
Atlas
Energy Solutions

# Investor Presentation
February 2024

**NYSE: AESI**

# Important Disclosures

**Forward-Looking Statements**

This Presentation contains “forward-looking statements” of Atlas Energy Solutions Inc. (“Atlas,” the “Company,” “AESI,” “we,” “us” or “our”) within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that are predictive or prospective in nature, that depend upon or refer to future events or conditions or that include the words “may,” “assume,” “forecast,” “position,” “strategy,” “potential,” “continue,” “could,” “will,” “plan,” “project,” “budget,” “predict,” “pursue,” “target,” “seek,” “objective,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. Our forward-looking statements include: statements about the anticipated financial performance of Atlas following the acquisition of Hi-Crush Inc. by the Company (the “Acquisition”); the expected synergies and efficiencies to be achieved as a result of the Acquisition; expected accretion to free cash flow and earnings per share; expectations regarding the leverage and dividend profile of Atlas following the Acquisition; expansion and growth of Atlas’s business; Atlas’s plans to finance the Acquisition; the receipt of all necessary approvals to close the Acquisition and the timing associated therewith; our business strategy, industry, future operations and profitability; expected capital expenditures and the impact of such expenditures on our performance; our recent corporate reorganization transaction (the "Up-C Simplification"); our financial position, production, revenues and losses; our capital programs; management changes; current and potential future long-term contracts; and our future business and financial performance.

Although forward-looking statements reflect our good faith beliefs at the time they are made, we caution you that these forward-looking statements are subject to a number of risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to: the completion of the Acquisition on anticipated terms and timing or at all, including obtaining any required governmental or regulatory approval and satisfying other conditions to the completion of the Acquisition; uncertainties as to whether the Acquisition, if consummated, will achieve its anticipated benefits and projected synergies within the expected time period or at all; Atlas’s ability to integrate Hi-Crush’s operations in a successful manner and in the expected time period; the occurrence of any event, change, or other circumstance that could give rise to the termination of the Acquisition; risks that the anticipated tax treatment of the Acquisition is not obtained; unforeseen or unknown liabilities; unexpected future capital expenditures; potential litigation relating to the Acquisition; the possibility that the Acquisition may be more expensive to complete than anticipated, including as a result of unexpected factors or events; the effect of the announcement, pendency, or completion of the Acquisition on the parties’ business relationships and business generally; risks that the Acquisition disrupts current plans and operations of Atlas or Hi-Crush and their respective management teams and potential difficulties in retaining employees as a result of the Acquisition; the risks related to Atlas’s financing of the Acquisition; potential negative effects of this announcement and the pendency or completion of the Acquisition on the market price of Atlas’s common stock or operating results; commodity price volatility, including volatility stemming from geopolitical conflicts and events the ongoing armed conflicts between Russia and Ukraine and Israel and Hamas; increasing hostilities and instability in the Middle East; adverse developments affecting the financial services industry; our ability to complete growth projects, including the Dune Express, on time and on budget; the risk that stockholder litigation in connection with our recent corporate reorganization the Up-C Simplification may result in significant costs of defense, indemnification and liability; changes in general economic, business and political conditions, including changes in the financial markets; transaction costs; actions of OPEC+ to set and maintain oil production levels; the level of production of crude oil, natural gas and other hydrocarbons and the resultant market prices of crude oil; inflation; environmental risks; operating risks; regulatory changes; lack of demand; market share growth; the uncertainty inherent in projecting future rates of reserves; production; cash flow; access to capital; the timing of development expenditures; the ability of our customers to meet their obligations to us; our ability to maintain effective internal controls; and other factors discussed or referenced in our filings made from time to time with the U.S. Securities and Exchange Commission (“SEC”), including those discussed in our prospectus, dated September 11, 2023, filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933, as amended on September 12, 2023 in connection with our Up-C Simplification, and any subsequently filed Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this Presentation. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. All forward-looking statements, expressed or implied, are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. Except as otherwise required by applicable law, we disclaim any duty and do not intend to update any forward-looking statements to reflect events or circumstances after the date of this Presentation.

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin, Adjusted Free Cash Flow Conversion, Net Debt, and Maintenance Capital Expenditures are non-GAAP supplemental financial measures used by our management and by external users of our financial statements such as investors, research analysts and others, in the case of Adjusted EBITDA, to assess our operating performance on a consistent basis across periods by removing the effects of development activities, provide views on capital resources available to organically fund growth projects and, in the case of Adjusted Free Cash Flow, to assess the financial performance of our assets and their ability to sustain dividends over the long term without regard to financing methods, capital structure, levels of reinvestment or historical cost basis. These measures do not represent and should not be considered alternatives to, or more meaningful than, net income, income from operations, net cash provided by operating activities, or any other measure of financial performance presented in accordance with GAAP as measures of our financial performance. Adjusted EBITDA and Adjusted Free Cash Flow have important limitations as analytical tools because they exclude some but not all items that affect net income, the most directly comparable GAAP financial measure. Our computation of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin, Adjusted Free Cash Flow Conversion and Maintenance Capital Expenditures may differ from computations of similarly titled measures of other companies. Because Atlas provides these measures on a forward-looking basis, it cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP financial measures, such as such as Gross Profit, Net Income, Operating Income, or any other measure derived in accordance with GAAP. Accordingly, Atlas is unable to present a quantitative reconciliation of such forward-looking, non-GAAP financial measures to the respective most directly comparable forward-looking GAAP financial measures.

We define Adjusted EBITDA as net income before depreciation, depletion and accretion, interest expense, income tax expense, stock and unit-based compensation, loss on extinguishment of debt, unrealized commodity derivative gain (loss), and non-recurring transaction cost. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by total sales. We define Adjusted Free Cash Flow as Adjusted EBITDA less Maintenance Capital Expenditures. We define Maintenance Capital Expenditures as capital expenditures less growth capital expenditures. We define Adjusted Free Cash Flow Margin as Adjusted Free Cash Flow divided by total sales. We define Adjusted Free Cash Flow Conversion as Adjusted Free Cash Flow divided by Adjusted EBITDA. We define Net Debt as total debt, net of discount and deferred financing costs, plus right-of-use lease liabilities, less cash and cash equivalents.

# Important Disclosures (cont'd)

**Reserves**

This Presentation includes frac sand reserve and resource estimates based on engineering, economic and geological data assembled and analyzed by our mining engineers, which are reviewed periodically by outside firms. However, frac sand reserve estimates are by nature imprecise and depend to some extent on statistical inferences drawn from available drilling data, which may prove unreliable. There are numerous uncertainties inherent in estimating quantities and qualities of frac sand reserves and non-reserve frac sand deposits and costs to mine recoverable reserves, many of which are beyond our control and any of which could cause actual results to differ materially from our expectations. These uncertainties include: geological and mining conditions that may not be fully identified by available data or that may differ from experience; assumptions regarding the effectiveness of our mining, quality control and training programs; assumptions concerning future prices of frac sand, operating costs, mining technology improvements, development costs and reclamation costs; and assumptions concerning future effects of regulation, including the issuance of required permits and taxes by governmental agencies.

**Trademarks and Trade Names**

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**Industry and Market Data**

This Presentation has been prepared by the Company and includes market data and certain other statistical information from third-party sources, including independent industry publications, government publications, and other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates, which are derived from our review of internal sources as well as the third-party sources described above. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in these third-party publications. Additionally, descriptions herein of market conditions and opportunities are presented for informational purposes only; there can be no assurance that such conditions will actually occur. Please also see "Forward-Looking Statements" disclaimer above.

**No Offer or Solicitation**

This communication includes information relating to the Acquisition. This communication is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, in any jurisdiction, in connection with the Acquisition or otherwise, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this document in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act.

# Atlas Energy Solutions (NYSE: AESI) at a Glance

**Atlas Energy Solutions**

| | |
|---|---|
| **Market Capitalization** (1) | $1.8B |
| **Enterprise Value** (1) | $1.7B |
| **Quarterly Dividend** (2) | $0.21 / share |
| **Resource Life** (3) | 115+ years |
| **Employees** | ~480 |
| **Headquarters** | Austin, Texas |
| **Stock Symbol** | NYSE: AESI |

**YE 2023 Update Video**


*ctrl + click to play*

(1) Source: Bloomberg. Market data as of 23-February-2024. | (2) Q4 2023 dividend payment date of 29-February-2024 to holders of record as of 22-February-2024. Reflects a base dividend of $0.16 per share and variable dividend of $0.05 per share. | (3) Resource life calculated as (reserves + resources) / 16mmtpy of annual production capacity. | Video link https://vimeo.com/916745143/dae8d77b19?share=copy.

# Atlas's Acquisition of Hi-Crush Creates a Leading Proppant Logistics Provider and the Largest Proppant Producer in North America

**Acquisition includes Hi-Crush's Permian Basin proppant production assets & Pronghorn Logistics platform (1)**

**Please see the Acquisition Presentation posted to the Atlas Investor Relations website for further detail**

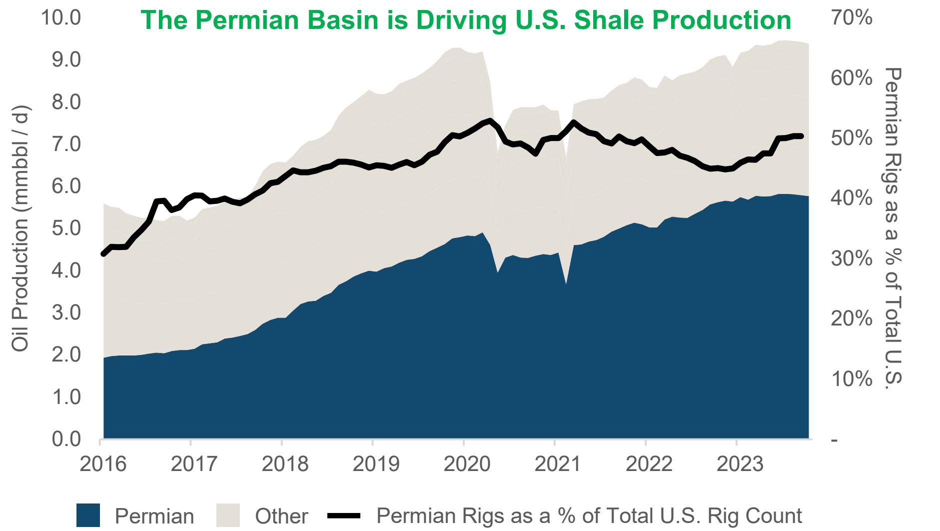
- **Combines Two of the Proppant Industry's Primary Innovators**
- **Unparalleled Portfolio of Proppant & Logistics Assets**
- **Scale and Asset Quality Drive Exceptional Cost Structure, Margins and Growth Profile**
- **Accelerating Free Cash Flow and Shareholder Returns**


(1) Transaction excludes midwestern mining assets and NE terminal assets.

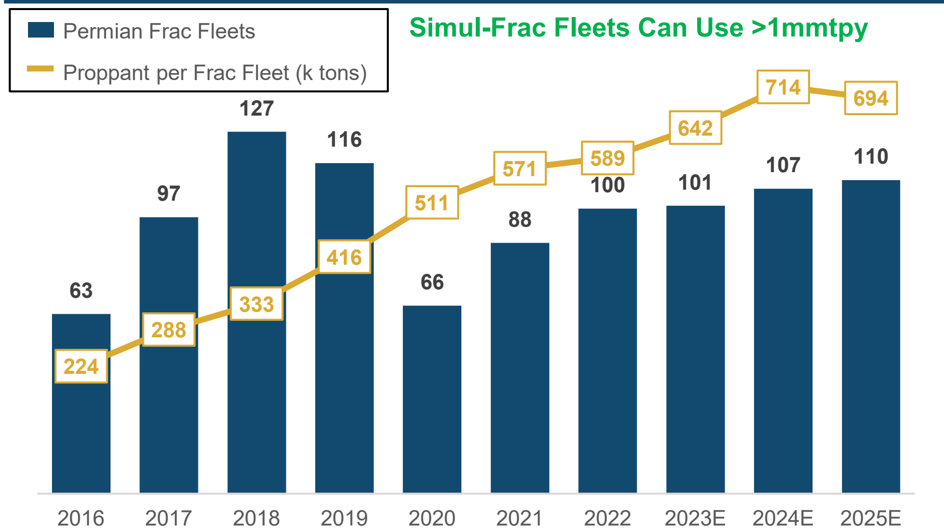
# Permian Basin Market Update

## Completions efficiencies driving proppant demand growth; the Permian is the #1 basin in US shale

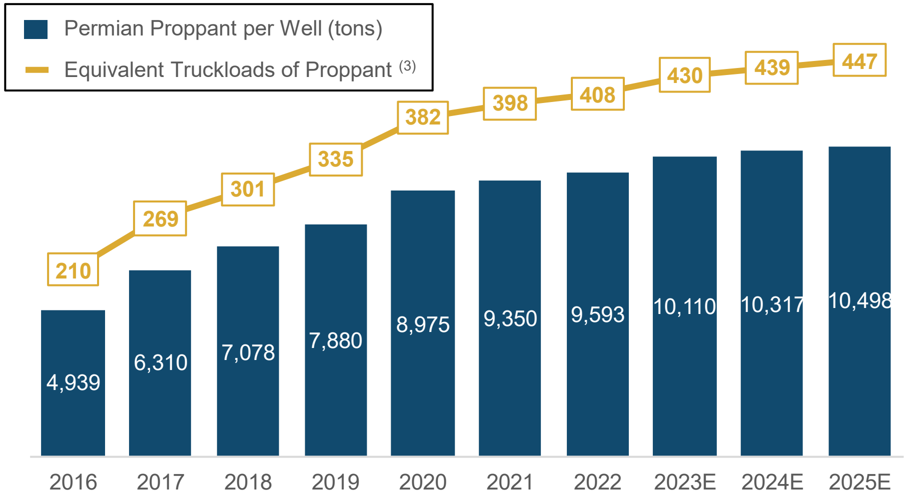
### Permian Basin Production & Rig Count [1,2]



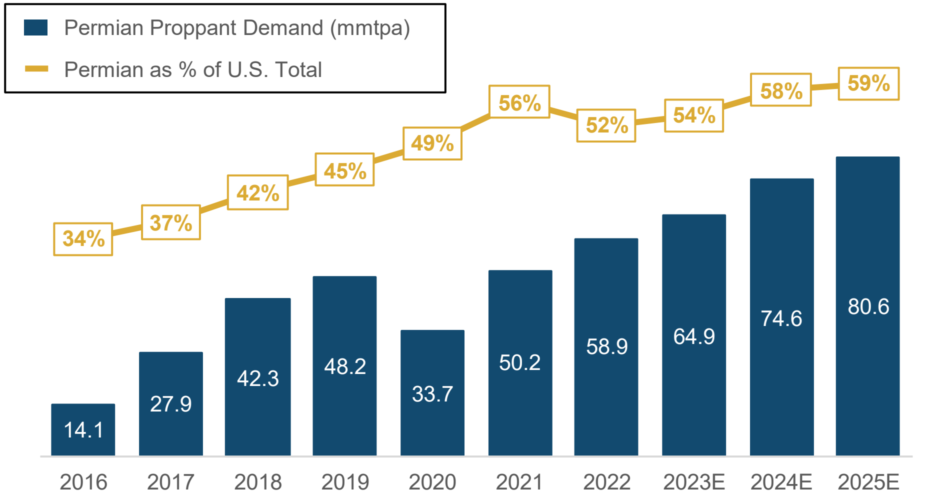

### Permian Frac Fleets & Proppant per Fleet per year [1]




### Avg. Permian Basin Proppant per Well [1]




### Permian Basin Proppant Demand [1]




(1) Per Lium, Baker Hughes and EIA. 2023E, 2024E and 2025E frac fleet and proppant demand forecast based on Lium guidance. | (2) Area chart represents production by basin and line chart represents Permian's share of the total U.S. rig count. | (3) Assumes 23.5 tons per truckload of proppant.

# Atlas Energy Solutions FY2023 Operational & Financial Update

| Total Sales | Adj. EBITDA (2) | Adj. FCF (2) | Net Income | Cash Provided by Operating Activities |
|---|---|---|---|---|
| **$614mm** | **$330mm** | **$291mm** | **$226mm** | **$299mm** |
| *(11.0mm tons) (1)* | *(54% Margin)* | *(47% Margin)* | *(37% Margin)* | *(45% growth YoY)* |

## Capital Projects Update: Dune Express, Wellsite Delivery Assets and New Kermit Facility

### Dune Express Update *(as of February 2024)*

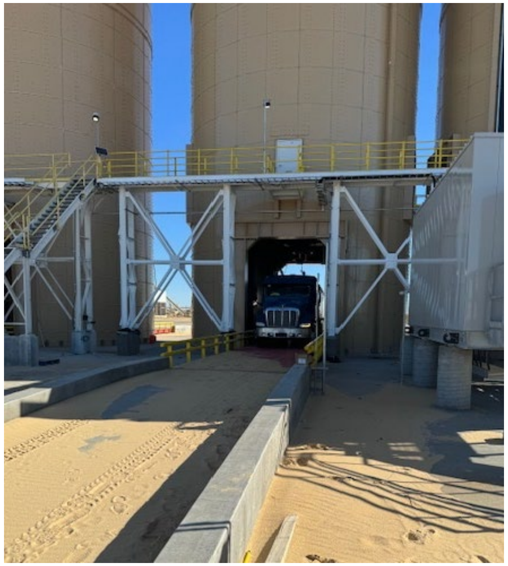
- >95% of equipment & materials and >85% of installation & services ordered and contracted
- 100% of the ordered conveyer belts on-site
- Silo foundations for both the Stateline Facility and the End-of-Line Facility have been poured and stripped
- 3 of 5 transfer station foundations have been poured
- Expected in-service of Q4 2024

### Wellsite Delivery Assets & Logistics Update *(as of February 2024)*

- 120 trucks received
- 96% year-over-year growth in logistics service sales
- Developing innovative AI-based wellsite supply chain management application and expect a commercial in-service date of Summer 2024
- Third drop-depot to be commissioned in Q1 2024

### New Kermit Facility

Fully Commissioned



(1) Represents proppant sales volumes. | (2) Non-GAAP financial measure. See Appendix for reconciliations of non-GAAP measures to the nearest GAAP measures.

# Atlas is a Leading Pure-Play Permian Proppant and Logistics Provider

## Key Investment Highlights

### Compelling Valuation and Growth Profile

- Trading at a discount to peer group [1]
- High growth potential from ongoing capital projects

### Robust Cash Flow Generation + Strong Financial Position

- Strong and resilient margins
- Strong balance sheet with low financial leverage
- Low capital intensity required to maintain core business

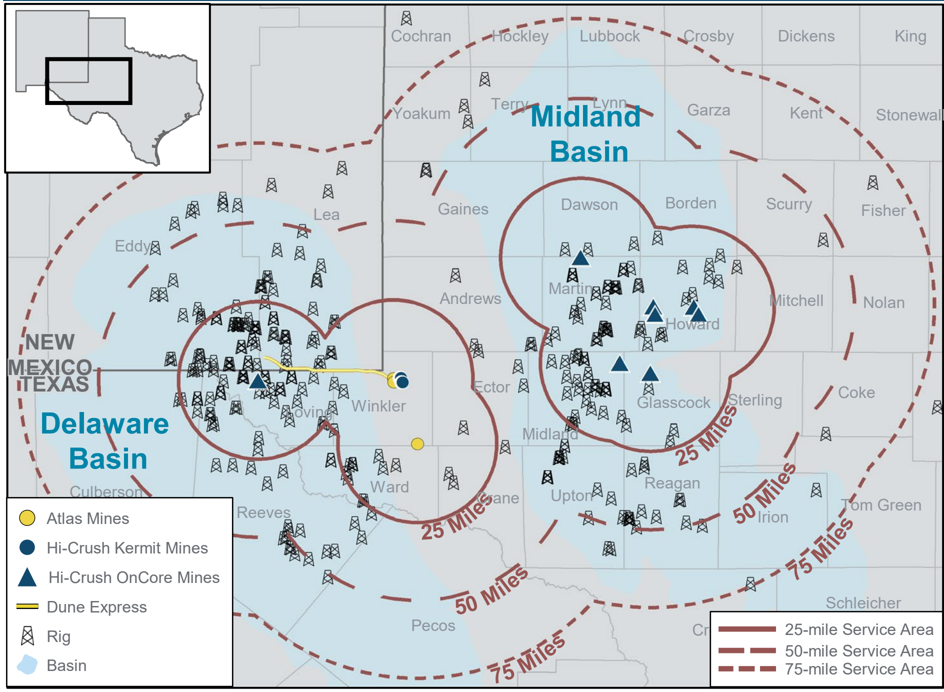
### High Quality, Differentiated Asset Base

- Giant open dunes are best-in-class resource
- Plants with automation + redundancy maximize efficiency
- Water access enables low-cost electric dredge mining
- Dune Express is a step-change in sand logistics
- Fit-for-purpose trucking assets with expanded payloads

### Proven Team, Compelling Track Record, E&P Experience

- Bud Brigham-led team with a track record of performance
- Long-time E&P operators now optimizing sand solutions
- Innovators applying proven technology in novel ways
- Proven ability to return capital to shareholders

## Pure Play Permian Asset Base [2]




## Atlas & Sustainable Environmental and Social Progress

**A long-term focus on shareholders and profits also produces favorable environmental and social outcomes:**

- Dune Express: 42-mile conveyor to transport sand into core Permian acreage will make roads safer, reduce emissions
- Fit-for-purpose wellsite delivery assets with significantly expanded payloads and the potential for automation further aims to enhance safety and emissions improvements
- Electric dredge mining = lower cost, lower emissions

Source: Enverus, Baker Hughes, Public Filings, Bloomberg Consensus data. | (1) As of 23-January-2024. Peer group includes: SLB, BKR, HAL, NOV, FTI, WHD, OII, CHX, SES, SOI, ARIS, SLCA, USAC, AROC, XPRO, HLX.
(2) Represents planned Dune Express route based on secured rights-of-way and federal permits.

# The Atlas Energy Solutions Advantage

### Premium Giant Open Dune Geology

- 115+ years of resource life [1] at 16 mmtpy of production
- Lack of organics and impurities result in higher mining yields
- Premium quality product with high crush strength

### Advantaged Water Access

- Ample costless water provides Atlas with the distinct advantage of deploying the Permian's only electric dredge mining assets
- Results in lower mining cost and is more environmentally sustainable than traditional mining methods utilizing yellow iron


### Next Generation Plant Design

- Redundancies maximize utilization rates
- Plants designed to enable automation, remote operations leading to the realization of lower labor intensity

### Logistics Differentiation

- High-capacity trailers & multi-trailer configuration allow Atlas to exceed industry standard payloads by up to 3x – 4x
- Remote command center ensures superior in-field customer service with some of the industry's fastest response times

Source: Atlas 2024 Reserve Report (produced by John T. Boyd Company). (1) Resource life calculated as (reserves + resources) / 16mmtpy of annual production capacity.

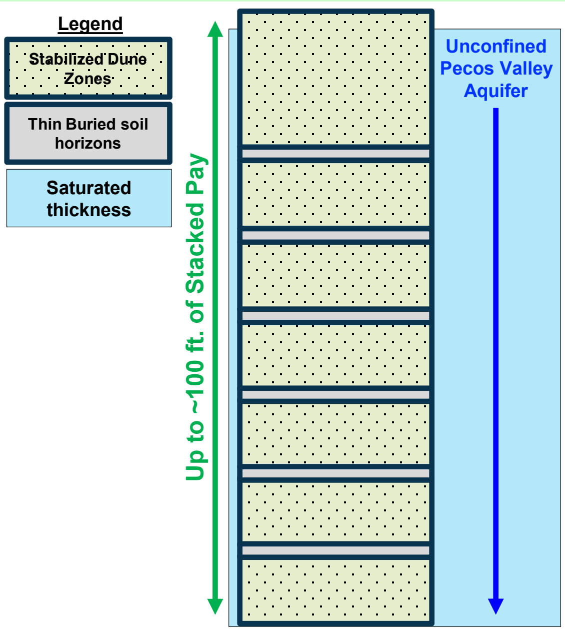
# The Permian's Giant Open Dunes are a Tier One Resource

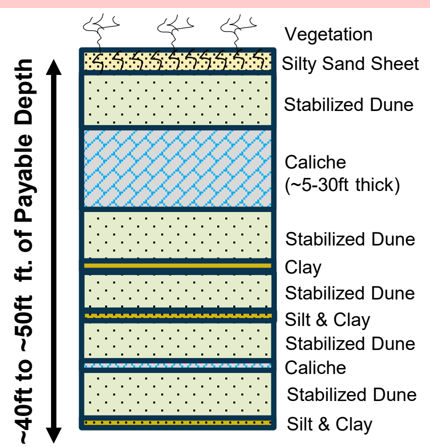
## Geology of open dunes separates AESI on scale, costs, margins & quality

- Improved yields relative to off-dune deposits enhance economics
- Exceptional quality (high crush strength, low turbidity, etc.)
- Large, deep deposits with consistent reserve mix
- Costless Pecos Valley Aquifer provides unique dredging & washing advantage
- Over 115 years of resource life [(1)]
- **Up to ~100 feet of consistent stacked pay produces > economic yields**

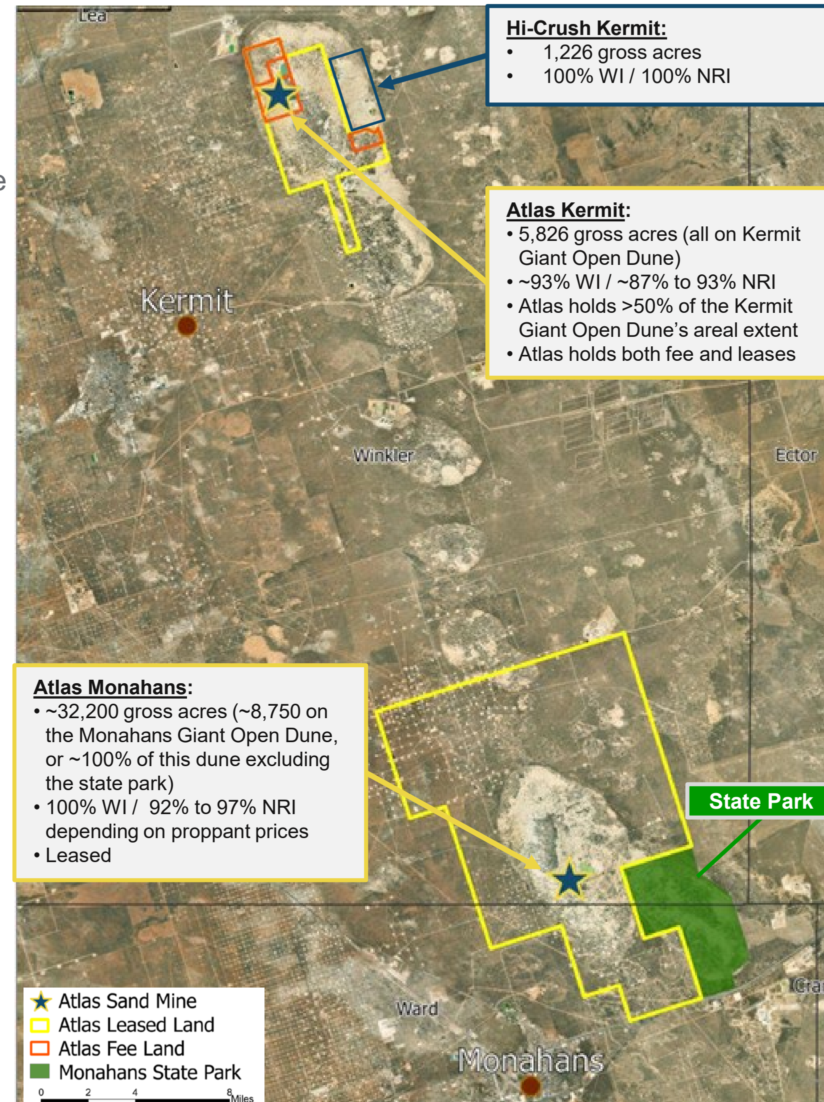
## Illustrative Cross-Section

| Giant Open Dune Advantage | Off-Dune Deposit |
|---|---|
| Deposit Yields: ~85-90% | Deposit Yields: ~65-70% |




## Premier Assets Bookending the Winkler Sand Trend




Source: Atlas 2024 Reserve Report (produced by John T. Boyd Company), management estimates, illustrative of processes and characteristics of different styles of Permian aeolian deposits. | (1) Resource life calculated as (reserves + resources) / 16mmtpy of annual production capacity. | Note: WI = Working Interest, defined as the average % interest in the gross acres that Atlas owns or leases out of the areal extent of the acreage footprint. NRI = Net Revenue Interest, defined as WI * (1- average royalty rate).

# Atlas Plant Design & Dredge Mining Provide Operational Advantages

## Comparison of Electric Dredging vs. Traditional Mining

**Cost Impact**

~70%

Contract Mining Cost Reduction, with Durability as Costs Increase Less with Haul Length Relative to Traditional Mining

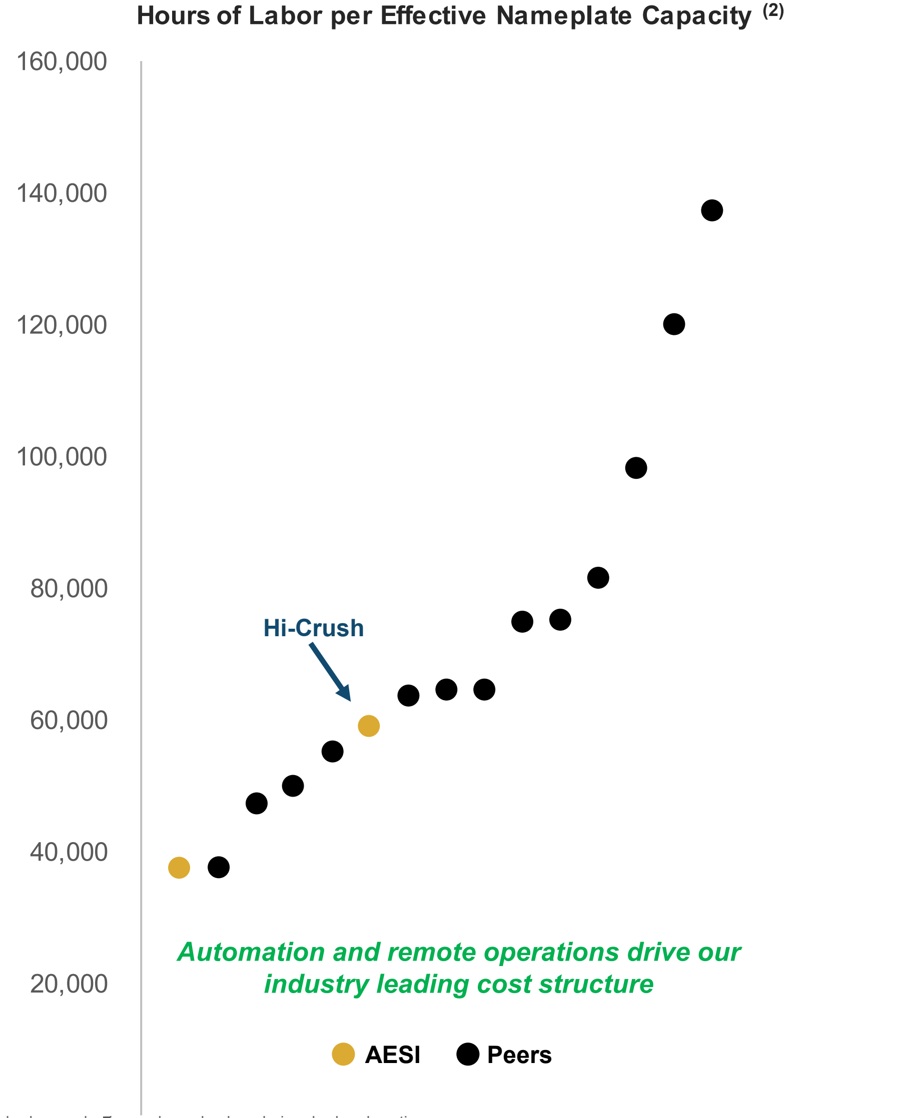
**Emissions Impact (1)**

~50%

Annual Mining Emissions Reduction

| | Atlas | Traditional Mining |
|---|---|---|
| Average Equipment Needs (3) | 4 Electric Dredges | 38 Pieces of Diesel-Powered Equipment |
| Average Labor Required (3) | 4 People | 34 People |
| Total Emissions Profile (3) | 50+% Emissions Reduction | |
| Total Fuel Usage (3) | 0 Gallons | ~2.5 Million Gallons of Diesel Fuel Annually |

## Atlas has invested in automation to reduce labor costs




Source: Management Estimates, EPA, ERCOT.

(1) Emissions defined as $CO_2$ emissions plus particulate matter. Atlas and its contractors use traditional mining methods to supplement dredge production and as a backup during dredge downtime.

(2) Per Lium data & management estimates; represents total hours worked as reported to MSHA divided by effective nameplate capacity. Estimated production capacity assumes competitor mines operate at 70% of stated nameplate capacity as reported by Lium.

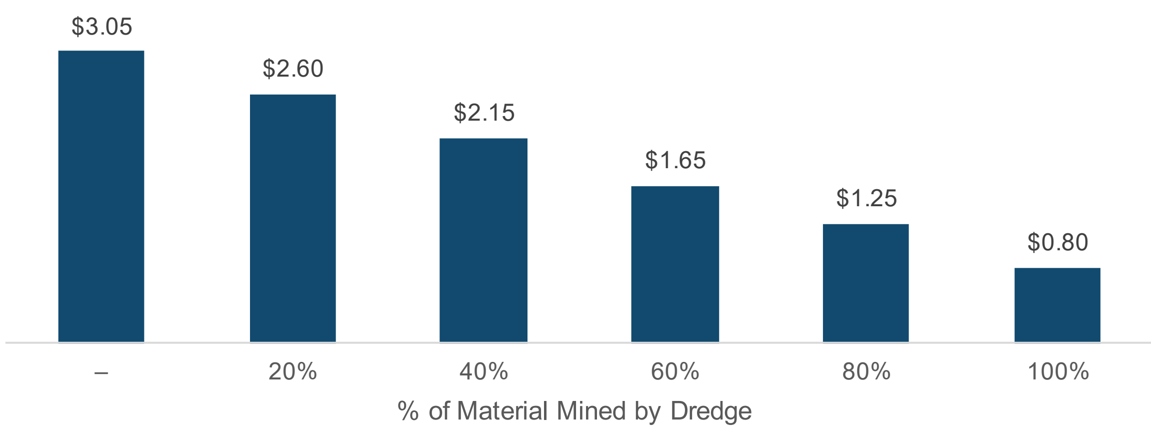
(3) Average equipment needs, average labor required, emissions profile and fuel usage based on production associated with both the Kermit and Monahans plants.

# Next Gen Dredges Expected to Drive Meaningful Cost Reductions

## Operational Update – New Atlas Electric Dredges

- Falcon #1 in initial stages of commissioning
- Falcon #2 shipments expected to start arriving early March; Commissioning planned for early April
- Once Falcon dredges are commissioned, the electric Twinkle dredge will be relocated to the Monahans Facility
- Production improvements
  - — Larger sized, estimated average of 2,000 TPH
  - — Improved cutting ability, designed for 5%-10% clays
  - — Lower maintenance downtime, 95% target availability
  - — Less deadhead time, improved recovery

## Illustrative Mining Cost at Various Utilization ($ / Ton)



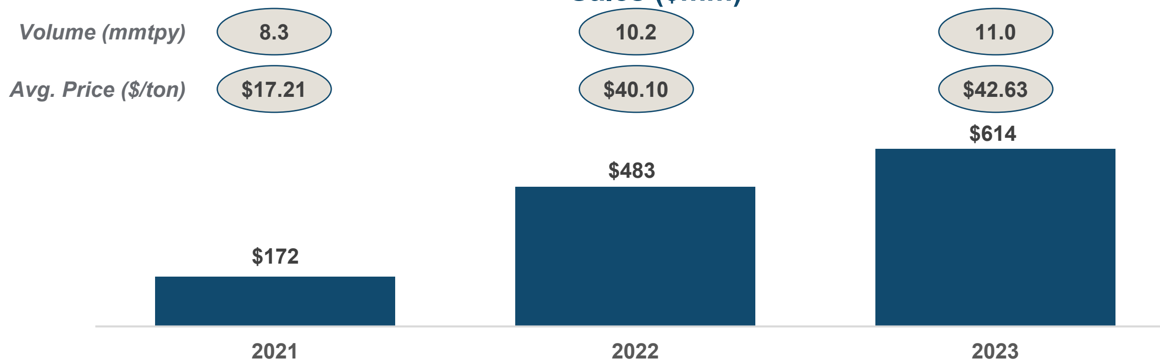

## Operating Cab

## View from Operating Cab

# Industry Leading Sustainability, Financial Performance & Growth [1]

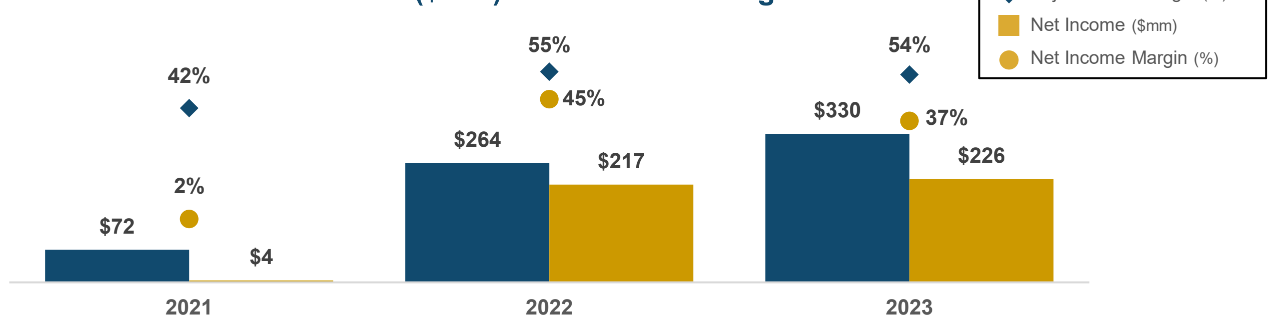
**Growing Sales with High-Quality, Diversified Customer Base**

## Sales ($mm)



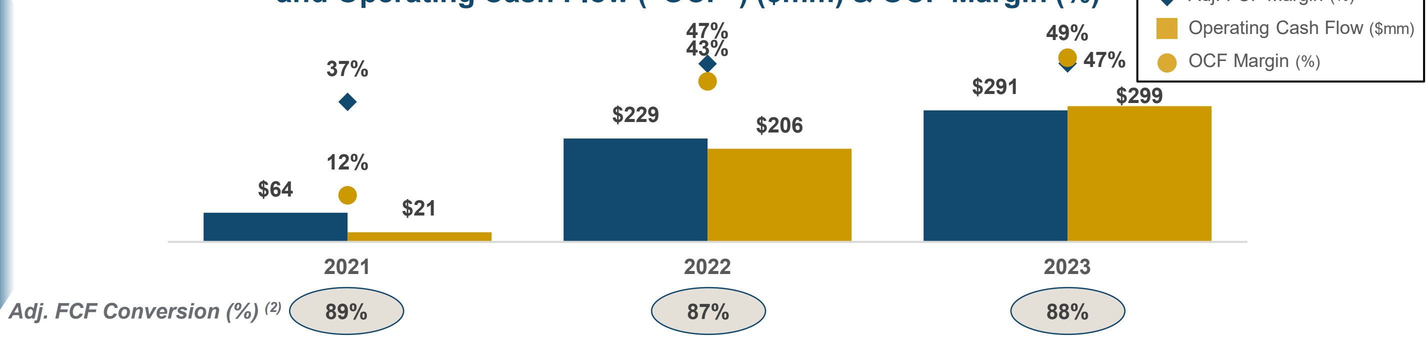

**Growing Profitability With Resilient Margins**

## Adj. EBITDA ($mm) & Adj. EBITDA Margin and Net Income ($mm) & Net Income Margin [2]




**Strong Adj. Cash Flow and Adj. FCF Conversion**

## Adj. Free Cash Flow ("FCF") ($mm) & Adj. FCF Margin (%) and Operating Cash Flow ("OCF") ($mm) & OCF Margin (%) [2]

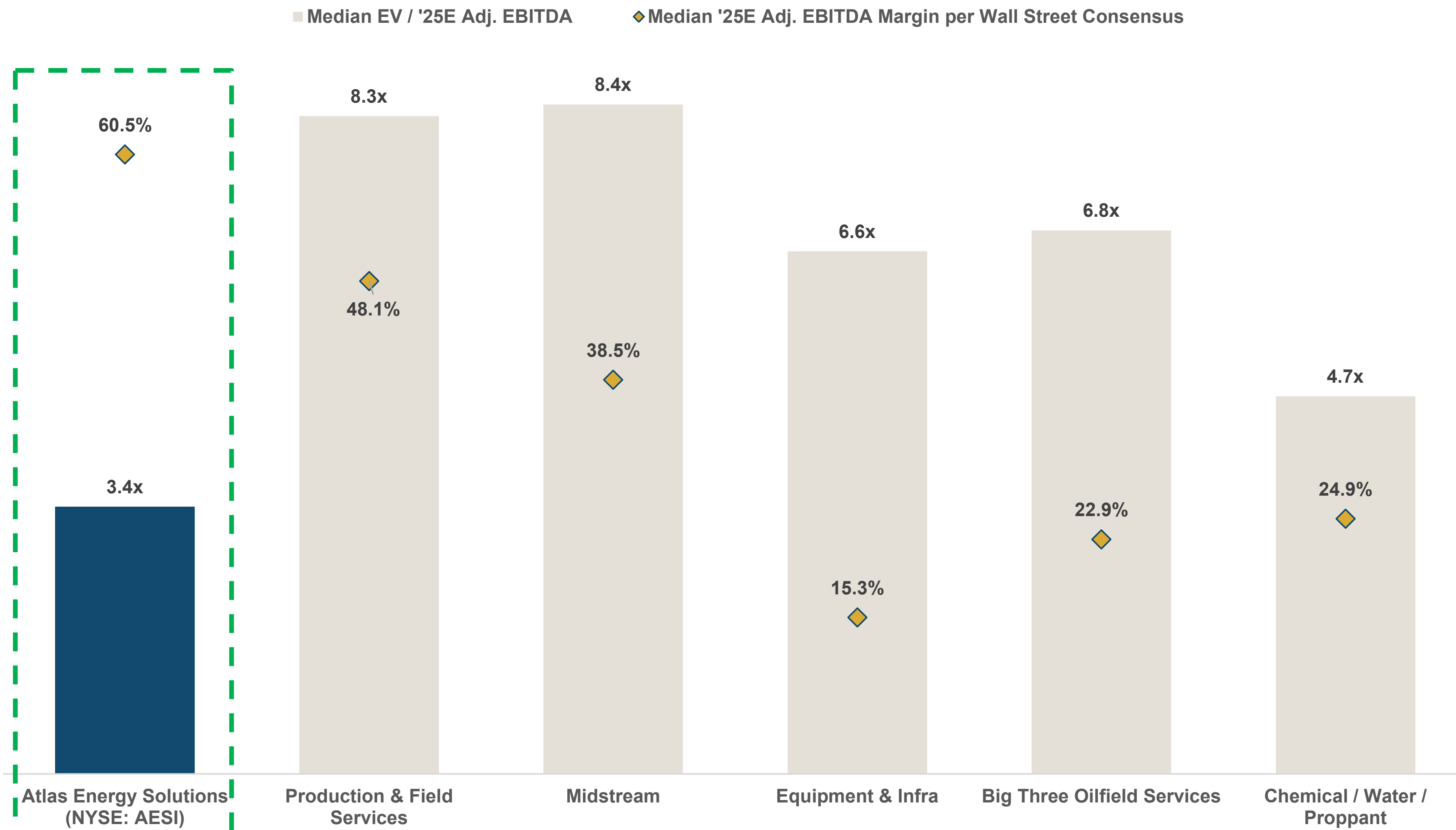



(1) Atlas has leading margin performance when compared to peers. See slide 12.| (2) Non-GAAP financial measure. See Appendix for reconciliations of non-GAAP measures to the nearest GAAP measures.

# Exceptional Margins that Merit Multiple Expansion

## EV / 2025E Adj. EBITDA and 2025E EBITDA Margins

**Atlas Trades at a Discount to Peers while Wall Street Consensus Margins Outperform**

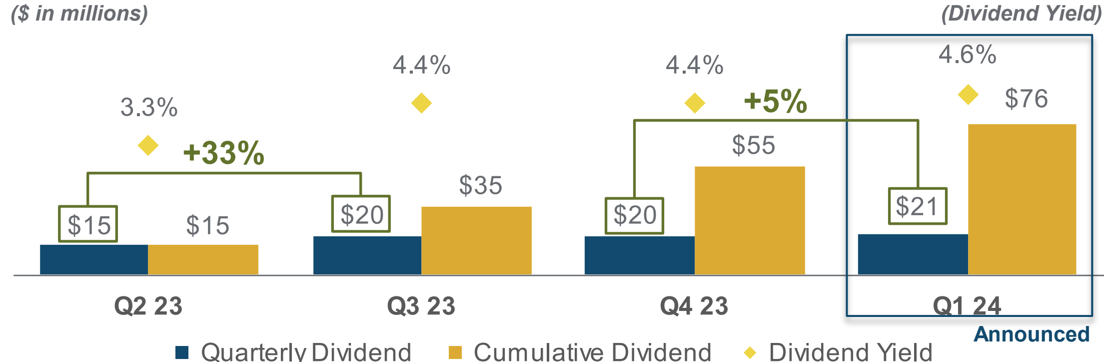



Source: Public Filings, Bloomberg Consensus data as of 23-February-2024. | **Big Three Oilfield Services:** SLB, BHI and HAL. | **Equipment & Infra.:** NOV, FTI, WHD and OII. | **Chemical / Water / Proppant:** CHX, SES, SOI, ARIS and SLCA. | **Production & Field Services:** USAC, AROC, XPRO, KGS and CLB. | **Midstream:** KMI, WMB, OKE, TRGP, MMP, WES, ENLC and ETRN.

# Consistent Long-Term Value Creation With a Well Positioned Framework for Shareholder Return of Capital

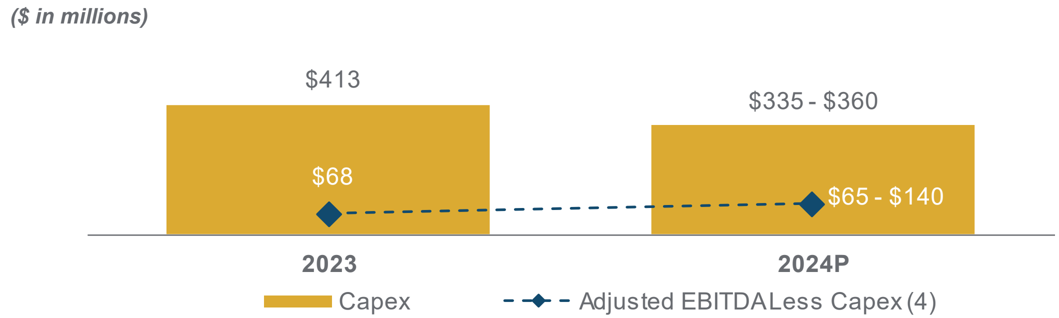
## Strong and Growing Dividend Profile

- Supports Atlas's strong & growing dividend
- Atlas has paid $76 million ($0.76 / share) in dividends in the last 12 months (1)
- Atlas current dividend yield is ~4.6% (2)



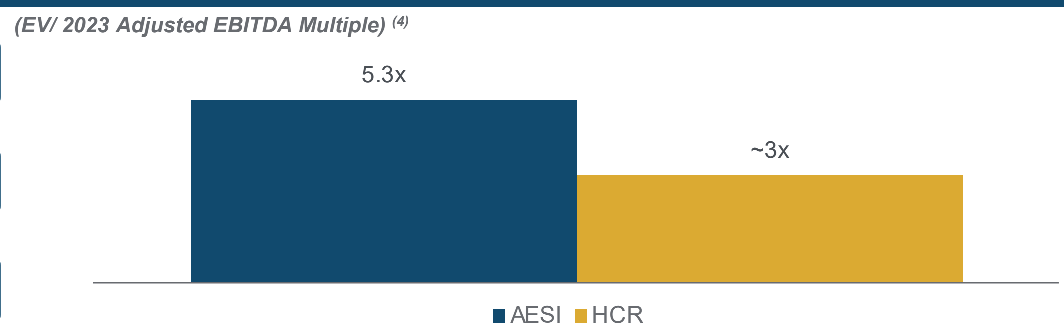

## Robust Pro Forma Cash Flow Generation and Growth Profile

- Contracted cash flow supports growth capex
- Expect to methodically pay down debt
- Acquisition adds growth engines through Oncore and Pronghorn




## Attractive Relative Valuation and Accretion

- Hi-Crush presents compelling transaction value of ~3x Adjusted EBITDA (4)
- Expected to be immediately double digit accretive to EPS and CFPS (3)
- Deal structure minimizes equity dilution




(1) LTM as of February 29, 2024, including the pending dividend payable on February 29. | (2) As of market close on February 23, 2024. | (3) Calculations assume AESI consensus estimates as of 02/14/2024. Cash Flow Per Share ("CFPS") defined as net income plus depreciation and amortization divided by diluted shares outstanding. Earnings per share ("EPS") defined as net income divided by diluted shares outstanding. (4) Non-GAAP financial measure. See Appendix for reconciliations of non-GAAP measures to the nearest GAAP measures.

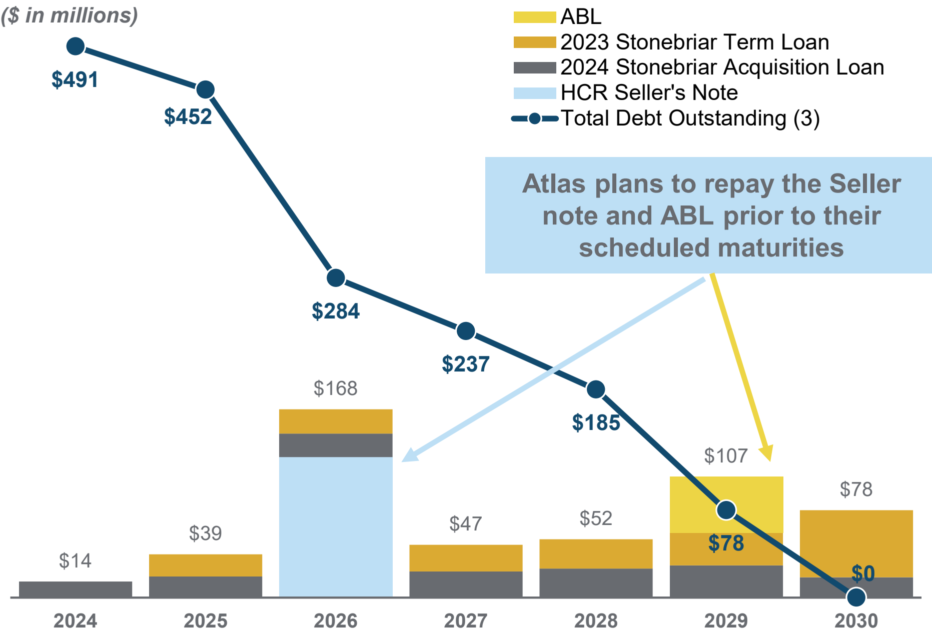
# Strong Balance Sheet and Liquidity Provides Financial Flexibility

## Financing Overview of Acquisition

- **ABL Facility** – Existing facility upsized to $125 million with $50 million draw planned at close of Acquisition
  - Improved dividend capacity; Maturity extended to 2029
- **Stonebriar Acquisition Loan** – $150 million acquisition term loan at a ~10.5% interest rate
  - Retains $100 million delayed draw feature; 2030 maturity
- **Seller's Note** – $125 million at a 5.00% cash interest or 7.00% PIK interest at borrower's option
  - Prepayable at par; 2026 maturity
- Total pro forma blended cost of debt of ~8.45% (2)

## Debt is Scheduled to be Methodically Repaid

*($ in millions)*




## Pro Forma Capitalization and Liquidity Position

*($ in millions)*

| | As of 31-Dec-23 | Adj. (1) | Pro Forma 31-Dec-23 |
|---|---|---|---|
| **Liquidity Summary:** | | | |
| Cash & Equivalents | $210.2 | $50.0 | $260.2 |
| ABL Availability | 73.9 | — | 73.9 |
| DDTL Availability | 100.0 | — | 100.0 |
| **Total Liquidity** | **$384.1** | **$50.0** | **$434.1** |
| **Debt Capital Structure:** | | | |
| ABL Drawings | — | $50.0 | $50.0 |
| Finance Leases | 0.4 | — | 0.4 |
| 2023 Stonebriar Term Loan | 180.0 | — | 180.0 |
| 2023 Stonebriar DDTL | — | — | — |
| 2024 Stonebriar Acquisition Loan | — | 150.0 | 150.0 |
| Hi-Crush Seller's Note | — | 125.0 | 125.0 |
| **Total Debt** | **$180.4** | **$325.0** | **$505.4** |
| *Net Debt / (Cash)* | *($29.8)* | | *$245.2* |
| **Key Credit Statistics:** | | | |
| **Total Debt / LTM Adj. EBITDA (4)** | **0.55x** | | **1.06x** |
| **Net Debt / LTM Adj. EBITDA (4)** | **n/a** | | **0.52x** |
| **Total Debt / Book Capitalization** | **16%** | | **32%** |
| **Net Debt / Book Capitalization** | **n/a** | | **16%** |

(1) Excludes transaction fees and purchase price adjustments. (2) Assumes a ~10.5% rate on the ATL and ~7% rate on the ABL, and cash payment under the Seller's Note. (3) Assumes all debt is repaid as scheduled (does not show potential for prepayments). (4) Non-GAAP financial measure. See Appendix for reconciliations of non-GAAP measures to the nearest GAAP measures.

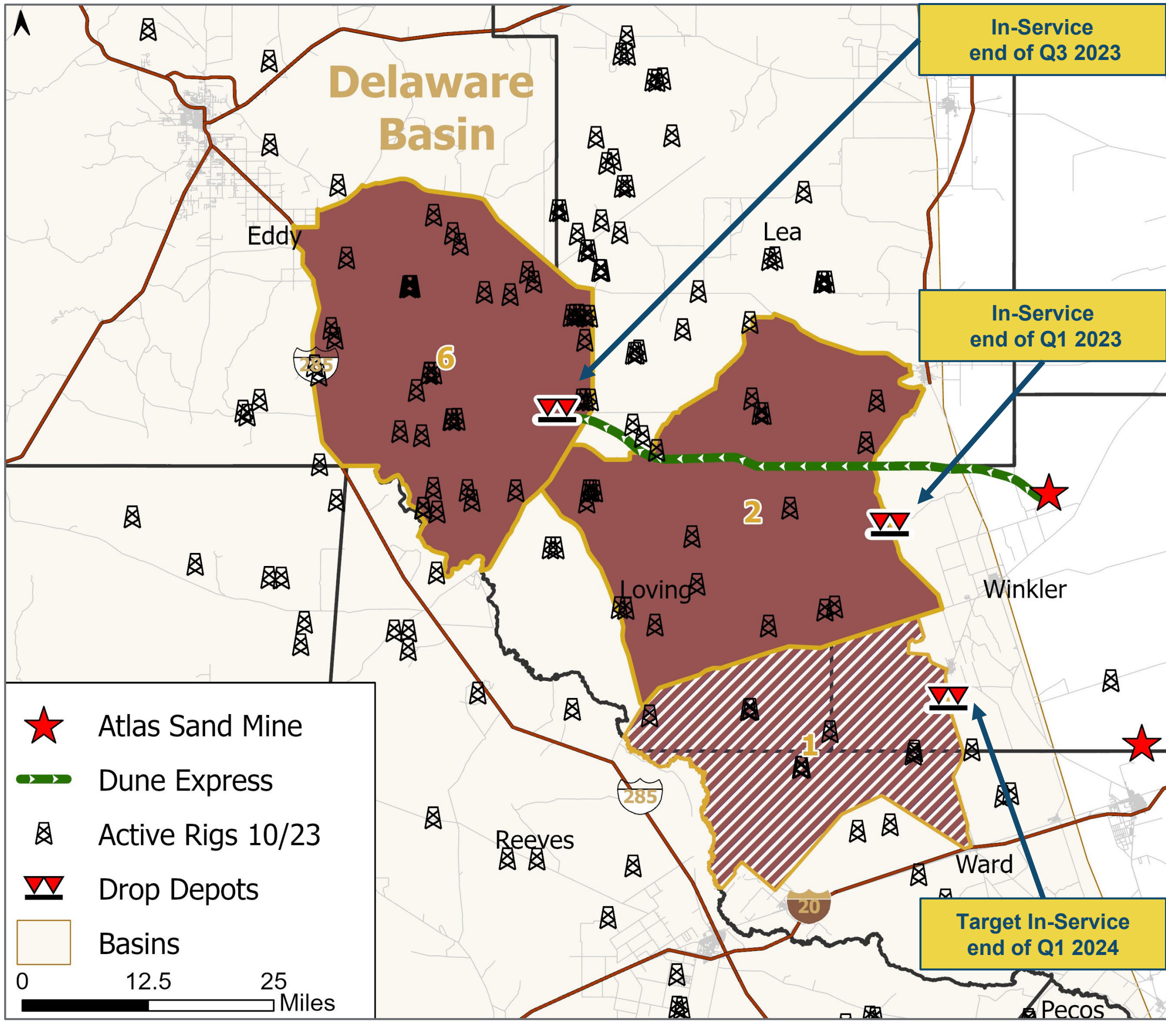
# New Remote Command Center & Drop-Depot Facilities Meaningfully Expands Atlas' Delaware Basin Footprint in Advance of Dune Express

## Overview

- Our remote in-field command center is presently located 18-miles west of our Kermit facility and was commissioned in 3Q'23
- Adding a third drop-depot facility and target in service by end of 1Q'24
  - Expands our multi-trailer footprint to over 1,500 square miles in the Delaware Basin
  - A fourth drop-depot is expected to come on-line later in 2024; expands multi-trailer footprint to over 1,700 square miles
- Remote command center designed to be completely mobile, and will be optimally placed in the heart of the Delaware Basin near our end-of-line loadout facility upon completion of the Dune Express
  - Places our logistics base of operations proximal to customer wellsite compared to competitors, ultimately ensuring superior in-field customer service with the industry leading response times

## Expanding Operational Footprint

*Atlas will have a multi-trailer operational footprint in the Delaware Basin of ~1,500 square-miles*

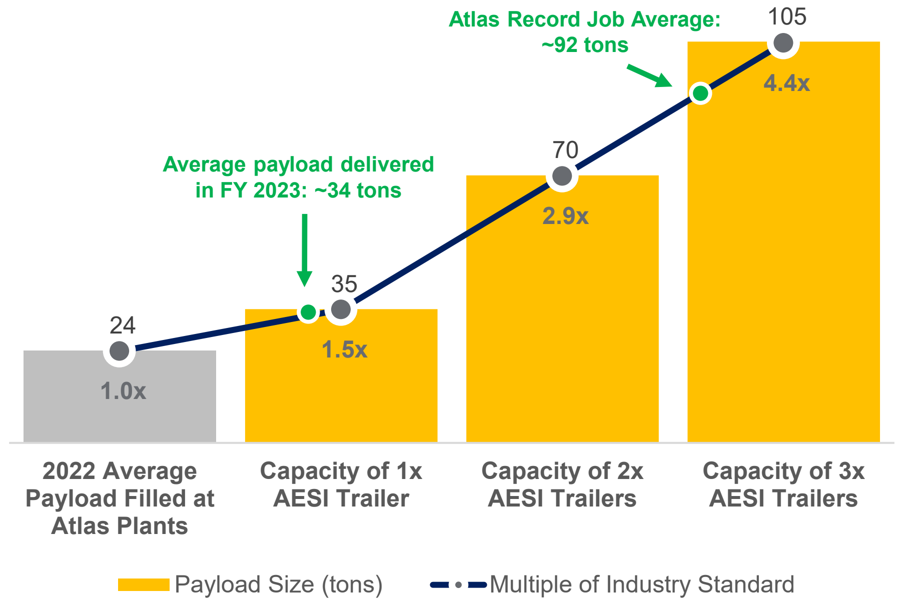


# AESI Trucking Fleet Update: Significantly Expanding Payloads

## Summary Update / Latest Developments

- ~9% of our 2023 deliveries utilized multi-trailers; seeing continued customer adoption
- 120 trucks received to-date
- 120-truck fleet expected to haul 13mmtpy of proppant once Dune Express is online
- Equipment deliveries progressing on-time and on-budget
- Driver hiring plan is on-time and on-budget
- A.I. based safety and efficiency training implemented
- Atlas's efficient supply chain model enables significantly expanded payloads to run on private roads

## AESI Payloads on Private Roads Far Exceed Industry Norm




## Atlas Trucking Fleet Milestones

**December 26, 2022:**
First Atlas Truck Arrives at Kermit

**January 3, 2023:**
First Delivery with Atlas assets
**~35 ton / truck payload**

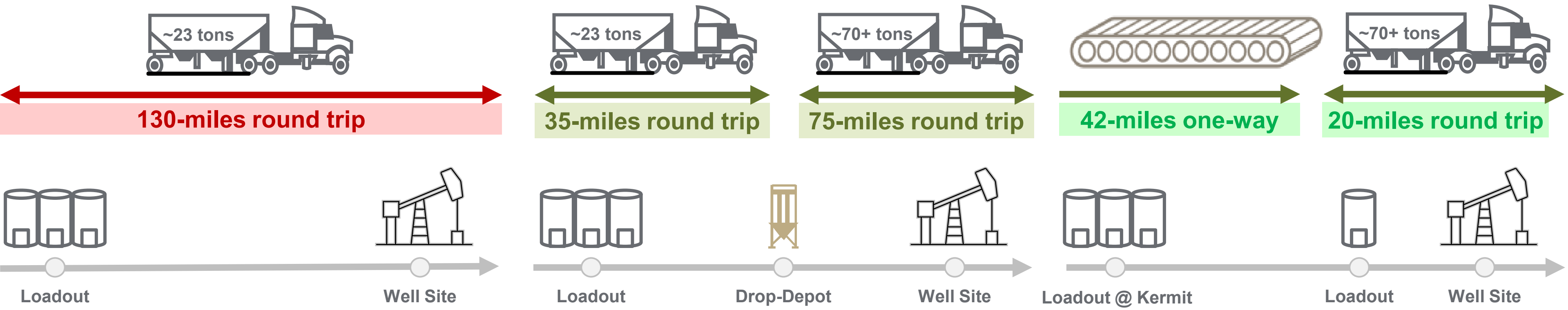
**March 20, 2023:**
First Double Trailer Delivery
**~70 ton / truck payload**

**April 5, 2023:**
First Triple Trailer Delivery:
**~100 ton / truck payload**

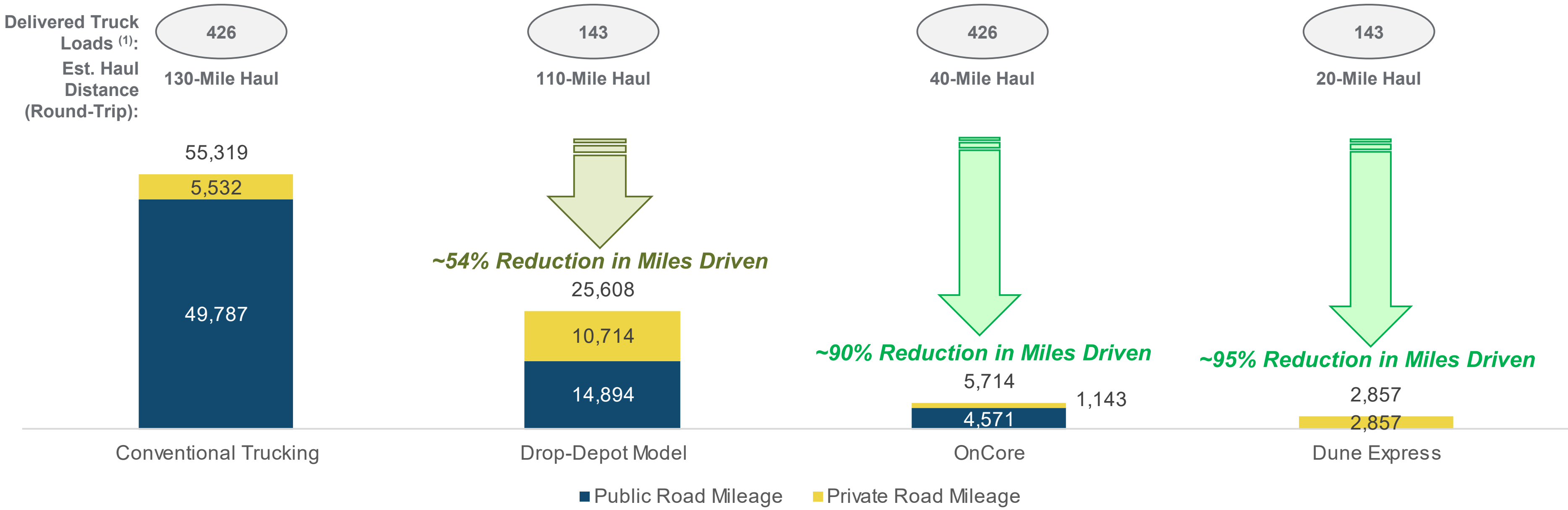

# Shortened Distances and Expanded Payloads Drive Efficiencies

## Positive disruption of the Permian trucking model reduces road traffic

| Conventional Trucking | Atlas Drop-Depot Model | Atlas / Dune Express |
| --- | --- | --- |




## Increased Payloads when Combined with Less Truck Traffic Increases Efficiencies (1)




(1) Assumes a Permian well requires 10,000 tons of sand for completion and represents a well ~60 miles from the Atlas Kermit facility. Conventional Trucking utilizes 23.5-ton payload trailers. Drop-Depot and Dune Express utilize high-capacity Atlas double-trailers with 70-ton payloads.

# The Dune Express: Proppant Midstream Infrastructure

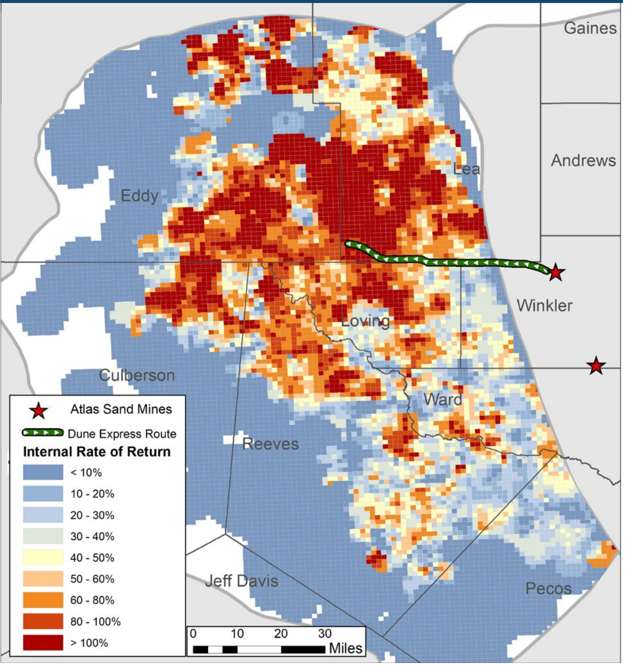
## Project Overview

- The Dune Express is an overland conveyor system that will transport proppant to the Delaware Basin
  - Expected cost: $400 million
  - Planned commercial in-service: Q4 2024
- Asset Specifications:
  - Expected throughput capacity: 13mmtpy
  - ~85,000 tons of storage tied-in to 4+ loadouts
- Atlas acts as its own general contractor on all major construction activity to maximize budget & timeline control

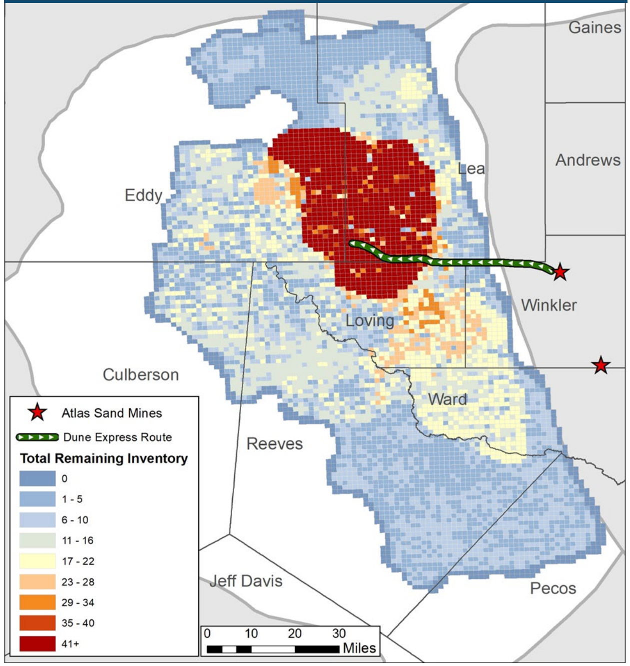
## Dune Express Update (as of February 27, 2024)

- Right of Way Acquisition: **Complete**
- Pre-Construction Engineering: **Complete**
- Groundbreaking: **Complete**
- Procurement: >95% of equipment + materials on order
- Construction: Cleared all 42 miles of right of way
- Sales: Secured commitments from 5 customers who will be serviced with sand and logistics from the Dune Express
- Dune Express remains **on-time** and **on-budget**

## Routed into High Return Drilling (1)

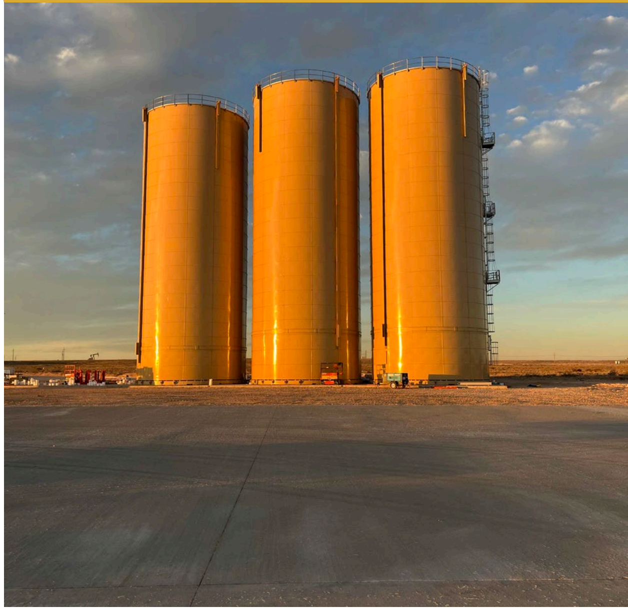



## Routed into Deepest Inventory (1)(2)(3)




## Dune Express Update

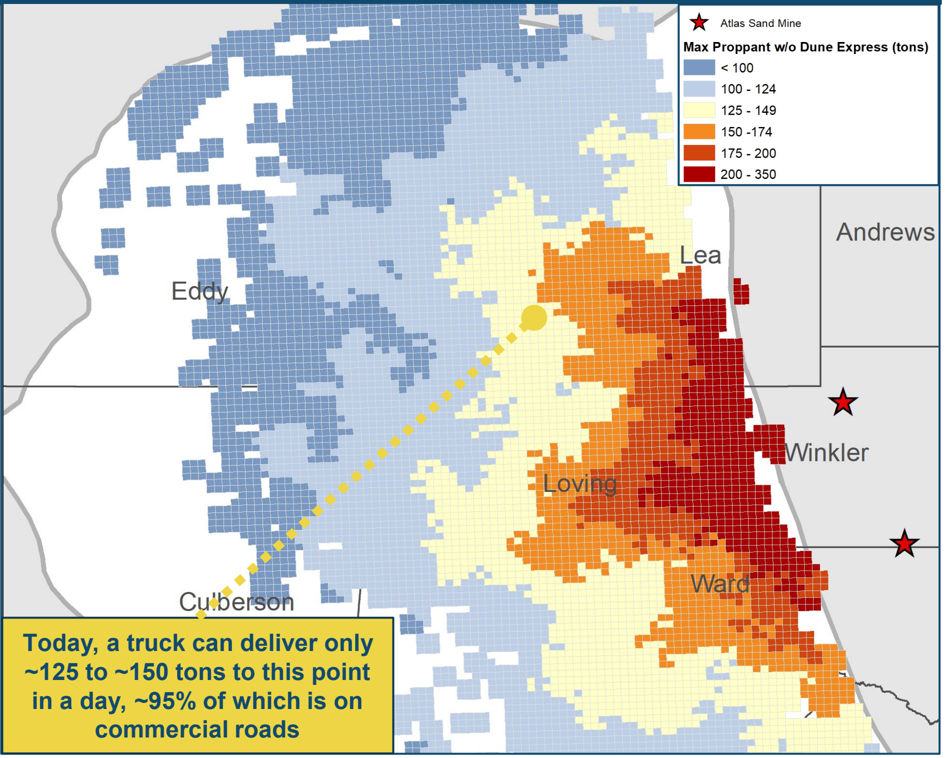
### End of Line Silos



Source: Enverus | (1) Represents expected Dune Express route based on secured rights-of-way and federal permits. | (2) Based on existing well count within each section.
(3) Based on conservative estimates of wells per section per interval – 6-8 for 1st Bone Spring, 2nd Bone Spring, 8-10 for 3rd Bone Spring and Wolfcamp XY, 10-14 for Wolfcamp A, 8-12 for Wolfcamp B and 6-8 for Wolfcamp C.

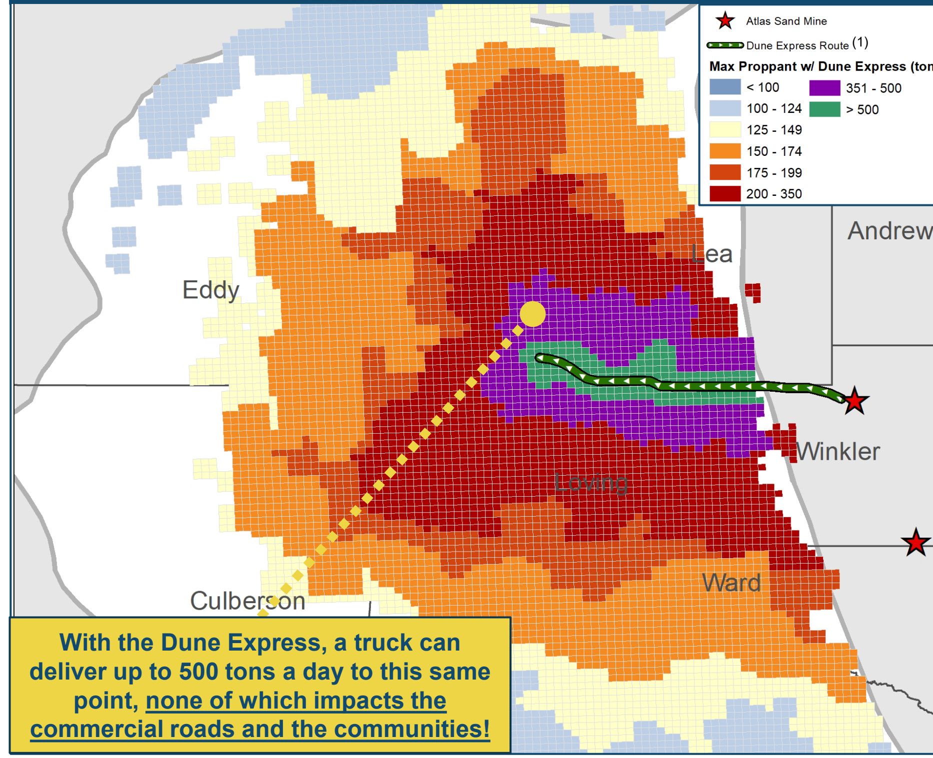
# AESI Logistics = Safer, More Reliable and Lower Emission Sand Delivery

## Daily Proppant Delivery Capacity per Truck (Current)




**Today, a truck can deliver only ~125 to ~150 tons to this point in a day, ~95% of which is on commercial roads**

## Daily Proppant Delivery Capacity per Truck (Dune Express)




**With the Dune Express, a truck can deliver up to 500 tons a day to this same point, none of which impacts the commercial roads and the communities!**

## Operational Efficiency Gains Driving Huge Safety + Emissions Benefits

**~70%**

**Expected Reduction in Mileage Driven (2)**

**Expected Reduction in Traffic Accident & Fatality Rate (2)**

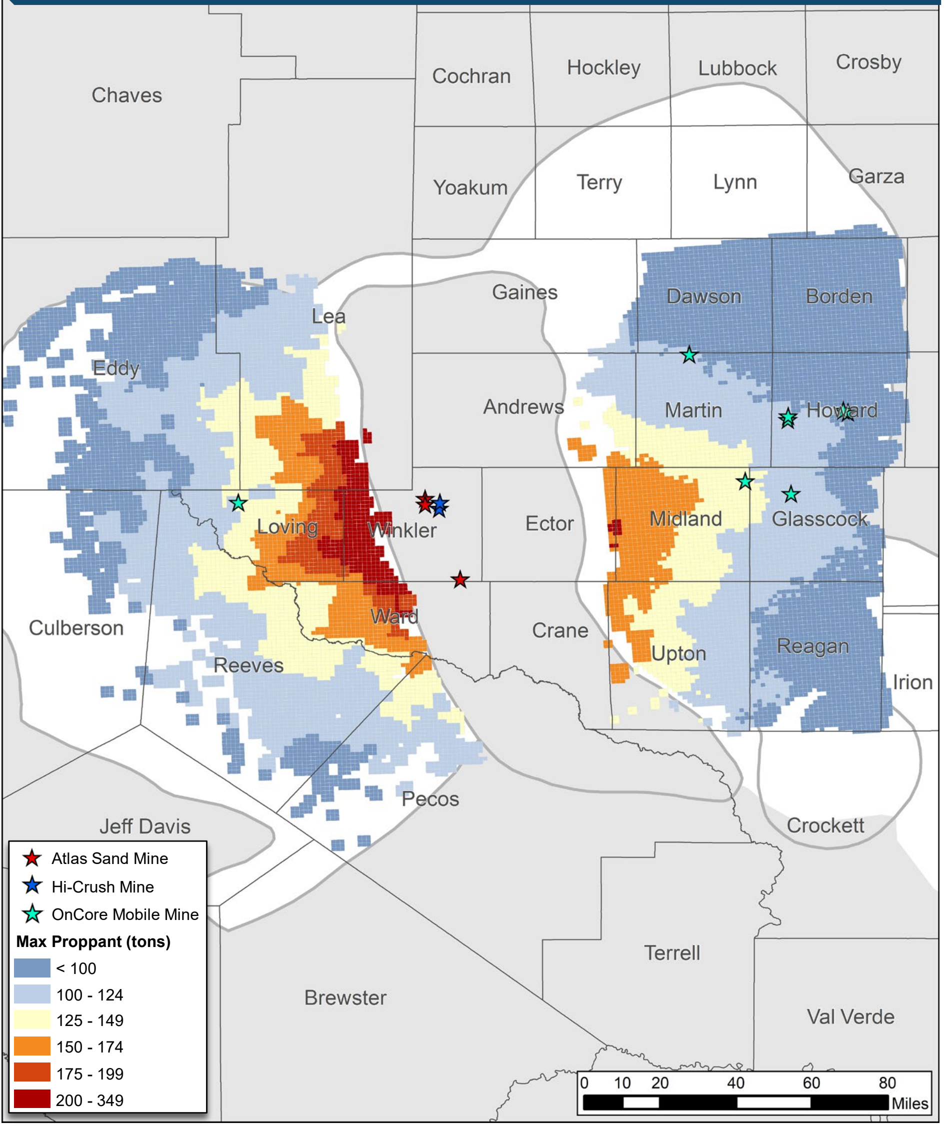
**Expected Reduction in Emissions (2) (3)**

**…all while driving up throughput per truck per day 3x – 10x+**

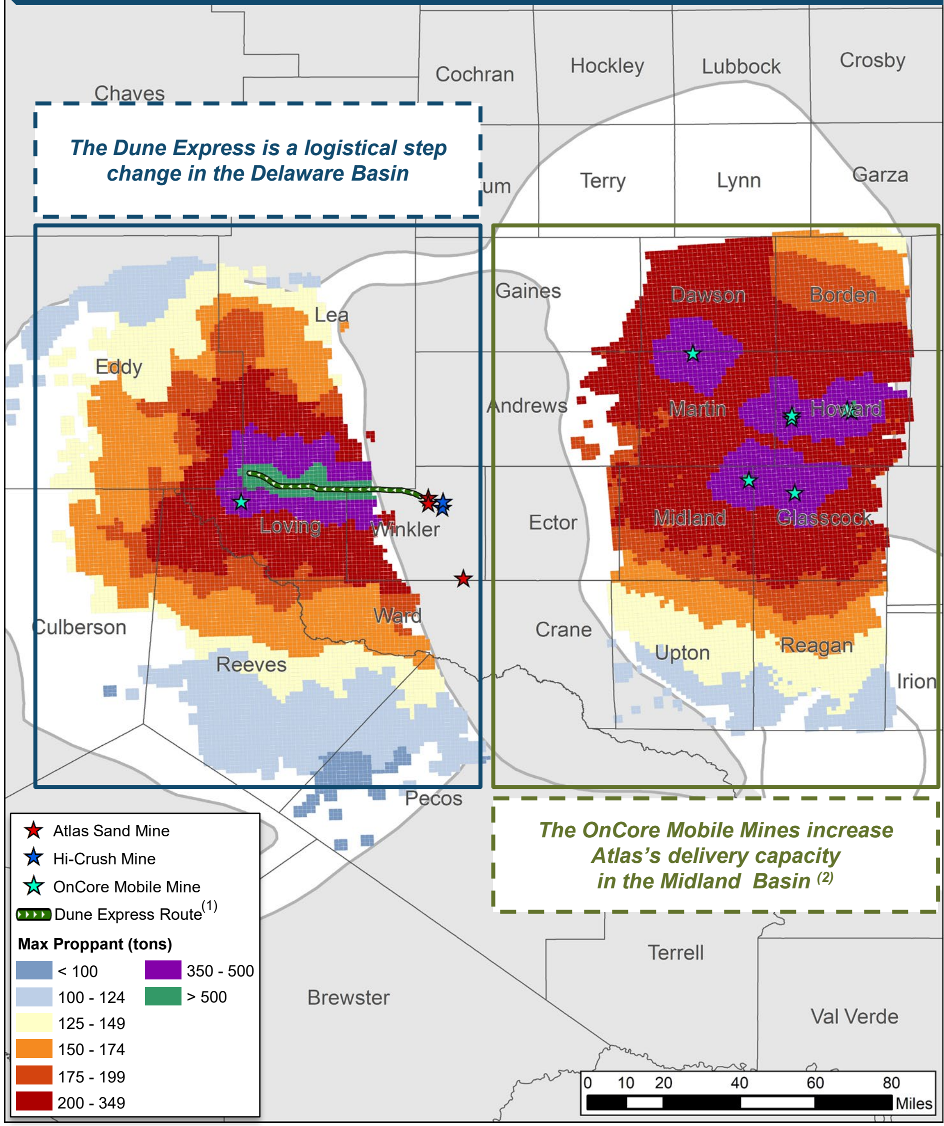
Source: Enverus, Management analysis and estimates. | (1) Represents planned Dune Express route based on secured rights-of-way and federal permits. | (2) Estimates represent anticipated reductions over a 30-year period; Management's internal analysis, based on results of study completed by Texas A&M Transportation Institute. | (3) Emissions includes $CO_2$, $CH_4$, $N_2O$, PM10 + PM2.5 particulates and is calculated on a $CO_2e$ basis. Represents anticipated emissions reductions over a 30-year period.

# The Dune Express and Distributed Mining Assets Drive Efficiency Gains

## Proppant Delivery Capacity per Truck per Day…




## …is Increased by Dune Express, High-Capacity Trucking, and OnCore Mobile Mines

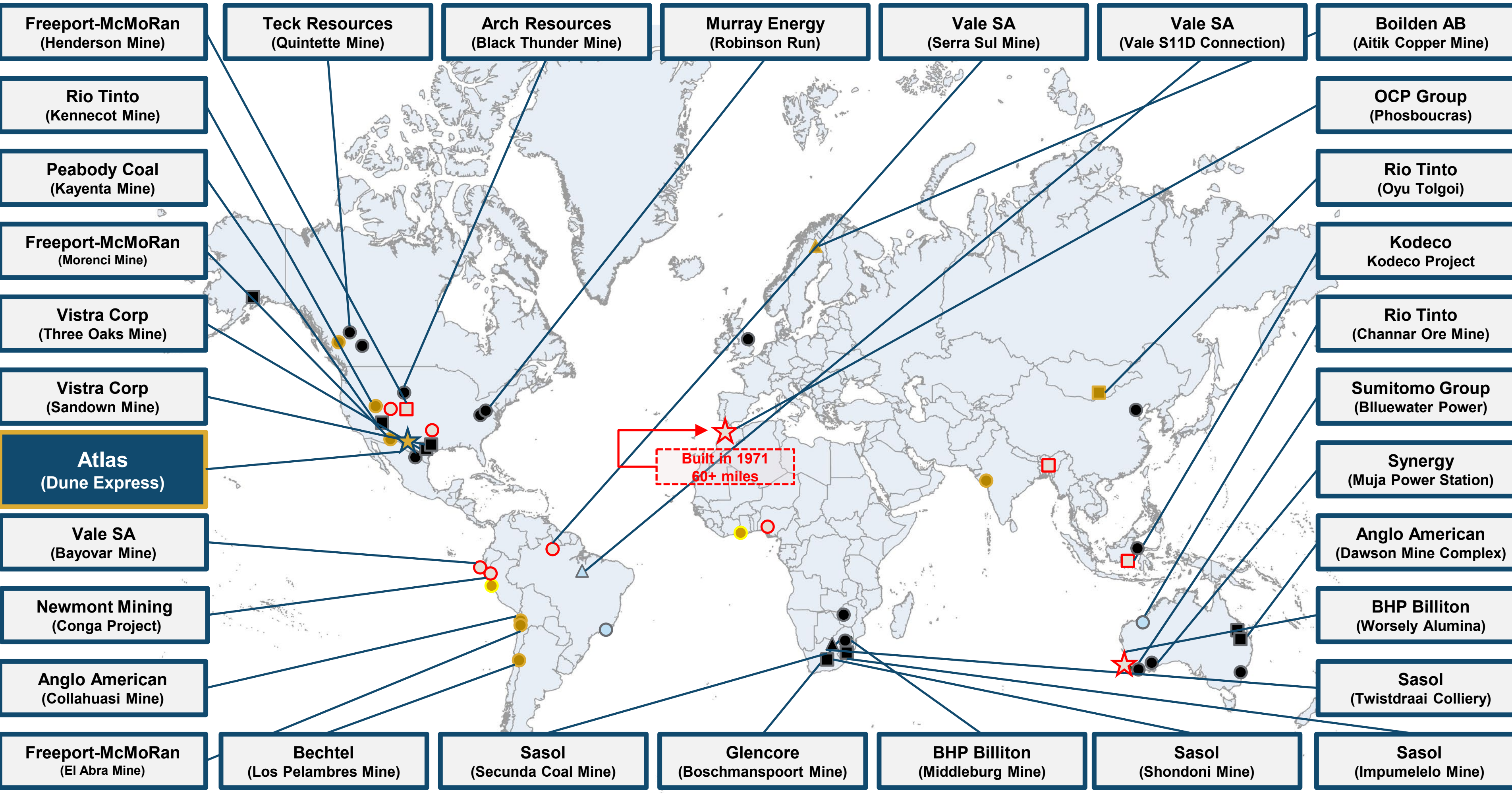



Source: Enverus, Management analysis and estimates. (1) Represents expected Dune Express route based on secured rights-of-way and federal permits. (2) Assumes single-trailer operations; would further improve to the degree Atlas is able to deploy high-capacity trailers..

# Selected Bulk Material Conveyor Systems Operating Around the World

## Conveyors are commonly used to transport bulk materials globally

**Applying an Old Technology to a New Application: The Dune Express will be the First Long-Distance Conveyor to Transport Proppant**




| Material denoted by Color | | | |
|---|---|---|---|
| | Coal | Copper | Iron |
| | Gold | Proppant | Other |

| Distance denoted by Shape *(miles)* | ○ | □ | △ | ☆ |
|---|---|---|---|---|
| | <10 | 10-20 | 20-30 | 30+ |

Source: Company disclosures, Mindat Research, Mining Weekly, Conveyor Equipment Manufacturers Association, Western Sahara Resource Watch.

# Management's E&P Background and Track Record of Value Creation

## Disruptive Oil & Gas Ventures with Track Record of Success

### Pioneering Use of 3D Seismic, Disruption in Horizontal D&C Techniques within the Oil-Rich Bakken Shale

BRIGHAM Exploration Company

**IPO in 1997**

**Sold to Statoil in 2011 for $4.7 billion**

### Drilling & Completion Innovations in Delaware Basin; Early Adopter of E-Frac & Proppant Loading >5,000 lbs per foot

Brigham Resources

**Sold to Diamondback Energy, Inc. in 2017 for $2.6 billion**

### Technically Sophisticated Tier One Minerals Model

Brigham Minerals

**IPO in 2019**

**Sitio Merger = $2.2 billion value to MNRL**
***145% total return from IPO to sale*** (1)

### Differentiated Permian Pure-Play Proppant Producer with Game Changing Logistics Platform

Atlas Energy Solutions

**FY2023 Adj. EBITDA of $329.7 million** (2)
**FY2023 Adj. EBITDA Margin of 54%** (2)
**FY2023 Net Income of $226.5 million**
**FY2023 Net Income Margin of 37%** (2)

## Management's E&P Background Drives Customer Success

**What We Observed Through an E&P Operator's Lens**

- The Permian is North America's premier shale resource
- Proppant is mission-critical to efficient shale development
  - Logistics challenges are a barrier to optimization
- The sector was primed for positive disruption due to inefficiencies:
  - Out-of-basin proppant not cost effective
  - Plants not designed for just-in-time demand model
  - Local roadways overwhelmed by robust activity levels
- Need for high-quality, reliable and efficient in-basin sand

**Our Differentiated Approach to Transform the Market + SESP**

- Focused on giant open dunes with unique geologic attributes
  - Plentiful water, quality product, high mining yields
- Plants designed with operator mindset; scaled for efficiency with multiple redundancies to minimize downtime
- Culture of technological innovation drives Atlas's growth
- We have "walked the walk" on sustainability, putting shareholders and corporate integrity first to drive **Sustainable Environmental and Social Progress ("SESP")**

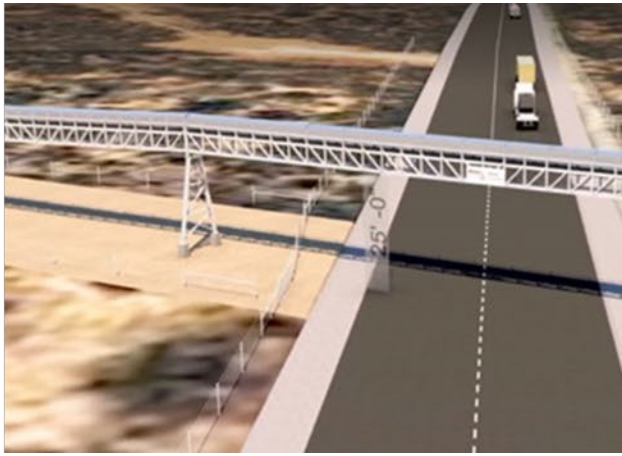
Note: Past performance by members of our management team, our directors or their respective affiliates may not be indicative of future performance. | Source: Bloomberg, public disclosures. | (1) Total return calculated as cumulative dividends plus stock price appreciation (IPO date through 28-Dec-2023, includes the reinvestment of dividends and is pro forma for Sitio merger). | (2) Non-GAAP financial measure. See Appendix for reconciliations of non-GAAP measures to the nearest GAAP measures.

# Atlas Energy Solutions (NYSE: AESI) Investment Highlights

**Atlas Conveyor Fed Silos at Kermit Facility**


**Atlas Wellsite Delivery Assets**


**Illustrative Dune Express Highway Overpass**



- **Robust Cash Flow Generation + Strong Financial Position**
- **High Quality, Differentiated Asset Base**
- **Compelling Valuation and Growth Profile**
- **Proven Team, Compelling Track Record, E&P Experience**

Atlas Energy Solutions

# Appendix

# Reconciliation and Calculation of Non-GAAP Financial Measurements

## EBITDA and Adjusted EBITDA to Net Income (in thousands)

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Net income** | **$ 226,493** | **$ 217,006** | **$ 4,258** |
| Depreciation, depletion and accretion expense | 41,634 | 28,617 | 24,604 |
| Interest expense | 17,452 | 15,803 | 30,290 |
| Income tax expense | 31,378 | 1,856 | 831 |
| **EBITDA** | **$ 316,957** | **$ 263,282** | **$ 59,983** |
| Stock and unit-based compensation | 7,409 | 678 | 129 |
| Loss on extinguishment of debt | — | — | 11,922 |
| Unrealized commodity derivative gain (loss) | — | 66 | (66) |
| Non-recurring transaction costs | 5,289 | — | — |
| **Adjusted EBITDA** | **$ 329,655** | **$ 264,026** | **$ 71,968** |

## Maintenance Capital Expenditures Reconciliation (in thousands)

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Purchases of property, plant and equipment** | **$ 365,486** | **$ 89,592** | **$ 19,371** |
| Changes in operating assets and liabilities associated with investing activities[1] | 66,132 | 20,747 | 2,362 |
| Less: Growth capital expenditures | (393,094) | (74,866) | (14,018) |
| **Maintenance Capital Expenditures, accrual basis** | **$ 38,524** | **$ 35,473** | **$ 7,715** |

(1) Positive working capital changes reflect capital expenditures in the current period that will be paid in a future period. Negative working capital changes reflect capital expenditures incurred in a prior period but paid during the period presented.

# Reconciliation and Calculation of Non-GAAP Financial Measurements

## Adjusted Free Cash Flow to Net Cash Provided by Operating Activities
## (in thousands, except percentages)

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Net cash provided by operating activities** | **$ 299,027** | **$ 206,012** | **$ 21,356** |
| Repayment of paid-in-kind interest borrowing | — | — | 22,233 |
| Current income tax expense (benefit) | 2,177 | 1,858 | 471 |
| Change in operating assets and liabilities | 6,947 | 41,774 | 8,622 |
| Cash interest expense | 16,354 | 14,904 | 19,173 |
| Maintenance capital expenditures | (38,524) | (35,473) | (7,715) |
| Non-recurring transaction costs | 5,289 | — | — |
| Other | (139) | (522) | 113 |
| **Adjusted Free Cash Flow** | **$ 291,131** | **$ 228,553** | **$ 64,253** |
| | | | |
| **Total Sales** | **$ 613,960** | **$ 482,724** | **$ 172,404** |
| Adjusted EBITDA Margin | **54%** | **55%** | **42%** |
| Adjusted Free Cash Flow Margin | **47%** | **47%** | **37%** |
| Adjusted Free Cash Flow Conversion | **88%** | **87%** | **89%** |
| | | | |
| Current tax expense reconciliation: | | | |
| **Income tax expense** | $ 31,378 | $ 1,856 | $ 831 |
| Less: deferred tax expense | (29,201) | 2 | (360) |
| **Current income tax expense (benefit)** | **$ 2,177** | **$ 1,858** | **$ 471** |
| | | | |
| Cash interest expense reconciliation: | | | |
| **Interest expense, net, excluding loss on extinguishment of debt** | $ 7,689 | $ 15,760 | $ 30,276 |
| Less: Interest paid-in-kind through issuance of additional term loans | — | — | (3,039) |
| Less: Amortization of debt discount | (761) | (457) | (7,320) |
| Less: Amortization of deferred financing costs | (337) | (442) | (739) |
| Less: Interest income | 9,763 | 43 | 14 |
| Less: Other | — | — | (19) |
| **Cash interest expense** | **$ 16,354** | **$ 14,904** | **$ 19,173** |

# Reconciliation and Calculation of Non-GAAP Financial Measurements

## Net Debt Reconciliation
(in thousands)

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Total Debt** | **$ 172,820** | **$ 147,174** | **$ 175,275** |
| Discount and deferred financing costs | 7,180 | 1,821 | 2,264 |
| Finance right-of-use lease liabilities | 422 | 20,155 | — |
| Capital lease liabilities | — | — | 635 |
| Cash and cash equivalents | 210,174 | 82,010 | 40,401 |
| **Net Debt** | **$ (29,752)** | **$ 87,140** | **$ 137,773** |

# Non-GAAP Financial Measure Definitions

**Non-GAAP Financial Measures**

Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin, Adjusted Free Cash Flow Conversion and Maintenance Capital Expenditures are non-GAAP supplemental financial measures used by our management and by external users of our financial statements such as investors, research analysts and others, in the case of Adjusted EBITDA, to assess our operating performance on a consistent basis across periods by removing the effects of development activities, provide views on capital resources available to organically fund growth projects and, in the case of Adjusted Free Cash Flow, assess the financial performance of our assets and their ability to sustain dividends or reinvest to organically fund growth projects over the long term without regard to financing methods, capital structure, or historical cost basis.

These measures do not represent and should not be considered alternatives to, or more meaningful than, net income, income from operations, net cash provided by operating activities, or any other measure of financial performance presented in accordance with GAAP as measures of our financial performance. Adjusted EBITDA and Adjusted Free Cash Flow have important limitations as analytical tools because they exclude some but not all items that affect net income, the most directly comparable GAAP financial measure. Our computation of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin, Adjusted Free Cash Flow Conversion and Maintenance Capital Expenditures may differ from computations of similarly titled measures of other companies.

**Non-GAAP Measure Definitions:**

- We define **Adjusted EBITDA** as net income before depreciation, depletion and accretion, interest expense, income tax expense, stock and unit-based compensation, loss on extinguishment of debt, unrealized commodity derivative gain (loss), and non-recurring transaction costs. Management believes Adjusted EBITDA is useful because it allows management to more effectively evaluate the Company's operating performance and compare the results of its operations from period to period and against our peers without regard to financing method or capital structure. We exclude the items listed above from net income in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired.
- We define **Adjusted EBITDA Margin** as Adjusted EBITDA divided by total sales.
- We define **Adjusted Free Cash Flow** as Adjusted EBITDA less Maintenance Capital Expenditures. Management believes that Adjusted Free Cash Flow is useful to investors as it provides a measure of the ability of our business to generate cash.
- We define **Adjusted Free Cash Flow Margin** as Adjusted Free Cash Flow divided by total sales.
- We define **Adjusted Free Cash Flow Conversion** as Adjusted Free Cash Flow divided by Adjusted EBITDA.
- We define **Maintenance Capital Expenditures** as capital expenditures excluding growth capital expenditures.
- We define **Net Debt** as total debt, net of discount and deferred financing costs, plus right-of-use lease liabilities, less cash and cash equivalents.

Atlas Energy Solutions

# Investor Relations Contact


For more information, please visit our website at https://atlas.energy/

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