



Target Hospitality Announces Commencement of Exchange Offer Relating to its Warrants

11/18/2022

THE WOODLANDS, Texas, Nov. 18, 2022 /PRNewswire/ -- Target Hospitality Corp. ("Target Hospitality," "Target" or the "Company") (Nasdaq: TH), one of North America's largest providers of vertically-integrated modular accommodations and value-added hospitality services, today announced that it has commenced an exchange offer (the "Offer") relating to all of its outstanding Warrants (as defined below). The purpose of the Offer is to provide an opportunity for warrant holders to realize value and increased liquidity by transitioning on a cashless basis into shares of Target's common stock which have been registered with the Securities and Exchange Commission (the "SEC").

The Offer is being made pursuant to a prospectus/offer to exchange dated November 18, 2022 (the "Prospectus/Offer to Exchange"), and a Schedule TO, dated November 18, 2022 (the "Schedule TO"), each of which have been filed with the SEC and more fully set forth the terms and conditions of the Offer. Until the Expiration Date (as defined below), Target is offering to holders of its Warrants the opportunity to receive 0.37 shares of its common stock, par value \$0.0001 per share (the "Common Stock"), in exchange for each such outstanding warrant tendered by the holder and exchanged pursuant to the Offer. The Offer is being made to:

- All holders of the Company's publicly traded warrants (the "Public Warrants") to purchase shares of its Common Stock that were issued under the warrant agreement dated January 11, 2018 by and between Target's legal predecessor company Platinum Eagle Acquisition Corp. ("Platinum Eagle") and Continental Stock Transfer & Trust Company, as warrant agent (the "Warrant Agreement"), in connection with Platinum Eagle's initial public offering ("IPO"), which entitle such warrant holders to purchase one share of Common Stock for a purchase price of \$11.50, subject to adjustments.
- All holders of the Company's warrants to purchase Common Stock that were issued under the Warrant Agreement in a private placement simultaneously with the IPO (the "Private Warrants" and together with the Public Warrants, the "Warrants"). The Private Warrants entitle the holders to purchase one share of Common Stock for a purchase price of \$11.50, subject to adjustments. The terms of the Private Warrants are identical to the Public Warrants, except that the Private Warrants are exercisable on a cashless basis and are not redeemable by the Company, in each case so long as they are still held by the initial holders, their affiliates or certain permitted transferees. The Private Warrants were issued to the founders of Platinum Eagle and its former independent directors.

The Company's Common Stock and Public Warrants are listed on the Nasdaq Capital Market ("Nasdaq") under the symbols "TH" and "THWWW," respectively. As of November 15, 2022, there were (i) 96,637,485 shares of Common Stock outstanding, and (ii) 16,616,549 Warrants outstanding. Assuming all holders of Warrants tender their Warrants for exchange in the Offer, the Company would expect to issue up to 5,981,623 shares of its Common Stock, resulting in 102,619,108 shares of Common Stock outstanding (an increase of approximately 6.2%), and no

Warrants outstanding.

Pursuant to, and subject to conditions set forth in the tender and support agreement described in the Prospectus/Offer to Exchange, holders of approximately 10.8% of the Warrants have committed to participate in the Offer.

The Offer will be open until 11:59 p.m., Eastern Time, on December 16, 2022, or such later time and date to which Target may extend as described in the Schedule TO and Prospectus/Offer to Exchange (the "Expiration Date"). Tendered Warrants may be withdrawn by holders at any time prior to the Expiration Date. The Company's obligation to complete the Offer is not conditioned on the tender of a minimum amount of Warrants. Subject to applicable law, Target may amend, extend or terminate the Offer at any time.

Target has engaged BofA Securities as the Dealer Manager for the Offer. Any questions or requests for assistance concerning the Offer may be directed to BofA Securities at:

BofA Securities
NCI-004-03-43
200 North College Street, 3rd Fl
Charlotte, NC 28255-0001
Attn: Prospectus Department
Email: dg.prospectus_requests@bofa.com

D.F. King & Co., Inc. has been appointed as the Information Agent for the Offer, and Continental Stock Transfer & Trust Company has been appointed as the Exchange Agent.

Important Additional Information Has Been Filed with the SEC

Copies of the Schedule TO and Prospectus/Offer to Exchange will be available free of charge at the website of the SEC at www.sec.gov. Requests for documents may also be directed to D.F. King & Co., Inc. at (800) 515-4507.

This announcement is for informational purposes only and shall not constitute an offer to purchase or a solicitation of an offer to sell the Warrants or an offer to sell or a solicitation of an offer to buy any shares of Common Stock. The Offer is being made only through the Schedule TO and Prospectus/Offer to Exchange, and the complete terms and conditions of the Offer are set forth in the Schedule TO and Prospectus/Offer to Exchange. **Holders of the Warrants are urged to read the Schedule TO and Prospectus/Offer to Exchange carefully before making any decision with respect to the Offer because they contain important information, including the various terms of, and conditions to, the Offer.** None of Target, or any of its management or its board of directors, or the Information Agent, the Exchange Agent or the Dealer Manager makes any recommendation as to whether or not holders of Warrants should tender Warrants for exchange in the Offer.

Cautionary Statement Regarding Forward Looking Statements

Certain statements made in this press release are "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the

negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside our control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include: the duration of the COVID-19 pandemic or any future public health crisis, related economic repercussions and the resulting negative impact to global economic demand; operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of our employees and customers, government imposed mandates, contract and supply chain disruptions; operational, economic, including inflation, political and regulatory risks; our ability to effectively compete in the specialty rental accommodations and hospitality services industry; effective management of our communities; natural disasters and other business distributions including outbreaks of epidemic or pandemic disease; the effect of changes in state building codes on marketing our buildings; changes in demand within a number of key industry end-markets and geographic regions; our reliance on third party manufacturers and suppliers; failure to retain key personnel; increases in raw material and labor costs; the effect of impairment charges on our operating results; our future operating results fluctuating, failing to match performance or to meet expectations; our exposure to various possible claims and the potential inadequacy of our insurance; unanticipated changes in our tax obligations; our obligations under various laws and regulations; the effect of litigation, judgments, orders, regulatory or customer bankruptcy proceedings on our business; our ability to successfully acquire and integrate new operations; global or local economic and political movements, including any changes in policy under the Biden administration; federal government budgeting and appropriations; our ability to effectively manage our credit risk and collect on our accounts receivable; our ability to fulfill Target Hospitality's public company obligations; any failure of our management information systems; our ability to meet our debt service requirements and obligations; and risks related to our outstanding obligations in connection with the 9.50% senior notes due 2024. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

About Target Hospitality

Headquartered in the Woodlands, Texas, Target Hospitality is the holding company for the Target Logistics Management, LLC family of companies. Target Hospitality trades on Nasdaq under the ticker symbol "TH" and is one of North America's largest providers of vertically integrated specialty rental and value-added hospitality services. Target Hospitality provides vertically integrated specialty rental and comprehensive hospitality services including: catering and food services, maintenance, housekeeping, grounds-keeping, security, health and recreation services, overall workforce community management, and laundry service. Target Hospitality serves clients in energy and natural resources and government sectors principally located in the West Texas, South Texas, Oklahoma and Midwest regions.

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