

**HI-CRUSH INC.**

Consolidated Financial Statements  
As of and for the period ended June 30, 2021  
(Unaudited)

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

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 37,515	\$ 27,575
Restricted cash	21,815	13,806
Accounts receivable, net	40,027	24,807
Inventories	16,445	18,596
Prepaid expenses and other current assets	4,562	18,702
Total current assets	120,364	103,486
Property, plant and equipment, net	129,968	142,484
Operating lease right-of-use assets	4,624	5,097
Intangible assets, net	10,070	11,887
Equity method investment	16,432	15,648
Other assets	423	451
Total assets	<u>\$ 281,881</u>	<u>\$ 279,053</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 17,248	\$ 13,040
Accrued and other current liabilities	17,864	22,030
Current portion of deferred revenues	3,759	3,255
Current portion of long-term debt	—	719
Current portion of operating lease liabilities	1,977	1,810
Total current liabilities	40,848	40,854
Deferred revenues	2,844	3,255
Long-term debt, net debt discounts	6,439	1,992
Operating lease liabilities	2,571	3,273
Asset retirement obligations	20,318	19,418
Deferred tax liabilities	77	77
Other liabilities	813	813
Total liabilities	73,910	69,682
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	49	—
Additional paid-in capital	228,763	225,117
Retained deficit	(20,834)	(15,736)
Accumulated other comprehensive loss	(7)	(10)
Total stockholders' equity	207,971	209,371
Total liabilities and stockholders' equity	<u>\$ 281,881</u>	<u>\$ 279,053</u>

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

	Month Ended	Three Months Ended		Six Months Ended
	June 30, 2021	June 30, 2021	March 31, 2021	June 30, 2021
Revenues	\$ 24,286	\$ 76,065	\$ 59,866	\$ 135,931
Cost of goods sold (excluding DD&A)	19,158	61,327	55,568	116,895
Gross profit	5,128	14,738	4,298	19,036
Operating costs and expenses:				
General and administrative	2,758	8,029	6,765	14,794
Depreciation, depletion and amortization	2,418	7,442	5,963	13,405
Accretion	239	715	705	1,420
Restructuring	306	423	689	1,112
Other operating (income) expense, net	262	442	(12,881)	(12,439)
Income (loss) from operations	(855)	(2,313)	3,057	744
Other income (expense):				
Earnings from equity method investment	360	933	889	1,822
Loss on extinguishment of debt	—	(383)	—	(383)
Interest expense	(1,176)	(3,687)	(3,612)	(7,299)
Income (loss) before income tax	(1,671)	(5,450)	334	(5,116)
Income tax expense (benefit)	—	(18)	—	(18)
Net income (loss)	<u>\$ (1,671)</u>	<u>\$ (5,432)</u>	<u>\$ 334</u>	<u>\$ (5,098)</u>

**Reconciliation of Net Income (Loss) to Adjusted EBITDA**

Net income (loss)	\$ (1,671)	\$ (5,432)	\$ 334	\$ (5,098)
Interest expense	1,176	3,687	3,612	7,299
Income tax expense (benefit)	—	(18)	—	(18)
Depreciation, depletion and amortization	2,418	7,442	5,963	13,405
Accretion	239	715	705	1,420
Restructuring	306	423	689	1,112
(Gain)/loss on sale of assets	326	(356)	(116)	(472)
Severance costs	28	183	90	273
Contract terminations/modifications and other	—	1,004	(12,905)	(11,901)
Earnings from equity method investments	(360)	(933)	(889)	(1,822)
Stock-based compensation expense	210	210	—	210
Loss on extinguishment of debt	—	383	—	383
Fresh start step-up in working capital balances	—	—	2,728	2,728
One-time legal costs	64	56	99	155
<b>Adjusted EBITDA</b>	<u>\$ 2,736</u>	<u>\$ 7,364</u>	<u>\$ 310</u>	<u>\$ 7,674</u>

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

	<b>June 30, 2021</b>	
	<b>Month Ended</b>	<b>Year To Date</b>
<b>Operating activities:</b>		
Net income (loss)	\$ (1,671)	\$ (5,098)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	2,418	13,405
Provision for credit losses	—	(75)
Stock-based compensation to directors and employees	210	210
Amortization of debt issuance costs and discount	770	4,505
Accretion expense	239	1,420
Gain on disposal of property, plant and equipment	326	(472)
Non-cash lease expense	159	913
Earnings from equity method investment	(360)	(1,822)
Loss on extinguishment of debt	—	383
Inventory step-up amortization	—	776
Changes in operating assets and liabilities:		
Accounts receivable	6,614	(9,625)
Inventories	—	1,652
Prepaid expenses and other current assets	(533)	14,091
Accounts payable and accrued liabilities	(5,771)	1,428
Other non-current assets and liabilities	29	(410)
Net cash provided by operating activities	<u>2,430</u>	<u>21,281</u>
<b>Investing activities:</b>		
Capital expenditures for property, plant and equipment	(1,036)	(7,529)
Proceeds from sale of property, plant and equipment	2,536	2,874
Equity method (investments) distributions	—	1,039
Net cash used in investing activities	<u>1,500</u>	<u>(3,616)</u>
<b>Financing activities:</b>		
Repayment of premium financing notes	—	(719)
Proceeds from options exercised	—	1,001
Net cash used in financing activities	<u>—</u>	<u>282</u>
Effects of exchange rate on cash	—	2
Net increase (decrease) in cash and restricted cash	<u>3,930</u>	<u>17,949</u>
Cash and restricted cash at beginning of period	55,400	41,381
Cash and restricted cash at end of period	<u>\$ 59,330</u>	<u>\$ 59,330</u>

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

	<b>Year To Date June 30, 2021</b>					
	<b>Common Stock</b>		<b>Additional Paid-In Capital</b>	<b>Retained Deficit</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total Equity</b>
	<b>Shares</b>	<b>Par Value</b>				
Balance at December 31, 2020	—	\$ —	\$ 225,117	\$ (15,736)	\$ (10)	\$ 209,371
Issuance of common stock	11,873,853	12	(12)	—	—	—
Conversion of paid-in-kind interest to note balance	—	—	2,484	—	—	2,484
Options exercised	37,073,147	37	964	—	—	1,001
Stock-based compensation expense	—	—	210	—	—	210
Other comprehensive income	—	—	—	—	3	3
Net income (loss)	—	—	—	(5,098)	—	(5,098)
Balance at June 30, 2021	<u>48,947,000</u>	<u>\$ 49</u>	<u>\$ 228,763</u>	<u>\$ (20,834)</u>	<u>\$ (7)</u>	<u>\$ 207,971</u>