

November 15, 2021



# ME2C® Environmental Reports Third Quarter 2021 Financial Results

*Successful Patent Portfolio Monetization Efforts Drive 78% Year-Over-Year Revenue Growth*

**CORSICANA, TX, Nov. 15, 2021 (GLOBE NEWSWIRE)** -- Midwest Energy Emissions Corp. (OTCQB: MEEC) ("ME<sub>2</sub>C Environmental" or the "Company"), a leading environmental technologies firm, has reported financial results for the third quarter ended September 30, 2021.

## Third Quarter and Subsequent Operational Highlights

- Grew revenue 78% to \$5.0 million in the third quarter of 2021 compared to the prior year period.
- Signed license agreement with one utility in the Midwest U.S. to provide a non-exclusive license to certain ME<sub>2</sub>C patents for use in connection with the utility's coal-fired power plant.
- Secured new multi-year supply business with current utility licensee with an expected multi-million-dollar annual value.
- Completed Phase 1 testing of the Company's Rare Earth Element (REE) Technology with Pennsylvania State University's College of Earth and Mineral Sciences, confirming an 80-90% efficiency rate in extracting select REEs. Based on the strong results from this phase of testing, the Company is moving into a second phase of testing with Penn State University during the fourth quarter, as well as field-trial testing expected to begin in early 2022.
- Received approval from District Judge of the U.S. District Court in Delaware of the adoption of the report and recommendation of the Magistrate Judge to allow the Company to proceed with litigation claims against certain refined coal entities as named in the 2019 lawsuit – providing exciting forward momentum in the Company's significant lawsuit to rightfully protect its patented technology for mercury emissions capture.

## Management Commentary

"Our efforts over the last year to monetize our patented technologies began to materialize in the third quarter of 2021, as we achieved our highest revenue quarter in over three years," said Richard MacPherson, President & Chief Executive Officer of ME<sub>2</sub>C Environmental. "The multi-year supply contract we announced in July validated our ability to add significant incremental supply business with an existing technology licensee, which is driven by the

competitive advantages of our SEA<sup>®</sup> technology and our business-first approach to defending our IP position. We continued to execute on this strategy by recently securing an additional licensing contract with a utility – building the foundation for sustained organic growth well into 2022 and beyond.”

“We are making significant progress with our litigation proceedings against entities that have participated in the decade-long refined coal tax program, which is set to expire in December 2021. Due to the superiority of our SEA<sup>®</sup> two-part process for mercury emissions capture and generating operational efficiencies for these power plants, we believe ME<sub>2</sub>C is uniquely positioned to provide a natural replacement for the refined coal product supply upon the tax program’s conclusion. Given the strength in the broader coal-fired market, we anticipate that this transition will create a significant increase in demand for the supply of our sorbent product. As a result, we are now commissioning our batch plant into operation, which has the capacity to support up to \$100 million in annual product supply revenues,” concluded MacPherson.

### **Third Quarter 2021 Financial Summary**

Total revenue in the third quarter of 2021 totaled \$5.0 million, an increase of 78% as compared to \$2.8 million in the same year-ago quarter. The increase in revenue was primarily driven by increased sorbent product sales due to increased supply demands in the coal-fired market as well as expansion of the Company’s one customer base.

Total costs and expenses in the third quarter of 2021 totaled \$5.2 million, as compared to \$3.9 million in the same 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. Loss in the third quarter of 2021 totaled \$207,000, or \$(0.00) per basic and diluted share, as compared to a net loss of \$1.1 million, or \$(0.01) per basic and diluted share, in the same year-ago quarter. The decrease was primarily due to increased sales and improved margin on such sales.

Adjusted EBITDA in the third quarter of 2021 was approximately \$562,000 as compared to \$24,000 in the same year-ago quarter.

Cash at end of the third quarter was 47% higher at \$866K than cash at December 31, 2020.

The Company has shown quarter over quarter growth through 2021 compared to the prior year periods and expects to see strong continued growth moving through the fourth quarter.

### **Q3 2021 Conference Call and Webcast**

Management will host a conference call today, November 15, 2021, at 4:30 PM Eastern Time to discuss ME<sub>2</sub>C Environmental’s third quarter 2021 results, provide a corporate update and conclude with a Q&A from participants. To participate, please use the following information:

Date: Monday, November 15, 2021

Time: 4:30 PM Eastern time (1:30 PM Pacific time)

Dial-in 1-877-407-0789

International Dial-in 1-201-689-8562

Conference Code:13724490

Webcast: [MEEC Q3 2021 Earnings Webcast](#)

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 15, 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 13724490. The replay can also be viewed through the webinar webcast link above.

### **About ME<sub>2</sub>C<sup>®</sup> Environmental**

ME<sub>2</sub>C Environmental (OTCQB: MEEC) is a leading environmental technologies company developing and delivering patented and proprietary emissions solutions to the global power industry. ME<sub>2</sub>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<sub>2</sub>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 ME<sub>2</sub>C Environmental. In addition, this release contains time-sensitive information that reflects management's best analysis only as of the date of this release. ME<sub>2</sub>C 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<sub>2</sub>C Environmental's periodic filings with the Securities and Exchange Commission.

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