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ME2C Environmental

ME2C® Environmental Reports First Quarter 2021 Financial Results

First Quarter 2021 Revenue Increases 171% Year-Over-Year as Company Progresses with Monetization of Patented Technology

CORSICANA, TX, May 17, 2021 (GLOBE NEWSWIRE) -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME$_2$C Environmental" or the "Company"), a leading environmental technologies firm, has reported financial results for the first quarter ended March 31, 2021.

Recent Highlights

- Entered into agreements with four major power producers and defendants named in initial litigation relating to ME$_2$C patents; such agreements provide these parties a non-exclusive license to certain ME$_2$C patents
- Secured new supply agreement for mercury emissions capture business with large utility and current customer valued in excess of $2 million annually
- Announced new environmental technologies under development, including methane gas emissions capture, rare earth element ("REE") extraction technologies, and water and soil remediation; pilot scale testing for REE extraction technologies and water and soil remediation to begin with energy industry partners in the near future
- Secured multi-year contract extensions for mercury emissions capture business with two major utility customers
- Rebranded trade name to ME$_2$C 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 $1.85 million in convertible debt

Corporate Update

"The first quarter of 2021 signaled an incredibly strong start to what we believe will be a breakthrough year for ME$_2$C as we make progress towards full monetization of our patented technologies across the U.S. coal-fired power fleet," said Richard MacPherson, President & Chief Executive Officer of ME$_2$C Environmental. "The new administration has driven a renewed impetus towards environmental regulatory compliance, driving strong inbound interest to our patented suite of emissions control solutions. We are well positioned to continue building a solid, recurring revenue base of strong margin licensing and supply agreements with tier-1 utilities nationwide.

"Our litigation strategy in particular has been very successful thus far, having signed agreements with four major U.S. coal-fired producers named in the lawsuit. We are currently focused on maximizing this litigation strategy with the refined coal operators named as defendants in our 2019 lawsuit, and we believe the proprietary nature of our solutions supports a robust defense of our patents that could lead to significant monetization potential. Our intention is to be long-term business partners with utilities who rely on our processes and leverage our team's deep knowledge and expertise to improve their plant efficiencies – creating cleaner, more sustainable communities for all.

"While the mercury emissions capture business remains the foundation of our business today, we look forward to the testing of several new emissions control technologies in the near-term to round out our suite of solutions for the broader energy space. These state-of-the-art technologies - which focus on rare earth element capture, wastewater or soil remediation, and methane gas emissions control - offer promising solutions to the most pressing issues facing our world today. We are incredibly proud to be working on the forefront of the cleantech industry and look forward to creating sustainable value for our shareholders, our customers and their communities over the long-term," concluded MacPherson.

First Quarter 2021 Financial Results

Total revenue in the first quarter of 2021 was $3.0 million, an increase of 171% from $1.1 million in the year-ago quarter. Such revenues were primarily derived from sorbent product sales which were $2.0 million and $1.1 for the three months ended March 31, 2021 and 2020, respectively. The increase from prior year is primarily due to the increase in capacity factor experienced by our EGU's.

Total costs and expenses in the first quarter of 2021 were $3.4 million compared to $2.9 million in the year-ago quarter. The increase in cost of sales is primarily attributable to the increase in sorbent product sales and legal fees.

Net loss in the first quarter of 2021 was $0.4 million, or $(0.01) per basic and diluted share compared to a net loss of $1.8 million, or $(0.02) per diluted share, in the year-ago quarter.

Adjusted EBITDA in the first quarter of 2021 was $69,000, compared to $(878,000) in the same year-ago period.

About ME$_2$C® Environmental

ME$_2$C Environmental (OTCQB: MEEC) is a leading environmental technologies company developing and delivering patented and proprietary emissions solutions to the global power industry. ME$_2$C'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$_2$C 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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