

ME2C® Environmental Reports Fourth Quarter and Full Year 2021 Results; Reiterates 2022 Guidance of 60% Year-over-Year Revenue Growth

- Q4 revenue increased 17.4% to \$2.7 million
- Q4 adjusted EBITDA improved to a loss of \$21,000 from a loss of \$73,000
- FY21 revenue increased 59.5% to \$13.0 million
- FY21 adjusted EBITDA improved to a gain of \$297,000 from a loss of \$735,000
- FY22 outlook reiterated: revenue growth of 60% Y-o-Y

CORSICANA, TX, April 05, 2022 (GLOBE NEWSWIRE) -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME₂C Environmental" or the "Company"), a leading environmental technologies firm, today announced its financial results for the fourth quarter and full year 2021.

Fourth Quarter 2021 Results

Fourth quarter 2021 revenue of \$2.7 million increased 17.4%, compared to \$2.3 million in the fourth quarter of 2020. Total costs and expenses in the fourth quarter of 2021 were \$4.0 million compared to \$4.4 million in the year-ago quarter. Net loss was \$1.3 million, or \$(0.01) per diluted share, compared to a net loss of \$2.0 million, or \$(0.03) per diluted share in the fourth quarter of 2020. Adjusted EBITDA was \$(21,000) compared to \$(73,000) in the fourth quarter of 2020.

Full Year 2021 Results

Full year 2021 revenue of \$13.0 million increased 59.5%, compared to \$8.2 million for the full year of 2020. The increase in revenues was primarily driven by increased sorbent product sales due to the increased supply demands in the coal-fired market as well as expansion of the Company's customer base. Sorbent product sales were approximately \$11.0 million in 2021 compared to \$7.4 million in 2020. In addition, licensing revenues were approximately \$1.7 million and \$546,000 for the years ended December 31, 2021 and 2020, respectively. The increase in licensing revenues were primarily due to agreements entered into with certain of the defendants in the patent litigation commenced in 2019. Total costs and expenses for the full year 2021 were \$16.6 million compared to \$14.0 million in 2020. Net loss was \$3.6 million, or \$(0.04) per diluted share, compared to a loss of \$5.8 million, or \$(0.07) per diluted share for the full year of 2020. Adjusted EBITDA for the full year of 2021 was \$297,000, compared to \$(735,000) in 2020, an increase of over \$1.0 million year-over-year.

Financial Position

As of December 31, 2021, the Company had approximately \$1.39 million of cash on its balance sheet.

Management Commentary

“The fourth quarter marked a strong close to the year for ME₂C and demonstrated the ongoing success of our comprehensive growth strategy,” said Richard MacPherson, CEO of ME₂C Environmental. “Favorable market dynamics and increasing demand from new and existing customers for our patented mercury emissions technologies drove our performance. This positive market environment, combined with strong execution by our entire team, enabled us to deliver quarter-over-quarter and year-over-year revenue growth of 17.4% and 59.5%, respectively. We made meaningful progress on the commitments we set a number of years ago to strengthen the foundation of the business and position it for long-term sustainable growth. We have robust new customer activity continuing into our first quarter, our ongoing discovery related to our lawsuit against certain refined coal entities is on track, and our efforts to accelerate our growth as we move forward with our rare earth element extraction and processing technologies gives us a great deal of excitement about our future prospects as an evolving environmental technologies firm.”

“We have gained momentum in all of our key areas,” continued MacPherson, “and we expect our strong organic growth to continue as we move through 2022. With our core business for mercury emissions capture fueling our new technologies involving rare earth elements, we believe ME₂C Environmental is truly transitioning into a diverse environmental technology firm. We are excited to bring forth key Company updates to our shareholders in the near term,” concluded MacPherson.

FY 2021 and Subsequent Highlights

- Announced expected 2022 revenue growth of approximately 60% year over year.
- Eliminated all convertible debt in 2021.
- Entered into debt repayment agreement with Alterna Capital.
- Announced new license agreements and renewed supply contracts with multiple coal-fired utilities for mercury emissions capture.
- Gained additional direct product new supply business from licensees of our patented technologies.
- Initiated outreach to multiple new utilities believed to be infringing our patented technologies in order to secure new license and/or product supply agreements.
- Received approval from the District Judge to continue our lawsuit against 16 refined coal entities with discovery now well underway.
- Completed Phase 1 and began Phase 2 of lab testing through Penn State University’s College of Earth and Mineral Sciences to validate the initial lab results (2019-2021). The second phase introduced real-world environmental samples (acid mine drainage sludge and coal ash) to the sorbent testing focused on wastewater and coal ash pond remediation and processing captured rare earth elements.

- During late Q1 2022, identified in-field testing partners for the new REE sorbent technology in preparation of commercialization efforts, planned for 2022.

Conference Call/Webcast Information

The ME₂C management team will host an investor conference call and live webcast on April 6, 2022, at 11:00 AM Eastern Time. To participate, please use the following information:

Date: Wednesday, April 6, 2022

Time: 11:00 am ET

Dial-in: 1-877-407-0789

International Dial-in: 1-201-689-8562

Conference Code: 13728338

Webcast: https://viaid.webcasts.com/starthere.jsp?ei=1539320&tp_key=1925990524

Please dial in at least 10 minutes before the start of the call to ensure timely participation.

A playback of the call will be available through Friday, May 6, 2022. To listen, call 1-844-512-2921 within the United States or 1-412-317-6671 when calling internationally and enter replay pin number 13728338. The replay can also be viewed through the webinar webcast link above.

About ME₂C[®] Environmental

ME₂C Environmental is a leading environmental technologies company developing and delivering patented and proprietary solutions to the global power industry. ME₂C's leading-edge services have been shown to achieve emissions removal at a significantly lower cost and with less operational impact than currently used methods while maintaining and/or increasing power plant output and preserving the marketability of byproducts for beneficial use. ME₂C Environmental is a trade name of Midwest Energy Emissions Corp. For more information, please visit <http://www.me2cenvironmental.com/>.

Use of Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, this press release includes references to Adjusted EBITDA, a Non-GAAP financial measure. We view Adjusted EBITDA as an operating performance measure and, as such, we believe that the GAAP financial measure most directly comparable to it is net income (loss). We define Adjusted EBITDA as net income adjusted for interest and financing fees, income taxes, depreciation, amortization, stock-based compensation, and other non-cash income and expenses. We believe that Adjusted EBITDA provides us an important measure of operating performance. Our use of Adjusted EBITDA has limitations as an analytical tool, and this measure should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP, as the excluded items may have significant effects on our operating results and financial condition. Additionally, our measure of Adjusted EBITDA may

differ from other companies' measure of Adjusted EBITDA. When evaluating our performance, Adjusted EBITDA should be considered with other financial performance measures, including various cash flow metrics, net income, and other GAAP results. In the future, we may disclose different non-GAAP financial measures in order to help our investors and others more meaningfully evaluate and compare our future results of operations to our previously reported results of operations.

Safe Harbor Statement

With the exception of historical information contained in this press release, content herein contains "forward-looking statements" that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995, including, without limitation, our revenue guidance for 2022 and related projections and statements regarding our ability to meet such projections in the anticipated timeframe, if at all. Forward-looking statements are generally identified by using words such as "anticipate," "believe," "plan," "expect," "intend," "will," and similar expressions, but these words are not the exclusive means of identifying forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Investors are cautioned that forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the statements made. Matters that may cause actual results to differ materially from those in the forward-looking statements include, among other factors, the gain or loss of a major customer, change in environmental regulations, disruption in supply of materials, capacity factor fluctuations of power plant operations and power demands, a significant change in general economic conditions in any of the regions where our customer utilities might experience significant changes in electric demand, a significant disruption in the supply of coal to our customer units, the loss of key management personnel, availability of capital and any major litigation regarding ME₂C Environmental.

In addition to the foregoing, statements with respect to our revenue guidance for 2022, related projections and statements regarding our ability to meet such projections in the anticipated timeframe, represent management's good faith estimates and expectations. Such guidance is based upon certain assumptions, including, but not limited to, that additional license agreements will be entered into following the date of this release during 2022, new supply customers will be obtained in 2022 and that certain current licensees of our patented technologies who are not current supply customers will transition to purchasing products from us in 2022. Such assumptions may prove to be incorrect and actual results may differ materially from those anticipated. Consequently, guidance cannot be guaranteed. As such, investors are cautioned not to place undue reliance upon guidance as there can be no assurance that the plans, assumptions or expectations upon which they are placed will occur.

All forward-looking statements speak only as of the date of this release. ME₂C Environmental does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this release. Further information concerning issues that could materially affect financial performance related to forward-looking statements contained in this release can be found in ME₂C Environmental's periodic filings with the Securities and Exchange Commission.

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