

**HI-CRUSH INC.**

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

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 25,810	\$ 27,575
Restricted cash	21,820	13,806
Accounts receivable, net	50,582	24,807
Inventories	15,886	18,596
Prepaid expenses and other current assets	11,234	18,702
Total current assets	<u>125,332</u>	<u>103,486</u>
Property, plant and equipment, net	120,698	142,484
Operating lease right-of-use assets	9,825	5,097
Intangible assets, net	8,252	11,887
Equity method investment	-	15,648
Other assets	386	451
Total assets	<u>\$ 264,493</u>	<u>\$ 279,053</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 28,659	\$ 13,040
Accrued and other current liabilities	17,440	22,030
Current portion of deferred revenues	4,679	3,255
Current portion of long-term debt	299	719
Current portion of operating lease liabilities	4,109	1,810
Total current liabilities	<u>55,186</u>	<u>40,854</u>
Deferred revenues	-	3,255
Long-term debt, net debt discounts	2,368	1,992
Operating lease liabilities	5,733	3,273
Asset retirement obligations	21,381	19,418
Deferred tax liabilities	77	77
Other liabilities	-	813
Total liabilities	<u>84,745</u>	<u>69,682</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	357	-
Additional paid-in-capital	240,767	225,117
Retained earnings (deficit)	(61,369)	(15,736)
Accumulated other comprehensive loss	(7)	(10)
Total stockholders' equity	<u>179,748</u>	<u>209,371</u>
Total liabilities and stockholders' equity	<u>\$ 264,493</u>	<u>\$ 279,053</u>

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

	<b>Month Ended</b>	<b>Three Months Ended</b>		<b>Year to Date</b>
	<b>December 31, 2021</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>	<b>December 31, 2021</b>
Revenues	\$ 31,439	\$ 108,491	\$ 100,953	\$ 345,375
Cost of goods sold	26,971	94,552	83,255	294,702
Gross Profit	4,468	13,939	17,698	50,673
Operating costs and expenses:				
General and administrative	2,797	6,550	7,253	28,597
Depreciation, depletion and amortization	1,735	5,544	5,915	24,864
Accretion	239	716	715	2,852
Restructuring	(89)	(35)	204	1,281
Other operating (income) expenses, net	449	(2,325)	(927)	(15,691)
Income (loss) from operations	(663)	3,489	4,538	8,770
Other income (expense):				
Earnings from equity method investment	83	29,097	1,320	32,239
Loss from marketable securities	600	(10,914)	-	(10,914)
Loss on extinguishment of debt	-	-	-	(383)
Convertible debt inducement expense	(16,673)	(16,673)	-	(16,673)
Interest expense	(750)	(2,693)	(2,824)	(12,815)
Income (loss) before income tax	(17,403)	2,306	3,034	224
Income tax expense (benefit)	-	-	-	(18)
Net Income (loss)	\$ (17,403)	\$ 2,306	\$ 3,034	\$ 242

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

Net Income (loss)	\$ (17,403)	\$ 2,306	\$ 3,034	\$ 242
Interest expense	750	2,693	2,824	12,815
Income tax expense (benefit)	-	-	-	(18)
Depreciation, depletion and amortization	1,735	5,544	5,915	24,864
Accretion	239	716	715	2,852
Restructuring	(89)	(35)	204	1,281
(Gain)/loss on sale of assets	401	(1,489)	(607)	(2,568)
Severance costs	-	24	-	297
Contract terminations/modifications and other	90	(835)	(325)	(13,061)
Convertible debt inducement expense	16,673	16,673	-	16,673
Earnings from equity method investment	(83)	(29,097)	(1,320)	(32,239)
Loss from marketable securities	(600)	10,914	-	10,914
Stock-based compensation expense	(93)	(6)	130	334
Loss on extinguishment of debt	-	-	-	383
Fresh start step-up in working capital balances	-	795	526	4,049
One-time legal costs	76	155	134	444
Adjusted EBITDA	\$ 1,696	\$ 8,358	\$ 11,230	\$ 27,262

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

	<b>December 31, 2021</b>	
	<b>Month Ended</b>	<b>Year to Date</b>
<b>Operating activities:</b>		
Net income (loss)	\$ (17,403)	\$ 242
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	1,735	24,864
Provision for credit losses	75	-
Stock-based compensation to directors and employees	(93)	334
Amortization of debt issuance costs and discount	471	8,016
Accretion expense	239	2,852
Gain on disposal of property, plant and equipment	401	(2,568)
Non-cash lease expense	326	2,949
Earnings from equity method investment	(83)	(32,239)
(Gain) Loss on remeasurement of marketable securities	(600)	10,914
Loss on extinguishment of debt	-	383
Inventory step-up amortization	-	2,097
Convertible debt inducement expense	16,673	16,673
Changes in operating assets and liabilities:		
Accounts receivable	10,911	(23,173)
Inventories	(1,242)	1,239
Prepaid expenses and other current assets	575	7,502
Accounts payable and accrued liabilities	(12,070)	10,623
Other non-current assets and liabilities	10	(375)
Net cash provided by operating activities	(75)	30,333
<b>Investing activities:</b>		
Capital expenditures for property, plant and equipment	(1,391)	(12,475)
Proceeds from sale of property, plant and equipment	1,131	16,103
Equity method distributions	-	5,953
Proceeds from sale of equity method investment	-	4,613
Proceeds from sale of marketable securities	10,481	26,325
Net cash used in investing activities	10,221	40,519
<b>Financing activities:</b>		
Proceeds from notes payable	-	1,395
Repayment of notes payable	(655)	(5,387)
Repurchase of common stock and convertible notes	-	(17,000)
Cash dividends paid	(44,704)	(44,704)
Proceeds from options exercised	-	1,090
Net cash used in financing activities	(45,359)	(64,606)
Effects of exchange rate on cash	-	3
Net increase (decrease) in cash and restricted cash	(35,213)	6,249
Cash and restricted cash at beginning of period	82,843	41,381
Cash and restricted cash at end of period	\$ 47,630	\$ 47,630

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

**Year to Date as of December 31, 2021**

	<b>Common Stock</b>					<b>Total Equity</b>
	<b>Shares</b>	<b>Par Value</b>	<b>Additional Paid-In-Capital</b>	<b>Retained Earnings (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	11,912,244	12	(12)	-	-	-
Conversion of notes to equity	309,589,902	310	29,421	-	-	29,731
Options exercised	40,374,181	40	1,050	-	-	1,090
Other	(2,858,781)	(3)	(74)	-	-	(77)
Repurchase of common stock	(2,190,389)	(2)	(15,069)	-	-	(15,071)
Cash dividends paid	-	-	-	(44,704)	-	(44,704)
Accrued distribution equivalent rights	-	-	-	(1,171)	-	(1,171)
Stock-based compensation expense	-	-	334	-	-	334
Other comprehensive income	-	-	-	-	3	3
Net income (loss)	-	-	-	242	-	242
Balance at December 31, 2021	<u>356,827,157</u>	<u>\$ 357</u>	<u>\$ 240,767</u>	<u>\$ (61,369)</u>	<u>\$ (7)</u>	<u>\$ 179,748</u>