November 13, 2018

ME$_2$C Environmental

Midwest Energy Emissions Corp. Reports Third Quarter 2018 Financial Results

Management to Discuss Recent Corporate Updates as Well as Recently Announced Strategic Licensing and Patent Program on Earnings Call Today at 5:00 p.m. EST

LEWIS CENTER, Ohio, Nov. 13, 2018 (GLOBE NEWSWIRE) -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME$_2$C" or the "Company"), a global leader in mercury emissions control for the power industry, has provided its financial results for the third quarter ended September 30, 2018.

Corporate Update
In November, ME$_2$C® engaged Caldwell Cassady & Curry P.C., an IP law firm based in Dallas, Texas, to lead the efforts to license the Company's SEA® technologies across the USA coal fleet (www.caldwellcc.com). SEA® technologies, the enhancing of a sorbent with a halide-based substance, have been adopted by a significant number of utility operations throughout the USA. ME$_2$C is offering licenses and other commercial options to the users of these patented technologies, including the Company's specialized know how.

In October, ME$_2$C announced that they secured a three-year, multi-million dollar per year supply contract extension with their largest customer. ME$_2$C also announced that they expanded into two additional coal-fired boilers for this same customer, which is expected to generate multi-million dollar annual revenue over the course of three years. In both instances, ME$_2$C will supply its proprietary Sorbent Enhancement Additive SEA® technologies; however, due to confidentiality, the exact terms and customer name cannot be disclosed.

Also, in October, ME$_2$C added Frederick G. Van Zijl to the board of directors. Mr. Van Zijl has held key business development, leadership, and underwriting roles over his 28 years as a banker and investor, including Managing Director with the Fortress Special Opportunity Fund, Head of U.S. Leveraged Finance at Barclays Capital and Managing Director in Investment Banking with Goldman Sachs & Co.

In August, ME$_2$C presented at the Major U.S. Technical Symposium in Baltimore, MD, which is the United States' leading technical conference for particulate matter and mercury control, which is produced by four major policy contributors to the energy sector: the Air & Waste Management Association, the Institute of Clean Air Companies, the U.S. Environmental Protection Agency, and U.S. Department of Energy.

Management Commentary
"Following our successful European licensing agreement with Cabot Corporation in the first half of the year, we've continued to make significant progress in the second half, which was highlighted by a supply contract extension with a long-term customer—one of the largest utilities in North America—as well as the expansion into two additional coal-fired boilers

within their fleet. This is significant, as both the extension and expansion are expected to generate multi-million dollars in annual revenue over the next three years," said Richard MacPherson, President and CEO of ME_2C. "Our work with this customer speaks to the value of our SEA® technologies, which is what we believe to be the 'Best Available Control Technology' (BACT) for mercury capture in the industry. Given our unique ability to bring boilers into emissions compliance with the most efficient, cost effective system, we expect to continue capturing new business in the coming months and years, both with current and new customers."

MacPherson continued: "Over the course of the last several years, we've made significant strides to analyze and validate the strength of our extensive patent portfolio. We are now moving forward with our newly announced licensing and patent program throughout the USA as a result of these efforts, whereby we will offer licenses and other commercial opportunities to utility operations throughout the USA - who have adopted our patented SEA® technologies or should be using them. With the support of Caldwell Cassady & Curry, a leading IP law firm, we are leveraging our suite of technologies for the benefit of the utility industry and ME_2C shareholders alike."

Third Quarter 2018 Financial Results
Total revenue in the third quarter of 2018 was $4.2 million, compared to $8.4 million in the same year-ago quarter.

Costs and expenses were $4.4 million and $7.4 million during the three months ended September 30, 2018 and 2017, respectively.

Operating loss in the third quarter of 2018 was $0.2 million, compared to operating income of $1.0 million in the third quarter of 2017.

Net loss in the third quarter of 2018 was $0.6 million, or $(0.1) per diluted share, compared to net income of $0.8 million, or $0.01 per diluted share, in the third quarter of 2017.

On September 30, 2018, ME_2C had cash and cash equivalents of $0.4 million compared to $0.5 million on June 30, 2018 and $0.6 million on March 31, 2018.

Adjusted EBITDA in the third quarter of 2018 was $97,000, compared to adjusted EBITDA of $1.5 million in the same year-ago quarter.

Conference Call and Webcast
Management will host a conference call today, November 13, 2018 at 5:00 p.m. Eastern time to discuss ME_2C's third quarter 2018 results, provide a corporate update, and conclude with a Q&A from participants. To participate, please use the following information:

Q3 2018 Conference Call and Webcast
Date: Tuesday, November 13, 2018
Time: 5:00 p.m. Eastern time
U.S. Dial-in: 1-800-289-0438
International Dial-in: 1-323-794-2423
Conference ID: 3592048
Webcast: http://public.viavid.com/index.php?id=132127

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 December 13, 2018. 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 3592048.

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's broad ranging patented technologies and proprietary products have been shown to achieve mercury removal at low cost and with less operational impact than other methods, while preserving the marketability of fly-ash for commercial 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 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 because it allows management, investors, debtholders and others to evaluate and compare ongoing operating results from period to period by removing the impact of our asset base, any asset disposals or impairments, stock based compensation and other non-cash income and expense items associated with our reliance on issuing equity-linked debt securities to fund our working capital.

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 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.

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MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2018 AND DECEMBER 31, 2017
(UNAUDITED)

	September 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 449,546	$ 2,418,427
Accounts receivable	1,776,867	2,931,353
Inventory	468,328	659,579
Prepaid expenses and other assets	418,242	210,535
Total current assets	3,112,983	6,219,894

Property and equipment, net	2,513,096	2,728,993
Intellectual Property/Patents, net	2,783,962	2,934,862
Customer acquisition costs, net	68,933	172,333
Total assets	$ 8,478,974	$ 12,056,082
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 2,638,475	$ 1,795,703
Current portion of notes payable	2,875,000	2,500,000
Current portion convertible notes payable, net	907,322	1,461,417
Current portion of equipment notes payable	63,359	61,177
Customer credits	167,000	167,000
Accrued interest	42,597	77,500
Deferred revenue	-	517,060
Total current liabilities	6,693,753	6,579,857
Notes payable, net of discount and issuance costs	9,021,256	9,733,361
Convertible notes payable, net of discount and issuance costs	760,000	-
Equipment notes payable	120,361	167,650
Total liabilities	16,595,370	16,480,868
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 September 30, 2018		
76,246,113 shares issued and outstanding as of December 31, 2017	76,246	76,246
Additional paid-in capital	42,721,987	42,165,620
Accumulated deficit	(50,914,629)	(46,666,652)
Total stockholders' deficit	(8,116,396)	(4,424,786)
Total liabilities and stockholders' deficit	$ 8,478,974	$ 12,056,082

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

MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(UNAUDITED)

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Revenues				
Product sales	4,113,890	8,075,510	8,615,260	20,472,465
Equipment sales	28,252	2,975	37,398	787,081
Demonstrations and consulting services	66,950	369,482	129,096	546,982
Total revenues:	4,209,092	8,447,967	8,781,754	21,806,528
Costs and expenses:				
Cost of sales	3,009,656	5,509,204	6,600,582	14,290,902
Selling, general and administrative expenses	1,364,312	1,910,020	4,855,442	6,856,558
Total costs and expenses	4,373,968	7,419,224	11,456,024	21,147,460
Operating (loss) income	(164,876)	1,028,743	(2,674,270)	659,068
Other (expense) income				
Interest expense	(471,086)	(541,855)	(1,500,670)	(1,627,248)
Letter of credit fees	-	(52,667)	(29,000)	(173,333)
Loss on debt exchange	-	-	(44,036)	-
Gain on legal settlements	-	379,000	-	317,900
Total other (expense)	(471,086)	(215,522)	(1,573,706)	(1,482,681)
Net (loss) income	$ (635,962)	$ 813,221	$ (4,247,976)	$ (823,613)
Net income (loss) per common share - basic and diluted:	$ (0.01)	$ 0.01	$ (0.06)	$ (0.01)

Weighted average common shares outstanding	76,246,113	75,865,678	76,246,113	74,662,691

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

MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES
RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA
FOR THREE MONTHS ENDED September 30, 2018 AND 2017
(UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
	(In thousands)		(In thousands)	
Net income (loss)	$ (636)	$ 813	$ (4,248)	$ (824)
Non-GAAP adjustments:				
Depreciation and amortization	205	327	602	951
Interest and letter of credit fees	471	595	1,530	1,801
Income taxes	4	15	12	21
Stock based compensation	53	201	438	1,438
Settlement gains and losses	-	(379)	44	(318)
Adjusted EBITDA	$ 97	$ 1,572	$ (1,622)	$ 3,069

Source: Midwest Energy Emissions Corp.