

HI-CRUSH INC.

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

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

	<u>July 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash	\$ 59,730	\$ 25,810
Restricted cash	10,559	21,820
Accounts receivable, net	82,262	50,167
Inventories	14,614	15,886
Prepaid expenses and other current assets	8,946	18,645
Total current assets	<u>176,111</u>	<u>132,328</u>
Property, plant and equipment, net	130,860	118,897
Operating lease right-of-use assets	10,468	9,825
Intangible assets, net	6,133	8,252
Other assets	416	386
Total assets	<u>\$ 323,988</u>	<u>\$ 269,688</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 36,706	\$ 26,069
Accrued and other current liabilities	17,419	18,442
Current portion of deferred revenues	1,756	5,591
Current portion of long-term debt	3,224	1,520
Current portion of operating lease liabilities	4,881	4,109
Total current liabilities	<u>63,986</u>	<u>55,731</u>
Long-term debt	463	1,147
Operating lease liabilities	5,546	5,733
Asset retirement obligations	15,294	21,381
Deferred tax liabilities	301	301
Total liabilities	<u>85,590</u>	<u>84,293</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	359	357
Additional paid-in-capital	283,501	283,272
Retained earnings (deficit)	(45,462)	(98,227)
Accumulated other comprehensive loss	-	(7)
Total stockholders' equity	<u>238,398</u>	<u>185,395</u>
Total liabilities and stockholders' equity	<u>\$ 323,988</u>	<u>\$ 269,688</u>

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

	Month Ended	Year to Date
	July 31, 2022	July 31, 2022
Revenues	\$ 52,986	\$ 313,561
Cost of goods sold	38,153	238,204
Gross Profit	14,833	75,357
Operating costs and expenses:		
General and administrative	2,509	17,244
Depreciation, depletion and amortization	2,110	15,448
Accretion	135	1,608
Restructuring	4	113
Gain from sale of business	-	(11,399)
Other operating (income) expenses, net	(14)	(469)
Income (loss) from operations	10,089	52,812
Other income (expense):		
Interest expense	(9)	(120)
Income (loss) before income tax	10,080	52,692
Income tax expense (benefit)	-	-
Net Income (loss)	\$ 10,080	\$ 52,692

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 10,080	\$ 52,692
Interest expense	9	120
Depreciation, depletion and amortization	2,110	15,448
Accretion	135	1,608
Restructuring	4	113
(Gain) loss on sale of assets	17	(396)
Gain from sale of business	-	(11,399)
Contract terminations/modifications and other	-	(128)
Stock-based compensation expense	26	181
One-time legal professional fees	284	1,635
Adjusted EBITDA	\$ 12,665	\$ 59,874

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

	July 31, 2022	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ 10,080	\$ 52,692
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	2,110	15,448
Stock-based compensation	26	181
Accretion expense	135	1,608
Gain on disposal of property, plant and equipment	17	(396)
Gain on sale of business	-	(11,399)
Non-cash lease expense	403	2,491
Changes in operating assets and liabilities:		
Accounts receivable	1,505	(33,525)
Inventories	(1,036)	511
Prepaid expenses and other current assets	(2,110)	9,292
Accounts payable, accrued liabilities and deferred revenue	(1,105)	(1,872)
Net cash provided by operating activities	<u>10,025</u>	<u>35,031</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(5,980)	(21,265)
Proceeds from sale of property, plant and equipment	-	2,642
Proceeds from sale of business	-	6,478
Net cash used in investing activities	<u>(5,980)</u>	<u>(12,145)</u>
Financing activities:		
Proceeds from notes payable	2,194	2,194
Repayment of notes payable	(464)	(2,484)
Proceeds from options exercised	-	63
Net cash used in financing activities	<u>1,730</u>	<u>(227)</u>
Effects of exchange rate on cash	-	-
Net increase (decrease) in cash and restricted cash	<u>5,775</u>	<u>22,659</u>
Cash and restricted cash at beginning of period	64,514	47,630
Cash and restricted cash at end of period	<u>\$ 70,289</u>	<u>\$ 70,289</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
Options exercised	2,359,487	2	61	-	-	63
Stock-based compensation expense	-	-	181	-	-	181
Other	-	-	(13)	73	-	60
Other comprehensive income	-	-	-	-	7	7
Net income (loss)	-	-	-	52,692	-	52,692
Balance at July 31, 2022	<u>359,186,644</u>	<u>\$ 359</u>	<u>\$ 283,501</u>	<u>\$ (45,462)</u>	<u>\$ -</u>	<u>\$ 238,398</u>