August 14, 2018

Midwest Energy Emissions Corp. Reports Second Quarter 2018 Financial Results

Management to Host Earnings Conference Call Today At 5:00 p.m. Eastern Daylight Time

LEWIS CENTER, Ohio, Aug. 14, 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 second quarter ended June 30, 2018.

Corporate Update

In April 2018, ME$_2$C® entered into a multi-year European licensing agreement with Cabot Corporation (NYSE: CBT), a global specialty chemicals and performance materials company. Under the licensing agreement, Cabot Corporation has exclusive access to ME$_2$C's extensive patented technologies for the developing markets across Europe, which is expected to result in accelerated growth for both entities. In addition to ME$_2$C's proven two-part mercury capture technology, Cabot Corporation will also utilize ME$_2$C's proprietary scrubber additive technology, which provides a new addition to the extensive Cabot Corporation product line. Europe's coal market includes a total of 1,384 coal-fired electric generating units (EGUs), with 914 of those located in Eastern Europe—over two times the operating units throughout the U.S. today. As the European Union (EU) prepares for mercury capture legislation that is expected to be in effect by 2020, ME$_2$C has conducted initial plant visits and engaged in the demonstration process at several plants throughout Europe.

Also, in April, ME$_2$C secured another order from its previously announced Canadian customer to install its proprietary SEA® Technology at another one of their large power plants in Alberta, Canada. ME$_2$C will be installing their proprietary technology at this location, and if successful, could lead to additional EGUs under contract. ME$_2$C has worked with this Canadian customer since 2011 across multiple projects in both the United States and Canada.

On May 21, 2018, ME$_2$C presented at the MEC 13 Workshop in Krakow, Poland, which is a gathering of international emission control experts specializing in the reduction of mercury. John Pavlish, Senior VP and Chief Technology Officer of ME$_2$C, a widely recognized mercury capture expert, was a featured speaker at the event and presented the application of ME$_2$C's proprietary mercury capture technology with low-rank coals, Europe's primary coal source. In addition, Mr. Pavlish jointly introduced the recently announced ME$_2$C-Cabot licensing arrangement in the EU with Jamie Fessenden, Cabot Corporation's Commercial Director.

Management Commentary
"The second quarter of 2018 was highlighted by the signing of an exclusive European licensing agreement with Cabot Corporation, a multi-national company in the coal industry with an established footprint and immense sales network," said Richard MacPherson, President and CEO of ME_2C. "This contact is significant, as it not only shows the strength and value of our patents but allows us to quickly and efficiently expand our international footprint into the massive European market."

"Adding to our international expansion efforts, we also received an order from our previously announced Canadian customer to install our technology on one boiler in Alberta, Canada. If successful, we have an opportunity to expand this contract and service three additional EGUs.

"Given our robust IP portfolio, world-class partners with multi-national reach in both Europe and Asia, and several regulatory tailwinds at our back, I am confident that we remain on track for significant growth well into the future."

Second Quarter 2018 Financial Results
Total revenue in the second quarter of 2018 was $2.5 million, compared to $7.9 million in the same year-ago quarter.

Costs and expenses were $3.6 million and $7.3 million during the three months ended June 30, 2018 and 2017, respectively. The decrease is primarily associated with the decrease in revenues over the same quarter 2017.

Operating loss in the second quarter of 2018 was $1.1 million, compared to operating income of $0.6 million in the second quarter of 2017.

Net loss in the second quarter of 2018 was $1.7 million, or $(0.02) per diluted share, compared to net income of $16,000, or $0.00 per diluted share, in the second quarter of 2017.

On June 30, 2018, ME_2C had cash and cash equivalents of $0.5 million compared to $0.6 million on March 31, 2018 and $2.4 million on December 31, 2017.

Adjusted EBITDA in the second quarter of 2018 was $(0.9) million, compared to adjusted EBITDA of $1.2 million in the same year-ago quarter.

Conference Call and Webcast
Management will host a conference call today, August 14, 2018 at 5:00 p.m. Eastern time to discuss ME_2C's second quarter 2018 results and provide a corporate update. To participate, please use the following information:

Q2 2018 Conference Call and Webcast
Date: Tuesday, August 14, 2018
Time: 5:00 p.m. Eastern time
U.S. Dial-in: 1-877-425-9470
International Dial-in: 1-201-389-0878
Conference ID: 13682435

Webcast: http://public.viavid.com/index.php?id=130926

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 14, 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 13682435.

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 has developed patented technology and proprietary products that have been shown to achieve mercury removal at a significantly lower cost and with less operational impact than currently used methods, while preserving the marketability of fly-ash for beneficial 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 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 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
JUNE 30, 2018 AND DECEMBER 31, 2017
(UNAUDITED)

	June 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 493,981	$ 2,418,427
Accounts receivable	832,080	2,931,353
Inventory	496,712	659,579
Prepaid expenses and other assets	164,646	210,535
Total current assets	1,987,419	6,219,894

Property and equipment, net	2,632,895	2,728,993
Intellectual property, net	2,834,262	2,934,862
Customer acquisition costs, net	103,400	172,333
Total assets	$ 7,557,976	$ 12,056,082
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	$ 1,481,924	$ 1,795,703
Current portion of notes payable	3,125,000	2,500,000
Current portion convertible notes payable, net	968,470	1,461,417
Current portion of equipment notes payable	62,623	61,177
Customer credits	167,000	167,000
Accrued interest	51,665	77,500
Deferred revenue	-	517,060
Total current liabilities	5,856,682	6,579,857
Notes payable, net of discount and issuance costs	9,127,665	9,733,361
Equipment notes payable	136,308	167,650
Total liabilities	15,120,655	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 June 30, 2018 76,246,113 shares issued and outstanding as of December 31, 2017	76,246	76,246
Additional paid-in capital	42,639,741	42,165,620
Accumulated deficit	(50,278,666)	(46,666,652)
Total stockholders' deficit	(7,562,679)	(4,424,786)
Total liabilities and stockholders' deficit	$ 7,557,976	$ 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 SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(UNAUDITED)

	For the Three Months Ended June 30, 2018	For the Three Months Ended June 30, 2017	For the Six Months Ended June 30, 2018	For the Six Months Ended June 30, 2017
Revenues				
Product sales	2,414,951	7,112,722	4,474,770	12,396,956
Equipment sales	-	776,946	9,146	784,106
Demonstrations and consulting services	36,600	41,500	88,746	177,500
Total revenues:	2,451,551	7,931,168	4,572,662	13,358,562
Costs and expenses:				
Cost of sales	1,882,612	4,995,776	3,590,926	8,781,697
Selling, general and administrative expenses	1,709,763	2,313,357	3,491,130	5,007,641
Total costs and expenses	3,592,375	7,309,133	7,082,056	13,789,338
Operating (loss) income	(1,140,824)	622,035	(2,509,394)	(430,776)
Other (expense) income				
Interest expense	(516,082)	(544,918)	(1,029,583)	(1,085,393)
Letter of credit fees	-	(60,667)	(29,000)	(120,667)
Loss on debt exchange	(44,036)	-	(44,036)	-
Total other (expense) income	(560,118)	(605,585)	(1,102,619)	(1,206,060)
Net (loss) income	$ (1,700,942)	$ 16,450	$ (3,612,013)	$ (1,636,836)

Net (loss) income per

common share - basic and diluted:	$ (0.02)	$ 0.00	$ (0.05)	$ (0.02)
Weighted average common shares outstanding	76,246,113	74,493,909	76,246,113	74,051,228

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 JUNE 30, 2018 AND 2017
(UNAUDITED)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(In thousands)		(In thousands)	
Net income (loss)	$ (1,701)	$ 16	$ (3,612)	$ (1,637)
Non-GAAP adjustments:				
Depreciation and amortization	149	322	398	624
Interest and letter of credit fees	516	606	1,059	1,206
Income taxes	-	6	-	6
Stock based compensation	84	282	385	1,237
Loss on debt exchange	44	-	44	-
Adjusted EBITDA	$ (908)	$ 1,232	$ (1,682)	$ 1,436

Source: Midwest Energy Emissions Corp.