

**HI-CRUSH INC.**

Consolidated Financial Statements

As of and for the period ended February 28, 2022

(Unaudited)

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

	<u>February 28, 2022</u>	<u>December 31, 2021</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 22,382	\$ 25,810
Restricted cash	10,557	21,820
Accounts receivable, net	75,908	50,582
Inventories	11,788	15,886
Prepaid expenses and other current assets	9,155	11,234
Total current assets	<u>129,790</u>	<u>125,332</u>
Property, plant and equipment, net	121,954	120,698
Operating lease right-of-use assets	9,165	9,825
Intangible assets, net	7,647	8,252
Other assets	394	386
Total assets	<u>\$ 268,950</u>	<u>\$ 264,493</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 28,895	\$ 27,871
Accrued and other current liabilities	20,184	18,228
Current portion of deferred revenues	3,462	4,679
Current portion of long-term debt	1,321	1,520
Current portion of operating lease liabilities	4,013	4,109
Total current liabilities	<u>57,875</u>	<u>56,407</u>
Long-term debt, net debt discounts	820	1,147
Operating lease liabilities	5,048	5,733
Asset retirement obligations	21,621	21,381
Deferred tax liabilities	77	77
Total liabilities	<u>85,441</u>	<u>84,745</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	357	357
Additional paid-in-capital	240,806	240,767
Retained earnings (deficit)	(57,647)	(61,369)
Accumulated other comprehensive loss	(7)	(7)
Total stockholders' equity	<u>183,509</u>	<u>179,748</u>
Total liabilities and stockholders'	<u>\$ 268,950</u>	<u>\$ 264,493</u>

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

	<b>Month Ended</b>	<b>Year to Date</b>
	<b>February 28, 2022</b>	<b>February 28, 2022</b>
Revenues	\$ 38,293	\$ 77,021
Cost of goods sold	31,323	64,163
Gross Profit	6,970	12,858
Operating costs and expenses:		
General and administrative	2,274	4,692
Depreciation, depletion and amortization	1,972	4,035
Accretion	238	477
Restructuring	65	82
Other operating (income) expenses, net	(134)	(193)
Income (loss) from operations	2,555	3,765
Other income (expense):		
Interest expense	(23)	(43)
Income (loss) before income tax	2,532	3,722
Income tax expense (benefit)	-	-
Net Income (loss)	\$ 2,532	\$ 3,722

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

Net Income (loss)	\$ 2,532	\$ 3,722
Interest expense	23	43
Depreciation, depletion and amortization	1,972	4,035
Accretion	238	477
Restructuring	65	82
(Gain)/loss on sale of assets	(85)	(145)
Stock-based compensation expense	25	51
One-time legal costs	77	183
Adjusted EBITDA	\$ 4,847	\$ 8,448

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

	<b>February 28, 2022</b>	
	<b>Month Ended</b>	<b>Year to Date</b>
<b>Operating activities:</b>		
Net income (loss)	\$ 2,532	\$ 3,722
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	1,972	4,035
Stock-based compensation to directors and employees	25	51
Accretion expense	238	477
Gain on disposal of property, plant and equipment	(85)	(145)
Non-cash lease expense	332	660
Changes in operating assets and liabilities:		
Accounts receivable	(17,547)	(26,091)
Inventories	1,817	3,442
Prepaid expenses and other current assets	1,465	2,071
Accounts payable, accrued liabilities and deferred revenue	(1,838)	(496)
Net cash provided by operating activities	(11,089)	(12,274)
<b>Investing activities:</b>		
Capital expenditures for property, plant and equipment	(2,227)	(2,401)
Proceeds from sale of property, plant and equipment	75	987
Net cash used in investing activities	(2,152)	(1,414)
<b>Financing activities:</b>		
Repayment of notes payable	(166)	(1,003)
Net cash used in financing activities	(166)	(1,003)
Effects of exchange rate on cash	(1)	-
Net increase (decrease) in cash and restricted cash	(13,408)	(14,691)
Cash and restricted cash at beginning of period	46,347	47,630
Cash and restricted cash at end of period	\$ 32,939	\$ 32,939

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

**Year to Date as of February 28, 2022**

	<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, 2021	356,827,157	\$ 357	\$ 240,767	\$ (61,369)	\$ (7)	\$ 179,748
Stock-based compensation expense	-	-	51	-	-	51
Other	-	-	(12)	-	-	(12)
Net income (loss)	-	-	-	3,722	-	3,722
Balance at February 28, 2022	<u>356,827,157</u>	<u>\$ 357</u>	<u>\$ 240,806</u>	<u>\$ (57,647)</u>	<u>\$ (7)</u>	<u>\$ 183,509</u>