

August 14, 2025



# Birchtech Reports Second Quarter 2025 Financial Results

*Second Quarter 2025 Revenues Totaled \$3.3 Million, Driven by Continued Industry Recognition of Intellectual Property Portfolio*

CORSICANA, Texas, Aug. 14, 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 second quarter ended June 30, 2025.

## Key Second 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 revised guidance of air business revenues of at least \$18 million in 2025 (excludes water treatment and judgments in defense of IP), reflecting a timing shift as legal proceedings and prospective customer existing contract expirations extend expected onboarding timelines.
- Air business annual revenue run-rate expected to be at least \$40 million by the end of 2026.
- Appointed Dr. David Mazyck as the Executive Director of Innovation and Commercialization, who oversees Birchtech's technology development for water treatment and is concurrently directing the commercialization activities for the Company's water business.
- Appointed Christopher Rinaldi as Director of Strategic Operations, bringing over 30 years of executive experience within the water treatment sector across North America.
- Exhibited at key industry and investor conferences including the American Water Works Association's 2025 Annual Conference & Expo, the Planet MicroCap Showcase, and the LD Micro Invitational XV.

## Management Commentary

"In the second quarter of 2025, we achieved consistent revenues in our core air business while positioning our water business for growth with new leadership and expected upcoming initial sales in the second half of this year," said Richard MacPherson, CEO of Birchtech. "In our established air business, we continued to build on our patent defense and business-first approach with post-trial outreach to offer non-licensed adopters of our technology an opportunity to enter into license or product supply agreements. Following the \$160 million our counsel requested following the unanimous jury verdict from 2024, which is inclusive of enhancements, interest and legal fees, we believe our air business is positioned for strong,

sustained growth.

“Additional federal government support for clean coal is further ensuring a longer operational runway for our core air business. In April, a 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 allowed 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.

“In our new water treatment business, we reached a pivotal stage in our technology development and bolstered our leadership to strengthen future prospects and secure a strong market position in the water sector. Revenues in our water treatment business are expected to begin in the second half of this year from water treatment services and sale of granular activated carbon and other products for water treatment applications.

“Looking ahead, we continue to prioritize protection of our clean air technology patents as we position the company for strategic expansion into advanced water purification solutions. In our core air business, we believe revenue will accelerate with IP wins and associated revenues from licensing, momentum from current customers, and governmental support of the U.S. coal-fired power sector. In our new water business, we have built an exceptional commercial team to scale our technology and is expected to generate revenue in the near term, working towards future optionality to buy or build our own production facilities for granular activated carbons in water purification. On the capital markets front, we remain focused on pursuing a listing to a major U.S. exchange by year-end,” concluded MacPherson.

## **Second Quarter 2025 Financial Results**

Revenues totaled \$3.3 million in the second quarter, as compared to \$3.4 million in the same year-ago quarter. The decrease in revenues from the prior year was primarily due to the mix of plants running, unexpected customer forced outages and products sold.

Gross profit totaled \$1.0 million, or 29.8% of total revenues, in the second quarter of 2025, as compared to \$1.1 million, or 31.6% of total revenues, in the same year-ago quarter. The change in gross margin was primarily attributable to decreased revenues in the second quarter.

Operating expenses consisted of selling, general and administrative expenses (“SG&A”) and research and development expenses (“R&D”) in 2025 and SG&A in 2024. SG&A expenses were approximately \$1.7 million and \$4.6 million for the three months ended June 30, 2025, and 2024, respectively. Total SG&A expenses decreased in the second quarter of 2025 compared to the prior year period, as a result of variances in individual categories.

Total R&D expenses were approximately \$0.5 million and \$0 for the three months ended June 30, 2025, and 2024, respectively. R&D expenses relate to research conducted to develop water treatment products utilizing new sorbent technologies and increased in the second quarter of 2025 compared to the prior year period as the Company had not incurred any research related costs during the year-ago quarter.

Net loss for the second quarter of 2025 improved to \$1.5 million, or (\$0.02) per basic and diluted share, as compared to a net loss of \$6.2 million, or (\$0.07) per basic and diluted share in the same year-ago quarter.

Adjusted EBITDA, a non-GAAP measure, totaled (\$1.0 million) in the second quarter of 2025, as compared to (\$3.3 million) in the same year-ago quarter.

Cash as of June 30, 2025 totaled \$1.5 million, with no debt, as compared to \$3.5 million, with no debt, as of December 31, 2024.

### **Second Quarter 2025 Earnings Conference Call**

Management will host an investor conference call at 5:00 p.m. Eastern time today, August 14, 2025, to discuss Birchtech's second 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:

### **Second Quarter 2025 Earnings Conference Call**

Date: Thursday, August 14, 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: 13755018

Webcast: [BCHT Q2 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 Thursday, September 4, 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 13755018. A webcast replay will 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 and water treatment 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<sup>®</sup> 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 and six months ended June 30, 2025 and 2024, respectively:

|                                      | <b>For the Three Months Ended</b> |                      | <b>For the Six Months Ended</b> |                      |
|--------------------------------------|-----------------------------------|----------------------|---------------------------------|----------------------|
|                                      | <b>June 30, 2025</b>              | <b>June 30, 2024</b> | <b>June 30, 2025</b>            | <b>June 30, 2024</b> |
|                                      | <b>(In thousands)</b>             |                      | <b>(In thousands)</b>           |                      |
| Net loss                             | \$ (1,542)                        | \$ (6,147)           | \$ (3,221)                      | \$ (9,002)           |
| Non-GAAP adjustments:                |                                   |                      |                                 |                      |
| Depreciation and amortization        | 105                               | 58                   | 176                             | 120                  |
| Interest                             | -                                 | 6                    | -                               | 252                  |
| Change in fair value of profit share | 377                               | 2,690                | 729                             | 2,955                |
| Income taxes                         | -                                 | -                    | -                               | -                    |
| Stock based compensation             | 20                                | 137                  | 80                              | 907                  |
| Adjusted EBITDA                      | <u>\$ (1,040)</u>                 | <u>\$ (3,256)</u>    | <u>\$ (2,236)</u>               | <u>\$ (4,768)</u>    |

### **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.