

HARSCO CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
(In thousands, except per share amounts)	2021	2020	2021	2020
Revenues from continuing operations:				
Service revenues	\$ 426,080	\$ 402,488	\$ 1,700,896	\$ 1,400,648
Product revenues	35,993	28,999	147,503	133,385
Total revenues	462,073	431,487	1,848,399	1,534,033
Costs and expenses from continuing operations:				
Cost of services sold	350,188	322,291	1,369,073	1,140,303
Cost of products sold	32,214	22,357	121,483	101,988
Selling, general and administrative expenses	59,184	76,020	272,233	284,442
Research and development expenses	145	73	956	534
Other (income) expenses, net	4,270	1,576	(3,722)	10,072
Total costs and expenses	446,001	422,317	1,760,023	1,537,339
Operating income from continuing operations	16,072	9,170	88,376	(3,306)
Interest income	563	557	2,231	2,129
Interest expense	(15,595)	(15,936)	(63,235)	(58,196)
Unused debt commitment fees, amendment fees and loss on extinguishment of debt	—	—	(5,506)	(1,920)
Defined benefit pension income	3,862	1,961	15,640	7,073
Income (loss) from continuing operations before income taxes and equity income	4,902	(4,248)	37,506	(54,220)
Income tax benefit (expense) from continuing operations	5,625	(2,257)	(9,089)	8,673
Equity income (loss) of unconsolidated entities, net	186	10	(302)	186
Income (loss) from continuing operations	10,713	(6,495)	28,115	(45,361)
Discontinued operations:				
Gain on sale of discontinued business	—	(90)	—	18,281
Loss from discontinued businesses	(38,766)	329	(25,863)	20,350
Income tax benefit (expense) from discontinued businesses	4,309	848	477	(15,245)
Income (loss) from discontinued operations, net of tax	(34,457)	1,087	(25,386)	23,386
Net income (loss)	(23,744)	(5,408)	2,729	(21,975)
Less: Net income attributable to noncontrolling interests	(591)	(894)	(5,978)	(4,366)
Net income (loss) attributable to Harsco Corporation	\$ (24,335)	\$ (6,302)	\$ (3,249)	\$ (26,341)
Amounts attributable to Harsco Corporation common stockholders:				
Income (loss) from continuing operations, net of tax	\$ 10,122	\$ (7,389)	\$ 22,137	\$ (49,727)
Income (loss) from discontinued operations, net of tax	(34,457)	1,087	(25,386)	23,386
Net income (loss) attributable to Harsco Corporation common stockholders	\$ (24,335)	\$ (6,302)	\$ (3,249)	\$ (26,341)
Weighted-average shares of common stock outstanding	79,294	79,006	79,234	78,939
Basic earnings (loss) per common share attributable to Harsco Corporation common stockholders:				
Continuing operations	\$ 0.13	\$ (0.09)	\$ 0.28	\$ (0.63)
Discontinued operations	(0.43)	0.01	(0.32)	0.30
Basic earnings (loss) per share attributable to Harsco Corporation common stockholders	\$ (0.31) (a)	\$ (0.08)	\$ (0.04)	\$ (0.33)
Diluted weighted-average shares of common stock outstanding	80,093	79,006	80,289	78,939
Diluted earnings (loss) per common share attributable to Harsco Corporation common stockholders:				
Continuing operations	\$ 0.13	\$ (0.09)	\$ 0.28	\$ (0.63)
Discontinued operations	(0.43)	0.01	(0.32)	0.30
Diluted earnings (loss) per share attributable to Harsco Corporation common stockholders	\$ (0.30)	\$ (0.08)	\$ (0.04)	\$ (0.33)

(a) Does not total due to rounding.

HARSCO CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)

	December 31 2021	December 31 2020
(In thousands)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 82,908	\$ 76,454
Restricted cash	4,220	3,215
Trade accounts receivable, net	377,881	355,313
Other receivables	33,059	31,208
Inventories	70,493	61,001
Prepaid expenses	31,065	30,645
Current portion of assets held-for-sale	265,413	247,477
Other current assets	9,934	10,510
Total current assets	874,973	815,823
Property, plant and equipment, net	653,913	630,354
Right-of-use assets, net	101,576	92,495
Goodwill	883,109	889,048
Intangible assets, net	402,801	435,116
Deferred income tax assets	17,883	10,368
Assets held-for-sale	71,234	69,906
Other assets	48,419	50,177
Total assets	\$ 3,053,908	\$ 2,993,287
LIABILITIES		
Current liabilities:		
Short-term borrowings	\$ 7,748	\$ 7,450
Current maturities of long-term debt	10,226	13,576
Accounts payable	186,126	164,102
Accrued compensation	48,165	44,382
Income taxes payable	6,378	3,403
Current portion of operating lease liabilities	25,590	23,117
Current portion of liabilities of assets held-for-sale	161,999	127,927
Other current liabilities	155,159	153,998
Total current liabilities	601,391	537,955
Long-term debt	1,359,446	1,271,189
Retirement plan liabilities	93,693	231,335
Operating lease liabilities	74,571	67,126
Liabilities of assets held-for-sale	8,492	52,851
Environmental liabilities	28,435	29,424
Deferred tax liabilities	33,826	36,192
Other liabilities	48,284	53,816
Total liabilities	2,248,138	2,279,888
HARSCO CORPORATION STOCKHOLDERS' EQUITY		
Common stock	144,883	144,288
Additional paid-in capital	215,528	204,078
Accumulated other comprehensive loss	(560,139)	(645,741)
Retained earnings	1,794,510	1,797,759
Treasury stock	(846,622)	(843,230)
Total Harsco Corporation stockholders' equity	748,160	657,154
Noncontrolling interests	57,610	56,245
Total equity	805,770	713,399
Total liabilities and equity	\$ 3,053,908	\$ 2,993,287

HARSCO CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Three Months Ended December 31		Twelve Months Ended December 31	
	2021	2020	2021	2020
Cash flows from operating activities:				
Net income (loss)	\$ (23,744)	\$ (5,408)	\$ 2,729	\$ (21,975)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	33,066	31,901	131,449	125,765
Amortization	8,670	9,216	35,224	33,937
Deferred income tax (benefit) expense	(8,019)	(1,231)	(16,930)	1,115
Equity in (income) loss of unconsolidated entities, net	(186)	(10)	302	(186)
Dividends from unconsolidated entities	269	216	269	216
Loss (gain) on sale from discontinued business	—	—	—	(18,281)
Loss on early extinguishment of debt	—	90	2,668	—
Other, net	3,209	646	2,062	310
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:				
Accounts receivable	12,782	7,913	(19,781)	34,221
Income tax refunds receivable, reimbursable to seller	2,135	136	2,870	(11,032)
Inventories	(11,340)	(480)	(7,783)	(12,281)
Contract assets	8,695	(1,601)	(43,510)	(28,376)
Right-of-use assets	7,250	7,205	28,300	25,400
Accounts payable	2,007	(12,964)	14,118	(14,452)
Accrued interest payable	7,429	7,562	(411)	(2,422)
Accrued compensation	(5,629)	1,126	6,469	2,921
Advances on contracts	(314)	(8,653)	(14,311)	10,492
Operating lease liabilities	(6,753)	(6,921)	(27,307)	(24,785)
Retirement plan liabilities, net	(9,086)	(9,355)	(45,786)	(33,257)
Income taxes payable - Gain on sale of discontinued businesses	—	(2,031)	—	(12,373)
Other assets and liabilities	5,006	(5,815)	21,556	(1,139)
Net cash provided by operating activities	25,447	11,542	72,197	53,818
Cash flows from investing activities:				
Purchases of property, plant and equipment	(48,819)	(41,128)	(158,326)	(120,224)
Purchase of businesses, net of cash acquired	—	—	—	(432,855)
Proceeds from sale of businesses, net	—	—	—	37,219
Proceeds from sales of assets	1,212	1,731	16,724	6,204
Expenditures for intangible assets	(71)	(148)	(358)	(317)
Proceeds from note receivable	—	—	6,400	—
Net proceeds (payments) from settlement of foreign currency forward exchange contracts	12,004	(11,055)	10,940	(10,519)
Other investing activities, net	(10)	45	171	(152)
Net cash used by investing activities	(35,684)	(50,555)	(124,449)	(520,644)
Cash flows from financing activities:				
Short-term borrowings, net	(3,715)	(100)	935	1,612
Current maturities and long-term debt:				
Additions	33,195	57,814	540,663	638,717
Reductions	(12,497)	(27,888)	(464,848)	(139,887)
Dividends paid to noncontrolling interests	—	(2,978)	(3,103)	(2,978)
Sale (purchase) of noncontrolling interests	—	(561)	—	(561)
Stock-based compensation - Employee taxes paid	(119)	(115)	(3,392)	(4,303)
Payment of contingent consideration	(854)	—	(1,588)	(2,342)
Deferred financing costs	—	—	(7,828)	(1,928)
Other financing activities, net	—	(4)	(601)	(1,372)
Net cash provided (used) by financing activities	16,010	26,168	60,238	486,958
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	1,252	6,372	(527)	(195)
Net increase (decrease) in cash and cash equivalents, including restricted cash	7,025	(6,473)	7,459	19,937
Cash and cash equivalents, including restricted cash, at beginning of period	80,103	86,142	79,669	59,732
Cash and cash equivalents, including restricted cash, at end of period	\$ 87,128	\$ 79,669	\$ 87,128	\$ 79,669

HARSCO CORPORATION
REVIEW OF OPERATIONS BY SEGMENT (Unaudited)

	Three Months Ended December 31, 2021		Three Months Ended December 31, 2020	
	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
(In thousands)				
Harsco Environmental	\$ 267,649	\$ 19,614	\$ 246,388	\$ 22,606
Harsco Clean Earth	194,424	5,183	185,099	3,151
Corporate	—	(8,725)	—	(16,587)
Consolidated Totals	<u>\$ 462,073</u>	<u>\$ 16,072</u>	<u>\$ 431,487</u>	<u>\$ 9,170</u>

	Twelve Months Ended December 31, 2021		Twelve Months Ended December 31, 2020	
	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
(In thousands)				
Harsco Environmental	\$ 1,068,083	\$ 103,402	\$ 914,445	\$ 59,006
Harsco Clean Earth (a)	780,316	25,639	619,588	16,096
Corporate	—	(40,665)	—	(78,408)
Consolidated Totals	<u>\$ 1,848,399</u>	<u>\$ 88,376</u>	<u>\$ 1,534,033</u>	<u>\$ (3,306)</u>

(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		Twelve Months Ended	
	December 31		December 31	
	2021	2020	2021	2020
Diluted earnings (loss) per share from continuing operations as reported	\$ 0.13	\$ (0.09)	\$ 0.28	\$ (0.63)
Corporate unused debt commitment fees, amendment fees and loss on extinguishment of debt (a)	—	—	0.07	0.02
Corporate strategic costs (b)	0.02	—	0.06	—
Harsco Environmental Segment severance costs (c)	—	0.03	(0.01)	0.09
Corporate acquisition and integration costs (d)	—	0.09	—	0.61
Corporate contingent consideration adjustments (e)	—	—	—	0.03
Corporate acquisition related tax benefit (f)	—	—	—	(0.03)
Harsco Clean Earth Segment integration costs (g)	—	0.02	—	0.02
Harsco Clean Earth Segment severance costs (h)	—	—	—	—
Taxes on above unusual items (i)	—	(0.04)	(0.02)	(0.16)
Adjusted diluted earnings per share from continuing operations, including acquisition amortization expense	0.14 ^(k)	0.01	0.37 ^(k)	(0.03) ^(k)
Acquisition amortization expense, net of tax (j)	0.08	0.08	0.32	0.31
Adjusted diluted earnings per share from continuing operations	\$ 0.22	\$ 0.09	\$ 0.69	\$ 0.28

- (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 (Full year 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 Full year 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 (Q4 2021 \$1.3 million pre-tax; Full year 2021 \$4.5 million pre-tax).
- (c) Adjustment to Harsco Environmental Segment severance costs (Full year 2021 \$0.9 million pre-tax) and Harsco Environmental Segment severance costs (Q4 2020 \$2.2 million pre-tax and Full year 2020 \$7.4 million).
- (d) Acquisition and integration costs at Corporate (Q4 2020 \$6.9 million pre-tax; Full year 2020 \$48.5 million pre-tax).
- (e) Adjustment to contingent consideration related to the acquisition of Clean Earth recorded on Corporation (Q4 2020 \$(0.1) million pre-tax and Full year 2020 \$2.3 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 (Q4 2020 \$(0.1) million and Full year 2020 \$2.7 million).
- (g) Costs incurred in the Harsco Clean Earth Segment related to the integration of ESOL (Q4 2020 \$1.7 million pre-tax; Full year 2020 \$1.9 million pre-tax).
- (h) Harsco Clean Earth Segment severance costs (Q4 and Full year 2021 \$0.4 million pre-tax)
- (i) 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.
- (j) Acquisition amortization expense was \$8.0 million pre-tax and \$32.3 million pre-tax for Q4 and Full year 2021, respectively; and \$8.4 million pre-tax and \$30.7 million pre-tax for Q4 and Full year 2020, respectively.
- (k) 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 March 31		Projected Twelve Months Ending December 31	
	2022		2022	
	Low	High	Low	High
Diluted earnings per share from continuing operations	\$ (0.03)	\$ (0.02)	\$ 0.15	\$ 0.32
Corporate strategic costs	—	—	0.03	0.03
Harsco Clean Earth Segment severance costs	0.01	0.01	0.01	0.01
Taxes on above unusual items	—	—	(0.01)	(0.01)
Adjusted diluted earnings per share from continuing operations, including acquisition amortization expense	(0.02)	(0.01)	0.18	0.35
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	\$ 0.07	\$ 0.50	\$ 0.66

(b)

(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	Corporate	Consolidated Totals
Three Months Ended December 31, 2021:				
Operating income (loss) as reported	\$ 19,614	\$ 5,183	\$ (8,725)	\$ 16,072
Corporate strategic costs	—	—	1,280	1,280
Harsco Clean Earth Segment severance costs	—	390	—	390
Operating income (loss) excluding unusual items	19,614	5,573	(7,445)	17,742
Depreciation	27,384	4,854	434	32,672
Amortization	1,972	6,001	—	7,973
Adjusted EBITDA	\$ 48,970	\$ 16,428	\$ (7,011)	\$ 58,387
Revenues as reported	\$ 267,649	\$ 194,424		\$ 462,073
Adjusted EBITDA margin (%)	18.3 %	8.4 %		12.6 %
Three Months Ended December 31, 2020:				
Operating income (loss) as reported	\$ 22,606	\$ 3,151	\$ (16,587)	\$ 9,170
Corporate acquisition and integration costs	—	—	6,909	6,909
Corporate contingent consideration adjustments	—	—	(136)	(136)
Harsco Environmental Segment severance costs	2,239	—	—	2,239
Harsco Clean Earth Segment integration costs	—	1,745	—	1,745
Operating income (loss) excluding unusual items	24,845	4,896	(9,814)	19,927
Depreciation	25,345	4,681	491	30,517
Amortization	1,998	6,351	—	8,349
Adjusted EBITDA	\$ 52,188	\$ 15,928	\$ (9,323)	\$ 58,793
Revenues as reported	\$ 246,388	\$ 185,099		\$ 431,487
Adjusted EBITDA margin (%)	21.2 %	8.6 %		13.6 %

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

(In thousands)	Harsco Environmental	Harsco Clean Earth (a)	Corporate	Consolidated Totals
Twelve Months Ended December 31, 2021:				
Operating income (loss) as reported	\$ 103,402	\$ 25,639	\$ (40,665)	\$ 88,376
Corporate strategic costs	—	—	4,450	4,450
Harsco Clean Earth Segment severance costs	—	390	—	390
Harsco Environmental Segment severance costs	(900)	—	—	(900)
Operating income (loss) excluding unusual items	102,502	26,029	(36,215)	92,316
Depreciation	105,830	19,672	1,900	127,402
Amortization	8,052	24,180	—	32,232
Adjusted EBITDA	216,384	69,881	(34,315)	251,950
Revenues as reported	\$ 1,068,083	\$ 780,316		\$ 1,848,399
Adjusted EBITDA margin (%)	20.3 %	9.0 %		13.6 %
Twelve Months Ended December 31, 2020:				
Operating income (loss) as reported	\$ 59,006	\$ 16,096	\$ (78,408)	\$ (3,306)
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	(27,614)	56,746
Depreciation	100,971	17,450	2,022	120,443
Amortization	7,825	22,814	—	30,639
Adjusted EBITDA	175,201	58,219	(25,592)	207,828
Revenues as reported	\$ 914,445	\$ 619,588		\$ 1,534,033
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 December 31	
	2021	2020
Consolidated income (loss) from continuing operations	\$ 10,713	\$ (6,495)
Add back (deduct):		
Equity in (income) loss of unconsolidated entities, net	(186)	(10)
Income tax (benefit) expense	(5,625)	2,257
Defined benefit pension income	(3,862)	(1,961)
Interest expense	15,595	15,936
Interest income	(563)	(557)
Depreciation	32,672	30,517
Amortization	7,973	8,349
Unusual items:		
Corporate strategic costs	1,280	—
Harsco Clean Earth Segment severance costs	390	—
Harsco Environmental Segment severance costs	—	2,239
Corporate acquisition and integration costs	—	6,909
Corporate contingent consideration adjustments	—	(136)
Clean Earth Segment integration costs	—	1,745
Consolidated Adjusted EBITDA	\$ 58,387	\$ 58,793

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

(In thousands)	Twelve Months Ended December 31	
	2021	2020
Consolidated income (loss) from continuing operations	\$ 28,115	\$ (45,361)
Add back (deduct):		
Equity in (income) loss of unconsolidated entities, net	302	(186)
Income tax (benefit) expense	9,089	(8,673)
Defined benefit pension income	(15,640)	(7,073)
Unused debt commitment and amendment fees	5,506	1,920
Interest expense	63,235	58,196
Interest income	(2,231)	(2,129)
Depreciation	127,402	120,443
Amortization	32,232	30,639
Unusual items:		
Corporate strategic costs	4,450	—
Harsco Environmental Segment severance costs	(900)	—
Harsco Clean Earth Segment severance costs	390	—
Corporate acquisition and integration costs	—	48,493
Harsco Environmental Segment severance costs	—	7,399
Corporate contingent consideration adjustments	—	2,301
Harsco Clean Earth Segment integration costs	—	1,859
Consolidated Adjusted EBITDA	\$ 251,950	\$ 207,828

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

(Unaudited)

(In millions)	Projected Three Months Ending March 31		Projected Twelve Months Ending December 31	
	2022		2022	
	Low	High	Low	High
Consolidated income from continuing operations	\$ —	\$ (1)	\$ 20	\$ 33
Add back (deduct):				
Income tax (income) expense	(9)	(2)	13	21
Net interest	16	15	63	61
Defined benefit pension income	(3)	(3)	(10)	(10)
Depreciation and amortization	42	42	166	166
Unusual items:				
Corporate strategic costs	—	—	3	3
Harsco Clean Earth Segment severance costs	1	1	1	1
Consolidated Adjusted EBITDA	<u>\$ 47</u>	<u>\$ 52</u>	<u>\$ 255 (b)</u>	<u>\$ 275</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 December 31		Twelve Months Ended December 31	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 25,447	\$ 11,542	\$ 72,197	\$ 53,818
Less capital expenditures	(48,819)	(41,128)	(158,326)	(120,224)
Less expenditures for intangible assets	(71)	(148)	(358)	(317)
Plus capital expenditures for strategic ventures (a)	677	1,683	3,660	3,650
Plus total proceeds from sales of assets (b)	1,212	1,731	16,724	6,204
Plus transaction-related expenditures (c)	150	16,129	18,938	42,801
Plus taxes paid on sale of business	—	2,031	—	16,216
Harsco Rail free cash flow deficit	13,774	10,395	45,611	29,286
Free cash flow	\$ (7,630)	\$ 2,235	\$ (1,554)	\$ 31,434

- (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) (a)

(In millions)	Projected Twelve Months Ending December 31	
	2022	
	Low	High
Net cash provided by operating activities	\$ 155	\$ 180
Less net capital expenditures	(125)	(130)
Free cash flow	30	50
Add growth capital expenditures	40	40
Free cash flow before growth capital expenditures from continuing operations	70	90

(a) Excludes former Harsco Rail Segment