

May 15, 2025



# Birchtech Reports First Quarter 2025 Financial Results

*First Quarter 2025 Revenues Totaled \$3.2 Million, With Gross Margins Increasing 350 bps to 38.3%*

CORSICANA, Texas, May 15, 2025 (GLOBE NEWSWIRE) -- Birchtech Corp. (TSX: BCHT) (OTCQB: BCHT) ("Birchtech" or the "Company"), a leader in specialty activated carbon technologies for sustainable air and water treatment, today reported financial results for the first quarter ended March 31, 2025.

## Key First Quarter 2025 & Subsequent Operational Highlights

- Pending final judgment following the \$57 million patent infringement verdict, from which the Company's counsel requested \$160 million inclusive of enhancements, interest and legal fees.
- Management provided guidance of revenues of at least \$23 million in 2025, excluding potential cash received from IP defense as well as revenues in new water purification technologies.
- Air business annual revenue run-rate expected to be at least \$40 million by the end of 2026.
- Secured non-exclusive agreement with a second coal-fired power utility named as a defendant in the Company's lawsuit previously announced on July 30, 2024.
- Filed a patent infringement lawsuit against Evergy, a major power utility company in the Midwest. The lawsuit has been transferred to the U.S. District Court for the Southern District of Iowa and consolidated with other lawsuits previously announced on July 30, 2024.
- Added Mitzi H. Coogler, CPA, to the Board of Directors, a certified public accountant with accounting practice specializing in management support and guidance for closely held businesses.
- Attended key industry and investor conferences including the Planet MicroCap Showcase, LD Micro Invitational XV, Virtual Investor Summit, Sidoti Small Cap Conference, and iAccess Alpha Virtual Best Ideas Spring Conference.

## Management Commentary

"In the first quarter of 2025, we gained a new technology licensee, which enhanced our market share across the coal-fired utility sector and supported consistent revenues of \$3.2 million for the quarter in our core business," said Richard MacPherson, CEO of Birchtech Corp. "Our patent defense and business-first approach continue to gain momentum in our post-trial outreach, with the potential to convert adopters of our technology to licensees or product supply customers. Combined with the \$160 million our counsel requested following

the unanimous jury verdict from 2024, which is inclusive of enhancements, interest and legal fees, we believe we are on a robust growth trajectory with our air business.

"Following our successful jury trial in 2024, we have continued our efforts to protect our patented technologies. During the quarter we filed a patent infringement lawsuit against Evergy, a major power utility company in the Midwest. We also secured a non-exclusive agreement with a second coal-fired power utility named as a defendant in a lawsuit filed in mid-2024. As we continue to conduct outreach and discussions with other defendants named in our recent lawsuits, we expect to enter license agreements and/or supply contracts with many of these utilities.

"Further, recent federal government support for clean coal has ensured a longer operational runway for our core air business. A recent U.S. Environmental Protection Agency (EPA) and President Donald J. Trump Proclamation granted a two-year exemption to certain coal-fired power plants from compliance with the updated Mercury Air Toxics Standards ("MATS") introduced under the Biden Administration's Clean Power Plan 2.0 in 2024. This action allows 47 major coal plant owners and more than 60 plants - vital to maintaining grid stability - to remain online through at least 2029 without being burdened by recently introduced regulatory add-ons. Numerous Birchtech utility customers were included in these recently announced exemptions; and, of our existing customers who have announced decommissioning dates, some of these large utilities are considering either extending or removing their decommissioning date. These plants have operated for approximately 10 years under the original MATS framework, and will continue to do so, contributing to improved air quality nationwide. We feel confident in our ability to drive revenue growth across the U.S. coal-fired power sector supported by anticipated coal usage increases both from power demands and the Administration's support through the next several years.

"We continue to make progress with our new water purification business, focused on pioneering sustainable potable water treatment to meet today's environmental challenges and future demands. We aim to revolutionize the treatment of toxins in water, inclusive of the dreaded PFAS/PFOS forever chemicals, with proprietary, innovative, environmentally-friendly, and affordable solutions to ensure the safety and purity of water for future generations. We expect to begin to sell granular activated carbon and water treatment solutions to the potable water industry during the middle part of this year, adding a new revenue source that is expected to be incremental to our aforementioned guidance for the air business. This is all further buoyed by recent news out of the EPA to implement a series of actions aimed at preventing PFAS/PFOS from entering drinking water systems, showcasing clear support from the Trump administration to this important issue.

"Looking ahead, our focus is to protect the validity of our patents in clean air technologies, laying the foundation for our strategic growth into highly innovative water purification technologies currently under development. For our core air business, we expect an accelerating pace of revenue growth, continued IP wins and associated cash receipts from licensing, as well as strong positive momentum from our current customers. For our new water business, we see multiple opportunities to scale as we work to launch in the near term and build the infrastructure to support the future of this business. As we enter this exciting new phase of growth and development, we also expect to pursue a listing onto a major U.S. exchange during the second half of 2025. Taken together, we are on a robust growth trajectory with our air business, further supported by significant incremental potential from

the water business in 2025 and beyond,” concluded MacPherson.

### **First Quarter 2025 Financial Results**

Revenues totaled \$3.2 million in the first quarter, as compared to \$3.2 million in the same year-ago quarter. The change was driven by an increase in licensing revenues, offset by a slight decrease in supply revenues.

Gross profit increased 9.4% to \$1.2 million, or 38.3% of total revenues, in the first quarter of 2025, as compared to \$1.1 million, or 34.8% of total revenues, in the same year-ago quarter. The change in gross margin was primarily attributable to increased licensing revenues in the first quarter of 2025, which typically carry higher margins than product sales.

Operating expenses consisted of selling, general and administrative expenses (“SG&A”) and research and development expenses (“R&D”) in 2025 and SG&A and in 2024. SG&A expenses were approximately \$2.2 million and \$3.5 million for the three months ended March 31, 2025, and 2024, respectively. Total SG&A expenses decreased in the first three months of 2025 compared to the prior year period, as a result of variances in individual categories.

Total R&D expenses were approximately \$407,000 and \$0 for the three months ended March 31, 2025, and 2024, respectively. R&D expenses relate to research conducted to develop water treatment products utilizing new sorbent technologies and increased in the first three months of 2025 compared to the prior year period as the Company had not incurred any research related costs during the first three months of 2024.

Net loss for the first quarter of 2025 improved to \$1.7 million, or (\$0.02) per basic and diluted share, as compared to a net loss of \$2.9 million, or \$0.03 per basic and diluted share in the same year-ago quarter.

Adjusted EBITDA, a non-GAAP measure, totaled (\$1.2 million) in the first quarter of 2025, as compared to (\$1.5 million) in the same year-ago quarter.

Cash as of March 31, 2025 totaled \$3.2 million, with no debt, as compared to \$3.5 million, with no debt, as of December 31, 2024.

### **First Quarter 2025 Earnings Conference Call**

Management will host an investor conference call at 5:00 p.m. Eastern time today, May 15, 2025, to discuss Birchtech's first quarter 2025 financial results, provide a corporate update and conclude with a question-and-answer session for telephone participants. To participate, please use the following information:

Date: Thursday, May 15, 2025

Time: 5:00 p.m. Eastern time

U.S./Canada Dial-in: 1-877-407-0792

International Dial-in: 1-201-689-8263

Conference ID: 13753395

Webcast: [BCHT Q1 2025 Earnings Conference Call](#)

Please dial in at least 10 minutes before the start of the call to ensure timely participation.

A telephone playback of the call will be available through Friday, June 13, 2025. To listen, call 1-844-512-2921 within the United States and Canada or 1-412-317-6671 when calling internationally, using replay pin number 13753395. A webcast replay will also be available for one year, using the webcast link above.

### **About Birchtech Corp.**

Birchtech Corp. (TSX: BCHT) (OTCQB: BCHT) is a leader in specialty activated carbon technologies, serving as America's clean coal and clean water company by delivering innovative solutions for air and water purification to support a cleaner, more sustainable future. The Company provides patented SEA® sorbent technologies for mercury emissions capture for the coal-fired utility sector and is developing disruptive water purification technologies with a specialization on forever chemicals such as PFAS and PFOS. Backed by a strong intellectual property portfolio and a world-class team of activated carbon experts, Birchtech provides cleaner air to North American communities and is applying this expertise to a novel approach in water purification. To learn more, please visit [www.birchtech.com](http://www.birchtech.com).

### **Non-GAAP Financial Measures**

To supplement our consolidated financial statements presented in accordance with GAAP and to provide investors with additional information regarding our financial results, we consider and are including herein Adjusted EBITDA, a Non-GAAP financial measure. We view Adjusted EBITDA as an operating performance measure and, as such, we believe that the GAAP financial measure most directly comparable to it is net income (loss). We define Adjusted EBITDA as net income adjusted for interest and financing fees, income taxes, depreciation, amortization, stock-based compensation, and other non-cash income and expenses. We believe that Adjusted EBITDA provides us an important measure of operating performance because it allows management, investors, debtholders and others to evaluate and compare ongoing operating results from period to period by removing the impact of our asset base, any asset disposals or impairments, stock based compensation and other non-cash income and expense items associated with our reliance on issuing equity-linked debt securities to fund our working capital.

Our use of Adjusted EBITDA has limitations as an analytical tool, and this measure should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP, as the excluded items may have significant effects on our operating results and financial condition. Additionally, our measure of Adjusted EBITDA may differ from other companies' measure of Adjusted EBITDA. When evaluating our performance, Adjusted EBITDA should be considered with other financial performance measures, including various cash flow metrics, net income and other GAAP results. In the future, we may disclose different non-GAAP financial measures in order to help our investors and others more meaningfully evaluate and compare our future results of operations to our previously reported results of operations.

The following table shows our reconciliation of net income (loss) to adjusted EBITDA for the quarters ended March 31, 2025 and 2024, respectively:

**For the Three Months  
Ended**

March 31, 2025	March 31, 2024
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(In thousands)

<b>Net loss</b>	\$ (1,679)	\$ (2,855)
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Non-GAAP adjustments:

Depreciation and amortization	72	62
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Interest	-	246
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Change in fair value of profit share	353	265
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Income Taxes	14	-
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Stock based compensation	61	770
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Adjusted EBITDA	\$ (1,179)	\$ (1,512)
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### **Safe Harbor Statement**

With the exception of historical information contained in this press release, content herein may contain "forward-looking statements" that are made pursuant to the Safe Harbor Provisions of the U.S. Private Securities Litigation Reform Act of 1995 or forward-looking information under applicable Canadian securities laws (collectively, "forward-looking statements"). Forward-looking statements are generally identified by using words such as "anticipate," "believe," "plan," "expect," "intend," "will," and similar expressions, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements in this release include statements relating to expected developments and growth in Birchtech's business, as well as any revenue guidance provided. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Investors are cautioned that forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the statements made. In addition, this release contains time-sensitive information that reflects management's best analysis only as of the date of this release. Birchtech does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this release. Further information concerning issues that could materially affect financial performance or other forward-looking statements contained in this release can be found in Birchtech's periodic filings with the Securities and Exchange Commission or Canadian securities regulators.

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Source: Birchtech Corp.