

HI-CRUSH INC.

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

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

	<u>November 30, 2021</u>	<u>December 31, 2020</u>
Assets		
Current assets:		
Cash	\$ 61,024	\$ 27,575
Restricted cash	21,819	13,806
Marketable Securities	8,523	-
Accounts receivable, net	62,197	24,807
Inventories	15,591	18,596
Prepaid expenses and other current assets	13,085	18,702
Total current assets	<u>182,239</u>	<u>103,486</u>
Property, plant and equipment, net	120,914	142,484
Operating lease right-of-use assets	10,142	5,097
Intangible assets, net	8,556	11,887
Equity method investment	-	15,648
Other assets	395	451
Total assets	<u>\$ 322,246</u>	<u>\$ 279,053</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 34,640	\$ 13,040
Accrued and other current liabilities	18,364	22,030
Current portion of deferred revenues	5,342	3,255
Current portion of long-term debt	398	719
Current portion of operating lease liabilities	4,066	1,810
Total current liabilities	<u>62,810</u>	<u>40,854</u>
Deferred revenues	2,844	3,255
Long-term debt, net debt discounts	10,581	1,992
Operating lease liabilities	6,076	3,273
Asset retirement obligations	21,193	19,418
Deferred tax liabilities	77	77
Other liabilities	813	813
Total liabilities	<u>104,394</u>	<u>69,682</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	50	-
Additional paid-in-capital	215,900	225,117
Retained earnings (deficit)	1,909	(15,736)
Accumulated other comprehensive loss	(7)	(10)
Total stockholders' equity	<u>217,852</u>	<u>209,371</u>
Total liabilities and stockholders' equity	<u>\$ 322,246</u>	<u>\$ 279,053</u>

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

	Month Ended	Quarter to Date	Year to Date
	November 30, 2021	November 30, 2021	November 30, 2021
Revenues	\$ 38,803	\$ 77,052	\$ 313,936
Cost of goods sold	34,104	67,581	267,731
Gross Profit	4,699	9,471	46,205
Operating costs and expenses:			
General and administrative	2,085	3,753	25,800
Depreciation, depletion and amortization	1,896	3,809	23,129
Accretion	238	477	2,613
Restructuring	50	54	1,370
Other operating (income) expenses, net	(1,742)	(2,774)	(16,140)
Income (loss) from operations	2,172	4,152	9,433
Other income (expense):			
Earnings from equity method investment	-	29,014	32,156
Loss from marketable securities	(11,514)	(11,514)	(11,514)
Loss on extinguishment of debt	-	-	(383)
Interest expense	(937)	(1,943)	(12,065)
Income (loss) before income tax	(10,279)	19,709	17,627
Income tax expense (benefit)	-	-	(18)
Net Income (loss)	<u>\$ (10,279)</u>	<u>\$ 19,709</u>	<u>\$ 17,645</u>

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ (10,279)	\$ 19,709	\$ 17,645
Interest expense	937	1,943	12,065
Income tax expense (benefit)	-	-	(18)
Depreciation, depletion and amortization	1,896	3,809	23,129
Accretion	238	477	2,613
Restructuring	50	54	1,370
(Gain)/loss on sale of assets	(1,784)	(1,890)	(2,969)
Severance costs	25	25	297
Contract terminations/modifications and other	-	(925)	(13,151)
Earnings from equity method investment	-	(29,014)	(32,156)
Loss from marketable securities	11,514	11,514	11,514
Stock-based compensation expense	43	86	427
Loss on extinguishment of debt	-	-	383
Fresh start step-up in working capital balances	-	795	4,049
One-time legal costs	80	80	368
Adjusted EBITDA	<u>\$ 2,720</u>	<u>\$ 6,663</u>	<u>\$ 25,566</u>

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

	November 30, 2021	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ (10,279)	\$ 17,645
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	1,896	23,129
Provision for credit losses	-	(75)
Stock-based compensation to directors and employees	43	427
Amortization of debt issuance costs and discount	614	7,545
Accretion expense	238	2,613
Gain on disposal of property, plant and equipment	(1,784)	(2,969)
Non-cash lease expense	320	2,623
Earnings from equity method investment	-	(32,156)
Loss on remeasurement of marketable securities	11,514	11,514
Loss on extinguishment of debt	-	383
Inventory step-up amortization	-	2,097
Changes in operating assets and liabilities:		
Accounts receivable	(4,246)	(34,084)
Inventories	2,064	2,481
Prepaid expenses and other current assets	(2,785)	6,927
Accounts payable and accrued liabilities	4,820	22,693
Other non-current assets and liabilities	27	(385)
Net cash provided by operating activities	2,442	30,408
Investing activities:		
Capital expenditures for property, plant and equipment	(443)	(11,084)
Proceeds from sale of property, plant and equipment	998	14,972
Equity method distributions	-	5,953
Proceeds from sale of equity method investment	-	4,613
Proceeds from sale of marketable securities	15,844	15,844
Net cash used in investing activities	16,399	30,298
Financing activities:		
Proceeds from notes payable	-	1,395
Repayment of notes payable	(98)	(4,732)
Repurchase of common stock and convertible notes	-	(17,000)
Proceeds from options exercised	-	1,090
Net cash used in financing activities	(98)	(19,247)
Effects of exchange rate on cash	-	3
Net increase (decrease) in cash and restricted cash	18,743	41,462
Cash and restricted cash at beginning of period	64,100	41,381
Cash and restricted cash at end of period	\$ 82,843	\$ 82,843

HI-CRUSH INC.

Consolidated Statement of Changes in Equity

(In thousands, except share amounts)

(Unaudited)

Year to Date as of November 30, 2021

	Common Stock					
	Shares	Par Value	Additional Paid-In-Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Equity
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	-	-	4,387	-	-	4,387
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	-	-	427	-	-	427
Other comprehensive income	-	-	-	-	3	3
Net income (loss)	-	-	-	17,645	-	17,645
Balance at November 30, 2021	<u>50,117,621</u>	<u>\$ 50</u>	<u>\$ 215,900</u>	<u>\$ 1,909</u>	<u>\$ (7)</u>	<u>\$ 217,852</u>