April 18, 2017

Meridian Waste Solutions Reports Fourth Quarter and 2016 Results

Provides Update to Milestones Achieved;
Vertically Integrated and Positioned for Growth

MILTON, GA / ACCESSWIRE / April 18, 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 twelve month period ended December 31, 2016. Additionally, the Company is pleased to provide an update to the milestones it has achieved over the past few months.

2016 Highlights

- Record revenues of $31.7 million, increased 135% compared to the year ended December 31, 2015; primarily due to acquisitions
- Organic revenue growth of 7.6%
- Adjusted EBITDA of $7.9 million

Subsequent to the End of 2016

- Completed $12.4 million public offering
- Listing on Nasdaq
- Expanded credit facility with Goldman Sachs Specialty Lending Group to a total of $89.1 million
- Closed The CFS Group acquisition expanding footprint into Virginia
- Awarded Contracts with St. Louis County Districts 4 and 6

2017 Annual Run-Rate Outlook, as of April 1, 2017

- Revenue of $63 million, without any additional acquisitions
- Adjusted EBITDA of $13 million
- 2 markets - St. Louis, MO and Richmond, VA
- 4 transfer stations
- 3 landfills
- 140,500 residential customers
- 5,000 commercial customers

Chairman and Chief Executive Officer, Jeff Cosman, commented, "Our team accomplished a lot over the past twelve months in regard to our operating structure, assets, capital markets strategy and the Company now has a solid platform to build upon which we are excited about for the future. Our core operating strengths that are key to our

long-term success include experienced leadership, vertically integrated assets and operations, long-term contracts, strong customer service and commitment to safety. The recent acquisition of The CFS Group demonstrates a key element of our strategy to create the vertically integrated infrastructure needed to expand our operations. We are able to acquire underutilized assets such as a landfill and integrate our network of collection and transfer to improve the efficiencies and margins of the operation in the market."

Full Year 2016 Results

For the twelve months ended December 31, 2016, revenues were $ 31.7 million, a 135% increase from $13.5 million for the twelve months ended December 31, 2015. Previously acquired Christian Disposal and Eagle Ridge represented $13.6 million and $3.6 million in revenue, respectively. Organic revenue growth of 7.6% was driven by additional customers and price increases.

Gross profit improved by $5.6 million to $9.0 million in the twelve months ended December 31, 2016, as compared to a $3.4 million gross margin profit in the twelve months ended December 31, 2015. The 28.3% gross profit percentage for 2016 represents a significant 3.3% increase from 2015 and demonstrates management's efforts to improve efficiencies of operations. The Company is utilizing the synergies of its recent acquisitions, such as creating density in some of its routes, which resulted in cost savings. In addition, there was a decrease in landfill costs as the Company began internalizing its waste.

For the twelve months ended December 31, 2016, adjusted EBITDA was $7.9 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:

	Year 2016
Net loss	$(17,671,660)
Stock-based compensation	7,220,000
Depreciation and amortization	7,602,000
Financing and acquisition related costs	1,332,000
Interest expense	4,728,000
Other income, corporate overhead and bonus, internalization	3,550,000
Impairment expense	1,255,000
Change in fair value of derivative liability	(160,000)
Adjusted EBITDA	$ 7,855,340

Net loss for the twelve months ended December 31, 2016 decreased by $ 1.5 million to $17.7 million, or $13.95 per share, as compared to $19.2 million, or $26.58 per share, in the twelve months ended December 31, 2015.

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 140,500 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.

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Meridian Waste Solutions, Inc. and Subsidiaries
Consolidated Balance Sheets

	DECEMBER 31, 2016	DECEMBER 31, 2015
Assets		
Current assets:		
Cash	$ 823,272	$ 2,729,795
Short-term investments - Restricted	1,953,969	-
Accounts receivable, net of allowance	2,540,657	1,707,818
Prepaid expenses	746,776	427,615
Other current assets	39,895	52,359
Total current assets	6,104,569	4,917,587
Property, plant and equipment, at cost net of accumulated depreciation	16,797,015	14,433,740
Landfill assets, net of accumulated amortization	3,278,817	3,393,476
Assets held for sale	395,000	-
Other assets:		
Investment in related party	360,763	364,185
Other assets	144,793	10,954
Contract receivable	179,067	-
Goodwill	7,234,420	7,479,642
Customer list, net of accumulated amortization	14,553,629	19,500,362
Non-compete, net of accumulated amortization	114,680	155,699
Website, net of accumulated amortization	38,819	10,904
Total other assets	22,626,171	27,521,746
Total assets	$ 49,201,572	$ 50,266,549

Liabilities and Shareholders' (Deficit) Equity		
Current liabilities:		
Accounts payable	$ 3,327,618	$ 1,988,050
Accrued expenses	1,998,531	280,069
Notes payable, related parties	609,891	359,891
Deferred compensation	769,709	996,380
Deferred revenue	3,431,869	2,912,264
Convertible notes due related parties, includes put premiums	-	15,065
Contingent liability	-	1,000,000
Derivative liability	3,343,623	2,820,000
Current portion of long-term debt	1,385,380	417,119
Total current liabilities	14,866,621	10,788,838
Long - term liabilities:		
Asset retirement obligation	5,299	200,252
Deferred Tax Liability	193,482	-
Long - term debt, net of current	41,810,733	39,170,796
Total long - term liabilities	42,009,514	39,371,048
Total liabilities	56,876,135	50,159,886
Commitments and contingencies (notes 9 and 11)		
Preferred Series C stock redeemable, cumulative, stated value $100 per share, par value $.001, 67,361 shares authorized, 35,750 and 0 shares issued and outstanding, respectively	2,644,951	-
Shareholders' (deficit) 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	-	71
Common stock, par value $.025, 75,000,000 shares authorized, 1,712,471 and 1,051,933 shares issued and 1,700,971 and 1,040,433 shares outstanding, respectively	42,812	26,298
Treasury stock, at cost, 11,500 shares	(224,250)	(224,250)
Additional paid - in capital	35,353,209	28,124,160
Accumulated deficit	(45,491,285)	(27,819,616)
Total shareholders' (deficit) equity	(10,319,514)	106,663
Total liabilities and shareholders' (deficit) equity	$ 49,201,572	$ 50,266,549

Meridian Waste Solutions, Inc. and Subsidiaries
Consolidated Statements of Operations

	Years ended	
	DECEMBER 31, 2016	DECEMBER 31, 2015
Revenue		
Services	$ 31,727,673	$ 13,506,097
Cost of sales and services		
Cost of sales and services	19,236,768	8,521,379

Depreciation	3,510,992	1,614,225
Total cost of sales and services	22,747,760	10,135,604
Gross profit	8,979,913	3,370,493
Expenses		
Bad debt expense	519,911	37,467
Depreciation and amortization	4,091,151	2,940,724
Impairment expense	1,255,267	-
Selling, general and administrative	17,032,394	14,662,704
Total expenses	22,898,723	17,640,895
Other income (expenses):		
Miscellaneous income (expense)	(3,235)	27,623
Gain (loss) on disposal of assets	5,146	(21,851)
Unrealized gain on interest rate swap	-	40,958
Unrealized gain (loss) on change in fair value of derivative liability	159,997	(1,664,213)
Loss on extinguishment of debt	-	(1,899,161)
Loss from proportionate share of equity method investment	(3,422)	(70,347)
Unrealized loss on investment	(2,235)	-
Gain on contingent liability	1,000,000	-
Interest income	12,478	-
Interest expense	(4,728,106)	(1,374,497)
Total other expenses	(3,559,377)	(4,961,488)
Loss before income taxes	(17,478,187)	(19,231,890)
Provision for income taxes	(193,482)	-
Net loss	$(17,671,669)	$(19,231,890)
Basic net loss per share	$ (13.95)	$ (26.58)
Weighted average number of shares outstanding (Basic and Diluted)	1,266,513	723,429

Meridian Waste Solutions, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	Years ended	
	DECEMBER 31, 2016	DECEMBER 31, 2015
Cash flows from operating activities:		
Net loss	$(17,671,669)	$(19,231,890)
Adjustments to reconcile net loss to net cash provided from (used in) operating activities:		
Depreciation and amortization	7,602,143	4,554,949
Amortization of capitalized loan fees & debt discount	562,621	-
Unrealized gain on swap agreement	-	(40,958)
Unrealized (gain) loss on derivatives	(159,997)	1,664,213
Bad debt expense	519,911	-
Stock issued to vendors for services	778,985	830,970
Stock issued to employees as incentive compensation	6,441,250	7,356,180
Loss on extinguishment of debt	-	1,899,161

Impairment expense	1,255,267	-
Gain on extinguishment of contingent liability	(1,000,000)	-
Loss from proportionate share of equity investment	3,422	70,347
(Gain) loss on disposal of assets	(5,146)	21,851
Changes in working capital items net of acquisitions:		
Accounts receivable, net of allowance	(1,352,750)	325,322
Prepaid expenses and other current assets	(440,036)	(71,247)
Deposits	(500)	(2,651)
Accounts payable and accrued expenses	3,048,735	642,797
Deferred compensation	(226,671)	267,380
Deferred revenue	519,605	(112,361)
Deferred tax liability	193,482	-
Net cash provided from (used in) operating activities	68,652	(1,825,937)
Cash flows from investing activities:		
Cash portion paid for acquisition	-	(22,667,862)
Landfill additions	(429,417)	-
Acquisition of property, plant and equipment	(6,305,372)	(1,280,011)
Purchases of short-term investments	(1,953,969)	-
Cash proceeds received from post acquisition settlement	245,222	-
Proceeds from sale of property, plant and equipment	46,975	79,737
Direct financing lease	(179,067)	-
Net cash used in investing activities	(8,575,628)	(23,868,136)
Cash flows from financing activities:		
(Repayments) borrowings on notes due related parties	250,000	(134,785)
Repayments on line of credit	-	(1,675,160)
Increase in capitalized loan fees	-	(1,395,903)
Proceeds from loans	3,195,000	52,207,716
Proceeds from issuance of common stock, net of placement fees of $143,750	2,156,250	-
Proceeds from issuance of Series C Preferred Stock, net of placement fees of $79,688	1,195,312	-
Principal payments on notes payable	(196,109)	(21,016,907)
Net cash provided from financing activities	6,600,453	27,984,961
Net change in cash	(1,906,523)	2,290,888
Beginning cash	2,729,795	438,907
Ending cash	$ 823,272	$ 2,729,795
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 4,165,485	$ 1,374,497
Supplemental Non-Cash Investing and Financing Information:		
Contingent liability in conjunction with acquisition	$ -	$ 1,000,000
Convertible promissory note issued for acquisition	$ -	$ 1,250,000
Reacquisition and exchange of common stock and related top off provision through the issuance of Preferred Stock C (and related derivative liability)	$ 2,130,993	$ -
Stock as consideration in acquisition	$ -	$ 2,625,000
Stock for cancellation of warrants	$ -	$ 2,400,000

Stock in exchange for forgiveness of debt	$ -	$ 318,927
Preferred stock converted to common stock	$ 12,500	$ -
Common Stock issued to placement agent	$ 58,250	$ -

SOURCE: Meridian Waste Solutions, Inc.