

HI-CRUSH INC.

Consolidated Financial Statements
As of and for the periods ended June 30, 2022
(Unaudited)

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash	\$ 53,956	\$ 25,810
Restricted cash	10,558	21,820
Accounts receivable, net	83,784	50,167
Inventories	13,330	15,886
Prepaid expenses and other current assets	6,836	18,645
Total current assets	<u>168,464</u>	<u>132,328</u>
Property, plant and equipment, net	123,201	118,897
Operating lease right-of-use assets	9,304	9,825
Intangible assets, net	6,436	8,252
Other assets	416	386
Total assets	<u>\$ 307,821</u>	<u>\$ 269,688</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 34,963	\$ 26,069
Accrued and other current liabilities	15,659	18,442
Current portion of deferred revenues	2,182	5,591
Current portion of long-term debt	1,213	1,520
Current portion of operating lease liabilities	4,316	4,109
Total current liabilities	<u>58,333</u>	<u>55,731</u>
Long-term debt	744	1,147
Operating lease liabilities	4,934	5,733
Asset retirement obligations	15,217	21,381
Deferred tax liabilities	301	301
Total liabilities	<u>79,529</u>	<u>84,293</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	359	357
Additional paid-in-capital	283,475	283,272
Retained earnings (deficit)	(55,542)	(98,227)
Accumulated other comprehensive loss	-	(7)
Total stockholders' equity	<u>228,292</u>	<u>185,395</u>
Total liabilities and stockholders' equity	<u>\$ 307,821</u>	<u>\$ 269,688</u>

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

	Month Ended	Quarter to Date	Year to Date
	June 30, 2022	June 30, 2022	June 30, 2022
Revenues	\$ 48,504	\$ 140,985	\$ 260,575
Cost of goods sold	33,834	101,783	200,051
Gross Profit	14,670	39,202	60,524
Operating costs and expenses:			
General and administrative	2,796	7,499	14,735
Depreciation, depletion and amortization	3,358	7,375	13,338
Accretion	134	816	1,473
Restructuring	-	25	109
Gain from sale of business	-	-	(11,399)
Other operating (income) expenses, net	(30)	(356)	(455)
Income (loss) from operations	8,412	23,843	42,723
Other income (expense):			
Interest expense	(10)	(48)	(111)
Income (loss) before income tax	8,402	23,795	42,612
Income tax expense (benefit)	-	-	-
Net Income (loss)	\$ 8,402	\$ 23,795	\$ 42,612

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 8,402	\$ 23,795	\$ 42,612
Interest expense	10	48	111
Depreciation, depletion and amortization	3,358	7,375	13,338
Accretion	134	816	1,473
Restructuring	-	25	109
(Gain) loss on sale of assets	-	(342)	(413)
Gain from sale of business	-	-	(11,399)
Contract terminations/modifications and other	(128)	(128)	(128)
Stock-based compensation expense	26	78	155
One-time legal professional fees	730	1,078	1,351
Adjusted EBITDA	\$ 12,532	\$ 32,745	\$ 47,209

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

	June 30, 2022	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ 8,402	\$ 42,612
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	3,358	13,338
Stock-based compensation	26	155
Accretion expense	134	1,473
Gain on disposal of property, plant and equipment	-	(413)
Gain on sale of business	-	(11,399)
Non-cash lease expense	363	2,088
Changes in operating assets and liabilities:		
Accounts receivable	(5,927)	(35,030)
Inventories	(2,124)	1,547
Prepaid expenses and other current assets	290	11,402
Accounts payable, accrued liabilities and deferred revenue	3,606	(767)
Net cash provided by operating activities	8,128	25,006
Investing activities:		
Capital expenditures for property, plant and equipment	(5,618)	(15,285)
Proceeds from sale of property, plant and equipment	-	2,642
Proceeds from sale of business	-	6,478
Net cash used in investing activities	(5,618)	(6,165)
Financing activities:		
Repayment of notes payable	(101)	(2,020)
Proceeds from options exercised	63	63
Net cash used in financing activities	(38)	(1,957)
Effects of exchange rate on cash	-	-
Net increase (decrease) in cash and restricted cash	2,472	16,884
Cash and restricted cash at beginning of period	62,042	47,630
Cash and restricted cash at end of period	\$ 64,514	\$ 64,514

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
Options exercised	2,359,487	2	61	-	-	63
Stock-based compensation expense	-	-	155	-	-	155
Other	-	-	(13)	73	-	60
Other comprehensive income	-	-	-	-	7	7
Net income (loss)	-	-	-	42,612	-	42,612
Balance at June 30, 2022	<u>359,186,644</u>	<u>\$ 359</u>	<u>\$ 283,475</u>	<u>\$ (55,542)</u>	<u>\$ -</u>	<u>\$ 228,292</u>