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, 2026**

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	**58-1954497**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification Number)*
8302 Dunwoody Place, Suite 250, Atlanta, GA	**30350**
(Address of principal executive offices)	*(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, 2026
Common Stock, $.001 Par Value	21,238,007 shares

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

INDEX

			Page No.
Glossary of Terms and Acronyms			1
PART I	**FINANCIAL INFORMATION**		
	Item 1.	Condensed Consolidated Financial Statements (Unaudited)	2
		Condensed Consolidated Balance Sheets - September 30, 2026, and December 31, 2025	2
		Condensed Consolidated Statements of Operations - Three and Nine Months Ended September 30, 2026, and 2025	4
		Condensed Consolidated Statements of Comprehensive Loss - Three and Nine Months Ended September 30, 2026, and 2025	5
		Condensed Consolidated Statement of Stockholders' Equity - Nine Months Ended September 30, 2026, and 2025	6
		Condensed Consolidated Statements of Cash Flows -Nine Months Ended September 30, 2026, and 2025	8
		Notes to Condensed Consolidated Financial Statements	9
	Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	27
	Item 3.	Quantitative and Qualitative Disclosures About Market Risk	43
	Item 4.	Controls and Procedures	43
PART II	**OTHER INFORMATION**		
	Item 1.	Legal Proceedings	44
	Item 1A.	Risk Factors	44
	Item 6.	Exhibits	45

Glossary of Terms and Acronyms

Definitions of certain terms and acronyms that may appear in this report are provided below. The defined terms and acronyms identified below are used throughout the document.

AIG	AIG Specialty Insurance Company
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Board	Board of Directors
CEO	Chief Executive Officer
CODM	Chief Operating Decision Maker
COLA	Cost-of-Living Adjustment
Common Stock	The Company's common stock, par value $0.001 per share
COO	Chief Operating Officer
CR	Continuing Resolution
Credit Facility	The Company's credit facility under a Second Amended and Restated Revolving Credit, Term Loan and Security Agreement, dated May 8, 2020, as amended, entered into with PNC National Association, acting as agent and lender, with a maturity date of May 15, 2030, consisting of (i) 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 and borrowing reductions that the Company's lender may impose from time to time; (ii) a term loan of $2,500,000 ("Term Loan"); and (iii) a capital loan ("Capital Loan") of approximately $524,000
D&D	Decontamination and Decommissioning
DFLAW	Direct-Feed Low-Activity Waste
DOE	U.S. Department of Energy
DOW	U.S. Department of War
EWOC	Environmental Waste Operations Center, an operating facility of the Company.
Exchange Act	The Securities Exchange Act of 1934 (as amended)
FASB	Financial Accounting Standards Board
IDIQ	Indefinite Delivery/Indefinite Quantity
IH	Industrial Hygiene
ISO	Incentive Stock Option
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MMDA	Money Market Deposit Account
NEOSH	Nuclear, Environmental, and Occupational Safety and Health
NQSO	Non-Qualified Stock Option
OSHA	U.S. Occupational Safety and Health Administration
PFAS	Per- and polyfluoroalkyl substances, a group of thousands of synthetic "forever chemicals" manufactured since the 1940s that resist heat, water, stains, and grease. They are found in non-stick cookware, stain-resistant fabrics, food packaging, and firefighting foam, and they persist in the environment and human body, posing significant, long-term health risks
PFNW	Perma-Fix Northwest Richland Inc., a wholly-owned subsidiary of the Company located in Richland, Washington
PRP	Potentially Responsible Party
PFSG	Perma-Fix South Georgia, Inc., a wholly-owned subsidiary of the Company within its discontinued operations
PNC Liquidity	Borrowing availability under the Revolving Credit under the PNC Loan Agreement plus cash in the MMDA maintained with the Company's lender
PNC Loan Agreement	Second Amended and Restated Revolving Credit, Term Loan and Security Agreement, dated May 8, 2020, as amended, entered into with PNC National Association, acting as agent and lender, with a maturity date of May 15, 2030
R&D	Research and Development
ROU	Right-of-Use
SEC	The U.S. Securities and Exchange Commission
SG&A	Selling, General and Administrative expenses
SOFR	Secured Overnight Finance Rate
U.S. GAAP	Accounting principles generally accepted in the United States of America

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, 2026 (Unaudited)	December 31, 2025
ASSETS		
Current assets:		
Cash	$ 14,743	$ 11,768
Accounts receivable, net of allowance for credit losses of $55 and $309, respectively	10,278	11,228
Unbilled receivables	11,898	8,781
Inventories	2,857	1,563
Prepaid and other assets	4,024	2,971
Current assets related to discontinued operations	105	60
Total current assets	43,905	36,371
Property and equipment:		
Buildings and land	25,819	24,672
Equipment	29,399	27,365
Vehicles	645	411
Leasehold improvements	8	8
Office furniture and equipment	1,074	1,076
Construction-in-progress	7,715	3,998
Total property and equipment	64,660	57,530
Less accumulated depreciation	(34,324)	(32,930)
Net property and equipment	30,336	24,600
Property and equipment related to discontinued operations	146	146
Operating lease right-of-use assets	1,183	1,445
Intangibles and other long term assets:		
Permits	10,928	10,722
Other intangible assets - net	620	362
Finite risk sinking fund (restricted cash)	13,576	13,216
Other assets	1,747	1,172
Total assets	$ 102,441	$ 88,034

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, 2026 (Unaudited)	December 31, 2025
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 10,154	$ 7,007
Accrued expenses	6,867	5,222
Disposal/transportation accrual	2,527	1,744
Deferred revenue	10,036	7,007
Accrued closure costs - current	11	27
Current portion of long-term debt	644	562
Current portion of operating lease liabilities	452	416
Current portion of finance lease liabilities	536	313
Current liabilities related to discontinued operations	1,284	270
Total current liabilities	32,511	22,568
Accrued closure costs	9,037	8,698
Long-term debt, less current portion	1,164	1,310
Long-term operating lease liabilities, less current portion	794	1,102
Long-term finance lease liabilities, less current portion	1,238	619
Long-term liabilities related to discontinued operations	2,472	3,598
Total long-term liabilities	14,705	15,327
Total liabilities	47,216	37,895
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; 21,226,930 and 18,525,823 shares issued, respectively; 21,219,288 and 18,518,181 shares outstanding, respectively	21	18
Additional paid-in capital	183,320	161,057
Accumulated deficit	(127,863)	(110,714)
Accumulated other comprehensive loss	(165)	(134)
Less Common Stock in treasury, at cost; 7,642 shares	(88)	(88)
Total stockholders' equity	55,225	50,139
Total liabilities and stockholders' equity	$ 102,441	$ 88,034

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,	
	2026	2025	2026	2025
Net revenues	$ 17,948	$ 17,454	$ 41,959	$ 45,959
Cost of goods sold	17,396	14,897	46,792	41,198
Gross profit (loss)	552	2,557	(4,833)	4,761
Selling, general and administrative expenses	3,998	4,083	12,047	12,228
Research and development	225	342	781	1,037
(Gain) loss on disposal of property and equipment	(5)	4	(5)	(2)
Loss from operations	(3,666)	(1,872)	(17,656)	(8,502)
Other income (expense):				
Interest income	240	266	624	901
Interest expense	(80)	(116)	(213)	(351)
Interest expense-financing fees	(16)	(22)	(59)	(63)
Other	114	(18)	258	171
Loss from continuing operations before taxes	(3,408)	(1,762)	(17,046)	(7,844)
Income tax expense	—	—	—	—
Loss from continuing operations, net of taxes	(3,408)	(1,762)	(17,046)	(7,844)
Loss from discontinued operations, net of taxes (Note 10)	(54)	(73)	(103)	(280)
Net loss	$ (3,462)	$ (1,835)	$ (17,149)	$ (8,124)
Net loss per common share - basic and diluted:				
Continuing operations	$ (.16)	$ (.10)	$ (.86)	$ (.43)
Discontinued operations	—	—	(.01)	(.02)
Net loss per common share	$ (.16)	$ (.10)	$ (.86)	$ (.44)
Weighted average number of common shares used in computing net loss per share:				
Basic	21,218	18,472	19,877	18,448
Diluted	21,218	18,472	19,877	18,448

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,	
	2026	2025	2026	2025
Net loss	$ (3,462)	$ (1,835)	$ (17,149)	$ (8,124)
Other comprehensive (loss) income:				
Foreign currency translation adjustment	(6)	5	(31)	64
Total other comprehensive (loss) income	(6)	5	(31)	64
Comprehensive loss	$ (3,468)	$ (1,830)	$ (17,180)	$ (8,060)

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	Common Stock Held In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Treasury	Loss	Deficit	Equity
Balance at December 31, 2025	18,525,823	$ 18	$ 161,057	$ (88)	$ (134)	$ (110,714)	$ 50,139
Net loss	—	—	—	—	—	(7,487)	(7,487)
Foreign currency translation	—	—	—	—	(24)	—	(24)
Issuance of Common Stock for services	9,514	—	119	—	—	—	119
Issuance of Common Stock upon exercise of options	19,844	—	16	—	—	—	16
Stock-Based Compensation	—	—	216	—	—	—	216
Balance at March 31, 2026	18,555,181	$ 18	$ 161,408	$ (88)	$ (158)	$ (118,201)	$ 42,979
Net loss	—	—	—	—	—	(6,200)	(6,200)
Foreign currency translation	—	—	—	—	(1)	—	(1)
Issuance of Common Stock for services	11,042	—	119	—	—	—	119
Issuance of Common Stock upon exercise of options	20,400	—	137	—	—	—	137
Stock-Based Compensation	—	—	182	—			182
Sale of Common Stock, net of offering costs (Note 13)	2,628,571	3	21,111	—	—	—	21,114
Balance at June 30, 2026	21,215,194	$ 21	$ 182,957	$ (88)	$ (159)	$ (124,401)	$ 58,330
Net loss	—	—	—	—	—	(3,462)	(3,462)
Foreign currency translation	—	—	—	—	(6)	—	(6)
Issuance of Common Stock for services	8,399	—	119	—	—	—	119
Issuance of Common Stock upon exercise of options	3,337	—	11	—	—	—	11
Stock-Based Compensation	—	—	233	—			233
Balance at September 30, 2026	21,226,930	$ 21	$ 183,320	$ (88)	$ (165)	$ (127,863)	$ 55,225

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 Paid-In	Common Stock Held In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Treasury	Loss	Deficit	Equity
Balance at December 31, 2024	18,384,879	$ 18	$ 159,590	$ (88)	$ (200)	$ (96,930)	$ 62,390
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	18,436,035	$ 18	$ 159,944	$ (88)	$ (183)	$ (100,503)	$ 59,188
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	18,459,869	$ 18	$ 160,256	$ (88)	$ (141)	$ (103,219)	$ 56,826
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	18,485,043	$ 18	$ 160,622	$ (88)	$ (136)	$ (105,054)	$ 55,362

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, 2026	2025
Cash flows from operating activities:		
Net loss	$ (17,149)	$ (8,124)
Less: Loss from discontinued operations, net of taxes (Note 10)	(103)	(280)
Loss from continuing operations, net of taxes	(17,046)	(7,844)
Adjustments to reconcile loss from continuing operations to cash used in operating activities:		
Depreciation and amortization	1,469	1,299
Amortization of debt issuance costs	59	63
Provision for credit losses on accounts receivable	(254)	57
Gain on disposal of property and equipment	(5)	(2)
Issuance of Common Stock for services	357	356
Stock-based compensation	631	597
Changes in operating assets and liabilities of continuing operations		
Accounts receivable	1,204	(365)
Unbilled receivables	(3,117)	(3,406)
Prepaid expenses, inventories and other assets	246	1,678
Accounts payable, accrued expenses, unearned revenue and other liabilities	5,660	(719)
Cash used in continuing operations	(10,796)	(8,286)
Cash used in discontinued operations	(215)	(317)
Cash used in operating activities	(11,011)	(8,603)
Cash flows from investing activities:		
Purchases of property and equipment	(5,184)	(2,634)
Advances for capital equipment	(481)	—
Addition to permits and other intangible assets	(381)	(103)
Proceeds from sale of property and equipment	5	28
Cash used in continuing operations	(6,041)	(2,709)
Cash used in discontinued operations	(45)	(36)
Cash used in investing activities	(6,086)	(2,745)
Cash flows from financing activities:		
Repayments of revolving credit borrowings	(83,642)	(57,209)
Borrowing on revolving credit	83,642	57,209
Proceeds from sale of Common Stock completed in May 2026, net of offering costs paid (Note 13)	21,114	—
Payment of offering costs from sale of Common Stock completed in December 2024	—	(194)
Principal repayments of finance lease liabilities	(318)	(228)
Principal repayments of long term debt	(502)	(470)
Payment of debt issuance costs	(16)	(19)
Proceeds from issuance of Common Stock upon exercise of options	164	79
Cash provided by (used in) financing activities of continuing operations	20,442	(832)
Effect of exchange rate changes on cash	(10)	21
Increase (decrease) in cash and finite risk sinking fund (restricted cash)	3,335	(12,159)
Cash and finite risk sinking fund (restricted cash) at beginning of period	24,984	41,655
Cash and finite risk sinking fund (restricted cash) at end of period	$ 28,319	$ 29,496
Supplemental disclosure:		
Interest paid, net of capitalized amount of $107 and $0, respectively	$ 217	$ 355
Income taxes paid	—	—
Non-cash investing and financing activities:		
Equipment/property purchase subject to financing	395	—
Equipment purchase subject to finance leases	1,160	162
Property and equipment included in accounts payable	1,106	411
Addition to permits and other intangible assets included in accounts payable	148	—

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

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 SEC. Certain information and note disclosures normally included in financial statements prepared in accordance with 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, 2026, are not necessarily indicative of results to be expected for the fiscal year ending December 31, 2026.

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, 2025.

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Financial Position and Liquidity

These condensed consolidated financial statements have been prepared in accordance with U.S. GAAP assuming the Company will continue as a going concern. The going concern assumption contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company incurred losses from continuing operations before tax of $15,134,000 during 2024, $10,665,000 during 2025, and $17,046,000 during the first nine months of 2026. We also experienced cash used in continuing operations of $14,146,000 during 2024, $10,311,000 during 2025, and $10,796,000 during the first nine months of 2026. The Company's operating results and liquidity were impacted in part by delays in the enactment of federal appropriations and Congress's continued use of CRs, increased investments in PFAS destruction technology, expansion of treatment capacity, workforce growth, equipment upgrades, and infrastructure enhancements intended to support anticipated waste treatment volumes, including anticipated Hanford-related waste volumes. In addition, during the first nine months of 2026, delays in the mobilization of a recently awarded project within our Services Segment, temporary downtime of certain processing equipment due to scheduled maintenance and upgrades, processing delays resulting from customer-directed changes in treatment protocols, and the processing of previously stored waste inventories to prepare for anticipated increases in certain Hanford-related waste volumes negatively impacted our revenues and results of operations. Certain of these previously stored waste inventories carried lower margins, which adversely affected our results of operations in 2026. These lower-margin previously stored waste inventories were substantially processed by the end of the second quarter.

The Company's expected cash requirements over the next twelve months include working capital needs, scheduled principal payments on debt, costs associated with the administration and monitoring of discontinued operations, R&D expenditures related to PFAS technology, and capital expenditures.

A significant portion of the projected revenues and cash flows underlying management's forecast depends on the timing and volume of waste shipments and project activity directed by U.S. government customers. Because these customers do not provide binding assurances regarding the timing or volume of future work, and such activity is subject to appropriations, procurement processes, operational considerations, and other factors outside the Company's control, management could not conclude that its plans are probable of effectively mitigating the conditions giving rise to substantial doubt. Accordingly, substantial doubt continues to exist about the Company's ability to continue as a going concern for one year following the date the accompanying Condensed Consolidated Financial Statements are issued.

Management's plans to address these conditions include utilizing existing cash and borrowing availability; pursuing operating improvements supported by the Company's Treatment and Services Segment backlogs; continuing to pursue additional government, commercial, and international project opportunities; managing capital expenditures and operating costs; and, if necessary, seeking additional liquidity through equity or other financing arrangements or potential asset dispositions. In May 2026, the Company completed a public equity offering that generated net proceeds of approximately $21,114,000, net of offering costs. In addition, on August 10, 2026, the Company extended the maturity of its PNC Credit Facility from May 2027 to May 2030, among other changes (see "Note 8 – Long Term Debt—Credit Facility").

Although the May 2026 equity offering strengthened the Company's liquidity, continued operating losses since the offering and significant capital expenditures, including investments made to support anticipated waste treatment volumes and improve operational capabilities, have reduced the Company's liquidity position. Therefore, management concluded that substantial doubt has not been alleviated. The Company expects to fund its operations during the assessment period with its existing liquidity, anticipated operating cash flows and borrowing availability. However, the ability of management's plans to mitigate the conditions giving rise to substantial doubt depends in part on the timing and volume of government-directed waste shipments and project activity, as well as other matters outside the Company's control. In addition, the Company's borrowing availability is subject to compliance with applicable financial covenants and other conditions. There can be no assurance that additional liquidity, if needed, will be available on acceptable terms or at all.

The Condensed Consolidated Financial Statements do not include any adjustments to the carrying amounts or classification of assets and liabilities that might result from the outcome of this uncertainty.

Reclassification

During the third quarter of 2026, the Company revised the presentation of the disaggregation of revenue in "Note 3 – Revenue" for the three and nine months ended September 30, 2025, to reclassify certain contracts previously presented as fixed-price revenue to time-and-materials revenue. Approximately $553,000 and $790,000 of revenue for the three- and nine-month periods ended September 30, 2025, respectively, was reclassified from fixed-price revenue to time-and-materials revenue. This reclassification had no effect on the Company's previously reported consolidated statements of operations, balance sheets, stockholders' equity, cash flows, or total revenue.

Correction of an Immaterial Error

During the preparation of the accompanying Condensed Consolidated Financial Statements, the Company determined that the cash flow effects of certain property and equipment additions included in accounts payable were incorrectly presented in its previously issued Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 2025. Specifically, the change in "Accounts payable, accrued expenses, unearned revenue and other liabilities" within operating activities included amounts attributable to property and equipment additions, and "Purchases of property and equipment" within investing activities did not properly reflect the cash paid during the period for such additions.

Accordingly, the Company has revised the comparative prior-period Condensed Consolidated Statement of Cash Flows presented herein by reducing the decrease in "Accounts payable, accrued expenses, unearned revenue and other liabilities" within operating activities by $26,000, from $(745,000) to $(719,000), and increasing the cash outflow from "Purchases of property and equipment" within investing activities by $26,000, from $(2,608,000) to $(2,634,000). The Company also presented property and equipment additions of $411,000 that remained unpaid and were included in accounts payable as of September 30, 2025 as a supplemental non-cash investing activity. The correction decreased net cash used in operating activities by $26,000 and increased net cash used in investing activities by $26,000 and had no effect on the Company's previously reported condensed consolidated statements of operations, balance sheets or stockholders' equity.

2. Summary of Significant Accounting Policies

Our accounting policies are as set forth in the notes to the December 31, 2025, consolidated financial statements referred to above.

Recently Issued Accounting Standards –Adopted

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. The adoption of ASU 2025-05 by the Company in the first quarter of 2026 on a prospective basis did not have a material impact on its condensed consolidated financial statements.

Recently Issued Accounting Standards – Not Yet Adopted

In December 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements." ASU 2025-11 clarifies interim disclosure requirements and the applicability of Topic 270. The objective of the update is to provide clarity about current interim requirements. The amendments in this Update also include a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The amendments in this ASU are required to be adopted for interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this standard on 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 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 on its consolidated financial statements.

In May 2026, the FASB issued ASU 2026-02, "Environmental Credits and Environmental Credit Obligations (Topic 818)." ASU 2026-02 improves the financial accounting for and disclosure of activities related to environmental credits and environmental credit obligations. This update provides recognition, measurement, presentation, and disclosure requirements for all entities that generate, purchase, or receive environmental credits or have a regulatory compliance obligation that may be settled with environmental credits. The amendments in ASU 2026-02 are effective for annual reporting periods beginning after December 15, 2027, including interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

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 September 30, 2026			Three Months Ended September 30, 2025		
	Treatment	Services	Total	Treatment	Services	Total
Fixed price	$ 11,601	$ 1,446	$ 13,047	$ 13,114	$ 429	$ 13,543
Time and materials	—	4,901	4,901	—	3,911	3,911
Total	$ 11,601	$ 6,347	$ 17,948	$ 13,114	$ 4,340	$ 17,454

Revenue by Contract Type

(In thousands)	Nine Months Ended September 30, 2026			Nine Months Ended September 30, 2025		
	Treatment	Services	Total	Treatment	Services	Total
Fixed price	$ 27,768	$ 1,962	$ 29,730	$ 33,696	$ 3,999	$ 37,695
Time and materials	—	12,229	12,229	—	8,264	8,264
Total	$ 27,768	$ 14,191	$ 41,959	$ 33,696	$ 12,263	$ 45,959

Revenue by generator

(In thousands)	Three Months Ended September 30, 2026			Three Months Ended September 30, 2025		
	Treatment	Services	Total	Treatment	Services	Total
Domestic government	$ 7,621	5,064	$ 12,685	$ 9,204	$ 3,376	$ 12,580
Domestic commercial	3,261	998	4,259	2,855	716	3,571
Foreign government	399	251	650	859	160	1,019
Foreign commercial	320	34	354	196	88	284
Total	$ 11,601	$ 6,347	$ 17,948	$ 13,114	$ 4,340	$ 17,454

Revenue by generator

(In thousands)	Nine Months Ended September 30, 2026			Nine Months Ended September 30, 2025		
	Treatment	Services	Total	Treatment	Services	Total
Domestic government	$ 17,909	$ 11,802	$ 29,711	$ 21,600	$ 10,661	$ 32,261
Domestic commercial	7,855	1,927	9,782	7,644	1,161	8,805
Foreign government	1,252	358	1,610	3,684	285	3,969
Foreign commercial	752	104	856	768	156	924
Total	$ 27,768	$ 14,191	$ 41,959	$ 33,696	$ 12,263	$ 45,959

Revenues generated from fixed unit rate contracts within the Services Segment are included within the "time and material" caption under the disaggregation table above due to similarity of the revenue recognition methodology.

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, 2026	December 31, 2025	Year-to-date Change ($)	Year-to-date Change (%)
Contract assets				
Unbilled receivables - current	$ 11,898	$ 8,781	$ 3,117	35.5%
Contract liabilities				
Deferred revenue	$ 10,036	$ 7,007	$ 3,029	43.2%

(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%

During the three and nine months ended September 30, 2026, the Company recognized revenue of $1,488,000 and $8,804,000, respectively, related to untreated waste that was in the Company's control as of the beginning of such respective period. 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 period. 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, 2026	December 31, 2025	Year-to-date Change ($)	Year-to-date Change (%)
Accounts Receivable (net)	$ 10,278	$ 11,228	$ (950)	-8.5%

(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%

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 ROU assets and operating lease liabilities primarily include leases for office and warehouse spaces used to conduct our business. Finance leases primarily consist of lab and processing equipment and motor vehicles used by the Company's facilities' operations.

The components of lease cost for the Company's leases for the three and nine months ended September 30, 2026, and 2025 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating Leases:				
Lease cost	$ 141	$ 121	$ 423	$ 363
Finance Leases:				
Amortization of ROU assets	97	66	260	193
Interest on lease liability	35	24	87	72
	132	90	347	265
Short-term lease rent expense	2	2	6	6
Total lease cost	$ 275	$ 213	$ 776	$ 634

The weighted average remaining lease term and the weighted average discount rate for operating and finance leases as of September 30, 2026, were:

	Operating Leases	Finance Leases
Weighted average remaining lease terms (years)	3.1	3.7
Weighted average discount rate	7.8%	7.5%

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 following table reconciles the undiscounted cash flows for the operating and finance leases as of September 30, 2026, to the operating and finance lease liabilities recorded on the balance sheet (in thousands):

	Operating Leases	Finance Leases
2026 (Remaining)	$ 146	$ 161
2027	492	649
2028	355	475
2029	349	392
2030	77	257
2031	-	83
Total undiscounted lease payments	1,419	2,017
Less: Imputed interest	(173)	(243)
Present value of lease payments	$ 1,246	$ 1,774
Current portion of operating lease obligations	$ 452	$ N/A
Long-term operating lease obligations, less current portion	$ 794	$ N/A
Current portion of finance lease obligations	$ N/A	$ 536
Long-term finance lease obligations, less current portion	$ N/A	$ 1,238

Supplemental cash flow and other information related to our leases were as follows for the three and nine months ended September 30, 2026, and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flow used in operating leases	$ 146	$ 125	$ 433	$ 361
Operating cash flow used in finance leases	$ 35	$ 24	$ 87	$ 72
Financing cash flow used in finance leases	$ 127	$ 80	$ 318	$ 228
ROU assets obtained in exchange for lease obligations for:				
Finance liabilities	$ 26	$ 30	$ 1160	$ 162
Operating liabilities	$ —	$ —	$ 70	$ —

5. Intangible Assets

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

Other Intangibles (amount in thousands)	Weighted Average Amortization Period (Years)	September 30, 2026 Gross Carrying Amount	September 30, 2026 Accumulated Amortization	September 30, 2026 Net Carrying Amount	December 31, 2025 Gross Carrying Amount	December 31, 2025 Accumulated Amortization	December 31, 2025 Net Carrying Amount
Patents	5.9	$ 909	$ (472)	$ 437	$ 760	$ (456)	$ 304
Software	3	826	(643)	183	676	(618)	58
Permits	10	91	(5)	86	—	—	—
Total		$ 1,826	$ (1,120)	$ 706	$ 1,436	$ (1,074)	$ 362

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

The permits disclosed above reflect the capitalization of costs associated with the renewal of certain regulatory permits. These costs represent fees paid to secure the Company's right to operate for a defined ten-year period and are therefore amortized on a straight-line basis over that period.

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

Year	Amount (In thousands)
2026 (Remaining)	$ 11
2027	36
2028	25
2029	22
2030	19

Amortization expenses relating to the definite-lived intangible assets as discussed above were $15,000 and $46,000 for the three and nine months ended September 30, 2026, respectively, and $13,000 and $41,000 for the three and nine months ended September 30, 2025, respectively.

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

The Company has certain stock option plans under which it may award ISO and/or NQSOs to employees, officers, outside directors, and outside consultants.

On July 22, 2026, the Company issued an NQSO to each of the Company's seven reelected outside (non-management) directors for the purchase of up to 10,000 shares of the Company's Common Stock under the Company's 2003 Outside Directors Stock Plan. 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 Outside Directors Stock Plan. Each NQSO granted has a ten-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 $16.64 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 Outside Director Stock Plan.

The following table summarizes stock-based compensation recognized for the three and nine months ended September 30, 2026, and 2025 for our employee and director stock options (in thousands).

Stock Options	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Employee Stock Options	$ 92	$ 108	$ 269	$ 311
Director Stock Options	141	107	362	286
Total	$ 233	$ 215	$ 631	$ 597

As of September 30, 2026, the Company had approximately $1,953,000 of total unrecognized compensation costs related to unvested options for employees and directors. The weighted average period over which the unrecognized compensation costs are expected to be recognized is approximately 2.9 years.

The summary of the Company's stock option plans as of September 30, 2026, and September 30, 2025, and changes during the periods then ended, are presented below. The Company's plans consist of the 2017 Stock Option Plan and the 2003 Outside Directors Stock Plan:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (4)
Options outstanding January 1, 2026	982,000	$ 7.04		
Granted	70,000	$ 16.64		
Exercised	(56,900)	$ 6.33		$ 388,020
Forfeited	(44,800)	$ 5.87		
Options outstanding end of period (1)	950,300	$ 7.78	4.4	$ 7,545,768
Options exercisable at September 30, 2026 (2)	563,500	$ 7.26	4.2	$ 5,099,390

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value [4]
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 [2]	1,015,200	$ 6.96	4.7	$ 3,367,934
Options exercisable at September 30, 2025[3]	455,200	$ 6.50	4.5	$ 1,809,173

(1) Options with exercise prices ranging from $3.31 to $16.64

(2) Options with exercise prices ranging from $3.31 to $12.23

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

(4) 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, 2026, the Company issued a total of 28,955 shares of its Common Stock under the 2003 Outside Directors Stock Plan to its outside directors as compensation for serving on the Board. The Company recorded approximately $357,000 in compensation expenses (included in SG&A) in connection with the issuance of shares of its Common Stock to outside directors.

During the nine months ended September 30, 2026, the Company issued an aggregate 16,781 shares of its Common Stock from cashless exercises of options for the purchase of 30,100 shares of the Company's Common Stock ranging from $3.95 per share to $10.05 per share. Additionally, the Company issued an aggregate 26,800 shares of its Common Stock from cash exercises of options for the purchase of 26,800 shares of the Company's Common Stock ranging from $3.95 per share to $7.75 per share, resulting in proceeds of approximately $164,000.

In connection with the Company's sales of its Common Stock in May 2024 and December 2024, the Company issued warrants to certain underwriters, placement agents, and their designees to purchase an aggregate of 188,038 shares of the Company's Common Stock. The warrants consisted of (i) warrants to purchase 61,538 shares of Common Stock at an exercise price of $12.19 per share issued in connection with the May 2024 offering and (ii) warrants to purchase 126,500 shares of Common Stock at an exercise price of $11.50 per share issued in connection with the December 2024 offering. These warrants remained outstanding as of September 30, 2026.

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)	
	2026	2025	2026	2025
Loss per common share from continuing operations				
Loss from continuing operations, net of taxes	$ (3,408)	$ (1,762)	$ (17,046)	$ (7,844)
Basic loss per share	$ (.16)	$ (.10)	$ (.86)	$ (.43)
Diluted loss per share	$ (.16)	$ (.10)	$ (.86)	$ (.43)
Loss per common share from discontinued operations, net of taxes				
Loss from discontinued operations, net of taxes	$ (54)	$ (73)	$ (103)	$ (280)
Basic loss per share	$ —	$ —	$ (.01)	$ (.02)
Diluted loss per share	$ —	$ —	$ (.01)	$ (.02)
Net loss per common share				
Net loss	$ (3,462)	$ (1,835)	$ (17,149)	$ (8,124)
Basic loss per share	$ (.16)	$ (.10)	$ (.86)	$ (.44)
Diluted loss per share	$ (.16)	$ (.10)	$ (.86)	$ (.44)
Weighted average shares outstanding:				
Basic weighted average shares outstanding	21,218	18,472	19,877	18,448
Add: dilutive effect of stock options	—	—	—	—
Add: dilutive effect of warrants	—	—	—	—
Diluted weighted average shares outstanding	21,218	18,472	19,877	18,448

For the three and nine months ended September 30, 2026, 1,122,360 and 1,086,543 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, 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.

8. Long Term Debt

Long-term debt consists of the following as of September 30, 2026, and December 31, 2025:

(Amounts in Thousands)	September 30, 2026	December 31, 2025
Revolving Credit facility dated May 8, 2020, subject to monthly borrowing base calculation. Effective interest rates for first nine months of 2026 was 8.8% [1]	$ —	$ —
Term Loan dated July 31, 2023, payable in equal monthly installments in principal of approximately $42. Effective interest rates for first nine months of 2026 was 8.4% [1]	958	1,333
Capital Loan dated May 4, 2021, payable in equal monthly installments in principal of approximately $9. Effective interest rates for first nine months of 2026 was 7.7% [1]	70	149
Debt Issuance Costs [2]	(71) [2]	(114) [2]
Notes Payable up to 2044, with annual interest rates ranging from 7.5% to 10.7% [3]	851	504
Total debt	1,808	1,872
Less current portion of long-term debt	644	562
Long-term debt	$ 1,164	$ 1,310

[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 two promissory notes executed in July 2024 and April 2026 in connection with the purchases of the Company's EWOC property and a parcel adjacent to the Company's PFNW facility, respectively. Each note contains a variable interest rate provision under which the applicable interest rate is adjusted based on the term of the note. (see a discussion of the April 2026 promissory note below).

Credit Facility

The Company's Credit Facility, established pursuant to its PNC Loan Agreement, consists of a Revolving Credit facility with a maximum borrowing capacity of $12,500,000. Availability under the Revolving Credit facility is subject to a borrowing base comprised of eligible receivables (as defined in the agreement) and is reduced by (i) outstanding standby letters of credit ($3,420,000 as of September 30, 2026) and (ii) discretionary reserves imposed by the lender ($750,000 as of September 30, 2026). The Credit Facility also includes the Term Loan and the Capital Loan.

On August 10, 2026, the Company entered into an amendment to its PNC Loan Agreement that extended the maturity date of the PNC Loan Agreement from May 15, 2027 to May 15, 2030. The amendment also eliminated the annual capital expenditure limitation of $6,000,000, provided that the Company maintains a minimum daily PNC Liquidity of $5,000,000. If PNC Liquidity falls below $5,000,000, the annual capital expenditure limitation of $6,000,000 becomes applicable.

Pursuant to the amendment, the Company may terminate the PNC Loan Agreement upon 90 days' prior written notice upon payment in full of its obligations under the PNC Loan Agreement. The Company agreed to pay PNC 0.25% of the total financing in the event the Company pays off its obligations on or before May 15, 2027. No early termination fee shall apply if the Company pays off its obligations under the PNC Loan Agreement after May 15, 2027.

In connection with the amendment, the Company paid its lender a fee of $12,500 which is being amortized over the remaining term of the PNC Loan Agreement. All other terms of the PNC Loan Agreement remain unchanged.

Pursuant to the PNC Loan Agreement, payments of annual interest rates are as follows: (i) interest due on the Revolving Credit is at prime (7.0% as of September 30, 2026) plus 2% or SOFR (as defined in the PNC Loan Agreement) plus 3.00% plus a 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 a 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 a 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.

After giving effect to the borrowing base limitation, outstanding standby letters of credit, and discretionary reserves imposed by the lender, the Company's borrowing availability under the PNC Credit Facility was approximately $5,533,000 as of September 30, 2026, compared to approximately $6,597,000 as of December 31, 2025. The Company's PNC Liquidity, which consists of borrowing availability under the Revolving Credit plus cash held in the Company's MMDA maintained with its lender, was approximately $19,864,000 and $18,126,000 as of September 30, 2026 and December 31, 2025, respectively. Pursuant to the PNC Loan Agreement, the Company is required to maintain a minimum of $5,000,000 in daily PNC Liquidity.

The PNC Loan Agreement contains certain financial covenant requirements, along with customary representations and warranties. A breach of any of these financial covenant requirements, unless waived by the lender, could result in a default under the PNC Loan Agreement allowing its lender to immediately require the repayment of all outstanding debt under the PNC 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 2026.

Promissory Note

In April 2026, the Company purchased a parcel of property adjacent to its PFNW facility that provides direct rail access pursuant to a Purchase and Sale Agreement dated November 17, 2025, for a purchase price of $350,000. The Company paid $87,500 in cash and financed the remaining $262,500 through a promissory note dated April 15, 2026, with a bank (the "Note"). The Note matures on April 15, 2036. Beginning May 15, 2026, the Company is required to make monthly payments of approximately $3,100 based on a fixed annual interest rate of 7.50% for the first five years of the Note. Thereafter, the interest rate will adjust every five years based on the weekly average five-year U.S. Treasury Securities Rate plus 3.0%. Under no circumstances will the variable interest rates on the Note be less than 4.0% per annum or more than (except in the case of default) the lesser of 20.5% per annum or the maximum rate allowed by applicable law. The Note also contains a declining prepayment penalty. If the Company prepays the Note during the first year, it must pay a prepayment fee equal to 3.0% of the outstanding principal balance. The prepayment fee decreases by 1.0% on each annual anniversary of the Note and is eliminated beginning on the fourth anniversary of the Note.

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 PRP for the costs of the cleanup notwithstanding any absence of fault on our part.

Notice of Non-Compliance

On April 30, 2026, the Company received a notice of non-compliance (the "Notice") from the Washington State Department of Ecology (the "Department of Ecology") following a June 24, 2025 inspection of the Company's PFNW facility in Richland, Washington. The Notice is based on an inspection report identifying alleged non-compliance with certain Department of Ecology waste regulations and permit requirements and requires the Company to implement specified corrective actions and provide documentation of its compliance within prescribed timeframes.

No administrative order has been issued and no monetary penalties have been assessed as of the date of this report. The Company is actively responding to the Notice and implementing corrective measures. Based on information currently available and the Company's ongoing response, the Company does not expect this matter to result in a material adverse effect on its financial condition, results of operations, or cash flows.

The outcome of this matter remains subject to regulatory review. While the Department of Ecology may pursue escalated enforcement action in accordance with Washington State Dangerous (Hazardous) Waste Regulations, the Company currently expects a favorable resolution of the Notice and does not believe that a loss is probable. Accordingly, the Company has not recorded an accrual for any potential loss related to this matter.

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 believes 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 (the "Plaintiff") filed a complaint in the Court of Chancery of the State of Delaware against the Company and all current directors of the Company (the "Defendants"), 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 plaintiff has filed an amended and supplemented complaint (the Amended Complaint"), alleging that certain provisions of the Amended Bylaws violated Delaware law (the "Challenged Bylaws).

The plaintiff is seeking a declaration of the Chancery Court that the Challenged Bylaws are invalid, illegal, and void, or, alternatively, an order of the Chancery Court rescinding or enjoining the Challenged Bylaws.

The Company and the other Defendants are vigorously defending against the Amended Complaint.

The Company's insurance carrier is providing a defense in connection with this lawsuit, subject to a reservation of rights, a $500,000 self-insured retention and the terms and limitations contained in the insurance policy.

Edwin Monroy Wage and Hour Litigation

On June 26, 2026, Edwin Monroy filed a putative class action complaint in the Superior Court of the State of Washington for Benton County against Perma-Fix Northwest Richland, Inc., Perma-Fix Environmental Services, Inc., Perma-Fix Northwest, Inc., and other, unnamed, defendants. The complaint purports to assert claims on behalf of current and former hourly-paid or non-exempt employees who worked for the defendants in Washington during the three-year period preceding the filing of the complaint through the date of final judgment. The complaint alleges, among other things, failures to provide legally compliant meal and rest periods, pay for all hours worked, pay minimum and overtime wages, properly administer paid sick leave, timely pay wages, provide accurate wage statements, and maintain required payroll and employment records, and reimburse certain business expenses. The plaintiff seeks class certification, recovery of allegedly unpaid wages and other compensation, statutory or enhanced damages, penalties, restitution, injunctive relief, interest, and attorneys' fees and costs.

The Company intends to vigorously defend this action. The litigation remains in its preliminary stages, and no class has been certified. Given the preliminary status of the proceedings and the uncertainties regarding potential liability and damages, if any, the Company is currently unable to reasonably estimate the amount or range of any potential loss. No loss has been accrued in connection with this matter, as the Company has not determined that a loss is both probable and reasonably estimable.

Insurance

The Company has a 25-year finite risk insurance policy entered into in June 2003 ("2003 Closure Policy") with AIG, which provides financial assurance to the applicable states in which our permitted facilities are located, 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 $24,953,000 as of September 30, 2026. As of September 30, 2026, and December 31, 2025, finite risk sinking funds contributed by the Company related to the 2003 Closure Policy totaled $13,576,000 and $13,216,000, respectively. These amounts included interest earned of $4,105,000 and $3,745,000 as of September 30, 2026 and December 31, 2025, respectively. Interest income for the three and nine months ended September 30, 2026, was approximately $119,000 and $360,000, respectively. Interest income for the three and nine months ended September 30, 2025, was approximately $131,000 and $404,000, respectively. If the Company elects, 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, 2026, the total amount of standby letters of credit outstanding was approximately $3,420,000 and the total amount of bonds outstanding was approximately $19,315,000.

10. Discontinued Operations

The Company's discontinued operations consist of all our subsidiaries included in our former 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 $54,000 and $73,000 (net of income taxes of $0 for each period) for the three months ended September 30, 2026, and 2025, respectively, and net losses of $103,000 (net of $0 tax expense) and $280,000 (net of income taxes of $0 for each period) for the nine months ended September 30, 2026, and 2025, respectively. The results of discontinued operations primarily reflect costs incurred in the administration and continued monitoring of the Company's discontinued operations. The Company's discontinued operations generated no revenues during any of the periods presented.

During the second quarter of 2026, the Company recorded a receivable and a corresponding reduction in expense of approximately $130,000 related to a member-approved reimbursement of contributions and expenses in connection with the Company's participation in an association of PRP. The reimbursement was received by the Company in September 2026.

The following table presents the major class of assets of discontinued operations as of September 30, 2026, and December 31, 2025. No assets and liabilities were held for sale at each of the periods noted.

(Amounts in Thousands)	September 30, 2026	December 31, 2025
Current assets		
Other assets	$ 105	$ 60
Total current assets	105	60
Long-term assets		
Property, plant and equipment, net [1]	146	146
Total long-term assets	146	146
Total assets	$ 251	$ 206
Current liabilities		
Accounts payable	$ 4	$ 67
Accrued expenses and other liabilities	142	127
Environmental liabilities	1,138	76
Total current liabilities	1,284	270
Long-term liabilities		
Closure liabilities	197	189
Environmental liabilities	2,275	3,409
Total long-term liabilities	2,472	3,598
Total liabilities	$ 3,756	$ 3,868

[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 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 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
- R&D activities to identify, develop and implement innovative waste processing techniques for problematic waste streams.

SERVICES SEGMENT includes:

- Technical services:
    - professional radiological measurement and site survey of large government and commercial installations using advanced methods, technology and engineering;
    - integrated occupational safety and health services including 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 OSHA citation assistance;
    - global technical services providing consulting, engineering, project management, waste management, environmental, and D&D field, technical, and management personnel and services to commercial and government customers; and
    - on-site waste management services to commercial and governmental customers.

- Nuclear services:
    - technology-based services including engineering, D&D, specialty services and construction, logistics, transportation, processing and disposal;
    - remediation of nuclear licensed and federal facilities and the remediation cleanup of nuclear legacy sites. Such services capability includes 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 NEOSH instrumentation.

The Company's CODM is represented by its CEO and COO (or "CODM group"). The CODM group evaluates the performance of the Treatment and Services segments and allocates resources to each reporting segment based on revenue and income (loss) from operations by comparing actual results for these measures to budgeted and forecasted amounts 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, including expenditures for additions to long-lived assets; therefore, the Company does not disclose asset information for its reporting segments.

The Company's reportable segments exclude corporate headquarters, which support the Company's two reportable segments through executive management, finance, treasury, human resources, accounting, legal, and other corporate functions. The financial results of corporate headquarters are not included in segment income (loss) from operations, the measure reviewed by the CODM, and are presented as unallocated corporate expenses in the reconciliation of segment income (loss) from operations to consolidated income (loss) from continuing operations before income taxes. The Company's reportable segments also exclude discontinued operations (see Note 10 – Discontinued Operations), which do not generate revenues.

The table below summarizes segment income (loss) from operations, the measure reviewed by the CODM, and reconciles this measure to consolidated loss from continuing operations before income taxes for the three and nine months ended September 30, 2026 and 2025. Significant segment expense categories included in segment income (loss) from operations include payroll and benefits, materials and supplies, disposal, transportation, and subcontract expenses. These expense categories are presented separately, where applicable. R&D expenses, while not considered a significant segment expense category, are also presented separately because they are regularly provided to the CODM (in thousands).

Segment Reporting for the Three Months Ended September 30, 2026

	Treatment	Services	Consolidated Total
Revenue from external customers	$ 11,601	$ 6,347	$ 17,948
Cost of Goods Sold:			
Payroll and benefits expenses	5,728	2,720	
Material and supplies expenses	1,969	—	
Disposal expenses	1,104	—	
Transportation expenses	260	—	
Subcontract expenses	—	1,088	
Other cost of goods sold [1]	2,765	1,762	
Total cost of goods sold	11,826	5,570	
Gross (loss) profit	(225)	777	
SG&A:			
Payroll and benefits	916	399	
Other SG&A [2]	416	179	
Total SG&A	1,332	578	
R&D	165	3	
Gain on disposal of property and equipment	—	(5)	
(Loss) income from operations	$ (1,722)	$ 201	(1,521)
Interest income			240
Interest expense			(80)
Interest expense-financing fees			(16)
Other income			114
Unallocated corporate expenses [3]			(2,145)
Loss from continuing operations before taxes			$ (3,408)

Segment Reporting for the Three Months Ended September 30, 2025

	Treatment	Services	Consolidated Total
Revenue from external customers	$ 13,114	$ 4,340	$ 17,454
Cost of Goods Sold:			
Payroll and benefits expenses	4,809	2,358	
Material and supplies expenses	2,158	—	
Disposal expenses	1,075	—	
Transportation expenses	361	—	
Subcontract expenses	—	118	
Other cost of goods sold [1]	2,445	1,573	
Total cost of goods sold	10,848	4,049	
Gross profit	2,266	291	
SG&A:			
Payroll and benefits	947	547	
Other SG&A [2]	386	199	
Total SG&A	1,333	746	
R&D	257	2	
Loss on disposal of property and equipment	4	—	
Income (loss) from operations	$ 672	$ (457)	215
Interest income			266
Interest expense			(116)
Interest expense-financing fees			(22)
Other expense			(18)
Unallocated corporate expenses [3]			(2,087)
Loss from continuing operations before taxes			$ (1,762)

Segment Reporting for the Nine Months Ended September 30, 2026

	Treatment	Services	Consolidated Total
Revenue from external customers	$ 27,768	$ 14,191	$ 41,959
Cost of Goods Sold:			
Payroll and benefits expenses	15,950	7,142	
Material and supplies expenses	4,887	—	
Disposal expenses	3,470	—	
Transportation expenses	1,085	—	
Subcontract expenses	—	1,759	
Other cost of goods sold [1]	8,087	4,412	
Total cost of goods sold	33,479	13,313	
Gross profit	(5,711)	878	
SG&A:			
Payroll and benefits	2,685	1,561	
Other SG&A [2]	1,371	242	
Total SG&A	4,056	1,803	
R&D	584	7	
Gain on disposal of property and equipment	—	(5)	
Loss from operations	$ (10,351)	$ (927)	(11,278)
Interest income			624
Interest expense			(213)
Interest expense-financing fees			(59)
Other income			258
Unallocated corporate expenses [3]			(6,378)
Loss from continuing operations before taxes			$ (17,046)

Segment Reporting for the Nine Months Ended September 30, 2025

	Treatment	Services	Consolidated Total
Revenue from external customers	$ 33,696	$ 12,263	$ 45,959
Cost of Goods Sold:			
Payroll and benefits expenses	13,988	6,245	
Material and supplies expenses	4,744	—	
Disposal expenses	2,391	—	
Transportation expenses	1,222	—	
Subcontract expenses	—	1,184	
Other cost of goods sold [1]	7,269	4,155	
Total cost of goods sold	29,614	11,584	
Gross profit	4,082	679	
SG&A:			
Payroll and benefits	2,763	1,732	
Other SG&A [2]	1,276	573	
Total SG&A	4,039	2,305	
R&D	780	29	

Loss (gain) on disposal of property and equipment	3	(5)	
Loss from operations	$ (740)	$ (1,650)	(2,390)
Interest income			901
Interest expense			(351)
Interest expense-financing fees			(63)
Other income			171
Unallocated corporate expenses [3]			(6,112)
Loss from continuing operations before taxes			$ (7,844)

(1) 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.

(2) Other SG&A for each reportable segment includes:

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

(3) The following table reflects the unallocated corporate expenses. “Other” unallocated corporate expenses consists of repair and maintenance, depreciation and amortization, travel, public company, outside services, general and R&D expenses. (in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Payroll and benefits	$ 998	$ 997	$ 2,919	$ 2,869
Other	1,147	1,090	3,459	3,243
Total	$ 2,145	$ 2,087	$ 6,378	$ 6,112

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,	
	2026	2025	2026	2025
Treatment	$ 454	$ 387	$ 1,358	$ 1,158
Services	29	28	77	109
Total segment	483	415	1,435	1,267
Corporate	12	11	34	32
Total	$ 495	$ 426	$ 1,469	$ 1,299

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 no income tax expenses for continuing operations for the three and nine months ended September 30, 2026 and 2025. The Company's effective tax rate was 0% for each period as a result of the full valuation allowance recognized against its U.S. federal and state deferred tax assets during the quarter ended September 30, 2024.

13. Sale of Common Stock

On May 14, 2026, the Company entered into an underwriting agreement (the "Underwriting Agreement") with Craig-Hallum Capital Group, LLC (the "Underwriter"), pursuant to which the Company sold and issued 2,285,714 shares of its Common Stock. The shares of Common stock were sold at a negotiated price to the public of $8.75 per share. The Underwriting Agreement also allowed the Underwriter a 30-day over-allotment option (the "Option") to purchase up to an additional 342,857 shares of the Company's Common Stock on the same terms and conditions, which Option was exercised in its entirety on May 15, 2026. The shares were offered and sold to the public pursuant to the Company's "universal shelf" registration statement on Form S-3 filed with the SEC on December 2, 2024 and declared effective by the SEC on December 12, 2024, and a prospectus supplement relating to the May 2026 underwriting dated May 14, 2026. The aggregate gross proceeds received by the Company from the sale of the 2,628,571 shares sold totaled approximately $23,000,000, before deducting fees payable to the Underwriter and other estimated offering expenses payable by the Company (the "Offering"). The net proceeds from the Offering is anticipated to fund (i) costs relating to DFLAW and grouting upgrades at the Company's PFNW facility, (ii) continued R&D and business development relating to the Company's patent-pending Perma-FAS process for the destruction of PFAS, as well as the cost to complete the installation of the Company's Perma-FAS Gen 2.0 commercial treatment unit; (iii) ongoing facility cap-ex and maintenance costs; and (iv) general corporate and working capital purposes.

The Company paid the Underwriter a total cash fee of 7.00% of the aggregate gross proceeds in the Offering, totaling approximately $1,610,000. The Company also reimbursed the Underwriter certain expenses in connection with the Offering in an aggregate amount of approximately $95,000.

After deducting costs incurred of approximately $1,886,000, which were recorded as a reduction to additional paid-in capital, net cash proceeds from the Offering totaled approximately $21,114,000. As of September 30, 2026, all offering costs had been paid.

14. Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through the date that these condensed consolidated financial statements were issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the 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;
- reductions in the level of government funding in future years;
- spending priorities of Congress;
- passage of U.S. fiscal year government budgets or enactment of CRs to keep government departments and agencies in operations;
- timing of receipts of anticipated Hanford-related waste at our PFNW facility;
- investments made to support Hanford-related activity;
- the issuance, number, size and timing of task orders to be issued to the Company under the Company's Master Subcontract award;
- improvement in operating results;
- demand, pricing, or throughput levels for PFAS waste volumes are sufficient to offset costs incurred from PFAS initiatives;
- increase in Hanford waste receipts;
- facility upgrades to achieve expanded capacity anticipated in late 2027;
- regulatory approvals required for implementation of facility upgrades to achieve expanded capacity;
- effect of pricing increases;
- delays in anticipated treatment waste volumes and project activity;
- ability to meet our quarterly financial covenant requirements under our PNC Loan Agreement;
- expansion into international and commercial markets;
- cash flow requirements;
- sufficient cash flow and liquidity to fund operations for the next twelve months;
- projected cash flows from operations subject to timing and uncertainty, including those resulting from ongoing federal spending constraints;
- amount and funding of capital expenditures;
- funding of operating and capital expenditures from existing cash from operations, PNC Liquidity under our Credit Facility, and/or financing;
- ability to continue to operate as a going concern;

- obtain additional liquidity on acceptable terms, or at all;
- adoption and acceptance of our PFAS technology are subject to regulatory and market factors;
- limited current treatment destruction options for these materials to eliminate generator liabilities;
- commissioning of our second generation PFAS destruction unit in the fourth quarter of 2026, with operations during the first half of 2027;
- expectation that the second generation PFAS destruction unit will triple our production capacity;
- funding of remediation expenditures for sites from funds generated internally;
- compliance with environmental regulations;
- remediation of material weakness identified;
- potential effect of being a PRP;
- material adverse effect on financial condition, results of operations, or cash flow from notice of non-compliance at the PFNW facility;
- favorable resolution of the notice of non-compliance at the PFNW facility; 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;
- inability to process waste at our facilities;
- 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;
- 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;
- material adjustments to environmental remediation reserves;
- 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;
- changes in the scope of work relating to existing contracts;
- occurrence of a health pandemic 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 2025 Form 10-K and the "Forward-Looking Statements" contained in the MD&A of the first and second quarters 2026 Form 10-Qs and this third quarter 2026 Form 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 overall revenue increased in the third quarter of 2026 compared to the same period of 2025; however, our operating results continued to be impacted by certain customer-related and operational factors. These included customer-directed delays in waste processing activities within our Treatment Segment and the timing of project mobilizations within our Services Segment. The most significant factor affecting our third-quarter results was customer-directed changes in treatment protocols that delayed the processing of shipments of a certain Hanford-related waste stream received beginning in the second quarter of 2026 from the DOE Hanford site until September 2026. In addition, the timing of shipments of certain liquid and solid wastes under the DFLAW program resulted in lower-than-expected waste receipts during the quarter, and temporary downtime of certain processing equipment due to scheduled maintenance and upgrades further impacted Treatment Segment results. The affected processing equipment has since returned to operation.

Despite these challenges, continued waste receipts, combined with delays in processing of certain waste streams, contributed to an increase in our Treatment Segment backlog to approximately $19,608,000 at September 30, 2026, representing an increase of approximately 24.6% from $15,733,000 at June 30, 2026. We believe this growing backlog supports future treatment activities; however, the timing of revenue recognized from our backlog may vary depending on waste complexity, customer requirements, and operational considerations.

Our Services Segment revenue increased during the third quarter of 2026 compared with the corresponding period of 2025, primarily driven by increased project activity, including projects awarded since the beginning of 2026. These awards included a two-year master task agreement awarded in the first quarter of 2026 with an estimated value of approximately $24 million for demolition and disposal services at Lawrence Livermore National Laboratory ("LLNL"). However, revenue growth was partially constrained by customer-related delays in the mobilization of a project awarded during the early part of the second quarter of 2026. The project has since been mobilized.

On August 10, 2026, we were awarded a Master IDIQ Subcontract by Hanford Tank Waste Operations & Closure, LLC ("H2C") for the treatment and disposal of pretreated liquid mixed low-level waste from DOE's Hanford Site (the "Company's Master Subcontract"). H2C also awarded Master IDIQ Subcontracts to two other companies. H2C is the prime contractor to DOE's Office of Environmental Management for tank waste operations and closure at the Hanford Site in southeastern Washington State. Work awarded to us under future task orders, if any, would be performed at our PFNW facility in Richland, Washington, and would include the receipt and treatment of pretreated mixed low-level waste, with treated waste transported by rail for final disposal at a licensed commercial mixed low-level waste disposal facility outside the State of Washington. Task orders may be issued from January 1, 2027, through December 31, 2041, with performance of task orders issued before the end of the ordering period permitted for up to five years beyond the end of the ordering period. However, the commencement and timing of task orders, if any, are subject to applicable regulatory requirements, operational considerations, and other factors outside of our control. The multiple-award IDIQ procurement provides for a maximum cumulative quantity of 50 million gallons and a maximum cumulative value of approximately $4.4 billion. These amounts represent procurement ceilings shared among all Master IDIQ Subcontract holders and do not represent amounts awarded or committed to us. The number, size, and timing of task orders that might be issued to us under the Company's Master Subcontract, if any, cannot be determined or assured. Under our Performance Work Statement, we are required to maintain the capability to treat and dispose of pretreated tank waste at a rate of 100,800 gallons per week in accordance with applicable facility license and permit conditions.

Our PFNW facility continues to work with Washington State regulators to expand its existing grouting permit capacity of 1.2 million gallons annually to levels that would support DOE's objectives for both the East and West tank farms at Hanford. We are advancing the final design and procurement of facility upgrades necessary to achieve the expanded capacity, which we currently anticipate completing in late 2027. Implementation of these upgrades remains subject to continued coordination with Washington State regulators and applicable regulatory approvals. Separately, we have further invested in more advanced processing equipment to enhance our capabilities to process current and anticipated Hanford-related waste streams.

We believe our investments, together with our continued focus on personnel and operational readiness and our acquisition of the rail-line land parcel connecting the PFNW property to the Port of Benton short-line railroad, position us to support increasing Hanford-related activity. See "Note 8 – Long-Term Debt – Promissory Note" to the accompanying Condensed Consolidated Financial Statements for further discussion of the rail-line land parcel.

Looking ahead, we expect improved financial performance in the coming year driven in part by increased project activity within our Services Segment, continued processing of our Treatment Segment backlog, and anticipated waste receipts from Hanford's cleanup programs including increasing effluent from DFLAW to include both solid and liquid waste streams. We also continue to pursue additional procurement opportunities within DOE and DOW, while expanding our presence in commercial and international markets. In addition, we have negotiated rate increases for certain government and commercial waste streams, including a significant rate increase for a particular government waste stream that will become effective during the fourth quarter of 2026. The commercial rate increases became effective late in the third quarter of 2026. We expect these increases to favorably impact Treatment Segment revenue and margins. While the timing and volume of waste receipts and processing activities remain subject to customer requirements and operational considerations, we believe these developments and ongoing activities position us for improved operating results in the coming year.

See "Federal Funding" and "Market Trends and Uncertainties" in "Known Trends and Uncertainties" within this MD&A for a discussion of factors that could negatively impact our results of operations for the remainder of 2026 and 2027.

Financial Results Overview

As a result of the factors discussed above, revenue increased by $494,000, or 2.8%, to $17,948,000 for the three months ended September 30, 2026, compared with $17,454,000 for the same period in 2025. The increase was attributable entirely to the Services Segment, in which revenue increased by $2,007,000, or 46.2%, to $6,347,000 from $4,340,000 in the prior-year period. Treatment Segment revenue declined by $1,513,000, or 11.5%, to $11,601,000 from $13,114,000 in the prior-year period. Cost of goods sold increased by $2,499,000, or 16.8%, to $17,396,000 for the three months ended September 30, 2026, compared with $14,897,000 for the same period in 2025. As a result, gross profit decreased by $2,005,000 to $552,000 for the three months ended September 30, 2026, compared with $2,557,000 in the prior-year period. SG&A expenses decreased by $85,000 to $3,998,000 for the three months ended September 30, 2026, from $4,083,000 in the same period in 2025.

For the nine months ended September 30, 2026, revenue decreased by $4,000,000, or 8.7%, to $41,959,000 from $45,959,000 for the same period in 2025. The decrease was attributable entirely to our Treatment Segment, in which revenue declined by $5,928,000, or 17.6%. Services Segment revenue increased by $1,928,000, or 15.7%, to $14,191,000 for the nine months ended September 30, 2026, from $12,263,000 for the same period in 2025. Cost of goods sold increased by $5,594,000, or 13.6%, to $46,792,000 for the nine months ended September 30, 2026, from $41,198,000 in the same period in 2025. As a result, gross profit decreased by $9,594,000, resulting in a gross loss of $4,833,000 for the nine months ended September 30, 2026, compared with a gross profit of $4,761,000 in the prior-year period. SG&A expenses decreased by $181,000, or 1.5%, to $12,047,000 from $12,228,000 for the same period in 2025.

See below “Results of Operations” for a discussion of our financial results for the three and nine months ended September 30, 2026 as compared to the corresponding period of 2025.

Management concluded that substantial doubt continues to exist about our ability to continue as a going concern within one year after the date the accompanying Condensed Consolidated Financial Statements are issued (see “Liquidity and Capital Resources” within this MD&A for a discussion of the factors and conditions underlying this conclusion).

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. 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, 2026, and 2025

Consolidated (amounts in thousands)	Three Months Ended September 30, 2026	%	2025	%	Nine Months Ended September 30, 2026	%	2025	%
Net revenues	$ 17,948	100.0	$ 17,454	100.0	$ 41,959	100.0	$ 45,959	100.0
Cost of goods sold	17,396	96.9	14,897	85.4	46,792	111.5	41,198	89.6
Gross profit (loss)	552	3.1	2,557	14.6	(4,833)	(11.5)	4,761	10.4
Selling, general and administrative	3,998	22.3	4,083	23.4	12,047	28.7	12,228	26.6
Research and development	225	1.3	342	2.0	781	1.9	1,037	2.3
(Gain) loss on disposal of property and equipment	(5)	(.1)	4	—	(5)	—	(2)	—
Loss from operations	(3,666)	(20.4)	(1,872)	(10.8)	(17,656)	(42.1)	(8,502)	(18.5)
Interest income	240	1.3	266	1.5	624	1.5	901	1.9
Interest expense	(80)	(.4)	(116)	(.6)	(213)	(.5)	(351)	(.8)
Interest expense-financing fees	(16)	(.1)	(22)	(.1)	(59)	(.1)	(63)	(.1)
Other	114	.6	(18)	(.1)	258	.6	171	.4
Loss from continuing operations before taxes	(3,408)	(19.0)	(1,762)	(10.1)	(17,046)	(40.6)	(7,844)	(17.1)
Income tax expense	—	—	—	—	—	—	—	—
Loss from continuing operations, net of taxes	$ (3,408)	(19.0)	$ (1,762)	(10.1)	$ (17,046)	(40.6)	$ (7,844)	(17.1)

Revenues

Consolidated revenues increased $494,000 for the three months ended September 30, 2026, compared to the three months ended September 30, 2025, as follows:

(In thousands)	2026	% Revenue	2025	% Revenue	Change	% Change
Treatment						
Government waste	$ 7,335	40.8	$ 9,503	54.4	$ (2,168)	(22.8)
Hazardous/non-hazardous [1]	1,680	9.4	1,375	7.9	305	22.2
Other nuclear waste	2,586	14.4	2,236	12.8	350	15.7
Total	11,601	64.6	13,114	75.1	(1,513)	(11.5)
Services						
Nuclear services	4,009	22.4	2,422	13.9	1,587	65.5
Technical services	2,338	13.0	1,918	11.0	420	21.9
Total	6,347	35.4	4,340	24.9	2,007	46.2
Total	$ 17,948	100.0	$ 17,454	100.0	$ 494	2.8

[1] Includes waste generated by government clients of $685,000 and $560,000 for the three months ended September 30, 2026, and the corresponding period of 2025, respectively.

Treatment Segment revenue decreased by $1,513,000, or 11.5%, for the three months ended September 30, 2026, compared with the same period in 2025. The decline was primarily due to lower waste volume as discussed in the “Overview” section.

The increase in revenue in our Services Segment was primarily attributable to a higher volume of project work during the period compared with the same period in 2025. Revenue in our Services Segment is project-based and is influenced by the scope, duration, timing, and completion of individual projects. As a result, revenue may fluctuate significantly between reporting periods based on the timing, scope, and mix of projects performed.

Consolidated revenues decreased $4,000,000 for the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025, as follows:

(In thousands)	2026	% Revenue	2025	% Revenue	Change	% Change
Treatment						
Government waste	$ 17,262	41.1	$ 23,715	51.6	$ (6,453)	(27.2)
Hazardous/non-hazardous [1]	4,735	11.3	3,848	8.4	887	23.1
Other nuclear waste	5,771	13.8	6,133	13.3	(362)	(5.9)
Total	27,768	66.2	33,696	73.3	(5,928)	(17.6)
Services						
Nuclear services	8,387	20.0	7,478	16.3	909	12.2
Technical services	5,804	13.8	4,785	10.4	1,019	21.3
Total	14,191	33.8	12,263	26.7	1,928	15.7
Total	$ 41,959	100.0	$ 45,959	100.0	$ (4,000)	(8.7)

[1] Includes waste generated by government clients of $1,899,000 and $1,569,000 for the nine months ended September 30, 2026, and the corresponding period of 2025, respectively.

Treatment Segment revenue decreased by $5,928,000, or 17.6%, for the nine months ended September 30, 2026, compared with the same period in 2025. The decline was primarily due to lower waste volumes and a less favorable revenue mix. The less favorable revenue mix reflected lower average pricing, which was impacted in part by the processing of certain previously stored waste inventories that carried lower average pricing. These previously stored waste inventories were processed as part of our preparation for anticipated increases in Hanford-related waste volumes and were substantially processed by the end of the second quarter of 2026.

The increase in revenue in our Services Segment was primarily attributable to a higher volume of project activity beginning in the second quarter of 2026, partially offset by lower project activity during the first quarter of 2026. The lower project activity in the first quarter reflected, in part, seasonal factors, including typical winter weather conditions and post-holiday slowdowns that reduced field activity. Revenue in our Services Segment is project-based, with the scope, duration, timing, and completion of individual projects varying from period to period. As a result, revenue may fluctuate significantly between reporting periods depending on the timing, scope, and mix of projects performed.

Cost of Goods Sold

Cost of goods sold increased $2,499,000 for the quarter ended September 30, 2026, as compared to the quarter ended September 30, 2025, as follows:

(In thousands)	2026	% Revenue	2025	% Revenue	Change
Treatment	$ 11,826	101.9	$ 10,848	82.7	$ 978
Services	5,570	87.8	4,049	93.3	1,521
Total	$ 17,396	96.9	$ 14,897	85.4	$ 2,499

Cost of goods sold for the Treatment Segment increased by approximately $978,000, or 9.0%. Treatment Segment fixed costs increased by approximately $1,094,000. Fixed salaries and payroll-related expenses increased by approximately $756,000, primarily due to increased headcount. Maintenance costs increased by approximately $196,000 due to scheduled equipment maintenance and facility security enhancements. Depreciation expense increased by approximately $66,000 due to additional capitalized equipment, including our prototype PFAS reactor. Regulatory expenses increased by approximately $49,000 due to increased regulatory activities and higher fees assessed by regulatory agencies. The remaining increases were from higher travel and general expenses totaling approximately $27,000. Treatment Segment variable costs decreased by approximately $116,000, primarily due to lower materials and supplies, transportation, and outside services costs totaling approximately $312,000, partially offset by higher disposal costs of approximately $29,000 and higher overtime expenses of approximately $167,000. Within our Treatment Segment, the composition and level of variable costs can fluctuate based on the waste mix.

Services Segment cost of goods sold increased by $1,521,000, or 37.6%, primarily reflecting the higher volume of project work during the period. The increase was primarily attributable to higher subcontract and outside services costs of approximately $736,000 and higher salaries and payroll-related expenses of approximately $362,000, reflecting increased labor requirements from higher volume of project work. Additional increases included materials and supplies, laboratory services, disposal, and regulatory costs totaling approximately $464,000. These increases were partially offset by lower travel expenses of approximately $41,000. Within our Services Segment, the composition and level of cost of goods sold are influenced by the type, scope, and timing of projects performed during the period. Certain projects require greater reliance on subcontractors, specialized materials, regulatory compliance activities, or travel, while others are more labor-intensive or utilize primarily in-house resources. As a result, the mix of project work can significantly affect the composition and level of costs incurred, which may not change proportionately with revenue.

Cost of goods sold increased $5,594,000 for the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025, as follows:

(In thousands)	2026	% Revenue	2025	% Revenue	Change
Treatment	$ 33,479	120.6	$ 29,614	87.9	$ 3,865
Services	13,313	93.8	11,584	94.5	1,729
Total	$ 46,792	111.5	$ 41,198	89.6	$ 5,594

Cost of goods sold for the Treatment Segment increased by approximately $3,865,000, or 13.1%. Variable costs increased by approximately $1,571,000, primarily due to higher disposal, materials and supplies, transportation, and laboratory costs totaling approximately $1,170,000, as well as higher overtime expenses of approximately $401,000 incurred in processing previously stored waste inventories in preparation for anticipated increases in Hanford-related waste volumes. Within our Treatment Segment, the composition and level of variable costs can fluctuate based on the mix of waste processed. Treatment Segment fixed costs increased by approximately $2,294,000, primarily due to higher salaries and payroll-related expenses of approximately $1,567,000, resulting from COLA implemented in July 2025 and increased headcount. Maintenance costs increased by approximately $323,000 due to scheduled maintenance, general equipment upkeep, and facility security enhancements. Depreciation expense increased by approximately $199,000 due to additional capitalized equipment, including our prototype PFAS reactor. Regulatory expenses increased by approximately $241,000 due to increased regulatory activities and higher fees assessed by regulatory agencies. These increases were partially offset by a decrease of approximately $36,000 in general expenses, primarily due to lower utility costs.

Services Segment cost of goods sold increased by $1,729,000, or 14.9%. The increase was primarily driven by higher salaries and payroll-related expenses of approximately $897,000, reflecting COLA implemented in July 2025, as well as increased labor required by the higher volume of project work. Additional increases included higher subcontract and outside services costs of approximately $461,000, higher travel expenses of approximately $193,000, and higher materials and supplies, laboratory services, disposal, and regulatory costs totaling approximately $299,000. These increases were partially offset by lower general expenses of approximately $88,000 across various categories and lower depreciation expenses of approximately $33,000 as certain equipment became fully depreciated in 2025. Within our Services Segment, the composition and level of cost of goods sold are influenced by the type, scope, and timing of projects performed during the period. Certain projects require greater reliance on subcontractors, specialized materials, regulatory compliance activities, or travel, while others are more labor-intensive or utilize primarily in-house resources. As a result, the mix of project work can significantly affect the composition and level of costs incurred, which may not change proportionately with revenue.

Gross Profit (Loss)

Gross profit for the quarter ended September 30, 2026, decreased $2,005,000 over the same period of 2025, as follows:

(In thousands)	2026	% Revenue	2025	% Revenue	Change
Treatment	$ (225)	(1.9)	$ 2,266	17.3	$ (2,491)
Services	777	12.2	291	6.7	486
Total	$ 552	3.1	$ 2,557	14.6	$ (2,005)

Treatment Segment incurred a gross loss of $225,000 for the three months ended September 30, 2026, compared with a gross profit of $2,266,000 for the same period in 2025. Gross margin declined to (1.9%) from 17.3%. The decline in gross profit and gross margin was primarily due to lower revenue resulting from reduced waste volumes and higher fixed operating costs, which were spread over a lower revenue base, further adversely impacting gross margin.

Services Segment gross profit increased by approximately $486,000, and gross margin improved to 12.2% from 6.7% in the prior-year period, primarily due to higher revenue and a more favorable mix of projects performed. Gross margins within our Services Segment are influenced by the type, scope, and mix of projects performed, which are generally competitively bid and have varying margin structures. As a result, gross margins may fluctuate from period to period based on the timing and mix of projects completed.

Gross profit for the nine months ended September 30, 2026, decreased $9,594,000 over the same period in 2025, as follows:

(In thousands)	2026	% Revenue	2025	% Revenue	Change
Treatment	$ (5,711)	(20.6)	$ 4,082	12.1	$ (9,793)
Services	878	6.2	679	5.5	199
Total	$ (4,833)	(11.5)	$ 4,761	10.4	$ (9,594)

The Treatment Segment incurred a gross loss of $5,711,000 for the nine months ended September 30, 2026, compared with a gross profit of $4,082,000 for the same period in 2025. Gross margin declined to (20.6%) from 12.1%, primarily due to lower revenue resulting from reduced waste volumes and a less favorable revenue mix. In addition, higher fixed operating costs, which were spread over a lower revenue base, further reduced gross margin and contributed to the gross loss.

Services Segment gross profit increased by $199,000, and gross margin improved to 6.2% from 5.5% in the prior-year period, primarily due to higher revenue from increased project work. Gross margins within our Services Segment are influenced by the type, scope, and mix of projects performed, which are generally competitively bid and have varying margin structures. As a result, gross margins may fluctuate from period to period based on the timing and mix of projects completed.

SG&A

SG&A expenses decreased $85,000 for the three months ended September 30, 2026, as compared to the corresponding period for 2025, as follows:

(In thousands)	2026	% Revenue	2025	% Revenue	Change
Administrative	$ 2,088	—	$ 2,004	—	$ 84
Treatment	1,332	11.5	1,333	10.2	(1)
Services	578	9.1	746	17.2	(168)
Total	$ 3,998	22.3	$ 4,083	23.4	$ (85)

Administrative SG&A expenses increased primarily due to higher outside services costs of approximately $56,000 associated with increased legal and business activities, higher travel expenses of approximately $14,000 resulting from increased executive travel, and higher general expenses of approximately $14,000 across various categories.

Treatment Segment SG&A expenses decreased slightly, primarily due to lower salaries and payroll-related expenses of approximately $31,000, reflecting fewer employee hours required to support administrative and marketing functions. This decrease was substantially offset by higher general expenses of approximately $30,000 across various categories.

Services Segment SG&A expenses decreased primarily due to lower salaries and payroll-related expenses of approximately $148,000, reflecting fewer employee hours required to support marketing functions, partially offset by higher outside services costs associated with business-related activities.

SG&A expenses decreased $181,000 for the nine months ended September 30, 2026, as compared to the corresponding period for 2025, as follows:

(In thousands)	2026	% Revenue	2025	% Revenue	Change
Administrative	$ 6,188	—	$ 5,884	—	$ 304
Treatment	4,056	14.6	4,039	12.0	17
Services	1,803	12.7	2,305	18.8	(502)
Total	$ 12,047	28.7	$ 12,228	26.6	$ (181)

Administrative SG&A expenses increased primarily due to higher outside services costs of approximately $240,000 associated with increased legal and business activities. The remaining increase was primarily attributable to higher salaries and payroll-related expenses resulting from COLA implemented in July 2025 for employees and January 2026 for executives.

Treatment Segment SG&A expenses increased primarily due to higher outside services costs of approximately $62,000 associated with increased consulting and business activities and higher travel expenses of approximately $36,000 incurred by information technology personnel. These increases were partially offset by lower salaries and payroll-related expenses, reflecting fewer employee hours required to support administrative and marketing functions.

Services Segment SG&A expenses decreased primarily due to a decrease in provision for credit losses of approximately $283,000 resulting from the settlement of a receivable previously determined to be uncollectible. The remaining decrease was primarily attributable to lower travel expenses of approximately $30,000 and reduced salaries and payroll-related expenses due to fewer employee hours devoted to marketing activities.

Interest Income

Interest income decreased by approximately $26,000 and $277,000 for the three and nine months ended September 30, 2026, respectively, compared with the corresponding periods of 2025. The decreases were primarily attributable to lower average balances maintained in our MMDA and lower interest rates earned on our finite risk sinking fund. The higher average MMDA balances in 2025 were primarily attributable to proceeds received from two equity offerings completed in May and December 2024.

Interest Expense

Interest expense decreased by approximately $36,000 and $138,000 for the three and nine months ended September 30, 2026, respectively, compared to the corresponding periods of 2025. The decreases were primarily attributable to capitalization of approximately $33,000 and $107,000 of interest expense during the three and nine months ended September 30, 2026, respectively, associated with debt incurred for construction projects, including our second PFAS reactor.

Income Taxes

We had no income tax expense for continuing operations for the three and nine months ended September 30, 2026 and 2025. Our effective tax rate was 0% for each period as a result of the full valuation allowance recognized against its U.S. federal and state deferred tax assets during the quarter ended September 30, 2024.

Liquidity and Capital Resources

Our cash flow requirements during the nine months ended September 30, 2026, were funded primarily from available PNC Liquidity. Our PNC Liquidity includes cash held in our MMDA, which includes net proceeds from the sale of 2,628,571 shares of our Common Stock completed in May 2026 (see "Financing Activities" below within this MD&A and "Note 13—Sale of Common Stock" to the accompanying Condensed Consolidated Financial Statements for further discussion of the equity offering).

As of September 30, 2026, we had no outstanding borrowings under our Revolving Credit. PNC Liquidity is provided by two sources: cash, the substantial majority of which is held in our MMDA with our lender and borrowing availability under our Revolving Credit. As of September 30, 2026, cash held in our MMDA was approximately $14,331,000, compared to approximately $11,529,000 as of December 31, 2025, with the increase reflecting the net proceeds of approximately $21,114,000 from our May 2026 equity offering, substantially offset by cash used in operations and for capital expenditures during the first nine months of 2026. Borrowing availability under our Revolving Credit, which is determined by a borrowing base of eligible receivables and reduced by outstanding standby letters of credit ($3,420,000) and lender-imposed discretionary reserves ($750,000), was approximately $5,533,000 as of September 30, 2026, compared to approximately $6,597,000 as of December 31, 2025, primarily reflecting lower eligible receivables. As a result, our PNC Liquidity was approximately $19,864,000 as of September 30, 2026, compared to approximately $18,126,000 as of December 31, 2025. Our PNC Liquidity declined from approximately $25,584,000 as of June 30, 2026, reflecting continued operating losses and capital expenditures during the third quarter. Because availability under our Revolving Credit depends on the level of our eligible receivables, reductions in eligible receivables, or continued use of cash to fund operating losses and capital expenditures, could further reduce our PNC Liquidity.

We incurred losses from continuing operations before tax of $15,134,000 during 2024, $10,665,000 during 2025, and $17,046,000 during the first nine months of 2026. We also experienced cash used in continuing operations of $14,146,000 during 2024, $10,311,000 during 2025, and $10,796,000 during the first nine months of 2026. Our operating results and liquidity were impacted in part by delays in the enactment of federal appropriations and Congress's continued use of CRs, increased investments in PFAS destruction technology (see "Known Trends and Uncertainties – New Processing Technology" within this MD&A for a discussion of our new technology), expansion of treatment capacity, workforce growth, equipment upgrades, and infrastructure enhancements intended to support anticipated waste treatment volumes, including anticipated Hanford-related waste volumes. In addition, during the first nine months of 2026, delays in the mobilization of a recently awarded project within our Services Segment, temporary downtime of certain processing equipment due to scheduled maintenance and upgrades, processing delays resulting from customer-directed changes in treatment protocols, and the processing of previously stored waste inventories to prepare for anticipated increases in certain Hanford-related waste volumes negatively impacted our revenues and results of operations. Certain of these previously stored waste inventories carried lower margins, which adversely affected our results of operations in 2026. These lower-margin previously stored waste inventories were substantially processed by the end of the second quarter.

Our expected cash requirements over the next twelve months include working capital needs, scheduled principal payments on debt, costs associated with the administration and monitoring of discontinued operations, R&D expenditures related to PFAS technology, and capital expenditures.

A significant portion of our projected revenues and cash flows underlying our forecast depends on the timing and volume of waste shipments and project activity directed by U.S. government customers. Because these customers do not provide binding assurances regarding the timing or volume of future work, and such activity is subject to appropriations, procurement processes, operational considerations, and other factors outside our control, we could not conclude that our plans are probable of effectively mitigating the conditions giving rise to substantial doubt. Accordingly, substantial doubt continues to exist about our ability to continue as a going concern for one year following the date the accompanying Condensed Consolidated Financial Statements are issued.

Our plans to address these conditions include utilizing existing cash and borrowing availability; pursuing operating improvements supported by the Company's Treatment and Services Segment backlogs; continuing to pursue additional government, commercial, and international project opportunities; managing capital expenditures and operating costs; and, if necessary, seeking additional liquidity through equity or other financing arrangements or potential asset dispositions. There can be no assurance that these plans, or any component thereof, can be achieved. In addition, on August 10, 2026, we extended the maturity of our PNC Credit Facility from May 2027 to May 2030, among other things (see "Liquidity and Capital Resources—Financing Activities—Credit Facility" for a discussion of this extension).

Although the May 2026 equity offering discussed elsewhere in this Report strengthened our liquidity, continued operating losses since the offering and significant capital expenditures, including investments made to support anticipated waste treatment volumes and improve operational capabilities, have reduced our liquidity position. Therefore, we concluded that substantial doubt has not been alleviated. We expect to fund our operations during the assessment period with our existing liquidity, anticipated operating cash flows and borrowing availability. However, the ability of our plans to mitigate the conditions giving rise to substantial doubt depends in part on the timing and volume of government-directed waste shipments and project activity, as well as other matters outside our control. In addition, our borrowing availability is subject to compliance with applicable financial covenants and other conditions. There can be no assurance that additional liquidity, if needed, will be available on acceptable terms or at all.

The following table reflects the cash flow activities during the first nine months of 2026 and 2025.

	Nine Months Ended September 30,	
(In thousands)	2026	2025
Cash used in operating activities of continuing operations	$ (10,796)	$ (8,286)
Cash used in operating activities of discontinued operations	(215)	(317)
Cash used in investing activities of continuing operations	(6,041)	(2,709)
Cash used in investing activities of discontinued operations	(45)	(36)
Cash provided by (used in) financing activities of continuing operations	20,442	(832)
Effect of exchange rate changes in cash	(10)	21
Increase (decrease) in cash and finite risk sinking fund (restricted cash)	$ 3,335	$ (12,159)

As of September 30, 2026, we had cash on hand of approximately $14,743,000.

Operating Activities

Cash used in operating activities from continuing operations during the first nine months of 2026 primarily reflected our net loss from continuing operations of approximately $17,046,000, adjusted for non-cash items, including stock-based compensation expense of approximately $631,000 and depreciation and amortization expense of approximately $1,469,000. Changes in operating assets and liabilities provided approximately $3,993,000 of cash, primarily reflecting a decrease in accounts receivable (net of provision for credit losses) of approximately $1,204,000, a net decrease in prepaid expenses, inventories and other assets of approximately $246,000, and a net increase in accounts payable, accrued expenses, deferred revenue, and other accrued liabilities of approximately $5,660,000. These favorable changes were partially offset by an increase in unbilled receivables of approximately $3,117,000. Accounts receivable balances are affected by the timing of customer invoicing and collections, while cash receipts are influenced by the payment terms and conditions of our customer contracts.

Cash used in operating activities of our continuing operations during the first nine months of 2025 consisted mostly of the net loss from continuing operations 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 $2,812,000 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 $719,000, offset by a net decrease in prepaids, inventories and other assets totaling approximately of $1,678,000.

Cash used in operating activities from discontinued operations during the first nine months of 2026 and 2025 consisted primarily of costs incurred in connection with the management of administrative and regulatory matters related to our remediation projects. For the first nine months of 2026, operating cash outlay for our discontinued operations was partially offset by approximately $130,000 received in the third quarter of 2026 related to a member-approved reimbursement of contributions and expenses in connection with our participation in an association of PRP (see "Note 10 – Discontinued Operations" to the accompanying Condensed Consolidated Financial Statements for further discussion of reimbursement).

We had working capital of $11,394,000 (which included working capital of our discontinued operations) as of September 30, 2026, compared to $13,803,000 as of December 31, 2025. The decrease in working capital was primarily attributable to significant losses incurred during the nine months ended September 30, 2026, partially offset by net proceeds received from our equity offering completed in May 2026. In addition, working capital was negatively impacted by the reclassification of approximately $1,091,000 of remediation liabilities in the third quarter of 2026 associated with one of our discontinued operations from long-term liabilities to current liabilities.

Investing Activities

Cash used in investing activities from continuing operations during the first nine months of 2026 consisted primarily of approximately $5,184,000 in purchases of property and equipment, $481,000 in advance payments for capital equipment and $381,000 in expenditures for operating permits and certain intangible assets, partially offset by $5,000 in proceeds from the sale of idle equipment.

Cash used in investing activities of our continuing operations in the first nine months of 2025 consisted primarily of approximately $2,634,000 in purchases of property and equipment and $103,000 in expenditures for operating permits and certain intangible assets, partially offset by $28,000 in proceeds from the sale of idle equipment.

We anticipate making capital expenditures for the remainder of 2026 of approximately $4,600,000, which include expenditures for our second-generation reactor for our PFAS technology, continuing facility upgrades and capacity enhancements to support anticipated increases in waste volumes associated with the Hanford waste program, and equipment to improve operational capabilities. We plan to fund our capital expenditures for the remainder of 2026 from cash from operations, available PNC Liquidity (which includes proceeds from the May 2026 equity raise) and/or financing. The initiation, timing, and amount of these capital expenditures are subject to a number of factors, including, among other things, cost/benefit analysis, the pace of our strategic project initiatives, operating performance, project timing, and management's continuing evaluation of liquidity. Continuing losses may require us to seek additional liquidity through equity or other financing arrangements, potential asset dispositions, or other strategic alternatives. We may also be required to reduce certain operating expenditures, including, but not limited to, reduction in R&D activities.

Under the August 2026 amendment to our PNC Loan Agreement, the annual $6,000,000 capital expenditure limitation (as defined under the PNC Loan Agreement) does not apply as long as we maintain minimum daily PNC Liquidity of at least $5,000,000. If our PNC Liquidity falls below $5,000,000, the annual capital expenditure limitation will be reinstated. As of September 30, 2026, our capital expenditures for 2026 had exceeded $6,000,000. Accordingly, a decline in PNC Liquidity below the required threshold would result in noncompliance with the capital expenditure covenant under our PNC Loan Agreement, unless a waiver or other relief is obtained from PNC. Our ability to make additional planned capital expenditures will depend, in part, on maintaining sufficient PNC Liquidity and compliance with the terms of our PNC Loan Agreement.

Cash used in investing activities of our discontinued operations in the first nine months of 2026 and 2025 consisted of payments made in connection with a certain regulatory permit at our PFSG subsidiary.

Financing Activities

Cash provided by financing activities during the first nine months of 2026 consisted primarily of net proceeds of approximately $21,114,000 received from the sale of 2,628,571 shares of our Common Stock in May 2026 to fund certain capital investments and general working capital needs (see "Note 13 – Sale of Common Stock" to the accompanying Condensed Consolidated Financial Statements for further discussion of this equity offering). The net proceeds reflect gross proceeds of approximately $23,000,000, less $1,886,000 of offering costs incurred in connection with the offering, all of which were paid as of September 30, 2026. Cash provided by financing activities also included approximately $164,000 in proceeds from stock option exercises. These cash inflows were partially offset by principal payments of approximately $820,000 on our Term Loan, Capital Loan, and finance lease obligations.

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, 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.

Credit Facility

Our Credit Facility, established pursuant to our PNC Loan Agreement, consists of a Revolving Credit facility with a maximum borrowing capacity of $12,500,000. Availability under the Revolving Credit facility is subject to a borrowing base comprised of eligible receivables (as defined in the agreement) and is reduced by (i) outstanding standby letters of credit ($3,420,000 as of September 30, 2026) and (ii) discretionary reserves imposed by the lender ($750,000 as of September 30, 2026). After giving effect to the borrowing base limitation and these reductions, our borrowing availability under the Revolving Credit was approximately $5,533,000 as of September 30, 2026 (see the discussion of our sources of liquidity at the beginning of this "Liquidity and Capital Resources" section). The Credit Facility also includes a Term Loan and a Capital Loan with outstanding balances of approximately $958,000 and $70,000, respectively, as of September 30, 2026.

On August 10, 2026, we entered into an amendment to our PNC Loan Agreement with our lender that extended the maturity date of the PNC Loan Agreement from May 15, 2027 to May 15, 2030. The amendment also eliminated the annual capital expenditure limitation of $6,000,000, provided that we maintain a minimum daily PNC Liquidity of $5,000,000. If PNC Liquidity falls below $5,000,000, the annual capital expenditure limitation of $6,000,000 becomes applicable.

Pursuant to the amendment, we may terminate the PNC Loan Agreement upon 90 days' prior written notice upon payment in full of its obligations under the PNC Loan Agreement. We also agreed to pay PNC 0.25% of the total financing in the event we pay off our obligations on or before May 15, 2027. No early termination fee shall apply if we pay off our obligations under the PNC Loan Agreement after May 15, 2027.

In connection with the amendment, we paid our lender a fee of $12,500. All other terms of the PNC Loan Agreement remain unchanged.

Our PNC Loan Agreement contains certain financial covenant requirements, along with customary representations and warranties. A breach of any of these financial covenant requirements, unless waived by our lender, could result in a default under our PNC Loan Agreement allowing our lender to immediately require the repayment of all outstanding debt under our PNC 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 2026, including maintenance of a minimum of $5,000,000 in daily PNC Liquidity. As of September 30, 2026, our PNC Liquidity of approximately $19,864,000 exceeded the $5,000,000 minimum requirement by approximately $14,864,000. We expect to meet our financial covenant requirements 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, 2026, the total amount of standby letters of credit outstanding totaled approximately $3,420,000 and the total amount of bonds outstanding totaled approximately $19,315,000. 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, 2026, the closure and post-closure requirements for these facilities were approximately $24,953,000.

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, 2025.

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 2026 and recent accounting pronouncements that will be adopted in future periods.

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 $11,975,000 or 66.7% and $27,621,000 or 65.8% of our total revenues generated during the three and nine months ended September 30, 2026, respectively, as compared to $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.

Federal Funding. As discussed above, a significant portion of our revenue is generated through contracts entered into indirectly as subcontractors for others who are prime contractors or directly as the prime contractor to federal government authorities. The timeliness of annual appropriations for U.S. government departments and agencies remains a recurrent risk for us. Uncertainties exist regarding how future federal government budgets and program and policy decisions will unfold, which include, the spending priorities of Congress, passage of federal government fiscal year annual budgets and potential for enactment of CRs to keep government departments and agencies in operations. The full impact of these uncertainties could negatively impact our financial results by impairing our ability to perform work on existing contracts, delaying or cancelling procurement actions by government entities, and/or cause other disruptions or delays, including payment delays.

Market Trends and Uncertainties. Macroeconomic conditions, including government and policy changes, government budget issues, tariff actions and uncertainties related to trade wars, ambiguity surrounding interest rates, inflationary pressures, softening labor markets, and geopolitical instability, including ongoing conflicts and unrest in the Middle East, have created significant uncertainty in the global economy and volatility in the capital markets. Inflationary pressures, including volatility in oil and fuel prices, have increased certain production-related variable costs, adversely impacting our gross margins. We continue to monitor the potential effects of these conditions on our revenue and profitability, including supply chain challenges, volatility in the cost of the goods and services we utilize in generating revenue, and economic pressures on our customers that may result in reduced and/or delayed spending. We continue to evaluate and implement strategic initiatives that we believe will assist us in managing the potential impacts of these factors, including supply chain optimization, pricing strategies, sourcing adjustments, and cost reduction measures designed to minimize the impact on our financial results.

New Processing Technology. With significant upgrades to our prototype Perma-FAS system ("System") for PFAS destruction substantially completed in the latter part of 2025, our System has achieved commercial operational status at our Perma-Fix of Florida, Inc. facility. PFAS, commonly known as "forever chemicals," is 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. However, as we work to expand commercialization of our PFAS technology, we continue to incur operating, R&D and capital costs associated with scaling, market development, regulatory acceptance, and further development of our technology. While we have filed patent applications relating to our technology for PFAS destruction and have processed limited commercial quantities of PFAS-containing waste materials with our System, there can be no assurance that demand, pricing, or throughput levels will be sufficient in the near term to offset these costs. Still, we believe that there are limited treatment options currently available that are intended to permanently destroy these materials, as opposed to managing them through storage or containment, which may be important to waste generators seeking to address potential long-term environmental liability. We believe that our patent-pending technology exceeds the performance of other current destruction-based methods; however, adoption and acceptance of any such technology remain subject to regulatory and market factors.

Some of the sizable markets for PFAS include Aqueous Film-Foaming Foam ("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.

With our System commercially operational, we expect to begin commissioning our second-generation unit in the fourth quarter of 2026, with operations anticipated to commence during the first half of 2027 at our EWOC facility in Oak Ridge, Tennessee. We believe our second-generation will allow us to triple our production capacity. We continue to market our System technology through various channels.

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.

On April 30, 2026, we received a notice of non-compliance (the "Notice") from the Washington State Department of Ecology (the "Department of Ecology") following a June 24, 2025 inspection of our PFNW facility in Richland, Washington. The Notice is based on an inspection report identifying alleged non-compliance with certain Department of Ecology waste regulations and permit requirements and requires us to implement specified corrective actions and provide documentation of its compliance within prescribed timeframes.

No administrative order has been issued and no monetary penalties have been assessed as of the date of this report. We are actively responding to the Notice and implementing corrective measures. Based on information currently available and our ongoing response, we do not expect this matter to result in a material adverse effect on our financial condition, results of operations, or cash flows.

The outcome of this matter remains subject to regulatory review. While the Department of Ecology may pursue escalated enforcement action in accordance with Washington State Dangerous (Hazardous) Waste Regulations, we currently expect a favorable resolution of the Notice and do not believe that a loss is probable. Accordingly, the Company has not recorded an accrual for any potential loss related to this matter.

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 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, 2026, we had total environmental remediation liabilities of $3,413,000, a decrease of approximately $72,000 from the December 31, 2025, balance of $3,485,000. The decrease reflects payments for our PFSG remediation project. As of September 30, 2026, approximately $1,138,000 of the total environmental remediation liabilities were 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 SEC is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC 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 Exchange Act) were not effective as of September 30, 2026 due to a material weakness in our internal controls over financial reporting identified for the year ended December 31, 2025, as set forth below.

Material Weakness

For the Treatment Segment, management did not have a completeness check control that was effectively designed and implemented to provide assurance that revenue for waste disposal was appropriately accounted for as part of the period-end revenue reconciliation process. The material weakness identified resulted in errors in our books and records which led to identified adjustments during the year ended December 31, 2025. The errors arising from the underlying revenue adjustments were not material to the financial statements previously reported in any interim or annual period.

Remediation of Material Weakness in Internal Control Over Financial Reporting

We are committed to maintaining effective internal control over financial reporting. For the material weakness identified, we have implemented our remediation plan that includes completeness checks and additional reconciliation procedures related to processed waste and our inventory waste management systems at our Treatment Segment. However, additional time is required to evaluate and validate the operating effectiveness of these controls through testing. We expect to complete this validation by December 31, 2026. Until sufficient testing has been performed to demonstrate that the controls are operating effectively and the material weakness has been remediated, the material weakness described above will continue to exist.

(b) *Changes in internal control over financial reporting.*

Other than the implementation of the remediation controls discussed above, there were 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 Part I - Item 3 of our Form 10-K for the year ended December 31, 2025 and Part II - Item 1 of our Form 10-Q for the quarter ended June 30, 2026. In addition, there has been no material change in the legal proceedings previously disclosed by us in the "Michael O'Neill" and "Edwin Monroy Wage and Hour" under "Legal Matters" within "Note 9 - Commitments and Contingencies" of the Condensed Consolidated Financial Statements of our Form 10-Q for the quarter ended June 30, 2026.

Item 1A. Risk Factors

There has been no material change from the risk factors previously disclosed in our Form 10-K for the year ended December 31, 2025 and Form 10-Qs for the quarters ended March 31, 2026 and June 30, 2026, except as follows:

Risks Relating to our Financial Performance and Position and Need for Financing:

We have sustained losses during 2024, 2025, and the first nine months of 2026.

The Company sustained significant losses during 2024, 2025, and the first nine months of 2026. We believe that our results of operations should improve in the coming twelve months. If, however, we fail to become profitable on an annualized basis in the foreseeable future, this could have a material adverse effect on our operations, credit facility, liquidity and potential growth. Continuing losses may require us to seek additional liquidity through equity or other financing arrangements, potential asset dispositions, or other strategic alternatives. We may also be required to reduce certain operating expenditures, including, but not limited to, reduction in R&D activities.

Our recurring losses and negative operating cash flows continue to raise substantial doubt about our ability to continue as a going concern, and our expected improvement depends substantially on government-directed waste shipments and project activity that are outside our control.

Our recurring operating losses and negative cash flows from continuing operations, including continued losses during the third quarter of 2026, have contributed to the ongoing substantial doubt about our ability to continue as a going concern within one year after the date those financial statements are issued. Although the May 2026 equity offering significantly increased our liquidity, continued operating losses since the offering and significant capital expenditures have reduced our liquidity. Management concluded that substantial doubt about our ability to continue as a going concern has not been alleviated because a significant portion of the revenues and cash flows underlying our forecast depends on the timing and volume of waste shipments and project activity directed by U.S. government customers. Those customers do not provide binding assurances regarding the timing or volume of future work, and such activity is subject to appropriations, procurement processes, operational considerations and other factors outside our control. We anticipate that the operational developments and backlog discussed in this report may result in improved operating results in the coming twelve months; however, the timing and amount of any improvement remain subject to significant uncertainty.

Item 6. Exhibits

(a) **Exhibits**

4.1	Eleventh Amendment to Second Amended and Restated Revolving Credit, Term Loan and Security Agreement, dated August 10, 2026, between Perma-Fix Environmental Services, Inc., and PNC Bank, National Association, as incorporated by reference from Exhibit 4.1 to the Company's Form 10-Q for the quarter ended June 30, 2026, filed on August 12, 2026.
10.1	Eleventh Amendment to Second Amended and Restated Revolving Credit, Term Loan and Security Agreement, dated August 10, 2026, between Perma-Fix Environmental Services, Inc., and PNC Bank, National Association, as incorporated by reference from Exhibit 4.1 to the Company's Form 10-Q for the quarter ended June 30, 2026, filed on August 12, 2026.
10.2#	Indefinite Delivery/Indefinite Quantity Master Subcontract (IDIQM), dated effective August 11, 2026, between Hanford Tank Waste Operations & Closure LLC (H2C) and Perma-Fix Environmental Services, Inc., for the disposal of mixed low-level waste from the U.S. Department of Energy's Hanford Site.
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.

Certain schedules, exhibits, and attachments to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A list briefly identifying the contents of all omitted schedules, exhibits, and attachments is included in the exhibit. The Company agrees to furnish supplementally a copy of any omitted schedule, exhibit, or attachment to the Securities and Exchange Commission upon request.

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 5, 2026

By: */s/ Mark Duff*
Mark Duff
President and Chief (Principal) Executive Officer

Date: November 5, 2026

By: */s/ Ben Naccarato*
Ben Naccarato
Chief (Principal) Financial Officer

Exhibit 10.2

*** Certain schedules, exhibits, and attachments to this Exhibit 10.2 have been omitted pursuant to Item 601(a)(5) of Regulation S-K. See list of omitted attachments after the Authorized Signatures to this Master Subcontract. The Company agrees to furnish supplementally a copy of any omitted schedule, exhibit, or attachment to the Securities and Exchange Commission upon request.**

H2C
Hanford Tank Waste Operations & Closure

INDEFINITE DELIVERY / INDEFINITE QUANTITY
MASTER SUBCONTRACT (IDIQM)

Master Subcontract No.	Effective Date:
96093-000-00	**August 11, 2026**

Issued By:
Hanford Tank Waste Operations & Closure, LLC (H2C)
P.O. Box 850
Richland, WA 99352

Subcontractor:
PermaFix Environmental Services, Inc.
8302 Dunwoody Place STE 250
Atlanta, GA 30350

This Master Subcontract is effective as of **August 11, 2026**, between Hanford Tank Waste Operations & Closure LLC (H2C) (BUYER) and PermaFix Environmental Services, Inc. (SUBCONTRACTOR) who hereby agree that all Services specified below, which is a portion of the goods and services to be provided by H2C for the United States Department of Energy (DOE), shall be performed by the SUBCONTRACTOR in accordance with all the provisions of the IDIQ Master Subcontract and the subsequent Task Orders issued.

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1. Services to be Performed:

Except as specified elsewhere in the Master Subcontract, the SUBCONTRACTOR shall provide all services necessary for the disposal of mixed low-level waste [pretreated liquid waste (PTW)].

2. Subcontract Type: Indefinite Delivery/Indefinite Quantity (IDIQ) with fixed price-per-gallon unit prices.

3. IDIQ Indefinite Quantity Requirements:

(a) This is an indefinite delivery/indefinite-quantity Master Subcontract for the services specified, and effective for the ordering period stated in this Master Subcontract. The quantities of services specified are not purchased by signing this Master Subcontract. Notwithstanding this Master Subcontract terms, conditions and provisions, future Task Orders which will include the work scope, deliverables, period of performance, and funding for a specific project will be standalone contracts.

- The total minimum quantity of liquid mixed low-level waste (PTW) that H2C is required to order to be grouted and disposed: is ***400 gallons***.
- The total maximum quantity of liquid mixed low-level waste (PTW) that H2C may order to be grouted and disposed is ***50,000,000 gallons***.

(b) Delivery or performance of work by the SUBCONTRACTOR shall be executed only as authorized by Task Orders issued in accordance with the Ordering clause in this Master Subcontract. The SUBCONTRACTOR shall be required to perform services as specified in each Task Order. Acceptable quantity variation will be established in each Task Order. Each Task Order will specify both a quantity for services, and acceptable quantity variation. The SUBCONTRACTOR is obligated to fulfill these quantities as ordered.

The quantity of each Task Order(s) issued under this Master Subcontract counts towards the total estimated maximum quantity identified in (a) of 50,000,000 gallons. The total cumulative quantities of all Task Orders issued across all Master Subcontract holders shall not exceed the Master Subcontract maximum quantity.

(c) Except for any limitations on quantities in the Order Limitations clause below or designated elsewhere in the Master Subcontract, there is no limit on the number, if any, of Task Orders that may be issued.

(d) Performance of all Task Orders issued before the end of the Master Subcontract ordering period shall not exceed five (5) years beyond the end of the Master Subcontract ordering period. The Master Subcontract shall govern the SUBCONTRACTOR's and H2C's rights and obligations with respect to that Task Order to the same extent as if the Task Order were completed during the Master Subcontract's ordering period.

Ordering:

(a) Any services to be furnished under this Master Subcontract shall be ordered by issuance of Task Orders by the individual(s) designated in the Authorized Procurement Personnel section below. Such Task Orders may be issued from the effective date of Master Subcontract award through the end of Ordering Period of the Master Subcontract.

(b) All Task Orders are subject to the terms, conditions and provisions of this Master Subcontract. In the event of conflict between a Task Order and this Master Subcontract, the Master Subcontract shall control.

(c) A Task Order is considered "issued" when:

(1) Sent electronically, H2C either:

(i) Posts a copy of the Task Order to the designated H2C document access system (e.g., Web Sites, FTP Servers, etc.), and notice is sent to the Subcontractor; or

(ii) Distributes the Task Order via email to the Subcontractor's email address.

(d) Task Orders may be issued by methods other than those enumerated in this clause only if authorized in the Master Subcontract.

(e) The Ordering Procedure applicable to this Master Subcontract is provided in Attachment 04, Task Order Ordering Procedure, and is hereby incorporated by reference in its entirety. All Task Orders issued under this Master Subcontract shall be requested, negotiated, authorized, and administered in accordance with the Ordering Procedure contained in that attachment.

Order Limitations:

(a) *Minimum order.* H2C is not obligated to issue, and the Subcontractor is not obligated to accept any order for less than the minimum quantity specified in each individual Task Order(s). The minimum quantity for each Task Order(s) issued under the Master Subcontract is 300 gallons to be calculated based on the established pricing schedule.

(b) *Maximum order.* The maximum quantity under each Task Order(s) issued under the Master Subcontract is 3,000,000 gallons, the value of which is to be calculated based on the established pricing schedule. Notwithstanding the maximum order stated in this paragraph, H2C may issue, and the Subcontractor shall accept any Task Order exceeding the maximum order limitations in this paragraph, unless the Subcontractor provides written notice to the H2C Authorized Procurement Representative within 14 calendar days after Task Order issuance. The Subcontractor's written notice shall explicitly state the Subcontractor's intent to not accept the Task Order and the reasons. Upon receiving this notice, H2C may acquire the services from another source.

4. Ordering Period, The Master Subcontract Ordering Period is effective January 1, 2027, and extends through December 31, 2041**.**

a) Issuance of Task Orders will not occur beyond the end of the Master Subcontract Ordering Period.

b) Each Task Order issued by the H2C Authorized Procurement Representative will identify a period of performance specific to that Task Order.

5. Maximum Value: $4,367,300,000.00*

*The authorized cumulative Maximum Value shown above shall not be exceeded. This is the cumulative total of all Task Order across all Master Subcontract holders.

6. Compensation: H2C will compensate SUBCONTRACTOR in accordance with the prices set forth in the attached Compensation Schedule, consistent with the payment provisions of this Master Subcontract, unless otherwise negotiated. Sales tax must be listed as a separate line item on the invoice per the General Invoice Requirements specified in the applicable Provisions incorporated in the List of Attachments to this Master Subcontract.

7. **Invoicing and Payment:** As stated in *Article 17.0, Invoicing and Payment, of Commercial Provisions, Terms of Payment, of Supplemental Provisions*, payment will be made within 30 calendar days after receipt of a properly prepared invoice unless otherwise agreed to between SUBCONTRACTOR and H2C.

8. **Authorized Personnel:** Only the following named H2C individuals are authorized to make changes to this document:

   Bryan Tinnin, Procurement Specialist
   Michael L. Mackison, Procurement Specialist
   Shawn Foster, Construction Procurement Manager

9. **Designation of Technical Representative:** H2C hereby designates the following as the Buyer's Technical Representative (BTR), for this Master Subcontract:

   Name: Robert D. Lee
   Phone: 509 376-5644
   Email: robert_d_lee@rl.gov

10. **Incorporation by Reference of Representations and Certifications:** The SUBCONTRACTOR's representations and certifications, including those completed electronically via the System for Award Management (SAM), are herein incorporated by reference into the Master Subcontract.

11. **SPECIAL PROVISIONS:**

11.1 Non-Conforming Waste or Material

For radioactive waste or material being shipped to one of PERMA-FIX's Washington or Tennessee facilities and pursuant to the requirements of their State Radioactive Material Licenses, BUYER represents and warrants that it has been authorized by and on behalf of the generating facility (i.e., the facility shipping radioactive waste or material to PERMA-FIX facilities) to accept return of any radioactive waste or material shipped under this Agreement, processed or unprocessed, upon the request of the SUBCONTRACTOR and/or a state or federal hazardous waste, mixed waste or radioactive material regulatory agency, including but not limited to, the Tennessee Department of Environment and Conservation the Washington State Department of Health, and the United States Environmental Protection Agency. BUYER represents, warrants, and promises (a) the generating facility is located in a State or Compact that is a signatory to the Interregional Access Agreement for Waste Management or (b) assurances shall be obtained from the appropriate state governor's office, the state radiation control program and/or the appropriate Compact official, if any, for such return of generating facility waste or materials shipped under this Agreement. SUBCONTRACTOR reserves the right to review and approve the conformance with the above requirements in advance of shipment authorization and receipt.

11.2 Non-Conforming Waste or Material

The SUBCONTRATOR will notify BUYER of any waste or material that is non-conforming as to the descriptions provided in BUYER's Profile Form(s) or that do not meet the requirements of a SUBCONTRATOR facility acceptance criteria, radioactive materials license, solid waste permit, hazardous waste permit, or other regulatory requirements upon discovery of said non-conformance. Within seven (7) business days after SUBCONTRATOR notifies the BUYER in writing regarding SUBCONTRATOR's receipt of non-conforming waste or material from the BUYER, the BUYER shall provide SUBCONTRATOR with directions for the resolution or agreed disposition of the non-conforming waste or material. If BUYER and SUBCONTRATOR cannot agree on the disposition of the non-conforming waste or material, BUYER shall make arrangements for the removal of the non-conforming waste or material from SUBCONTRATOR within 90 days after notification by SUBCONTRATOR.

Sampling and analytical costs incurred during the determination of non-conforming waste or material and brokerage and transportation costs incurred to return non-conforming waste or material to the BUYER will be the responsibility of the BUYER. The above costs will also apply if the BUYER requests the waste or material be returned to the generator or shipped to an alternate treatment facility regardless of whether the waste or material is conforming.

11.3 Licenses and Permitting

(a) The SUBCONTRACTOR shall be solely responsible for obtaining and maintaining all necessary licenses, permits, and approvals required to complete the scope as defined in the Performance Work Statement, unless otherwise stated elsewhere in the subcontract documents. This responsibility includes, but is not limited to, compliance with all federal, state, and local regulations related to environmental protection, waste management, and public health and safety.

(b) The SUBCONTRACTOR shall be responsible for all communications to facilitate the licensing and permitting process. The SUBCONTRACTOR shall provide the Authorized Procurement Representative with copies of all licenses and permits obtained under this Master Subcontract within ten (10) business days of receipt.

(c) Failure to obtain and maintain the necessary licenses and permits may be considered a breach of contract potentially resulting in a Termination for Cause, at the discretion of H2C, in accordance with Article 11, of the Commercial Provisions. The SUBCONTRACTOR shall bear all costs and liabilities associated with such a breach, including any penalties or fines imposed by regulatory authorities.

11.4 Insurance

(a) The SUBCONTRACTOR shall, at its own expense, procure and maintain during the entire ordering period under this Master Subcontract, all necessary insurance as required by federal and state laws, regulations, and ordinances, including those mandated by the Nuclear Regulatory Commission (NRC) or equivalent State requirements where Federal requirements have been delegated to the State. This insurance must provide adequate coverage for mixed low-level waste treatment and handling activities, ensuring compliance with all applicable legal and regulatory requirements.

(b) The SUBCONTRACTOR is solely responsible for determining the types and amounts of insurance necessary to fulfill its obligations under this Master Subcontract, including but not limited to:

(1) Comprehensive General Liability Insurance

(2) Workers' Compensation Insurance

(3) Environmental Liability Insurance

(c) All insurance policies must be issued by carriers with a minimum A.M. Best rating of A- or equivalent and must be legally authorized to do business in the jurisdiction where the services are performed.

(d) The SUBCONTRACTOR shall furnish certificates of insurance to the Authorized Procurement Representative prior to commencing any services under this Master Agreement, evidencing the existence and amounts of such insurance. Each policy shall include a provision that requires the insurer to notify the Authorized Procurement Specialist in writing at least thirty (30) calendar days prior to any cancellation, non-renewal, or material change in coverage.

(e) The SUBCONTRACTOR's compliance with the insurance requirements shall not limit or otherwise affect the SUBCONTRACTOR's liabilities and obligations under this Master Agreement. The SUBCONTRACTOR shall indemnify and hold harmless H2C from any loss, damage, or liability arising from the SUBCONTRACTOR's failure to maintain the required insurance.

(f) Failure to comply with the provisions of this section shall constitute a material breach of contract causing the potential for a Termination for Cause, at the discretion of H2C, in accordance with Article 11 of the Commercial Provisions.

(g) The SUBCONTRACTOR shall ensure that all lower tier subcontractors performing services under this Master Subcontract comply with the insurance requirements outlined herein.

11.5 Negotiated Exceptions to Provisions

(a) Commercial Provisions, Paragraph 17.3 Withholding Invoice Payments, 1st Sentence reads as follow: "The BUYER may, upon written notice identifying the basis and amount, reasonably withhold that portion of payment directly related to the following reasons:"

Except as expressly revised herein, no other portion of the clause is modified.

11.6 Security and Personnel Badging

11.6.1 Personnel Qualifications

A. SUBCONTRACTOR is responsible for maintaining satisfactory standards for employee qualifications, performance, conduct, and business ethics under its own personnel policies. If the work to be performed under this Subcontract requires SUBCONTRACTOR personnel to obtain a DOE Personal Identity Verification (PIV) security badge or the green Hanford Local Site Specific Only (LSSO) security badge, then the SUBCONTRACTOR will perform pre- employment background checks and U.S. citizenship verification checks in accordance with DOE Order 473.3, Protection Program Operations (Supplemented Rev. 0) and MSC PRO SEC 366, Personnel Suitability Investigations.

B. SUBCONTRACTOR personnel needing only the black LSSO security badge will be vetted in accordance with the policies of the hiring SUBCONTRACTOR, however, SUBCONTRACTOR remains responsible for ensuring only safe, reliable, and drug free SUBCONTRACTOR employees are submitted to H2C for security badge approval.

11.6.2 Badge Requirements

A. Requests by an authorized representative of the SUBCONTRACTOR for access to the Hanford Site or any H2C controlled facility or access to a Federal Information system will only be considered when a valid business reason exists. Access may be denied or revoked by H2C or the DOE at any time.

B. Foreign National access - a special review and approval process is required before site access might be granted to a Foreign National (a non-U.S. citizen). Foreign Nationals will not be badged until the process is complete. Site hosts are responsible for ensuring that citizenship determinations are complete. H2C shall be notified of status.

C. Any Worker assigned to Work in a Protected; Limited or Property Protection Area or any H2C facility shall be required to wear a security badge identifying the Worker. The SUBCONTRACTOR shall comply with all badging, training, and procedural requirements, as directed by the H2C's Authorized Procurement Representative. The security badge shall be worn in plain view, above the waist, and on the front of the body. The identification badge must be protected from loss or theft and shall not be stored in an unlocked unattended vehicle. The identification badge integrity must be protected by ensuring the badge is not altered, photocopied, counterfeited, reproduced, and/or photographed.

D. The H2C's Authorized Procurement Representative will authorize security badges for all SUBCONTRACTOR Workers who have undergone proper pre-employment and citizenship screening as outlined in Section 11.6.1 above. Security badges will be issued/approved by the Central Badging Office, after successful completion of Hanford General Employee Training (HGET) at location(s) and schedule(s) provided by the H2C's Authorized Procurement Representative and if applicable, after successful completion of the Hanford Site Orientation. The SUBCONTRACTOR's employees shall provide H2C with the complete name (as it appears on the photo identification used), business address, social security number, country of citizenship, birth date, and the individual(s) city and state of birthplace of the individual(s) requiring a security badge(s). This shall be provided at least two (2) working days prior to the date that the employee(s) require(s) the security badge(s) for Work performance. Each employee requiring a badge must appear in person with acceptable photo identification to identify themselves to obtain the security badge. The REAL ID Act is enforced on the Hanford Site. For details, refer to https://www.hanford.gov/files.cfm/CBO_Signage_07_17_2024_(Hanford_gov).pdf. Each SUBCONTRACTOR employee requiring a badge shall appear in person and present identification compliant with the Federal Government's REAL ID Act. A list of REAL ID Act compliant identification credentials can be found at https://www.hanford.gov/files.cfm/CBO_Signage_07_17_2024_(Hanford_gov).pdf.

E. The SUBCONTRACTOR shall identify and obtain H2C approval prior to allowing access and/or a Hanford Site security badge to a foreign national. Requests for foreign national security badge(s) shall be made to the H2C's Authorized Procurement Representative ten (10) working days prior to the start of visit/assignment by a national of a non-sensitive country to non-sensitive facilities, or thirty (30) days prior for a sensitive country national, or access to sensitive facilities.

F. If a SUBCONTRACTOR employee loses a badge, they shall report the loss immediately upon discovery to the Central Badging Office at 509-376-3000. If a badge is stolen, immediately report it to Hanford Patrol at 509-376-3800, the Central Badging Office, and local law enforcement (a police report number will need to be obtained).

G. SUBCONTRACTOR employees must be current with minimum site access training requirements to be issued a security badge.

H. Upon completion of the SUBCONTRACTOR's Work, and before final payment shall be made, all badges issued to the SUBCONTRACTOR shall be returned to the issuing office or as otherwise directed by the H2C's Authorized Procurement Representative. A $1,000 fee shall be charged and be offset from any pending SUBCONTRACTOR invoice for each security badge not returned. Refund of charges, previously collected for security badges subsequently found, will not be made after the date of final payment to the SUBCONTRACTOR.

11.6.3 Prohibited Articles

A. The SUBCONTRACTOR's employees shall not personally carry, or otherwise transport or transfer, certain items of personal property onto the Hanford Site or any DOE owned or leased facility on which the SUBCONTRACTOR is performing Work under this Subcontract. The items considered to be prohibited are specified in this provision. This list is not intended to be comprehensive nor complete. For clarification of any questionable item, the SUBCONTRACTOR shall contact the H2C's Authorized Procurement Representative prior to carrying or otherwise transporting or transferring such item onto the Hanford Site or any DOE owned or leased facility.

The following items are prohibited articles anywhere on the Hanford Site or site-associated facilities:

1. Dangerous weapons
2. Ammunition
3. Explosives
4. Incendiary devices
5. Arrows
6. Controlled Substances and associated paraphernalia
7. Alcoholic beverages: Any intoxicating beverage or liquor containing alcohol, including "near" and "non-alcoholic" beer to include "energy drinks" which identify alcohol as an ingredient (Alcoholic beverages are not prohibited if used at officially sanctioned events in accordance with SUBCONTRACTOR policies and procedures in locations designated as Public Access Areas.)
8. Any items prohibited by law
9. Certain knives as defined below

Prohibited

1. Spring blade knife, or any knife that the blade automatically releases by a spring mechanism or other mechanical device, or any knife having a blade which opens, or falls, or is ejected into position by force of gravity, or by an outward, downward, or centrifugal thrust or movement.

2. Knives, folding or straight blade, with a blade exceeding four (4) inches in length.

3. Arrows, swords, machetes, hatchets, axes, straight razors, and similar cutting devices.

Exceptions

1. A knife in possession of an employee that is recognized as a tool designed for use by the employee in performance of Subcontract Work.

2. A knife readily recognized as kitchen cutlery, i.e., carving knife, steak knife, etc. However, such knives found in locations inconsistent with their use (e.g., vehicle glove box) with blades exceeding four (4) inches will be confiscated.

In addition to the items listed above, the following privately owned property items are prohibited within Limited, Protected, Material Access Areas:

1. Radio frequency transmitting equipment

2. Cellular telephones;

3. eReaders (e.g., Nook, Kindle)

4. Computers and other devices that are able to record, read, or transmit data as stand-alone units. Other devices include, but are not limited to Apple iPods, MP3 players, Smart devices (e.g., iPhone, Blackberry, Android, etc.), personal electronic devices and Intermec Inc. property inventory devices.

5. Recording equipment (audio, video, and data);

6. Cameras (still, motion picture, video);

7. Electronic equipment with a data exchange port capable of being connected to automated information system equipment;

8. Personal protective sprays (e.g., mace, pepper spray, etc.) are prohibited within protected and material access areas.

   NOTE 1: Government provided desktop computers are not considered controlled articles.
   NOTE 2: Devices or media that are unable to record, read, or transmit data, as stand-alone units are not considered controlled articles. These include, but are not limited to floppy disks, CDs, removable hard drives, pen drives, and flash drives.
   NOTE 3: Flash drives (e.g., thumb drives, memory sticks, and USB flash drives) are considered controlled articles and prohibited in rooms where classified information is processed.
   NOTE 4: Closed-circuit television cameras used for monitoring plant equipment or operations are not considered controlled articles.

The following items are prohibited in rooms wherein classified information is processed or discussed. These items are prohibited in rooms wherein classified information is processed or discussed even if they are listed on the item owner's valid prohibited/controlled article pass:

- Cordless and cellular telephones,
- Recording equipment (audio, video, and data)
- Cameras (still, motion picture, video)
- Electronic equipment with a data exchange port capable of being connected to automated information system equipment
- Radio frequency transmitting equipment.

NOTE: Hanford Patrol is authorized to search all persons, vehicles, and hand-carried items and to confiscate any prohibited/controlled articles not listed on a valid prohibited/controlled article pass. Each person who possesses, transports, or uses prohibited/controlled articles must have a valid prohibited/controlled article pass in his/her possession that lists each item and the security area(s) into which each item is authorized, e.g., Canister Storage Building, 3212 Vault, etc. Each function of a listed item must be identified, i.e., a PDA with a cellular telephone function must list both PDA and cellular telephone.

B. If the SUBCONTRACTOR needs any kind of prohibited item to meet a requirement of this Subcontract, the SUBCONTRACTOR shall contact the H2C's Authorized Procurement Representative five (5) working days prior to bringing any of the above items on the Hanford Site for guidance in acquiring the necessary property pass.

C. THE SUBCONTRACTOR AND THEIR VEHICLES, PACKAGES, OR OTHER TYPES OF CONTAINERS ARE SUBJECT TO A SEARCH FOR PROHIBITED ARTICLES AT ANY TIME WHILE PERFORMING WORK ON THE HANFORD SITE OR ANY ASSOCIATED GOVERNMENT FACILITIES.

11.6.4 Access to DOE-Owned or -Leased Facilities

A. The performance of this Subcontract requires that employees of the SUBCONTRACTOR have physical access to DOE owned or leased facilities; however, this Clause does not control requirements for an employee's obtaining a security clearance. The SUBCONTRACTOR understands and agrees that the DOE has a prescribed process with which the SUBCONTRACTOR and its employees must comply in order to receive a security badge that allows such physical access. The SUBCONTRACTOR further understands that it must propose employees whose background offers the best prospect of obtaining a security badge approval for access, considering the following criteria, which are not all inclusive and may vary depending on access requirements:

1. Is, or is suspected of being, a terrorist;
2. Is the subject of an outstanding warrant; (PIV and routine background checks)
3. Has deliberately omitted, concealed, or falsified relevant and material facts from any Questionnaire for National Security Positions (SF-86), Questionnaire for Non-Sensitive Positions (SF-85), or similar form; (PIV only)
4. Has presented false or forged identity source documents; (PIV only)
5. Has been barred from Federal employment; (PIV only)
6. Is currently awaiting a hearing or trial or has been convicted of a crime punishable by imprisonment of six (6) months or longer; or (PIV and routine background checks)
7. Is awaiting or serving a form of pre-prosecution probation, suspended or deferred sentencing, probation or parole in conjunction with an arrest or criminal charges against the individual for a crime that is punishable by imprisonment of six (6) months or longer. (PIV and routine background checks)

B. The SUBCONTRACTOR shall assure:

1. In initiating the process for gaining physical access:
   a. Compliance with procedures established by the DOE in providing its employee(s) with any forms directed by the DOE,
   b. That the employee properly completes any forms, and

c. That the employee(s) submits the forms to the person designated by the Authorized Procurement Representative.

2. In completing the process for gaining physical access, that its employee:

a. Cooperates with the DOE officials responsible for granting access to the DOE owned or - leased facilities and

b. Provides additional information requested by those DOE officials.

C. The SUBCONTRACTOR understands and agrees that the DOE may unilaterally deny a security badge to an employee and that the denial remains effective for that employee unless the DOE subsequently determines that access may be granted. Upon notice from the DOE that an employee's application for a security badge is or will be denied, the SUBCONTRACTOR shall promptly identify and submit the forms referred to in subparagraph (b)(1) of this Clause for the substitute employee. The denial of a security badge to individual employees by the DOE shall not be cause for extension of the ordering period of performance of this Master Subcontract or any SUBCONTRACTOR claim against the DOE.

D. The SUBCONTRACTOR shall return to the Authorized Procurement Representative or designee the badge(s) or other credentials provided by the DOE pursuant to this Clause, granting physical access to the DOE owned or leased facilities by the SUBCONTRACTOR's employee(s), upon:

1. Termination of this Subcontract;

2. Expiration of this Subcontract;

3. Termination of employment on this Subcontract by an individual employee; or

4. Demand by the DOE for return of the badge.

E. The SUBCONTRACTOR shall include this Clause, including this paragraph E, in any lower tier subcontract, awarded in the ordering period of performance of this Master Subcontract, in which an employee(s) of the SUBCONTRACTOR will require physical access to the DOE owned or leased facilities.

11.7 Document Transmittals – Master Submittal Register (MSR)

After award, the SUBCONTRACTOR shall utilize H2C's document transmittal system for the exchange of data and information during the performance of Services under this Master Subcontract and or Task Orders. Submittals indicated herein are documents that must be received and/or approved by H2C prior to final acceptance of the service.

A Master Submittal Register (MSR) will be formulated and finalized after acceptance of the Subcontractor's Performance Work Statement and included as an attachment to the Master Subcontract and identifies the required SUBCONTRACTOR submittals. SUBCONTRACTOR information shall be transmitted using H2C Vendor Incoming Letter of Transmittal (ILOT) to the address indicated therein.

Submittals must be transmitted electronically to the email address identified on the MSR or as directed via H2C's designated File Transfer Protocol (FTP) site. All transmittal subject headings shall contain, at a minimum, the Master Subcontract number or Task Order as applicable, submittal number, and submittal description. Document transmittals shall not include password protected files.

Failure to complete and transmit submittals in accordance with the MSR, may result in the delay of invoice payments and final Master Subcontract or Task Order closeout.

11.8 Conditions and Risks of Work

By accepting this Master Subcontract, the SUBCONTRACTOR assumes all risks associated with the services for the treatment and disposal of waste. The SUBCONTRACTOR agrees to perform all services diligently and efficiently, regardless of any conditions, expenses, or difficulties encountered during the execution of these services or negligence, if any, by H2C and fully complete the service without further recourse to H2C.

12. Department of Energy Waste Ownership

In accordance with RCRA, DOE retains responsibility for the waste to be disposed of since the waste was generated at a government facility. This includes legal title, risk of loss, and all other incidents of ownership.

13. List of Master Subcontract Attachments

The following attachments are hereby incorporated into and made a part of this Master Subcontract. They shall have the same force and effect as if written into the body of the Master Subcontract. Although these documents are incorporated into the Master Subcontract and have the same force and effect, they will still be treated as individual documents for Order of Precedence purposes only, following the Order of Precedence provided in the Commercial Provisions.

Doc. No.	Title	Revision	Date
1	Performance Work Statement	0	08/06/26
2	Commercial Provisions	1F	06/08/26
3	Yearly Compensation Schedule ($/gal)	1	07/29/26
4	Task Order Ordering Procedure	0	07/01/26
5	Master Submittal Register (MSR)	1	08/05/26
6	H2C Incoming Letter of Transmittal (A-6005-315)	22	N/A

UNLESS THE BOX BELOW IS CHECKED, The SUBCONTRACTOR shall acknowledge this document, as provided herein, regardless of dollar value, by signing below and returning a signed copy of this Master Subcontract. This signature represents certification that all submissions (including electronic) associated with this Master Subcontract award are accurate, current, and complete.

By signing/acknowledging this Master Subcontract you (subcontractor) hereby certify that you and/or any of your Principals — are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.

Authorized Signatures:

Perma-Fix Environmental Services, Inc.

Mark Duff Digitally signed by Mark Duff Date: 2026.08.06 19:59:07 -04'00'

Name: Mark Duff Date
Title: President and Chief Executive Officer
Phone: 770-337-7121
Email: mduff@perma-fix.com

Hanford Tank Waste Operations & Closure, LLC

Tinnin, Bryan W Digitally signed by Tinnin, Bryan W Date: 2026.08.10 12:38:25 -07'00'

Name: Bryan W. Tinnin Date
Title: Procurement Specialist
Phone: 509 372-2724
Email: bryan_w_tinnin@rl.gov

Certain attachments to this Master Subcontract have been omitted pursuant to Item 601(a)(5) of Regulation S-K because they do not contain information material to an investment or voting decision that is not otherwise disclosed in this exhibit or the Company's filings with the Securities and Exchange Commission. The following attachments have been omitted:

- **Attachment 3 – Yearly Compensation Schedule ($/gal)**
- **Attachment 4 – Task Order Ordering Procedure (establishes procedures for requesting, competing, issuing, and administering Task Orders under this Subcontract)**
- **Attachment 5 – Master Submittal Register (established the project checklist)**
- **Attachment 6 – H2C Incoming Letter of Transmittal (the formal cover-sheet documentation to be used to send the deliverables required by the Master Submittal Register)**

PERFORMANCE WORK STATEMENT (PWS)
Grouting and Disposal of Mixed Low-level Waste
Master IDIQ Subcontract
(IDIQM)

Revision 0

Dated 08/06/2026

Performance Work Statement (PWS)
Grouting and Disposal of Mixed Low-level Waste
Offsite Approach 02, Master IDIQ Subcontract

Contents

1.0 **General Information** 2

1.1. Description of Services/Introduction 2

1.2. Background 2

1.3. Scope 2

1.4. General Information 2

1.4.1. Licenses, Permits and Regulatory 2

1.4.2. Quality Control (QC) 3

1.4.3. Quality Assurance 3

1.4.4. Security Requirements: 3

1.4.5. Environmental, Safety, and Health 3

1.4.6. Training Plan 4

2.0 **Definitions & Acronyms** 4

3.0 **Provided Site Infrastructure, Services, and Operational Interfaces** 6

4.0 **Specific Tasks** 6

4.1. Waste Receiving, Transportation, and Storage 6

4.2. Waste Treatment: 6

4.3. Disposal 7

4.4. Monitoring and Reporting: 7

4.5. Technology Innovation 7

1.0 General Information

1.1. Description of Services/Introduction:

The Subcontractor shall provide all personnel, equipment, processes, and shall secure and maintain all necessary permits and licenses in order to receive, transport, treat, and dispose of pretreated liquid mixed low-level liquid waste (MLLW) and similar Contractor generated waste containing radioactive and hazardous components. Treatment by the Subcontractor must create a waste stream that meets the applicable disposal site's waste acceptance criteria (WAC) and regulatory requirements. Disposal must take place outside the State of Washington in a licensed, commercial MLLW landfill.

The Subcontractor shall have the capability to treat and dispose of PTW at a capacity of 100,800 gallons per week in accordance with facility license and permit conditions.

1.2. Background:

This PWS defines Subcontractor's performance outcomes for disposal of liquid pretreated tank waste (PTW[1]), inclusive of Class A/B/C liquid MLLW. The Subcontractor must produce a waste stream meeting disposal WAC and regulatory requirements, residuals generated from the treatment are the Subcontractor's responsibility. Final disposal occurs outside the State of Washington in a licensed, commercial MLLW landfill.

1.3. Scope:

The project scope includes the full lifecycle management of PTW from the Contractor release through final disposal. Including transportation, receipt verification, treatment, stabilization, LDR/WAC compliance verification, packaging, temporary solids storage, DOT compliant transportation, documentation of final disposal and closeout.

1.4. General Information:

1.4.1.Licenses, Permits and Regulatory

Subcontractor shall maintain all required licenses and permits necessary to successfully complete the work under the PWS, including but not limited to those outlined in Figure 1, and bears sole responsibility for transportation, treatment, storage, and disposal permits necessary to perform the work under this PWS. The Figure 1 list is not all inclusive, and the Subcontractor remains responsible for any additional authorizations required to execute the subcontract.

Figure 1. **Licenses, Permits and Regulatory.**

[1] References to PTW in this PWS are inclusive of Hanford PTW and similar Class A/B/C Hanford bulk liquid MLLW.

License / Permit	Description Summary
Low Level Waste Radioactive Material License	Authorizes possession and management of low-level radioactive materials (Class A, B or C).
Mixed Waste Radioactive Material License	Authorizes management of mixed waste containing both hazardous and radioactive components (Class A, B or C).
Resource Conservation and Recovery Act (RCRA) Permit	Governs hazardous and mixed waste treatment, storage, and management activities.
State Environmental Policy Act (SEPA) Documentation	Identifies and evaluates environmental impacts associated with agency decisions, such as RCRA permitting for mixed waste management including transportation, treatment, and disposal, as applicable.
Toxic Substances Control Act (TSCA) Approval to Commercially Store Polychlorinated Biphenyl (PCB) Waste	Authorizes commercial storage of PCB-containing waste under TSCA requirements.
Air Permits (Emission Units)	Registered emission units at PFNW regulated under local air authority requirements; establishes operating limits, monitoring, and compliance obligations.
Air Permits (Notice of Construction (NOC))	New Source Review (NSR), permit authorizing construction or modification of a specific emission unit; establishes emission limits and operating conditions.
Air Permits (Approval Order (AO))	Approval Order issued under NSR; defines enforceable emission limits, monitoring, and operational requirements for permitted sources.
Hazardous Materials Certificate of Registration	Annual registration required for offerors of hazardous waste shipments

1.4.2.Quality Control (QC):

Maintain and implement a documented QC Program via a project-specific Quality Control Plan (QCP) establishing inspection, verification, acceptance criteria, documentation, and corrective action controls necessary to ensure compliant treatment, handling, and data integrity.

1.4.3.Quality Assurance:

Operate under a QMS and facility QA Program that is based on ASME NQA-1 or equivalent. Provide access for Contractor verification of QA effectiveness. Participate in DOECAP audits and provide QA Manual and implementation procedures upon request.

1.4.4.Security Requirements:

Comply with Hanford Site access, badging, and security requirements for personnel and vehicles as applicable. Comply with Workplace Substance Abuse Programs and Personnel Suitability requirements as flowed down in the Commercial Provisions. In addition, the Subcontractor shall identify all subcontractor personnel assigned to Maintain and update a current list of all Testing Designated Positions (TDP) personnel, including each individual’s name, job title, and position description.

1.4.5.Environmental, Safety, and Health:

Perform all work in accordance with the established Subcontractor Occupational Health and Safety Program, Agreement State license, air permits, and RCRA permit. Implement environmental monitoring in accordance with the facility Radiological Environmental Monitoring Program and perform work in accordance with the Radiological Control and Safety Plan.

1.4.6.Training Plan

Provide training in accordance with Subcontractor procedures to ensure personnel operate in compliance with licenses, permits, and manufacturer instructions. For Hanford operations, complete required site orientation and safety training per Figure 2 and any additional training necessary for safe, compliant performance.

Figure 2. Hanford Site Access Training Plan:

Hours	Course Number	Description
4	358001	TF General Employee Training
4	000001	Hanford General Employee Training
4	350560	Waste Handling, Segregation and Packaging – Initial
1	358003	Facility Orientation and FEHIC

2.0 Definitions & Acronyms

DEFINITIONS:

- Contractor: Hanford Tank Waste Operations & Closure LLC (H2C); any DOE-approved successor contractor to H2C; any assignee or designee authorized by DOE under Prime Contract No. 89303324DEM000096
- Infrastructure Contractor: The DOE-designated Hanford site services integrator (currently Hanford Mission Integration Solutions (HMIS)) and any DOE-approved successor, assignee, or designee.
- Other Hanford Prime Contractor(s): Any DOE prime contractor(s) at the Hanford Site other than the Contractor, including their DOE-approved successors, assignees, or designees
- Subcontractor: Primary Subcontractor and associated sub-tier subcontractors performing the work under this PWS, including its approved lower-tier subcontractors.

ACRONYMS:

Acronym/Term	Definition
AEA	Atomic Energy Act
ALARA	As Low As Reasonably Achievable
AO	Approval Order
ASME	American Society of Mechanical Engineers
CFR	Code of Federal Regulations
CHOXD	Chemical Oxidation
CHRED	Chemical Reduction
D&D	Decontamination and Decommissioning
DEAR	Department of Energy Acquisition Regulation
DOE	U.S. Department of Energy
DOECAP	Department of Energy Consolidated Audit Program
DOH	Department of Health

Acronym/Term	Definition
DOT	U.S. Department of Transportation
EPA	U.S. Environmental Protection Agency
ES&H	Environmental Safety and Health
EHSQ	Environmental Health, Safety, and Quality
FAR	Federal Acquisition Regulation
FMCSR	Federal Motor Carrier Safety Regulation
GM	General Manager
H2C	Hanford Tank Waste Operations and Closure (Contractor)
HazMat	Hazardous Material
HMCR	Hazardous Materials Certificate of Registration
IDIQM	Master Indefinite Delivery / Indefinite Quantity Subcontract
IH	Industrial Hygiene
IP	Industrial Package
LDR	Land Disposal Restrictions (40 CFR Part 268)
LL/MWOP	Low-Level Mixed Waste Operational Procedure
LLW	Low-Level Radioactive Waste
LSA	Low Specific Activity
MACRO	Macroencapsulation
MLLW	Mixed Low-Level Waste
N/A	Not Applicable
NDT	Non-Destructive Testing
NOC	Notice of Construction
NQA	Nuclear Quality Assurance
NOV	Notice of Violation
NSR	New Source Review
TO	Task Order
PCB	Polychlorinated Biphenyl
PEMP	Performance Evaluation and Measurement Plan
PEP	Project Execution Plan
PM	Project Manager
PPE	Personal Protective Equipment
PRS	Performance Requirements Summary
PTW	Pretreated Tank Waste; inclusive of Hanford PTW and similar bulk liquid MLLW streams, including Class B/C liquid MLLW
PWS	Performance Work Statement
QA	Quality Assurance
QAP	Quality Assurance Program
QC	Quality Control
QCP	Quality Control Plan
QMS	Quality Management System
QP	Quality Procedure
RCRA	Resource Conservation and Recovery Act
RCT	Radiological Control Technician
RFP	Request for Proposal
S/CI	Suspect/Counterfeit Item
SOW	Statement of Work
STABL	Stabilization
SWMP	Secondary Waste Management Plan
TO	Task Order
TSCA	Toxic Substances Control Act
TSDF	Treatment, Storage, and Disposal Facility
WAC	Waste Acceptance Criteria

3.0 Provided Site Infrastructure, Services, and Operational Interfaces

The Contractor furnishes PTW transfer systems, required training/badging interfaces, characterization data for shipping documentation, RCT support for transfer and release of loaded conveyances, and spill management/decontamination for load-out operations.

The Contractor shall also provide PTW characterization data in the form of a waste profile for the purpose of 1) verifying the waste meets the WAC and 2) preparing DOT manifests and other shipping documentation for shipment to a treatment facility.

4.0 Specific Tasks

4.1. Waste Receiving, Transportation, and Storage:

Subcontractor shall provide DOT-compliant conveyances and necessary documentation to receive PTW. Coordinate shipment scheduling with Contractor consistent with permit requirements and Task Orders. Submit Specification Package Qualification, Inspections, & Maintenance Documentation that demonstrate DOT compliance for the material/waste offered for shipment, 5 days prior to use. Implement receipt verification to confirm consistency with the approved Waste Profile and disposal WAC; methods shall conform to facility permits and regulatory requirements without prescribing specific techniques.

Subcontractor shall address nonconforming shipments per facility permits, licenses, and contractual requirements; notify the Authorized Procurement Representative within 24 hours (verbal) and 48 hours (written) of determination, and coordinate resolution.

4.2. Waste Treatment:

Subcontractor shall perform all steps necessary to treat the waste in accordance with the RCRA LDR regulations for inorganic and organic constituents, TSCA for PCBs, and U.S. Department of Energy (DOE) Order 435.1 requirements as applicable for radionuclides, and the disposal facility's waste acceptance criteria. If the Contractor receives an approved EPA LDR treatment variance, Subcontractor shall comply with the specific variance requirements.

4.3. Disposal:

Subcontractor shall transport and disposal of waste consistent with Task Order schedules (e.g., release within 90 days of treatment completion, delivery confirmation within 45 days, and disposal facility acknowledgment within one week of receipt, where applicable). Each manifest represents a shipment.

4.4. Monitoring and Reporting:

The Subcontractor shall submit the following documentation and reports to the Authorized Procurement Representative as follows:

A. Quarterly Status reports (e.g., DOT violations, shipment exceptions, contamination events, issues and corrective actions, operational impacts) within 30 days after each fiscal quarter.

B. Annual Waste Treatment reports on or before 11/14, documenting work performed, compliance, volumes/weights, characterization data, methods, issues, certificates, and waste profile results.

C. Notice of Violation within 24 hours of occurrence verbally and 48 hours in writing for violations issued by regulatory agencies that may impact the treatment of waste.

D. Report vehicle contamination events verbally and in writing along with survey reports within 24 hours of occurrence including a determination of corrective actions before decontamination and release.

E. Corrective Action Plans of audits and surveillance within 30 days of audit completion or Contractor notification, as applicable.

F. Notice of Storage Limit Exceedance at least 60 days before any anticipated need to exceed an applicable permitted storage limit.

G. Certificate of Disposal with documentation confirming final disposal for each waste shipment within 30 days after disposal.

H. EPA TSCA Authorization(s), including any approvals required for applicable waste streams, within 10 business days of receipt whenever such waste is identified as subject to TSCA requirements.

I. Notice of Transport, the Subcontractor shall issue a Notice to Transport to the Contractor within 5 days of accepting or approving the Contractor-provided information specific to the waste stream to be received or shipped.

J. Complete documentation of: site permits for storage and treatment of waste; NRC, DOT or State Radioactive Materials License Agreement, WAC, and any other authorizations; RCRA and air permit requirements; applicable exemptions, revisions, and other requirements – documenting that the Subcontractor is permitted to receive, handle, store, and treat the specific type and quantity of waste being treated under this Subcontract. This information shall be provided to the Authorized Procurement Representative within 10 business days of receipt.

K. Non-conforming waste received within 24 hours verbal notice and written notice within 48 hours of discovery.

L. TDP Personnel Listing & Updates 30 days prior to work execution.

M. Quality Assurance Manual & implementing Procedures, upon request.

4.5. Technology Innovation:

The Subcontractor shall share information with the Contractor that can make the transfer and treatment process safer, more efficient, or more effective.

Table of Contents

SUBCONTRACT FLOW-DOWN REQUIREMENTS		**2**
DEFINITIONS		**2**
ARTICLE 1.0	**ORDER OF PRECEDENCE**	**2**
ARTICLE 2.0	**SUBCONTRACT COMPLIANCE**	**3**
ARTICLE 3.0	**WAIVER**	**3**
ARTICLE 4.0	**WARRANTY**	**4**
ARTICLE 5.0	**INDEMNITY**	**4**
ARTICLE 6.0	**NUCLEAR SAFETY AND INDEMNITY**	**4**
ARTICLE 7.0	**ASSIGNMENT**	**5**
ARTICLE 8.0	**CHANGES**	**6**
ARTICLE 9.0	**SUSPENSION OF WORK**	**6**
ARTICLE 10.0	**TERMINATION FOR CONVENIENCE**	**7**
ARTICLE 11.0	**TERMINATION FOR CAUSE**	**7**
ARTICLE 12.0	**APPLICABLE LAW**	**7**
ARTICLE 13.0	**DISPUTES**	**7**
ARTICLE 14.0	**SUSPECT AND COUNTERFEIT ITEMS**	**8**
ARTICLE 15.0	**TAXES**	**8**
ARTICLE 16.0	**HOLIDAY AND WORK SCHEDULES**	**9**
ARTICLE 17.0	**INVOICING AND PAYMENT**	**9**
ARTICLE 18.0	**PAYMENTS AND TITLE**	**12**
ARTICLE 19.0	**COMPANY CONFIDENTIAL AND PROPRIETARY INFORMATION**	**12**
ARTICLE 20.0	**SUSTAINABLE ACQUISITION PRODUCTS AND SERVICES**	**13**
ARTICLE 21.0	**LIABILITY**	**14**
ARTICLE 22.0	**SUPPLEMENTAL TERMS & CONDITIONS**	**15**
22.1	**Federal Acquisition Regulation (48 CFR Chapter 1) Clauses and Department of Energy Acquisition Regulation (48 CFR Chapter 9) Clauses**	**15**
	A. Provisions of the Federal Acquisition Regulations (FAR) and the Department of Energy Acquisition Regulation (DEAR) Incorporated by Reference	15
	B. BUYER Prime Contract Provisions Incorporated in Full Text (parties substituted)	22

SUBCONTRACT FLOW-DOWN REQUIREMENTS

SUBCONTRACTOR remains solely responsible for determining which provisions to flow down to its lower-tier Subcontractors and for incorporating those identified provisions in its lower-tier subcontracts.

DEFINITIONS

Whenever used in this document, the following definitions shall apply unless the content indicates otherwise.

Authorized Procurement Representative. The term "Authorized Procurement Representative" shall be a person with authority to enter into and administer Subcontracts and make related determinations and findings. These individuals are identified with the associated authority in the body of the Subcontract.

Buyer's Technical Representative (BTR). The term "Buyer's Technical Representative (BTR)" means the individual responsible for providing technical direction to the SUBCONTRACTOR. The BTR does not possess any explicit, apparent or implied authority to modify Subcontract terms and conditions.

BUYER. The term "BUYER" means Hanford Tank Waste Operations & Closure, LLC (H2C).

Commercial Item. The term Commercial Item or "item" shall mean any item or service including minor modifications thereto which is customarily used for non-governmental purposes and have been or will be sold, leased, or licensed to the general public.

Government. The term "Government" shall mean the United States of America and includes the U.S. Department of Energy (DOE) Hanford Field Office (HFO), or any duly authorized representative thereof, including the BUYER's Administrative Contracting Officer (ACO).

Head of the Procurement Activity. The term "Head of the Procurement Activity" means the individual who has the overall responsibility for the operations of the H2C Procurement Office.

Lower-Tier Subcontractors. The term "lower-tier Subcontractors" refers to companies or individuals with whom the SUBCONTRACTOR has purchase orders and rental agreements for materials or equipment, and other services not performed directly by the SUBCONTRACTOR under this Subcontract.

SUBCONTRACTOR. The term SUBCONTRACTOR refers to the company, person or organization, including all lower-tier Subcontractors, performing Work under this Subcontract.

Subcontract. The term Subcontract shall mean this Subcontract or Purchase Order between the BUYER and SUBCONTRACTOR including its terms, conditions, clauses, provisions, written direction and instructions, releases, and documents.

Work. The term "Work" includes all material, labor, tools, and all appliances, machinery, and transportation, necessary to perform and complete the Subcontract's requirements, and such additional items not specifically indicated or described that can be reasonably inferred as required to complete the Subcontract.

ARTICLE 1.0 ORDER OF PRECEDENCE

In the event of a discrepancy among any of the Subcontract terms, conditions, clauses, provisions, including the Authorized Procurement Representative's written direction and instructions, and other documents (collectively, the 'Subcontract'), the following order of precedence shall govern resolution:

(i) Amendments (e.g. Modifications) ;

(ii) Contract Agreement (i.e. Subcontract, Purchase Orders, and Release or Task Orders);
(iii) Special Provisions;
(iv) On-Site Work Provisions;
(v) Construction Provisions;
(vi) Supplemental Provisions;
(vii) Commercial Provisions;
(viii) Statement of Work (SOW');
(ix) Technical Specifications; and
(x) Drawings.

Nothing recited above shall be construed as superseding or deleting any Applicable Law (as defined in Article 12.0). In the event of a conflict between these terms and Applicable Law, the Applicable Law shall govern. All remaining terms unaffected by said conflict continue in force.

All correspondence, questions, and items concerning interpretation or clarification of subcontracts shall be submitted in writing to the Authorized Procurement Representative.

Subject to the provisions of the "Changes" article contained herein, all determinations, instructions, and clarifications provided by the Authorized Procurement Representative shall be final and conclusive unless the SUBCONTRACTOR believes such determinations, instructions or clarifications result in a conflict within the Subcontract and/or attachments, in which case the SUBCONTRACTOR shall identify such perceived conflict to the Authorized Procurement Representative and work with the BUYER in good faith to resolve the perceived conflict prior to proceeding under the terms of the Disputes clauses.

ARTICLE 2.0 SUBCONTRACT COMPLIANCE

By signing this Subcontract or starting performance, the SUBCONTRACTOR agrees to comply with the terms and conditions, specifications and other documents that this Subcontract incorporates by reference or attachment.

These terms, and the specifications, drawings and documents referred to herein constitute the entire Subcontract between the parties. Only the BUYER's Authorized Procurement Representative as specified in this Subcontract has the authority to enter into, administer, and/or terminate this Subcontract and make related determinations and findings.

ARTICLE 3.0 WAIVER

The BUYER's failure to insist on performance of any term, condition, or instruction, or to exercise any right or privilege included in this Subcontract, or its waiver of any breach, shall not thereafter waive any such term, condition, instruction, and/or any right or privilege. No asserted waiver of any right or benefit by the BUYER shall be valid unless such waiver is in writing, signed by the BUYER's Authorized Procurement Representative, supported by consideration and specifies the extent and nature of the rights or benefits being waived. In the

event any Provision, or any part or portion of any Provision of this Subcontract should be found to be invalid, void or otherwise unenforceable, such findings shall not affect the remaining part or portions of that provision, or any other provision.

ARTICLE 4.0 WARRANTY

The SUBCONTRACTOR warrants that all items and services provided under this Subcontract shall conform to the Subcontract specifications, drawings, and other descriptions and will be of merchantable quality, fit and sufficient for the purposes for which they are intended as evidenced in the Subcontract. This Warranty shall begin upon the BUYER's acceptance and extend for a period of (1) the manufacturer's warranty or one year, whichever is longer, if the SUBCONTRACTOR is not the manufacturer and has not modified the item or (2) one year or the manufacturer's warranty period, whichever is longer, if the SUBCONTRACTOR is the manufacturer of the item or has modified it. If any nonconformity is discovered within that time, the SUBCONTRACTOR shall promptly repair or replace such items or re-perform services. Transportation of replacement items, return of nonconforming items and repeat performance of services shall be at the SUBCONTRACTOR's expense. If repair, replacement or re-performance of services is not timely, the BUYER may elect to return the nonconforming items, repair, replace and/or re-procure the item or service at the SUBCONTRACTOR's expense. This warranty shall restart upon the BUYER's acceptance of the repair, replacement or re-performance.

ARTICLE 5.0 INDEMNITY

The SUBCONTRACTOR agrees to assume the risk of and to release, defend, indemnify and hold harmless the BUYER, affiliated companies and their directors, officers, employees, agents and representatives, from and against any claim, demand, cause of action, loss, damage, liability, judgment, fine, penalty or other cost or expense (including attorney's fees and other defense costs) arising out of any (1) failure to comply with Applicable Law, (2) injury (including death) to any person, (3) damage to any property in any way connected with the performance of this Subcontract in accordance with the State of Washington Comparative Fault Statute (RCW 4.22), or (4) any act or omission of the SUBCONTRACTOR, or its lower-tier contractors, which is willful misconduct, the absence of good faith, discrimination, retaliation, or in violation of any Applicable Law involving fraud, conflict of interest, bribery or gratuities. The SUBCONTRACTOR agrees to indemnify, hold harmless and defend the BUYER and the Government from and against all laborers', materialman's, mechanics', or other liens arising from the performance of the SUBCONTRACTOR's obligations under this Subcontract and shall keep the premises of the BUYER and the Government free from all such claims, liens, and encumbrances.

To the extent that the SUBCONTRACTOR, SUBCONTRACTOR's employees or lower-tier Subcontractors are covered by the Washington Industrial Insurance Act (RCW Title 51 including any amending, substitute or replacement statutes) or any other industrial insurance, worker's compensation or similar act (Acts), SUBCONTRACTOR specifically waives any and all immunity provided by these Acts.

SUBCONTRACTOR's obligations under this Article 5.0 shall survive the completion or earlier termination of this Subcontract and the execution of any final settlement and release associated with either.

ARTICLE 6.0 NUCLEAR SAFETY AND INDEMNITY

This Article shall not apply to subcontracts in which the subcontractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements in Section 170b of the Atomic Energy Act of 1954 (Act) or NRC agreements of indemnification under section 170c. or k. of the Act for the activities under the subcontract.

Subject to the second paragraph of this Article 6.0, the provisions of 48 CFR 952.250-70, *Nuclear Hazards Indemnity Agreement (Jun 1996)*, are incorporated by reference into these terms and conditions for the delivery of any product or service which has nuclear safety implications. The SUBCONTRACTOR shall flow down these provisions to all lower-tier Subcontractors unless expressly waived in writing by the BUYER's Authorized Procurement Representative.

The SUBCONTRACTOR will be indemnified by the U.S. Department of Energy (DOE) against (i) claims for public liability, and (ii) legal costs arising from any nuclear incident under the provisions of 48 CFR 952.250-70. However, the SUBCONTRACTOR and its lower-tier Subcontractors and suppliers that are indemnified are subject to civil penalties under provisions of the Atomic Energy Act of 1954, as amended, for violations of DOE nuclear safety, quality, worker radiation protection, and related rules, regulations, and orders. In addition, directors, officers, and employees of the SUBCONTRACTOR and its lower-tier Subcontractors that are indemnified are subject to criminal penalties for knowing and willful violations.

ARTICLE 7.0 ASSIGNMENT

The SUBCONTRACTOR shall not assign any of the duties or rights or any claim arising out of or related to this Subcontract, whether arising in tort, Subcontract or otherwise, without the written consent of the BUYER's Authorized Procurement Representative. Any unauthorized assignment is void and unenforceable. These conditions and the entire Subcontract are binding on the heirs, successors, and assigns of the SUBCONTRACTOR.

The BUYER's Authorized Procurement Representative may assign this Subcontract, in whole or in part to the Government or to such party as the Government may designate to perform the BUYER's obligations hereunder. Upon receipt by the SUBCONTRACTOR of written notice that the Government or a party so designated by the Government or the BUYER has accepted an assignment of this Subcontract, the BUYER shall be relieved of all responsibility hereunder and the SUBCONTRACTOR shall thereafter look solely to such assignee for performance of the BUYER's obligations.

Assignment and Transfer of Prime Contracts and Subcontracts (Oct 2014) (Revised) (DOE-H-2043)

This article is a required flow down in the BUYER's Prime Contract with the DOE. Therefore, the SUBCONTRACTOR shall include a provision in every lower-tier Subcontract that authorizes assignment of such lower-tier Subcontracts to the Government or the BUYER without requiring further consent from such lower-tier Subcontractor.

a. **Assignment and Transfer of other DOE Prime Contracts.** During the period of performance (POP) of the BUYER's Prime Contract it may become necessary for the DOE to transfer and assign existing or future DOE prime contracts in whole or in part, supporting site work to the BUYER's Prime Contract. The BUYER shall accept the transfers and assignments of contracts. Transfer and assignment of prime contracts to the BUYER, if any, will be for administration purposes, and once transferred, will become subcontracts to the BUYER. Any recommendations and/or suggestions on individual transfers shall be submitted in writing to the BUYER's Contracting Officer prior to the transfer or assignment.

b. **Assignment and Transfer of this Prime Contract.** During the POP of the BUYER's Prime Contract it may become necessary for the DOE to transfer and assign in whole or in part this Subcontract to another DOE contractor. The Subcontractor shall accept the transfers and assignment. Transfer and assignment, if any, will be for administration purposes, and once transferred, will become a subcontract to the assignee. Any recommendations and/or suggestions on individual transfers shall be submitted in writing to the BUYER's Contracting Officer prior to the transfer or assignment.

c. **Transfer and Assignment of Subcontracts.** The Subcontractor agrees to transfer and assign, or accept transfer and assignment of, existing subcontracts, including lower-tier subcontracts as determined necessary by the BUYER or DOE for continuity of operations. The transfer and assignment may be to or from another contractor or to or from DOE as a prime contractor. Transfer or assignment of subcontracts to or from the Contractor, if any, will be for administration purposes, and once transferred, will become lower-tier subcontracts to the Subcontractor. The Subcontractor shall use its best efforts to negotiate changes to the assigned subcontracts, incorporating mandatory flow-down provisions at no cost. If the subcontractor refuses to accept the changes or requests price adjustments, the Subcontractor will notify the BUYER in writing. This Clause is required as a flow-down clause in all subcontracts.

ARTICLE 8.0 CHANGES

Changes in the terms and conditions of this Subcontract may be made only by written agreement of the parties. The SUBCONTRACTOR shall not suspend performance of this Subcontract during the review and negotiation of any change, except as may be directed by the BUYER's Authorized Procurement Representative. The SUBCONTRACTOR shall not perform changes to this Subcontract until the BUYER's Authorized Procurement Representative has provided written direction.

ARTICLE 9.0 SUSPENSION OF WORK

The BUYER's Authorized Procurement Representative may order the SUBCONTRACTOR, in writing, to suspend, delay, or interrupt all or any part of the Work of this Subcontract for the period of time that the BUYER's Authorized Procurement Representative determines appropriate for the convenience of the BUYER.

The notice of suspension shall specify the date of suspension and the estimated duration of the suspension. Such suspensions under this Subcontract shall not exceed one hundred eighty (180) consecutive calendar days each or, in aggregate more than two hundred seventy (270) calendar days.

Upon receiving any such notice of suspension, the SUBCONTRACTOR shall promptly suspend further performance of the Work to the extent specified, and during the period of such suspension shall properly care for and protect all Work in progress and materials, supplies and equipment that the SUBCONTRACTOR has on hand for performance of the Work. Upon the request of the BUYER's Authorized Procurement Representative, the SUBCONTRACTOR shall promptly deliver to the BUYER's Authorized Procurement Representative copies of outstanding Subcontracts of the SUBCONTRACTOR, and shall take such action relative to such Subcontracts as may be directed by the BUYER's Authorized Procurement Representative. The SUBCONTRACTOR shall use its best efforts to utilize its material, labor, and equipment in such a manner as to mitigate costs associated with the suspension.

The BUYER may at any time withdraw the suspension of Work as to all or part of the suspended Work by written notice to the SUBCONTRACTOR specifying the effective date and scope of withdrawal, and the SUBCONTRACTOR shall resume diligent performance of the Work for which the suspension is withdrawn on the specified effective date of withdrawal.

If the performance of all or any part of the Work exceeds the suspension days specified in this provision, an adjustment shall be made for any increase in the cost of performance of this Subcontract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the Subcontract shall be modified in writing accordingly. However, no adjustment shall be made under this provision for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the SUBCONTRACTOR, or for which an equitable adjustment is provided for or excluded under any other provision of this Subcontract. The SUBCONTRACTOR shall not be entitled to any profits or any damages because of such suspension or withdrawals of suspension.

A claim under this provision shall not be allowed for any costs incurred more than twenty (20) calendar days before the Subcontractor shall have notified the BUYER's Authorized Procurement Representative in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the Subcontract.

ARTICLE 10.0 TERMINATION FOR CONVENIENCE

The BUYER reserves the right to terminate this Subcontract, or any part hereof, for its sole convenience. In the event of such termination, the SUBCONTRACTOR shall immediately stop all Work hereunder and shall immediately cause any and all of its lower-tier Subcontractors to cease Work. Subject to the terms of this Subcontract, the SUBCONTRACTOR shall be paid a percentage of the Subcontract price reflecting the percentage of the Work performed prior to the notice of termination, plus reasonable charges the SUBCONTRACTOR can demonstrate to the satisfaction of the BUYER's authorized representative(s) using its standard record keeping system, have resulted from the termination. The SUBCONTRACTOR shall not be required to comply with the Federal Acquisition Regulations cost accounting standards or cost principles for this purpose. The SUBCONTRACTOR shall not be paid anticipatory profit or for any Work performed or costs incurred which reasonably could have been avoided.

ARTICLE 11.0 TERMINATION FOR CAUSE

The BUYER may terminate this Subcontract, or any part hereof, for cause in the event of any default by the SUBCONTRACTOR, or if the SUBCONTRACTOR fails to comply with any terms and conditions, or fails to provide the BUYER, upon request, with adequate assurances of future performance. In the event of termination for cause, the BUYER shall not be liable to the SUBCONTRACTOR for any amount for supplies or services not accepted, and the SUBCONTRACTOR shall be liable to the BUYER for any and all rights and remedies provided by law. If it is determined that the BUYER improperly terminated this Subcontract for default, such termination shall be deemed a termination for convenience.

ARTICLE 12.0 APPLICABLE LAW

The SUBCONTRACTOR shall comply with all applicable federal, state and local laws, regulations, ordinances, orders, rules and other requirements, and all permits, licenses and other authorizations (together, hereinafter, the "Applicable Law"). The SUBCONTRACTOR shall act as an independent entity and not as an agent or employee of the BUYER or the Government.

ARTICLE 13.0 DISPUTES

In the event that the parties cannot, through negotiations, reach agreement on any issue arising out of the Subcontract, the issue will be considered a dispute and shall be resolved in accordance with the following:

If efforts at resolution through good faith discussions and/or negotiations fail to resolve the dispute, the parties agree that before taking any other action, they will consider the use of Alternate Dispute Resolution (ADR). In the event that non-binding ADR is agreed upon, the site of the proceedings shall be Richland, Washington, unless otherwise agreed upon in writing by the parties. The rules for ADR and the selection of the mediator or arbitrator shall be determined by mutual agreement of the parties. If agreed, the mediator or arbitrator shall allocate cost, except that there shall be no pre-decisional interest costs, each party shall bear its discretionary costs, and the parties will equally share the cost of the mediator or arbitrator.

In the event ADR fails or is not used, primary jurisdiction for the resolution of any claim arising under this Subcontract shall reside in the United States Federal District Court for the Eastern District of Washington. If the requirements for jurisdiction in the United States District Court are not met, the litigation shall be brought in a Court of competent jurisdiction in Benton County, Washington. This Subcontract shall be enforced and interpreted, irrespective of the place of performance, in accordance with the Federal Government Contract Law, as enunciated and applied by Federal judicial bodies, Boards of Contract Appeals, and quasi-judicial agencies of the Federal Government. To the extent that such law is not applicable to or, where applicable, not dispositive of an issue, the laws of the State of Washington shall be applied, without reference to its choice or conflicts of law provisions.

THE PARTIES, THEIR SUCCESSORS AND ASSIGNS, IN ORDER TO REDUCE THEIR RESPECTIVE COSTS, IN ANY LITIGATION, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR RELATING TO THIS SUBCONTRACT, WHETHER NOW EXISTING OR HEREINAFTER ARISING, REGARDLESS WHEN ARISING OR FILED, WHETHER IN CONTRACT, TORT, LAW, EQUITY OR OTHERWISE, OF ANY LITIGATION BETWEEN THE PARTIES WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

Unless otherwise directed in writing by the BUYER's Authorized Procurement Representative, the SUBCONTRACTOR shall proceed diligently with the performance of the Subcontract pending final resolution of the dispute.

ARTICLE 14.0 SUSPECT AND COUNTERFEIT ITEMS

Notwithstanding any other provisions of this Subcontract, the SUBCONTRACTOR warrants that all items provided by the SUBCONTRACTOR shall be genuine, new, and unused unless otherwise specified or approved in writing by the BUYER. The BUYER reserves the right to question and/or require the SUBCONTRACTOR to certify and/or furnish proof regarding the quality, authenticity, application, or fitness for use of the items supplied by the SUBCONTRACTOR under this Subcontract. The SUBCONTRACTOR shall establish and implement appropriate measures to prevent the procurement and incorporation of suspect and counterfeit parts into the deliverable for this Subcontract. In addition, the SUBCONTRACTOR shall report to the BUYER's Authorized Procurement Representative the discovery of suspect and counterfeit items in sufficient detail to establish all circumstances relative to the occurrence.

Any items furnished as part of this Subcontract and which have been previously found by the BUYER, the Department of Energy, or the Department of Commerce to be counterfeit or which are listed by the Department of Commerce to be suspect will be deemed, without more proof, to be subject to the above requirement of further proof or certification. The BUYER also reserves the right to question the circumstances and make available a report of any such review to the Government. All costs associated with conducting inquiries into and reporting on, components determined to be counterfeit, shall be recovered by the BUYER from the SUBCONTRACTOR.

ARTICLE 15.0 TAXES

Unless the SUBCONTRACTOR is issued a direct pay permit by the BUYER, the SUBCONTRACTOR is required to collect the applicable Washington State sales or use tax and include this on each applicable invoice. Sales tax must be listed as a separate line item on the invoice as stated in 16.1D below. If the SUBCONTRACTOR is an out of state vendor with no nexus in the State of Washington, taxes will be paid by BUYER. SUBCONTRACTOR shall notify the Authorized Procurement Representative if they don't have a nexus in the State of Washington. All other Federal, State, county, municipal or other taxes must be included in the Subcontract amount and invoiced accordingly.

If as a result of this Subcontract, the SUBCONTRACTOR becomes eligible for Washington State Business and Occupation Tax Credit for Research and Development spending, the SUBCONTRACTOR shall take such tax credit and assign such tax credit to the BUYER. If the SUBCONTRACTOR applies for the Washington State Business and Occupation Tax Credit for Research and Development spending, the SUBCONTRACTOR shall notify the Authorized Procurement Representative. The SUBCONTRACTOR shall fully cooperate with the BUYER in any tax audits, tax assessment reviews, or tax challenges.

ARTICLE 16.0 HOLIDAY AND WORK SCHEDULES

Daily work schedules and facility operations are not uniform among Hanford Site Contractors. In addition, some organizations and facilities observe alternate Friday closures. Accordingly, before scheduling deliveries, the SUBCONTRACTOR shall make specific schedule arrangements for the delivery of materials with the BUYER's Authorized Procurement Representative, Facility Manager, Delivery Warehouse Manager, or Building Manager. The BUYER will not be liable for the cost of any delays, demurrage, layover, extra travel days, or any additional costs which result from the SUBCONTRACTOR's failure to obtain a specific schedule in advance.

Current Hanford Site Facility Closure days are New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day (and the following Friday), Christmas Eve and Christmas Day.

ARTICLE 17.0 INVOICING AND PAYMENT

This Article shall be applied to all Firm Fixed Price (FFP) invoices submitted to the BUYER. Failure to comply may result in delayed payment or returned invoice.

17.1 General Invoice Requirements

A. Invoice Submission Requirements: Original invoices and supporting documentation shall be submitted no more than once a calendar month to the BUYER's Accounts Payable organization at the address below:

HANFORD TANK WASTE OPERATIONS & CLOSURE (H2C)
Attn: Accounts Payable Mail Stop: H1-40
P.O. Box 850 Richland, WA 99352
Email electronic invoices to: H2CAPINVOICES@rl.gov

B. Invoice Payment Terms: The SUBCONTRACTOR shall prepare all invoices in a form satisfactory to and approved by the BUYER's Authorized Procurement Representative. Except to the extent expressly stated elsewhere in this Subcontract, the invoice is payable thirty (30) calendar days after receipt by the BUYER of a properly marked and submitted invoice. Discounts are expected for earlier payments and shall be specifically incorporated in the Subcontract. All unit pricing and payments made shall be in United States dollars only, in the forms of cash, check or electronic transfer as may be agreed upon. Remittance will be made only to the remittance address on file for the SUBCONTRACTOR. Invoices from third parties or with different remittance instructions or addresses will not be processed. Invoices may be submitted electronically, if in an acceptable format. All invoice requirements still apply to electronic invoices.

C. Invoice Certification. Submittal of an invoice constitutes the SUBCONTRACTOR's certification that materials, work and/or services have been delivered as specified on the invoice in accordance with the Subcontract. This invoice certification additionally represents that all invoiced hours and materials are true, accurate and correctly represent the invoiced costs to accomplish this Work on the Subcontract. Falsely invoicing costs may result in civil or criminal penalties as a violation of the Federal False Claims Act (31 USC 37296).

D. Minimum Invoice Requirements: The invoice shall comply with following requirements:

- Invoices must be submitted in a format that reconciles to the Subcontract's Compensation (Billing) Schedule.
- Each Subcontract, Subcontract Release, or Purchase Order Number shall be invoiced separately.
- The invoice must clearly & legibly identify the SUBCONTRACTOR's name and invoice number, as well as Subcontract, Subcontract Release, or Purchase Order Number.
- Each invoice shall include the name and telephone number of the SUBCONTRACTOR's representative available to respond to invoice questions.
- Remittance will be made only to the remittance address on file for the SUBCONTRACTOR. Invoices from third parties or with different remittance instructions or addresses will not be processed.
- Questions or requests for exceptions shall be addressed to the BUYER's Authorized Procurement Representative administering the Subcontract.
- Cash discounts will apply from the date a correct, properly supported invoice is received by the BUYER, or the date the goods are received, whichever is later.
- The SUBCONTRACTOR must indicate the quantity, unit description, and unit price for each item listed on an invoice.

17.2 Rejection of Invoices

Any invoice submitted, which fails to comply with the terms of this Subcontract, including the requirements of form and documentation, may be returned to the SUBCONTRACTOR. Any costs associated with the resubmission of a proper invoice shall not be reimbursed by the BUYER. Final payment shall not relieve the SUBCONTRACTOR of any obligation under this Subcontract.

17.3 Withholding Invoice Payments

The BUYER may, at its sole discretion, withhold payment due to, but not limited to, the following reasons:

- Substandard work or delays in the Work not corrected promptly.
- Evidence that a claim has been or will be filed against the SUBCONTRACTOR.
- Evidence that lower-tier Subcontractors have not been properly paid.

- Failure to provide accrual reports by the 16th of each month as specified in the Subcontract provisions.
- Evidence that SUBCONTRACTOR has violated any Federal or state Applicable Law involving fraud, conflict of interest, bribery, or gratuities.

17.4 Right to Offset

The BUYER, without waiver or limitation of any rights or remedies of the BUYER, shall be entitled from time to time to deduct from any amounts due or owing by the BUYER to the SUBCONTRACTOR in connection with this Subcontract (or any other Subcontract with the BUYER), any and all amounts owed by the SUBCONTRACTOR to the BUYER or the Government in connection with this Subcontract.

17.5 Interest Payment

No interest is payable to the SUBCONTRACTOR for any claim it may have, except that specifically imposed by a court of competent jurisdiction on any judgment, and then only in accordance with the terms of the judgment.

17.6 Accruals

If the BUYER's Authorized Procurement Representative requests accrual information, the SUBCONTRACTOR shall provide accruals monthly for the Subcontract's complete performance period to the BUYER's Accounts Payable organization. This shall be an estimate of the total billable cost from inception of the Subcontract through the current fiscal month end. The Fiscal Month Calendar can be accessed on the Hanford external web site. This information must be provided electronically between the 12th and the 16th of each month using the login information contained in the SUBCONTRACTOR's confirmation email when the SUBCONTRACTOR completed its initial vendor registration with the BUYER, Accruals are submitted through the Vendor Registration System at Vendor Registration - Procurement and Materials Management. Click on the accruals tab at the top of the screen and enter the current cost for H2C from 2/24/25 for current fiscal month under the invoicing release reference number for the subcontract or release in the appropriate space. If you experience any technical difficulties, please contact us at H2C_Procurement@rl.gov. An alternative method is via email and must be submitted by the 16th of each month to the following address: AH2C@rl.gov.

SUBCONTRACTOR "Monthly Contract to Date Cost Estimate Form," can be obtained at the following link:

https://www.hanford.gov/tocpmm/page.cfm/Forms

Accrual data must be provided for each Subcontract or Subcontract release until all SUBCONTRACTOR invoices are received and Work is complete.

17.7 Final Payment

The final invoice shall be clearly marked "FINAL PAYMENT" and submitted for reimbursement after completion and acceptance of Work by the BUYER and compliance by the SUBCONTRACTOR with all terms of this Subcontract. The final invoice shall be supported by all requested certifications and releases needed to close out the Subcontract including, but not limited to, the "Subcontractor Release of Claims."

If the Work has been completed in accordance with this Subcontract, final payment will be made in accordance with the terms of this Subcontract. Final Payment shall not relieve the SUBCONTRACTOR of any obligation under this Subcontract.

17.8 Allowability of Costs

The applicable subparts of FAR part 31, including FAR 31.2, Contracts with Commercial Organizations and FAR 31.205, Selected Costs, shall be used in the pricing of fixed-price Subcontracts and amendments to Subcontracts whenever (a) cost analysis is performed or (b)a fixed-price contract clause requires the determination or negotiation of costs. The Subcontractor shall be liable for any costs disallowed by Buyer or DOE or determined to be unallowable through any audit or evaluation in the full amount of the unallowable costs through back charge, offset or any other means available to the Buyer.

Notwithstanding anything to the contrary in this Subcontract, Final Payment shall not relieve the SUBCONTRACTOR of any obligation under this Subcontract of a continuing nature, to include, without limitation, SUBCONTRACTOR's obligations under Articles 4.0, Warranty and 5.0, Indemnity.

ARTICLE 18.0 PAYMENTS AND TITLE

The SUBCONTRACTOR warrants full and unrestricted title to the Government for all items purchased under this Subcontract free and clear of any and all liens, restrictions, reservations, security interests, and encumbrances.

Excess items received that are of a nominal value shall be kept by the BUYER at no cost to the BUYER. All items received in excess of Subcontract requirements that are returned shall be returned at the SUBCONTRACTOR's expense.

The BUYER is entitled to offset and/or deduct any amount owed to the SUBCONTRACTOR under this Subcontract for any amounts owed the BUYER under this Subcontract or any other Subcontract with the BUYER.

ARTICLE 19.0 COMPANY CONFIDENTIAL AND PROPRIETARY INFORMATION

The BUYER possesses information of a confidential and proprietary nature about businesses, products, services, and processes of the BUYER and the Government. This information, which relates to designs, technical experience, classified information, software, processing systems, databases, financial and other data, intellectual property including trade secrets, customers and vendors, personnel records, research, development, inventions, construction plans, manufacturing, engineering, accounting, bid data, sales and marketing including Subcontract terms, and any information generated pursuant to Work performed in accordance with the Subcontract (collectively, Company Confidential Information), constitutes a commercial asset of considerable value to the BUYER and the Government. The SUBCONTRACTOR shall use such Company Confidential Information only for the purpose of performing Work in accordance with the Subcontract and not disclose such Company Confidential Information to any other person (including the media for purposes of publicity), partnership, venture, firm, government, or corporation without the express written direction of the BUYER's Authorized Procurement Representative or the Government, as appropriate. The SUBCONTRACTOR further shall make all reasonable efforts to require its employees and any others, including lower-tier Subcontractors, to maintain such Company Confidential Information in the strictest confidence.

Company Confidential Information shall not include the following:

- Information that is acquired by the SUBCONTRACTOR from others who have no confidential commitment to the BUYER or the Government; or

- Information that is part of the public domain or becomes, without fault or participation of the SUBCONTRACTOR, part of the public domain, by publication or otherwise; or

- Information that is in the SUBCONTRACTOR's possession prior to the BUYER's or the Government's disclosure to it; or

- Information that is developed independently by the SUBCONTRACTOR; or

Additionally, while retaining its status as Company Confidential Information, SUBCONTRACTOR shall not be penalized as a result of its release of Company Confidential Information to the extent such is required to be publicly disclosed under operation of law, provided the SUBCONTRACTOR provides at least a five (5) working day notice to the BUYER's Authorized Procurement Representative, as appropriate, before disclosure.

All drawings, specifications, prints, financial and other data, and any other written or electronically encoded materials (collectively, 'Documentation') furnished by the BUYER and the Government to the SUBCONTRACTOR shall remain the BUYER's property. In addition, all Documentation developed by the SUBCONTRACTOR in the performance of Work in accordance with the Subcontract shall become the BUYER's property. Upon completion of Work, the SUBCONTRACTOR shall either destroy or return such Documentation and any other Company Confidential Information reduced to tangible or electronic form, including copies thereof, to the BUYER's Authorized Procurement Representative unless the BUYER's Authorized Procurement Representative consents to otherwise.

Nothing contained in the Subcontract, or in any disclaimer made by the BUYER or the Government, shall be construed to grant the SUBCONTRACTOR any license or other rights in or to disclosed Company Confidential Information or any patent, trademark, or copyright that has been or may be issued unless expressly conveyed by written agreement exclusive of the Subcontract.

In the event that Work performed by the SUBCONTRACTOR in accordance with the Subcontract involves the collection or generation of data on persons or associations, the SUBCONTRACTOR shall maintain strict confidentiality of records in accordance with the Privacy Act of 1974 (5 U.S.C. 552a), provisions of the Fair Credit Reporting Act (15 U.S.C. 1681), and applicable federal and state agency regulations. Violations of these statutes may result in criminal penalties.

ARTICLE 20.0 SUSTAINABLE ACQUISITION PRODUCTS AND SERVICES

In the performance of this Subcontract, the SUBCONTRACTOR shall specify, furnish, and use sustainable acquisition products and services (i.e., products and services with a lesser or reduced effect on human health and the environment), to the maximum possible extent consistent with the Subcontract requirements and the intended end use of the products or services. Information on sustainable acquisition products and services is available at: https://www.epa.gov/greenerproducts. In addition, if the Subcontract award exceeds the simplified acquisition threshold and has $100,000 of sustainable acquisitions, the SUBCONTRACTOR shall comply with DEAR 952.223-78, Sustainable Acquisition Program (Oct 2010), and when this Subcontract is for construction, alteration, or renovation of DOE facilities, DEAR 952.223-78 includes the Al I (Oct 2010).

ARTICLE 21.0 LIABILITY

Limited Waiver of Consequential Damages. In no event shall either Party be liable to the other Party for consequential, special, incidental, punitive or like damages; provided, however, that the foregoing shall be inapplicable, and SUBCONTRACTOR will be liable to BUYER for, consequential, special, incidental, punitive or like damages to the extent either (i) arising from a SUBCONTRACTOR willful misconduct, lack of good faith, discrimination, retaliation, or violation of any Applicable Law involving fraud, conflict of interest, bribery or gratuities or (ii) BUYER is assessed the costs of the same by the Government or a third party.

No Warranty of Information. BUYER may provide SUBCONTRACTOR with documentation and information for use by SUBCONTRACTOR in its performance. Unless expressly provided otherwise in this Subcontract, such information is (i) non-contractual, (ii) provided solely for information, and (iii) provided "as is" and without warranty, expressed or implied, including, without limitation, implied warranties that the same is current, accurate or complete. Hence, if SUBCONTRACTOR uses such documentation or information, it should review the same in detail; any use of the information or documentation is at SUBCONTRACTOR's own risk.

Risk of Loss. Risk of loss or damage to deliverables shall remain with SUBCONTRACTOR until delivery to BUYER. Title to deliverables shall pass to BUYER upon the first to occur of delivery to BUYER or payment for the same; provided, however, that the possession of title shall in no manner affect Seller's risk of loss responsibility herein.

Force Majeure. Neither Party shall be responsible for schedules delays resulting from a circumstance beyond such Party's control and absent its fault or negligence (a "Force Majeure Event"). Examples include (i) acts of God or of the public enemy, (ii) acts of the Government in either its sovereign or contractual capacity, (iii) fires, (iv) floods, (v) epidemics and pandemics, (vi) quarantine restrictions, (vii) strikes, (viii) freight embargoes, and (ix) unusually severe weather. In the event that a Force Majeure Event occurs, the declaring Party shall promptly notify the other Party in writing, providing the cause, steps taken to minimize the occurrence, and the estimated duration. The affected time to perform shall be extended for a period equitable under the circumstances. Any delivery delayed by Force Majeure over thirty (30) days will allow BUYER to cancel, without termination charges, except for work already performed.

Nonexclusive Remedies. The rights and remedies of BUYER set forth in this Subcontract are not exclusive and are in addition to any other rights and remedies available to it in law or in equity.

No Encumbrances. SUBCONTRACTOR agrees to deliver to BUYER the articles covered by this Subcontract free and clear of all liens, claims and encumbrances. Should any lien be filed against the property of BUYER or the Government, SUBCONTRACTOR shall, at its sole cost and expense, promptly discharge said lien by posting a bond or other security. SUBCONTRACTOR shall include this paragraph in all of its subcontracts.

No Third-Party Rights. Except as expressly provided otherwise within this Subcontract, no Subcontract provision is intended to be for the benefit of any third party, nor shall it be construed in such manner.

Independent Contractor. SUBCONTRACTOR shall be an independent contractor with respect to its work. Neither SUBCONTRACTOR nor its subcontractors, nor their respective employees are BUYER's servants, employees, or agents.

ARTICLE 22.0 SUPPLEMENTAL TERMS & CONDITIONS

In as much as Government funds are being used to make payment against this Subcontract, the following Federal Acquisition Regulations (FAR) and Department of Energy Acquisition Regulation (DEAR) clauses are hereby incorporated by reference into this Subcontract and shall apply as applicable; provided, however, that:

(a) terms used to reference the Contract shall be read as, and shall mean, this Subcontract;

(b) "Contractor" and other terms used to reference the Contractor shall be read as, and shall mean, SUBCONTRACTOR;

(c) "Subcontractor" and other terms used to reference subcontractors of the Contractor shall be read as, and shall mean, lower-tier subcontractors to SUBCONTRACTOR;

(d) "Subcontract" and other terms used to reference subcontracts placed by the Contractor shall be read as, and shall mean the agreements placed by SUBCONTRACTOR with its lower-tier subcontractors;

"Government," "DOE," "Contracting Officer," and other terms used to reference Contractor's customer shall be read as, and shall mean, BUYER and/or, as appropriate, BUYER's Authorized Procurement Representative designated in the Subcontract, provided, however, that unless otherwise agreed the terms cited in this subparagraph (e) shall retain their original meaning where the provision or clause (i) pertains to, addresses or governs rights and obligations in property (real, personal or intellectual) although BUYER shall possess all right to utilize the Government's property rights in its administration of the SUBCONTRACT, (ii) is the Nuclear Hazard Indemnity Agreement and/or a right, act, authorization or obligation can be granted or performed only by the Government, or (iii) the intent of the provision is to provide benefit or protection to the Government.

The text of the FAR and DEAR clauses may be obtained from the BUYER's Authorized Procurement Representative upon request or by linking to the federal procurement regulations via the BUYER's external web site or go to the link at: https://www.acquisition.gov/.

22.1 Federal Acquisition Regulation (48 CFR Chapter 1) Clauses and Department of Energy Acquisition Regulation (48 CFR Chapter 9) Clauses

The FAR and DEAR clauses below apply to this Subcontract.

A. Provisions of the Federal Acquisition Regulations (FAR) and the Department of Energy Acquisition Regulation (DEAR) Incorporated by Reference

Applicable to all orders:

1. FAR 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017)

2. FAR 52.204-9, Personal Identity Verification of Contractor Personnel (Jan 2011)

   - Applicable to Subcontracts where subcontract performance requires SUBCONTRACTOR to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.

3. FAR 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards (Jun 2020)

   - Subparagraph (d)(2) does not apply. If SUBCONTRACTOR meets the thresholds specified in paragraphs (d)(3) and (g)(2) of the clause, SUBCONTRACTOR shall report required executive compensation by posting the information to the Government's System for Award Management (SAM) database. All information posted will be available to the general public.

4. FAR 52.204-15, Service Contract Reporting Requirements for Indefinite Delivery Contracts (Oct 2016)

5. FAR 52.204-21, Basic Safeguarding of Covered Contractor Information Systems (Jun 2016)

   - Applies unless SUBCONTRACTOR is furnishing commercially available off-the-shelf items.

6. FAR 52.204-23, Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Jul 2018)

   - SUBCONTRACTOR shall provide BUYER Procurement Representative copies of any reports provided under this clause which relate to the performance of this Contract.

7. FAR 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Aug 2020)

   - Reports required by this clause will be made to BUYER.

8. FAR 52.204-27 Prohibition on a ByteDance Covered Application (Jun 2023).

   - Applies unless an exception is granted in accordance with OMB Memorandum M-23-13.

9. FAR 52.209-10, Prohibition on Contracting With Inverted Domestic Corporations (Nov 2015)

   - Substitute “BUYER” for “Government” or “United States” throughout this clause.

10. FAR 52.215-21, Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data—Modifications (Jun 2020) – Alt. III (Oct 1997)

    - Substitute “BUYER Procurement Representative” for “Contracting Officer” in in paragraphs (a)(1) and (b) of this clause.

11. FAR 52.222-3, Convict Labor (Jun 2003)

12. FAR 52.222-50, Combating Trafficking in Persons (Oct 2020)

    - In paragraph (e), insert “and BUYER” after “Government.”

13. FAR 52.223-3, Hazardous Material Identification and Material Safety Data (Feb 2021) – Alt I (Jul 1995)

    - Applicable if the Subcontract will require the delivery of hazardous materials as defined in FAR 23.301.

    - Insert “and BUYER” after “Government” throughout this clause.

14. FAR 52.223-12, Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (Jun 2016)

    - Applicable to Subcontracts that include the maintenance, service, repair, or disposal of (1) Refrigeration equipment, such as refrigerators, chillers, or freezers; or (2) Air conditioners, including air conditioning systems in motor vehicles.

15. FAR 52.223-15, Energy Efficiency in Energy-Consuming Products (Jun 2020)

    - Applicable to Subcontracts when energy-consuming products listed in the ENERGY STAR® Program or FEMP will be-(a) Delivered;(b) Acquired by the SUBCONTRACTOR for use in performing services at a Federally-controlled facility; (c) Furnished by the SUBCONTRACTOR for use by the Government; or (d) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance.

16. FAR 52.223-20, Aerosols (Jun 2016)

    - Applicable to Subcontracts performed within the United States and its outlying areas for products that may contain high global warming potential hydrofluorocarbons as a propellant, or as a solvent; or that involve maintenance or repair of electronic or mechanical devices.

17. FAR 52.223-21, Foams (Jun 2016)

    - Applicable to Subcontracts for (1) Products that may contain high global warming potential hydrofluorocarbons or refrigerant blends containing hydrofluorocarbons as a foam blowing agent, such as building foam insulation or appliance foam insulation; or (2) Construction of buildings or facilities

18. FAR 52.224-1, Privacy Act Notification (Apr 1984)

    - Applicable when the design, development, or operation of a system of records on individuals is required to accomplish an agency function.

19. FAR 52.224-2, Privacy Act (Apr 1984)

    - Applicable when the design, development, or operation of a system of records on individuals is required to accomplish an agency function.

20. FAR 52.224-3, Privacy Act Training (Jan 2017).

    - Applicable in Subcontracts when SUBCONTRACTOR employees will (1) have access to a system of records; (2) create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise handle personally identifiable information; or (3) design, develop, maintain, or operate a system of records.

    - Insert “and BUYER” after “Contracting Officer”, throughout the clause.

21. FAR 52.225-1, Buy American – Supplies (Jan 2021)

    - Applicable as prescribed in FAR 25.1101(a)(1).
    - Substitute "BUYER Procurement Representative" for "Contracting Officer" the first time "Contracting Officer is mentioned in paragraph (c).

22. FAR 52.225-13, Restrictions on Certain Foreign Purchases (Feb 2021).

23. FAR 52.227-14, Rights in Data – General (May 2014) – Alt V (Dec 2007) (as modified by DEAR 927.409)

    - Applicable if it is contemplated that data will be produced, furnished, or acquired under the Subcontract, unless one of the exemptions at FAR 27.409(b)(1)(i) through (vii) applies.

24. FAR 52.227-16, Additional Data Requirements (Jun 1987)

25. FAR 52.232-40, Providing Accelerated Payments to Small Business Subcontractors (Dec 2013).

    - Applicable to all Subcontracts with small business concerns, including subcontracts with small business concerns for the acquisition of commercial products or commercial services.

26. FAR 52.244-6, Subcontracts for Commercial Products and Commercial Services (JAN 2025) (DEVIATION FEB 2025)

    - All clauses listed in FAR 52.244-6 (c)(1) are incorporated by reference into this Subcontract. If any clause listed in section (c)(1) conflicts with the same clause appearing elsewhere in these Provisions, the version in section (c)(1) will take precedence.

27. FAR 52.245-1, Government Property (Sep 2021).

    - Applicable where Government property that exceeds the simplified acquisition threshold, as defined in FAR 2.101, is furnished or where the SUBCONTRACTOR is directed to acquire property for use under the contract that is titled in the Government.

28. FAR 52.245-9, Use and Charges (Apr 2012)

29. FAR 52.247-63, Preference for U.S.-Flag Air Carriers (June 2003)

30. FAR 52.247-68, Report of Shipment (REPSHIP) (Feb 2006)

    - Applicable when SUBCONTRACTOR is to ship supplies directly to the government.

31. DEAR 952.203-70, Whistleblower Protection for Contractor Employees (Dec 2000)

32. DEAR 952.204-2, Security Requirements (Aug 2016)

    - Applicable to all Subcontracts that require subcontractor employees to possess access authorizations and replaces FAR 52.204-2.

33. DEAR 952.204-70, Classification/Declassification (Sep 1997)

    - Applies if this Contract involves classified information.

34. DEAR 952.204-77, Computer Security (Aug 2006)

    - Applies if SUBCONTRACTOR will have access to computers owned, leased or operated on behalf of the DOE.

35. DEAR 952.208-70, Printing (Apr 1984)

36. DEAR 952.217-70, Acquisition of Real Property (Mar 2011)

    - Applies if SUBCONTACTOR acquires or proposes to acquire use of real property by:

      (1) Purchase, on the Government's behalf or in the SUBCONTRACTOR's own name, with title eventually vesting in the Government;
      (2) Lease for which the Department of Energy will reimburse, directly or indirectly, the incurred costs as a reimbursable contract cost; or
      (3) Acquisition of temporary interest through easement, license or permit, and the Government, whether directly or indirectly, funds the entire cost of the temporary interest.

37. DEAR 952.223-72, Radiation Protection and Nuclear Criticality (Apr 1984)

38. DEAR 952.223-75, Preservation of Individual Occupational Radiation Exposure Records (Apr 1984)

39. DEAR 952.225-70, Subcontracting for Nuclear Hot Cell Services (Mar 1993)

    - Applies to Subcontracts involving nuclear hot cell services however this clause does not flow down to second-tier subcontracts.

40. DEAR 952.225-71, Compliance with Export Control Laws and Regulations (Nov 2015)

41. DEAR 952.247-70, Foreign Travel (Jun 2010)

    - Applies when foreign travel is necessary in performance of the Subcontract.

42. DEAR 952.250-70, Nuclear Hazards Indemnity Agreement (Aug 2016)

    - Applies if this Subcontract involves the risk of public liability, as defined by the Atomic Energy Act and described in paragraph (d)(2).

    - This clause is not applicable if SELLER is subject to Nuclear Regulatory Commission (NRC) financial protection requirements or NRC agreements of indemnification.

43. DEAR 970.5227-1, Rights in Data – Facilities (Dec 2000)

    - Applies to Subcontracts, including subcontracts for related support services, involving the design or operation of any plants or facilities or specially designed equipment for such plants or facilities that are managed or operated under its contract with DOE.

Applicable to all orders over $2,500:

44. FAR 52.222-41, Service Contract Labor Standards (Aug 2018).

45. FAR 52.222-42, Statement of Equivalent Rates for Federal Hires (May 2014)

    - Applies if this Subcontract is for services subject to the Service Contract Act.

46. FAR 52.222-55, Minimum Wages Under Executive Order 13658 (Nov 2020)

    - Applicable if this Subcontract is for services subject to the Service Contract Act and only where work is to be performed, in whole or in part, in the United States.

    - "Contracting Officer" means BUYER Procurement Representative.

47. FAR 52.222-62, Paid Sick Leave Under Executive Order 13706 (Jan 2017)

48. FAR 52.223-18, Encouraging Contractors Policies to Ban Text Messaging While Driving (Aug 2011)

Applicable to all orders over $10,000:

49. FAR 52.222-19, Child Labor – Cooperation with Authorities and Remedies (Jan 2020)

    - Applicable to all Subcontracts for the acquisition of supplies

50. FAR 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010).

    - If Subcontractor is an international contractor, this clause applies only if Work under the Subcontract will be performed in the United States or Subcontractor is recruiting employees in the United States to Work on the Subcontract.

Applicable to all orders over $15,000:

51. FAR 52.222-36, Equal Opportunity for Workers With Disabilities (Jun 2020)

    - Applies if this Subcontract is valued at or above $15,000 on the date of this Subcontract.
    - If Subcontractor is an international contractor, this clause applies only if Work under the Subcontract will be performed in the United States or Subcontractor is recruiting employees in the United States to Work on the Subcontract.

Applicable to all orders over $150,000:

52. FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions (Jun 2020).

53. FAR 52.203-17, Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (Jun 2020)

54. FAR 52.222-35, Equal Opportunity for Veterans (Jun 2020).

    - Applies if this Subcontract is valued at or above $150,000 on the date of this Subcontract.
    - If Subcontractor is an international contractor, this clause applies only if Work under the Subcontract will be performed in the United States or Subcontractor is recruiting employees in the United States to Work on the Subcontract.

55. FAR 52.222-37, Employment Reports on Veterans (Jun 2020).

    - Applies if this Subcontract is valued at or above $150,000 on the date of this Subcontract.
    - If Subcontractor is an international contractor, this clause applies only if Work under the Subcontract will be performed in the United States or Subcontractor is recruiting employees in the United States to Work on the Subcontract.

Applicable to all orders over $250,000:

56. FAR 52.203-3, Gratuities (Apr 1984)

57. FAR 52.203-6, Restrictions on Subcontractor Sales to the Government (Jun 2020)

58. FAR 52.219-8, Utilization of Small Business Concerns (Oct 2018).

    - If Subcontractor is an international contractor, this clause applies only if Work under the Subcontract will be performed in the United States or Subcontractor is recruiting employees in the United States to Work on the Subcontract.

59. FAR 52.222-43, Fair Labor Standards Act and Service Contract Labor Standards - Price Adjustment (Multiple Year And Option Contracts) (Aug 2018)

    - Applies when the Subcontract is (1) a fixed-price, time-and-materials, or labor-hour type service subcontract containing the clause at 52.222-41, Service Contract Labor Standards, and (2) is a multiple year contract or is a contract with options to renew which exceeds the simplified acquisition threshold.

60. FAR 52.222-44, Fair Labor Standards Act and Service Contract Labor Standards - Price Adjustment (May 2014)

    - Applies when the Subcontract is (1) a fixed-price, time-and-materials, or labor-hour service contract containing the clause at 52.222-41, Service Contract Labor Standards, (2) exceeds the simplified acquisition threshold, and (3) is not a multiple year contract or is not a contract with options to renew. The clause may be used in contracts that do not exceed the simplified acquisition threshold.

61. FAR 52.227-1, Authorization and Consent (Jun 2020)

62. FAR 52.227-2, Notice and Assistance Regarding Patent and Copyright Infringement (Jun 2020)

63. DEAR 952.209-72, Organizational Conflicts of Interest (Aug 2009) – Alt. I (Feb 2011)

    - Applies to Subcontracts involving the performance of advisory and assistance services as that term is defined at 48 CFR 2.101.

    - Insert “zero” in paragraph (b)(1)(i)

Applicable to all orders over $800,000:

64. FAR 52.242-3, Penalties for Unallowable Costs (Sept 2021)

    - Not applicable to fixed-price Subcontracts without cost incentives or any firm-fixed-price Subcontract for the purchase of commercial products or commercial services.

Applicable to all orders over $5,500,000:

65. FAR 52.203-13, Contractor Code of Business Ethics and Conduct (Jun 2020).

    - Applicable if the performance period is 120-days or more.

B. BUYER Prime Contract Provisions Incorporated in Full Text (parties substituted)

H.26 DOE-H-2019 Disposition of Intellectual Property – Failure to Complete Contract Performance (Jul 2018)

The following provisions shall apply in the event the SUBCONTRACTOR does not complete Subcontract performance for any reason:

(a) The BUYER or the Government may take possession of and use all technical data, including limited rights data, restricted computer software, and data and software obtained from subcontractors, licensors, and licensees, necessary to complete the work in conformance with this Subcontract, including the right to use the data in any Government solicitations for the completion of the work contemplated under this Subcontract.

Technical data includes, but is not limited to, specifications, designs, drawings, operational manuals, flowcharts, software, databases and any other information necessary for of the completion of the work under this Subcontract. Limited rights data and restricted computer software will be protected in accordance with the provisions of the Section I clause DEAR 970.5227-1 Rights in Data- Facilities of the BUYER'S Contract with the Government. The SUBCONTRACTOR shall ensure that its lower-tier subcontractors and licensors make similar rights available to the BUYER, Government and its contractors.

(b) The SUBCONTRACTOR agrees to and does hereby grant to the BUYER and Government an irrevocable, non-exclusive, paid-up license in and to any inventions or discoveries regardless of when conceived or actually reduced to practice by the SUBCONTRACTOR, and any other intellectual property, including technical data, which are owned or controlled by the SUBCONTRACTOR, at any time through completion of this Subcontract and which are incorporated or embodied in the construction of the facilities or which are utilized in the operation or remediation of the facilities or which cover articles, materials or products manufactured at a facility: (1) to practice or to have practiced by or for the BUYER or the Government at the facility; and (2) to transfer such license with the transfer of that facility. The acceptance or exercise by the BUYER or the Government of the aforesaid rights and license shall not prevent the BUYER or Government at any time from contesting the enforceability, validity or scope of, or title to, any rights or patents or other intellectual property herein licensed.

(c) In addition, the SUBCONTRACTOR will take all necessary steps to assign permits, authorizations, leases, and licenses in any third party intellectual property to the BUYER or the Government, or such other third party as the BUYER or the Government may designate, that are necessary for the completion of the work contemplated under this Subcontract.

(End of Clause)

H.27 DOE-H-2021 Work Stoppage and Shutdown Authorization (Oct 2014) (Revised)

(a) Imminent Health and Safety Hazard is a given condition or situation which, if not immediately corrected, could result in serious injury or death, including exposure to radiation and toxic/hazardous chemicals. Imminent Danger in relation to the facility safety envelope is a condition, situation, or proposed activity which, if not terminated, could cause, prevent mitigation of, or seriously increase the risk of (1) nuclear criticality, (2) radiation exposure, (3) fire/explosion, and/or (4) toxic hazardous chemical exposure.

(b) Work Stoppage. In the event of an Imminent Health and Safety Hazard, an activity that could adversely affect the safe operation of, or could cause serious damage to the facility if allowed to continue, or an action that could result in the release of radiological or chemical hazards to the environment in excess of regulatory limits, identified by facility line management or operators or facility health and safety personnel overseeing facility operations, or other individuals, the individual or group identifying the imminent hazard situation shall immediately take actions to eliminate or mitigate the hazard (e.g., directing the operator/implementer of the activity or process causing the imminent hazard to stop work, initiating emergency response actions or other actions) to protect the health and safety of the workers and the public, and to protect DOE facilities and the environment. In the event an Imminent Health and Safety Hazard is identified, the individual or group identifying the hazard should coordinate with an appropriate SUBCONTRACTOR official, who will direct the shutdown or other actions, as required. Such mitigating action(s) should subsequently be coordinated with the BUYER, DOE, and SUBCONTRACTOR management. The suspension or stop-work order should be promptly confirmed in writing by the BUYER's Authorized Procurement Representative.

(c) Shutdown. In the event of an imminent danger in relation to the facility safety envelope or a non-Imminent Health and Safety Hazard identified by facility line managers, facility operators, health and safety personnel overseeing facility operations, or other individuals, the individual or group identifying the potential health and safety hazard may recommend facility shutdown in addition to any immediate actions needed to mitigate the situation. However, the recommendation must be coordinated with Subcontractor management, BUYER management and the DOE Site Manager. Any written directions to suspend operations shall be issued by the BUYER's Authorized Procurement Representative.

(d) This clause flows down to all lower tier subcontractors at all tiers. (End of Clause)

H.39 DOE-H-2063 Confidentiality of Information (Oct 2014) (Revised)

(a) Performance of work under this Subcontract may result in the Subcontractor having access to Controlled Unclassified Information (CUI), including Official Use Only (OUO) information, via written or electronic documents, or by virtue of having access to DOE's electronic or other systems. Such CUI includes personally identifiable information (such as social security account numbers) or proprietary business, technical, or financial information belonging to the BUYER or the Government or other companies or organizations. The Subcontractor shall treat this information as confidential and agrees not to use this information for its own purposes, or to disclose the information to third parties, unless specifically authorized to do so in writing by the Authorized Procurement Representative.

(b) The restrictions set out in paragraph (a) above, however, do not apply to:

(1) Information which, at the time of receipt by the Subcontractor, is in the public domain;

(2) Information which, subsequent to receipt by the Subcontractor, becomes part of the public domain through no fault or action of the Subcontractor;

(3) Information which the Subcontractor can demonstrate was previously in its possession and was not acquired directly or indirectly as a result of access obtained by performing work under this Subcontract;

(4) Information which the Subcontractor can demonstrate was received from a third party who did not require the Subcontractor to hold it in confidence; or

(5) Information which is subject to release under applicable law.

(c) The Subcontractor shall obtain a written agreement from each of its employees who are granted access to, or furnished with, confidential information, whereby the employee agrees that he or she will not discuss, divulge, or disclose any such information to any person or entity except those persons within the Subcontractor's organization directly concerned with the performance of the Subcontract. The agreement shall be in a form satisfactory to the Authorized Procurement Representative.

(d) Upon request of the Authorized Procurement Representative, the Subcontractor agrees to execute an agreement with any party which provides CUI to the Subcontractor pursuant to this Subcontract, or whose facilities the Subcontractor is given access to that restrict use and disclosure of CUI obtained by the Subcontractor. A copy of the agreement, which shall include all material aspects of this clause, shall be provided to the Authorized Procurement Representative for approval.

(e) Upon request of the Authorized Procurement Representative, the Subcontractor shall supply the BUYER or the Government with reports itemizing the confidential or proprietary information it receives under this Subcontract and identify the source (company, companies or other organizations) of the information.

(f) The Subcontractor agrees to flow down this clause to all subcontracts issued under this Subcontract.

(End of Clause)

H.40 DOE-H-2064 Use of Information Technology Equipment, Software, and Third Party Services - Alternate I (Oct 2014)

(a) Acquisition of Information Technology. The BUYER or the Government may provide information technology equipment, existing computer software (as described in 48 CFR 27.405), and third party services for the Subcontractor's use in the performance of the Subcontract; and the Authorized Procurement Representative may provide guidance to the Subcontractor regarding usage of such equipment, software, and third party services. The Subcontractor is not authorized to acquire (lease or purchase) information technology equipment, existing computer software, or third party services at the BUYER's or the Government's direct expense without prior written approval of the Authorized Procurement Representative. Should the Subcontractor propose to acquire information technology equipment, existing computer software, or third party services, the Subcontractor shall provide to the Authorized Procurement Representative justification for the need, including a complete description of the equipment, software or third party service to be acquired, and a lease versus purchase analysis if appropriate.

(b) The Subcontractor shall immediately provide written notice to the Authorized Procurement Representative's Representative when an employee of the Subcontractor no longer requires access to the BUYER or the Government information technology systems.

(c) The Subcontractor shall not violate any software licensing agreement or cause the BUYER or the Government to violate any licensing agreement.

(d) The Subcontractor agrees that its employees will not use, copy, disclose, modify, or reverse engineer existing computer software provided to it by the BUYER or the Government except as permitted by the license agreement or any other terms and conditions under which the software is made available to the Subcontractor.

(e) If at any time during the performance of this Subcontract the Subcontractor has reason to believe that its utilization of BUYER or the Government furnished existing computer software may involve or result in a violation of the software licensing agreement, the Subcontractor shall promptly notify the Authorized Procurement Representative, in writing, of the pertinent facts and circumstances. Pending direction from the Authorized Procurement Representative, the Subcontractor shall continue performance of the work required under this Subcontract without utilizing the software.

(f) The Subcontractor agrees to include the requirements of this clause in all subcontracts at any tier.

(g) The Subcontractor shall comply with the requirements of those DOE directives, or parts thereof, identified in Section J, Attachment J-2, Requirement Sources and Implementing Documents, in implementing the requirements of this clause. The Authorized Procurement Representative may, at any time, unilaterally amend this clause in order to add, modify or delete specific requirements.

(End of Clause)

H.44 DOE-H-2071 Department of Energy Directives (Oct 2014)

(a) In performing work under this Subcontract, the SUBCONTRACTOR shall comply with the requirements of those Department of Energy (DOE) directives, or parts that the BUYER may direct SUBCONTRACTOR to comply with via specific reference in the Subcontract award of via modification.

(End of Clause)

H.48 DOE-H-2080 Agreement Regarding Workplace Substance Abuse Programs at DOE Sites (Apr 2018)

(a) Program implementation. The Subcontractor shall, consistent with 10 CFR part 707, Workplace Substance Abuse Programs at DOE Sites, incorporated herein by reference with full force and effect, develop, implement, and maintain a Workplace Substance Abuse Program.

(b) Remedies. In addition to any other remedies available to the BUYER or the Government, the Subcontractor’s failure to comply with the requirements of 10 CFR part 707 or to perform in a manner consistent with its approved program may render the Subcontractor subject to: the suspension of Subcontract payments, or, where applicable, a reduction in fee; termination for default; and suspension or debarment.

(c) Subcontracts.

(1) The Subcontractor agrees to notify the Authorized Procurement Representative reasonably in advance of, but not later than 30 days prior to, the award of any subcontract the Subcontractor believes may be subject to the requirements of 10 CFR part 707, unless the Authorized Procurement Representative agrees to a different date.

(2) The Subcontractor shall require all subcontracts subject to the provisions of 10 CFR part 707 to agree to develop and implement a workplace substance abuse program that complies with the requirements of 10 CFR part 707, Workplace Substance Abuse Programs at DOE Sites, as a condition for award of the subcontract. The Subcontractor shall review and approve each subcontractor's program and shall periodically monitor each subcontractor's implementation of the program for effectiveness and compliance with 10 CFR part 707.

(3) The Subcontractor agrees to include, and require the inclusion of, the requirements of this clause in all subcontracts, at any tier, that are subject to the provisions of 10 CFR part 707.

(End of Clause)

H.57 Laws, Regulations, and DOE Directives

(a) In performing work under this Subcontract, the SUBCONTRACTOR shall comply with the requirements of applicable Federal, State, and local laws and regulations (including DOE regulations), unless relief has been granted in writing by the appropriate regulatory agency. Section J, Attachment J-2, List A, Applicable Federal, State and Local Regulations, of the BUYER's Prime Contract is provided for information purposes and can be found here: ITDC Conformed Master Contract - Hanford Site. Omission of any applicable law or regulation from the Subcontract does not affect the obligation of the SUBCONTRACTOR to comply with such law or regulation pursuant to this paragraph.

(b) In performing work under this Subcontract, the SUBCONTRACTOR shall comply with the requirements of those Department of Energy directives, or parts thereof, identified in the BUYER's Prime Contract List of Applicable Directives (List B) found here ITDC Conformed Master Contract - Hanford Site, until such time as the Authorized Procurement Representative approves the substitution of an alternative procedure, standard, system of oversight, or assessment mechanism.

(c) Except as otherwise directed by the Authorized Procurement Representative, the Subcontractor shall procure all necessary permits or licenses required for the performance of work under this Subcontract.

(d) Regardless of the performer of the work, the Subcontractor is responsible for compliance with the requirements of this Clause. The Subcontractor is responsible for flowing down the requirements of this clause to subcontracts at any tier to the extent necessary to ensure the Subcontractor's compliance with the requirements.

(End of Clause)

H.65 Shipment Notification

(a) The Subcontractor and/or lower tier Subcontractors shall notify Energy Northwest 7 days in advance: 1) of any movement of "common" explosives over 1,800 pounds excluding small arms ammunitions or classified shipments within 5 miles of Energy Northwest; and/or 2) of any railroad shipment from/to Hanford north of the rail spur to the Fast Flux Test Facility.

(b) For EM radioactive material/waste shipments by motor carrier and/or rail, the additional security measures described below shall be implemented. Documentation that the security measures were performed shall be maintained with the shipping papers.

(1) Additional Security Measures to be Implemented for Motor Carriers transporting Radioactive Material/Waste Shipments:

(i) Verify and document that site security plans require drivers entering the facility for loading/unloading of shipments to sign in at the security gate and be escorted to the loading/unloading location unless a security badge has been issued.

(ii) Verify and document the name of the drivers who will be entering DOE facilities to pick up shipments to be used for commercial shipments are on the list provided by the motor carrier.

(iii) Verify and document the motor carriers to be used have provided documentation that all drivers meet the personal security requirements addressed in the U.S. Department of Transportation's Security Sensitive Visits.

(iv) Obtain copies of documentation from the carriers that all drivers are citizens of the United States.

(v) Verify the drivers have a Commercial Driver's License, with proper hazardous materials endorsements, and attach a copy to the shipment documentation to be kept on file for each shipment.

(vi) Verify and document the carriers utilize satellite tracking and/or maintain cellular telephone contact with the driver, including the requirement that the driver must contact carrier dispatch at regular intervals.

(vii) Require security staff to perform and document per-loading equipment inspections to avoid explosive and other devices as detailed in Measure 18 of CRD Notice 473.9 (Supplemented Rev. 0), Security Conditions.

NOTE: DOE Notice, Measure 18. Implement screening procedures for other deliveries at designated inspection points to identify explosives and incendiary devices. Use K-9 teams for inspections, when available.

Instruct site personnel to report suspicious packages to Security and refrain from handling them until cleared by appropriate authority.

(viii) Provide the drivers a briefing and a copy of written instructions regarding en route shipment security measures to be taken. Ensure the drivers can read and understand the instructions provided and have the driver sign a copy of the instructions. Attach signed and dated copy of the instructions to the shipment documentation to be kept on file.

(ix) Request consignee notification of receipt of shipments.

(2) Additional Security Measures to be Implemented for Rail Carriers transporting Radioactive Material/Waste Shipments:

(i) Obtain a copy of the rail carrier's security plan. Ensure the plan identifies communications links, frequency of communication, and points of contact information for security-related emergencies.

(ii) Implement a mechanism to be notified by the carrier should cars/train encounter any unexpected occurrences en route. Ensure the rail carrier has access to the information.

(iii) Require security staff to perform and document pre-loading equipment inspections to avoid explosives and other as detailed in Measure 18 of CRD Notice 473.9 (Supplemented Rev. 0), Security Conditions.

NOTE: DOE Notice, Measure 18. Implement screening procedures for other deliveries at designated inspection points to identify explosives and incendiary devices. Use K-9 teams for inspections, when available.

Instruct site personnel to report suspicious packages to Security and refrain from handling them until cleared by appropriate authority.

(iv) Verify and document the rail carrier has a communication system (through central dispatch consignee notification of arrival cars/trains.

(v) Request consignee notification of arrival of cars/trains.

(End of Clause)

H.66 Emergency Response

(a) The BUYER with concurrence of the DOE Manager (except for Security emergencies then the DOE Manager makes the emergency determination) shall determine when an emergency situation may exist and notify the appropriate emergency response organization. In the event of an emergency, the DOE Manager of the affected site will have the authority to direct any and all activities of the BUYER's, Subcontractors, and lower tier subcontractors necessary to resolve the emergency situation. Upon termination of the emergency event, the Subcontractor shall perform recovery actions as appropriate.

(b) The Subcontractor shall include this Clause in all subcontracts, at any tier, for work performed in support of the on-site work under this Subcontract.

(End of Clause)

EXHIBIT 31.1

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 5, 2026

/s/ Mark Duff
Mark Duff
Chief Executive Officer, President
and Principal Executive Officer

EXHIBIT 31.2

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 5, 2026

/s/ Ben Naccarato

Ben Naccarato
Executive Vice President and Chief Financial Officer and
Principal Financial Officer

EXHIBIT 32.1

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, 2026, 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 5, 2026

/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.

EXHIBIT 32.2

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, 2026, 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 5, 2026

/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.