

HARSCO CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In thousands, except per share amounts)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
Revenues from continuing operations:				
Service revenues	\$ 438,624	\$ 384,506	\$ 1,299,805	\$ 1,021,738
Product revenues	105,677	124,892	343,171	333,782
Total revenues	544,301	509,398	1,642,976	1,355,520
Costs and expenses from continuing operations:				
Cost of services sold	348,243	313,330	1,031,258	835,879
Cost of products sold	86,119	98,849	278,557	256,910
Selling, general and administrative expenses	82,090	87,954	247,798	241,224
Research and development expenses	764	568	2,210	2,620
Other (income) expenses, net	(2,835)	3,633	(7,810)	9,074
Total costs and expenses	514,381	504,334	1,552,013	1,345,707
Operating income from continuing operations	29,920	5,064	90,963	9,813
Interest income	618	604	1,841	1,613
Interest expense	(16,004)	(15,794)	(48,854)	(43,396)
Unused debt commitment fees, amendment fees and loss on extinguishment of debt	(198)	—	(5,506)	(1,920)
Defined benefit pension income	3,906	1,859	11,833	5,171
Income (loss) from continuing operations before income taxes and equity income	18,242	(8,267)	50,277	(28,719)
Income tax benefit (expense) from continuing operations	(6,989)	1,654	(19,782)	4,640
Equity income (loss) of unconsolidated entities, net	(293)	9	(488)	176
Income (loss) from continuing operations	10,960	(6,604)	30,007	(23,903)
Discontinued operations:				
Gain on sale of discontinued business	—	—	—	18,371
Loss from discontinued businesses	(1,528)	(1,531)	(4,770)	(1,232)
Income tax benefit (expense) from discontinued businesses	396	(204)	1,236	(9,803)
Income (loss) from discontinued operations, net of tax	(1,132)	(1,735)	(3,534)	7,336
Net income (loss)	9,828	(8,339)	26,473	(16,567)
Less: Net income attributable to noncontrolling interests	(2,264)	(1,239)	(5,386)	(3,472)
Net income (loss) attributable to Harsco Corporation	\$ 7,564	\$ (9,578)	\$ 21,087	\$ (20,039)
Amounts attributable to Harsco Corporation common stockholders:				
Income (loss) from continuing operations, net of tax	\$ 8,696	\$ (7,843)	\$ 24,621	\$ (27,375)
Income (loss) from discontinued operations, net of tax	(1,132)	(1,735)	(3,534)	7,336
Net income (loss) attributable to Harsco Corporation common stockholders	\$ 7,564	\$ (9,578)	\$ 21,087	\$ (20,039)
Weighted-average shares of common stock outstanding	79,287	79,000	79,214	78,916
Basic earnings (loss) per common share attributable to Harsco Corporation common stockholders:				
Continuing operations	\$ 0.11	\$ (0.10)	\$ 0.31	\$ (0.35)
Discontinued operations	(0.01)	(0.02)	(0.04)	0.09
Basic earnings (loss) per share attributable to Harsco Corporation common stockholders	\$ 0.10	\$ (0.12)	\$ 0.27	\$ (0.25) (a)
Diluted weighted-average shares of common stock outstanding	80,275	79,000	80,356	78,916
Diluted earnings (loss) per common share attributable to Harsco Corporation common stockholders:				
Continuing operations	\$ 0.11	\$ (0.10)	\$ 0.31	\$ (0.35)
Discontinued operations	(0.01)	(0.02)	(0.04)	0.09
Diluted earnings (loss) per share attributable to Harsco Corporation common stockholders	\$ 0.09 (a)	\$ (0.12)	\$ 0.26	\$ (0.25) (a)

(a) Does not total due to rounding.

HARSCO CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)

(In thousands)	September 30 2021	December 31 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 75,578	\$ 76,454
Restricted cash	4,525	3,215
Trade accounts receivable, net	425,897	407,390
Other receivables	39,454	34,253
Inventories	163,072	173,013
Current portion of contract assets	100,731	54,754
Prepaid expenses	62,022	56,099
Other current assets	16,303	10,645
Total current assets	887,582	815,823
Property, plant and equipment, net	678,325	668,209
Right-of-use assets, net	98,841	96,849
Goodwill	896,728	902,074
Intangible assets, net	413,538	438,565
Deferred income tax assets	10,689	15,274
Other assets	52,470	56,493
Total assets	\$ 3,038,173	\$ 2,993,287
LIABILITIES		
Current liabilities:		
Short-term borrowings	\$ 13,892	\$ 7,450
Current maturities of long-term debt	9,181	13,576
Accounts payable	229,244	218,039
Accrued compensation	56,364	45,885
Income taxes payable	11,994	3,499
Current portion of advances on contracts	58,034	39,917
Current portion of operating lease liabilities	25,112	24,862
Other current liabilities	174,461	184,727
Total current liabilities	578,282	537,955
Long-term debt	1,333,574	1,271,189
Retirement plan liabilities	175,362	231,335
Advances on contracts	9,732	45,017
Operating lease liabilities	72,090	69,860
Environmental liabilities	28,589	29,424
Deferred tax liabilities	31,669	40,653
Other liabilities	55,648	54,455
Total liabilities	2,284,946	2,279,888
HARSCO CORPORATION STOCKHOLDERS' EQUITY		
Common stock	144,856	144,288
Additional paid-in capital	213,095	204,078
Accumulated other comprehensive loss	(634,759)	(645,741)
Retained earnings	1,818,846	1,797,759
Treasury stock	(846,502)	(843,230)
Total Harsco Corporation stockholders' equity	695,536	657,154
Noncontrolling interests	57,691	56,245
Total equity	753,227	713,399
Total liabilities and equity	\$ 3,038,173	\$ 2,993,287

(a) Does not total due to rounding.

HARSCO CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Cash flows from operating activities:				
Net income (loss)	\$ 9,828	\$ (8,339)	\$ 26,473	\$ (16,567)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	33,479	32,352	98,383	93,864
Amortization	8,771	9,049	26,554	24,721
Deferred income tax (benefit) expense	(2,504)	3,001	(8,911)	2,346
Equity in (income) loss of unconsolidated entities, net	293	(9)	488	(176)
Gain on sale from discontinued business	—	—	—	(18,371)
Loss on early extinguishment of debt	—	—	2,668	—
Other, net	1,002	1,908	(1,147)	(336)
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:				
Accounts receivable	(9,079)	9,774	(32,563)	26,308
Income tax refunds receivable	735	(11,168)	735	(11,168)
Inventories	(11,899)	4,865	3,557	(11,801)
Contract assets	(14,339)	2,159	(52,205)	(26,775)
Right-of-use assets	7,153	6,361	21,050	18,195
Accounts payable	25,602	6,631	12,111	(1,488)
Accrued interest payable	(7,703)	(7,044)	(7,840)	(9,984)
Accrued compensation	7,397	6,562	12,098	1,795
Advances on contracts	(646)	(16,691)	(13,997)	19,145
Operating lease liabilities	(7,048)	(6,268)	(20,554)	(17,864)
Retirement plan liabilities, net	(8,842)	(4,876)	(36,700)	(23,902)
Income taxes payable - Gain on sale of discontinued businesses	—	(13,809)	—	(10,342)
Other assets and liabilities	1,020	6,297	16,550	4,676
Net cash provided by operating activities	33,220	20,755	46,750	42,276
Cash flows from investing activities:				
Purchases of property, plant and equipment	(40,861)	(27,883)	(109,507)	(79,096)
Purchase of businesses, net of cash acquired	—	9,749	—	(432,855)
Proceeds from sale of discontinued business, net	—	—	—	37,219
Proceeds from sales of assets	5,470	521	15,512	4,473
Expenditures for intangible assets	(155)	(127)	(287)	(169)
Proceeds from note receivable	—	—	6,400	—
Net proceeds (payments) from settlement of foreign currency forward exchange contracts	(86)	(229)	(1,064)	536
Other investing activities, net	48	(256)	181	(197)
Net cash used by investing activities	(35,584)	(18,225)	(88,765)	(470,089)
Cash flows from financing activities:				
Short-term borrowings, net	206	(965)	4,650	1,712
Current maturities and long-term debt:				
Additions	41,950	52,302	507,468	580,903
Reductions	(38,870)	(49,593)	(452,351)	(111,999)
Dividends paid to noncontrolling interests	(9)	—	(3,103)	—
Stock-based compensation - Employee taxes paid	(101)	(95)	(3,273)	(4,188)
Payment of contingent consideration	(734)	(2,342)	(734)	(2,342)
Deferred financing costs	—	—	(7,828)	(1,928)
Other financing activities, net	—	3	(601)	(1,368)
Net cash provided (used) by financing activities	2,442	(690)	44,228	460,790
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	(2,262)	251	(1,779)	(6,567)
Net increase (decrease) in cash and cash equivalents, including restricted cash	(2,184)	2,091	434	26,410
Cash and cash equivalents, including restricted cash, at beginning of period	82,287	84,051	79,669	59,732
Cash and cash equivalents, including restricted cash, at end of period	\$ 80,103	\$ 86,142	\$ 80,103	\$ 86,142

HARSCO CORPORATION
REVIEW OF OPERATIONS BY SEGMENT (Unaudited)

(In thousands)	Three Months Ended September 30, 2021		Three Months Ended September 30, 2020	
	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
Harsco Environmental	\$ 269,901	\$ 27,630	\$ 222,507	\$ 12,317
Harsco Clean Earth	200,484	9,893	194,098	8,902
Harsco Rail	73,916	1,957	92,793	4,059
Corporate	—	(9,560)	—	(20,214)
Consolidated Totals	\$ 544,301	\$ 29,920	\$ 509,398	\$ 5,064

(In thousands)	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020	
	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
Harsco Environmental	\$ 800,433	\$ 83,788	\$ 668,057	\$ 36,400
Harsco Clean Earth (a)	585,891	20,457	434,489	12,945
Harsco Rail	256,652	15,533	252,974	19,162
Corporate	—	(28,815)	—	(58,694)
Consolidated Totals	\$ 1,642,976	\$ 90,963	\$ 1,355,520	\$ 9,813

(a) The Company's acquisition of ESOL closed on April 6, 2020.

HARSCO CORPORATION

RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS TO DILUTED EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
Diluted earnings (loss) per share from continuing operations as reported	\$ 0.11	\$ (0.10)	\$ 0.31	\$ (0.35)
Corporate unused debt commitment fees, amendment fees and loss on extinguishment of debt (a)	—	—	0.07	0.02
Corporate strategic costs (b)	0.02	—	0.04	—
Harsco Environmental Segment severance costs (c)	(0.01)	—	(0.01)	0.07
Corporate acquisition and integration costs (d)	—	0.13	—	0.53
Corporate contingent consideration adjustments (e)	—	0.03	—	0.03
Corporate acquisition related tax benefit (f)	—	(0.04)	—	(0.04)
Taxes on above unusual items (g)	—	(0.03)	(0.02)	(0.11)
Adjusted diluted earnings per share from continuing operations, including acquisition amortization expense	0.12	— (i)	0.38 (i)	0.15
Acquisition amortization expense, net of tax (h)	0.08	0.08	0.24	0.22
Adjusted diluted earnings per share from continuing operations	\$ 0.20	\$ 0.08	\$ 0.62	\$ 0.37

- (a) Costs at Corporate associated with amending the Company's existing Senior Secured Credit Facilities to establish a New Term Loan the proceeds of which were used to repay in full the outstanding Term Loan A and Term Loan B, to extend the maturity date of the Revolving Credit Facility and to increase certain levels set forth in the total net leverage ratio covenant (Q3 2021 \$0.2 million pre-tax; nine months 2021 \$5.5 million pre-tax) and costs associated with amending the Company's existing Senior secured Credit Facilities, to increase the net debt to consolidated adjusted EBITDA covenant ratio (nine months 2020 \$1.9 million pre-tax).
- (b) Certain strategic costs incurred at Corporate associated with supporting and executing the Company's long-term strategies including the divestiture of the Harsco Rail Segment (Q3 2021 \$1.5 million pre-tax; nine months 2021 \$3.2 million pre-tax).
- (c) Adjustment to Harsco Environmental Segment severance costs (Q3 and nine months 2021 \$0.9 million pre-tax) and Harsco Environmental Segment severance costs (nine months 2020 \$5.2 million pre-tax).
- (d) Acquisition and integration costs at Corporate (Q3 2020 \$10.6 million pre-tax; nine months 2020 \$41.6 million pre-tax).
- (e) Adjustment to contingent consideration related to the acquisition of Clean Earth recorded on Corporation (Q3 and nine months 2020 \$2.4 million pre-tax). The Company adjusts operating income and Diluted earnings per share from continuing operations to exclude the impact of the change in fair value to the acquisition-related contingent consideration liability for acquisitions because it believes that the adjustment for this item more closely correlates the reported financial measures with the ordinary and ongoing course of the Company's operations.
- (f) Acquisition related tax benefit recorded on Corporate assumed as part of the Clean Earth Acquisition (Q3 and nine months 2020 \$2.8 million).
- (g) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded, except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
- (h) Acquisition amortization expense was \$8.1 million pre-tax and \$24.5 million pre-tax for Q3 and nine months 2021, respectively; and \$8.3 million pre-tax and \$22.5 million pre-tax for Q3 and nine months 2020, respectively.
- (i) Does not total due to rounding.

HARSCO CORPORATION

RECONCILIATION OF PROJECTED ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (a)

(Unaudited)

	Projected Three Months Ending December 31		Projected Twelve Months Ending December 31	
	2021		2021	
	Low	High	Low	High
Diluted earnings per share from continuing operations	\$ (0.02)	\$ 0.01	\$ 0.12	\$ 0.14
Corporate unused debt commitment fees, amendment fees and loss on extinguishment of debt	—	—	0.07	0.07
Corporate strategic costs	—	—	0.04	0.04
Harsco Environmental Segment severance costs	—	—	(0.01)	(0.01)
Taxes on above unusual items	—	—	(0.02)	(0.02)
Adjusted diluted earnings per share from continuing operations, including acquisition amortization expense	(0.02)	0.01	0.20	0.22
Estimated acquisition amortization expense, net of tax	0.08	0.08	0.32	0.32
Adjusted diluted earnings per share from continuing operations	\$ 0.06	\$ 0.09	\$ 0.51	(b) \$ 0.54

(a) Excludes Harsco Rail Segment.

(b) Does not total due to rounding.

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED EBITDA BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT

(Unaudited)

(In thousands)	Harsco Environmental	Harsco Clean Earth	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended September 30, 2021:					
Operating income (loss) as reported	\$ 27,630	\$ 9,893	\$ 1,957	\$ (9,560)	\$ 29,920
Corporate strategic costs	—	—	—	1,489	1,489
Harsco Environmental Segment severance costs	(900)	—	—	—	(900)
Operating income (loss) excluding unusual items	26,730	9,893	1,957	(8,071)	30,509
Depreciation	27,179	4,576	1,233	491	33,479
Amortization	1,997	6,033	84	—	8,114
Adjusted EBITDA	\$ 55,906	\$ 20,502	\$ 3,274	\$ (7,580)	\$ 72,102
Revenues as reported	\$ 269,901	\$ 200,484	\$ 73,916	—	\$ 544,301
Adjusted EBITDA margin (%)	20.7 %	10.2 %	4.4 %	—	13.2 %
Three Months Ended September 30, 2020:					
Operating income (loss) as reported	\$ 12,317	\$ 8,902	\$ 4,059	\$ (20,214)	\$ 5,064
Corporate acquisition and integration costs	—	—	—	10,645	10,645
Corporate contingent consideration adjustments	—	—	—	2,437	2,437
Harsco Clean Earth Segment integration costs	—	114	—	—	114
Operating income (loss) excluding unusual items	12,317	9,016	4,059	(7,132)	18,260
Depreciation	25,588	5,010	1,258	497	32,353
Amortization	1,970	6,218	85	—	8,273
Adjusted EBITDA	\$ 39,875	\$ 20,244	\$ 5,402	\$ (6,635)	\$ 58,886
Revenues as reported	\$ 222,507	\$ 194,098	\$ 92,793	—	\$ 509,398
Adjusted EBITDA margin (%)	17.9 %	10.4 %	5.8 %	—	11.6 %

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED EBITDA AND PROFORMA ADJUSTED EBITDA BY SEGMENT TO OPERATING
INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Environmental	Harsco Clean Earth (a)	Harsco Rail	Corporate	Consolidated Totals
Nine Months Ended September 30, 2021:					
Operating income (loss) as reported	\$ 83,788	\$ 20,457	\$ 15,533	\$ (28,815)	\$ 90,963
Corporate strategic costs	—	—	—	3,170	3,170
Harsco Environmental Segment severance costs	(900)	—	—	—	(900)
Operating income (loss) excluding unusual items	82,888	20,457	15,533	(25,645)	93,233
Depreciation	78,446	14,818	3,651	1,468	98,383
Amortization	6,080	18,179	254	—	24,513
Adjusted EBITDA	167,414	53,454	19,438	(24,177)	216,129
Adjusted EBITDA - Harsco Rail Segment	—	—	(19,438)	—	(19,438)
Corporate allocation - Harsco Rail Segment	—	—	—	(3,126)	(3,126)
Proforma Adjusted EBITDA, excluding Harsco Rail Segment	\$ 167,414	\$ 53,454	\$ —	\$ (27,303)	\$ 193,565
Proforma Revenue, excluding Harsco Rail Segment	\$ 800,433	\$ 585,891	\$ —	\$ —	\$ 1,386,324
Proforma Adjusted EBITDA margin (%)	20.9 %	9.1 %	— %	— %	14.0 %
Nine Months Ended September 30, 2020:					
Operating income (loss) as reported	\$ 36,400	\$ 12,945	\$ 19,162	\$ (58,694)	\$ 9,813
Corporate acquisition and integration costs	—	—	—	41,584	41,584
Harsco Environmental Segment severance costs	5,160	—	—	—	5,160
Corporate contingent consideration adjustments	—	—	—	2,437	2,437
Harsco Clean Earth Segment integration costs	—	114	—	—	114
Operating income (loss) excluding unusual items	41,560	13,059	19,162	(14,673)	59,108
Depreciation	75,626	12,769	3,730	1,531	93,656
Amortization	5,827	16,463	252	—	22,542
Adjusted EBITDA	123,013	42,291	23,144	(13,142)	175,306
Adjusted EBITDA - Harsco Rail Segment	—	—	(23,144)	—	(23,144)
Corporate allocation - Harsco Rail Segment	—	—	—	(3,126)	(3,126)
Proforma Adjusted EBITDA, excluding Harsco Rail Segment	\$ 123,013	\$ 42,291	\$ —	\$ (16,268)	\$ 149,036
Proforma Revenue, excluding Harsco Rail Segment	\$ 668,057	\$ 434,489	\$ —	\$ —	\$ 1,102,546
Proforma Adjusted EBITDA margin (%)	18.4 %	9.7 %	— %	— %	13.5 %
Twelve Months Ended December 31, 2020:					
Operating income (loss) as reported	\$ 59,006	\$ 16,096	\$ 20,219	\$ (74,240)	\$ 21,081
Corporate acquisition and integration costs	—	—	—	48,493	48,493
Harsco Environmental Segment severance costs	7,399	—	—	—	7,399
Corporate contingent consideration adjustments	—	—	—	2,301	2,301
Harsco Clean Earth Segment integration costs	—	1,859	—	—	1,859
Operating income (loss) excluding unusual items	66,405	17,955	20,219	(23,446)	81,133
Depreciation	100,971	17,450	5,113	2,022	125,556
Amortization	7,825	22,814	337	—	30,976
Adjusted EBITDA	175,201	58,219	25,669	(21,424)	237,665
Adjusted EBITDA - Harsco Rail Segment	—	—	(25,669)	—	(25,669)
Corporate allocation - Harsco Rail Segment	—	—	—	(4,168)	(4,168)
Proforma Adjusted EBITDA, excluding Harsco Rail Segment	\$ 175,201	\$ 58,219	\$ —	\$ (25,592)	\$ 207,828
Proforma Revenue, excluding Harsco Rail Segment	\$ 914,445	\$ 619,588	\$ —	\$ —	\$ 1,534,033
Proforma Adjusted EBITDA margin (%)	19.2 %	9.4 %	— %	— %	13.5 %

(a) The Company's acquisition of ESOL closed on April 6, 2020.

HARSCO CORPORATION
RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA TO CONSOLIDATED INCOME (LOSS)
FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

(In thousands)	Three Months Ended September 30	
	2021	2020
Consolidated income (loss) from continuing operations	\$ 10,960	\$ (6,604)
Add back (deduct):		
Equity in (income) loss of unconsolidated entities, net	293	(9)
Income tax (benefit) expense	6,989	(1,654)
Defined benefit pension income	(3,906)	(1,859)
Unused debt commitment fees, amendment fees and loss on extinguishment of debt	198	—
Interest expense	16,004	15,794
Interest income	(618)	(604)
Depreciation	33,479	32,353
Amortization	8,114	8,273
Unusual items:		
Corporate strategic costs	1,489	—
Harsco Environmental Segment severance costs	(900)	—
Corporate acquisition and integration costs	—	10,645
Corporate contingent consideration adjustments	—	2,437
Clean Earth Segment integration costs	—	114
Consolidated Adjusted EBITDA	\$ 72,102	\$ 58,886

HARSCO CORPORATION
RECONCILIATION OF CONSOLIDATED ADJUSTED EBITDA TO CONSOLIDATED INCOME (LOSS)
FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

(In thousands)	Nine Months Ended September 30	
	2021	2020
Consolidated income (loss) from continuing operations	\$ 30,007	\$ (23,903)
Add back (deduct):		
Equity in (income) loss of unconsolidated entities, net	488	(176)
Income tax (benefit) expense	19,782	(4,640)
Defined benefit pension income	(11,833)	(5,171)
Unused debt commitment and amendment fees	5,506	1,920
Interest expense	48,854	43,396
Interest income	(1,841)	(1,613)
Depreciation	98,383	93,656
Amortization	24,513	22,542
Unusual items:		
Corporate strategic costs	3,170	—
Harsco Environmental Segment severance costs	(900)	—
Corporate acquisition and integration costs	—	41,584
Harsco Environmental Segment severance costs	—	5,160
Corporate contingent consideration adjustments	—	2,437
Harsco Clean Earth Segment integration costs	—	114
Consolidated Adjusted EBITDA	\$ 216,129	\$ 175,306

HARSCO CORPORATION
RECONCILIATION OF PROJECTED CONSOLIDATED ADJUSTED EBITDA TO PROJECTED CONSOLIDATED INCOME
FROM CONTINUING OPERATIONS (a)

(Unaudited)

(In millions)	Projected Three Months Ending December 31		Projected Twelve Months Ending December 31	
	2021		2021	
	Low	High	Low	High
Consolidated income from continuing operations	\$ —	\$ 2	\$ 20	\$ 22
Add back (deduct):				
Income tax expense	—	6	17	23
Equity loss of unconsolidated entities, net	—	—	1	1
Net interest	16	16	63	63
Defined benefit pension income	(4)	(4)	(16)	(16)
Depreciation and amortization	42	42	161	161
Unusual items:				
Corporate strategic costs	—	—	3	3
Harsco Environmental Segment severance costs	—	—	(1)	(1)
Consolidated Adjusted EBITDA	<u>\$ 55</u>	<u>(b) \$ 62</u>	<u>\$ 248</u>	<u>\$ 256</u>

(a) Excludes Harsco Rail Segment

(b) Does not total due to rounding.

HARSCO CORPORATION

RECONCILIATION OF FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES (Unaudited)

(In thousands)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 33,220	\$ 20,755	\$ 46,750	\$ 42,276
Less capital expenditures	(40,861)	(27,883)	(109,507)	(79,096)
Less expenditures for intangible assets	(155)	(127)	(287)	(169)
Plus capital expenditures for strategic ventures (a)	1,185	603	2,983	1,967
Plus total proceeds from sales of assets (b)	5,470	521	15,512	4,473
Plus transaction-related expenditures (c)	784	10,732	18,788	26,672
Plus taxes paid on sale of business	—	13,809	—	14,185
Free cash flow	\$ (357)	\$ 18,410	\$ (25,761)	\$ 10,308

- (a) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's condensed consolidated financial statements.
- (b) Asset sales are a normal part of the business model, primarily for the Harsco Environmental Segment.
- (c) Expenditures directly related to the Company's acquisition and divestiture transactions and costs at Corporate associated with amending the Company's existing Senior Secured Credit Facilities.

HARSCO CORPORATION
RECONCILIATION OF PROJECTED FREE CASH FLOW TO PROJECTED NET CASH PROVIDED BY OPERATING
ACTIVITIES (Unaudited)

(In millions)	Projected Twelve Months Ending December 31	
	2021	
	Low	High
Net cash provided by operating activities	\$ 91	\$ 111
Less capital expenditures	(161)	(171)
Plus total proceeds from asset sales and capital expenditures for strategic ventures	21	21
Plus transaction related expenditures	19	19
Free cash flow	(30)	(20)
Less: Harsco Rail Segment free cash flow	(35)	(35)
Free cash flow from continuing operations	5	15
Add growth capital expenditures	50	50
Free cash flow before growth capital expenditures from continuing operations	55	65