May 15, 2019

Midwest Energy Emissions Corp. Reports First Quarter 2019 Financial Results

LEWIS CENTER, OH, May 15, 2019 (GLOBE NEWSWIRE) -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME$_2$C" or the "Company"), a leader in mercury emissions control in North America, has provided its financial results for the first quarter ended March 31, 2019.

Recent Company Highlights:

- Revenues increased over 30% for Q1 2019 compared to Q1 2018 primarily driven by growth from existing EGUs (electric generation unit, or boiler) and new clients
- During Q1 2019, the Company has added a new customer, along with two new EGUs with an existing utility and customer contract renewals
- Restructured debt enables the Company to have a solid financial footing going forward. The restructured debt is due in August 2022

Management Commentary

“We have entered 2019 as a different company evidenced by a very successful first quarter from customer growth and additional business. We are operating across the board in a new manner”, stated Richard MacPherson, President and CEO of ME$_2$C. “Restructuring our debt enables the Company to invest in our future growth with a focus on new business and managing our customers. Our focus on our advancements in mercury emissions capture has historically been important and will continue to drive our success throughout this year. I am quite pleased with our first quarter and excited for the remainder of our year.”

Corporate Highlights

In February 2019, ME$_2$C announced that it had completed a restructuring of all unsecured and secured debt obligations with Alterna Capital Partners, LLC.

In March 2019, ME$_2$C announced that it had secured a multi-year supply contract valued more than $1.0 Million annually with a new, USA-based utility customer and announced a multi-year contract renewal with a long-term customer.

In March 2019, ME$_2$C announced that it had secured two additional coal-fired boilers (EGUs) with the existing customer. This is expected to generate multi-million dollars annually over three years.

First Quarter 2019 Financial Results

Total revenue in the first quarter of 2019 was $2.8 million compared to $2.1 million in the same year-ago quarter. The increase of over 30% in Q1 2019 compared to Q1 2018 is attributed to an increase of business with long-term customers and product sales to new customers.

Costs and expenses were $0.4 million during the three months ended March 31, 2019, respectively. Costs and expenses were $4.0 million in the same year ago quarter. Such decrease was primarily due to a non-cash, one-time gain on debt restructuring of $3.4 million resulting from the debt restructuring with Alterna Capital Partners, LLC, along with cost-cutting measures employed the latter half of last year.

Net income in the first quarter of 2019 was $2.4 million, or $0.03 per diluted share, compared to net loss of $1.9 million, or $(0.03) per diluted share, in the first quarter of 2018. This change was primarily due to the non-cash, one-time gain on debt restructuring.

On March 31, 2019, the Company had cash of $0.6 million. On December 31, 2018, the Company also had cash of $0.6 million.

Adjusted EBITDA in the first quarter of 2019 was negative $0.3 million compared to negative $0.8 million in the same year-ago quarter.

Although substantial doubt regarding the Company's going concern has been expressed at times in the past in the financial statements, the audited financial statements for the year ended December 31, 2018 and financial statements for the quarter ended March 31, 2019, reflect that after extending the maturities of its principal debt in February 2019, historical sales and gross margins with its current customers and the incremental sales and gross margins from the newly announced customer contracts, management believes substantial doubt has been mitigated regarding the Company's ability to continue as a going concern.

Conference Call and Webcast

Management will host a conference call today, March 15, 2019 at 1:00 p.m. Eastern time to discuss ME_2C's first quarter results, provide a corporate update, and conclude with a Q&A from participants. To participate, please use the following information:

Date: Wednesday, May 15, 2019
Time: 1:00 p.m. Eastern time
U.S. Dial-in: 1-800-289-0438
International Dial-in: 1-323-794-2423
Conference ID: 3783930
Webcast Link

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 June 15, 2019. To listen, call 1-844-512-2921 within the United States or 1-412-317-6671 when calling internationally. Please use the replay pin number 3783930.

About Midwest Energy Emissions Corp. (ME_2C®)

Midwest Energy Emissions Corp. (OTCQB: MEEC) delivers patented and proprietary solutions to the global coal-power industry to remove mercury from power plant emissions, providing performance guarantees, and leading-edge emissions services. ME_2C has developed patented technology and proprietary products that have been shown to achieve mercury removal at a significantly lower cost and with less operational impact than currently used methods, while maintaining and/or increasing unit output and preserving the marketability of fly-ash for beneficial use. For more information, please visit www.midwestemissions.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 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 the Company. In addition, this release contains time-sensitive information that reflects management's best analysis only as of the date of this release. The Company 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 the Company's periodic filings with the Securities and Exchange Commission.

MIDWEST ENERGY EMISSIONS CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
MARCH 31, 2019 AND DECEMBER 31, 2018
(UNAUDITED)

	March 31, 2019 (Unaudited)	December 31, 2018
ASSETS		
Current assets		
Cash	$ 611,547	$ 584,877
Accounts receivable	968,165	1,642,126
Inventory	526,377	509,416
Prepaid expenses and other assets	116,499	136,628
Customer acquisition costs, net	-	34,467
Total current assets	2,222,588	2,907,514
Property and equipment, net	2,315,094	2,397,691
Right of use asset	1,245,216	-
Intellectual property, net	2,683,362	2,733,662
Total assets	$ 8,466,260	$ 8,038,867
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 1,987,242	$ 1,858,326
Current portion of equipment notes payable	64,857	63,424
Current portion of operating lease liability	381,245	-
Accrued interest	51,365	96,902
Customer credits	167,000	167,000
Deferred compensation	676,877	555,877
Total current liabilities	3,328,586	2,741,529
Equipment notes payable, less current portion	87,901	104,226
Operating lease liability	943,814	-
Convertible notes payable, net of discount and issuance costs	1,765,470	1,760,570
Secured note payable	271,686	271,686
Unsecured note payable, net of discount and issuance costs	8,403,968	11,781,952

Total liabilities	14,801,425	16,659,963
COMMITMENTS AND CONTINGENCIES (Note 11)		
Stockholders' deficit		
Preferred stock, $.001 par value: 2,000,000 shares authorized	-	-
Common stock; $.001 par value; 150,000,000 shares authorized;		
76,246,113 shares issued and outstanding as of March 31, 2019		
76,246,113 shares issued and outstanding as of December 31, 2018	76,246	76,246
Additional paid-in capital	42,785,990	42,785,990
Accumulated deficit	(49,197,401)	(51,483,332)
Total stockholders' deficit	(6,335,165)	(8,621,096)
Total liabilities and stockholders' deficit	$ 8,466,260	$ 8,038,867

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

MIDWEST ENERGY EMISSIONS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(UNAUDITED)

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Revenues	$ 2,787,321	$ 2,121,112
Costs and expenses:		
Cost of sales	2,166,340	1,708,315
Selling, general and administrative expenses	1,140,195	1,781,368
Interest expense & letter of credit fees	529,193	542,501
Gain on debt restructuring	(3,412,204)	-
Total costs and expenses	423,524	4,032,184
Net income (loss)	$ 2,363,797	$ (1,911,072)
Net loss per common share - basic and diluted:	$ 0.03	$ (0.03)

Weighted average common shares outstanding	76,246,113	75,933,613

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

We prepare and publicly release yearly audited financial statements prepared in accordance with GAAP. The following table shows our reconciliation of Net Income to Adjusted EBITDA for the first quarter that ended on March 31, 2019:

	Quarter Ended March 31,	
	2019	2018
	(In thousands)	
Net income (loss)	$ 2,364	$ (1,911)
Non-GAAP adjustments:		
Depreciation and amortization	262	249
Interest	529	514
Gain on debt restructuring	(3,412)	-
Stock based compensation	-	301
Adjusted EBITDA	$ (257)	$ (847)

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Source: Midwest Energy Emissions Corp.