

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2025

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File No. 001-11596

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction
of incorporation or organization)*

58-1954497
(IRS Employer Identification Number)

8302 Dunwoody Place, Suite 250, Atlanta, GA
(Address of principal executive offices)

30350
(Zip Code)

(770) 587-9898
(Registrant's telephone number)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$.001 Par Value	PESI	Nasdaq Capital Market

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated Filer ☐ Non-accelerated Filer ☒ Smaller reporting company ☒ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the close of the latest practical date.

Class	Outstanding at November 3, 2025
Common Stock, \$.001 Par Value	18,517,662 shares

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

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PART I - FINANCIAL INFORMATION
ITEM 1. – Financial Statements

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
Condensed Consolidated Balance Sheets

(Amounts in Thousands, Except for Share and Per Share Amounts)	September 30, 2025 (Unaudited)	December 31, 2024
ASSETS		
Current assets:		
Cash	\$ 16,412	\$ 28,975
Accounts receivable, net of allowance for credit losses of \$229 and \$202, respectively	11,887	11,579
Unbilled receivables	8,396	4,990
Inventories	1,113	1,350
Prepaid and other assets	4,421	3,309
Current assets related to discontinued operations	37	20
Total current assets	42,266	50,223
Property and equipment:		
Buildings and land	24,680	24,717
Equipment	24,251	23,499
Vehicles	411	411
Leasehold improvements	8	8
Office furniture and equipment	1,113	1,082
Construction-in-progress	4,880	2,949
Total property and equipment	55,343	52,666
Less accumulated depreciation	(32,697)	(31,533)
Net property and equipment	22,646	21,133
Property and equipment related to discontinued operations	146	130
Operating lease right-of-use assets	1,443	1,697
Intangibles and other long term assets:		
Permits	10,627	10,531
Other intangible assets - net	358	393
Finite risk sinking fund (restricted cash)	13,084	12,680
Other assets	585	461
Total assets	\$ 91,155	\$ 97,248

The accompanying notes are an integral part of these condensed consolidated financial statements.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
Condensed Consolidated Balance Sheets, Continued

(Amounts in Thousands, Except for Share and per Share Amounts)	September 30, 2025 (Unaudited)	December 31, 2024
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,369	\$ 6,373
Accrued expenses	6,484	5,111
Disposal/transportation accrual	1,941	2,271
Deferred revenue	7,112	6,711
Accrued closure costs - current	5	50
Current portion of long-term debt	536	550
Current portion of operating lease liabilities	372	345
Current portion of finance lease liabilities	227	285
Current liabilities related to discontinued operations	827	244
Total current liabilities	23,873	21,940
Accrued closure costs	8,616	8,290
Long-term debt, less current portion	1,352	1,765
Long-term operating lease liabilities, less current portion	1,149	1,427
Long-term finance lease liabilities, less current portion	483	491
Long-term liabilities related to discontinued operations	320	945
Total long-term liabilities	11,920	12,918
Total liabilities	35,793	34,858
Commitments and Contingencies (Note 9)		
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; 18,485,043 and 18,384,879 shares issued, respectively; 18,477,401 and 18,377,237 shares outstanding, respectively	18	18
Additional paid-in capital	160,622	159,590
Accumulated deficit	(105,054)	(96,930)
Accumulated other comprehensive loss	(136)	(200)
Less Common Stock in treasury, at cost; 7,642 shares	(88)	(88)
Total stockholders' equity	55,362	62,390
Total liabilities and stockholders' equity	\$ 91,155	\$ 97,248

The accompanying notes are an integral part of these condensed consolidated financial statements.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
Condensed Consolidated Statements of Operations
(Unaudited)

(Amounts in Thousands, Except for Per Share Amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net revenues	\$ 17,454	\$ 16,812	\$ 45,959	\$ 44,415
Cost of goods sold	14,897	15,478	41,198	45,007
Gross profit	2,557	1,334	4,761	(592)
Selling, general and administrative expenses	4,083	3,632	12,228	10,631
Research and development	342	303	1,037	872
Loss (gain) on disposal of property and equipment	4	—	(2)	1
Loss from operations	(1,872)	(2,601)	(8,502)	(12,096)
Other income (expense):				
Interest income	266	292	901	679
Interest expense	(116)	(121)	(351)	(346)
Interest expense-financing fees	(22)	(18)	(63)	(47)
Other	(18)	59	171	61
Loss from continuing operations before taxes	(1,762)	(2,389)	(7,844)	(11,749)
Income tax expense	—	6,417	—	4,300
Loss from continuing operations, net of taxes	(1,762)	(8,806)	(7,844)	(16,049)
Loss from discontinued operations, net of taxes (Note 10)	(73)	(173)	(280)	(441)
Net loss	\$ (1,835)	\$ (8,979)	\$ (8,124)	\$ (16,490)
Net loss per common share - basic and diluted:				
Continuing operations	\$ (.10)	\$ (.56)	\$ (.43)	\$ (1.09)
Discontinued operations	—	(.01)	(.01)	(.03)
Net loss per common share	\$ (.10)	\$ (.57)	\$ (.44)	\$ (1.12)
Weighted average number of common shares used in computing net loss per share:				
Basic	18,472	15,803	18,448	14,695
Diluted	18,472	15,803	18,448	14,695

The accompanying notes are an integral part of these condensed consolidated financial statements.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited)

(Amounts in Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (1,835)	\$ (8,979)	\$ (8,124)	\$ (16,490)
Other comprehensive income (loss):				
Foreign currency translation adjustment	5	19	64	(68)
Total other comprehensive income (loss)	5	19	64	(68)
Comprehensive loss	<u>\$ (1,830)</u>	<u>\$ (8,960)</u>	<u>\$ (8,060)</u>	<u>\$ (16,558)</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

PERMA-FIX ENVIRONMENTAL SERVICES, INC
Condensed Consolidated Statement of Stockholders' Equity
(Unaudited)

(Amounts in thousands, except for share amounts)

	Common Stock		Additional Paid-In Capital	Common Stock Held In Treasury	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2024	<u>18,384,879</u>	<u>\$ 18</u>	<u>\$ 159,590</u>	<u>\$ (88)</u>	<u>\$ (200)</u>	<u>\$ (96,930)</u>	<u>\$ 62,390</u>
Net loss	—	—	—	—	—	(3,573)	(3,573)
Foreign currency translation	—	—	—	—	17	—	17
Issuance of Common Stock for services	10,565	—	117	—	—	—	117
Issuance of Common Stock upon exercise of options	40,591	—	41	—	—	—	41
Stock-Based Compensation	—	—	196	—	—	—	196
Balance at March 31, 2025	<u>18,436,035</u>	<u>\$ 18</u>	<u>\$ 159,944</u>	<u>\$ (88)</u>	<u>\$ (183)</u>	<u>\$ (100,503)</u>	<u>\$ 59,188</u>
Net loss	—	—	—	—	—	(2,716)	(2,716)
Foreign currency translation	—	—	—	—	42	—	42
Issuance of Common Stock for services	16,179	—	118	—	—	—	118
Issuance of Common Stock upon exercise of options	7,655	—	8	—	—	—	8
Stock-Based Compensation	—	—	186	—	—	—	186
Balance at June 30, 2025	<u>18,459,869</u>	<u>\$ 18</u>	<u>\$ 160,256</u>	<u>\$ (88)</u>	<u>\$ (141)</u>	<u>\$ (103,219)</u>	<u>\$ 56,826</u>
Net loss	—	—	—	—	—	(1,835)	(1,835)
Foreign currency translation	—	—	—	—	5	—	5
Issuance of Common Stock for services	11,512	—	121	—	—	—	121
Issuance of Common Stock upon exercise of options	13,662	—	30	—	—	—	30
Stock-Based Compensation	—	—	215	—	—	—	215
Balance at September 30, 2025	<u>18,485,043</u>	<u>\$ 18</u>	<u>\$ 160,622</u>	<u>\$ (88)</u>	<u>\$ (136)</u>	<u>\$ (105,054)</u>	<u>\$ 55,362</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

PERMA-FIX ENVIRONMENTAL SERVICES, INC
Condensed Consolidated Statement of Stockholders' Equity, Continued
(Unaudited)

(Amounts in thousands, except for share amounts)

	Common Stock		Additional	Common	Accumulated		Total
	Shares	Amount	Paid-In	Stock	Other	Accumulated	Stockholders'
			Capital	Held In	Comprehensive	Deficit	Equity
				Treasury	Loss		
Balance at December 31, 2023	<u>13,654,201</u>	<u>\$ 14</u>	<u>\$ 116,502</u>	<u>\$ (88)</u>	<u>\$ (100)</u>	<u>\$ (76,951)</u>	<u>\$ 39,377</u>
Net loss	—	—	—	—	—	(3,560)	(3,560)
Foreign currency translation	—	—	—	—	(56)	—	(56)
Issuance of Common Stock for services	14,963	—	118	—	—	—	118
Issuance of Common Stock upon exercise of options	31,416	—	104	—	—	—	104
Issuance of Common Stock upon exercise of warrant	30,000	—	105	—	—	—	105
Stock-Based Compensation	—	—	152	—	—	—	152
Balance at March 31, 2024	<u>13,730,580</u>	<u>\$ 14</u>	<u>\$ 116,981</u>	<u>\$ (88)</u>	<u>\$ (156)</u>	<u>\$ (80,511)</u>	<u>\$ 36,240</u>
Net loss	—	—	—	—	—	(3,951)	(3,951)
Foreign currency translation	—	—	—	—	(31)	—	(31)
Issuance of Common Stock for services	9,965	—	120	—	—	—	120
Issuance of Common Stock upon exercise of options	4,201	—	9	—	—	—	9
Sale of Common Stock, net of offering costs	2,051,282	2	18,113	—	—	—	18,115
Issuance of warrants from sale of Common Stock	—	—	331	—	—	—	331
Stock-Based Compensation	—	—	132	—	—	—	132
Balance at June 30, 2024	<u>15,796,028</u>	<u>\$ 16</u>	<u>\$ 135,686</u>	<u>\$ (88)</u>	<u>\$ (187)</u>	<u>\$ (84,462)</u>	<u>\$ 50,965</u>
Net loss	—	—	—	—	—	(8,979)	(8,979)
Foreign currency translation	—	—	—	—	19	—	19
Issuance of Common Stock for services	12,218	—	123	—	—	—	123
Issuance of Common Stock upon exercise of options	8,800	—	46	—	—	—	46
Adjustment of offering costs from sale of Common Stock	—	—	10	—	—	—	10
Stock-Based Compensation	—	—	182	—	—	—	182
Balance at September 30, 2024	<u>15,817,046</u>	<u>\$ 16</u>	<u>\$ 136,047</u>	<u>\$ (88)</u>	<u>\$ (168)</u>	<u>\$ (93,441)</u>	<u>\$ 42,366</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(Amounts in Thousands)	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (8,124)	\$ (16,490)
Less: Loss from discontinued operations, net of taxes (Note 10)	(280)	(441)
Loss from continuing operations, net of taxes	(7,844)	(16,049)
Adjustments to reconcile loss from continuing operations to cash used in operating activities:		
Depreciation and amortization	1,299	1,295
Amortization of debt issuance costs	63	47
Deferred tax expense	—	4,300
Provision for (recovery of) credit losses on accounts receivable	57	(9)
(Gain) loss on disposal of property and equipment	(2)	1
Issuance of Common Stock for services	356	361
Stock-based compensation	597	466
Changes in operating assets and liabilities of continuing operations		
Accounts receivable	(365)	990
Unbilled receivables	(3,406)	1,155
Prepaid expenses, inventories and other assets	1,678	2,277
Accounts payable, accrued expenses and deferred revenue	(745)	(5,805)
Cash used in continuing operations	(8,312)	(10,971)
Cash used in discontinued operations	(317)	(468)
Cash used in operating activities	(8,629)	(11,439)
Cash flows from investing activities:		
Purchases of property and equipment	(2,608)	(2,224)
Addition to permits and other intangible assets	(103)	(577)
Proceeds from sale of property and equipment	28	1
Cash used in continuing operations	(2,683)	(2,800)
Cash used in discontinued operations	(36)	(49)
Cash used in investing activities	(2,719)	(2,849)
Cash flows from financing activities:		
Repayments of revolving credit borrowings	(57,209)	(78,313)
Borrowing on revolving credit	57,209	78,313
Proceeds from sale of Common Stock completed in May 2024, net of offering costs paid	—	18,495
Payment of offering costs from sale of Common Stock completed in December 2024	(194)	—
Principal repayments of finance lease liabilities	(228)	(218)
Principal repayments of long term debt	(470)	(675)
Payment of debt issuance costs	(19)	(61)
Proceeds from issuance of Common Stock upon exercise of options/warrant	79	264
Cash (used in) provided by financing activities of continuing operations	(832)	17,805
Effect of exchange rate changes on cash	21	1
(Decrease) increase in cash and finite risk sinking fund (restricted cash)	(12,159)	3,518
Cash and finite risk sinking fund (restricted cash) at beginning of period	41,655	19,574
Cash and finite risk sinking fund (restricted cash) at end of period	\$ 29,496	\$ 23,092
Supplemental disclosure:		
Interest paid	\$ 355	\$ 349
Income taxes paid	—	50
Non-cash financing activities:		
Equipment/property purchase subject to finance	—	406
Equipment purchase subject to finance leases	162	—

The accompanying notes are an integral part of these condensed consolidated financial statements.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
Notes to Condensed Consolidated Financial Statements
September 30, 2025
(Unaudited)

1. Basis of Presentation

The condensed consolidated financial statements included herein have been prepared by the Company (which may be referred to as we, us or our), without an audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations, although the Company believes the disclosures which are made are adequate to make the information presented not misleading. Further, the condensed consolidated financial statements reflect, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position and results of operations as of and for the periods indicated. The results of operations for the nine months ended September 30, 2025, are not necessarily indicative of results to be expected for the fiscal year ending December 31, 2025.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K as of and for the year ended December 31, 2024.

The condensed consolidated financial statements include the accounts of our wholly owned subsidiaries.

2. Summary of Significant Accounting Policies

Our accounting policies are as set forth in the notes to the December 31, 2024, consolidated financial statements referred to above.

Recently Issued Accounting Standards –Adopted

In August 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-05, "Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement." ASU 2023-05 applies to the formation of a "joint venture" or a "corporate joint venture" and requires a joint venture to initially measure all contributions received upon its formation at fair value. The guidance does not impact accounting by the venturers. The new guidance is applicable to joint venture entities with a formation date on or after January 1, 2025, on a prospective basis. The adoption of ASU 2023-05 by the Company on January 1, 2025, had no impact to its condensed consolidated financial statements.

Recently Issued Accounting Standards – Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state, and local jurisdictions, among other changes. ASU 2023-09 will become effective starting with the Company's annual financial statements for the year ended December 31, 2025. Other than the updated disclosure requirements, the Company does not expect the adoption of ASU 2023-09 to have a material impact to its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, “Income Statement— Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) - Disaggregation of Income Statement Expenses,” which enhances the disclosures required for certain expense captions in the Company’s annual and interim consolidated financial statements. ASU 2024-03 is effective prospectively or retrospectively for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this standard on its financial statement disclosures.

In July 2025, the FASB issued ASU 2025-05, “Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses for Accounts Receivable and Contract Assets.” ASU 2025-05 provides the option to elect a practical expedient to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast as part of estimating expected credit losses on these assets. ASU 2025-05 is effective for the Company for fiscal year and interim periods beginning after December 15, 2025, on a prospective basis, with early adoption permitted. The Company is currently evaluating the impact of this standard to its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, “Intangible - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software.” ASU 2025-06 removes all references to prescriptive and sequential software development stages. The ASU requires entities to begin capitalizing software costs when management authorizes and commits to funding the software project, and it is probable that the project will be completed, and the software will be used for its intended purpose. The amendments in this ASU are effective for the Company for fiscal years beginning after December 15, 2027, and interim periods within those annual reporting periods. The standard allows for prospective, modified, or retrospective transition. Early adoption is permitted. The Company is currently evaluating the impact of this standard to its consolidated financial statements.

3. **Revenue**

Disaggregation of Revenue

In general, the Company’s business segmentation is aligned according to the nature and economic characteristics of our services and provides meaningful disaggregation of each business segment’s results of operations. The nature of the Company’s performance obligations within our Treatment and Services Segments result in the recognition of our revenue primarily over time. The following tables present further disaggregation of our revenues by different categories for our Services and Treatment Segments:

Revenue by Contract Type (In thousands)	Three Months Ended			Three Months Ended		
	September 30, 2025			September 30, 2024		
	Treatment	Services	Total	Treatment	Services	Total
Fixed price	\$ 13,114	\$ 982	\$ 14,096	\$ 9,064	\$ 6,396	\$ 15,460
Time and materials	—	3,358	3,358	—	1,352	1,352
Total	\$ 13,114	\$ 4,340	\$ 17,454	\$ 9,064	\$ 7,748	\$ 16,812

Revenue by Contract Type (In thousands)	Nine Months Ended			Nine Months Ended		
	September 30, 2025			September 30, 2024		
	Treatment	Services	Total	Treatment	Services	Total
Fixed price	\$ 33,696	\$ 4,789	\$ 38,485	\$ 26,116	\$ 15,405	\$ 41,521
Time and materials	—	7,474	7,474	—	2,894	2,894
Total	\$ 33,696	\$ 12,263	\$ 45,959	\$ 26,116	\$ 18,299	\$ 44,415

Revenue by generator (In thousands)	Three Months Ended			Three Months Ended		
	September 30, 2025			September 30, 2024		
	Treatment	Services	Total	Treatment	Services	Total
Domestic government	\$ 9,204	\$ 3,376	\$ 12,580	\$ 6,578	\$ 7,346	\$ 13,924
Domestic commercial	2,855	716	3,571	2,229	312	2,541
Foreign government	859	160	1,019	—	65	65
Foreign commercial	196	88	284	257	25	282
Total	<u>\$ 13,114</u>	<u>\$ 4,340</u>	<u>\$ 17,454</u>	<u>\$ 9,064</u>	<u>\$ 7,748</u>	<u>\$ 16,812</u>

Revenue by generator (In thousands)	Nine Months Ended			Nine Months Ended		
	September 30, 2025			September 30, 2024		
	Treatment	Services	Total	Treatment	Services	Total
Domestic government	\$ 21,600	\$ 10,661	\$ 32,261	\$ 18,997	\$ 17,129	\$ 36,126
Domestic commercial	7,644	1,161	8,805	6,045	867	6,912
Foreign government	3,684	285	3,969	1	232	233
Foreign commercial	768	156	924	1,073	71	1,144
Total	<u>\$ 33,696</u>	<u>\$ 12,263</u>	<u>\$ 45,959</u>	<u>\$ 26,116</u>	<u>\$ 18,299</u>	<u>\$ 44,415</u>

Contract Balances

The timing of revenue recognition and billings can result in unbilled receivables (contract assets). The Company's contract liabilities consist of deferred revenues which represent advance payment from customers in advance of the completion of the Company's performance obligation. The following table represents changes in our contract asset and contract liabilities balances for the periods noted:

(In thousands)	September 30, 2025	December 31, 2024	Year-to-date Change (\$)	Year-to-date Change (%)
Contract assets				
Unbilled receivables - current	\$ 8,396	\$ 4,990	\$ 3,406	68.3%
Contract liabilities				
Deferred revenue	\$ 7,112	\$ 6,711	\$ 401	6.0%

The increase in unbilled receivables as of September 30, 2025, from December 31, 2024, was attributed primarily to increase in revenue from the Company's Treatment Segment.

(In thousands)	September 30, 2024	December 31, 2023	Year-to-date Change (\$)	Year-to-date Change (%)
Contract assets				
Unbilled receivables - current	\$ 7,277	\$ 8,432	\$ (1,155)	-14%
Contract liabilities				
Deferred revenue	\$ 5,398	\$ 6,815	\$ (1,417)	-20.8%

During the three and nine months ended September 30, 2025, the Company recognized revenue of \$752,000 and \$4,640,000, respectively, related to untreated waste that was in the Company's control as of the beginning of such respective year. During the three and nine months ended September 30, 2024, the Company recognized revenue of \$677,000 and \$5,596,000, respectively, related to untreated waste that was in the Company's control as of the beginning of such respective year. Revenue recognized in each period related to performance obligations satisfied within the respective period.

Accounts Receivable

The following table represents changes in accounts receivable, net of credit losses, for the periods noted:

(In thousands)	September 30, 2025	December 31, 2024	Year-to-date Change (\$)	Year-to-date Change (%)
Accounts Receivable (net)	\$ 11,887	\$ 11,579	\$ 308	2.7%
(In thousands)	September 30, 2024	December 31, 2023	Year-to-date Change (\$)	Year-to-date Change (%)
Accounts Receivable (net)	\$ 8,741	\$ 9,722	\$ (981)	-10.1%

Remaining Performance Obligations

The Company applies the practical expedient in Accounting Standards Codification (“ASC”) 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Within our Services Segment, there are service contracts which provide that the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of our performance completed to date. For those contracts, the Company has utilized the practical expedient in ASC 606-10-55-18, which allows the Company to recognize revenue in the amount for which we have the right to invoice; accordingly, the Company does not disclose the value of remaining performance obligations for those contracts.

The Company’s contracts and subcontracts relating to activities at governmental sites generally allow for termination for convenience at any time at the government’s option without payment of a substantial penalty. The Company does not disclose remaining performance obligations on these contracts.

4. Leases

At the inception of an arrangement, the Company determines if an arrangement is, or contains, a lease based on facts and circumstances present in that arrangement. Lease classifications, recognition, and measurement are then determined at the lease commencement date.

The Company’s operating lease right-of-use (“ROU”) assets and operating lease liabilities include primarily leases for office and warehouse spaces used to conduct our business. Finance leases primarily consist of lab, processing and transport equipment used by our facilities’ operations.

The components of lease cost for the Company’s leases for the three and nine months ended September 30, 2025, and 2024 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Leases:				
Lease cost	\$ 121	\$ 129	\$ 363	\$ 420
Finance Leases:				
Amortization of ROU assets	66	65	193	196
Interest on lease liability	24	20	72	63
	90	85	265	259
Short-term lease rent expense	2	1	6	3
Total lease cost	\$ 213	\$ 215	\$ 634	\$ 682

The weighted average remaining lease term and the weighted average discount rate for operating and finance leases as of September 30, 2025, were:

	Operating Leases	Finance Leases
Weighted average remaining lease terms (years)	4.0	3.7
Weighted average discount rate	7.7%	9.6%

The weighted average remaining lease term and the weighted average discount rate for operating and finance leases as of September 30, 2024, were:

	Operating Leases	Finance Leases
Weighted average remaining lease terms (years)	4.9	3.9
Weighted average discount rate	7.7%	9.0%

The following table reconciles the undiscounted cash flows for the operating and finance leases as of September 30, 2025, to the operating and finance lease liabilities recorded on the balance sheet (in thousands):

	Operating Leases	Finance Leases
2025 (Remaining)	\$ 125	\$ 96
2026	479	238
2027	447	204
2028	343	181
2029	334	120
2030 and thereafter	74	5
Total undiscounted lease payments	1,802	844
Less: Imputed interest	(281)	(134)
Present value of lease payments	\$ 1,521	\$ 710
Current portion of operating lease obligations	\$ 372	\$ N/A
Long-term operating lease obligations, less current portion	\$ 1,149	\$ N/A
Current portion of finance lease obligations	\$ N/A	\$ 227
Long-term finance lease obligations, less current portion	\$ N/A	\$ 483

Supplemental cash flow and other information related to our leases were as follows for the three and nine months ended September 30, 2025, and 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flow used in operating leases	\$ 125	\$ 119	\$ 361	\$ 415
Operating cash flow used in finance leases	\$ 24	\$ 20	\$ 72	\$ 63
Financing cash flow used in finance leases	\$ 80	\$ 72	\$ 228	\$ 218
ROU assets obtained in exchange for lease obligations for:				
Finance liabilities	\$ 30	\$ —	\$ 162	\$ —
Operating liabilities	\$ —	\$ —	\$ —	\$ 497
Reduction to ROU assets resulting from purchase of underlying asset:				
Operating liabilities	\$ —	\$ 404	\$ —	\$ 404

The reduction in ROU for the three and nine months ended September 30, 2024, as noted above was the result of the Company's purchase of its Oak Ridge Environmental Waste Operations Center ("EWOC") property which was previously accounted for under its operating leases.

5. Intangible Assets

The following table summarizes information relating to the Company's definite-lived intangible assets:

	Weighted Average Amortization Period (Years)	September 30, 2025		Net Carrying Amount	December 31, 2024		Net Carrying Amount
		Gross Carrying Amount	Accumulated Amortization		Gross Carrying Amount	Accumulated Amortization	
<u>Other Intangibles (amount in thousands)</u>							
Patents	5.9	\$ 759	\$ (451)	\$ 308	\$ 753	\$ (435)	\$ 318
Software	3	666	(616)	50	666	(591)	75
Total		\$ 1,425	\$ (1,067)	\$ 358	\$ 1,419	\$ (1,026)	\$ 393

The intangible assets noted above are amortized on a straight-line basis over their useful lives.

The following table summarizes the expected amortization over the next five years for our definite-lived intangible assets:

Year	Amount (In thousands)
2025 (Remaining)	\$ 13
2026	49
2027	30
2028	21
2029	18

Amortization expenses relating to the definite-lived intangible assets as discussed above were \$13,000 and \$41,000 for the three and nine months ended September 30, 2025, respectively, and \$22,000 and \$70,000 for the three and nine months ended September 30, 2024, respectively.

6. Capital Stock, Stock Plans and Stock-Based Compensation

The Company has certain stock option plans under which it may award incentive stock options ("ISOs") and/or non-qualified stock options ("NQSOs") to employees, officers, outside directors, and outside consultants.

In connection with the appointment of Mr. Troy Eshleman to the position of Chief Operating Officer ("COO") by the Company's Board of Directors (the "Board") on January 23, 2025, the Company granted to Mr. Eshleman an ISO for the purchase, under the Company's 2017 Stock Option Plan (the "2017 Plan"), of up to 50,000 shares of the Company's common stock, \$.001 (the "Common Stock"). The ISO has a six-year term and vests at 20% per year over a five-year period, commencing on the first anniversary of the grant date. The exercise price of the ISO is \$10.70 per share, which equals the closing price of the Company's Common Stock as quoted on NASDAQ on the grant date.

On July 24, 2025, the Company issued a NQSO to each of the Company's seven reelected outside (non-management) directors for the purchase, under the Company's 2003 Outside Directors Stock Plan (the "2003 Plan"), of up to 10,000 shares of the Company's Common Stock. Dr. Louis Centofanti and Mark Duff, each an executive officer of the Company as well as a director, were not eligible to receive an option under the 2003 Plan. Each NQSO granted has a four-year term and vests at 25% per year over a four-year period, commencing on the first anniversary of the grant date. The exercise price of each NQSO is \$12.23 per share, which was equal to the fair market value of the Company's Common Stock on the day preceding the grant date, in accordance with the 2003 Plan.

The following table summarizes stock-based compensation recognized for the three and nine months ended September 30, 2025, and 2024 for our employee and director stock options.

Stock Options	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Employee Stock Options	\$ 108,000	\$ 96,000	\$ 311,000	\$ 259,000
Director Stock Options	107,000	86,000	286,000	207,000
Total	<u>\$ 215,000</u>	<u>\$ 182,000</u>	<u>\$ 597,000</u>	<u>\$ 466,000</u>

As of September 30, 2025, the Company had approximately \$2,131,000 of total unrecognized compensation costs related to unvested options for employee and directors. The weighted average period over which the unrecognized compensation costs are expected to be recognized is approximately 3.0 years.

The summary of the Company's stock option plans as of September 30, 2025, and September 30, 2024, and changes during the periods then ended, are presented below. The Company's plans consist of the 2017 Plan and the 2003 Plan:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value ⁽⁵⁾
Options outstanding January 1, 2025	1,000,900	\$ 6.18		
Granted	120,000	\$ 11.59		
Exercised	(88,700)	\$ 4.11		\$ 586,180
Forfeited	(17,000)	\$ 8.72		
Options outstanding end of period ⁽¹⁾	<u>1,015,200</u>	\$ 6.96	4.7	\$ 3,367,934
Options exercisable at September 30, 2025 ⁽²⁾	<u>455,200</u>	\$ 6.50	4.5	\$ 1,809,173

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value ⁽⁵⁾
Options outstanding January 1, 2024	994,500	\$ 5.57		
Granted	150,500	\$ 9.43		
Exercised	(58,700)	\$ 5.57		\$ 306,574
Forfeited	(46,400)	\$ 5.93		
Options outstanding end of period ⁽³⁾	<u>1,039,900</u>	\$ 6.12	4.8	\$ 6,397,354
Options exercisable at September 30, 2024 ⁽⁴⁾	<u>386,000</u>	\$ 5.31	4.0	\$ 2,684,482

(1) Options with exercise prices ranging from \$3.31 to \$12.23.

(2) Options with exercise prices ranging from \$3.31 to \$10.20.

(3) Options with exercise prices ranging from \$3.15 to \$10.20.

(4) Options with exercise prices ranging from \$3.15 to \$9.81.

(5) The intrinsic value of a stock option is the amount by which the market value of the underlying stock exceeds the exercise price.

During the nine months ended September 30, 2025, the Company issued a total of 38,256 shares of its Common Stock under the 2003 Plan to its outside directors as compensation for serving on the Company's Board. The Company recorded approximately \$359,000 in compensation expenses (included in selling, general and administration ("SG&A") expenses) in connection with the issuance of shares of its Common Stock to outside directors.

During the nine months ended September 30, 2025, the Company issued an aggregate 40,208 shares of its Common Stock from cashless exercises of options for the purchase of 67,000 shares of the Company's Common Stock ranging from \$3.15 to \$7.75 per share. Additionally, the Company issued an aggregate 21,700 shares of its Common Stock from cash exercises of options for the purchase of 21,700 shares of the Company's Common Stock, at exercise prices ranging from \$3.15 and \$4.19 per share, resulting in proceeds of approximately \$79,000.

In connection with the Company's sales of its Common Stock in May 2024 and December 2024, the Company issued warrants to certain underwriter, placement agents, and their designees to purchase up to an aggregate 188,038 shares of the Company's Common Stock at exercise prices of \$11.50 and \$12.19 per share. These warrants remained outstanding as of September 30, 2025.

7. Loss Per Share

Basic loss per share is calculated based on the weighted average number of outstanding common shares during the applicable period. Diluted loss per share is based on the weighted average number of outstanding common shares plus the weighted average number of potential outstanding common shares. In periods where they are anti-dilutive, such amounts are excluded from the calculations of dilutive earnings per share. The following table reconciles the loss and average share amounts used to compute both basic and diluted loss per share:

(Amounts in Thousands, Except for Per Share Amounts)	Three Months Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2025	2024	2025	2024
<u>Loss per common share from continuing operations</u>				
Loss from continuing operations, net of taxes	\$ (1,762)	\$ (8,806)	\$ (7,844)	\$ (16,049)
Basic loss per share	\$ (.10)	\$ (.56)	\$ (.43)	\$ (1.09)
Diluted loss per share	\$ (.10)	\$ (.56)	\$ (.43)	\$ (1.09)
<u>Loss per common share from discontinued operations, net of taxes</u>				
Loss from discontinued operations, net of taxes	\$ (73)	\$ (173)	\$ (280)	\$ (441)
Basic loss per share	\$ —	\$ (.01)	\$ (.01)	\$ (.03)
Diluted loss per share	\$ —	\$ (.01)	\$ (.01)	\$ (.03)
<u>Net loss per common share</u>				
Net loss	\$ (1,835)	\$ (8,979)	\$ (8,124)	\$ (16,490)
Basic loss per share	\$ (.10)	\$ (.57)	\$ (.44)	\$ (1.12)
Diluted loss per share	\$ (.10)	\$ (.57)	\$ (.44)	\$ (1.12)
Weighted average shares outstanding:				
Basic weighted average shares outstanding	18,472	15,803	18,448	14,695
Add: dilutive effect of stock options	—	—	—	—
Add: dilutive effect of warrants	—	—	—	—
Diluted weighted average shares outstanding	18,472	15,803	18,448	14,695

For the three and nine months ended September 30, 2025, 1,185,738 and 1,146,901 weighted average number of shares of common stock underlying options and warrants, respectively, were excluded from the computation of diluted loss per share because the effect would be anti-dilutive.

For the three and nine months ended September 30, 2024, 1,081,943 and 989,683 weighted average number of shares of common stock underlying options and warrants, respectively, were excluded from the computation of diluted loss per share because the effect would be anti-dilutive.

8. Long Term Debt

Long-term debt consists of the following as of September 30, 2025, and December 31, 2024:

(Amounts in Thousands)	September 30, 2025	December 31, 2024
Revolving Credit facility dated May 8, 2020, borrowings based upon eligible accounts receivable, subject to monthly borrowing base calculation, balance due on May 15, 2027. Effective interest rates for first nine months of 2025 was 9.5% ⁽¹⁾	\$ —	\$ —
Term Loan dated July 31, 2023, payable in equal monthly installments of principal, balance due on May 15, 2027. Effective interest rates for first nine months of 2025 was 8.4% ⁽¹⁾	1,458	1,834
Capital Loan dated May 4, 2021, payable in equal monthly installments of principal, balance due on May 15, 2027. Effective interest rates for first nine months of 2025 was 7.8% ⁽¹⁾	175	253
Debt Issuance Costs ⁽²⁾	(135) ⁽²⁾	(178) ⁽²⁾
Notes Payable up to 2044, with annual interest rates ranging from 8.2% to 10.7% ⁽³⁾	390	406
Total debt	1,888	2,315
Less current portion of long-term debt	536	550
Long-term debt	<u>\$ 1,352</u>	<u>\$ 1,765</u>

- (1) Our Revolving Credit facility is collateralized by our accounts receivable, and our Term loan and Capital loan are collateralized by our property, plant, and equipment.
- (2) Aggregate unamortized debt issuance costs in connection with the Company's Credit Facility, which consists of the Revolving Credit, Terms loan and Capital loan, as applicable.
- (3) Includes a promissory note entered into on July 24, 2024, in connection with the purchase of the Company's EWOC property which include a variable interest rate provision, which interest rate will be adjusted at the end of years five, ten and fifteen from the date of the note.

Credit Facility

The Company entered into a Second Amended and Restated Revolving Credit, Term Loan and Security Agreement, dated May 8, 2020, which has since been amended, with PNC National Association ("PNC" and "lender"), acting as agent and lender (the "Loan Agreement"). The Loan Agreement provides the Company with a credit facility with a maturity date of May 15, 2027 (the "Credit Facility") which consists of the following as of September 30, 2025: (a) up to \$12,500,000 revolving credit (the "Revolving Credit"), which borrowing capacity is subject to eligible receivables (as defined) and reduced by outstanding standby letters of credit (\$3,350,000 as of September 30, 2025) and borrowing reductions that the Company's lender may impose from time to time (\$750,000 as of September 30, 2025); (b) a term loan (the "Term Loan") of \$2,500,000, requiring monthly installments of \$41,667; and (c) a capital expenditure loan (the "Capital Loan") of approximately \$524,000, requiring monthly installments of principal of approximately \$8,700 plus interest.

Pursuant to the Loan Agreement, payments of annual interest rates are as follows: (i) interest due on the Revolving Credit is at prime (7.25% as of September 30, 2025) plus 2% or Secured Overnight Finance Rate ("SOFR") (as defined in the Loan Agreement) plus 3.00% plus an SOFR Adjustment applicable for an interest period selected by the Company; (ii) interest due on the Capital Loan is at prime plus 2.50% or SOFR plus 3.50% plus an SOFR Adjustment applicable for an interest period selected by the Company; and (iii) interest due on the Term Loan is at prime plus 3.00% or SOFR plus 4.00% plus an SOFR Adjustment applicable for an interest period selected by the Company. SOFR Adjustment rates of 0.10% and 0.15% are applicable for a one-month interest period and three-month period, respectively, that may be selected by the Company.

No early termination fee shall apply if the Company pays off its obligations under the Loan Agreement after July 31, 2025.

On March 11, 2025, the Company entered into an amendment to its Loan Agreement with its lender which provided the following, among other things:

- removed the quarterly fixed charge coverage ratio ("FCCR") covenant testing requirement utilizing a twelve-month trailing basis; however, such FCCR testing requirement will be triggered on the day the Company fails to meet a minimum of \$5,000,000 in daily Liquidity (defined under the Loan Agreement as borrowing availability under the Revolving Credit plus cash in the money market deposit account ("MMDA") maintained with the Company's lender). If triggered, the Company will be required to show a compliance of a FCCR ratio of not less than 1.15 to 1.00 utilizing a trailing twelve-month-period ended starting with the most recently reported fiscal quarter and each fiscal quarter thereafter. The FCCR testing requirement can be removed again once the Company is able to achieve a minimum of \$5,000,000 in daily Liquidity for a thirty-consecutive-day period from the trigger date;
- revised the Facility Fee (as defined) from .375% to .500%. Such fee percentage will revert back to 0.375% at such time that the Company is able to achieve a minimum 1.15 to 1.00 ratio in FCCR on a twelve-month trailing basis; and
- required payment of an amendment fee of \$12,500, by the Company which is being amortized over the remaining term of the Loan Agreement as interest expense-financing fees.

As of September 30, 2025, the Company had no outstanding borrowing under its Revolving Credit and its Liquidity was approximately \$23,844,000.

The Company's Loan Agreement, as amended, with PNC contains certain financial covenant requirements, along with customary representations and warranties. A breach of any of these financial covenant requirements, unless waived by PNC, could result in a default under the Company's Loan Agreement allowing its lender to immediately require the repayment of all outstanding debt under the Company's Loan Agreement and terminate all commitments to extend further credit. The Company met all of its financial covenant requirements in the first, second and third quarters of 2025.

9. Commitments and Contingencies

Hazardous Waste

In connection with our waste management services, the Company processes hazardous, non-hazardous, low-level radioactive and mixed (containing both hazardous and low-level radioactive) waste, which we transport to our own, or other, facilities for destruction or disposal. As a result of disposing of hazardous substances, in the event any cleanup is required at the disposal site, the Company could be a potentially responsible party for the costs of the cleanup notwithstanding any absence of fault on our part.

Legal Matters

In the normal course of conducting our business, the Company may be involved in various litigation. The Company is not a party to any litigation or governmental proceeding which our management believe could result in any judgments or fines against us that would have a material adverse effect on our financial position, liquidity, or results of future operations.

Michael O'Neill

On November 25, 2024, purported shareholder Michael O'Neill filed a complaint in the Court of Chancery of the State of Delaware against the Company and all current directors of the Company, asserting individual and class action claims for alleged breach of contract and breach of fiduciary duty. The case is styled Michael O'Neill v. Perma-Fix Environmental Services, Inc., et al., C.A. No. 2024-1211-PAF.

The complaint purports to be brought by the named plaintiff individually and on behalf of all “similarly situated Perma-Fix stockholders.” According to the complaint, defendants allegedly made materially false and misleading statements in its proxy statement filed with the Securities and Exchange Commission on June 8, 2023 regarding the effect of broker non-votes as it relates to an amendment to the Company’s 2017 Stock Option Plan. In particular, the complaint alleges that defendants incorrectly stated in the proxy statement that broker non-votes would have no effect on the vote solicited to approve an amendment to the Company’s 2017 Stock Option Plan to increase by 600,000 shares the number of shares of Common Stock issuable under the plan, resulting in an alleged defective approval of the plan amendment. As of the date of this Form 10-Q, the Company has not issued any options under the plan relating to the additional shares included in the plan amendment.

The Defendants are vigorously defending against the complaint.

The Company’s insurance carrier is providing a defense in connection with this lawsuit, subject to a \$1,000,000 self-insured retention and the terms and limitations contained in the insurance policy.

Shareholder Demand Letter

The Company’s Board received a demand letter, dated February 4, 2025 (the “Letter”), from a putative shareholder of the Company, claiming that a provision in the Company’s Amended and Restated Bylaws (“Bylaws”), requiring shareholders, to the fullest extent permitted by law, to indemnify the Company for attorneys’ fees in certain corporate proceedings in which the shareholder is not the prevailing party, must be removed. This provision of the Company’s Bylaws was adopted in 2012 when the Company adopted its Amended and Restated Bylaws. The statute prohibiting certain reimbursements of attorneys’ fees was adopted in 2015. The Letter demands that the Board amend its Bylaws to remove the particular provision in question.

After reviewing the Letter, the Board established a Demand Review Committee (the “Committee”) to review, analyze, and evaluate the shareholder demand received above, and to make recommendations to the Board with respect to such demand. The Committee was ad hoc, in that the composition of the Committee will necessarily change in response to the specific shareholder demand. Initial members of the Committee are comprised of Board members who were not members of the Board in 2012 when the Company adopted its Bylaws and are disinterested and independent with respect to the matters set forth in the Letter discussed above. The Committee was authorized to engage, at the Company’s expense, experts and advisors that the Committee deems appropriate to assist in its review and determination. Based on the Committee’s review and analysis of the demand and the current case law, in connection with the above Letter, the Committee recommended to the Board to reject such demand as being baseless. Based on the Committee’s recommendation to the Board, the Board determined that the demand is meritless and rejected such demand.

Insurance

The Company has a 25-year finite risk insurance policy entered into in June 2003 (“2003 Closure Policy”) with AIG Specialty Insurance Company (“AIG”), which provides financial assurance to the applicable states for our permitted facilities in the event of unforeseen closure. The 2003 Closure Policy, as amended, provides for a maximum allowable coverage of \$28,177,000 which includes available capacity to allow for annual inflation and other performance and surety bond requirements. Total coverage under the 2003 Closure Policy, as amended, was \$23,951,000 as of September 30, 2025. As of September 30, 2025, and December 31, 2024, finite risk sinking funds contributed by the Company related to the 2003 Closure Policy which is included in other long term assets on the accompanying Condensed Consolidated Balance Sheets totaled \$13,084,000 and \$12,680,000, respectively, which included interest earned of \$3,613,000 and \$3,209,000 on the finite risk sinking funds as of September 30, 2025, and December 31, 2024, respectively. Interest income for the three and nine months ended September 30, 2025, was approximately \$131,000 and \$404,000, respectively. Interest income for the three and nine months ended September 30, 2024, was approximately \$153,000 and \$451,000, respectively. If we so elect, AIG is obligated to pay the Company an amount equal to 100% of the finite risk sinking fund account balance in return for a complete release of liability from both the Company and any applicable regulatory agency using this policy as an instrument to comply with financial assurance requirements.

Letter of Credits and Bonding Requirements

From time to time, the Company is required to post standby letters of credit and various bonds to support contractual obligations to customers and other obligations, including facility closures. As of September 30, 2025, the total amount of standby letters of credit outstanding was approximately \$3,350,000, and the total amount of bonds outstanding was approximately \$16,044,000.

10. Discontinued Operations

The Company's discontinued operations consist of all our subsidiaries included in our Industrial Segment which encompasses subsidiaries divested in 2011 and earlier, as well as three previously closed locations.

The Company's discontinued operations had net losses of \$73,000 (net of tax expense of \$0) and \$173,000 (net of tax expense of \$79,000) for the three months ended September 30, 2025, and 2024, respectively, and net losses of \$280,000 (net of \$0 tax expense) and \$441,000 (net of \$0 tax expense) for the nine months ended September 30, 2025, and 2024, respectively. The losses (excluding tax expenses) were primarily due to costs incurred in the administration and continued monitoring/evaluation of our discontinued operations. The Company's discontinued operations had no revenue for any of the periods noted above.

The following table presents the major class of assets of discontinued operations as of September 30, 2025, and December 31, 2024. No assets and liabilities were held for sale at each of the periods noted.

(Amounts in Thousands)	September 30, 2025	December 31, 2024
Current assets		
Other assets	\$ 37	\$ 20
Total current assets	37	20
Long-term assets		
Property, plant and equipment, net ⁽¹⁾	146	130
Total long-term assets	146	130
Total assets	\$ 183	\$ 150
Current liabilities		
Accounts payable	\$ 34	\$ 90
Accrued expenses and other liabilities	163	153
Environmental liabilities	630	1
Total current liabilities	827	244
Long-term liabilities		
Closure liabilities	186	179
Environmental liabilities	134	766
Total long-term liabilities	320	945
Total liabilities	\$ 1,147	\$ 1,189

(1) net of accumulated depreciation of \$10,000 for each period presented.

11. Operating Segments

In accordance with ASC 280, "Segment Reporting", the Company defines an operating segment as a business activity: (1) from which we may earn revenue and incur expenses; (2) whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance; and (3) for which discrete financial information is available.

The Company has two reporting segments, consisting of the Treatment and Services Segments, which are primarily based on a service offering approach and defined as follow:

TREATMENT SEGMENT, which includes:

- nuclear, low-level radioactive, mixed waste (containing both hazardous and low-level radioactive constituents), hazardous and non-hazardous waste treatment, processing and disposal services primarily through four uniquely licensed and permitted treatment and storage facilities; and
- Research and Development (“R&D”) activities to identify, develop and implement innovative waste processing techniques for problematic waste streams.

SERVICES SEGMENT, which includes:

- Technical services, which include:
 - o professional radiological measurement and site survey of large government and commercial installations using advanced methods, technology and engineering;
 - o integrated Occupational Safety and Health services including industrial hygiene (“IH”) assessments; hazardous materials surveys, e.g., exposure monitoring; lead and asbestos management/abatement oversight; indoor air quality evaluations; health risk and exposure assessments; health & safety plan/program development, compliance auditing and training services; and Occupational Safety and Health Administration (“OSHA”) citation assistance;
 - o global technical services providing consulting, engineering, project management, waste management, environmental, and decontamination and decommissioning (“D&D”) field, technical, and management personnel and services to commercial and government customers; and
 - o on-site waste management services to commercial and governmental customers.
- Nuclear services, which include:
 - o technology-based services including engineering, D&D, specialty services and construction, logistics, transportation, processing and disposal;
 - o remediation of nuclear licensed and federal facilities and the remediation cleanup of nuclear legacy sites. Such service capabilities include project investigation; radiological engineering; partial and total plant D&D; facility decontamination, dismantling, demolition, and planning; site restoration; logistics; transportation; and emergency response; and
- A company owned equipment calibration and maintenance laboratory that services, maintains, calibrates, and sources (i.e., rental) health physics, IH and customized nuclear, environmental, and occupational safety and health (“NEOSH”) instrumentation.

The Company’s reporting segments exclude our corporate headquarter which serves to support its two reporting segments through various functions, such as our executives, finance, treasury, human resources, accounting, and legal departments. Financial results for the corporate headquarter are not considered by the CODM in evaluating the performance of the reportable segments. Our reporting segment also excludes our discontinued operations (see “Note 10 – Discontinued Operations”) which do not generate revenues.

The Company’s CODM is represented by its Chief Executive Officer (“CEO”) and COO (or “CODM group”). The CODM group evaluates the performance of the Treatment and Services segments and allocates resources (including financial or capital resources) to each reporting segment based on revenue and income (loss) from operations by comparing actual results for these metrics to budgeted and forecasted amounts for these metrics on a monthly, quarterly and year-to-date basis. The Company’s CODM group does not evaluate and allocate resources for the reportable segments using assets; therefore, the Company does not disclose assets for its reporting segments.

The table below summarizes income (loss) from operations for the Company’s two reporting segments and its corporate headquarter and provides reconciliation of such financial metric to the Company’s consolidated totals for the three and nine months ended September 30, 2025, and 2024 for our continuing operations. Significant segment expenses that are included in the measure of segment profit or losses for each reportable segment and regularly provided to the CODM group include payroll and benefit, material and supplies, disposal, transportation and subcontract expenses and are reflected separately, where applicable (in thousands).

Segment Reporting for the Three Months Ended September 30, 2025

	Treatment	Services	Segments Total	Corporate ⁽¹⁾	Consolidated Total
Revenue from external customers	\$ 13,114	\$ 4,340	\$ 17,454	\$ —	\$ 17,454
Cost of Goods Sold:					
Payroll and benefits expenses	4,809	2,358	7,167	—	7,167
Material and supplies expenses	2,158	—	2,158	—	2,158
Disposal expenses	1,075	—	1,075	—	1,075
Transportation expenses	361	—	361	—	361
Subcontract expenses	—	118	118	—	118
Other cost of goods sold ⁽²⁾	2,445	1,573	4,018	—	4,018
Total cost of goods sold	10,848	4,049	14,897	—	14,897
Gross profit	2,266	291	2,557	—	2,557
SG&A:					
Payroll and benefits	947	547	1,494	997	2,491
Other SG&A ⁽³⁾	386	199	585	1,007	1,592
Total SG&A	1,333	746	2,079	2,004	4,083
Research and development	257	2	259	83	342
Loss on disposal of property and equipment	4	—	4	—	4
Income (loss) from operations	\$ 672	\$ (457)	\$ 215	\$ (2,087)	\$ (1,872)
Interest income					266
Interest expense					(116)
Interest expense-financing fees					(22)
Other expense					(18)
Loss from continuing operations before taxes					(1,762)
Income tax expense					—
Loss from continuing operations, net of taxes					\$ (1,762)

Segment Reporting for the Three Months Ended September 30, 2024

	Treatment	Services	Segments Total	Corporate ⁽¹⁾	Consolidated Total
Revenue from external customers	\$ 9,064	\$ 7,748	\$ 16,812	\$ —	\$ 16,812
Cost of goods sold:					
Payroll and benefit expenses	4,275	2,636	6,911	—	6,911
Material and supplies expenses	1,035	—	1,035	—	1,035
Disposal expenses	788	—	788	—	788
Transportation expenses	322	—	322	—	322
Subcontract expenses	—	2,135	2,135	—	2,135
Other cost of goods sold ⁽²⁾	2,234	2,053	4,287	—	4,287
Total cost of goods sold	8,654	6,824	15,478	—	15,478
Gross profit	410	924	1,334	—	1,334
SG&A:					
Payroll and benefits	743	643	1,386	848	2,234
Other SG&A ⁽³⁾	341	172	513	885	1,398
Total SG&A	1,084	815	1,899	1,733	3,632
Research and development	205	34	239	64	303
(Loss) income from operations	\$ (879)	\$ 75	\$ (804)	\$ (1,797)	\$ (2,601)
Interest income					292
Interest expense					(121)
Interest expense-financing fees					(18)
Other income					59
Loss from continuing operations before taxes					(2,389)
Income tax expense					6,417
Loss from continuing operations, net of taxes					\$ (8,806)

Segment Reporting for the Nine Months Ended September 30, 2025

	Treatment	Services	Segments Total	Corporate ⁽¹⁾	Consolidated Total
Revenue from external customers	\$ 33,696	\$ 12,263	\$ 45,959	\$ —	\$ 45,959
Cost of Goods Sold:					
Payroll and benefits expenses	13,988	6,245	20,233	—	20,233
Material and supplies expenses	4,744	—	4,744	—	4,744
Disposal expenses	2,391	—	2,391	—	2,391
Transportation expenses	1,222	—	1,222	—	1,222
Subcontract expenses	—	1,184	1,184	—	1,184
Other cost of goods sold ⁽²⁾	7,269	4,155	11,424	—	11,424
Total cost of goods sold	29,614	11,584	41,198	—	41,198
Gross profit	4,082	679	4,761	—	4,761
SG&A:					
Payroll and benefits	2,763	1,732	4,495	2,869	7,364
Other SG&A ⁽³⁾	1,276	573	1,849	3,015	4,864
Total SG&A	4,039	2,305	6,344	5,884	12,228
Research and development	780	29	809	228	1,037
Loss (gain) on disposal of property and equipment	3	(5)	(2)	—	(2)
Loss from operations	\$ (740)	\$ (1,650)	\$ (2,390)	\$ (6,112)	\$ (8,502)
Interest income					901
Interest expense					(351)
Interest expense-financing fees					(63)
Other income					171
Loss from continuing operations before taxes					(7,844)
Income tax expense					—
Loss from continuing operations, net of taxes					\$ (7,844)

Segment Reporting for the Nine Months Ended September 30, 2024

	Treatment	Services	Segments Total	Corporate ⁽¹⁾	Consolidated Total
Revenue from external customers	\$ 26,116	\$ 18,299	\$ 44,415	\$ —	\$ 44,415
Cost of goods sold:					
Payroll and benefit expenses	11,970	7,065	19,035	—	19,035
Material and supplies expenses	2,876	—	2,876	—	2,876
Disposal expenses	4,211	—	4,211	—	4,211
Transportation expenses	837	—	837	—	837
Subcontract expenses	—	6,498	6,498	—	6,498
Other cost of goods sold ⁽²⁾	7,061	4,489	11,550	—	11,550
Total cost of goods sold	26,955	18,052	45,007	—	45,007
Gross (loss) profit	(839)	247	(592)	—	(592)
SG&A:					
Payroll and benefits	2,145	1,799	3,944	2,517	6,461
Other SG&A ⁽³⁾	1,079	474	1,553	2,617	4,170
Total SG&A	3,224	2,273	5,497	5,134	10,631
Research and development	609	87	696	176	872
Loss on disposal of property and equipment	—	1	1	—	1
Loss from operations	\$ (4,672)	\$ (2,114)	\$ (6,786)	\$ (5,310)	\$ (12,096)
Interest income					679
Interest expense					(346)
Interest expense-financing fees					(47)
Other income					61
Loss from continuing operations before taxes					(11,749)
Income tax expense					4,300
Loss from continuing operations, net of taxes					\$ (16,049)

(1) Amounts reflect the activity for corporate headquarters not included in the segment reporting information.

(2) Other cost of goods sold for each reportable segment includes:

Treatment - lab, regulatory, repair and maintenance, depreciation and amortization, travel, outside services and general expenses.

Services - material and supplies, disposal, transportation, lab, regulatory, repair and maintenance, depreciation and amortization, travel, outside services and general expenses.

(3) Other SG&A for each reportable segment and Corporate includes:

Treatment-depreciation and amortization, travel, outside services, repair and maintenance and general expenses.

Services- travel, outside services, repair and maintenance and general expenses.

Corporate-repair and maintenance, depreciation and amortization, travel, public company, outside services and general expenses.

The following table presents depreciation and amortization for the three and nine months ended September 30, (in thousand):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Treatment	\$ 387	\$ 370	\$ 1,158	\$ 1,104
Services	28	44	109	133
Total segment	415	414	1,267	1,237
Corporate	11	19	32	58
Total	<u>\$ 426</u>	<u>\$ 433</u>	<u>\$ 1,299</u>	<u>\$ 1,295</u>

The following table presents capital expenditures for the three and nine months ended September 30, (in thousand):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Treatment	\$ 1,145	\$ 1,203	\$ 2,525	\$ 1,820
Services	31	180	83	404
Total segment	1,176	1,383	2,608	2,224
Corporate	—	—	—	—
Total	<u>\$ 1,176⁽¹⁾</u>	<u>\$ 1,383⁽²⁾</u>	<u>\$ 2,608⁽¹⁾</u>	<u>\$ 2,224⁽²⁾</u>

(1) Net of financed amount of \$30 and \$162 for the three and nine months ended September 30, 2025, respectively.

(2) Net of financed amount of \$361 and \$406 for the three and nine months ended September 30, 2024, respectively.

12. Income Taxes

The Company uses an estimated annual effective tax rate, which is based on expected annual income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates, to determine its quarterly provision for income taxes.

The Company had income tax expenses of \$0 and \$6,417,000 for continuing operations for the three months ended September 30, 2025, and the corresponding period of 2024, respectively, and income tax expenses of \$0 and \$4,300,000 for continuing operations for the nine months ended September 30, 2025, and the corresponding period of 2024, respectively. The Company's effective tax rates were approximately 0% and 268.6% for the three months ended September 30, 2025, and the corresponding period of 2024, respectively, and 0% and 36.6% for the nine months ended September 30, 2025, and the corresponding period of 2024, respectively. The Company's effective tax rate for the each of the periods above was impacted by the Company's recognition of a full valuation allowance against its U.S federal and state deferred tax assets in the quarter ended September 30, 2024.

On July 4, 2025, the United States enacted tax reform legislation through the One Big Beautiful Bill Act ("OBBBA"), which changes existing U.S. tax laws, including extending or making permanent certain provisions of the Tax Cuts and Jobs Act, repealing certain clean energy initiatives, in addition to other changes. The Company has evaluated the provisions of the OBBBA and determined that the enactment of the legislation had no material impact to the Company's condensed consolidated financial statements for the interim period ended September 30, 2025. Additionally, the Company does not expect OBBBA to have a material impact to the Company's full year 2025 effective tax rate and its consolidated financial statements for the year ended December 31, 2025, due to the Company's valuation allowance position, among other things. The Company continues to monitor the potential future impacts of the OBBBA on the Company's consolidated financial statements.

13. Subsequent Events

Management evaluated events occurring subsequent to September 30, 2025, through November 10, 2025, the date these condensed consolidated financial statements were available for issuance and determined that no material subsequent events occurred that would have required adjustment or disclosure in the condensed consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-looking Statements

Certain statements contained within this report may be deemed "forward-looking statements" within the meaning of the "Private Securities Litigation Reform Act of 1995." All statements in this report other than a statement of historical fact are forward-looking statements that are subject to known and unknown risks, uncertainties, and other factors, which could cause actual results and performance of the Company to differ materially from such statements. The words "believe," "expect," "anticipate," "intend," "will," and similar expressions identify forward-looking statements. Forward-looking statements contained herein relate to, among other things,

- demand for our services;
- effect of reductions in the level of government funding or government programs;
- impact of One Big Beautiful Bill Act ("OBBBA");
- continued improvement in financial results in the fourth quarter of 2025 and in 2026;
- revenue contribution from the West Valley Development Project to ramp up in 2026;
- approvals of scope attributable to the Company under the West Valley Development Project contract;
- impact from prolonged government shutdown;
- effect of prolonged government shutdown to our operations lessened by our backlog and increased commercial and international waste receipts;
- operations of the West Valley Development Project and potential value thereunder;
- full waste treatment operations of Direct-Feed Low-Activity Waste ("DFLAW");
- reducing operating costs and non-essential expenditures;
- ability to meet loan agreement financial covenant requirements;
- cash flow requirements for the next twelve months;
- sufficient cash flow and Liquidity to fund operations for the next twelve months;
- reduction in Liquidity;
- expansion of international initiatives and market;
- amount of capital expenditures;
- manner in which the applicable government will be required to spend funding to remediate various sites;
- effect of additional losses;
- maintain skilled and stabilized labor force under the Bargaining Collective Agreement;
- funding of operating and capital expenditures from cash from operations, Liquidity under our Loan Agreement, and/or financing;
- our PFAS (Per- and polyfluoroalkyl) technology process will exceed other performance methods;
- receipt of an additional 50,000 gallons of aqueous film-forming foam ("AFFF") liquid;
- deployment of the second-generation unit;
- triple our production capacity under our second-generation PFAS System;
- strategy for our Perma-Fix PFAS System;
- advancement of our PFAS technology;
- funding of remediation expenditures for sites from funds generated internally;
- compliance with environmental regulations;
- potential effect of being a potentially responsible party ("PRP"); and
- potential violations of environmental laws and attendant remediation at our facilities.

While the Company believes the expectations reflected in such forward-looking statements 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 report, including, but not limited to:

- general economic conditions and uncertainties;
- impact of government shutdown;
- inability to properly bid contracts;
- reduction in or inability to obtain new contracts with federal, state and local governments, agencies and departments, resulting in a reduction in revenue;
- changes in federal government budgeting and spending priorities;
- failure by Congress or other governmental bodies to approve budgets and debt ceiling increases in a timely fashion and related reductions in government spending;
- uncertainties relating to the new presidential administration (the “Administration”) and failure of the Administration to spend Congressionally mandated appropriations, which may result in the failure to realize the full amount of our backlog;
- tariff actions and uncertainties related to trade wars;
- inability to meet PNC covenant requirements;
- inability to collect in a timely manner a material amount of receivables;
- increased competitive pressures;
- inability to maintain and obtain required permits and approvals to conduct operations;
- inability to develop new and existing technologies in the conduct of operations;
- inability to maintain and obtain closure and operating insurance requirements;
- discovery of additional contamination or expanded contamination at any of the sites or facilities leased or owned by us or our subsidiaries which would result in a material increase in remediation expenditures;
- refusal of third-party disposal sites to accept our waste;
- changes in federal, state and local laws and regulations, especially environmental laws and regulations, or in interpretation of such;
- new or additional requirements to handle low-level radioactive and hazardous waste materials;
- management retention and development;
- financial valuation of intangible assets is substantially more/less than expected;
- the need to use internally generated funds for purposes not presently anticipated;
- inability of the Company to maintain the listing of its Common Stock on the Nasdaq;
- terminations of contracts with government agencies or subcontracts involving government agencies or reduction in amount of waste delivered to the Company under the contracts or subcontracts;
- failure of our Italian team partner to perform its requirements in connection with the Italian project;
- changes in the scope of work relating to existing contracts;
- occurrence of an event similar to COVID-19 having adverse effects on the U.S. and world economics;
- renegotiation or termination of contracts involving government agencies;
- disposal expense accrual could prove to be inadequate in the event the waste requires re-treatment;
- inability to raise capital on commercially reasonable terms;
- inability to increase profitable revenue;
- risks resulting from expanding our service offerings and client base;
- non-acceptance of our new technology;
- adjustments to our valuation allowance;
- supply chain difficulties;
- pricing adjustments;
- cost reduction measures;
- new governmental regulations; and
- risk factors and other factors set forth in “Special Note Regarding Forward-Looking Statements” contained in the Company’s 2024 Form 10-K and the “Forward-Looking Statements” contained in the Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”) of the first and second quarters of 2025 and this third quarter 2025 10-Q.

Our forward-looking statements are based on the beliefs and assumptions of our management and the information available to our management at the time these statements were prepared. Although we believe the expectations reflected in these statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. You should not place undue reliance on the forward-looking statements as noted above, which apply only to as of the date of this Form 10-Q. We undertake no obligation to update these forward-looking statements, even if our situation changes in the future.

Overview

Our revenue for the third quarter of 2025 reflects improvements from the corresponding period of 2024. Overall revenue increased by \$642,000 or 3.8% to \$17,454,000 for the three months ended September 30, 2025, from \$16,812,000 in the same period of 2024. The increase was entirely from our Treatment Segment where revenue increased by \$4,050,000 or approximately 44.7% to \$13,114,000 for the three months ended September 30, 2025, from \$9,064,000 in the same period of 2024. The increase in Treatment Segment revenue was primarily due to increased waste volume and higher averaged price waste from waste mix, which included increased revenue generated from both international and commercial clients. Services Segment revenue decreased \$3,408,000 or 44.0% to \$4,340,000 for the three months ended September 30, 2025, from \$7,748,000 for the same period of 2024. The decrease in revenue in the Services Segment was attributed in part, to delays in project mobilizations from certain existing contracts along with delays in project awards primarily from government related entities. Gross profit increased \$1,223,000 or 91.7% for the three months ended September 30, 2025, as compared to the corresponding period of 2024. Selling, General, and Administrative (“SG&A”) expenses increased by \$451,000 or 12.4% for the three months ended September 30, 2025, as compared to the corresponding period of 2024.

Our overall revenue increased by \$1,544,000 or 3.5% to \$45,959,000 for the nine months ended September 30, 2025, from \$44,415,000 for the corresponding period of 2024. Similar to the third quarter of 2025, the increase was entirely from our Treatment Segment where revenue increased by \$7,580,000 or approximately 29.0% to \$33,696,000 for the nine months ended September 30, 2025, from \$26,116,000 in the same period of 2024. The increase in Treatment Segment revenue was primarily due to increased waste volume and higher averaged price waste from waste mix, which included increased revenue generated from both international and commercial clients. Services Segment revenue decreased \$6,036,000 or 33.0% to \$12,263,000 for the nine months ended September 30, 2025, from \$18,299,000 for the same period of 2024 due in part, to delays in project mobilizations from certain existing contracts and delays in procurements that resulted from changes to the new Administration and supporting policies that occurred in the first half of 2025. We generated an overall gross profit of \$4,761,000 for the nine months ended September 30, 2025, as compared to a gross loss of \$592,000 for the corresponding period of 2024, reflecting an increase in gross profit of \$5,353,000 or 904.2%. SG&A expenses increased by \$1,597,000 or 15.0% for the nine months ended September 30, 2025, as compared to the corresponding period of 2024.

See “Results of Operations” below for discussions of certain financial metrics pertaining to our operations, which includes our two reportable segments.

We have seen steady improvements in our revenue and results of operations in each of the quarters in 2025. We believe we are positioned for improvements in the fourth quarter of 2025 and in 2026 (see a discussion of the recent federal government shutdown that may impact our results of operations below). Our Treatment Segment backlog stands at approximately \$15,396,000 as of September 30, 2025, an increase of \$7,537,000 or 95.9% from the December 31, 2024, balance of \$7,859,000. In December 2024, BWXT Technologies and its team, of which we are a member, were awarded the West Valley Project contract for the cleanup operations at the West Valley Development Project in West Valley, New York. The contract has a 10-year ordering period with a maximum value of up to \$3 billion for all of the services rendered by all members of the team that are performed for up to 15 years. Revenue contributed from this contract has been and is expected to be limited in 2025; however, we expect revenue to ramp up in 2026 as our scope under the contract is further defined, approved and transitions into operation. Also, we believe that our Perma-Fix Northwest Richland, Inc. ("PFNWR") facility is positioned to support the DFLAW program at Hanford, Washington as hot commissioning of the Low-Activity Waste Vitrification Facility at Hanford has begun and is working toward full waste treatment operations. We continue to focus on increasing our expansion into the international markets which is reflected in revenue generated from foreign entities of approximately \$4,893,000 for the nine months ended September 30, 2025, as compared to \$1,377,000 for the corresponding period of 2024, an increase of \$3,516,000 or 255.3%. Finally, we continue our aggressive approach in research and development ("R&D"), sales and marketing efforts and capital expenditures of our new PFAS technology which adversely impacted our results of operations for the first nine months of 2025 (See "Known Trends and Uncertainties – New Processing Technology" for a discussion of our new technology). We are continually monitoring our operating costs to ensure alignment with our revenue level.

Effective October 1, 2025, the federal government went into a partial shutdown from failure to pass a new fiscal year funding bill. As a result of the government shutdown, we have been recently informed by certain government related clients that waste shipments are likely to be delayed until the government shutdown is resolved. Although the impact of the government shutdown has been limited at this time, a prolonged shutdown may materially impact our results of operations and liquidity (See "Known Trends and Uncertainties – Federal Funding" within this MD&A for a discussion of the impacts that a prolonged federal government shutdown may have on our results of operations). We believe that potential negative impact to our results of operations and liquidity from a prolonged government shutdown may be lessened by our Treatment Segment backlog, along with increased receipts from international and commercial clients.

Business Environment

Our Treatment and Services Segments' business continue to be heavily dependent on services that we provide to federal governmental clients, primarily as subcontractors for others who are contractors to government entities or directly as the prime contractor. We believe demand for our services will continue to be subject to fluctuations due to a variety of factors beyond our control, including, without limitation, current economic and political conditions, government reductions, government budget issues, government shutdown and the manner in which the applicable government authority will be required to spend funding to remediate various sites. In addition, our governmental contracts and subcontracts relating to activities at federal governmental sites are generally subject to termination for convenience at any time, at the government's option. Significant reductions in the level of governmental funding, government shutdown or specifically mandated levels for different programs that are important to our business could have a material adverse impact on our business, financial position, results of operations, liquidity and cash flows.

Results of Operations

The reporting of financial results and pertinent discussions are tailored to our two reportable segments: The Treatment Segment and Services Segment.

Summary – Three and Nine Months Ended September 30, 2025, and 2024

Consolidated (amounts in thousands)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025	%	2024	%	2025	%	2024	%
Net revenues	\$ 17,454	100.0	\$ 16,812	100.0	\$ 45,959	100.0	\$ 44,415	100.0
Cost of goods sold	14,897	85.4	15,478	92.1	41,198	89.6	45,007	101.3
Gross profit (loss)	2,557	14.6	1,334	7.9	4,761	10.4	(592)	(1.3)
Selling, general and administrative	4,083	23.4	3,632	21.6	12,228	26.6	10,631	23.9
Research and development	342	2.0	303	1.8	1,037	2.3	872	2.0
Loss (gain) on disposal of property and equipment	4	—	—	—	(2)	—	1	—
Loss from operations	(1,872)	(10.8)	(2,601)	(15.5)	(8,502)	(18.5)	(12,096)	(27.2)
Interest income	266	1.5	292	1.7	901	1.9	679	1.5
Interest expense	(116)	(.6)	(121)	(.7)	(351)	(.8)	(346)	(.8)
Interest expense-financing fees	(22)	(.1)	(18)	(.1)	(63)	(.1)	(47)	(.1)
Other	(18)	(.1)	59	.4	171	.4	61	.1
Loss from continuing operations before taxes	(1,762)	(10.1)	(2,389)	(14.2)	(7,844)	(17.1)	(11,749)	(26.5)
Income tax expense	—	—	6,417	38.2	—	—	4,300	9.6
Loss from continuing operations, net of taxes	<u>\$ (1,762)</u>	<u>(10.1)</u>	<u>\$ (8,806)</u>	<u>(52.4)</u>	<u>\$ (7,844)</u>	<u>(17.1)</u>	<u>\$ (16,049)</u>	<u>(36.1)</u>

Revenues

Consolidated revenues increased \$642,000 for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, as follows:

(In thousands)	2025	% Revenue	2024	% Revenue	Change	% Change
Treatment						
Government waste	\$ 9,503	54.4	\$ 5,794	34.5	\$ 3,709	64.0
Hazardous/non-hazardous ⁽¹⁾	1,375	7.9	1,199	7.1	176	14.7
Other nuclear waste	2,236	12.8	2,071	12.3	165	8.0
Total	13,114	75.1	9,064	53.9	4,050	44.7
Services						
Nuclear services	2,422	13.9	6,433	38.3	(4,011)	(62.4)
Technical services	1,918	11.0	1,315	7.8	603	45.9
Total	4,340	24.9	7,748	46.1	(3,408)	(44.0)
Total	<u>\$ 17,454</u>	<u>100.0</u>	<u>\$ 16,812</u>	<u>100.0</u>	<u>\$ 642</u>	<u>3.8</u>

⁽¹⁾ Includes waste generated by government clients of \$560,000 and \$784,000 for the three months ended September 30, 2025, and the corresponding period of 2024, respectively.

Treatment Segment revenue increased by \$4,050,000 or 44.7% for the three months ended September 30, 2025, over the same period in 2024. The overall increase in revenue in the Treatment Segment was primarily due to higher waste volume and higher averaged price waste from waste mix. Our Treatment Segment revenue was also positively impacted by our international initiatives, which resulted in an increase in revenue from international customers of approximately \$798,000 or 310.5% as compared to the same period of last year. Services Segment revenue decreased by approximately \$3,408,000 or 44.0%. The decrease in revenue in the Services Segment was due to reasons as discussed in the “Overview” section. Additionally, our Services Segment revenues are project based; as such, the scope, duration, and completion of each project vary.

Consolidated revenues increased \$1,544,000 for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, as follows:

(In thousands)	2025	% Revenue	2024	% Revenue	Change	% Change
Treatment						
Government waste	\$ 23,715	51.6	\$ 16,668	37.5	\$ 7,047	42.3
Hazardous/non-hazardous ⁽¹⁾	3,848	8.4	3,829	8.6	19	0.5
Other nuclear waste	6,133	13.3	5,619	12.7	514	9.1
Total	33,696	73.3	26,116	58.8	7,580	29.0
Services						
Nuclear services	7,478	16.3	15,563	35.0	(8,085)	(52.0)
Technical services	4,785	10.4	2,736	6.2	2,049	74.9
Total	12,263	26.7	18,299	41.2	(6,036)	(33.0)
Total	\$ 45,959	100.0	\$ 44,415	100.0	\$ 1,544	3.5

⁽¹⁾ Includes waste generated by government clients of \$1,569,000 and \$2,330,000 for the nine months ended September 30, 2025, and the corresponding period of 2024, respectively.

Treatment Segment overall revenue increased by \$7,580,000 or 29.0% for the three months ended September 30, 2025, over the same period in 2024. The overall increase in revenue in the Treatment Segment was primarily due to higher waste volume and higher averaged price waste from waste mix. Our Treatment Segment revenue was also positively impacted by our international initiatives, which generated an increase in revenue of approximately \$3,378,000 or 314.5% as compared to the same period of last year. Services Segment revenue decreased by approximately \$6,036,000 or 33.0%. The decrease in revenue in the Services Segment was due to reasons as discussed in the "Overview" section. Additionally, our Services Segment revenues are project based; as such, the scope, duration, and completion of each project vary.

Cost of Goods Sold

Cost of goods sold decreased \$581,000 for the quarter ended September 30, 2025, as compared to the quarter ended September 30, 2024, as follows:

(In thousands)	2025	% Revenue	2024	% Revenue	Change
Treatment	\$ 10,848	82.7	\$ 8,654	95.5	\$ 2,194
Services	4,049	93.3	6,824	88.1	(2,775)
Total	\$ 14,897	85.4	\$ 15,478	92.1	\$ (581)

Cost of goods sold for the Treatment Segment increased by approximately \$2,194,000 or 25.4%, primarily due to increased revenue. Treatment Segment's variable costs increased by approximately \$1,544,000 primarily due to overall higher material and supplies, disposal and transportation costs. Within our Treatment Segment, variable cost categories can fluctuate based on waste mix. Treatment Segment's overall fixed costs were higher by approximately \$650,000 resulting from the following: salaries and payroll related expenses were higher by approximately \$471,000 which included higher salary expenses from cost of living adjustments ("COLA") that became effective during the quarter; overall general expenses were higher by approximately \$261,000 in various categories which included higher utility expenses of approximately \$103,000; travel expense were higher by \$66,000; and maintenance expenses were lower by approximately \$148,000 as in the second and third quarter of 2024, the Treatment Segment experienced unexpected equipment breakdowns that required replacements or repairs. Services Segment cost of goods sold decreased \$2,775,000 or 40.7% primarily due to lower revenue. The decrease in cost of goods sold was primarily due to overall lower salaries/payroll related, outside services, and travel costs totaling approximately \$2,480,000; lower depreciation expenses of approximately \$16,000; and overall lower material and supplies, disposal, regulatory and lab costs totaling approximately \$279,000. Included within cost of goods sold is depreciation and amortization expense of \$412,000 and \$408,000 for the three months ended September 30, 2025, and 2024, respectively.

Cost of goods sold decreased \$3,809,000 for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, as follows:

(In thousands)	2025	% Revenue	2024	% Revenue	Change
Treatment	\$ 29,614	87.9	\$ 26,955	103.2	\$ 2,659
Services	11,584	94.5	18,052	98.7	(6,468)
Total	<u>\$ 41,198</u>	89.6	<u>\$ 45,007</u>	101.3	<u>\$ (3,809)</u>

Cost of goods sold for the Treatment Segment increased by approximately \$2,659,000 or 9.9%. Treatment Segment's variable costs increased by approximately \$784,000 primarily due to the following: overall material and supplies, lab, and transportation costs were higher by approximately \$2,281,000; variable payroll costs (overtime) were higher by approximately \$323,000 due to increased waste volume production; and disposal costs were lower by approximately \$1,820,000. Within our Treatment Segment, variable cost categories can fluctuate based on waste mix. Treatment Segment's overall fixed costs were higher by approximately \$1,875,000 resulting from the following: salaries and payroll related expenses were higher by \$1,691,000 due to higher headcount and COLA effected during the third quarter of 2025; general expenses were higher by \$378,000 primarily due to higher utility costs; travel expenses were higher by approximately \$70,000; depreciation expenses were higher by \$62,000 due to more finance leases and equipment purchases; maintenance expenses were lower by approximately \$97,000 as the in the prior year, the Treatment Segment experienced unexpected equipment breakdowns that required replacements and repairs; and regulatory expenses were lower by approximately \$229,000 from fewer regulatory matters. Services Segment cost of goods sold decreased \$6,468,000 or 35.8% primarily due to lower revenue. The decrease in cost of goods sold was primarily due to overall lower salaries/payroll related, outside services, and travel costs totaling approximately \$6,492,000; lower depreciation expenses totaling approximately \$24,000 as certain equipment became fully depreciated in 2025; lower general expenses of approximately \$106,000 in various categories; and overall higher material and supplies, disposal, and regulatory costs totaling approximately \$154,000. Included within cost of goods sold is depreciation and amortization expense of \$1,256,000 and \$1,218,000 for the nine months ended September 30, 2025, and 2024, respectively.

Gross Profit (Loss)

Gross profit for the quarter ended September 30, 2025, increased \$1,223,000 over the same period of 2024, as follows:

(In thousands)	2025	% Revenue	2024	% Revenue	Change
Treatment	\$ 2,266	17.3	\$ 410	4.5	\$ 1,856
Services	291	6.7	924	11.9	(633)
Total	<u>\$ 2,557</u>	14.6	<u>\$ 1,334</u>	7.9	<u>\$ 1,223</u>

Treatment Segment gross profit increased by \$1,856,000 or approximately 452.7% and gross margin increased to 17.3% % from 4.5% primarily due to higher revenue from higher waste volume and higher averaged price from waste mix. The increase in fixed costs within the Treatment Segment negatively impacted gross profit and gross margin. Services Segment gross profit decreased by \$633,000 or approximately 68.5% and gross margin decreased to 6.7% from 11.9%. The decreases were attributed primarily to lower revenue. Our Services Segment gross margin is impacted by our current projects which are competitively bid on and will therefore, have varying margin structures.

Gross profit for the nine months ended September 30, 2025, increased \$5,353,000 over the same period in 2024, as follows:

(In thousands)	2025	% Revenue	2024	% Revenue	Change
Treatment	\$ 4,082	12.1	\$ (839)	(3.2)	\$ 4,921
Services	679	5.5	247	1.3	432
Total	<u>\$ 4,761</u>	10.4	<u>\$ (592)</u>	(1.3)	<u>\$ 5,353</u>

Treatment Segment gross profit increased by \$4,921,000 or approximately 586.5% and gross margin increased to 12.1% % from (3.2)% primarily due to higher revenue from higher waste volume and higher averaged price from waste mix. The increase in fixed costs within the Treatment Segment negatively impacted gross profit and gross margin. Services Segment gross profit increased by \$432,000 or approximately 174.9% and gross margin improved from 1.3% to 5.5%. The increases were attributed primarily to overall improved margin on projects and lower fixed costs which were offset by the impact of lower revenue. Our Services Segment gross margin is impacted by our current projects which are competitively bid on and will therefore, have varying margin structures.

SG&A

SG&A expenses increased \$451,000 for the three months ended September 30, 2025, as compared to the corresponding period for 2024, as follows:

(In thousands)	2025	% Revenue	2024	% Revenue	Change
Administrative	\$ 2,004	—	\$ 1,733	—	\$ 271
Treatment	1,333	10.2	1,084	12.0	249
Services	746	17.2	815	10.5	(69)
Total	<u>\$ 4,083</u>	23.4	<u>\$ 3,632</u>	21.6	<u>\$ 451</u>

Administrative SG&A expenses were higher primarily due to higher salaries, payroll related expenses and stock option compensation expenses totaling approximately \$149,000. The hiring of the Company's Chief Operation Officer ("COO") in January 2025 and COLA effected during the third quarter of 2025 contributed to this increase. The remaining higher expenses in Administrative SG&A expenses were primarily due to higher outside services expenses of approximately \$93,000 from more legal and business-related matters, higher general expenses by approximately \$10,000 in various categories and higher travel expenses of approximately \$19,000 due to more travel by senior management. Treatment Segment SG&A expenses were higher primarily due to the following: salaries and payroll related expenses were higher by approximately \$204,000 as more employee hours were allocated to marketing initiatives of our new PFAS technology and overall business development; general expense were higher by approximately \$37,000 in various categories; travel expenses were higher by \$16,000; and outside services expenses were lower by approximately \$8,000 from fewer consulting matters. Services Segment SG&A expenses were lower primarily due to lower salaries and payroll related expenses of approximately \$96,000 as fewer employee hours were allocated in supporting administrative/marketing functions due to lower revenue. The lower expenses were offset by overall higher outside services, general and travel expense totaling approximately \$27,000. Included in SG&A expenses is depreciation and amortization expenses of \$14,000 and \$25,000 for the three months ended September 30, 2025, and 2024, respectively.

SG&A expenses increased \$1,597,000 for the nine months ended September 30, 2025, as compared to the corresponding period for 2024, as follows:

(In thousands)	2025	% Revenue	2024	% Revenue	Change
Administrative	\$ 5,884	—	\$ 5,134	—	\$ 750
Treatment	4,039	12.0	3,224	12.3	815
Services	2,305	18.8	2,273	12.4	32
Total	<u>\$ 12,228</u>	26.6	<u>\$ 10,631</u>	23.9	<u>\$ 1,597</u>

Administrative SG&A expenses were higher primarily due to higher salaries, payroll related expenses and stock option compensation expenses totaling approximately \$352,000. The hiring of the Company's COO in January 2025 and COLA effected during the third quarter of 2025 contributed to this increase. The remaining higher expenses in Administrative SG&A expenses were primarily due to higher outside services expenses of approximately \$321,000 from more legal and business-related matters, higher general expenses of approximately \$31,000 in various categories and higher travel expenses of approximately \$46,000 due to more travel by senior management. Treatment Segment SG&A expenses were higher primarily due to the following: salaries and payroll related expenses were higher by approximately \$618,000 as more employee hours were allocated to marketing initiatives of our new PFAS technology and overall business development; general expense were higher by approximately \$159,000 in various categories (which include higher tradeshow expenses of approximately \$77,000); travel expenses were higher by \$27,000; bad debt expenses were higher by approximately \$29,000; and outside services expenses were lower by approximately \$18,000 from few consulting matters. Services Segment SG&A expenses were higher primarily due to the following: general expenses were higher by approximately \$48,000 in various categories; outside services expenses were higher by approximately \$45,000 due to more consulting matters; travel expense were slightly higher by approximately \$6,000; and salaries and payroll related expenses were lower by approximately \$67,000 as fewer employee hours were allocated in supporting administrative/marketing functions due to lower revenue. Included in SG&A expenses is depreciation and amortization expenses of \$43,000 and \$77,000 for the nine months ended September 30, 2024, and 2023, respectively.

Interest Income

Interest income decreased by approximately \$26,000 and increased by approximately \$222,000 for the three and nine months ended September 30, 2025, respectively, as compared to the corresponding period of 2024. The decrease in interest income for the third quarter of 2025 as compared to the corresponding quarter of 2024 was primarily due to lower interest income earned from our finite risk sinking fund from lower interest rate. The increase in interest income for the nine months ended September 30, 2025, as compared to the corresponding period of 2024 was primarily due to higher interest income earned from funds deposited into our money market deposit account ("MMDA") from the two equity raises that were completed in May 2024 and December 2024, offset by lower interest income earned from our finite risk sinking fund from lower interest rate.

Income Taxes

We use an estimated annual effective tax rate, which is based on expected annual income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which we operate, to determine our quarterly provision for income taxes.

We had income tax expenses of \$0 and \$6,417,000 for continuing operations for the three months ended September 30, 2025, and the corresponding period of 2024, respectively, and income tax expenses of \$0 and \$4,300,000 for continuing operations for the nine months ended September 30, 2025, and the corresponding period of 2024, respectively. Our effective tax rates were approximately 0% and 268.6% for the three months ended September 30, 2025, and the corresponding period of 2024, respectively, and 0% and 36.6% for the nine months ended September 30, 2025, and the corresponding period of 2024, respectively. Our effective tax rate for the each of the periods above was impacted by our recognition of a full valuation allowance against its U.S federal and state deferred tax assets in the quarter ended September 30, 2024.

On July 4, 2025, the United States enacted tax reform legislation through the OBBBA, which changes existing U.S. tax laws, including extending or making permanent certain provisions of the Tax Cuts and Jobs Act, repealing certain clean energy initiatives, in addition to other changes. We evaluated the provisions of the OBBBA and determined that the enactment of the legislation had no material impact to our condensed consolidated financial statements for the interim period ended September 30, 2025. Additionally, we do not expect OBBBA to have a material impact to our full year 2025 effective tax rate and our consolidated financial statements for the year ended December 31, 2025, due to our valuation allowance position, among other things. We continue to monitor the potential future impacts of the OBBBA on the Company's consolidated financial statements.

Liquidity and Capital Resources

Our cash flow requirements during the nine months ended September 30, 2025, were financed by our Liquidity (defined under our Loan Agreement as borrowing availability under the revolving credit plus cash in our MMDA maintained with our lender). Our MMDA consist of cash received in connection with the sale of our Common Stock completed in 2024 as discussed below under “Financing Activities.” We believe our cash flow requirements for the next twelve months will consist primarily of general working capital needs, scheduled principal payments on our debt obligations, remediation projects, R&D on our PFAS technology and capital expenditures (which include our PFAS technology) (see “Known Trends and Uncertainties – New Processing Technology” within this MD&A for a discussion of this technology). We plan to fund these requirements from our operations and our Liquidity. We are continually reviewing operating costs and reviewing the possibility of further reducing operating costs and non-essential expenditures to bring them in line with revenue levels. As of September 30, 2025, we had no outstanding borrowing under our Revolving Credit and our Liquidity was approximately \$23,844,000. We believe that our cash flows from operations and our Liquidity should be sufficient to fund our operations for the next twelve months. Assuming the federal government shutdown is quickly resolved, we believe our operations should improve in the fourth quarter of 2025 and in 2026. If we continue to incur losses such as in the first nine months of 2025, this could cause a reduction in our Liquidity and have a material adverse effect on our results of operations and our business.

The following table reflects the cash flow activities during the first nine months of 2025 and 2024.

(In thousands)	Nine Months Ended September 30,	
	2025	2024
Cash used in operating activities of continuing operations	\$ (8,312)	\$ (10,971)
Cash used in operating activities of discontinued operations	(317)	(468)
Cash used in investing activities of continuing operations	(2,683)	(2,800)
Cash used in investing activities of discontinued operations	(36)	(49)
Cash (used in) provided by financing activities of continuing operations	(832)	17,805
Effect of exchange rate changes in cash	21	1
(Decrease) increase in cash and finite risk sinking fund (restricted cash)	\$ (12,159)	\$ 3,518

As of September 30, 2025, we were in a positive cash position with no revolving credit balance. As of September 30, 2025, we had cash on hand of approximately \$16,412,000.

Operating Activities

Cash used in operating activities of our continuing operations during the first nine months of 2025 consisted mostly of the net loss that we incurred of approximately \$7,844,000, adjusted for certain non-cash items, such as \$597,000 of stock-based compensation expenses and \$1,299,000 of depreciation and amortization expenses. Cash flow decrease of approximately \$2,838,000 resulting from net change in assets and liabilities reflects increases in unbilled and accounts receivable (net of provision for credit losses) totaling approximately \$3,771,000, a net decrease in accounts payables, accrued expenses, deferred revenue and other accruals totaling approximately \$745,000, offset by a net decrease in inventories, prepaids and other assets totaling approximately of \$1,678,000. Our accounts receivables are impacted by timing of invoicing and collections. Our contracts with our customers are subject to various payment terms and conditions.

Cash used in operating activities of our continuing operations during the first nine months of 2024 consisted primarily of the significant net loss that we incurred of approximately \$16,049,000, adjusted for certain non-cash items, which included \$466,000 of stock-based compensation expenses, \$1,295,000 of depreciation and amortization expenses and \$4,300,000 of deferred income tax expenses. Cash flow decrease of approximately \$1,383,000 resulting from net change in assets and liabilities included a net decrease in accounts payables, accrued expenses, deferred revenue and other accruals totaling approximately \$5,805,000, offset by decreases in accounts receivable (net of recovery in credit losses) and unbilled receivables totaling approximately \$2,145,000, and a net decrease in inventories and prepaid and other assets totaling approximately of \$2,277,000.

Cash used in operating activities of our discontinued operations in the first nine months of 2025 and 2024 consisted primarily of expenses incurred in connection with management and administration of regulatory matters for the Company's remediation projects.

We had working capital of \$18,393,000 (which included working capital of our discontinued operations) as of September 30, 2025, as compared to working capital of \$28,283,000 as of December 31, 2024. The decrease in our working capital was primarily due to the losses incurred from our operations during the nine months of 2025 as previously discussed.

Investing Activities

Cash used in investing activities of our continuing operations in the first nine months of 2025 consisted mostly of our purchases of property and equipment totaling approximately \$2,770,000, of which \$162,000 was financed. Our capital expenditures for 2025 included expenditures made for our PFAS treatment systems, which include our second-generation unit. The remaining cash used in investing activities consisted of cash outlays of approximately \$103,000 made in connection with our operating permits and certain intangible assets. Total cash used in investing activities of our continuing operations was partially offset by approximately \$28,000 from our sale of idle equipment.

Cash used in investing activities of our discontinued operations in the first nine months of 2025 consisted of payments made in connection with a certain regulatory permit at our Perma-Fix South Georgia, Inc. ("PFSG") subsidiary and improvements made to the existing building.

Cash used in investing activities of our continuing operations in the first nine months of 2024 consisted mostly of our purchases of property and equipment totaling approximately \$2,630,000, of which \$406,000 was financed. Our capital expenditures for 2024 included expenditures made for the construction of our first PFAS treatment system. The remaining cash used in investing activities of \$577,000 consisted of cash outlays made in connection with our operating permits and certain intangible assets.

Cash used in investing activities of our discontinued operations in the first nine months of 2024 consisted of payments made for roof replacement at our PFSG location.

Capital Expenditures

We anticipate making capital expenditures of up to approximately \$3,230,000 for the remainder of 2025 to maintain operations and regulatory compliance requirements and support revenue growth. Our remaining anticipated capital expenditures for 2025 include certain strategic project initiatives which include our second-generation unit for our PFAS technology (see "Known Trends and Uncertainties – New Processing Technology"). We plan to fund our capital expenditures for the remainder of 2025 from cash from operations, Liquidity and/or financing. The initiation and timing of our capital expenditures for the remainder of 2025 are subject to a number of factors which include, among other things, cost/benefit analysis, the pace of our strategic project initiatives, improvement in our operations and resolution of the federal government shutdown.

Financing Activities

Our cash used in financing during the first nine months of 2025 consisted mostly of principal payments of approximately \$470,000 primarily for our Term and Capital Loans under our Credit Facility (see below for a discussion of our Credit Facility) principal payments of \$228,000 for our finance leases, payments of \$194,000 of offering costs from the equity raise that we completed in December 2024, partially offset by proceeds received from option exercises of approximately \$79,000.

As previously reported, during 2024, we had two offerings of our Common Stock which increased our cash position. As discussed below, in May 2024, we had the first offering. In December 2024, we completed the second securities offering in which we received net proceeds of approximately \$23,208,000 after deducting offering fees and expenses.

Our cash provided in financing during the first nine months of 2024 consisted primarily of net proceeds of \$18,495,000 received from the sale of our Common Stock in May 2024 and proceeds received from option and warrant exercises totaling approximately \$264,000, partially offset by principal payments of approximately \$675,000 for our Term and Capital Loans under our Credit Facility and principal payments of \$218,000 for our finance leases.

Credit Facility

We entered into a Second Amended and Restated Revolving Credit, Term Loan and Security Agreement, dated May 8, 2020, which has since been amended, with PNC National Association (“PNC” and “lender”), acting as agent and lender (the “Loan Agreement”). The Loan Agreement provides us with a credit facility with a maturity date of May 15, 2027 (the “Credit Facility”) which consists of the following as of September 30, 2025: (a) up to \$12,500,000 revolving credit (“Revolving Credit”), which borrowing capacity is subject to eligible receivables (as defined) and reduced by outstanding standby letters of credit (\$3,350,000 as of September 30, 2025) and borrowing reductions that our lender may impose from time to time (\$750,000 as of September 30, 2025); (b) a term loan (“Term Loan”) of \$2,500,000, requiring monthly installments of \$41,667, with a balance due under the Term Loan of approximately \$1,458,000 as of September 30, 2025; and (c) a capital expenditure loan (“Capital Loan”) of approximately \$524,000, requiring monthly installments of principal of approximately \$8,700 plus interest.

On March 11, 2025, we entered into an amendment to our Loan Agreement with our lender which provided the following, among other things:

- removed the quarterly fixed charge coverage ratio (“FCCR”) covenant testing requirement utilizing a twelve-month trailing basis; however, such FCCR testing requirement will be triggered on the day we fail to meet a minimum of \$5,000,000 in daily Liquidity. If triggered, we will be required to show a compliance of a FCCR ratio of not less than 1.15 to 1.00 utilizing a trailing twelve-month-period ended starting with the most recently reported fiscal quarter and each fiscal quarter thereafter. The FCCR testing requirement can be removed again once we are able to achieve a minimum of \$5,000,000 in daily Liquidity for a thirty-consecutive-day period from the trigger date;
- revised the Facility Fee (as defined) from .375% to .500%. Such fee percentage will revert back to .375% at such time that we are able to achieve a minimum 1.15 to 1.00 ratio in FCCR on a twelve-month trailing basis; and
- required payment of an amendment fee of \$12,500 by the Company, which is being amortized over the remaining term of the Loan Agreement as interest expense-financing fees.

Our Loan Agreement, as amended, with PNC, contains certain financial covenant requirements, along with customary representations and warranties. A breach of any of these financial covenant requirements, unless waived by PNC, could result in a default under our Loan Agreement allowing our lender to immediately require the repayment of all outstanding debt under our Loan Agreement and terminate all commitments to extend further credit. We met all of our financial covenant requirements in the first, second and third quarters of 2025. We expect to meet our covenant requirements under our Loan Agreement for the next twelve months.

Off Balance Sheet Arrangements

From time to time, we are required to post standby letters of credit and various bonds to support contractual obligations to customers and other obligations, including facility closures. As of September 30, 2025, the total amount of standby letters of credit outstanding totaled approximately \$3,350,000, and the total amount of bonds outstanding totaled approximately \$16,044,000. We also provide closure and post-closure requirements through a financial assurance policy for certain of our Treatment Segment facilities through AIG. As of September 30, 2025, the closure and post-closure requirements for these facilities were approximately \$23,951,000.

Critical Accounting Policies and Estimates

There were no significant changes in our accounting policies or critical accounting estimates that are discussed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Recent Accounting Pronouncements

See “Note 2 – Summary of Significant Accounting Policies” in the “Notes to Condensed Consolidated Financial Statements” for the recent accounting pronouncement that was adopted in the first nine months of 2025 and recent accounting pronouncements that will be adopted in future periods.

Collective Bargaining Agreement

On September 25, 2025, our PFNWR, entered into a Collective Bargaining Agreement (the “CBA”) that became effective October 1, 2025, with the United Association of Plumbers and Steamfitters Local Union 598 (the “Union”). The CBA covers seventy-one (71) production employees (“Covered Employees”) at our PFNWR facility, and its purpose is to attempt to maintain a skilled and stabilized labor force for its waste treatment operations.

The CBA generally governs, among other things, the Covered Employees’ compensation, vacation/holiday/sick pay, and working conditions. The CBA provides for annual base hourly wage increases for Covered Employees equal to one percent (1%) plus the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), Western Region Average. We continue to offer our healthcare benefits and 401k plan to the Covered Employees under the CBA.

The term of the CBA is October 1, 2025 through October 1, 2030, and the CBA renews automatically on an annual basis thereafter, unless either PFNW or the Union gives written notice at least sixty (60) days prior to October 1, 2030 of its intent to modify or terminate the CBA.

Known Trends and Uncertainties

Significant Customers. The contracts that we are a party to with others as subcontractors to the federal government or directly with the federal government generally provide that the government may terminate the contract at any time for convenience at the government’s option. Our inability to continue under existing contracts that we have with the federal government authorities (directly or indirectly as a subcontractor) or significant reductions in the level of governmental funding in any given year could have a material adverse impact on our operations and financial condition. We performed services relating to waste generated by federal government clients, either directly as a prime contractor or indirectly for others as a subcontractor to federal government entities, representing approximately \$11,666,000 or 66.8% and \$29,275,000 or 63.7% of our total revenues generated during the three and nine months ended September 30, 2025, respectively, as compared to \$11,749,000 or 69.9% and \$31,748,000 or 71.5% of our total revenues generated during the three and nine months ended September 30, 2024, respectively.

Federal Funding. As previously disclosed, a significant portion of our revenue is generated through contracts entered into indirectly as subcontractors for prime contractors or directly as a prime contractor to federal government. Government funding levels in general have uncertainties associated with planned federal projects and procurements. On October 1, 2025, the U.S. federal government entered into a partial shutdown as Congress failed to pass a new fiscal year funding bill. As a result of the government shutdown, we have been recently informed by certain government related clients that waste shipments are likely to be delayed until the government shutdown is resolved. Although the impact of the government shutdown has been limited at this time, a prolonged shutdown may create uncertainty and disruption for us from additional delayed and/or cancelled waste shipments, suspension and/or slowdown of active projects, and/or delayed/cancelled procurement requests. Additionally, the recent government shutdown has resulted in furloughed and terminated employees which may result in contract award delays, delayed payments for services already rendered and restricted communication with agency counterparts who may not be working. These aforementioned impacts could negatively impact our result of operations and liquidity, the extent of which is unknown at this time. However, we believe that negative impact to our results of operations and liquidity from a prolonged government shutdown may be lessened by our Treatment Segment backlog, along with increased receipts from international and commercial clients.

Market Trends and Uncertainties. Macroeconomic conditions which include recent government and policy changes implemented in the United States, government budget issues, tariff actions and uncertainties related to trade wars, ambiguity around interest rates, softening labor markets, have created significant uncertainty in the global economy, volatility in the capital markets and recessionary pressures. We continue to monitor potential effects from these conditions that could impact our revenue and profitability which include supply chain challenges, cost volatility in goods that we utilize in our revenue production, and economic pressures on our customers that may result in reduced and/or delayed spending. We continue to monitor, evaluate and implement a range of strategic options which we believe will assist us to manage potential impacts from these factors, including supply chain optimization, pricing strategies, sourcing adjustments and cost reduction measures in order to minimize impacts to our financial results.

New Processing Technology. We have completed the fabrication, installation, commissioning and startup of our first full scale commercial Perma-FAS system (“System”) for PFAS destruction, located at our Perma-Fix Florida, Inc. facility. PFAS, commonly known as “forever chemicals,” is the acronym for Perfluoroalkyl and Polyfluoroalkyl Substances, a diverse group of thousands of human-made chemical pollutants that have the potential to persist in both the environment and the human body. An increasing number of studies have documented adverse health risks that are associated with PFAS exposure, including increased risks of some cancers, reduced immune function, and developmental delays in children. Commercial destruction of PFAS offers a promising new source of revenue for us, as it complements our core waste remediation technologies, and we have filed patent applications relating to our System technology for PFAS destruction. We have already processed commercial quantities of PFAS-containing waste materials with our pilot System. We believe there are limited current treatment options for these materials, and we expect that our process will exceed the performance of other methods. Some of the sizable markets for PFAS include AFFF firefighting foams, both expired concentrate and flushing liquids, contaminated liquids from PFAS systems, and other water-based separation products from a variety of industrial systems. We have already secured and treated approximately 15,000 gallons of AFFF liquids through the prototype reactor and have approximately 20,000 gallons in backlog. We believe that we will receive an additional 50,000 gallons in the coming months.

Our strategy for our System includes continued treatment of PFAS liquids over the coming months and targeting engineering refinements to support larger-scale Systems. With significant upgrades to our prototype currently being completed, we anticipate deployment of the second-generation unit in the first quarter of 2026 at one of our other existing treatment facilities. We believe our second-generation system will allow us to triple our production capacity. In the next several calendar quarters, we expect to advance the Perma-FAS technology from demonstrated successful bench-scale testing to pilot-scale applications for soil, biosolids, and filter media, broadening the reach of our System’s PFAS destruction capabilities.

Environmental Contingencies

We are engaged in the waste management services segment of the pollution control industry. As a participant in the on-site treatment, storage and disposal market and the off-site treatment and services market, we are subject to rigorous federal, state and local regulations. These regulations mandate strict compliance and therefore are a cost and concern to us. Because of their integral role in providing quality environmental services, we make every reasonable attempt to maintain complete compliance with these regulations; however, even with a diligent commitment, we, along with many of our competitors, may be required to pay fines for violations or investigate and potentially remediate our waste management facilities.

We routinely use third party disposal companies, who ultimately destroy, or secure landfill residual materials generated at our facilities or at a client’s site. In the past, numerous third-party disposal sites have improperly managed waste and consequently require remedial action; consequently, any party utilizing these sites may be liable for some or all of the remedial costs. Despite our aggressive compliance and auditing procedures for disposal of wastes, we could further be notified, in the future, that we are a potentially responsible party (“PRP”) at a remedial action site, which could have a material adverse effect.

We have three environmental remediation projects, all within our discontinued operations, which principally entail the removal/remediation of contaminated soil, and, in most cases, the remediation of surrounding ground water. We expect to fund the expenses to remediate these sites from funds generated from operations. As of September 30, 2025, we had total accrued environmental remediation liabilities of \$764,000, a decrease of \$3,000 from the December 31, 2024 balance of \$767,000. The decrease represents payments for our PFSG remediation project. As of September 30, 2025, \$630,000 of the total accrued environmental remediation liabilities was recorded as current.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

Not required for smaller reporting companies.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports filed with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to our management. As of the end of the period covered by this report, we conducted an evaluation with the participation of our Principal Executive Officer and Principal Financial Officer. Based on this recent assessment, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) were effective as of September 30, 2025.

(b) Changes in internal control over financial reporting.

There was no other change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

There are no material legal proceedings pending against us and/or our subsidiaries not previously reported by us in Item 3 of our Form 10-K for the year ended December 31, 2024. Additionally, there has been no other material change in legal proceedings previously disclosed by us in our Form 10-Q for the quarter ended March 31, 2025.

Item 1A. Risk Factors

There is no other material change from the risk factors previously disclosed in our Form 10-K for the year ended December 31, 2024, and our Form 10-Q for the quarter ended June 30, 2025, except as follows.

The following additional Risk Factor under “Risks Relating to our Business Operations” is as follows:

A prolonged federal government shutdown may materially impact our results of operations.

On October 1, 2025, the U.S. federal government entered into a partial shutdown as Congress failed to pass a new fiscal year funding bill. As a result of the government shutdown, we have been recently informed by certain government related clients that waste shipments are likely to be delayed until the government shutdown is resolved. Although the impact of the government shutdown has been limited at this time, a prolonged shutdown may create uncertainty and disruption for us from additional delayed and/or cancelled waste shipments, suspension and/or slowdown of active projects, and/or delayed/cancelled procurement requests. Additionally, the recent government shutdown has resulted in furloughed and terminated employees which may result in contract award delays, delayed payments for services already rendered and restricted communication with agency counterparts who may not be working. These aforementioned impacts could negatively impact our result of operations and liquidity, the extent of which is unknown at this time. However, we believe that negative impact to our results of operations and liquidity from a prolonged government shutdown may be lessened by our Treatment Segment backlog, along with increased receipts from international and commercial clients.

Item 6. Exhibits

(a) Exhibits

- 10.1 [Collective Bargaining Agreement between Perma-Fix Northwest Richland, Inc. and United Association of Plumbers and Steamfitters Local Union 598, Effective October 1, 2025. CERTAIN INFORMATION WITHIN THIS EXHIBIT HAS BEEN EXCLUDED BECAUSE IT IS NOT MATERIAL AND COULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IS PUBLICLY DISCLOSED.](#)
- 31.1 [Certification by Mark Duff, Chief Executive Officer of the Company pursuant to Rule 13a-14\(a\) or 15d-14\(a\).](#)
- 31.2 [Certification by Ben Naccarato, Chief Financial Officer of the Company pursuant to Rule 13a-14\(a\) or 15d-14\(a\).](#)
- 32.1 [Certification by Mark Duff, Chief Executive Officer of the Company furnished pursuant to 18 U.S.C. Section 1350.](#)
- 32.2 [Certification by Ben Naccarato, Chief Financial Officer of the Company furnished pursuant to 18 U.S.C. Section 1350.](#)
- 101.INS Inline XBRL Instance Document-the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document*
- 101.SCH Inline XBRL Taxonomy Extension Schema Document*
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document*
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document*
- 101.LAB Inline XBRL Taxonomy Extension Labels Linkbase Document*
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document*
- 104 Cover Page Interactive Data File (formatted as an Inline XBRL document and included in Exhibit 101).

* Pursuant to Rule 406T of Regulation S-T, the Inline Interactive Data File in Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purpose of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

PERMA-FIX ENVIRONMENTAL SERVICES

Date: November 10, 2025

By: /s/ Mark Duff

Mark Duff

President and Chief (Principal) Executive Officer

Date: November 10, 2025

By: /s/ Ben Naccarato

Ben Naccarato

Chief (Principal) Financial Officer

***CERTAIN INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED FROM THIS PUBLIC FILING BECAUSE IT IS NOT MATERIAL AND WOULD
LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED**

COLLECTIVE BARGAINING AGREEMENT

Between

Perma-Fix Northwest Richland, Inc.

And

United Association of Plumbers & Steamfitters

Local Union 598

Effective October 1, 2025, through October 1, 2030

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Article 1: PARTIES TO THE AGREEMENT

This Collective Bargaining Agreement (Agreement) is entered into this 1st day of October 2025, by and between the United Association of Plumbers and Steamfitters Local Union 598, hereinafter referred to as “Local 598” or “Union” and Perma-Fix Northwest Richland, Inc. (“PFNW”), including its successors or assigns, hereinafter referred to as “Employer” or “PFNW”, as appropriate, who have, through their duly authorized Officers, executed this Agreement. This Agreement shall only be binding on the signatory parties hereto and shall not apply to their parents, affiliates or subsidiaries.

Article 2: PURPOSE OF AGREEMENT

The Employer and Local 598 have a common interest in the safe, efficient and effective treatment, disposal, and cleanup of hazardous waste, generally, and as it may relate to the U.S. DOE Hanford Site, specifically. Additionally, the parties recognize that further development and protection of a skilled, trained and stabilized workforce is imperative to the success of the Employer’s operations, and all parties will benefit from mutual partnership and the ability to adjust any differences by rational common-sense methods. To this end the parties desire to: i.) mutually establish and stabilize wages, hours and working conditions for certain Labor Classifications; and ii) encourage cooperation between the Parties to the end that a satisfactory, continuous and harmonious relationship will exist between the Parties.

Therefore, this Agreement is made, for and in consideration of the promises and the obligations by each party to the other as hereinafter set forth below.

Article 3: SCOPE

The scope of this Agreement shall govern all employees filling the labor classifications recognized by the Employer in the August 15, 2025, Voluntary Recognition Agreement (“Covered Employees”) and set forth in Appendix A of this Agreement at the Employer’s facility located in Richland, Washington. It is understood and agreed that this is a stand-alone Agreement and that by virtue of having become bound to this Agreement, the Employer is not obligated to sign any other local, area or national labor agreements. Hereinafter, Covered Employees may be referred to as “employees” or “Covered Employees”. Additionally, the Employer agrees that all facility capital improvement, remodeling, expansion and construction projects, which may be performed by third-party contractors at the Employer’s facility, shall be performed by members and contractor’s signatory to and operate under the Local 598 Master Labor Management Agreement, unless qualified contractors are not available to perform the project.

Article 4: RECOGNITION

PFNW recognizes Local 598 as the exclusive collective bargaining representative of the Covered Employees pursuant to Section 9(a) of the National Labor Relations Act. In the event PFWN sells, transfers, or otherwise disposes of its operations, in whole or in substantial part, PFWN shall make every reasonable effort to ensure that the successor entity: (a) recognizes the Union as the exclusive bargaining representative of the employees in the bargaining unit, and (b) assumes and honors this Agreement for its remaining term, unless and until modified through collective bargaining.

Article 5: MANAGEMENT RIGHTS

5.1 **CONTROLS AND SUPERVISION:** All rights, powers, discretion, authority, and prerogatives to carry out the ordinary and customary functions of management customarily reserved to an employer, whether exercised by PFWN prior to the execution of this Agreement, are reserved to PFWN except as specifically limited by this Agreement. These rights include, but are not limited to, the right to hire, promote, transfer, assign, and retain employees, as well as to determine the methods, means, and personnel required to conduct its operations in a safe and efficient manner, including with respect to health and safety and PFWN's management rights to address workplace injury incident and Workers' Compensation case management coordination and supervision. Except as otherwise specifically limited by this Agreement, PFWN shall direct their working forces at their prerogative, including, but not limited to, hiring and deciding on the number of Covered Employees (including lead/foreman positions) required for the conduct of operations, promotion, transfer, lay-off or discharge for just cause. No rules, customs, or practices shall be permitted or observed which limit or restrict production, or limit or restrict the working efforts of Covered Employees. There shall be no limitations placed upon the choice of equipment, materials, tools and other property of PFWN except when considerations for employee safety are concerned.

5.2 **EMPLOYMENT AND JOB POSTINGS:** The Employer shall select all employees for the Labor Classifications covered by this Agreement. Local 598 shall be primarily responsible for recruiting and referring qualified candidates for employment by the Employer in order to meet the staffing needs covered by this Agreement. The Employer agrees to make its best efforts to periodically update Local 598 on its anticipated medium term hiring needs (e.g., provide a 90-day forecast). When the Employer has employment opportunities for positions covered by this Agreement, Local 598 will be notified in writing and asked to refer qualified applicants within five (5) business days of such notice. Such notice shall stipulate the Labor Classification of candidates required, the applicable qualifications and any special skills required. If the required number of qualified candidates are not referred by Local 598 to Employer within five (5) business days, Employer retains the right to recruit and hire employees directly when, in its judgment, it is necessary to satisfy operational requirements, ensure timely completion of work, or address circumstances where Local 598 is unable to supply an adequate number of qualified candidates. The Employer shall notify the Union of direct hires as soon as practicable. Any disputes regarding the referral or hiring process shall be subject to the grievance and arbitration provisions of this Agreement. Such direct hires shall be subject to the terms and conditions of this Agreement from the date of hire. All Covered Employees hired, whether through Local 598 referral or otherwise, shall be subject to the terms of this Agreement.

5.3 TERMINATION, DELAY OR SUSPENSION OF OPERATIONS: The Employer, at its sole discretion, may terminate, delay and or suspend any or all portions of its operations at any time. Any resulting layoff of Covered Employees (reduction of force) shall be accomplished in accordance with Section 14.1 of this Agreement. It is understood and agreed that it will not be a violation of this Agreement when the Employer considers it necessary to shut down job activities to avoid the possible loss of human life or property due to any emergency.

5.4 ADDITIONAL MANAGEMENT RIGHTS:

- 5.4.1 The Employer has the complete authority and right to i.) require all Covered Employees to observe the rules and regulations of the Employer where it is not inconsistent with this Agreement, ii.) require Covered Employees to observe all applicable safety regulations and health and safety requirements prescribed by the Employer and to work safely, and iii.) to maintain a variety of skills within its group of Covered Employees in preparation for work scopes that may arise.
- 5.4.2 The Employer may assign Covered Employees to perform work at other Employer facilities or on Employer projects when necessary to meet operational needs. Such assignments shall not result in permanent displacement of the employee from their regular position and/or labor classification.

Employees on temporary assignment shall continue to receive their regular pay and accrual of benefits. If the assignment requires travel, the Employer will provide transportation, lodging, and per diem allowances, or reimburse mileage and travel time in accordance with Company policy, client contract requirements and applicable law.

Notice of such assignments shall be provided to the affected employee(s) and the Union as far in advance as practicable. Any disputes regarding temporary assignments shall be subject to the grievance and arbitration provisions of this Agreement.

Article 6: UNION SECURITY

6.1 MEMBERSHIP REQUIRED: The Employer shall require all Covered Employees to acquire and maintain membership in Local 598 as a condition of Employment on or after the seventh (7th) day following the commencement of their employment or the date of execution of this Agreement, whichever is later.

6.2 MEMBERSHIP DEFINED: Membership in Local 598 for the purpose of this Article shall mean, i.) tendering to Local 598 the initiation fee under nondiscriminatory conditions established by Local 598, ii.) tendering to Local 598 on or before the twentieth (20th) day of each month, the monthly dues established by Local 598, and iii.) tendering to Local 598 on or before the twentieth (20th) day of each month, the working dues assessment (based on the previous month's employment) established by Local 598.

6.3 DUES CHECK-OFF: The Employer agrees to check off from total taxable wages earned, the working dues in the amounts set by the Union from the Covered Employees, and remit to the Trust Fund Administrator, as a condition of employment under this Agreement. Additionally, the Employer agrees to remit duly authorized contributions recognized by this Agreement on behalf of the Covered Employee. The Employer's obligations under this Section is contingent upon receipt of a written authorization from Covered Employees providing for such deductions. Monies due to Local 598 are held in a constructive trust and the provisions of Article 4 shall be applicable to the collection of such funds.

6.4 TERMINATION: The Employer shall terminate any Covered Employee who is not a member of Local 598 as required by this Article within forty eight (48) hours after receiving written notice from Local 598.

6.5 FEES: The Hiring Hall will be operated at the expense of Local 598.

6.6 NON-DISCRIMINATION: Neither the Employer, Local 598, nor any of the parties affiliated membership shall intimidate or coerce Covered Employees. The Employer and Local 598 shall not discriminate against any Covered Employee or applicant for employment because of race, creed, color, sex, age, religion or any other bias prohibited by law.

Article 7: GRIEVANCE PROCEDURE

7.1 ALL DISPUTES COVERED: The grievance procedure shall be used for the purpose of settling all claims or disputes raised by either Party, including, but not limited to, claims or disputes involving the interpretation or application of this Agreement. Any Covered Employee or group of Covered Employees having a grievance will not suffer loss of pay while processing grievances through the following steps. Grievances shall be processed as set forth below.

7.2 PRE-GRIEVANCE ORAL DISCUSSION: Any Covered Employee or group of Covered Employees having a grievance shall take the matter up with the Local 598 Steward assigned to the Employer's facility, who shall attempt to adjust the matter consistent with the terms of this Agreement with the aggrieved Covered Employees' immediate supervisor. The Employer will facilitate a meeting with the Steward and the immediate supervisor within five (5) business days of a request by the Steward. The Employer recognizes that the Grievant may attend the oral discussion if requested by the Steward. The Steward and Grievant(s) in attendance shall be paid for the time spent in such oral discussions at the applicable hourly rate.

7.3 WRITTEN GRIEVANCE: If not settled satisfactorily in the Pre-Grievance Oral Discussion, Local 598 shall reduce the grievance to writing and deliver it to the Employer's facility general manager ("General Manager") or his/her assigned delegate within five (5) business days of the date of the Pre- Grievance Oral Discussion. Within ten (10) business days of receipt of the written grievance, the General Manager or assigned delegate must meet with the Steward or any additional representatives of Local 598. The General Manager or assigned delegate must provide a response to the grievance in writing to Local 598 within five (5) business days after such meeting. If the General Manager fails to provide a written response to the grievance in a timely manner, the grievance shall be considered an unsettled grievance and may be elevated to arbitration.

7.4 INVOCATION OF ARBITRATION: Not foregoing the previous steps, any grievance which remains unsettled may be taken to arbitration, by written demand of either party served upon the other party, within sixty (60) business days of service of the written response rendered pursuant to Article 7, Section 7.3.

7.5 SELECTION OF AN ARBITRATOR: The party invoking arbitration shall, within ten (10) business days after doing so, request that the Federal Mediation and Conciliation Service (FMCS) provide a list of seven (7) northwest area arbitrators. Alternatively, the parties may agree on a different arbitrator selection process and obtain a list of arbitrator candidates from any reputable service mutually agreed to. The Employer and Local 598 shall meet (either in person or, at the election of either party, by telephone) within five (5) business days of receipt of the panel to alternatively strike names from the panel until a single arbitrator remains. If either party refuses to participate in the selection process, such party shall forfeit its claim or defense.

7.6 AUTHORITY OF ARBITRATOR: The Arbitrator shall not have the authority to add to, disregard, or modify any of the terms of this Agreement.

7.7 EXPENSES: Each party shall cover its respective expenses, and the expenses and fee of the arbitrator shall be shared equally by Local 598 and the Employer. The cost of copies of official transcripts of arbitration proceedings shall be at the expense of the requesting party.

7.8 TIME LIMITS: All time limits noted in this Article are exclusive of weekends and recognized Holidays within this Agreement. Time limits may be extended by mutual agreement of both parties.

7.9 NO STRIKE: There shall be no strikes by Local 598 during the term of this Agreement except due to unsafe working conditions or failure to pay wages or trust contributions.

7.10 LOCKOUTS: The Employer agrees not to lock out employees represented by Local 598 on work covered by this Agreement. The term lockout does not include discharge for cause or layoff.

Article 8: PROTECTION OF RIGHTS

8.1 SUBCONTRACTING: The Employers shall not subcontract or otherwise transfer, in whole or in part, any work performed by Covered Employees or work covered by the Local 598 Master Labor Management Agreement to any person, firm, corporation or other business entity unless the entity is party to this collective bargaining agreement or the Local 598 Master Labor Management Agreement.

The above notwithstanding, Employer may, in coordination with Local 598, engage independent contractors, subcontractors, temporary agency personnel and parent company (i.e., Perma-Fix Environmental Services, Inc.) personnel to perform emergency maintenance, specialty maintenance, warranty maintenance of equipment, and cross training of PFNW and Perma-Fix Environmental Services, Inc. employees from other facilities at the PFNW facility. It is understood and agreed that cross-training exercises for Perma-Fix Environmental Services, Inc. employees from other facilities will not be more than twenty-one (21) days in duration and will not involve more than eight (8) employees at any one time.

8.2 UNION ACCESS: Authorized Representatives of Local 598 shall have access to the Employer's facility and worksites for the purpose of administering this Agreement, provided that such representatives provide reasonable advanced notice of their visit, where practicable, and fully comply with the visitor, safety and security rules established for the facility and worksites. Such Representatives or Steward shall notify the Employer of their arrival for such visits upon arriving upon the facility or worksites.

8.3 **EVASION PROHIBITED**: The Employer shall not directly or indirectly perform, undertake, accomplish, any bargaining unit work except in compliance with all terms and provisions of this Agreement. For purposes of this Section 8.3, the term Employer includes any person acting directly or indirectly as an agent for the Employer. The above notwithstanding, it is understood and agreed that Employer management and supervisory personnel may perform work in connection with the provision of training or during an emergency, or in the event Local 598 is unable or failed to provide sufficient, qualified labor pursuant to the terms of this Agreement.

Article 9: BARGAINED AND FRINGE BENEFIT FUNDS

9.1 **FUNDS IDENTIFIED**: The following Funds and Plans are recognized by this Agreement:

- International Training Fund/Eastern Washington - Northern Oregon Area Plumbers, Steamfitters and Refrigeration Fitters Apprenticeship Trust (ITF/JATC)
- 598 Political Action Committee (598PAC)

The trust funds and plans are hereinafter referred to as the "Fund" or "Funds".

9.2 **TRUST/TRUSTEES ACCEPTED**: Local 598 and the Employer agree to abide by the contribution requirements and conditions of the Trust agreements creating the various Funds and all lawful amendments thereto, and do agree to accept as their representatives, the Local 598 Trustees and the Employer Trustees who constitute the Board of Trustees created by such Trust agreements and their lawful successors. The collection of all contributions, reporting procedures and auditing shall be in accordance with the terms of this Agreement, the terms of the applicable Trust agreements and any related, lawful rules and regulations of the Trustees of such Funds.

9.3 **AUDITS**: By virtue of the Employment Retirement Income Security Act (ERISA), the right of the Trustees of the Funds and Local 598 to conduct audits of the Employer's records pertaining to wages, dues check-off and Fund payments is recognized and agreed to by the Employer. If an audit conducted pursuant to the terms of this Agreement reveal the Employer has underpaid wages, dues check-off or Fund contributions in any period audited, the Employer shall be required to pay the entire cost of the audit. It shall be the Employer's responsibility to obtain appropriate forms for reporting Fund payments.

9.4 **PAYMENTS DUE**: Employer shall report and remit contributions electronically. All reports and contributions must be received (by the Administrator's office and the bank, as applicable) no later than the twentieth (20th) day of the month following the month in which the covered hours were worked. The Trustees shall be authorized to initiate collection action in their own name or in the name of the respective Fund against any Employer who is delinquent after the twentieth (20th) day of the month following the month in which the contributions were earned. A Constructive Trust shall exist in favor of the Funds and Local 598 with respect to monies due but not transmitted. Fund payments shall be made on all compensable hours.

9.5 INTEREST, DAMAGES, FEES AND VENUE: In the event of a law suit regarding a dispute between the parties regarding bargained and fringe benefit funds due, if the Fund and/or Local 598 prevails in the lawsuit, the Fund and/or Local 598 shall be entitled to recover, in addition to the principle sum due (if any), interest at the prime rate plus two percent (2%) on the unpaid amount due from the date it was due until the date it is paid. Such sums are due on and after the date of delinquency. In addition, Local 598 and/or the Fund or the prevailing party shall be entitled to recover reasonable attorney fees and reasonable costs incurred in litigation. Venue for any lawsuit brought by Local 598 and/or Funds to enforce payment of any monies owed by the Employer, to compel the filing of remittance report forms or to compel a payment, may be maintained in a court of competent jurisdiction (Federal or State) in King County, Washington.

Article 10: WAGES AND FRINGE BENEFITS

10.1 WAGE RATES: For work covered by this Agreement, the Employer shall pay the wage rates and fringe benefit contributions for each Covered Employee Labor Classification as outlined in Appendix A of this Agreement. It is understood that the wage rates and fringe benefits contributions provided in Appendix A are minimums required by this Agreement, and nothing herein shall prevent the Employer from offering and paying higher amounts than those specified.

10.2 SUPPLIED AIR PAY: Supplied Air Pay is one dollar (\$1.00) above the basic hourly wage rate. Supplied Air Pay shall be in one (1) hour minimum increments. Supplied Air Pay is due when a worker is required to work in an environment requiring the use of Supplied Air.

10.3 JURY PAY: The Employer agrees to reimburse Employees for lost time wages while serving on jury duty, provided the Employee submits proof to the Employer of such lost time. Compensation received for serving on the jury shall be deducted from the sum due to the Employee.

10.4 HOLIDAYS: The following holidays are observed, paid holidays for Covered Employees.

- NEW YEAR'S DAY
- MEMORIAL DAY
- INDEPENDENCE DAY (FOURTH OF JULY)
- LABOR DAY

- THANKSGIVING DAY
- FRIDAY AFTER THANKSGIVING
- CHIRSTMAS EVE
- CHRISTMAS DAY
- TWO (2) "FLOATING HOLIDAYS", on any days requested by a Covered Employee and preapproved by their supervisor

These holidays will be observed in accordance with the nationally recognized date. By mutual agreement, the parties shall develop rules of observance of Holidays requiring special consideration. No work shall be performed on Labor Day except to save life or property except when agreed upon by the parties to maintain safe operations.

10.5 SHOW-UP TIME:

10.5.1 If a Covered Employee reports to work as scheduled and, through no fault of their own, is not provided with work, the employee shall be paid for a minimum of four (4) hours at their regular rate.

10.5.2 If work commences but is halted before four (4) hours are completed, the Covered Employee shall be paid for four (4) hours at their regular rate, unless the shutdown is caused by inclement weather. In cases of inclement weather, the Covered Employee shall receive two (2) hours' pay or be paid for actual hours worked, whichever is greater, at their regular rate provided they report as scheduled.

10.5.3 Employer must notify Covered Employees of weather-related closures or delays at least two (2) hours prior to the scheduled start time using usual and customary communications methods.

Article 11: PAYMENT OF WAGES

11.1 WHEN DUE: Wages shall be due and payable during working hours on the designated payday for a given pay period, a minimum of one (1) hour before the established quitting time. Covered Employees will be paid every two weeks on a Friday. When payday falls on a holiday, wages shall be due and payable on the preceding workday. Paychecks and electronic payments must be negotiable at a local bank without charge to the employee.

11.2 METHOD OF PAYMENT OF WAGES:

11.2.1 Employees shall be paid by electronic deposit (direct deposit) into an account designated by the employee on or before 8:00 AM of the established payday (Friday). Such payment shall be made in accordance with applicable federal and Washington State law governing the payment of wages. In circumstances where electronic deposit is not practicable or where otherwise required by law, Employer shall provide payment by an alternative lawful method consistent with the requirements of Washington State statutes and regulations. Employers shall provide each employee with an itemized statement of earnings, deductions, and net pay for each pay period. Such statements shall be made available electronically in compliance with applicable law.

11.2.2 On payday, Employer shall provide employees with the opportunity to call their bank to verify payment of wages has been made before their scheduled lunch period.

11.2.3 If the Employer fails to make timely payment of wages by the established payday in accordance with this Agreement, the Employer shall be required to pay the affected employee(s) a penalty of eight (8) hours' pay at the straight-time hourly rate for each day payment is delayed, in addition to all wages owed. However, de minimis discrepancies shall not trigger enforcement of the penalty requirements and the penalty requirement shall not apply where the delay in payment is the result of circumstances beyond the reasonable control of the Employer, provided that the Employer acts diligently to resolve the delay and promptly issues payment once the condition is remedied.

11.2.4 PAY PERIOD WITHHOLDING: The Employer shall not be permitted to withhold more than one pay period's worth of pay from an employee for any purpose.

11.3 SICK TIME/PERSONAL TIME/VACATION TIME (SPV):

11.3.1 Sick time and personal time are combined with vacation time and is provided as a paid time off benefit (SPV). SPV may be used for any purpose. An employee shall be allowed to utilize SPV after being employed for one hundred and eighty (180) days. SPV shall begin to accrue immediately on a pay-period basis and is accrued on hours paid.

- a) During an employee's first full calendar year of employment an employee will accrue eighty (80) hours of SPV which can be used at any time during that year, subject to the requirements of this Section.
- b) During years two (2) through five (5) of continuous employment with the Employer, an employee is entitled to one hundred and twenty (120) hours of SPV annually.
- c) Following an employee's completion of five (5) or more continuous years of employment with the Employer, an employee shall be entitled to one hundred and sixty (160) hours of SPV annually.

- d) Upon completion of fifteen (15) years of continuous employment, an Employee shall be entitled to two hundred (200) hours of SPV annually.
- e) In addition to these amounts, an employee may carry over up to two hundred (200) hours of unused SPV into the following year.
- f) All accrued and retained unused SPV must be paid to an employee with their last regularly scheduled paycheck due upon their separation of employment.

11.3.2 SPV IMPLEMENTATION POLICIES: It is understood and agreed that SPV accrual and use shall be subject to terms set forth below.

- a) After one year of employment and accrual of SPV, employees are required to take annual accrued SPV time during the current calendar year.
- b) SPV must be scheduled in advance at a time that is mutually convenient for the Employer and the Covered Employee. The Employer will take all reasonable steps to accommodate SPV scheduling requests and may not unreasonably deny an SPV scheduling request.
- c) Once employees have taken all their accrued SPV, there will be no further SPV pay for any additional time taken. Employees may not “borrow” SPV time.
- d) Employees who are on FMLA, disability leave, worker’s compensation leave, etc. will not continue to accrue SPV time until they return to work.
- e) Each employee may carry a total of forty (40) hours of accrued SPV over into a new calendar year if they have a cumulative balance that is less than 200 hours. Employees with a cumulative balance in excess of 200 hours will lose the SPV accrued for that year, as of December 31 of that year.
- f) Employees are responsible for monitoring and taking their SPV over the course of a year so that they do not lose time accrued when the current calendar year ends.
- g) Employees will not be paid wages in lieu of unused SPV.

11.4 BEREAVEMENT LEAVE: In the event of a death in an employee’s immediate family (parents, spouse, children, siblings, grandparents, or other relatives living in the employee’s household or any such relatives of the employee’s spouse), the employee shall be granted three (3) working days of paid bereavement leave. The Employer may request reasonable proof of the qualifying event and relationship.

Article 12: OVERTIME AND HOLIDAY PAY

12.1 REGULAR OVERTIME: All time worked in excess of a standard forty (40) hour, seven (7) day pay period shall be compensated at the rate of one and one-half times the straight time hourly wage. All work performed on Employer recognized holidays (except for Floating Holidays) shall be compensated at the rate of two times the straight time hourly wage. All work performed beyond twelve (12) hours in a single workday, Monday through Sunday shall be compensated at the rate of one and a half times the straight time hourly wage.

12.2 UNSCHEDULED OVERTIME: Unscheduled overtime is overtime that is requested by the Employer without providing forty-eight (48) hours notices to the employee. If the Employer does not give forty-eight (48) hours' notice of their request, the employee shall receive pay at the rate of one and a half times the straight time hourly wage for all unscheduled overtime worked at the direction of the Employer.

12.3 MEALS UNSCHEDULED OVERTIME: When an employee, at the direction of the Employer, works unscheduled overtime, they shall be allowed a paid thirty (30) minute meal period no more than five (5) hours from the start of their unscheduled shift and every four (4) hours thereafter. If the employee receives two (2) hours or less notice of the request to work unscheduled overtime, then, in addition to the above, the employee shall receive an additional thirty (30) minutes pay at the applicable overtime hourly wage for a meal period, as well as an additional thirty (30) minutes pay at the applicable overtime wage in lieu of an actual meal.

Article 13: WORK DEFINED

13.1 HOURS OF WORK:

13.1.1 A work week may be Monday through Friday or Monday through Thursday depending on the schedule set at the discretion of Employer. The work period for an eight (8) hour workday shall be, excluding required meal and break periods, eight (8) consecutive hours a day. The work period for a ten (10) hour workday schedule shall be, excluding required meal and break periods, ten (10) consecutive hours a day.

13.1.2 In addition, at its discretion, Employer may also maintain a Panama Rotation Schedule, Dupont Rotation Schedule and/or 4-on, 3-off 12-hour Rotation Schedule to provide continuous 24-hour coverage in order to meet production or other continuous operation's needs of its various departments. Covered Employees assigned to one of these schedules shall work twelve (12) consecutive hours per shift as follows:

Panama Rotation Schedule

The Panama Rotation Schedule consists of a repeating fourteen (14) day cycle of twelve (12) hour shifts.

The standard cycle shall be as follows:

- Week 1: Two (2) consecutive workdays, followed by two (2) consecutive days off, followed by three (3) consecutive workdays.
- Week 2: Two (2) consecutive days off, followed by two (2) consecutive workdays, followed by three (3) consecutive days off.

Employees shall rotate between day and night shifts at the conclusion of the final three days off at the end of each calendar month, according to departmental assignment and operational requirements. Any modifications to the Panama Rotation Schedule shall be subject to consultation with Local 598.

Dupont Rotation Schedule

The Dupont Rotation Schedule consists of a repeating four (4) week cycle of twelve (12) hour shifts.

The standard cycle shall be as follows:

- Week 1: Four (4) consecutive night shifts followed by three (3) consecutive days off.
- Week 2: Three (3) consecutive day shifts, one (1) day off, followed by three (3) consecutive night shifts.
- Week 3: Three (3) consecutive days off, followed by four (4) consecutive day shifts.
- Week 4: Seven (7) consecutive days off.

Covered Employees shall rotate between day and night shifts as noted in the standard cycle. Any modifications to the Dupont Rotation Schedule shall be subject to consultation with Local 598.

4-on, 3-off 12-hour Rotation Schedule

The 4-on, 3-off 12-hour Rotation Schedule consists of a repeating seven (7) day cycle of twelve (12) hours shifts.

The standard cycle shall be as follows:

- Four (4) consecutive twelve (12) hour shifts (either day or night, as assigned).
- Three (3) consecutive days off.

The standard cycle shall be repeated on a continuous weekly basis, and employees may be assigned to either day or night shifts based on operational needs and may rotate as determined by Employer. Any modifications to the 4-on, 3-off 12-hour Rotation Schedule shall be subject to consultation with Local 598.

13.1.3 Employer may assign employees to different Rotation Schedules or day or night shifts after giving employees at least five (5) working days advance notice.

13.1.4 The Employer agrees to make all best efforts to maintain consistency and stability in the shift assignments of employees and endeavor to promote a stable and consistent quality of life in this regard.

13.2 CALL-IN/CALL BACK: Employees who are called into work by the Employer on their scheduled day off or after having left the facility or worksite will receive the equivalent of four (4) hours' pay, or actual hours worked, at the applicable rate of pay, whichever is greater.

13.3 MEAL PERIODS AND WORK BREAKS: Meal periods may start four (4) hours after the start of a shift but no later than five (5) hours after the start of a shift. Two (2), fifteen (15) minute work breaks shall be provided: one before and one after meal periods. Work breaks will be scheduled as close to the middle of the work periods before and after meal periods as practicable. Employees working a twelve-hour shift shall be allowed an additional meal period and work break.

13.4 SHIFT VARIANCE: Employer may adjust the scheduled shift start times and shift types provided for in this Agreement subject the mutual agreement of Employer and the Local 598 Business Manager.

Article 14: WORKING CONDITIONS

14.1 TERMINATION: No employee shall be terminated or disciplined except for just cause. Failure or refusal to perform work or operate equipment in violation of applicable law or code is not grounds for termination or discipline. An employee terminated for cause shall receive all wages due and owing, pursuant to the normal payroll process. On the date of termination or layoff, the Employer will issue a termination form which will state the reason for termination, and indicate whether the employee is eligible for rehire. Any employee being laid off shall receive all wages earned as of the effective date of the layoff.

14.2 EMPLOYEE EVALUATION AND ASSISTANCE: If the Employer terminates an employee for cause, advises Local 598 that a former employee is ineligible for rehire or determines a candidate for hire as an Employee is unsatisfactory for the work to be performed, the Employer shall advise Local 598 of the reasons therefore in writing. The Employer shall not be liable to any employee or to Local 598, nor shall Local 598 be liable to such employee or to the Employer on account of any action or inaction taken in response to such evaluation.

14.3 INJURY: Any employee injured on the job to the extent of requiring doctor's care or hospitalization, shall be paid a full day's pay not to exceed his regularly scheduled shift for the day of injury. In addition, when an employee returns to work and is required to report to a doctor for periodic care during working hours as a result of the injury, it shall be at no loss of wages to the employee, subject to the applicable requirements and provisions of the Washington State Department of Labor and Industries Workers' Compensation coverage. In addition, the employee shall make every effort to cooperate with the Employer incident and injury case management team, including but not limited to, arranging related medical appointments to minimize the loss of time. Employer may require a statement from the attending physician documenting that the employee was unable to return to work on the day of the injury and/or the day of subsequent treatments or appointments.

14.4 FACILITY: Adequate shelters for changing clothes, proper sanitary facilities and cold fresh drinking water, including ice when appropriate, will be supplied by the Employer daily. No employee shall be required to eat lunch or change clothing in a tool or material shed. The lunchroom facilities shall be cleaned, heated, cooled, ventilated, lit and shall have tables and benches with adequate dimensions where each employee can be comfortably seated. Proper refrigeration and means of heating food shall be provided by the Employer.

14.5 CLOTHING/PROTECTIVE EQUIPMENT: Protective clothing (including rain gear), gloves or footwear required by weather and working conditions, including requirements, policies and procedures established by the Employer, regulations, laws, permits or licenses, shall be provided by the Employer. Employees shall be held responsible and accountable for all protective clothing and gear furnished by the Employer, provided that adequate storage for safekeeping is furnished by the Employer. When clothing changes during a work shift are required for protective clothing, the Employer shall provide a secure locker for the employees' personal clothing and belongings.

14.6 TOOLS: All tools, equipment, and vehicles necessary for a job shall be furnished by the Employer. No employee shall be required or permitted to supply, lease, rent or loan any means of conveyance, tools or equipment. The Employer shall maintain all equipment in safe working condition. An employee shall not be required to work with equipment or tools which have not been maintained in a safe working condition.

14.7 REIMBURSEMENTS:

- a) The Employer shall reimburse each eligible employee for no less than \$150.00 each year for the purchase of footwear that meets the Employer's requirements. Receipts shall be provided to the Employer in order to receive reimbursement.
- b) When employees are required to maintain any license or certification after they have been hired, related training or evaluations shall be scheduled during paid working hours.
- c) The Employer shall reimburse employees for out-of-pocket expenses incurred in relation to DOT or other required physicals provided employee provides a receipt evidencing the payment of such related expenses.
- d) Employees required to obtain or maintain additional driving endorsements or security clearances shall be reimbursed for out-of-pocket expenses incurred provided employee provides a receipt evidencing the payment of such related expenses.

14.8 TESTING: When an employee is required to submit to any processing or testing of any kind (e.g., pre-employment, OSHA medical surveillance, etc.) as a condition of employment, the time required and associated costs shall be at the expense of the Employer.

14.8.1 DRUG TESTING: Local 598 and the Employer agree to negotiate a fair and reasonable workplace drug testing policy and program, in accordance with applicable local, State, and Federal laws.

Article 15: SAFETY

15.1 LAWS: All facility and working conditions and Employer equipment shall comply with applicable laws, regulations and safety standards.

15.2 RADIATION EXPOSURE: It is understood and agreed that the maximum whole-body exposure limits for employees are established by and subject to the Employer Facility's Radioactive Materials License (RML) terms and conditions established and issued by the Washington State Department of Health. It is also understood and agreed that Employer is obligated to ensure that exposure to radiation will be kept as low as reasonably achievable.

15.3 RADIATION PAY/WORK AREA REASSIGNMENT: An employee who receives radiation exposure above the limits set forth in a RML will continue to be paid regular wages and benefits, and to significantly reduce the potential for additional occupational dose for the remainder of the week, three month period, or annual period, as applicable, will be reassigned to work tasks where additional occupational dose exposure is not likely. Employer reserves its rights under its policies, procedures and this Agreement to take normal disciplinary actions for any work-related issues during any period of work reassignment.

Article 16: STEWARDS

16.1 APPOINTMENT/DUTIES: The Local 598 Steward shall be a bargaining unit member appointed by the Business Manager of Local 598. Upon appointment, the Steward shall identify himself/herself to the Employer. The Steward will be allowed access to all areas where employees covered by this Agreement are working. The Steward shall be allowed reasonable time away from the work assignments during a workday for the performance of steward duties. Duly appointed stewards shall be paid at their straight-time hourly rate for time spent processing grievances and other related Union business during their regularly scheduled working hours. Stewards are not authorized to threaten, direct, or cause a work stoppage or slowdown. The Steward, or a designated temporary steward, shall be at the Facility whenever overtime is performed, provided he/she is qualified to perform their regularly assigned work during that time. All stewards shall work with the tools.

16.2 TERMINATION: No steward shall be terminated or laid off without reasonable advance notice to Local 598.

Article 17: SUPERVISION

17.1 INTENT: The intent of this Article is to provide for the adequate supervision for all work being performed, to establish an efficient "chain of command" and to promote productivity and safety.

17.2 SELECTION: The selection and number of foremen shall be the responsibility of the Employer. Foreman shall be supervised by the manager designated by the Employer.

Article 18: LEAVE OF ABSENCE - MILITARY AND UNION SERVICE

18.1 LEAVE OF ABSENCE FOR MILITARY SERVICE: Employer shall grant leaves of absence to employees who enter military service, whether for training or active duty, in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and applicable state law. Such leave shall not constitute a break in service. Employees on military leave shall be entitled to continuation of health insurance benefits as required by USERRA, with the employee responsible for any applicable employee contributions. Upon completion of military service, employees shall have the right to reinstatement to their former position or a position of like status, and pay, consistent with the requirements of USERRA. Any disputes regarding the application of this section shall be subject to the grievance and arbitration provisions of this Agreement.

18.2 UNION LEAVE OF ABSENCE: Upon request of Local 598 and the written approval of Employer (which shall not be unreasonably withheld), an employee with at least one (1) year of continuous service shall be granted a leave of absence, to serve as an officer, staff member, or representative of Local 598. Such leave shall be for the duration of the employee's service in such capacity, or for a period mutually agreed upon by the Employer and the Union.

During the period of Local 598 service leave, the employee shall not accrue wages, benefits, or other compensation from Employer. However, the employee shall be entitled to reinstatement to their former position, or to a position of like status, and pay, at the conclusion of the leave, consistent with the terms of this Agreement.

Local 598 shall provide Employer with reasonable advance written notice of the request for such leave, including the expected duration. Any disputes regarding the application of this section shall be subject to the grievance and arbitration provisions of this Agreement. The above notwithstanding, it is understood and agreed that only one employee may be granted such a leave of absence during any rolling twelve (12) month period.

Article 19: TRAINING/MINIMUM QUALIFICATIONS

The following educational offerings will be provided by Local 598 at no additional direct cost to the Employer:

- 24-Hour HAZWOPER
- OSHA 10-hour Industrial Safety
- Powered Industrial Vehicle (PIV)
- Hand and Power Tool Use
- Basic Radiological Worker (Safety) Training
- Foreman Leadership Training

PFNW will be responsible for providing and/or paying for the following training/training programs:

- Radiation Protection
- PFW Safety Program Training
- PFW Operating Procedures

The Employer retains the right to require additional training specific to its operations, which shall be provided and paid for by the Employer.

As a condition of employment, all applicants/employees selected for hire shall:

- Undergo a medical evaluation conducted by the Employer's designated occupational physician or licensed medical provider to determine whether the applicant is medically qualified to perform the essential duties of the position with or without reasonable accommodation in compliance with the Americans with Disabilities Act and other applicable federal and state laws.
- Undergo a background check conducted by Employer, which may include verification of identity, employment history, education, professional licenses, and any criminal convictions as permitted by applicable federal and state laws.
- Undergo a baseline radiation exposure assessment conducted by Employer's designated occupational health provider or Radiation Safety Officer. The assessment shall establish the applicant's initial exposure status in compliance with federal and state radiation protection standards. The assessment shall be completed prior to assignment in any radiation-controlled area.
- Undergo a baseline beryllium sensitization assessment conducted by the Employer's designated occupational health provider. The assessment shall be completed prior to assignment in any area where beryllium exposure may occur.

Article 20: SAVINGS CLAUSE

If any provision of this Agreement is held to be illegal by any court or governmental agency of competent jurisdiction, such provision shall be inoperative pending negotiations for a replacement provision. Either party shall have the right to reopen the Agreement for such negotiations and in the event no agreement is reached, the dispute shall be referred for binding arbitration as provided in this Agreement.

Article 21: TERM OF AGREEMENT

This Agreement shall be effective from October 1, 2025 through October 1, 2030 and shall renew itself from year to year thereafter unless either party gives written notice at least sixty (60) days prior to October 1, 2030, of the intent to modify or terminate this Agreement. The Employer waives the right, if any exists, to repudiate this Agreement during its term and during the term of any extension, modification, or amendment. The Employer and Local 598 agree to negotiate in good faith with respect to a successor agreement, in the event either give notice to modify or terminate this Agreement.

Article 22: HEADINGS

The use of heading for Articles and Sections is for ease of indexing. Such headings are not to be used as interpretive aids.

Article 23: CONTRACT ADDENDUMS

Addendums included in this Agreement may be opened annually by mutual agreement of the Local 598 Business Manager and the Employer.

UNITED ASSOCIATION LOCAL 598
PERMA-FIX NORTHWEST RICHLAND, INC.
COLLECTIVE BARGAINING AGREEMENT

For Perma-Fix Northwest Richland, Inc.

For UA Local Union 598

Mark Duff, President

Nickolas A. Bumpaous, Business Manager

(X) /s/Mark Duff

(X) /s/Nickolas A. Bumpaous

Date: 9/25/2025

Date: 9/25/2025

[***]INDICATED CERTAIN INFORMATION IN THIS DOCUMENT WHICH HAS BEEN OMITTED FROM THIS PUBLIC FILING BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED

APPENDIX A: Labor Classification, Wage Rates and Fringe Benefit Contributions Defined

Process Technician	Hourly Wage Rate*
Entry Level	\$[***]
Level 1	\$[***]
Level 2	\$[***]
Level 3	\$[***]
Lead/Foreman	10% above Level 3

Health Physics Technician

Entry Level	\$[***]
Level 1	\$[***]
Level 2	\$[***]
Level 3	\$[***]
Lead/Foreman	10% above Level 3

Material Control Transfer Technician

Entry Level	\$[***]
Level 1	\$[***]
Level 2	\$[***]
Level 3	\$[***]
Lead/Foreman	10% above Level 3

Maintenance Technician

Entry Level	\$[***]
Level 1	\$[***]
Level 2	\$[***]
Level 3	\$[***]
Lead/Foreman	10% above Level 3

*It is understood and agreed that effective on each anniversary date of this Agreement, all Covered Employees' base hourly wage rates shall be increased by a percentage equal to the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), Western Region average, All Items, as published by the U.S. Bureau of Labor Statistics, for the twelve (12) month period ending in June of the preceding year; plus one percent (1%).

In no event shall the adjustment be less than one percent (1%). If the CPI-U is discontinued or substantially altered, Local 598 and Employer shall meet promptly to negotiate a comparable replacement index.

	Effective 10/1/2026**	Effective 10/1/2027	Effective 10/1/2028	Effective 10/1/2029
Local 598 JATC Employer Contribution	\$.[***]/hour worked by each Covered Employee	\$.[***]/hour worked by each Covered Employee	\$.[***]/hour worked by each Covered Employee	\$.[***]/hour worked by each Covered Employee

**It is understood and agreed that effective on each anniversary date of this Agreement, the JATC Employer Contribution shall be increased as listed above.

CERTIFICATIONS

I, Mark Duff, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Perma-Fix Environmental Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2025

/s/ Mark Duff

Mark Duff

Chief Executive Officer, President and Principal Executive Officer

CERTIFICATIONS

I, Ben Naccarato, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Perma-Fix Environmental Services, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2025

/s/ Ben Naccarato

Ben Naccarato

Executive Vice President and Chief Financial Officer and Principal Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Perma-Fix Environmental Services, Inc. ("PESI") on Form 10-Q for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Mark Duff, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m or §78o(d)); and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 10, 2025

/s/ Mark Duff

Mark Duff

Chief Executive Officer, President and Principal Executive Officer

This certification is furnished to the Securities and Exchange Commission solely for purpose of 18 U.S.C. §1350 subject to the knowledge standard contained therein, and not for any other purpose.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Perma-Fix Environmental Services, Inc. ("PESI") on Form 10-Q for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Ben Naccarato, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m or §78o(d)); and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 10, 2025

/s/ Ben Naccarato

Ben Naccarato

Executive Vice President and Chief Financial Officer and Principal Financial Officer

This certification is furnished to the Securities and Exchange Commission solely for purpose of 18 U.S.C. §1350 subject to the knowledge standard contained therein, and not for any other purpose.
