

HI-CRUSH INC.

Consolidated Financial Statements
As of and for the period ended March 31, 2021
(Unaudited)

HI-CRUSH INC.
Consolidated Balance Sheets
(In thousands)
(Unaudited)

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash	\$ 29,769	\$ 27,575
Restricted cash	13,807	13,806
Accounts receivable, net	34,216	24,807
Inventories	13,333	18,596
Prepaid expenses and other current assets	16,957	18,702
Total current assets	108,082	103,486
Property, plant and equipment, net	140,801	142,484
Operating lease right-of-use assets	4,647	5,097
Intangible assets, net	10,978	11,887
Equity method investment	15,498	15,648
Other assets	653	451
Total assets	<u>\$ 280,659</u>	<u>\$ 279,053</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 18,648	\$ 13,040
Accrued and other current liabilities	16,305	22,030
Current portion of deferred revenues	3,792	3,255
Current portion of long-term debt	28	719
Current portion of operating lease liabilities	1,845	1,810
Total current liabilities	40,618	40,854
Deferred revenues	2,844	3,255
Long-term debt, net debt discounts	4,151	1,992
Operating lease liabilities	2,678	3,273
Asset retirement obligations	19,771	19,418
Deferred tax liabilities	77	77
Other liabilities	813	813
Total liabilities	70,952	69,682
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	9	—
Additional paid-in capital	225,108	225,117
Retained deficit	(15,402)	(15,736)
Accumulated other comprehensive loss	(8)	(10)
Total stockholders' equity	209,707	209,371
Total liabilities and stockholders' equity	<u>\$ 280,659</u>	<u>\$ 279,053</u>

HI-CRUSH INC.
Consolidated Statements of Operations
(In thousands)
(Unaudited)

	Month Ended	Three Months Ended	
	March 31, 2021	March 31, 2021	December 31, 2020
Revenues	\$ 22,847	\$ 59,866	\$ 48,189
Cost of goods sold (excluding DD&A)	23,275	55,568	45,507
Gross profit (loss)	(428)	4,298	2,682
Operating costs and expenses:			
General and administrative	2,438	6,765	7,135
Depreciation, depletion and amortization	1,391	5,963	5,068
Accretion	270	705	641
Restructuring	254	689	1,800
Other operating (income) loss, net	(65)	(12,881)	1,083
Income (loss) from operations	(4,716)	3,057	(13,045)
Other income (expense):			
Earnings from equity method investment	263	889	764
Interest expense	(1,228)	(3,612)	(3,378)
Income (loss) before income tax	(5,681)	334	(15,659)
Income tax expense	—	—	77
Net income (loss)	\$ (5,681)	\$ 334	\$ (15,736)

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net income (loss)	\$ (5,681)	\$ 334	\$ (15,736)
Interest expense	1,228	3,612	3,378
Income tax expense (benefit)	—	—	77
Depreciation, depletion and amortization	1,391	5,963	5,068
Accretion	270	705	641
Restructuring	254	689	1,800
Gain/loss on sale of assets	(99)	(116)	—
Severance costs	33	90	1,081
Contract terminations/modifications	—	(12,905)	—
Earnings from equity method investments	(263)	(889)	(764)
Fresh start step-up in working capital balances	2,421	2,728	2,508
One-time legal costs	56	99	615
Adjusted EBITDA	\$ (390)	\$ 310	\$ (1,332)

HI-CRUSH INC.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	March 31, 2021	
	Month Ended	Year To Date
Operating activities:		
Net income (loss)	\$ (5,681)	\$ 334
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,391	5,963
Amortization of debt issuance costs and discount	765	2,201
Accretion expense	270	705
Gain on disposal of property, plant and equipment	(99)	(116)
Non-cash lease expense	154	450
Earnings from equity method investment	(263)	(889)
Inventory step-up amortization	469	776
Changes in operating assets and liabilities:		
Accounts receivable	(3,202)	(9,409)
Inventories	1,910	4,367
Prepaid expenses and other current assets	(363)	1,745
Accounts payable and accrued liabilities	(1,032)	(1,092)
Other non-current assets and liabilities	(384)	(655)
Net cash provided by operating activities	<u>(6,065)</u>	<u>4,380</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(1,948)	(2,709)
Proceeds from sale of property, plant and equipment	126	176
Equity method (investments) distributions	1,039	1,039
Net cash used in investing activities	<u>(783)</u>	<u>(1,494)</u>
Financing activities:		
Repayment of premium financing notes	(237)	(691)
Net cash used in financing activities	<u>(237)</u>	<u>(691)</u>
Net increase (decrease) in cash and restricted cash	(7,085)	2,195
Cash and restricted cash at beginning of period	50,661	41,381
Cash and restricted cash at end of period	<u>\$ 43,576</u>	<u>\$ 43,576</u>

HI-CRUSH INC.
Consolidated Statement of Changes in Equity
(In thousands, except share amounts)
(Unaudited)

	Year To Date March 31, 2021					
	Common Stock		Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
	Shares	Par Value				
Balance at December 31, 2020	—	\$ —	\$ 225,117	\$ (15,736)	\$ (10)	\$ 209,371
Issuance of common stock	9,321,724	9	(9)	—	—	—
Other comprehensive income	—	—	—	—	2	2
Net income (loss)	—	—	—	334	—	334
Balance at March 31, 2021	9,321,724	\$ 9	\$ 225,108	\$ (15,402)	\$ (8)	\$ 209,707