

HI-CRUSH INC.

Consolidated Financial Statements
As of and for the period ended March 31, 2022
(Unaudited)

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash	\$ 34,338	\$ 25,810
Restricted cash	10,557	21,820
Accounts receivable, net	75,795	50,167
Inventories	11,335	15,886
Prepaid expenses and other current assets	9,231	18,645
Total current assets	<u>141,256</u>	<u>132,328</u>
Property, plant and equipment, net	120,304	118,897
Operating lease right-of-use assets	8,828	9,825
Intangible assets, net	7,344	8,252
Other assets	394	386
Total assets	<u>\$ 278,126</u>	<u>\$ 269,688</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 28,543	\$ 26,069
Accrued and other current liabilities	15,672	18,442
Current portion of deferred revenues	2,801	5,591
Current portion of long-term debt	617	1,520
Current portion of operating lease liabilities	4,032	4,109
Total current liabilities	<u>51,665</u>	<u>55,731</u>
Long-term debt	2,154	1,147
Operating lease liabilities	4,705	5,733
Asset retirement obligations	14,945	21,381
Deferred tax liabilities	301	301
Total liabilities	<u>73,770</u>	<u>84,293</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	357	357
Additional paid-in-capital	283,336	283,272
Retained earnings (deficit)	(79,337)	(98,227)
Accumulated other comprehensive loss	-	(7)
Total stockholders' equity	<u>204,356</u>	<u>185,395</u>
Total liabilities and stockholders' equity	<u>\$ 278,126</u>	<u>\$ 269,688</u>

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

	Month Ended	Year to Date
	March 31, 2022	March 31, 2022
Revenues	\$ 42,569	\$ 119,590
Cost of goods sold	34,105	98,268
Gross Profit	8,464	21,322
Operating costs and expenses:		
General and administrative	2,544	7,236
Depreciation, depletion and amortization	1,928	5,963
Accretion	180	657
Restructuring	2	84
Gain from sale of business	(11,399)	(11,399)
Other operating (income) expenses, net	94	(99)
Income (loss) from operations	15,115	18,880
Other income (expense):		
Interest expense	(20)	(63)
Income (loss) before income tax	15,095	18,817
Income tax expense (benefit)	-	-
Net Income (loss)	\$ 15,095	\$ 18,817

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 15,095	\$ 18,817
Interest expense	20	63
Income tax expense (benefit)	-	-
Depreciation, depletion and amortization	1,928	5,963
Accretion	180	657
Restructuring	2	84
(Gain) loss on sale of assets	74	(71)
Gain from sale of business	(11,399)	(11,399)
Stock-based compensation expense	26	77
One-time legal costs	90	273
Adjusted EBITDA	\$ 6,016	\$ 14,464

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

	March 31, 2022	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ 15,095	\$ 18,817
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	1,928	5,963
Stock-based compensation to directors and employees	26	77
Accretion expense	180	657
Gain on disposal of property, plant and equipment	74	(71)
Gain on sale of business	(11,399)	(11,399)
Non-cash lease expense	337	997
Changes in operating assets and liabilities:		
Accounts receivable	(302)	(26,393)
Inventories	(37)	3,405
Prepaid expenses and other current assets	6,944	9,015
Accounts payable, accrued liabilities and deferred revenue	(5,463)	(5,959)
Net cash provided by operating activities	7,383	(4,891)
Investing activities:		
Capital expenditures for property, plant and equipment	(1,754)	(4,155)
Proceeds from sale of property, plant and equipment	52	1,039
Proceeds from sale of business	6,478	6,478
Net cash used in investing activities	4,776	3,362
Financing activities:		
Repayment of notes payable	(203)	(1,206)
Net cash used in financing activities	(203)	(1,206)
Effects of exchange rate on cash	-	-
Net increase (decrease) in cash and restricted cash	11,956	(2,735)
Cash and restricted cash at beginning of period	32,939	47,630
Cash and restricted cash at end of period	\$ 44,895	\$ 44,895

HI-CRUSH INC.

Consolidated Statement of Changes in Equity

(In thousands, except share amounts)

(Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-In- Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Accumulated Other Comprehensive</u>	<u>Total Equity</u>
	<u>Shares</u>	<u>Par Value</u>				
Balance at December 31, 2021	356,827,157	\$ 357	\$ 283,272	\$ (98,227)	\$ (7)	\$ 185,395
Stock-based compensation expense	-	-	77	-	-	77
Other	-	-	(13)	73	-	60
Other comprehensive income	-	-	-	-	7	7
Net income (loss)	-	-	-	18,817	-	18,817
Balance at March 31, 2022	<u>356,827,157</u>	<u>\$ 357</u>	<u>\$ 283,336</u>	<u>\$ (79,337)</u>	<u>\$ -</u>	<u>\$ 204,356</u>