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ME2C® Environmental Reports Fourth Quarter and Full Year 2020 Financial Results

Company Continues Patent Portfolio Monetization; Announces Development of Next-Generation Environmental Technologies

CORSICANA, TX, April 06, 2021 (GLOBE NEWSWIRE) -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME₂C Environmental" or the "Company"), a leading environmental technologies firm, has reported financial results for the fourth quarter and full year ended December 31, 2020.

Recent Highlights

- Entered into agreements with four major power producers and defendants named in initial litigation relating to ME₂C patents; such agreements provide these parties a non-exclusive license to certain ME₂C patents
- Secured new supply agreement for mercury emissions capture business with large utility and current customer valued in excess of \$2 million annually
- Announced new breakthrough environmental technologies under development, including methane gas emissions capture, rare earth element extraction technologies, and water and soil remediation; pilot scale testing to begin with energy industry partners in the coming months
- Secured multi-year contract extensions for mercury emissions capture business with two major utility customers
- Rebranded trade name to ME₂C Environmental to reflect the Company's dedication more effectively in combatting climate change with a growing suite of proprietary emissions control technologies
- Strengthened balance sheet by eliminating approximately \$1.8 million in convertible debt

Corporate Update

"We concluded the year with significant momentum across our core business which continued into early 2021, having signed agreements between July 2020 and January 2021 with four major U.S. coal-fired power producers with the potential to produce substantial recurring revenue going forward," said Richard MacPherson, President of ME₂C Environmental. "These initial successes in our multi-pronged litigation strategy are a testament to the value that our patented technologies for mercury emissions bring to our partners' operations and place us in a strong position to defend our patents with other utilities that we believe are benefitting from the ongoing use of our proprietary solutions. As we move through 2021, we will continue to monetize the value of our patents across the

coal-fired industry, as well as with the remaining defendants in the refined coal sector named in our 2019 lawsuit.”

MacPherson continued, “Our core mercury emissions capture business will continue to provide a stable and growing foundation for our company going forward. With over two years of significant development already underway, we are ready to bring a suite of new environmental technologies to the pilot testing stage and eventually to market during the early part of 2022. We believe that these innovative new technologies, developed in collaboration with Dr. Scott A. Drummond, will dramatically improve rare earth element production, wastewater and soil remediation, and methane gas emissions control, from both economic and climate impact standpoints. These new verticals address and support the critical environmental concerns our planet is facing that is critical for the growth and infrastructure within the U.S.

“2021 is moving forward as expected to be an incredibly exciting year for ME₂C Environmental and one that we believe will elevate our position as a leading **cleantech enterprise** across the U.S. power sector. I would like to thank our hardworking employees, customers, and other stakeholders for their support in our journey, and look forward to providing updates on our continued operational execution and growth opportunities in the quarters to come,” concluded MacPherson.

Fourth Quarter and Full Year 2020 Financial Results

Total revenue in the fourth quarter of 2020 was \$2.3 million compared to \$2.5 million in the year-ago quarter. Total revenue for the full year 2020 was \$8.2 million compared to \$11.4 million in 2019. The decrease from the prior-year period is primarily due to decreased generation in the coal-fired power sector principally due to renewables and low natural gas prices.

Total costs and expenses in the fourth quarter of 2020 were \$4.4 million compared to \$4.0 million in the year-ago quarter. Total costs and expenses for the full year 2020 were \$14.0 million compared to \$17.5 million in 2019. The is primarily attributable to the decrease in cost of sales.

Net loss in the fourth quarter of 2020 was \$2.0 million, or \$(0.03) per basic and diluted share compared to a net loss of \$1.5 million, or \$(0.02) per diluted share, in the fourth quarter of 2019. Net loss in 2020 was \$5.8 million, or \$(0.07) per diluted share, compared to a net loss of \$6.1 million, or \$(0.08) per basic and diluted share, in 2019.

Adjusted EBITDA in the fourth quarter of 2020 was \$(73,000), compared to \$(515,000) in the same year-ago period. Adjusted EBITDA in 2020 was \$(735,000), compared to \$(953,000) in 2019.

About ME₂C® Environmental

ME₂C Environmental (OTCQB: MEEC) 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 may contain "forward-looking statements" that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. 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, this release contains time-sensitive information that reflects management's best analysis 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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Source: Midwest Energy Emissions Corp.