

**HI-CRUSH INC.**

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

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 27,628	\$ 27,575
Restricted cash	21,817	13,806
Accounts receivable, net	53,432	24,807
Inventories	17,440	18,596
Prepaid expenses and other current assets	5,328	18,702
Total current assets	<u>125,645</u>	<u>103,486</u>
Property, plant and equipment, net	123,969	142,484
Operating lease right-of-use assets	10,780	5,097
Intangible assets, net	9,161	11,887
Equity method investment	17,752	15,648
Other assets	436	451
Total assets	<u>\$ 287,743</u>	<u>\$ 279,053</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 21,048	\$ 13,040
Accrued and other current liabilities	21,520	22,030
Current portion of deferred revenues	6,532	3,255
Current portion of long-term debt	595	719
Current portion of operating lease liabilities	3,990	1,810
Total current liabilities	<u>53,685</u>	<u>40,854</u>
Deferred revenues	2,844	3,255
Long-term debt, net debt discounts	6,607	1,992
Operating lease liabilities	6,756	3,273
Asset retirement obligations	20,808	19,418
Deferred tax liabilities	77	77
Other liabilities	813	813
Total liabilities	<u>91,590</u>	<u>69,682</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	50	-
Additional paid-in-capital	213,910	225,117
Retained deficit	(17,800)	(15,736)
Accumulated other comprehensive loss	(7)	(10)
Total stockholders' equity	<u>196,153</u>	<u>209,371</u>
Total liabilities and stockholders' equity	<u>\$ 287,743</u>	<u>\$ 279,053</u>

**HI-CRUSH INC.**  
Consolidated Income Statement  
(In thousands)  
(Unaudited)

	<u>Month Ended</u>	<u>Three Months Ended</u>		<u>Nine Months Ended</u>
	<u>September 30, 2021</u>	<u>September 30, 2021</u>	<u>June 30, 2021</u>	<u>September 30, 2021</u>
Revenues	\$ 31,471	\$ 100,953	\$ 76,065	\$ 236,884
Cost of goods sold	27,200	83,255	61,327	200,150
Gross Profit	4,271	17,698	14,738	36,734
Operating costs and expenses:				
General and administrative	2,326	7,253	8,029	22,047
Depreciation, depletion and amortization	1,906	5,915	7,442	19,320
Accretion	238	715	716	2,136
Restructuring	32	204	423	1,316
Other operating (income) expenses, net	(502)	(927)	442	(13,366)
Income (loss) from operations	271	4,538	(2,314)	5,281
Other income (expense):				
Earnings from equity method investment	516	1,320	933	3,142
Loss on extinguishment of debt	-	-	(383)	(383)
Interest expense	(888)	(2,824)	(3,686)	(10,122)
Income (loss) before income tax	(101)	3,034	(5,450)	(2,082)
Income tax expense (benefit)	-	-	(18)	(18)
Net Income (loss)	<u>\$ (101)</u>	<u>\$ 3,034</u>	<u>\$ (5,432)</u>	<u>\$ (2,064)</u>

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

Net Income (loss)	\$ (101)	\$ 3,034	\$ (5,432)	\$ (2,064)
Interest expense	888	2,824	3,686	10,122
Income tax expense (benefit)	-	-	(18)	(18)
Depreciation, depletion and amortization	1,906	5,915	7,442	19,320
Accretion	238	715	716	2,136
Restructuring	32	204	423	1,316
(Gain)/loss on sale of assets	(178)	(607)	(356)	(1,079)
Severance costs	-	-	183	273
Contract terminations/modifications and other	(325)	(325)	1,004	(12,226)
Earnings from equity method investment	(516)	(1,320)	(933)	(3,142)
Stock-based compensation expense	43	130	210	340
Loss on extinguishment of debt	-	-	383	383
Fresh start step-up in working capital balances	526	526	-	3,254
One-time legal costs	-	134	56	289
Adjusted EBITDA	<u>\$ 2,513</u>	<u>\$ 11,230</u>	<u>\$ 7,364</u>	<u>\$ 18,904</u>

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

	<b>September 30, 2021</b>	
	<b>Month Ended</b>	<b>Year to Date</b>
<b>Operating activities:</b>		
Net income (loss)	\$ (101)	\$ (2,064)
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	1,906	19,320
Provision for credit losses	-	(75)
Stock-based compensation to directors and employees	43	340
Amortization of debt issuance costs and discount	579	6,313
Accretion expense	238	2,136
Gain on disposal of property, plant and equipment	(178)	(1,079)
Non-cash lease expense	315	1,986
Earnings from equity method investment	(516)	(3,142)
Loss on extinguishment of debt	-	383
Inventory step-up amortization	526	1,302
Changes in operating assets and liabilities:	-	
Accounts receivable	(324)	(27,800)
Inventories	605	1,103
Prepaid expenses and other current assets	1,513	13,326
Accounts payable and accrued liabilities	(3,204)	9,719
Other non-current assets and liabilities	2	(425)
Net cash provided by operating activities	1,404	21,343
<b>Investing activities:</b>		
Capital expenditures for property, plant and equipment	(436)	(10,193)
Proceeds from sale of property, plant and equipment	1,616	11,906
Equity method distributions	-	1,039
Net cash used in investing activities	1,180	2,752
<b>Financing activities:</b>		
Proceeds from insurance premium notes	-	1,395
Repayment of insurance premium notes	(98)	(1,519)
Repurchase of common stock and convertible notes	-	(17,000)
Proceeds from options exercised	89	1,090
Net cash used in financing activities	(9)	(16,034)
Effects of exchange rate on cash	-	3
Net increase (decrease) in cash and restricted cash	2,575	8,064
Cash and restricted cash at beginning of period	46,870	41,381
Cash and restricted cash at end of period	\$ 49,445	\$ 49,445

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

**Year to Date as of September 30, 2021**

	<b>Common Stock</b>					<b>Total Equity</b>
	<b>Shares</b>	<b>Par Value</b>	<b>Additional Paid-In-Capital</b>	<b>Retained Deficit</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	
Balance at December 31, 2020	-	\$ -	\$ 225,117	\$ (15,736)	\$ (10)	\$ 209,371
Issuance of common stock	11,933,829	12	(12)	-	-	-
Conversion of paid-in-kind interest to note balance	-	-	2,484	-	-	2,484
Options exercised	40,374,181	40	1,050	-	-	1,090
Repurchase of common stock	(2,190,389)	(2)	(15,069)	-	-	(15,071)
Stock-based compensation expense	-	-	340	-	-	340
Other comprehensive income	-	-	-	-	3	3
Net income (loss)	-	-	-	(2,064)	-	(2,064)
Balance at September 30, 2021	<u>50,117,621</u>	<u>\$ 50</u>	<u>\$ 213,910</u>	<u>\$ (17,800)</u>	<u>\$ (7)</u>	<u>\$ 196,153</u>