

CONTURA ENERGY, INC. AND SUBSIDIARIES
ADJUSTED EBITDA RECONCILIATION
(Amounts in thousands)

Reconciliation of Non-GAAP measures:

Three Months Ended December 31, 2018

	CAPP - Met	CAPP - Thermal	NAPP	Trading and Logistics	All Other	Consolidated
Net income (loss) from continuing operations	\$ 45,635	\$ (18,974)	\$ 17,211	\$ 36,553	\$ 75,476	\$ 155,901
Interest expense	(56)	1	(447)	—	12,774	12,272
Interest income	(5)	—	(10)	—	(1,105)	(1,120)
Income tax benefit	—	—	—	—	(165,496)	(165,496)
Depreciation, depletion and amortization	22,694	10,596	7,512	—	2,796	43,598
Merger related costs	—	1	—	22	46,713	46,736
Non-cash stock compensation expense	73	24	—	335	3,306	3,738
Mark-to-market adjustment - acquisition-related obligations	—	—	—	—	24	24
Gain on settlement of acquisition-related obligations	—	—	—	—	(170)	(170)
Accretion on asset retirement obligations	1,708	1,298	941	—	474	4,421
Loss on modification and extinguishment of debt	—	—	—	—	12,042	12,042
Cost impact of coal inventory fair value adjustment ⁽¹⁾	11,547	5,517	—	—	—	17,064
Amortization of acquired intangibles, net	2,746	662	—	(21,268)	—	(17,860)
Adjusted EBITDA	<u>\$ 84,342</u>	<u>\$ (875)</u>	<u>\$ 25,207</u>	<u>\$ 15,642</u>	<u>\$ (13,166)</u>	<u>\$ 111,150</u>

⁽¹⁾ The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger is expected to have short-term impact.

Segment Information:

Three Months Ended December 31, 2018

	CAPP - Met	CAPP - Thermal	NAPP	Trading and Logistics	All Other	Consolidated
Total revenues	\$ 247,562	\$ 36,222	\$ 89,623	\$ 198,275	\$ 402	\$ 572,084
Depreciation, depletion, and amortization	\$ 22,694	\$ 10,596	\$ 7,512	\$ —	\$ 2,796	\$ 43,598
Amortization of acquired intangibles, net	\$ 2,746	\$ 662	\$ —	\$ (21,268)	\$ —	\$ (17,860)
Adjusted EBITDA	\$ 84,342	\$ (875)	\$ 25,207	\$ 15,642	\$ (13,166)	\$ 111,150
Capital expenditures	\$ 15,805	\$ 1,280	\$ 8,024	\$ —	\$ 50	\$ 25,159

Reconciliation of Non-GAAP measures:

	Successor					
	Year Ended December 31, 2018					
	CAPP - Met	CAPP - Thermal	NAPP	Trading and Logistics	All Other	Consolidated
Net income (loss) from continuing operations	\$ 193,422	\$ (18,974)	\$ 18,651	\$ 107,196	\$ 2,559	\$ 302,854
Interest expense	260	1	(1,286)	—	39,835	38,810
Interest income	(22)	—	(34)	(18)	(1,875)	(1,949)
Income tax benefit	—	—	—	—	(165,363)	(165,363)
Depreciation, depletion and amortization	40,330	10,596	23,273	—	3,350	77,549
Merger related costs	—	1	—	22	51,777	51,800
Management restructuring costs ⁽¹⁾	—	—	—	—	2,659	2,659
Non-cash stock compensation expense	73	24	—	335	11,546	11,978
Mark-to-market adjustment - acquisition-related obligations	—	—	—	—	24	24
Gain on settlement of acquisition-related obligations	—	—	—	—	(580)	(580)
Gain on sale of disposal group ⁽²⁾	(16,386)	—	—	—	—	(16,386)
Accretion on asset retirement obligations	4,430	1,298	3,764	—	474	9,966
Loss on modification and extinguishment of debt	—	—	—	—	12,042	12,042
Cost impact of coal inventory fair value adjustment ⁽³⁾	11,547	5,517	—	—	—	17,064
Amortization of acquired intangibles, net	2,746	662	—	(8,800)	—	(5,392)
Adjusted EBITDA	<u>\$ 236,400</u>	<u>\$ (875)</u>	<u>\$ 44,368</u>	<u>\$ 98,735</u>	<u>\$ (43,552)</u>	<u>\$ 335,076</u>

⁽¹⁾ Management restructuring costs are related to severance expense associated with senior management changes in the year ended December 31, 2018.

⁽²⁾ During the fourth quarter of 2017, the Company entered into an asset purchase agreement to sell a disposal group (comprised of property, plant and equipment and associated asset retirement obligations) within our CAPP - Met segment. From the date the Company entered into the asset purchase agreement through the transaction close date, the property, plant and equipment and associated asset retirement obligations were classified as held for sale in amounts representing the fair value of the disposal group. Upon permit transfer, the transaction closed on April 2, 2018. The Company paid \$10,000 in connection with the transaction, which was paid into escrow on March 27, 2018 and transferred to the buyer at the transaction close date, and expects to pay a series of additional cash payments in the aggregate amount of \$1,500, per the terms stated in the agreement, and recorded a gain on sale of \$16,386 within gain on disposal of assets within the Consolidated Statements of Operations.

⁽³⁾ The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger is expected to have short-term impact.

Segment Information:

	Successor					
	Year Ended December 31, 2018					
	CAPP - Met	CAPP - Thermal	NAPP	Trading and Logistics	All Other	Consolidated
Total revenues	\$ 650,385	\$ 36,222	\$ 285,796	\$ 1,055,505	\$ 3,297	\$ 2,031,205
Depreciation, depletion, and amortization	\$ 40,330	\$ 10,596	\$ 23,273	\$ —	\$ 3,350	\$ 77,549
Amortization of acquired intangibles, net	\$ 2,746	\$ 662	\$ —	\$ (8,800)	\$ —	\$ (5,392)
Adjusted EBITDA	\$ 236,400	\$ (875)	\$ 44,368	\$ 98,735	\$ (43,552)	\$ 335,076
Capital expenditures	\$ 39,634	\$ 1,280	\$ 40,635	\$ —	\$ 332	\$ 81,881

Reconciliation of Non-GAAP measures:

Three Months Ended December 31, 2017

	CAPP - Met	CAPP - Thermal	NAPP	Trading and Logistics	All Other	Consolidated
Net income (loss) from continuing operations	\$ 21,720	\$ —	\$ (5,251)	\$ 12,436	\$ 85,745	\$ 114,650
Interest expense	2	—	(872)	—	8,767	7,897
Interest income	(14)	—	(1)	—	(79)	(94)
Income tax benefit	—	—	—	—	(75,419)	(75,419)
Depreciation, depletion and amortization	5,494	—	3,881	—	243	9,618
Non-cash stock compensation expense	—	—	—	270	8,027	8,297
Gain on settlement of acquisition-related obligations	—	—	—	—	(29,686)	(29,686)
Secondary offering costs	—	—	—	—	(8)	(8)
Accretion on asset retirement obligations	1,386	—	1,041	—	—	2,427
Amortization of acquired intangibles, net	—	—	—	9,896	—	9,896
Expenses related to Special Dividend	(262)	—	27	—	(2,934)	(3,169)
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 28,326	\$ —	\$ (1,175)	\$ 22,602	\$ (5,344)	\$ 44,409

⁽¹⁾ The Company's Adjusted EBITDA calculation has been modified to add back non-cash stock compensation expense and accretion on asset retirement obligations to align with industry peer group methodology.

⁽²⁾ Pursuant to the PRB divestiture and classification as a discontinued operation, the Company is no longer presenting a PRB reporting segment. The former PRB reporting segment had Adjusted EBITDA of \$8,574 for the three months ended December 31, 2017.

Segment Information:

Three Months Ended December 31, 2017

	CAPP - Met	CAPP - Thermal	NAPP	Trading and Logistics	All Other	Consolidated
Total revenues	\$ 90,423	\$ —	\$ 62,958	\$ 198,990	\$ 274	\$ 352,645
Depreciation, depletion, and amortization	\$ 5,494	\$ —	\$ 3,881	\$ —	\$ 243	\$ 9,618
Amortization of acquired intangibles, net	\$ —	\$ —	\$ —	\$ 9,896	\$ —	\$ 9,896
Adjusted EBITDA	\$ 28,326	\$ —	\$ (1,175)	\$ 22,602	\$ (5,344)	\$ 44,409
Capital expenditures	\$ 9,660	\$ —	\$ 14,642	\$ —	\$ 142	\$ 24,444

Reconciliation of Non-GAAP measures:

	Successor					
	Year Ended December 31, 2017					
	CAPP - Met	CAPP - Thermal	NAPP	Trading and Logistics	All Other	Consolidated
Net income (loss) from continuing operations	\$ 150,304	\$ —	\$ 36,604	\$ 29,639	\$ (42,812)	\$ 173,735
Interest expense	(90)	—	(1,505)	—	37,572	35,977
Interest income	(22)	—	(1)	—	(187)	(210)
Income tax benefit	—	—	—	—	(67,979)	(67,979)
Depreciation, depletion and amortization	18,941	—	15,087	—	882	34,910
Non-cash stock compensation expense	—	—	—	650	19,559	20,209
Mark-to-market adjustment - acquisition-related obligations	—	—	—	—	3,221	3,221
Gain on settlement of acquisition-related obligations	—	—	—	—	(38,886)	(38,886)
Secondary offering costs	—	—	—	—	4,491	4,491
Loss on modification and extinguishment of debt	—	—	—	—	38,701	38,701
Bargain purchase gain	—	—	—	—	(1,011)	(1,011)
Accretion on asset retirement obligations	5,770	—	4,164	—	—	9,934
Amortization of acquired intangibles, net	—	—	—	59,007	—	59,007
Expenses related to the dividend	115	—	84	—	6,168	6,367
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 175,018	\$ —	\$ 54,433	\$ 89,296	\$ (40,281)	\$ 278,466

⁽¹⁾ The Company's Adjusted EBITDA calculation has been modified to add back non-cash stock compensation expense and accretion on asset retirement obligations to align with industry peer group methodology.

⁽²⁾ Pursuant to the PRB divestiture and classification as a discontinued operation, the Company is no longer presenting a PRB reporting segment. The former PRB reporting segment had Adjusted EBITDA of \$41,863 for the year ended December 31, 2017.

Segment Information:

	Successor					
	Year Ended December 31, 2017					
	CAPP - Met	CAPP - Thermal	NAPP	Trading and Logistics	All Other	Consolidated
Total revenues	\$ 460,023	\$ —	\$ 306,563	\$ 882,548	\$ 835	\$ 1,649,969
Depreciation, depletion, and amortization	\$ 18,941	\$ —	\$ 15,087	\$ —	\$ 882	\$ 34,910
Amortization of acquired intangibles, net	\$ —	\$ —	\$ —	\$ 59,007	\$ —	\$ 59,007
Adjusted EBITDA	\$ 175,018	\$ —	\$ 54,433	\$ 89,296	\$ (40,281)	\$ 278,466
Capital expenditures	\$ 20,494	\$ —	\$ 51,007	\$ —	\$ 1,200	\$ 72,701