August 22, 2017

Meridian Waste Solutions Reports Second Quarter 2017 Results

Record Revenue Growth of 78% to $14.2 Million; Adjusted EBITDA of $2.1 Million

ATLANTA, GA / ACCESSWIRE / August 22, 2017 / Meridian Waste Solutions, Inc. (NASDAQ: MRDN) ("Meridian Waste" or the "Company"), a vertically integrated, non-hazardous solid waste services company, today reported financial and operational results for the three-month period ended June 30, 2017. Meridian Waste will host a shareholder update conference call on Thursday, September 14, 2017 at 4:30pm ET.

Key Highlights for Second Quarter 2017:

- Record quarterly revenues of $14.2 million, increased 78% compared to the first quarter ended March 31, 2016, primarily due to the acquisition of the CFS Group;
- Organic revenue growth of 10.2%;
- Adjusted EBITDA of $2.1 million in relation to interest expense of $2.2 million;
- Commenced service in St. Louis County, Missouri, Districts 4 and 6, to 22,000 homes, valued at over $25 million revenue over 5 years;
- Named Chris Diaz as CFO; and
- Acquired Mobile Science Technologies, Inc., to strengthen technology platform and advance communications and engagement with customers.

Segment and Related Information for the Six Months Ended June 30, 2017:

With the acquisition of the CFS Group during the three months ended March 31, 2017, the Company's operations are now managed through two operating segments:

- Mid-Atlantic region, centered upon the Richmond, VA area; and
- Midwest region, centered upon the St. Louis, MO area.

For the six months ended June 30, 2017, Adjusted EBITDA of $6.0 million in relation to interest expense of $3.9 million

	Service Revenues	Net Income (loss)	Depreciation and Amortization	Capital Expenditures	Goodwill	Total Assets
Mid-Atlantic	$ 8,160,000	$ (2,841,000)	$ 3,072,000	$ 2,626,000	$ 6,014,000	$ 58,800,000
Midwest	16,965,000	(1,996,000)	4,296,000	6,500,000	7,234,000	50,205,000
Corporate	-	(5,718,000)	23,000	100,000	-	1,085,000
Total	$25,125,000	$(10,555,000)	$ 7,391,000	$ 9,226,000	$13,248,000	$110,090,000

Total	$25,125,000	$(10,555,000)	$ 7,351,000	$ 9,220,000	$15,240,000	$110,090,000

"While it's been a very productive first half of 2017, unfortunately, we did not meet our funding goals in January's public offering and had to raise additional capital in June in order to keep up with our capital expenditure budgets," stated Chairman and Chief Executive Officer Jeff Cosman. Mr. Cosman, added, "Although this hurt our stock price, it was necessary to position us for continued growth to serve our customers. As we continue to execute within our two existing markets, there remains plenty of opportunity to further expand in other regions that we are evaluating. In addition to our commitment and the growth opportunities in our waste operations, I am very excited about identified opportunities with both Meridian Innovations and Mobile Science Technologies. In each opportunity, waste, innovations or technology, Meridian remains focused and committed to its integrated service platform from collection to landfill, long-term contracted revenue and developing technologies."

Two recent business developments demonstrate Meridian Waste's commitment to excellence in serving its customers:

- On April 1, 2017, Meridian Waste began providing garbage and recycling service to 22,000 homes in St. Louis County, Missouri, Districts 4 and 6. The value of the combined contracts is expected to be in excess of $25 million over the five-year term.
- On July 17, 2017, Meridian Waste successfully renewed its contract with Florissant, Missouri, and will continue to provide garbage and recycling services to 17,500+ homes through spring 2021 ensuring reliable collection and environmentally safe disposal services for years to come.

Meridian Waste provides non-hazardous solid waste collection, transfer, recycling and disposal services in two markets: St. Louis, Missouri and Richmond, Virginia. The Company's vertically integrated service platform consists of over 200 trucks, four transfer stations, and three municipal solid waste landfills. Currently, Meridian Waste serves 105,000 residential customers, covered by approximately 35 municipal contracts with terms having three to six years remaining. Additionally, Meridian Waste serves 8,000 commercial customers.

The Company's strategy in its base platform business of waste services is two-fold: (1) to grow existing markets with new contracts and acquiring tuck-in operations and (2) to enter new regional markets by completing more significant acquisitions. In the first quarter of 2017, Meridian Waste executed on this strategy by, (1) obtaining by bid contracts with St. Louis County Districts 4 and 6, which added more than 20,300 residential customers, and (2) entering the Richmond, Virginia market by completing the acquisition of The CFS Group, which added more than 30,000 residential and commercial customers, two landfills, one transfer station and one recycling facility.

Meridian Waste is also developing technologies to support growth and provide differentiation. The Company has advanced two operating subsidiaries to advance its technological efforts: Meridian Innovations, Inc. ("Meridian Innovations") and Mobile Science Technologies, Inc. ("Mobile Science").

Meridian Innovations is seeking to capitalize on the value of recovered materials by investing in advanced byproduct recovery technologies. Enormous volumes of

manufacturing residues are disposed of on a daily basis and contain concentrated sources of otherwise valuable material that could yield superior economic value should they be efficiently recovered and further processed. The Company has assembled a team of technical experts with a successful track record in technology development and commercialization through the recovery of materials from otherwise low-value industrial byproduct streams.

The Company has negotiated a joint venture agreement for Meridian Innovations for the recovery of lignin from the byproduct streams of those businesses that process woody biomass. Lignin is an essential component in all plants and, if efficiently recovered and further processed, can be used to produce a wide array of valuable materials such as plastics, carbon fiber, adhesives and transportation fuels. The Joint Venture is subject to Meridian's credit agreement, and the Company has been working to bring this opportunity to commercialization. The Company is excited about the Meridian Innovations pipeline of acquisitions for toll processing and commercializing its products.

Mobile Science is applying technology and connectivity to improve operational efficiencies. Mobile communications with residents and municipalities provide real-time access to customers, enabling them to communicate, follow and complete transactions, which results in a competitive advantage for the Company. Through Mobile Science's [technology applications], the Company is implementing a direct connectivity customer service platform, systems for electronic invoicing and electronic payment, and additional non-waste oriented municipal access points. Mobile Science has been active on its pipeline of acquisitions as well.

Financial Results for the Three Months Ended June 30, 2017:

For the three months ended June 30, 2017, revenues were $ 14.2 million, a 78% increase from $8.0 million for the three months ended June 30, 2016. Organic revenue growth of the Midwest segment of 10.2% was driven by additional customers and price increases.

Gross profit improved slightly by $44,249 to $2.8 million in the three months ended June 30, 2017, as compared to a $2.8 million gross profit in the three months ended June 30, 2016.

Operating expenses were $11.4 million or 80% of revenue, for the three months ended June 30, 2017, as compared to $5.2 million, or 65% of revenue, for the three months ended June 30, 2016. This is an increase of 15% of revenue from the three months ended June 30, 2016. The increase is due to increased labor costs in 2017 in the Midwest segment. Operating labor expenses for the 2016 period were 19% of revenues, whereas 2017 expenses are 28.5% of revenue. The reason for this is twofold; first, the Company needed to increase driver wages to help stabilize the workforce and avoid turnover, second, add-on revenue from the St. Louis County contracts has not materialized as quickly as expected, but the Company has increased its labor force to service the expected increased revenue.

Additionally, the CFS Group's operating expenses were significantly higher than that of the other operating subsidiaries and are being reduced to a more optimal level. Management believes there is an opportunity to improve efficiencies of operations at CFS, and would expect its operating margins to improve over time. There are also synergistic opportunities,

such as creating density in some of its routes and internalization of its waste, which are also in process.

For the three months ended June 30, 2017, adjusted EBITDA was $2.1 million.

The following table presents Adjusted EBITDA, a non-GAAP financial measure, and provides a reconciliation of Adjusted EBITDA to the directly comparable GAAP measure reported in the Company's consolidated financial statements:

	June 30, 2017
Net loss	$(7,532,480)
Extinguishment of derivative liability	
Depreciation and amortization	4,513,000
Financing and acquisition related costs	400,400
Interest expense	2,229,125
Other income, corporate overhead, bonus, internalization	2,486,947
Adjusted EBITDA	$ 2,096,992

Net loss for the three months ended June 30, 2017, increased by $3.0 million to $7.5 million or $0.94 per share, as compared to $4.4 million or $3.48 per share in the three months ended June 30, 2016. Included in net loss attributable to common stockholders for the six months ended June 30, 2017, is a deemed dividend-related to beneficial conversion feature and accretion of a discount on Series C Preferred Stock of $2.1 million.

At June 30, 2017, Meridian Waste had $2.3 million of cash and cash equivalents, $6.9 million of capital leases, $82.0 million of debt and 9.4 million shares issued and outstanding.

Financial Results for the Six Months Ended June 30, 2017:

For the six months ended June 30, 2017, revenues were $25.1 million, a 62% increase from $15.5 million for the six months ended June 30, 2016. Organic revenue growth of the Midwest segment of 9.5% was driven by additional customers and price increases.

Gross profit improved by $1.3 million to $6.7 million in the six months ended June 30, 2017, as compared to a $5.4 million gross profit in the six months ended June 30, 2016.

Operating expenses were $18.4 million or 73% of revenue, for the six months ended June 30, 2017, as compared to $10.1 million, or 65% of revenue, for the six months ended June 30, 2016. This is an increase of 8% of revenue from the six months ended June 30, 2016. The increase is primarily due to increased labor costs in 2017 in the Midwest segment. Operating labor expenses for the 2016 period were 19.5% of revenue, whereas 2017 expenses are 27.1% of revenue. The reason for this is twofold; first, the Company needed to increase driver wages to help stabilize the workforce and avoid turnover, second, add-on revenue from the St. Louis contracts has not materialized as quickly as expected, but the Company has increased its labor force to service the expected increased revenue.

Management believes there is an opportunity to improve efficiencies of operations at CFS,

and would expect its operating margins to improve over time. There are also synergistic opportunities, such as creating density in some of its routes and internalization of its waste, which are also in process.

For the six months ended June 30, 2017, adjusted EBITDA was $2.9 million; includes a full quarter pro-forma effect of the CFS acquisition.

The following table presents Adjusted EBITDA, a non-GAAP financial measure, and provides a reconciliation of Adjusted EBITDA to the directly comparable GAAP measure reported in the Company's consolidated financial statements:

	June 30, 2017
Net loss	$(12,745,235)
Extinguishment of derivative liability	(2,654,821)
Depreciation and amortization	7,491,591
Financing and acquisition related costs	1,057,400
Interest expense	3,924,604
Other income, corporate overhead, bonus, internalization	5,857,013
Adjusted EBITDA	$ 2,930,552

Net loss for the six months ended June 30, 2017, increased by $2.1 million to $12.7 million or $1.78 per share, as compared to $10.6 million or $9.05 per share in the six months ended June 30, 2016. Included in net loss attributable to common stockholders for the six months ended June 30, 2017 is a deemed dividend related to beneficial conversion feature and accretion of a discount on Series C Preferred Stock of $2.1 million.

Conference Call Details:

Date: Thursday, September 14, 2017
Time: 4:30PM ET
Dial-in Number: (888) 567-1603
International Dial-in Number: (212) 548-3250
Webcast: http://www.investorcalendar.com/event/20007

Non-GAAP Financial Measure - Adjusted EBITDA

We make reference to "Adjusted EBITDA," a measure of financial performance not calculated in accordance with accounting principles generally accepted in the United States ("GAAP"). Management has included Adjusted EBITDA because it believes that investors may find it useful to review our financial results as adjusted to exclude items as determined by management. Reconciliations of this non-GAAP financial measure to the most directly comparable GAAP financial measure, net loss, to the extent available without unreasonable effort, are set forth below. The Company defines Adjusted EBITDA as earnings or (loss) from continuing operations before the items noted in the table on page 2.

Management believes Adjusted EBITDA provides a meaningful representation of our operating performance that provides useful information to investors regarding our financial condition and results of operations. Adjusted EBITDA is commonly used by financial

analysts and others to measure operating performance. Furthermore, management believes that this non-GAAP financial measure may provide investors with additional meaningful comparisons between current results and results of prior periods as they are expected to be reflective of our core ongoing business. However, while we consider Adjusted EBITDA to be an important measure of operating performance, Adjusted EBITDA and other non-GAAP financial measures have limitations, and investors should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Further, Adjusted EBITDA, as we define it, may not be comparable to EBITDA, or similarly titled measures, as defined by other companies.

About Meridian Waste Solutions, Inc.

Meridian Waste Solutions, Inc. (NASDAQ: MRDN) is a company defined by our commitment to servicing our customers with unwavering respect, fairness and care. We are focused on finding and implementing solutions to solid waste needs and challenges within the industry and for our customers. Meridian Waste's core business is centered on residential and commercial waste collection and disposal but it also includes a fundamental objective to seek rewarding environmental solutions through innovation. Currently, the company operates in St. Louis, Missouri and Richmond, Virginia servicing over 113,000 residential, commercial, industrial and governmental customers. In addition to a fleet of commercial, residential and roll off trucks, the Company operates four transfer stations, one recycling facility and three municipal solid waste landfills. For more information, visit www.MWSinc.com.

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve certain risks and uncertainties. The actual results or outcomes of Meridian Waste Solutions, Inc. may differ materially from those anticipated. Although Meridian Waste Solutions, Inc. believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any such assumptions could prove to be inaccurate. Therefore, Meridian Waste Solutions, Inc. can provide no assurance that any of the forward-looking statements contained in this press release will prove to be accurate.

In light of the significant uncertainties and risks inherent in the forward-looking statements included in this press release, such information should not be regarded as a representation by Meridian Waste Solutions, Inc. that its objectives or plans will be achieved. Included in these uncertainties and risks are, among other things, fluctuations in operating results, general economic conditions, uncertainty regarding the results of certain legal proceedings and competition. Forward-looking statements consist of statements other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "intend," "expect," "will," "anticipate," "estimate" or "continue" or the negatives thereof or other variations thereon or comparable terminology. Because they are forward-looking, such statements should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties are more fully described in Meridian Waste Solutions, Inc.'s most recent Annual and Quarterly Reports filed with the Securities and Exchange Commission, including under the heading entitled "Risk Factors." Meridian Waste Solutions, Inc. does not undertake an obligation to update publicly any of its forward-

looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Contact:

Hayden IR
ir@meridianwastesolutions.com
(917) 658-7878

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

Assets	**June 30, 2017**	**December 31, 2016**
Current assets:	**(Unaudited)**	**(Unaudited)**
Cash	$ 2,296,411	$ 824,928
Short-term investments - Restricted	-	1,953,969
Accounts receivable, net	6,593,302	2,540,657
Prepaid expenses	1,232,130	746,776
Other current assets	530,902	39,895
Total current assets	10,652,745	6,106,225
Property, plant and equipment, at cost net of accumulated depreciation	35,765,862	16,797,015
Landfill assets, net of accumulated amortization	34,042,804	3,278,817
Assets held for sale	395,000	395,000
Other assets:		
Deposits	229,779	144,793
Contract receivable	167,586	179,067
Goodwill	13,248,633	7,234,420
Capitalized software, net of accumulated amortization	131,271	356,167
Trademarks, net of accumulated amortization	194,250	-
Customer list, net of accumulated amortization	15,132,131	14,553,629
Non-compete, net of accumulated amortization	94,080	114,680
Website, net of accumulated amortization	36,403	38,819
Total other assets	29,234,133	22,621,575
Total assets	$110,090,544	$ 49,198,632
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 4,242,056	$ 3,327,618
Accrued expenses	3,045,795	2,005,357
Notes payable, related parties	356,891	609,891
Deferred compensation	-	769,709
Deferred revenue	5,744,144	3,431,869
Derivative liability	-	3,343,623
Current portion - capital leases payable	543,775	-
Current portion - long term debt	1,366,676	1,385,380
Total current liabilities	15,299,337	14,873,447

Long-term liabilities:		
Asset retirement obligation	8,078,125	5,299
Deferred tax liability	418,000	193,482
Deferred rent	54,149	
Capital leases, payable	6,372,297	-
Long-term debt, net of current	81,640,398	41,810,733
Total long term liabilities	96,562,969	42,009,514
Total liabilities	111,862,306	56,882,961
Preferred Series C stock redeemable, cumulative, stated value $100 per share, par value $.001, 67,361 shares authorized, 0 and 35,750 shares issued and outstanding, respectively	-	2,644,951
Equity:		
Preferred Series A stock, par value $.001, 51 shares authorized, issued and outstanding	-	-
Preferred Series B stock, par value $.001, 71,210 shares authorized, 0 and 71,210 issued and outstanding	-	-
Common stock, par value $.025, 75,000,000 shares authorized, 9,368,196 and 1,712,471 shares issued and 9,356,696 and 1,700,971 shares outstanding, respectively	233,884	42,812
Common stock to be issued	16,979	
Treasury stock, at cost, 11,500 shares	(224,250)	(224,250)
Additional paid in capital	54,517,377	35,752,738
Accumulated deficit	(56,530,500)	(45,900,580)
Total Meridian Waste Solutions, Inc. shareholders' deficit	(1,986,510)	(10,329,280)
Noncontrolling interest	214,748	-
Total equity	(1,771,762)	(10,329,280)
Total liabilities and equity	$110,090,544	$ 49,198,632

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended	
	June 30, 2017	**June 30, 2016**
	(Unaudited)	**(Unaudited)**
Service Revenue	$14,220,423	$ 8,006,098
Cost and expenses:		
Operating	11,370,740	5,200,644
Bad debt expense	158,886	10,969
Depreciation and amortization	4,392,825	1,800,737
Accretion expense	112,805	-
Impairment expense	221,146	1,255,269
Selling, general and administrative	3,167,699	3,904,634
Total cost and expenses	19,424,101	12,172,253
Other income (expenses):		

Miscellaneous (expense) income	25,098	(4,436)
Gain on disposal of assets	-	4,504
Unrealized loss on change in fair value of derivative liability	-	(60,000)
Unrealized loss on investment	(2,324)	-
Gain on contingent liability	-	1,000,000
Interest income	454	4,287
Interest expense	(2,229,125)	(1,146,841)
Total other expenses	(2,205,897)	(202,486)
Loss before income taxes	(7,409,575)	(4,368,641)
Provision for income taxes	(122,905)	-
Net loss	$ (7,532,480)	$ (4,368,641)
Net loss attributable to noncontrolling interest	42,588	-
Net loss attributable to common stockholders of Meridian Waste Solutions, Inc.	$ (7,575,068)	$ (4,368,641)
Basic net loss per share	$ (0.94)	$ (3.48)
Weighted average number of shares outstanding	8,042,278	1,256,873

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Six months ended	
	June 30, 2017	June 30, 2016
	(Unaudited)	(Unaudited)
Service Revenue	$ 25,125,490	$ 15,494,337
Cost and expenses:		
Operating	18,358,126	10,122,554
Bad debt expense	337,374	55,558
Depreciation and amortization	7,391,591	3,505,840
Accretion Expense	169,206	-
Impairment expense	221,146	1,255,269
Selling, general and administrative	7,227,845	9,891,297
Total cost and expenses	33,705,288	24,830,518
Other income (expenses):		
Miscellaneous income	70,243	159
Gain on disposal of assets	841	3,053
Unrealized gain (loss) on change in fair value of derivative liability	(554,112)	120,000
Gain on extinguishment of derivative instrument	2,654,821	-
Unrealized loss on investment	(8,179)	-
Gain on contingent liability	-	1,000,000
Interest income	10,136	6,426
Interest expense	(3,924,604)	(2,379,590)
Total other expenses	(1,750,854)	(1,249,952)
Loss before income taxes	(10,330,652)	(10,586,133)
Provision for income taxes	(224,518)	-

Net loss	$(10,555,170)	$(10,586,133)
Net loss attributable to noncontrolling interest	$ 74,748	$ -
Net loss attributable to Meridian Waste Solutions, Inc	$(10,629,918)	$(10,586,133)
Deemed dividend related to beneficial conversion feature and accretion of a discount on Series C Preferred Stock	$ (2,115,317)	$ -
Net loss attributable to common stockholders	$(12,745,235)	$(10,586,133)
Basic net loss per share	$ (1.78)	$ (9.05)
Weighted average number of shares outstanding (Basic and Diluted)	7,152,129	1,170,285

MERIDIAN WASTE SOLUTIONS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	June 30, 2017	**June 30, 2016**
	(Unaudited)	**(Unaudited)**
Cash flows from operating activities:		
Net loss	$(10,555,170)	$(10,586,133)
Adjustments to reconcile net loss to net cash (used in) provided from operating activities:		
Depreciation and amortization	7,391,591	3,505,840
Interest accretion on landfill liabilities	169,206	91,589
Amortization of capitalized loan fees & debt discount	390,128	272,461
Unrealized (gain) loss on derivatives	554,112	(120,000)
Bad Debt Expense	337,374	-
Stock issued to vendors for services	-	778,985
Stock and Options issued to employees as incentive compensation	70,701	5,572,098
Gain on extinguishment of debt	(2,654,821)	-
Impairment expense	221,146	1,255,269
Gain on contingent liability	-	(1,000,000)
Loss on disposal of equipment	841	5,158
Changes in working capital items net of acquisitions:		
Accounts receivable, net of allowance	(1,596,593)	(251,954)
Prepaid expenses and other current assets	(216,759)	(322,813)
Deposits	-	(131,999)
Accounts payable and accrued expenses	(697,954)	1,286,944
Deferred compensation	(769,709)	(237,047)
Deferred revenue	2,312,274	189,130
Deferred Rent	54,149	-
Deferred Tax Liability	224,518	-
Net cash (used in) provided from operating activities	(4,764,966)	307,528
Cash flows from investing activities:		
Investment in CFS Group of Companies	(3,933,276)	-
Landfill additions	(1,089,807)	(297,482)

Acquisition of property, plant and equipment	(1,558,891)	(4,047,475)
Purchases of short-term investments	1,953,969	(1,951,414)
Cash proceeds received from post acquisition settlement	-	245,222
Proceeds from sale of property, plant and equipment	-	46,975
Net cash used in investing activities	(4,628,005)	(6,004,174)
Cash flows from financing activities:		
(Repayments) on notes due related parties	(253,000)	-
Proceeds from loans	569,212	2,150,000
Proceeds from issuance of common stock, net of fees	13,763,127	2,187,502
Principal payments on capital lease	(191,372)	-
Principal payments on notes payable	(3,034,994)	(131,262)
Direct Financing lease	11,481	-
Net cash provided from financing activities	10,864,454	4,206,240
Net change in cash	1,471,483	(1,490,406)
Beginning cash	824,928	2,729,795
Ending cash	$ 2,296,411	$ 1,239,389
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 3,365,270	$ 2,015,540
Supplemental Non-Cash Investing and Financing Information:		
Note payable incurred for acquisition	$ 34,100,000	$ -
Common stock issued for consideration in an acquisition	$ 1,251,000	$ -
Retirement of Preferred Stock C and related top off provision through the issuance of Common Stock (and related derivative liability)	$ 2,644,951	$ -
Property, plant and equipment additions financed with notes payable and capital leases	$ 6,567,590	$ -
Deemed dividend related to beneficial conversion feature of Series C Preferred Stock	$ 2,115,317	$ -

SOURCE: Meridian Waste Solutions, Inc.