

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

	Three Months Ended			Year Ended December 31,	
	September 30, 2019	December 31, 2019	December 31, 2018	2019	2018
Net (loss) income from continuing operations	\$ (43,561)	\$ (191,871)	\$ 155,901	\$ (203,142)	\$ 302,854
Interest expense	18,847	16,719	12,272	66,798	38,810
Interest income	(1,763)	(1,712)	(1,120)	(7,296)	(1,949)
Income tax benefit	(3,102)	(48,677)	(165,496)	(57,557)	(165,363)
Depreciation, depletion and amortization	60,842	43,865	43,598	228,792	77,549
Merger-related costs	68	35	46,736	1,090	51,800
Management restructuring costs ⁽¹⁾	—	7,720	—	7,720	2,659
Non-cash stock compensation expense	2,738	4,885	3,738	12,348	11,978
Mark-to-market adjustment - acquisition-related obligations	(3,238)	(3,276)	24	(3,564)	24
Gain on settlement of acquisition-related obligations	—	—	(170)	—	(580)
Gain on sale of disposal group ⁽²⁾	—	—	—	—	(16,386)
Accretion on asset retirement obligations	6,846	7,873	4,421	27,798	9,966
Loss on modification and extinguishment of debt	—	—	12,042	26,459	12,042
Asset impairment ⁽³⁾	32	60,466	—	66,324	—
Goodwill impairment ⁽⁴⁾	—	124,353	—	124,353	—
Cost impact of coal inventory fair value adjustment ⁽⁵⁾	—	—	17,064	8,209	17,064
Gain on assets acquired in an exchange transaction ⁽⁶⁾	—	—	—	(9,083)	—
Loss on partial settlement of benefit obligations	—	6,446	—	6,446	—
Amortization of acquired intangibles, net	2,314	4,624	(17,860)	(88)	(5,392)
Adjusted EBITDA	<u>\$ 40,023</u>	<u>\$ 31,450</u>	<u>\$ 111,150</u>	<u>\$ 295,607</u>	<u>\$ 335,076</u>

⁽¹⁾ Management restructuring costs are related to severance expense associated with senior management changes.

⁽²⁾ The Company recorded a gain on disposal of assets of \$16,386 within other (income) expense within the Consolidated Statements of Operations.

⁽³⁾ Asset impairment for the year ended December 31, 2019 includes a long-lived asset impairment of \$60,169 related to asset groups recorded within the CAPP - Met and CAPP - Thermal reporting segments and an asset impairment of \$6,155 primarily related to the write-off of prepaid purchased coal as a result of Blackjewel's Chapter 11 bankruptcy filing on July 1, 2019.

⁽⁴⁾ The goodwill impairment testing as of December 31, 2019 resulted in a goodwill impairment of \$124,353 to write down the full carrying value of goodwill.

⁽⁵⁾ The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger was completed during the three months ended June 30, 2019.

⁽⁶⁾ During the year ended December 31, 2019, the Company entered into an exchange transaction which primarily included the release of the PRB overriding royalty interest owed to the Company in exchange for met coal reserves which resulted in a gain of \$9,083.