November 13, 2024

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

ATLANTA, Nov. 13, 2024 (GLOBE NEWSWIRE) -- **Perma-Fix Environmental Services, Inc. (NASDAQ: PESI)** (the "Company") today announced financial results for the third quarter ended September 30, 2024, and provided a business update.

Mark Duff, President and CEO of the Company, commented, "During the third quarter, we continued to experience temporary weakness, partly due to ongoing delays in service starts and waste shipments. Additionally, our Florida facility was impacted by Hurricane Helene, resulting in extended power outages and required repairs, which have since been completed. In light of the headwinds we faced in 2024, we reduced expenses and streamlined operations outside of R&D, which should result in improved profitability going forward. Moreover, performance within our Services Segment and across our treatment plants has steadily improved in the latter part of the quarter, which we anticipate should continue into Q4. In addition, an agency of the federal government recently announced that we were part of a winning team awarded a service project over a 10-year period. While we cannot provide specifics at this time, we plan to provide specifics about this award as soon as practical."

"Last week, we announced the successful startup of our first commercial Perma-FAS system for PFAS (Per- and Polyfluoroalkyl Substances) destruction at our Florida facility. We are extremely pleased with the performance of this unit, and feedback from existing and prospective customers has been highly encouraging. We have already secured approximately 6,000 gallons of AFFF (Aqueous Film Forming Foam) liquids and anticipate receiving an additional 20,000 gallons in the coming months. We are also working to expand this technology into additional applications, including Granular Activated Carbon (GAC), biosolids, and soils."

"Finally, we look forward to providing critical services to the U.S. Department of Energy's (DOE) Hanford tank remediation mission, including the treatment of effluent following the commissioning of the Direct Feed Low-Activity Waste (DFLAW) facility, which is currently anticipated to begin in the summer of 2025. We believe these programs will represent opportunities for Perma-Fix over the coming years."

The Company also notes that its net loss for the third quarter of 2024 included a non-cash tax expense recorded in the amount of approximately $6.4 million as the Company provided for a full valuation allowance against its U.S deferred tax assets.

Financial Results

Revenue for the third quarter of 2024 was $16.8 million versus $21.9 million for the same period last year. Revenue for the Treatment Segment decreased to approximately $9.1 million for the three months ended September 30, 2024, from $10.8 million for the corresponding period of 2023. The decrease was attributed to a number of factors which included: waste shipments that were expected in the third quarter of 2024 were unexpectedly pushed into the fourth quarter of 2024 by certain customers; waste shipment delays by certain customers and reduced revenue production due to temporary shutdown of our Florida facility from the impact of Hurricane Helene; and delay in revenue projection due to equipment breakdowns in certain of our facilities which required replacement or repair. All the equipment is now back in service. The acceleration in investment of our PFAS technology, which included the installation of our first full scale commercial system, continues to require significant management and operation support which contributed to revenue production delays. Revenue for the Services Segment decreased to approximately $7.7 million for the three months ended September 30, 2024, from $11.1 million for the corresponding period of 2023. The decrease in revenue in the Services Segment was attributed partly to the temporary demobilization of a project that was mandated by the customer due to Hurricane Helene. Additionally, the decrease in revenue in the Services Segment was due, in part to the completion of two large projects in late 2023 which were not replaced by new projects with similar value. These two completed projects together generated significant amount of revenue in the third quarter of 2023 when they were in full operational status.

Gross profit for the third quarter of 2024 was $1.3 million versus $4.5 million for the third quarter of 2023. The overall decrease in gross profit was primarily attributed to lower revenue generated in both segments as discussed above. Overall gross margin for the third quarter of 2024 was approximately 7.9% versus 20.8% for the third quarter of 2023 primarily due to decreases in revenue in both segments, overall lower margin projects and the impact of our fixed cost structure.

Operating loss was approximately $2.6 million in the third quarter of 2024 versus operating income of $496,000 for the third quarter of 2023. Net loss for the third quarter of 2024 was approximately $9.0 million or ($0.57) per basic share as compared to net income of approximately $341,000 for the third quarter of 2023 or $0.03 per basic share. As noted above, net loss for the third quarter of 2024 included a non-cash tax expense recorded in the amount of approximately $6.4 million as the Company provided for a full valuation allowance against its U.S deferred tax assets.

The Company reported EBITDA of ($2.1) million from continuing operations for the quarter ended September 30, 2024, as compared to EBITDA of $1.2 million from continuing operations for the same 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 measures, to GAAP numbers for (loss) income from continuing operations for the three and nine months ended September 30, 2024, and 2023.

(In thousands)	(Unaudited) Three Months Ended September 30, 2024	2023	(Unaudited) Nine Months Ended September 30, 2024	2023
(Loss) income from continuing operations	$ (8,806)	$ 246	$ (16,049)	$ 448
Adjustments:				
Depreciation & amortization	433	686	1,295	2,124
Interest income	(292)	(146)	(679)	(445)
Interest expense	121	89	346	189
Interest expense - financing fees	18	36	47	80
Income tax expense	6,417	254	4,300	482
EBITDA	$ (2,109)	$ 1,165	$ (10,740)	$ 2,878

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

(In thousands)	Three Months Ended September 30, 2024 (Unaudited) Treatment	Services	Nine Months Ended September 30, 2024 (Unaudited) Treatment	Services
Net revenues	$ 9,064	$ 7,748	$ 26,116	$ 18,299
Gross profit (loss)	410	924	(839)	247
Segment loss	(4,902)	(2,294)	(7,416)	(3,713)

(In thousands)	Three Months Ended September 30, 2023 (Unaudited) Treatment	Services	Nine Months Ended September 30, 2023 (Unaudited) Treatment	Services
Net revenues	$ 10,795	$ 11,082	$ 33,223	$ 33,793
Gross profit	1,494	3,055	5,237	6,837
Segment profit	1,014	1,120	2,619	2,933

Conference Call

Perma-Fix will host a conference call at 11:00 a.m. ET on Wednesday, November 13, 2024. The call will be available on the Company's website at https://ir.perma-fix.com/conference-

calls, or by calling 888-506-0062 for U.S. callers or +1 973-528-0011 for international callers, and by entering access code: 271776. 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 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 Wednesday, November 20 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: 51652.

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 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", "plans to", "estimates", "projects", and similar expressions. Forward-looking statements include, but are not limited to: improved financial results going forward; improved performance continue into Q4; receipt of additional 20,000 gallons AFFF; providing critical services to the U.S. DOE's Hanford tank remediation mission, including treatment of effluent anticipated to start summer of 2025; and U.S. DOE programs represent opportunities. These forward-looking statements are intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. 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; acceptance of our PFAS technology by the public; 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-Qs for quarters ended March 31, 2024, June 30, 2024 and September 30, 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.

FINANCIAL TABLES FOLLOW

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

(Amounts in Thousands, Except for Per Share Amounts)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net revenues	$ 16,812	$ 21,877	$ 44,415	$ 67,016
Cost of goods sold	15,478	17,328	45,007	54,942
Gross profit	1,334	4,549	(592)	12,074
Selling, general and administrative expenses	3,632	3,933	10,631	10,969
Research and development	303	120	872	340
Loss on disposal of property and equipment	—	—	1	—
(Loss) income from operations	(2,601)	496	(12,096)	765
Other income (expense):				
Interest income	292	146	679	445
Interest expense	(121)	(89)	(346)	(189)
Interest expense-financing fees	(18)	(36)	(47)	(80)
Other	59	(17)	61	(11)
(Loss) income from continuing operations before taxes	(2,389)	500	(11,749)	930
Income tax expense	6,417	254	4,300	482
(Loss) income from continuing operations, net of taxes	(8,806)	246	(16,049)	448

(Loss) income from discontinued operations, net of taxes	(173)	95	(441)	(44)
Net (loss) income	$ (8,979)	$ 341	$ (16,490)	$ 404
Net (loss) income per common share - basic:				
Continuing operations	$ (.56)	$ .02	$ (1.09)	$ .03
Discontinued operations	(.01)	.01	(.03)	—
Net (loss) income per common share	$ (.57)	$ .03	$ (1.12)	$ .03
Net (loss) income per common share - diluted:				
Continuing operations	$ (.56)	$ .02	$ (1.09)	$ .03
Discontinued operations	(.01)	—	(.03)	—
Net (loss) income per common share	$ (.57)	$ .02	$ (1.12)	$ .03
Number of common shares used in computing net (loss) income per share:				
Basic	15,803	13,568	14,695	13,468
Diluted	15,803	13,979	14,695	13,749

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

(Amounts in Thousands, Except for Share and Per Share Amounts)	September 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current assets:		
Cash	$ 10,567	$ 7,500
Account receivable, net of allowance for credit losses of $21 and $30, respectively	8,741	9,722
Unbilled receivables	7,277	8,432
Other current assets	5,481	4,893
Assets of discontinued operations included in current assets	12	13
Total current assets	32,078	30,560
Net property and equipment	20,393	19,009
Property and equipment of discontinued operations	130	81

Operating lease right-of-use assets	1,778	1,990
Intangibles and other assets	23,779	27,109
Total assets	$ 78,158	$ 78,749
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	$ 22,403	$ 25,678
Current liabilities related to discontinued operations	251	269
Total current liabilities	22,654	25,947
Long-term liabilities	12,196	12,472
Long-term liabilities related to discontinued operations	942	953
Total liabilities	35,792	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, 15,817,046 and 13,654,201 shares issued, respectively; 15,809,404 and 13,646,559 shares outstanding, respectively	16	14
Additional paid-in capital	136,047	116,502
Accumulated deficit	(93,441)	(76,951)
Accumulated other comprehensive loss	(168)	(100)
Less Common Stock held in treasury, at cost: 7,642 shares	(88)	(88)
Total stockholders' equity	42,366	39,377
Total liabilities and stockholders' equity	$ 78,158	$ 78,749

Source: Perma-Fix Environmental Services, Inc