May 9, 2024

Perma-Fix Reports Financial Results and Provides Business Update for the First Quarter of 2024

ATLANTA, May 09, 2024 (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, 2024.

Mark Duff, President and CEO of the Company, commented, "As previously disclosed, our financial performance in the first quarter of 2024 was impacted by a few temporary headwinds. However, we have seen steady improvement heading into the second quarter and anticipate a strong second half of 2024. The weakness we experienced was due in part to delayed project starts and waste shipments, as well as challenging weather conditions during the first quarter of 2024. However, we used this period for equipment replacement and repairs, program enhancements, and testing to support permit expansion and broader market penetration. Additionally, we accelerated investments in research and development on our new technology to treat PFAS (Per- and Polyfluorinated Substances) contamination, which resulted in the completion of pilot plant testing with PFAS destruction levels exceeding anticipated regulatory requirements. We are now in the process of final designs and fabrication for the first operational unit and plan to begin accepting commercial waste for destruction before the end of the year."

"We believe we are in a good position based on new strategic wins, growing project opportunities, and increased bidding activities. Importantly, we are pursuing several large procurements within the U.S. government, as well as commercial and international waste opportunities. Moreover, we have made further progress in our strategy to provide critical services to the U.S. Department of Energy's (DOE) Hanford tank remediation mission, including the treatment of effluent from the DFLAW (Direct-Feed Low-Activity Waste) facility once it commences vitrification operations, which is expected in 2025."

"Lastly, I would like to commend the DOE, U.S. Environmental Protection Agency (EPA), and the Washington State Department of Ecology on their recent landmark agreement, widely referred to as the "Settlement Agreement," for treating a significant portion of the Hanford site tank waste through grouting, as a supplement to vitrification. Under the agreement, DOE has committed to grout waste it empties from 22 of the tanks on the west side of the site by 2040. We believe that our Perma-Fix Northwest facility in Richland, Washington, adjacent to the Hanford site, is ideally suited to treat a large portion of this waste given its proximity, permits and our proven track record. Moreover, we believe we can provide a highly cost-effective solution for these wastes that could potentially save taxpayers billions of dollars. At the same time, per the Settlement Agreement, DOE has reaffirmed its timeline to complete "hot commissioning" and commence vitrification at the DFLAW facility

by August 1, 2025, and we look forward to the opportunity to treat the effluent resulting from this process. Overall, we look forward to working closely with DOE to advance its mission of remediating this and other critical sites around the country," concluded Duff.

Financial Results

Revenue was $13.6 million for the first quarter of 2024 as compared to $20.1 million for the corresponding period of 2023. Services Segment revenue decreased by approximately $5.6 million to $4.9 million for the first quarter of 2024 as compared to $10.5 million for the corresponding period of 2023. The decrease in revenue in the Services Segment was due in part to the completion of two large projects which were not replaced by new project starts due to delays in mobilization activities until late April 2024 resulting from Continuing Resolution impacts. The Continuing Resolution impacts from the inability of Congress to pass the federal budget until late March 2024 contributed to delays in procurements, project starts and waste shipments by certain government clients due to uncertain budget projections. Treatment Segment revenue decreased by approximately $900,000 to $8.7 million for the first quarter of 2024 as compared to approximately $9.6 million for the corresponding period of 2023. The decrease in revenue in the Treatment Segment was primarily due to overall lower waste volume and lower averaged price from waste mix. The overall lower waste volume was attributed to Continuing Resolution impact as discussed above in addition to poor weather conditions which resulted in waste shipment delays from certain customers. Additionally, our Treatment Segment waste volume was negatively impacted by delays in waste treatment production and waste receipts due to temporary outages at certain of our facilities resulting from equipment replacements and repairs, program enhancements and testing to support permit expansion and broader market penetration.

Gross loss for the first quarter of 2024 was $620,000 versus gross profit of $3.0 million for the first quarter of 2023 primarily due to decreased revenue generated from both segments as discussed above.

Operating loss for the first quarter of 2024 was $4.5 million versus operating loss of $576,000 for the corresponding period of 2023. Net loss for the first quarter of 2024 was $3.6 million versus net loss of $411,000 for the corresponding period of 2023. Net loss per share (both basic and diluted) for the first quarter of 2024 was $0.26 per share versus net loss per share (both basic and diluted) of $0.03 for the same period in 2023.

The Company reported EBITDA of ($4.0) million from continuing operations at March 31, 2024, as compared to EBITDA of $171,000 from continuing operations for the corresponding period of 2023. The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA is not a measure 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 is relevant and useful by enhancing the readers' ability to understand the Company's operating performance. The Company's management utilizes EBITDA as a mean to measure performance. The Company's measurement of EBITDA may not be comparable to similar titled measures reported by other companies. The table below reconciles EBITDA, a non-GAAP measure, to GAAP numbers for loss from continuing operations for the three months ended March 31,

2024, and 2023.

(In thousands)	Quarter Ended March 31, (Unaudited) 2024	(Unaudited) 2023
Loss from continuing operations	$ (3,458)	$ (318)
Adjustments:		
Depreciation & amortization	431	747
Interest income	(174)	(127)
Interest expense	116	53
Interest expense - financing fees	13	20
Income tax benefit	(956)	(204)
EBITDA	$ (4,028)	$ 171

The tables below present certain unaudited financial information for the business segments, which excludes allocation of corporate expenses.

(In thousands)	Quarter Ended March 31, 2024 (Unaudited) Treatment	Services	Quarter Ended March 31, 2023 (Unaudited) Treatment	Services
Revenues	$ 8,709	$ 4,908	$ 9,594	$ 10,513
Gross (loss) profit	(52)	(568)	1,252	1,757
Segment (loss) profit	(846)	(957)	331	973

Conference Call

Perma-Fix will host a conference call at 11:00 a.m. EDT on Thursday, May 9, 2024. The conference call will be available via telephone by dialing toll free 888-506-0062 for U.S. callers, or +1 973-528-0011 for international callers and by entering access code: 429091. 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/2243/50534 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 16, 2024, and can be accessed by dialing 877-481-4010 for U.S. callers or +1 919-882-2331 for international callers and entering access code: 50534.

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 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: accepting commercial waste for destruction before the end of the year; well positioned; treatment of effluent from DFLAW facility; and cost-effective solution for Hanford site tank waste; . 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; and the additional factors referred to under "Risk Factors" and "Special Note Regarding Forward-Looking Statements" of our 2023 Form 10-K and Form 10-Q for quarter ended March 31, 2024. 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.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(Amounts in Thousands, Except for Per Share Amounts)	Three Months Ended March 31, 2024	2023
Revenues	$ 13,617	$ 20,107
Cost of goods sold	14,237	17,098
Gross (loss) profit	(620)	3,009
Selling, general and administrative expenses	3,544	3,486
Research and development	296	99
Loss from operations	(4,460)	(576)
Other income (expense):		
Interest income	174	127
Interest expense	(116)	(53)
Interest expense-financing fees	(13)	(20)
Other	1	—
Loss from continuing operations before taxes	(4,414)	(522)
Income tax benefit	(956)	(204)
Loss from continuing operations, net of taxes	(3,458)	(318)
Loss from discontinued operations (net of taxes)	(102)	(93)
Net loss	$ (3,560)	$ (411)
Net loss per common share - basic and diluted:		
Continuing operations	$ (.25)	$ (.02)
Discontinued operations	(.01)	(.01)
Net loss per common share	$ (.26)	$ (.03)
Number of common shares used in computing net loss per share:		
Basic	13,676	13,358
Diluted	13,676	13,358

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET

(Amounts in Thousands, Except for Share and Per Share Amounts)	March 31, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current assets:		
Cash	$ 2,374	$ 7,500
Account receivable, net of allowance for credit losses of $19 and $30, respectively	8,701	9,722
Unbilled receivables	8,797	8,432
Other current assets	5,026	4,893
Assets of discontinued operations included in current assets	13	13
Total current assets	24,911	30,560
Net property and equipment	18,890	19,009
Property and equipment of discontinued operations	81	81
Operating lease right-of-use assets	1,885	1,990
Intangibles and other assets	28,272	27,109
Total assets	$ 74,039	$ 78,749
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	$ 24,418	$ 25,678
Current liabilities related to discontinued operations	238	269
Total current liabilities	24,656	25,947
Long-term liabilities	12,188	12,472
Long-term liabilities related to discontinued operations	955	953
Total liabilities	37,799	39,372
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, 13,730,580 and 13,654,201 shares issued, respectively;		

13,722,938 and 13,646,559 shares outstanding, respectively	14	14
Additional paid-in capital	116,981	116,502
Accumulated deficit	(80,511)	(76,951)
Accumulated other comprehensive loss	(156)	(100)
Less Common Stock held in treasury, at cost: 7,642 shares	(88)	(88)
Total stockholders' equity	36,240	39,377
Total liabilities and stockholders' equity	$ 74,039	$ 78,749

Source: Perma-Fix Environmental Services, Inc