

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

	Three Months Ended			Six Months Ended June 30,	
	March 31, 2020	June 30, 2020	June 30, 2019	2020	2019
Net (loss) income from continuing operations	\$ (39,808)	\$ (238,301)	\$ 24,300	\$ (278,109)	\$ 32,290
Interest expense	17,605	18,814	16,077	36,419	31,232
Interest income	(978)	(5,533)	(1,885)	(6,511)	(3,821)
Income tax (benefit) expense	(2,188)	33	(1,000)	(2,155)	(5,778)
Depreciation, depletion and amortization	54,465	49,262	62,814	103,727	124,085
Merger-related costs	—	—	156	—	987
Management restructuring costs ⁽¹⁾	947	—	—	947	—
Non-cash stock compensation expense	2,078	1,044	(546)	3,122	4,725
Mark-to-market adjustment - acquisition-related obligations	(14,997)	(2,052)	1,014	(17,049)	2,950
Accretion on asset retirement obligations	7,375	7,304	6,847	14,679	13,079
Loss on modification and extinguishment of debt	—	—	26,459	—	26,459
Asset impairment and restructuring ⁽²⁾	33,709	184,173	5,826	217,882	5,826
Cost impact of coal inventory fair value adjustment ⁽³⁾	—	—	1,033	—	8,209
Gain on assets acquired in an exchange transaction ⁽⁴⁾	—	—	—	—	(9,083)
Loss on partial settlement of benefit obligations	1,167	63	—	1,230	—
Amortization of acquired intangibles, net	865	2,096	(343)	2,961	(7,026)
Adjusted EBITDA	<u>\$ 60,240</u>	<u>\$ 16,903</u>	<u>\$ 140,752</u>	<u>\$ 77,143</u>	<u>\$ 224,134</u>

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

⁽²⁾ Asset impairment and restructuring for the six months ended June 30, 2020 includes long-lived asset impairments of \$195,447 and restructuring expense of \$22,435 as a result of continued weakening coal prices and the strategic actions with respect to two thermal coal mining complexes. Asset impairment for the six months ended June 30, 2019 primarily related to the write-off of prepaid purchased coal from Blackjewel as a result of Blackjewel's Chapter 11 bankruptcy filing on July 1, 2019.

⁽³⁾ 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.

⁽⁴⁾ During the six months ended June 30, 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.