August 16, 2021

ME2C® Environmental Reports Second Quarter 2021 Financial Results

Second Quarter 2021 Revenue Increased 21% Year-Over-Year Period as Company Gains Momentum with Patent Portfolio Monetization

CORSICANA, TX, Aug. 16, 2021 (GLOBE NEWSWIRE) -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME_2C Environmental" or the “Company”), a leading environmental technologies firm, has reported financial results for the second quarter ended June 30, 2021.

Second Quarter Financial and Other Recent Highlights

Financial Highlights -

- Revenues of $2.3 million for Q2 2021 compared to $1.9 million for Q2 2020, a 21% increase
- Net cash from operating activities of $0.5 million for the first six months of 2021
- Cash of $1.7 million as of June 30, 2021
- Substantial doubt regarding the Company’s ability to continue as a going concern has been mitigated which evaluation Management conducts quarterly

Recent Operating and Business Highlights -

- Secured new multi-year supply business with current utility licensee with an expected multi-million-dollar annual value
- Strengthened balance sheet by eliminating $2.58 million in convertible debt in Q2 2021, a culmination of $4.43 million of convertible debt reduction in 2021
- Entered into Debt Repayment Agreement with the Company’s principal lender since 2014, AC Midwest Energy LLC (“Alterna”) which, subject to various closing conditions, will eliminate upon closing all existing debt held by Alterna including $13.5 million of secured and unsecured notes and a non-recourse profit share liability
- Received recommendation from the U.S. District Court in Delaware to allow the Company to proceed with litigation claims against certain refined coal entities as named in the 2019 lawsuit
- Retained Penn State University’s College of Earth & Mineral Sciences to evaluate the Company’s new rare earth element extraction technology
- Appointed Jami Satterthwaite as Chief Financial Officer which the Company believes will be important for a major exchange listing, to which the Company previously stated its intention to complete in 2021

Management Commentary

"During the second quarter of 2021, we made significant progress in positioning ME$_2$C Environmental for the next stage of growth," said Richard MacPherson, President & Chief Executive Officer of ME$_2$C Environmental. "Our business-first approach to our litigation strategy continues to result in additional supply business from major utilities in the U.S., which fortifies a stable, recurring revenue base in our core mercury emissions control business. As a result of the investments we have made in our production facilities, such facilities are fully equipped to meet the substantial revenue growth we anticipate in the second half of this year.

Our litigation against entities in the refined coal sector reached a pivotal development, as the U.S. District Court issued a report and recommendation for these legal proceedings to move forward against certain refined coal entities. This decision enhances our already-robust defense of our proprietary solutions and increases the upside potential for ME$_2$C technologies, which we feel had a considerable impact on the annual billion-dollar refined coal program's viability."

Continued MacPherson, "As a leading cleantech enterprise, we are driven by our ability to play a meaningful role in addressing the climate-centric issues we face as a global community. ME$_2$C Environmental is uniquely positioned to provide substantial value to the power industry, not only with our industry-leading mercury emissions control solutions but through the suite of technologies that are progressing in their development, such as our rare earth element extraction technology under development in collaboration with Dr. Scott Drummond.

We expect to begin pilot-scale testing later this fall and look forward to announcing progress for this significant technology, which will not only allow domestic production of rare earth elements in a cost-effective, environmentally safe manner, but will also address coal ash and wastewater remediations, which we believe are the most important environmental concerns facing the U.S today. Just as we have supported the U.S. coal-fired power sector with reduced mercury emissions, we aim to provide new technologies to assist in the cleanup expected to be undertaken by these coal plants over the next couple of decades. Based on data received to date, we are confident in our ability to deliver a commercially viable solution. We look forward to what is expected to be an eventful back half of the year as we seek to generate sustainable value for all of our stockholders" concluded MacPherson.

Second Quarter 2021 Financial Summary

Total revenue in the second quarter of 2021 was $2.3 million, an increase of 21% from $1.9 million in the year-ago quarter. Such revenues were primarily derived from sorbent product sales which were $2.1 million and $1.8 million for the three months ended June 30, 2021, and 2020, respectively. The increase from prior year is primarily due to the increase in capacity factor experienced by our customers' coal-fired EGU's which we previously anticipated.

Total costs and expenses in the second quarter of 2021 were $4.0 million compared to $2.8 million in the year-ago quarter. The increase in costs and expenses was mainly attributable to the increase in cost of sales principally due to the increase in sales, along with an increase in interest expense due primarily to a one-time stock conversion incentive provided to certain note holders and related accelerated interest which together totaled $521,000, and a loss on change in fair value of profit share liability of $505,000.

Net loss in the second quarter of 2021 was $1.7 million, or $(0.02) per basic and diluted share compared to a net loss of $904,000, or $(0.01) per basic and diluted share, in the year-ago quarter. Such change was primarily due to the interest expense and change in fair value of the profit share liability described above. Upon closing of the Debt Repayment Agreement described above, such profit share liability will be eliminated.

Adjusted EBITDA in the second quarter of 2021 was a loss of $312,000, compared to positive $96,000 in the year-ago quarter.

As of June 30, 2021, the Company had a cash balance of $1.7 million, an increase from $591,000 as of December 31, 2020.

Q2 2021 Conference Call and Webcast

Management will host a conference call today, August 16, 2021 at 4:30 PM Eastern Time to discuss ME_2C Environmental's second quarter 2021 results, provide a corporate update and conclude with a Q&A from participants. To participate, please use the following information:

Date:	Monday, August 16, 2021
Time:	4:30 PM Eastern time (1:30 PM Pacific time)
Dial-in:	1-877-300-8521
International Dial-in:	1-412-317-6026
Conference Code:	10159394
Webcast:	http://public.viavid.com/index.php?id=146216

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 September 16, 2021. To listen, call 1-844-512-2921 within the United States or 1-412-317-6671 when calling internationally and enter replay pin number 10159394. The replay can also be viewed through the webinar webcast link above.

About $ME_2C^{®}$ Environmental

ME_2C Environmental (OTCQB: MEEC) is a leading environmental technologies company developing and delivering patented and proprietary emissions solutions to the global power industry. ME_2C'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. ME_2C 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 ME_2C Environmental. In addition, this release contains time-sensitive information that reflects management's best analysis only as of the date of this release. ME_2C 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 ME_2C Environmental's periodic filings with the Securities and Exchange Commission.

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Source: Midwest Energy Emissions Corp.