May 5, 2022

Perma-Fix Reports Financial Results and Provides Business Update for the First Quarter of 2022

ATLANTA, May 05, 2022 (GLOBE NEWSWIRE) -- **Perma-Fix Environmental Services, Inc. (NASDAQ: PESI)** (the "Company") today announced financial results and provided a business update for the first quarter ended March 31, 2022.

Mark Duff, President and CEO of the Company, commented, "As previously disclosed, we continued to experience the impacts of the pandemic in the first couple months of the first quarter of 2022, which directly resulted in delays for both service and treatment projects. However, we started to realize improved results in March, which we believe will continue in the second quarter of 2022. Specifically, we have completed the transition and startup of several service projects that are close to full operations and contributing to meaningful revenue growth within our Service Segment in the second quarter of 2022. In turn, we anticipate this trend will be reflected in improved financial performance in the second quarter. Moreover, while the federal government clients have been slow to procure new task orders in 2022, we anticipate a number of these opportunities will be awarded during the second and third quarters. Within our Treatment Segment, we are seeing increased demand for waste treatment capacity within both the government and commercial sectors, which we believe bodes well for the balance of 2022. Perma-Fix remains well-positioned to resume and exceed the performance levels attained prior to the pandemic through increased bidding activities, waste treatment capability expansion, and rising federal budgets that directly support our core competencies."

COVID-19

The Company continues to proactively update its ongoing business operations and safety plans, which we believe will mitigate any potential impact of COVID-19. However, as the situations surrounding COVID-19 remain fluid, the full impact and extent of the pandemic on the Company's financial results cannot be estimated with any degree of certainty.

Financial Results

Revenue was $15.9 million for the first quarter of 2022 as compared to $23.1 million for the corresponding period of 2021. The decrease in revenue was primarily within our Services Segment where revenue decreased by approximately $7.2 million to $8.4 million for the first quarter of 2022 as compared to $15.6 million for the corresponding period of 2021. Work under certain of the new projects awarded to our Services Segment at the end of the second quarter of 2021 continued to be delayed/curtailed into the first quarter of 2022 due to COVID-19 impact and/or administrative delays experienced by certain customers. However, we have begun to see improvement in activities from certain of these new projects starting in

the latter part of the first quarter of 2022. Treatment Segment revenue remained steady at approximately $7.5 million. Although we saw minimal change in revenue within our Treatment Segment, our Treatment Segment revenue has not returned to pre-pandemic levels as certain customers continue to delay waste shipments due, in part, to the impact of COVID-19.

Gross profit for the first quarter of 2022 was $1.6 million versus $2.4 million for the first quarter of 2021 primarily due to overall lower revenue and the impact of our fixed costs primarily at our Treatment Segment plants. Certain of our fixed costs have been impacted by inflation which contributed to lower gross profit.

Operating loss for the first quarter of 2022 was $1.9 million versus operating loss of $999,000 for the corresponding period of 2021. Net loss for the first quarter of 2022 was $1.3 million versus net loss of $1.2 million for the corresponding period of 2021. Net loss for the first quarter of 2022 included a tax benefit of $673,000. Net loss attributable to common stockholders (both basic and diluted) for the first quarter of 2022 was $1.3 million or ($0.10) per share versus net loss attributable to common stockholders (both basic and diluted) of $1.1 million or ($0.09) per share, for the same period in 2021.

The Company reported Adjusted EBITDA of ($1.4) million from continuing operations at March 31, 2022, as compared to Adjusted EBITDA of ($522,000) from continuing operations during the corresponding period of 2021. The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before research and development ("R&D") costs related to the Medical Isotope project. As previously disclosed, in December 2021, the Company made the strategic decision to cease all R&D activities under the Medical Segment and sold 100% of its interest in Perma-Fix Medical S.A., which comprised of its Medical Segment. Both EBITDA and Adjusted EBITDA are not measures of performance calculated in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP"), and should not be considered in isolation of, or as a substitute for, earnings as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. The Company believes the presentation of EBITDA and Adjusted EBITDA is relevant and useful by enhancing the readers' ability to understand the Company's operating performance. The Company's management utilizes EBITDA and Adjusted EBITDA as means to measure performance. The Company's measurements of EBITDA and Adjusted EBITDA may not be comparable to similar titled measures reported by other companies. The table below reconciles EBITDA and Adjusted EBITDA, both non-GAAP measures, to GAAP numbers for loss from continuing operations for the three months ended March 31, 2022 and 2021.

	Quarter Ended March 31,	
	(Unaudited)	(Unaudited)
(In thousands)	2022	2021
Loss from continuing operations	$ (1,249)	$ (1,038)

Adjustments:

Depreciation & amortization	456	400
Interest income	(11)	(18)
Interest expense	35	67
Interest expense - financing fees	13	8
Income tax benefit	(673)	(17)
EBITDA	(1,429)	(598)
Research and development costs related to Medical Isotope project	—	76
Adjusted EBITDA	$ (1,429)	$ (522)

The tables below present certain unaudited financial information for the business segments, which excludes allocation of corporate expenses. As noted above, in December 2021, the Company made the strategic decision to cease all R&D activities under the Medical Segment and sold 100% of its interest in Perma-Fix Medical S.A., which comprised of its Medical Segment.

	Quarter Ended March 31, 2022 (Unaudited)		Quarter Ended March 31, 2021 (Unaudited)		
(In thousands)	Treatment	Services	Treatment	Services	Medical
Revenues	$ 7,479	$ 8,436	$ 7,495	$ 15,638	$ —
Gross profit	638	998	925	1,431	—
Segment Profit (loss)	78	399	(102)	555	(76)

Conference Call

Perma-Fix will host a conference call at 11:00 a.m. ET on Thursday, May 5, 2022. The conference call will be available via telephone by dialing toll free 877-545-0523 for U.S. callers, or +1 973-528-0016 for international callers and by entering access code: 403356. The conference call will be led by Mark J. Duff, Chief Executive Officer, Dr. Louis F. Centofanti, Executive Vice President of Strategic Initiatives, and Ben Naccarato, Executive Vice President and Chief Financial Officer of Perma-Fix Environmental Services, Inc.

A webcast of the call may be accessed at https://www.webcaster4.com/Webcast/Page/2243/45480 or on the Company's website at https://ir.perma-fix.com/conference-calls. A webcast will also be archived on the Company's website and a telephone replay of the call will be available approximately one hour following the call, through Thursday, May 12, 2022, and can be accessed by calling: 877-481-4010 for U.S. callers, or 919-882-2331 for international callers and entering conference ID: 45480.

About Perma-Fix Environmental Services

Perma-Fix Environmental Services, Inc. is a nuclear services company and leading provider of nuclear and mixed waste management services. The Company's nuclear waste services include management and treatment of radioactive and mixed waste for hospitals, research labs and institutions, federal agencies, including the U.S Department of Energy ("DOE"), the U.S Department of Defense ("DOD"), and the commercial nuclear industry. The Company's nuclear services group provides project management, waste management, environmental restoration, decontamination and decommissioning, new build construction, and radiological protection, safety and industrial hygiene capability to our clients. The Company operates four nuclear waste treatment facilities and provides nuclear services at DOE, DOD, and commercial facilities, nationwide.

Please visit us at http://www.perma-fix.com.

This press release contains "forward-looking statements" which are based largely on the Company's expectations and are subject to various business risks and uncertainties, certain of which are beyond the Company's control. Forward-looking statements generally are identifiable by use of the words such as "believe", "expects", "intends", "anticipate", "plan to", "estimates", "projects", and similar expressions. Forward-looking statements include, but are not limited to improve results in the second quarter of 2022; improved revenue growth and financial performance in the second quarter; award of new opportunities during the second and third quarters; balance of 2022; resume and exceed performance levels attained prior to pandemic; and impact of COVID-19. While the Company believes the expectations reflected in this news release are reasonable, it can give no assurance such expectations will prove to be correct. There are a variety of factors which could cause future outcomes to differ materially from those described in this release, including, without limitation, future economic conditions; industry conditions; competitive pressures; our ability to apply and market our new technologies; the government or such other party to a contract granted to us fails to abide by or comply with the contract or to deliver waste as anticipated under the contract or terminates existing contracts; Congress fails to provides funding for the DOD's and DOE's remediation projects; inability to obtain new foreign and domestic remediation contracts; inability to meet financial covenants; and the additional factors referred to under "Risk Factors" and "Special Note Regarding Forward-Looking Statements" of our 2021 Form 10-K and Form 10-Q for quarter ended March 31, 2022. The Company makes no commitment to disclose any revisions to forward-looking statements, or any facts, events or circumstances after the date hereof that bear upon forward-looking statements.

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FINANCIAL TABLES FOLLOW

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(Amounts in Thousands, Except for Per Share Amounts)	Three Months Ended March 31, 2022	2021
Revenues	$ 15,915	$ 23,133
Cost of goods sold	14,279	20,777
Gross profit	1,636	2,356
Selling, general and administrative expenses	3,422	3,205
Research and development	96	150
Loss on disposal of property and equipment	1	—
Loss from operations	(1,883)	(999)
Other income (expense):		
Interest income	11	18
Interest expense	(35)	(67)
Interest expense-financing fees	(13)	(8)
Other	(2)	1
Loss from continuing operations before taxes	(1,922)	(1,055)
Income tax benefit	(673)	(17)
Loss from continuing operations, net of taxes	(1,249)	(1,038)
Loss from discontinued operations (net of taxes)	(94)	(115)
Net loss	(1,343)	(1,153)
Net loss attributable to non-controlling interest	—	(30)
Net loss attributable to Perma-Fix Environmental Services, Inc. common stockholders	$ (1,343)	$ (1,123)
Net loss per common share attributable to Perma-Fix Environmental Services, Inc. stockholders - basic and diluted:		
Continuing operations	$ (.09)	$ (.08)
Discontinued operations	(.01)	(.01)
Net loss per common share	$ (.10)	$ (.09)

Number of common shares used in computing net loss per share:		
Basic	13,234	12,165
Diluted	13,234	12,165

(Amounts in Thousands, Except for Share and Per Share Amounts)	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Current assets:		
Cash	$ 3,925	$ 4,440
Account receivable, net of allowance for doubtful accounts of $26 and $85, respectively	10,322	11,372
Unbilled receivables	5,275	8,995
Other current assets	5,030	5,152
Assets of discontinued operations included in current assets	27	15
Total current assets	24,579	29,974
Net property and equipment	18,643	18,609
Property and equipment of discontinued operations	81	81
Operating lease right-of-use assets	2,347	2,460
Intangibles and other assets	26,526	26,177
Total assets	$ 72,176	$ 77,301
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	$ 21,436	$ 25,408
Current liabilities related to discontinued operations	802	506
Total current liabilities	22,238	25,914
Long-term liabilities	10,038	10,126
Long-term liabilities related to discontinued operations	408	677
Total liabilities	32,684	36,717
Commitments and Contingencies		

Stockholders' equity:		
Preferred Stock, $.001 par value; 2,000,000 shares authorized, no shares issued and outstanding	—	—
Common Stock, $.001 par value; 30,000,000 shares authorized, 13,242,072 and 13,222,552 shares issued, respectively; 13,234,430 and 13,214,910 shares outstanding, respectively	13	13
Additional paid-in capital	114,532	114,307
Accumulated deficit	(74,963)	(73,620)
Accumulated other comprehensive loss	(2)	(28)
Less Common Stock held in treasury, at cost: 7,642 shares	(88)	(88)
Total stockholders' equity	39,492	40,584
Total liabilities and stockholders' equity	$ 72,176	$ 77,301

Source: Perma-Fix Environmental Services, Inc