent backlog additions for repeat builds in the ferry and barge markets for repeat customers. Our management team continues to focus on effectively executing our current backlog, securing new contracts, increasing efficiencies and controlling costs so that we can be well-positioned for improved profitability as our markets strengthen.”

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 supply vessels and other steel products for the commercial and government markets. The company provides 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 changes in steel, other material and labor costs, 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 wars in Ukraine and Israel, 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.