



**Atlas**  
Energy Solutions

Acquisition of Hi-Crush Inc.

*February 27, 2024*

**NYSE: AESI**

# Disclaimer

## 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, 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 transaction; the expected synergies and efficiencies to be achieved as a result of the transaction; expected accretion to earnings per share; expectations regarding the leverage and dividend profile of Atlas following the transaction; expansion and growth of Atlas’s business; Atlas’s plans to finance the transaction; the receipt of all necessary approvals to close the transaction 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 transaction 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 transaction; uncertainties as to whether the transaction, 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 transaction; risks that the anticipated tax treatment of the transaction is not obtained; unforeseen or unknown liabilities; unexpected future capital expenditures; potential litigation relating to the transaction; the possibility that the transaction 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 transaction on the parties’ business relationships and business generally; risks that the transaction 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 transaction; the risks related to Atlas’s financing of the transaction; potential negative effects of this announcement and the pendency or completion of the transaction 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.

## 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.



# Disclaimer (cont'd)

## 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.

## Non-GAAP Financial Measures

Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt, and Net Leverage 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.

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 has important limitations as an analytical tool because it exclude some but not all items that affect net income, the most directly comparable GAAP financial measure. Our computation of Adjusted EBITDA and Adjusted EBITDA Margin 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 **Net Debt** as total debt, net of discount and deferred financing costs, plus right-of-use lease liabilities, less cash and cash equivalents.
- ✦ We define **Net Leverage** as Net Debt divided by Adjusted EBITDA.

Because Atlas provides these Non-GAAP 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. 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.



# 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 <sup>(1)</sup>



Combines 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



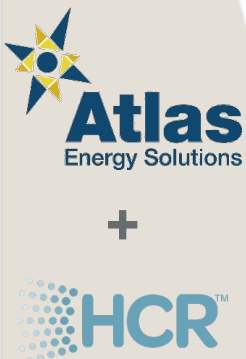
(1) Transaction excludes midwestern mining assets and northeastern terminal assets.





# Atlas and Hi-Crush are a Compelling Strategic Fit

Acquisition advances Atlas's goal of logistically advantaging our proppant to every Permian wellhead <sup>(1)</sup>



## 1 Combines the proppant industry's primary innovators, creating a clear leader in proppant logistics

- ✦ Dune Express drives efficiencies by reducing mileage driven to deliver proppant via truck in the Delaware Basin
- ✦ OnCore distributed mining assets drive efficiencies, primarily in the Midland Basin, through efficient geographic footprint
- ✦ Drop depot / expanded payload model reduces total mileage driven by increasing payload per delivery
- ✦ Combination of Dune Express, Oncore and Pronghorn establish a highly developed proppant logistics network in the Permian
- ✦ Addition of Pronghorn approximately doubles Atlas's active crew count and logistics revenue base

## 2 Creates a premier portfolio of Permian proppant production assets with unmatched scale

- ✦ Significant opportunity for operational synergies through consolidation of **giant open dune reserves (~21 mmtpy of capacity)**
- ✦ Expands Atlas's leading Permian proppant acreage position to ~45,365 acres
- ✦ Increases Atlas's control of available Permian tier-one giant-open dune sand resources to ~85%
- ✦ **OnCore adds ~7mmtpy of distributed mining assets producing damp sand** to Atlas's leading dry sand portfolio
- ✦ Expands total production to capacity 28 mmtpy <sup>(2)</sup>, creating the largest proppant producer in North America
- ✦ Substantially improved geographic profile; increases the % of Permian rigs within 50-miles of an Atlas facility from 60% to **89%**

## 3 Scale and asset quality drive exceptional cost structure, margins and growth profile

- ✦ Maintains Atlas's strong Adj. EBITDA margins, **40%+** Adj. EBITDA Margins <sup>(3)</sup> expected after the Dune Express comes online
- ✦ Hi-Crush Kermit mines can be tied into the Dune Express to meet or exceed the throughput capacity of the conveyor system
- ✦ OnCore provides an additional avenue for growth through the ongoing expansion of its distributed mining network
- ✦ Pronghorn brings Atlas its first geographic expansion outside the Permian Basin

## 4 Highly contracted cash flow, conservative financial profile

- ✦ ~80% <sup>(4)</sup> contracted for 2024 on a pro forma production capacity of ~28 mmtpy <sup>(2)</sup>, with an expanded high-quality customer base
- ✦ Initial Net Leverage of ~0.5x <sup>(3)</sup>; debt expected to be methodically reduced to less than \$300 million of total debt by YE2026
- ✦ Pro forma liquidity of ~\$434 million more than sufficient to fund ongoing growth, increased dividends, and debt paydown

## 5 Accretive acquisition that accelerates free cash flow and shareholder returns

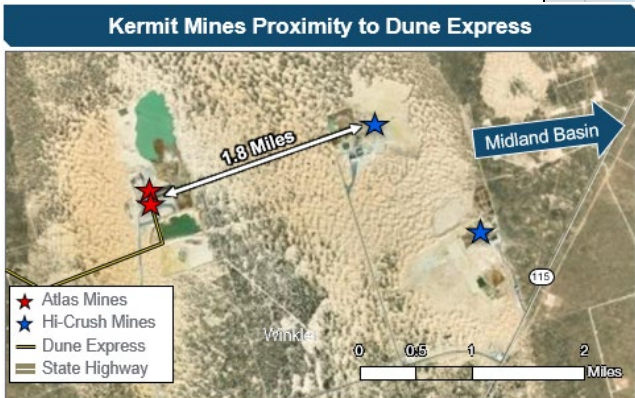
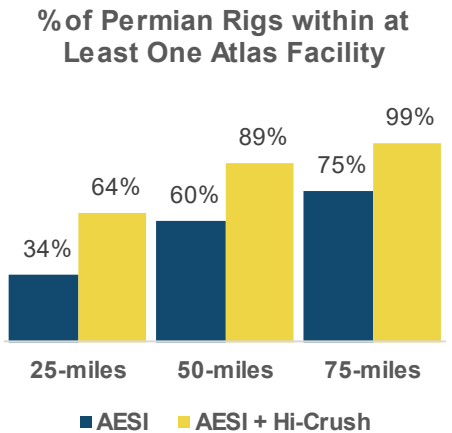
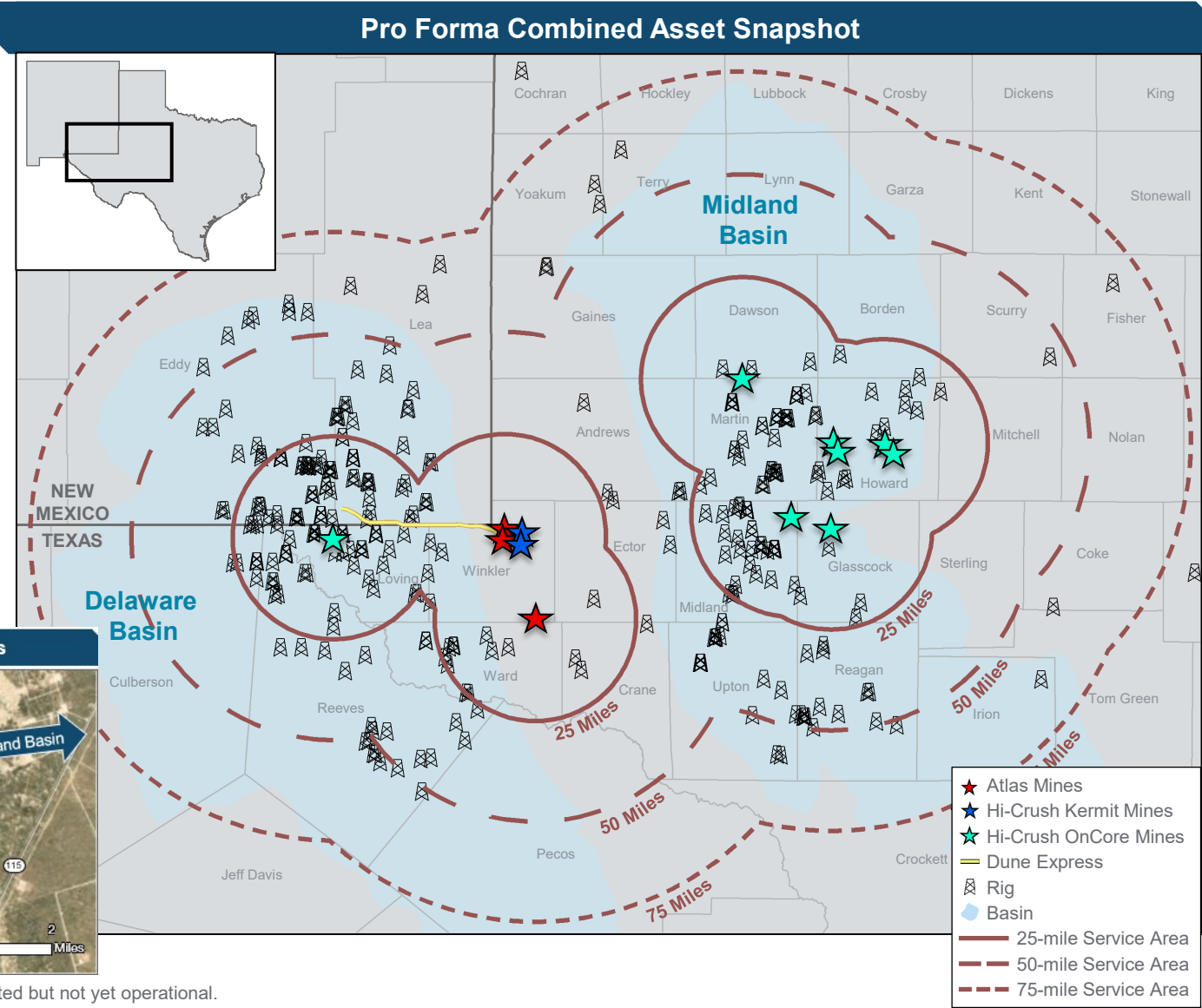
- ✦ Compelling transaction value of ~3x Adjusted EBITDA <sup>(3)</sup>
- ✦ Immediately expected to be double-digit accretive to CFPS and EPS <sup>(5)</sup>
- ✦ Accelerates free cash flow and expands capacity for shareholder returns

(1) Transaction excludes midwestern mining assets and northeastern terminal assets. (2) Based on annualized pro forma production capacity assuming full contribution from OnCore 8. (3) Non-GAAP financial measure. See disclaimer for definition of non-GAAP measures. (4) Based on realized effective (a) economic contribution & (b) production capacity in 2024. (5) 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.



# Acquisition Furthers Atlas's Goal of Logistical Superiority, Creating an Advantaged Network of Proppant Production with Superior Logistic Solutions

Adds complementary Midland Basin customer base creating Permian's most extensive proppant supply chain infrastructure



Note: Includes location of OnCore #8 which is contracted but not yet operational.

# Transaction Summary

<b>Acquisition Overview</b>	<ul style="list-style-type: none"><li>Atlas to acquire all of Hi-Crush's Permian proppant production and NAM logistics assets: <sup>(1)</sup><ul style="list-style-type: none"><li> Two in-basin Permian plants in Kermit, TX add ~5 mmtpy of production capacity</li><li>Kermit mines are capable of producing both dry and damp sand</li></ul></li><li> Eight highly contracted distributed mining units with a ninth unit on order</li><li>~7mmtpy of damp sand capacity today, expanding to ~8 mmtpy by Q3 2024</li><li> Adds ten logistics crews to Atlas's proppant logistics portfolio in the Permian</li><li> Adds four logistics crews in Appalachia and Oklahoma</li><li>Extends Atlas's logistics offering into damp sand logistics</li><li>Acquisition also includes PropDispatch software and 7 NexStage silo systems</li></ul>
<b>Purchase Price and Consideration Mix</b>	<ul style="list-style-type: none"><li>★ <b>\$450 million purchase price, including cash and stock:</b><ul style="list-style-type: none"><li>\$150 million payable in up-front cash at closing</li><li>\$125 million in deferred cash consideration secured by a Seller's note</li><li>\$175 million shares of AESI issued to sellers (~9.7 million shares) <sup>(2)</sup></li></ul></li></ul>
<b>Acquisition Financing Overview</b>	<ul style="list-style-type: none"><li>★ <b>Source of financing for the \$275 million cash consideration for the transaction includes:</b><ul style="list-style-type: none"><li>\$150 million from a new Acquisition Term Loan (~10.5% rate) under our Stonebriar Credit Facility</li><li>\$125 million Seller's Note (5% cash rate / 7% PIK rate)</li></ul></li></ul>
<b>Approvals &amp; Timing</b>	<ul style="list-style-type: none"><li>★ The transaction is expected to be completed during the first quarter of 2024, subject to the satisfaction of certain customary closing conditions, with an effective date of February 29, 2024</li><li>★ All required board, shareholder and regulatory approvals have been obtained</li></ul>

(1) Transaction excludes midwestern mining assets and northeastern terminal assets. (2) Calculated at a 10-day trailing VWAP prior to signing.



# Combines the Proppant Industry's Primary Innovators

## Strong Strategic Fit Within Existing Offerings

### Largest Pure-Play Proppant Supplier in the Permian



**Atlas**  
Energy Solutions

16 mmtpy

+



**HCR**<sup>TM</sup>

12 mmtpy <sup>(1)</sup>

=

**28 mmtpy of Production Capacity**

### Efficient and Disruptive Dry and Damp Sand Logistics



**Atlas**  
Energy Solutions

11 Crews

+



**HCR**<sup>TM</sup>

14 Crews

=

**25 Total Crews**  
*for both Dry and Damp Sand (21 in the Permian)*

### Highly Contracted Cashflows



**Atlas**  
Energy Solutions

+



**HCR**<sup>TM</sup>

=

**80% <sup>(2)</sup>** **50%**  
*Pro Forma 2024E Pro Forma 2025E*

### Unlocks Significant Synergies



**Atlas**  
Energy Solutions

+



**HCR**<sup>TM</sup>

=

**>\$20 million**  
*in annualized synergies expected by 2026*

### Acquisition of Hi-Crush Expands the Atlas Advantage

- ✦ **Premium Giant Open Dune Geology**
  - Consolidates the Permian's giant open dune resources
- ✦ **Advantaged Water Access**
  - Giant open dunes hold a natural water access advantage
- ✦ **Next Generation Plant Designs**
  - Adds innovative OnCore distributed mining units advantaged to Midland Basin
  - Adds two premium giant open dune plants that provide Atlas with synergies
- ✦ **Logistically Advantages Atlas to Majority of Permian Wellheads**
  - Creates a superior geographical network of proppant solutions
  - Unique state of the art and ever advancing logistics network



(1) Based on annualized pro forma production capacity assuming full contribution from OnCore 8. (2) Based on realized effective (a) economic contribution & (b) production capacity in 2024.

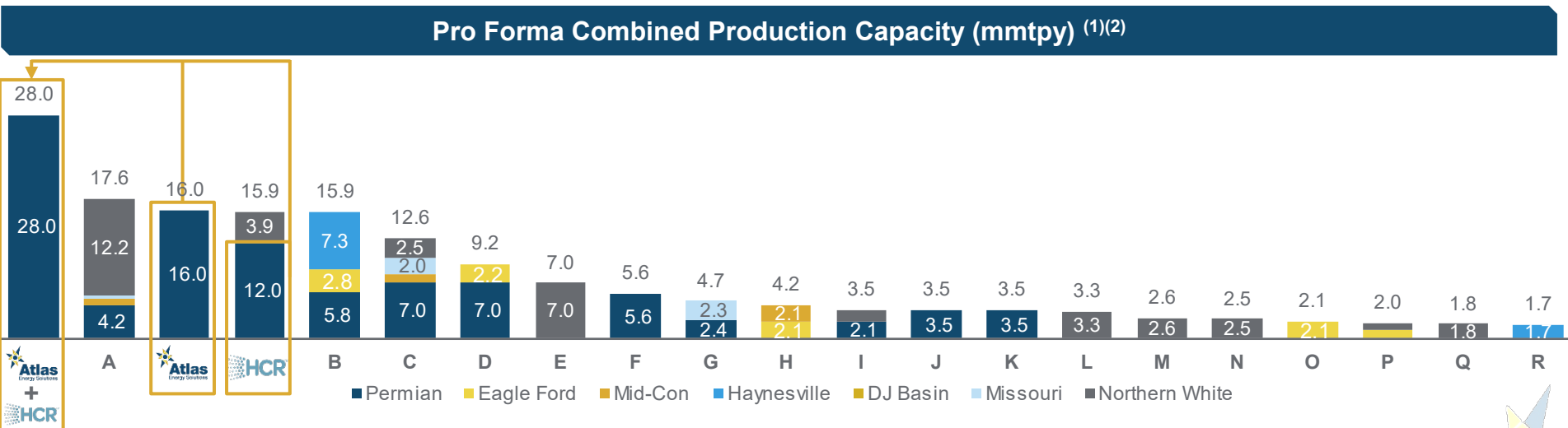
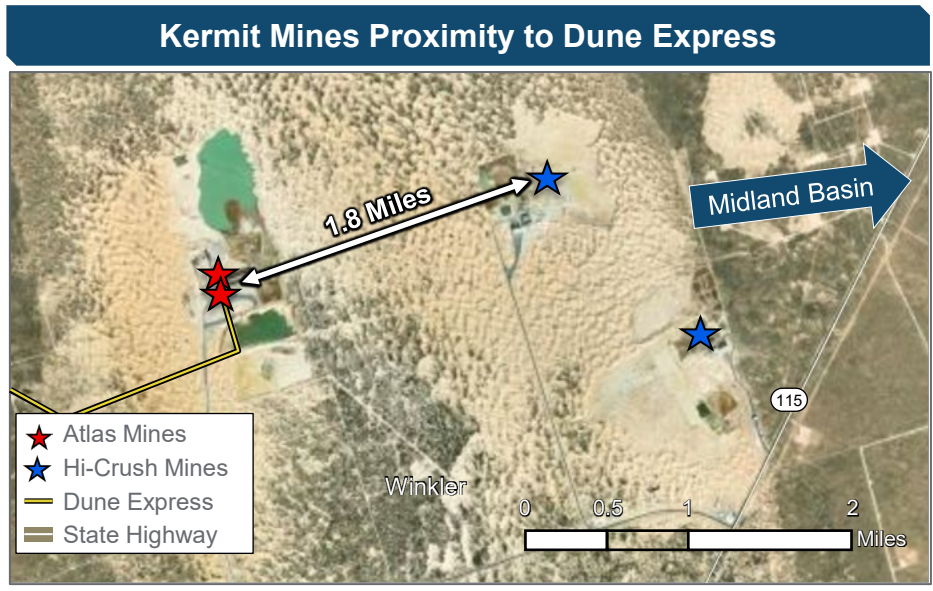




# Transforms Atlas into the Largest Proppant Producer in North America

Differentiates Atlas with the scale, throughput capacity & innovative advantaged logistics solutions to match up with growing scale of Permian operators

- The combination creates over 28 mmtpy of pro forma Permian capacity yielding the largest proppant provider across North America
- Strategically adjacent location of Kermit mines to Atlas's existing Kermit mines supports the long-term capacity expansion plans of the Dune Express project slated for 2024
  - Hi-Crush's Kermit mines are located approximately 1.8 miles east of the starting point for the Dune Express
- Distributed mining assets in the Midland Basin add complementary Midland Basin customers benefitting from OnCore's geographic proximity



Source: Rystad, management estimates. | (1) Rystad – December 2023. Estimated Production capacity assumes competitor mines operate at 70% of nameplate capacity (2) Atlas and Hi-Crush volumes as provided. Hi-Crush based on annualized pro forma production capacity assuming full contribution from OnCore 8.

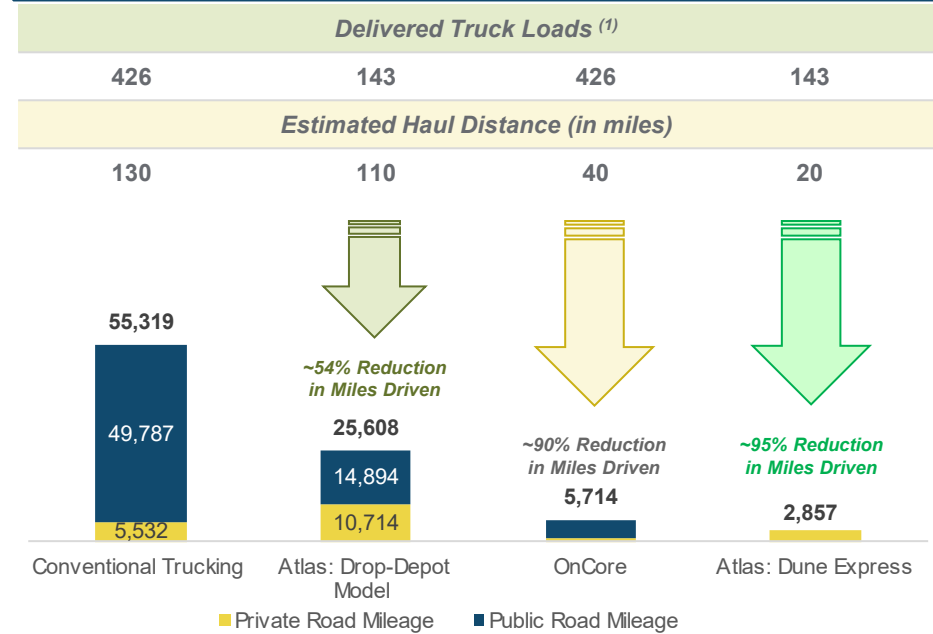


# The Dune Express, OnCore and Pronghorn Create a Unique and Highly Differentiated Logistics Platform

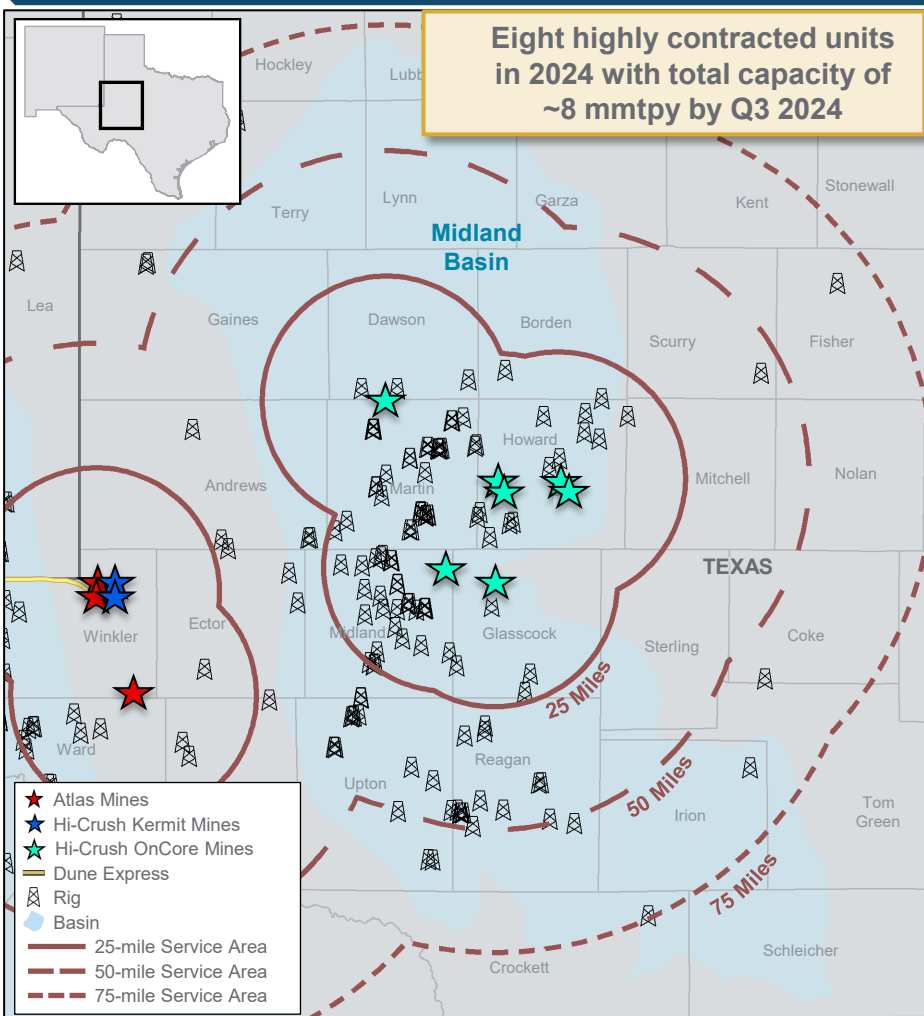
Atlas's significant logistics advantages in the Delaware Basin via the Dune Express & high-capacity trucking are complemented by OnCore and Pronghorn's significant coverage of the Midland Basin

- Although different in approach, the Dune Express and OnCore each positively disrupt the legacy Permian trucking model by reducing road traffic and emissions through:
  - Shortened hauls from the Dune Express in the Delaware
  - Shortened hauls due to OnCore's proximity to wellsite activity
  - Both Dune Express and OnCore reduce emissions by avoiding fuel usage

## Atlas's Increased Payloads and Shortened Hauls Drive Efficiencies (1)



## OnCore Midland Basin Operating Footprint (2)

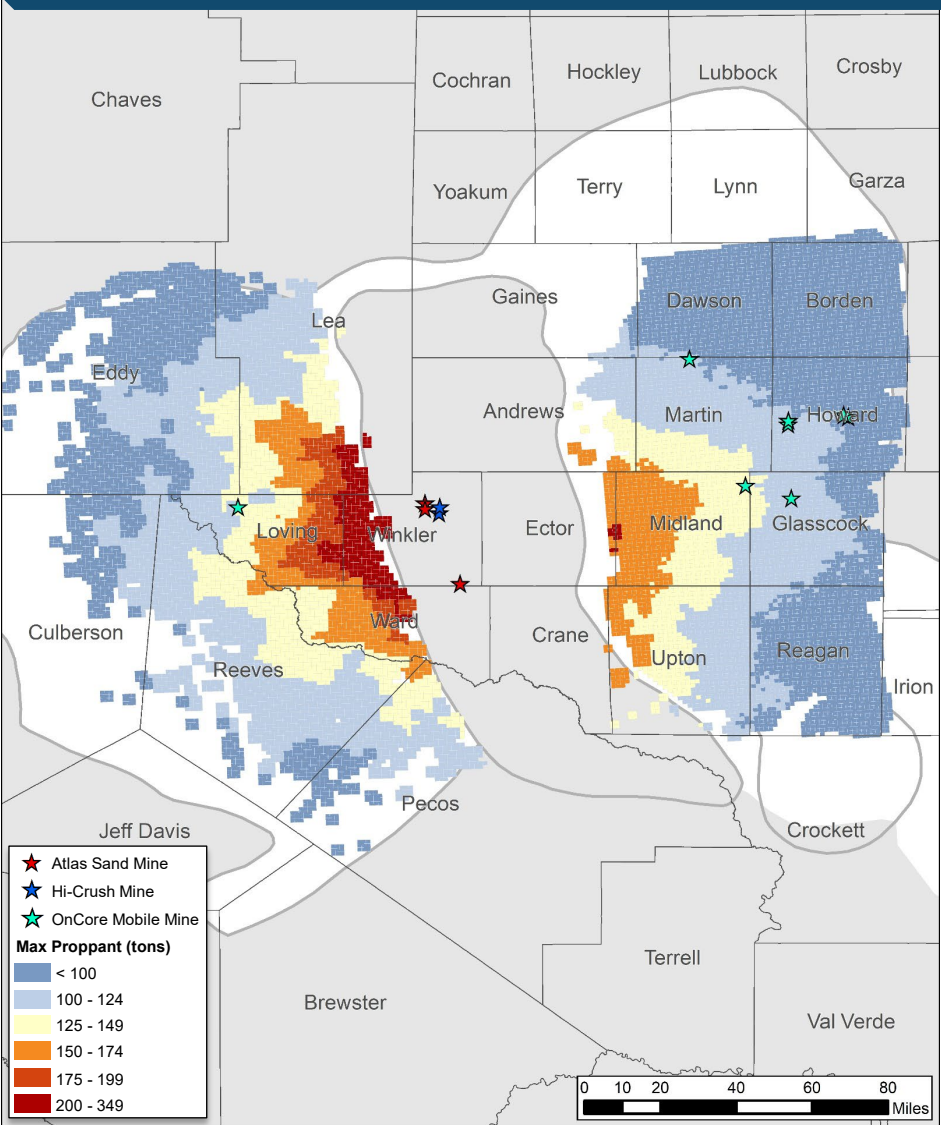


(1) Assumes a Permian well requires 10,000 tons of sand for completion and represents a well ~60 miles from the Atlas Kermit facility. Conventional Trucking utilizes 23.5-ton payload trailers. Drop-Depot and Dune Express utilize high-capacity Atlas double-trailers with 70-ton payloads. (2) Includes location of OnCore 8 which is contracted but not yet operational.

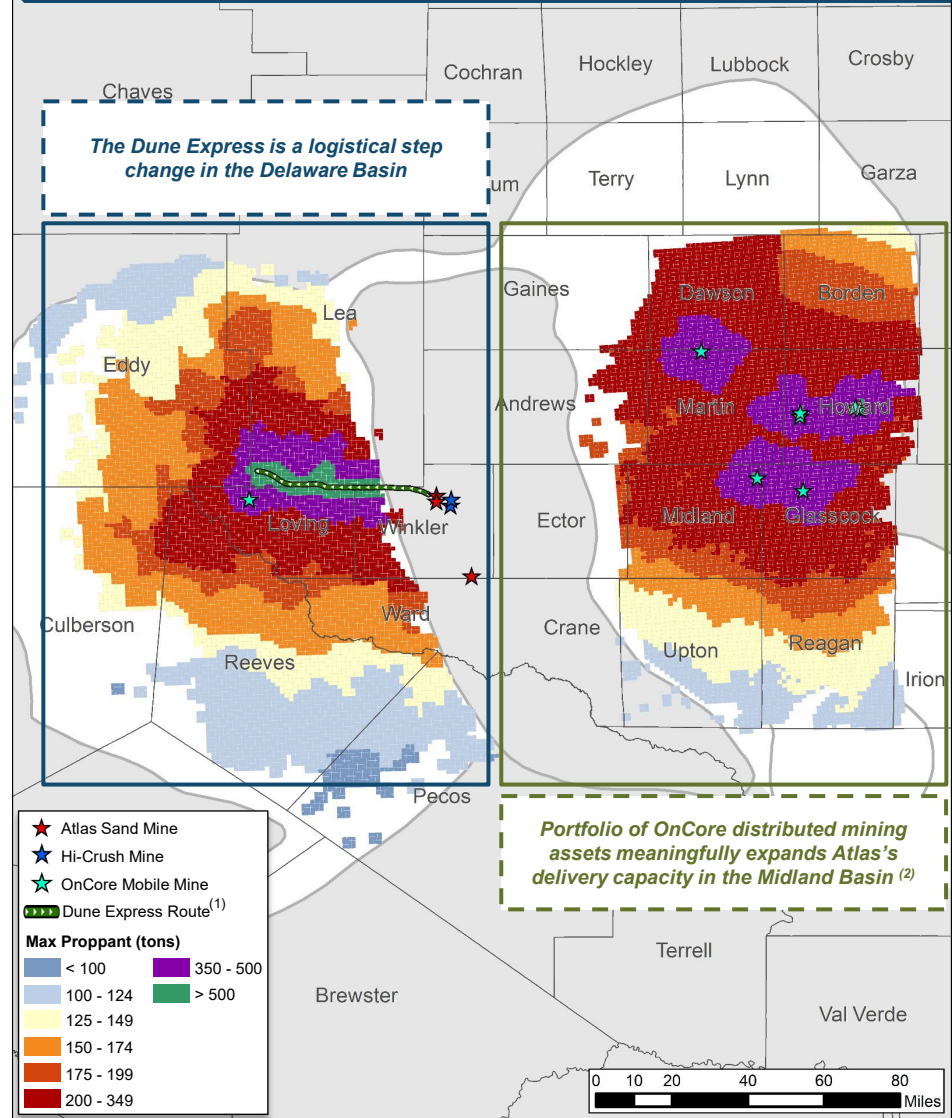


# The Dune Express and Distributed Mining Assets Drive Efficiency Gains

## 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.





# Innovative Logistics Platform – Constructive Disruption to Drive Growth

Historically ~60-70% of logistics costs are labor, impacting opex and reliability. The Dune Express (midstream asset), high-capacity trucking with drop depots and OnCore all drive labor intensity and opex down, along with emissions, while enhancing reliability and safety



Consolidated & integrated logistics platform provide end-to-end services from the mine to the wellsite with dry or damp sand

Acquisition of Hi-Crush’s adjacent giant open dune Kermit plants supplements Atlas existing Kermit production to fully supply the Dune Express deliveries into the Delaware Basin

High-capacity trailers & multi-trailer configurations enable Atlas to leapfrog industry standard payloads by 3x – 4x

Superior in-field customer service from Atlas’s remote command center delivers the industry’s fastest response times

Enhances optionality and redundancy by providing additional storage options during transport and at the wellsite

Synergies and cross application of best practices should compound Atlas’s performance to the benefit of customers and shareholders

Dune Express Proppant Logistics Infrastructure



High-Efficiency, Expanded Payload Wellsite Delivery Assets



# Transaction Enhances Atlas Energy Solutions Investment Profile

 Combines the proppant industry's primary innovators

 Unparalleled portfolio of proppant & logistics assets

 Creates a clear leader in proppant logistics

 Scale and asset quality drive exceptional cost structure, margins and growth profile

 Highly contracted cash flow, conservative financial profile

 Accretive acquisition that accelerates free cash flow and shareholder returns

 Enhances sustainable environmental and social progress (“SESP”) leadership







## Investor Relations Contact



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