

HI-CRUSH INC.

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

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

	<u>May 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash	\$ 51,484	\$ 25,810
Restricted cash	10,558	21,820
Accounts receivable, net	77,857	50,167
Inventories	11,114	15,886
Prepaid expenses and other current assets	7,143	18,645
Total current assets	<u>158,156</u>	<u>132,328</u>
Property, plant and equipment, net	121,255	118,897
Operating lease right-of-use assets	9,165	9,825
Intangible assets, net	6,739	8,252
Other assets	392	386
Total assets	<u>\$ 295,707</u>	<u>\$ 269,688</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 31,474	\$ 26,069
Accrued and other current liabilities	15,233	18,442
Current portion of deferred revenues	2,595	5,591
Current portion of long-term debt	617	1,520
Current portion of operating lease liabilities	4,250	4,109
Total current liabilities	<u>54,169</u>	<u>55,731</u>
Long-term debt	1,441	1,147
Operating lease liabilities	4,849	5,733
Asset retirement obligations	15,146	21,381
Deferred tax liabilities	301	301
Total liabilities	<u>75,906</u>	<u>84,293</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	357	357
Additional paid-in-capital	283,388	283,272
Retained earnings (deficit)	(63,944)	(98,227)
Accumulated other comprehensive loss	-	(7)
Total stockholders' equity	<u>219,801</u>	<u>185,395</u>
Total liabilities and stockholders' equity	<u>\$ 295,707</u>	<u>\$ 269,688</u>

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

	Month Ended	Quarter to Date	Year to Date
	May 31, 2022	May 31, 2022	May 31, 2022
Revenues	\$ 48,226	\$ 92,481	\$ 212,071
Cost of goods sold	35,432	67,949	166,217
Gross Profit	12,794	24,532	45,854
Operating costs and expenses:			
General and administrative	2,412	4,703	11,939
Depreciation, depletion and amortization	1,983	4,017	9,980
Accretion	134	682	1,339
Restructuring	14	25	109
Gain from sale of business	-	-	(11,399)
Other operating (income) expenses, net	(248)	(326)	(425)
Income (loss) from operations	8,499	15,431	34,311
Other income (expense):			
Interest expense	(18)	(38)	(101)
Income (loss) before income tax	8,481	15,393	34,210
Income tax expense (benefit)	-	-	-
Net Income (loss)	\$ 8,481	\$ 15,393	\$ 34,210

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 8,481	\$ 15,393	\$ 34,210
Interest expense	18	38	101
Income tax expense (benefit)	-	-	-
Depreciation, depletion and amortization	1,983	4,017	9,980
Accretion	134	682	1,339
Restructuring	14	25	109
(Gain) loss on sale of assets	(266)	(342)	(413)
Gain from sale of business	-	-	(11,399)
Stock-based compensation expense	26	52	129
One-time legal costs	264	348	621
Adjusted EBITDA	\$ 10,654	\$ 20,213	\$ 34,677

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

	May 31, 2022	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ 8,481	\$ 34,210
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	1,983	9,980
Stock-based compensation	26	129
Accretion expense	134	1,339
Gain on disposal of property, plant and equipment	(266)	(413)
Gain on sale of business	-	(11,399)
Non-cash lease expense	354	1,725
Changes in operating assets and liabilities:		
Accounts receivable	(7,783)	(29,103)
Inventories	1,531	3,671
Prepaid expenses and other current assets	77	11,112
Accounts payable, accrued liabilities and deferred revenue	1,422	(4,373)
Net cash provided by operating activities	<u>5,959</u>	<u>16,878</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(3,007)	(9,667)
Proceeds from sale of property, plant and equipment	828	2,642
Proceeds from sale of business	-	6,478
Net cash used in investing activities	<u>(2,179)</u>	<u>(547)</u>
Financing activities:		
Repayment of notes payable	(101)	(1,919)
Net cash used in financing activities	<u>(101)</u>	<u>(1,919)</u>
Effects of exchange rate on cash	-	-
Net increase (decrease) in cash and restricted cash	<u>3,679</u>	<u>14,412</u>
Cash and restricted cash at beginning of period	58,363	47,630
Cash and restricted cash at end of period	<u>\$ 62,042</u>	<u>\$ 62,042</u>

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	-	-	129	-	-	129
Other	-	-	(13)	73	-	60
Other comprehensive income	-	-	-	-	7	7
Net income (loss)	-	-	-	34,210	-	34,210
Balance at May 31, 2022	<u>356,827,157</u>	<u>\$ 357</u>	<u>\$ 283,388</u>	<u>\$ (63,944)</u>	<u>\$ -</u>	<u>\$ 219,801</u>