

March 31, 2025



# Birchtech Reports Fourth Quarter 2024 Financial Results

*Company Drives Fourth Quarter 2024 Revenues of \$5.6 Million; Leverages World-Class Activated Carbon Expertise to Launch New Water Purification Business*

CORSICANA, Texas, March 31, 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, has reported financial results for the fourth quarter and year ended December 31, 2024.

## Key Fourth Quarter 2024 & Subsequent Operational Highlights

- Pending final judgement 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.
- Launched new water purification business with the opening of two new laboratory "design centers" located in Grand Forks, North Dakota, and State College, Pennsylvania, for analytical testing and carbon development.
- Signed agreement to purchase up to 2,000 tons of feedstock annually to be used for treatment of drinking water, with the potential to generate an estimated \$7 million annually in product sales for Birchtech expected to start mid-2025.
- 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 and accounting practice specializing in management support and guidance for closely held businesses.
- Announced corporate name change to "Birchtech" and stock symbol change to BCHT concurrent with an uplisting to the TSX.

## Management Commentary

"The fourth quarter of 2024 was highlighted by the launch of our new water purification business and the accelerating pace of wins in our core air business line," said Richard MacPherson, CEO of Birchtech Corp. "Our air business drove robust revenues of \$5.6 million in the fourth quarter of 2024 with a strong 60% gross margin profile, with significant upside potential from our successful post-trial outreach program, converting adopters of our technology to licensees or product supply customers. This is all in addition to the \$160 million our counsel requested following the unanimous jury verdict from 2024, which is inclusive of enhancements, interest and legal fees.

"Most recently we announced a patent infringement lawsuit against Evergy, a major power utility company in the Midwest, and a non-exclusive agreement with a second coal-fired power utility named as a defendant in a lawsuit filed in mid-2024. Our outreach across the power industry continues, including ongoing discussions with other defendants named in our recent lawsuits in our efforts to establish positive business relationships. We expect to see additional license agreements and/or supply contracts with many of these utilities, and an increasing market share due to our patent defense and business first approach. Financially, we believe our air business will generate at least \$23 million in revenue in 2025, excluding any cash received from legal claims, and excluding water treatment revenue as well. In 2026, we believe our air business annual revenue run-rate has the potential to further scale to \$40 million.

"During the quarter we announced the formal launch of our water purification business with the opening of two new design centers, located in Grand Forks, North Dakota, and in State College, Pennsylvania. Our water business is focused on pioneering sustainable potable water treatment to meet today's environmental challenges and future demands. With U.S. water utilities facing more than \$1 Billion annually in expected PFAS compliance costs over a five-year period, 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. In July, we signed an agreement to purchase up to 2,000 tons of feedstock to be used for treatment of drinking water, which feedstock has the potential to generate an estimated \$7 million in product sales. We expect to sell this product 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.

"Operationally, with our business growing to become a multi-faceted environmental technology firm and strong experience and competencies in multiple sectors, we rebranded our corporate name to 'Birchtech'. Subsequently, we graduated to the main board in Canada with a move onto the Toronto Stock Exchange, one of the most prominent exchanges in North America. We were also privileged to elect Mitzi H. Coogler, CPA, to the Board of Directors. Mitzi's vast experience in finance and accounting makes her a strong addition to our Board that will serve us well as we enter an exciting new phase of growth and development, including the expectation to pursue a listing onto a major U.S. exchange during 2025.

"Looking ahead, we expect an accelerating pace of revenue growth, continued IP wins and associated cash receipts, strong positive momentum from our current customers under contract, and multiple opportunities to scale our new water business. In tandem, with the recent repayment of our debt to our primary financial partner, we believe that we are in a

stable, strong financial position in support of our launch into the water treatment market in the near term. We look forward to additional announcements in the months to come as we seek to drive sustainable, long-term value for our fellow shareholders,” concluded MacPherson.

## **Fourth Quarter 2024 Financial Results**

Revenue for the fourth quarter of 2024 increased 37% to \$5.6 million, as compared to \$4.1 million in the same year-ago quarter. The change was primarily driven by increased licensing revenues in the fourth quarter of 2024, offset by reduced product sales.

Gross profit increased 230% to \$3.3 million, or 60% of total revenues, in the fourth quarter of 2024, as compared to \$1.0 million, or 25% of total revenues, in the same year-ago quarter. The change in gross margin was primarily attributable to increased licensing revenues in the fourth quarter of 2024, which typically carry higher margins than product sales.

Operating expenses totaled \$3.4 million in the fourth quarter of 2024, as compared to \$8.3 million in the same year-ago quarter. The change was primarily attributable to higher legal fees in the fourth quarter of 2023 compared to 2024, due to the income from legal claims in the fourth quarter of 2023.

Net loss for the fourth quarter of 2024 was \$1.3 million, or (\$0.01) per basic and diluted share, as compared to a net income of \$9.0 million, or \$0.09 per basic and diluted share in the same year-ago quarter.

Adjusted EBITDA, a non-GAAP measure, totaled (\$0.2 million) in the fourth quarter of 2024, as compared to \$20.8 million in the same year-ago quarter.

Cash as of December 31, 2024 totaled \$3.5 million, with no debt.

## **Fourth Quarter 2024 Earnings Conference Call**

Management will host an investor conference call at 5:00 p.m. Eastern time today, March 31, 2025, to discuss Birchtech's fourth quarter 2024 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: Monday, March 31, 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: 13752325

Webcast: [BCHT Q4 2024 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 Thursday, May 1, 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 13752325. 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 fourth quarters ended December 31, 2024 and 2023, respectively:

|                   | For the Quarter Ended |                      |
|-------------------|-----------------------|----------------------|
|                   | December 31,<br>2024  | December 31,<br>2023 |
|                   | (In thousands)        |                      |
| Net income (loss) | \$ (1,343)            | \$ 8,961             |

Non-GAAP adjustments:

|                                      |          |        |
|--------------------------------------|----------|--------|
| Depreciation and amortization        | 63       | 64     |
| Interest                             | 8        | 343    |
| Change in fair value of profit share | 1,287    | 10,597 |
| Impairment of property and equipment | 43       | 220    |
| Income Taxes                         | (289)    | 473    |
| Stock based compensation             | 48       | 130    |
|                                      | <hr/>    | <hr/>  |
| Adjusted EBITDA                      | \$ (183) | 20,788 |
|                                      | <hr/>    | <hr/>  |

**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.

**Investor Relations Contact:**

Lucas A. Zimmerman  
Managing Director  
MZ Group - MZ North America  
(949) 259-4987  
[BCHT@mzgroup.us](mailto:BCHT@mzgroup.us)  
[www.mzgroup.us](http://www.mzgroup.us)



Source: Birchtech Corp.