

May 10, 2023



Perma-Fix Reports 26% Increase in Revenue to \$20.1 Million for the First Quarter of 2023

Reports 84% increase in gross profit for the first quarter of 2023

ATLANTA, May 10, 2023 (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, 2023.

Mark Duff, President and Chief Executive Officer (CEO) of the Company, commented, "I am pleased to report we achieved a 26.3% increase in revenue and an 83.9% increase in gross profit for the first quarter of 2023, compared to the same period last year. Revenue increased within both our Treatment and Services Segments. We also achieved sequential revenue growth of 20.0% compared to the fourth quarter of 2022, which is significant because the first quarter tends to be a seasonally weaker period. The first quarter progressively improved and we expect the momentum to continue heading into the second quarter of 2023."

"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. Specifically, the amendment of the Record of Decision (ROD) for the Direct Feed Low Activity Waste (DFLAW) facility and the approval of the Waste Incidental to Reprocessing (WIR) report represent opportunities to provide large-scale waste treatment services. The Test Bed Initiative (TBI) program also continues to progress, and we expect to receive the next 2,000 gallons of tank waste within the next few quarters. As previously announced, we were recently awarded eight new contracts totaling \$15 million primarily supporting backlog in 2023, which come with additional expansion opportunities into 2024. We are also pursuing additional projects within the US government, as well as commercial and international waste opportunities that will provide sustainable revenue in the latter half of this year in both the Services and Treatment Segments. Overall, we remain highly encouraged by the outlook for the business based on the growing project backlog and sales pipeline."

Financial Results

Revenue was \$20.1 million for the first quarter of 2023 as compared to \$15.9 million for the corresponding period of 2022. Services Segment increased by approximately \$2.1 million to \$10.5 million for the first quarter of 2023 as compared to \$8.4 million for the corresponding period of 2022. The increase in revenue in the Services Segment was due to achievement of full operational status on certain projects which had been curtailed/delayed primarily in the early part of 2022 due in part, from the lingering effects of the COVID-19 pandemic.

Treatment Segment revenue increased by approximately \$2.1 million to \$9.6 million for the first quarter of 2023 as compared to approximately \$7.5 million for the corresponding period of 2022 primarily due to overall higher waste volume which was offset by lower averaged price due to revenue mix. As previously disclosed, the Treatment Segment began to see steady improvements in waste receipts starting in the first half of 2022 as the lingering effects of the COVID-19 continued to subside.

Gross profit for the first quarter of 2023 was \$3.0 million versus \$1.6 million for the first quarter of 2022 primarily due to higher revenue generated from both segments as discussed above.

Operating loss for the first quarter of 2023 was \$576,000 versus operating loss of \$1.9 million for the corresponding period of 2022. Net loss for the first quarter of 2023 was \$411,000 versus net loss of \$1.3 million for the corresponding period of 2022. Net loss per share (both basic and diluted) for the first quarter of 2023 was \$0.03 per share versus net loss per share (both basic and diluted) of \$0.10 for the same period in 2022.

The Company reported EBITDA of \$171,000 from continuing operations at March 31, 2023, as compared to EBITDA of (\$1.4) million from continuing operations for the corresponding period of 2022. 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, 2023 and 2022.

(In thousands)	Quarter Ended March 31, (Unaudited) (Unaudited)	
	2023	2022
Loss from continuing operations	\$ (318)	\$ (1,249)
Adjustments:		
Depreciation & amortization	747	456
	(127)	(11)
Interest income		
Interest expense	53	35
Interest expense - financing fees	20	13
Income tax benefit	(204)	(673)

EBITDA \$ 171 \$ (1,429)

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

	Quarter Ended March 31, 2023 (Unaudited)		Quarter Ended March 31, 2022 (Unaudited)	
(In thousands)	Treatment	Services	Treatment	Services
Revenues	\$ 9,594	\$ 10,513	\$ 7,479	\$ 8,436
Gross profit	1,252	1,757	638	998
Segment Profit	331	973	78	399

Conference Call

Perma-Fix will host a conference call at 11:00 a.m. ET on Wednesday, May 10, 2023. The conference call will be available via telephone by dialing toll free 877-545-0320 for U.S. callers, or +1 973-528-0002 for international callers and by entering access code: 587821. 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/2243/48370> 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 Wednesday, May 17, 2023, and can be accessed by calling: 877-481-4010 for U.S. callers, or 919-882-2331 for international callers and entering conference ID: 48370.

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: momentum to continue heading into the second quarter of 2023; expect receipt of 2,000 gallons of tank waste within the next few quarters; the amendment of the ROD for DFLAW and the approval of the WIR report represent opportunities for large-scale waste treatment services; recently awarded eight new contracts come with additional expansion opportunities into 2024; pursuing additional projects; and outlook for business. 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 2022 Form 10-K and Form 10-Q for quarter ended March 31, 2023. 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.

Contacts:

David K. Waldman-US Investor Relations
Crescendo Communications, LLC
(212) 671-1021

Herbert Strauss-European Investor Relations
herbert@eu-ir.com
+43 316 296 316

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,	
	2023	2022
Revenues	\$ 20,107	\$ 15,915
Cost of goods sold	17,098	14,279
Gross profit	3,009	1,636
Selling, general and administrative expenses	3,486	3,422

Research and development	99	96
Loss on disposal of property and equipment	—	1
Loss from operations	<u>(576)</u>	<u>(1,883)</u>
Other income (expense):		
Interest income	127	11
Interest expense	(53)	(35)
Interest expense-financing fees	(20)	(13)
Other	—	(2)
Loss from continuing operations before taxes	<u>(522)</u>	<u>(1,922)</u>
Income tax benefit	<u>(204)</u>	<u>(673)</u>
Loss from continuing operations, net of taxes	<u>(318)</u>	<u>(1,249)</u>
Loss from discontinued operations (net of taxes)	<u>(93)</u>	<u>(94)</u>
Net loss	\$ <u>(411)</u>	\$ <u>(1,343)</u>

Net loss per common share - basic and diluted:

Continuing operations	\$ (.02)	\$ (.09)
Discontinued operations	<u>(.01)</u>	<u>(.01)</u>
Net loss per common share	\$ <u>(.03)</u>	\$ <u>(.10)</u>

Number of common shares used in computing net loss per share:

Basic	13,358	13,234
Diluted	13,358	13,234

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

	March 31, 2023	December 31, 2023
<u>(Amounts in Thousands, Except for Share and Per Share Amounts) (Unaudited)</u>		
ASSETS		
Current assets:		
Cash	\$ 2,411	\$ 1,866
Account receivable, net of allowance for credit losses of \$7 and \$57, respectively	10,881	9,364
Unbilled receivables	6,701	6,062

Other current assets	4,904	6,219
Assets of discontinued operations included in current assets	19	15
Total current assets	<u>24,916</u>	<u>23,526</u>
Net property and equipment	19,064	18,957
Property and equipment of discontinued operations	81	81
Operating lease right-of-use assets	1,852	1,971
Intangibles and other assets	26,590	26,363
Total assets	<u>\$ 72,503</u>	<u>\$ 70,898</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$ 24,288	\$ 22,346
Current liabilities related to discontinued operations	289	362
Total current liabilities	<u>24,577</u>	<u>22,708</u>
Long-term liabilities	9,643	9,749
Long-term liabilities related to discontinued operations	911	908
Total liabilities	<u>35,131</u>	<u>33,365</u>
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, 13,397,436 and 13,332,398 shares issued, respectively; 13,389,794 and 13,324,756 shares outstanding, respectively	13	13
Additional paid-in capital	115,452	115,209
Accumulated deficit	(77,847)	(77,436)
Accumulated other comprehensive loss	(158)	(165)
Less Common Stock held in treasury, at cost: 7,642 shares	(88)	(88)
Total stockholders' equity	<u>37,372</u>	<u>37,533</u>
Total liabilities and stockholders' equity	<u>\$ 72,503</u>	<u>\$ 70,898</u>



Source: Perma-Fix Environmental Services, Inc