

November 15, 2018



SEER Reports Third Quarter 2018 Financial Results

Third Quarter 2018 Conference Call Scheduled for November 29, 2018 at 4:30 p.m. ET

GOLDEN, Colo., Nov. 15, 2018 (GLOBE NEWSWIRE) -- [Strategic Environmental & Energy Resources, Inc.](#) (SEER) (OTCQB: [SENR](#)), a provider of environmental, renewable fuels and industrial waste stream management services, reported financial results for its third quarter ended September 30, 2018.

Third Quarter 2018 Financial Highlights

- Total revenue in Q3 2018 was \$1.7 million versus \$1.6 million in Q3 2017.
- Q3 2018 net loss was \$0.3 million in Industrial Cleaning (REGS), net loss of \$0.2 million in Environmental Technology Solutions (MV/SEM) and loss of \$53,000 in Solid Waste (Paragon Waste Solutions).
- Gross profit margin in Q3 2018 was 12% vs. 10.7% in Q3 2017.
- GAAP net loss attributable to SEER was \$1.1 million in Q3 2018 versus a net income of \$1.5 million in Q3 2017.
- Q3 2018 adjusted EBITDA loss was \$0.5 million compared to income of \$2.0 million in Q3 2017.
- Q3 2018 net cash used in operations totaled \$1.1 million versus \$2.2 million in Q3 2017.

Third Quarter 2018 and Subsequent Financial and Operational Highlights by Division

- **Environmental Technology Solutions (MV & SEM)**
 - Environmental Solutions Q3 2018 revenue was \$0.8 million, an increase of 11.2% when compared to Q3 2017 revenue of \$0.7 million. Gross profit decreased from \$0.2 million in Q3 2017 to \$0.1 million in Q3 2018. The lower gross profit in Q3 2018 was primarily a result of a reduction in media sales during Q3 2018 when compared to Q3 2017.
 - MV continues to market and grow its high-margin, recurring revenue from media replacement sales to a steadily increasing base of over 50 landfills, anaerobic digester systems and WWTPs across North America. These sales are somewhat seasonal and spikey due to weather and changeout requirements
 - Continued to market rental systems and is receiving orders for systems to be delivered Q1 2019.

• Paragon Waste Solutions - CoronaLux™

- Paragon's joint venture in Paramount, California is in full commercial operation, serving a predominantly pharmaceutical customer base.
- Continued to ramp operations of Paragon Southwest Medical Waste, LLC (PSMW), a waste destruction facility in Anahuac, Texas. The waste stream has more than doubled over Q2 and revenue is ramping up accordingly.
- Commenced discussions and negotiations with one of the nation's largest medical waste operators to receive waste at Paragon's Texas facility and expect to initiate a pilot program before the end of 2018.
- Continued to engage with potential Pacific Rim partners as well as additional medical waste partners in Southern California, Texas, Florida (Broward & Orange counties) and North Carolina (Guilford County) to initiate or expand operations. Licensing revenue is expected Q1 2019.

• REGS

- Commenced an estimated \$0.4M cleaning project for a large steel company in Pueblo, Colorado, consisting of tank cleaning, ultra-high-pressure water cutting and vacuum truck services. The project is expected to generate revenue over the course of Q4.
- Activity continues to ramp surrounding the partnership with Biochar Now (BCN), as several water remediation projects completed in Texas demonstrated that the patented BCN product outperformed alternatives in removing excess nitrogen and phosphorus while successfully destroying invasive algae. REGS has been asked to submit a bid to assist in the clean up of a high-profile lake restoration project in Los Angeles County.
 - REGS and BCN expect to leverage successful projects and expand both the size and scope of similar projects.
 - The next phase of a large river remediation project in the South East is expected to begin in Q1 2019 and the equipment manufactured by REGS is performing in line with expectations.
 - REGS continues to work with leading water experts and service companies to expedite the deployment of its technology within both the water treatment market and the mining industry.

Management Commentary

"The third quarter was highlighted by continued operational execution and foundation building across several divisions," stated John Combs, CEO of SEER. "Several significant events are currently unfolding, and we have scheduled our earnings call at the end of this month to provide additional time for one or more of these events to come to fruition. We are in discussions with several groups to expand or create new markets throughout the United States and in the Pacific Rim region and we continue to be highly optimistic regarding the long-term adoption of our proprietary CoronaLux technology.

"We are pleased to continue to demonstrate the efficacy of Biochar Now's patented product in several water remediation projects and are receiving additional opportunities to deploy the

product both for cleanup and in pellet form for soil amendment in big ag applications. We have formed a new division, Pellechar, LLC, that is dedicated to marketing and implementing sales of proprietary pellets containing the Biochar Now product. Initial production has proven to be better than expected and is being well received by the market. Full commercial operations and production are scheduled for Q1 2019.

“Management acknowledges the lack of revenue growth but believes we have positioned all divisions to create increases in both revenue and income as we carefully consider significant opportunities being presented to the company. We look forward to our call later this month and reporting progress for which we have been working so hard,” concluded Combs.

Third Quarter 2018 Financial Results

Total revenue in the third quarter of 2018 increased 6.5% to \$1.7 million, as compared to \$1.6 million in the same year-ago quarter. The increase in revenue is primarily attributable to an increase of approximately \$0.4 million or 93% in industrial cleaning revenue, offset by a decrease of \$0.3 million or 79% in solid waste revenue.

Industrial Cleaning revenue in the third quarter of 2018 totaled \$0.8 million, as compared to \$0.4 million in the same year-ago quarter. The increase in industrial cleaning revenue is primarily attributable to a mobile rail car cleaning contract in 2018.

Environmental Solutions revenue in the third quarter of 2018 totaled \$0.8 million, as compared to \$0.7 million in the same year-ago quarter. The increase in environmental solutions revenue is primarily attributable to an increase in long term contracts in Q3 2018.

Solid Waste (PWS) net revenue in the third quarter of 2018 totaled \$94,000 as compared to \$0.5 million in the same year-ago quarter. The decrease in solid waste revenue in the third quarter of 2018 is primarily attributable to a lack of unit sales.

Gross margin in the third quarter of 2018 increased to 12%, as compared to 10.7% in the same year-ago quarter. The increase in gross margin was primarily attributable to our increased attention to pricing and aggressive cost management.

Total operating expenses for the third quarter of 2018 decreased to \$2.5 million, as compared to \$2.7 million in the third quarter of 2017. The decrease in operating expenses is primarily attributable to a decrease in general and administrative expenses.

Net loss attributable to SEER in the third quarter of 2018 totaled \$1.1 million or (\$0.02) per diluted share, as compared to a net income of \$1.5 million or \$0.03 per diluted share in the same year-ago quarter.

Adjusted EBITDA loss in the third quarter of 2018 totaled \$0.5 million, as compared to an EBITDA gain of \$2.0 million in the same year-ago quarter (see definition and further discussion about the presentation of adjusted EBITDA, a non-GAAP term, below).

Cash at September 30, 2018, totaled \$38,000 compared to \$0.1 million at September 30, 2017.

Further details about the company's results in the third quarter of 2018 are available in its Quarterly Report Form 10-Q, accessible in the investor relations section of the company's

website at www.seer-corp.com.

Conference Call

SEER CEO John Combs and CFO Heidi Anderson will host the conference call, followed by a question and answer period.

Date: Thursday, November 29, 2018
Time: 4:30 p.m. Eastern time (1:30 p.m. Pacific time)
Toll-free dial-in number: 1-888-254-3590
International dial-in number: 1-323-994-2093
Conference ID: 6382883

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact MZ Group at 1-949-491-8235.

The conference call will be broadcast live and available for replay at <http://public.viavid.com/index.php?id=132257> and via the investor relations section of the company's website at www.seer-corp.com.

A replay of the conference call will be available after 7:30 p.m. Eastern time through December 29, 2018.

Toll-free replay number: 1-844-512-2921
International replay number: 1-412-317-6671

Replay ID: 6382883

Third Quarter 2018 Financial Summary Tables

The following financial information should be read in conjunction with the unaudited financial statements and accompanying notes filed by the company with the Securities and Exchange Commission on November 14, 2018 in its Quarterly Report on Form 10-Q for the period ended September 30, 2018, and which can be viewed at www.sec.gov and in the investor relations section of the company's website at www.seer-corp.com.

Use of Non-GAAP Financial Information

The Company believes that the presentation of results excluding certain items in "Modified EBITDA," such as non-cash equity compensation charges, provides meaningful supplemental information to both management and investors, facilitating the evaluation of performance across reporting periods. The Company uses these non-GAAP measures for internal planning and reporting purposes. These non-GAAP measures are not in accordance

with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net income or net income per share prepared in accordance with generally accepted accounting principles.

Set forth below is a reconciliation of Adjusted EBITDA to net income (loss):

	Three Months Ended		Nine Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Net income (loss) continuing operations	(1,096,800)	(1,378,000)	(2,916,200)	(3,612,700)
Net income (loss) discontinued operations	0	2,888,300	41,000	3,366,600
Noncontrolling interest	24,400	23,900	45,200	115,100
Net income (loss) applicable to SEER	(1,072,400)	1,534,200	(2,830,000)	(131,000)
Interest	453,000	256,000	1,432,600	1,212,500
Depreciation and Amortization	113,600	186,700	395,300	597,800
EBITDA, including noncontrolling interest	(505,800)	1,976,900	(1,002,100)	1,679,300
stock based compensation (option comp, warrant comp, stock issued for services)	29,700	68,900	100,700	125,700
Modified EBITDA, including noncontrolling interest	(476,100)	2,045,800	(901,400)	1,805,000
EBITDA, excluding noncontrolling interest	(530,200)	1,953,000	(1,047,300)	1,564,200
Modified EBITDA, excluding noncontrolling interest	(500,500)	2,021,900	(946,600)	1,689,900

About Strategic Environmental & Energy Resources, Inc.

Strategic Environmental & Energy Resources, Inc. (SEER) (OTCQB: SENR), identifies, secures, and commercializes patented and proprietary environmental clean technologies in several multibillion dollar sectors (including oil & gas, renewable fuels, and all types of waste management, both solid and gaseous) for the purpose of either destroying/minimizing hazardous waste streams more safely and at lower cost than any competitive alternative, and/or processing the waste for use as a renewable fuel for the benefit of the customers and the environment. SEER has three wholly-owned operating subsidiaries: REGS, LLC; MV Technologies, LLC and SEER Environmental Materials, LLC; and three majority-owned subsidiaries: Paragon Waste Solutions, LLC; ReaCH4biogas ("Reach") and Pellechar, LLC. For more information about the Company visit: www.seer-corp.com.

Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of various provisions of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, commonly identified by such terms as "believes," "looking ahead," "anticipates,"

"estimates," and other terms with similar meaning. Although the company believes that the assumptions upon which its forward-looking statements are based are reasonable, it can give no assurance that these assumptions will prove to be correct. Such forward-looking statements should not be construed as fact. Statements in this press release regarding future performance or fiscal projections, the cost effectiveness, impact and ability of the Company's products to handle the future needs of customers are forward-looking statements. The information contained in such statements is beyond the ability of the Company to control, and in many cases the Company cannot predict what factors would cause results to differ materially from those indicated in such statements. All forward-looking statements in the press release are expressly qualified by these cautionary statements and by reference to the underlying assumptions.

Investor Relations

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STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2018	December 31, 2017
	Unaudited	*
ASSETS		
Current assets:		
Cash	\$ 38,200	\$ 54,100
Accounts receivable, net of allowance for doubtful accounts of \$460,100 and \$460,100, respectively	1,261,400	692,400
Notes receivable, net	306,100	184,600
Prepaid expenses and other current assets	492,900	340,900
Total current assets	2,098,600	1,272,000
Property and equipment, net	993,900	1,296,400
Intangible assets, net	546,000	623,100
Notes receivable, net of current portion	227,000	542,900
Other assets	29,900	16,500
TOTAL ASSETS	\$ 3,895,400	\$ 3,750,900
 LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,726,300	\$ 1,436,900
Accrued liabilities	1,358,200	1,307,600
Revenue contract liabilities	739,600	227,300
Deferred revenue	129,800	304,200
Payroll taxes payable	1,014,200	997,700

Customer deposits	1,600	21,600
Current portion of notes payable and capital lease obligations	2,434,600	2,166,300
Notes payable - related parties, including accrued interest	11,800	11,800
Total current liabilities	7,416,100	6,473,400
Deferred revenue, non-current	71,400	113,100
Notes payable and capital lease obligations, net of current portion	659,800	504,300
Total liabilities	8,147,300	7,090,800
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock; \$.001 par value; 5,000,000 shares authorized; -0- shares issued		
Common stock; \$.001 par value; 70,000,000 shares authorized; 61,103,575 and 56,528,575 shares issued, issuable** and outstanding 2018 and 2017, respectively	61,100	56,500
Common stock subscribed	25,000	25,000
Additional paid-in capital	22,449,300	20,790,700
Stock subscription receivable	(25,000)	(25,000)
Accumulated deficit	(24,301,900)	(21,471,900)
Total stockholders' equity	(1,791,500)	(624,700)
Non-controlling interest	(2,460,400)	(2,715,200)
Total equity	(4,251,900)	(3,339,900)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,895,400	\$ 3,750,900

**These numbers were derived from the audited financial statements for the year ended December 31, 2017. See accompanying notes.*

***Includes 3,110,000 and 190,000 shares issuable at September 30, 2018 and December 31, 2017, respectively, per terms of short-term notes.*

STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue:				
Products	\$ 797,400	\$ 717,300	\$ 3,216,600	\$ 4,268,800
Services	795,500	413,000	2,515,500	1,803,000
Licensing	93,600	453,100	279,000	596,900
Total revenue	1,686,500	1,583,400	6,011,100	6,668,700

Operating expenses:				
Products costs	652,200	506,700	2,120,000	2,912,800
Services costs	827,800	561,100	2,420,900	2,069,600
Solid waste costs	4,000	345,500	29,700	455,800
General and administrative expenses	433,300	783,800	1,576,700	2,077,500
Salaries and related expenses	540,600	548,300	1,536,000	1,587,500
Total operating expenses	<u>2,457,900</u>	<u>2,745,400</u>	<u>7,683,300</u>	<u>9,103,200</u>
Loss from operations	<u>(771,400)</u>	<u>(1,162,000)</u>	<u>(1,672,200)</u>	<u>(2,434,500)</u>
Other income (expense):				
Interest income	-	-	21,700	-
Interest expense	(453,000)	(256,000)	(1,432,600)	(1,212,500)
Gain on debt extinguishment	128,000	-	128,000	-
Other	(400)	40,000	38,900	34,100
Total non-operating expense, net	<u>(325,400)</u>	<u>(216,000)</u>	<u>(1,244,000)</u>	<u>(1,178,400)</u>
Loss from continuing operations	(1,096,800)	(1,378,000)	(2,916,200)	(3,612,900)
Discontinued operations, net of tax	-	215,400	-	693,700
Gain on sale of rail operations	-	2,672,900	41,000	2,672,900
Discontinued operations, net of tax	-	2,888,300	41,000	3,366,600
Loss before earnings from equity method joint ventures	(1,096,800)	1,510,300	(2,875,200)	(246,300)
Income from equity method joint ventures	-	-	-	-
Net loss	<u>(1,096,800)</u>	<u>1,510,300</u>	<u>(2,875,200)</u>	<u>(246,300)</u>
			<u>(736,500)</u>	<u>(736,500)</u>
Less: Net loss attributable to non-controlling interest	<u>(24,400)</u>	<u>(23,900)</u>	<u>(45,200)</u>	<u>(115,100)</u>
Net loss attributable to SEER common stockholders	<u>\$ (1,072,400)</u>	<u>\$ 1,534,200</u>	<u>\$ (2,830,000)</u>	<u>\$ (131,200)</u>
Net loss per share from continuing operations	\$ (.02)	\$ (.02)	\$ (.05)	\$ (.06)

Discontinued operations	\$ -	\$.05	\$ -	\$.06
Net income (loss) per share, basic and diluted	<u>\$ (.02)</u>	<u>\$.03</u>	<u>\$ (.05)</u>	<u>\$ *</u>
Weighted average shares outstanding – basic and diluted	<u>60,285,314</u>	<u>55,457,053</u>	<u>58,474,271</u>	<u>54,902,947</u>

STRATEGIC ENVIRONMENTAL & ENERGY RESOURCES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30,	
	2018	2017
Cash flows from operating activities:		
Net loss	\$ (2,875,200)	\$ (246,300)
Income from discontinued operations	41,000	3,366,600
Loss from continuing operations	(2,916,200)	(3,612,900)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	395,300	595,300
Stock-based compensation expense	87,300	94,000
Stock issued for services	115,000	-
Non-cash expense for interest, common stock issued for debt penalty	1,168,900	1,009,000
Amortization of note discount	(29,600)	-
Non-cash expense for interest, warrants – accretion of debt discount	(35,500)	6,200
Non-cash expense for extension of warrants	-	114,900
Non-cash expense for issuance of warrants	-	174,000
Gain on settlement	-	(102,300)
Gain on debt extinguishment	(128,000)	-
Changes in operating assets and liabilities:		
Accounts receivable	(569,000)	254,300
Costs in Excess of billings on uncompleted contracts	-	13,600
Prepaid expenses and other assets	205,100	160,500
Accounts payable and accrued liabilities	320,000	(278,700)
Revenue contract liabilities	512,300	(490,700)
Deferred revenue	(216,100)	(127,900)
Payroll taxes payable	16,500	(1,300)
Net cash used by operating activities	<u>(1,074,000)</u>	<u>(2,192,000)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(15,600)	(240,800)

Proceeds (purchase) of intangibles	(100)	(15,500)
Proceeds from sale of discontinued operations, net of costs	-	2,285,500
Distributions for notes receivable	-	(300,000)
Proceeds from notes receivable	224,000	-
Net cash provided by investing activities	<u>208,300</u>	<u>1,729,200</u>
Cash flows from financing activities:		
Payments of notes and capital lease obligations	(761,200)	(980,900)
Proceeds from short-term notes	850,000	750,000
Proceeds from warrant extensions	-	148,600
Proceeds from outside minority investment in new subsidiary	300,000	-
Proceeds from the sale of common stock and warrants, net of expenses	420,000	-
Net cash provided by (used in) financing activities	<u>808,800</u>	<u>(82,300)</u>
Net cash flows from discontinued operations	<u>41,000</u>	<u>461,400</u>
Net decrease in cash	(15,900)	(83,700)
Cash at the beginning of period	54,100	233,200
Cash at the end of period	<u>\$ 38,200</u>	<u>\$ 149,500</u>

Supplemental disclosures of cash flow information:

Cash paid for interest	<u>\$ 48,800</u>	<u>\$ 197,600</u>
Financing of prepaid insurance premiums	<u>\$ 373,900</u>	<u>\$ 438,300</u>



Source: Strategic Environmental & Energy Resources, Inc.