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

Consolidated Balance Sheets (In thousands) (Unaudited)

	<u> </u>	August 31, 2022	December 31, 2021			
Assets						
Current assets:						
Cash	\$	68,362	\$ 25,810			
Restricted cash		10,550	21,820			
Accounts receivable, net		79,247	50,167			
Inventories		15,740	15,886			
Prepaid expenses and other current assets		9,355	18,645			
Total current assets		183,254	132,328			
Property, plant and equipment, net		135,931	118,897			
Operating lease right-of-use assets		12,328	9,825			
Intangible assets, net		5,830	8,252			
Other assets		415	386			
Total assets	\$	337,758	\$ 269,688			
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable	\$	34,776	\$ 26,069			
Accrued and other current liabilities		20,567	18,442			
Current portion of deferred revenues		1,426	5,591			
Current portion of long-term debt		2,998	1,520			
Current portion of operating lease liabilities		5,721	4,109			
Total current liabilities		65,488	55,731			
Long-term debt		859	1,147			
Operating lease liabilities		6,578	5,733			
Asset retirement obligations		15,428	21,381			
Deferred tax liabilities		301	301			
Total liabilities		88,654	84,293			
Commitments and contingencies						
Stockholders' equity:						
Common stock, \$0.001 par value		359	357			
Additional paid-in-capital		283,571	283,272			
Retained earnings (deficit)		(34,826)	(98,227)			
Accumulated other comprehensive loss		<u> </u>	(7)			
Total stockholders' equity		249,104	185,395			
Total liabilities and stockholders' equity	\$	337,758	\$ 269,688			

Consolidated Income Statement (In thousands) (Unaudited)

	 th Ended	Year to Date		
	st 31, 2022	August 31, 2022		
Revenues	\$ 52,559	\$	366,120	
Cost of goods sold	 37,671		275,875	
Gross Profit	14,888		90,245	
Operating costs and expenses:				
General and administrative	2,017		19,261	
Depreciation, depletion and amortization	2,434		17,882	
Accretion	134		1,742	
Restructuring	9		122	
Gain from sale of business	-		(11,399)	
Other operating (income) expenses, net	(336)		(805)	
Income (loss) from operations	10,630		63,442	
Other income (expense):				
Interest expense	6		(114)	
Income (loss) before income tax	10,636		63,328	
Income tax expense (benefit)	-		-	
Net Income (loss)	\$ 10,636	\$	63,328	
Reconciliation of Net Income (Loss) to Adjusted EBITDA				
Net Income (loss)	\$ 10,636	\$	63,328	
Interest expense	(6)		114	
Depreciation, depletion and amortization	2,434		17,882	
Accretion	134		1,742	
Restructuring	9		122	
(Gain) loss on sale of assets	(452)		(848)	
Gain from sale of business	-		(11,399)	
Contract terminations/modifications and other	-		(128)	
Stock-based compensation expense	25		206	
One-time legal professional fees	54		1,689	
Adjusted EBITDA	\$ 12,834	\$	72,708	

Consolidated Statement of Cash Flows (In thousands) (Unaudited)

Operating activities: Image: content of the content of t		August 31, 2022				
Net income (loss) \$ 10,636 \$ 63,328 Adjustments to reconcile net income (loss) to net eash provided by operating Depreciation, depletion and amortization 2,434 17,882 Stock-based compensation 25 206 Accretion expense 134 1,742 Gain on disposal of property, plant and equipment (452) (848) Gain on sale of business - (11,399) Non-cash lease expense 470 2,961 Changes in operating assets and liabilities: - (11,399) Accounts receivable 3,015 (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Investing activities: - (4,004) Ryea - (5,662) (26,927) Proceeds from sale of property, plant and equipment (5,662) (26,927) Proceeds from sale of business - 6,478 Net cash used in investing activities - 2,142 Repa		Mo	nth Ended	Year to Date		
Adjustments to reconcile net income (loss) to net cash provided by operating Depreciation, depletion and amortization 2,434 17,882 Stock-based compensation 25 206 Accretion expense 134 1,742 Gain on disposal of property, plant and equipment (452) (848) Gain on sale of business - (11,399) Non-cash lease expense 470 2,961 Changes in operating assets and liabilities: Accounts receivable 3,015 (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of usiness - 6,478 Net cash used in investing activities (5,092) (17,237) Financing activities: 2910 (2,775) Financing activities 2911 (2,775) Proceeds from notes payable - 2,142 Repayment of notes payab	Operating activities:					
Depreciation, depletion and amortization 2,434 17,882 Stock-based compensation 25 206 Accretion expense 134 1,742 Gain on disposal of property, plant and equipment (452) (848) Gain on sale of business - (11,399) Non-cash lease expense 470 2,961 Changes in operating assets and liabilities: - (769) (258) Accounts receivable 3,015 (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: - (6,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities - 6,478 Proceeds from notes payable - 2,142 Repayment of notes payable -<	Net income (loss)	\$	10,636	\$	63,328	
Stock-based compensation 25 206 Accretion expense 134 1,742 Gain on disposal of property, plant and equipment (452) (848) Gain on sale of business - (11,399) Non-cash lease expense 470 2,961 Changes in operating assets and liabilities: - (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: - (26,927) Capital expenditures for property, plant and equipment (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities - 6,478 Repayment of notes payable - 2,142 Repayment of notes payable - 2,142 Repayment of notes payable (246)	Adjustments to reconcile net income (loss) to net cash provided by operating					
Accretion expense 134 1,742 Gain on disposal of property, plant and equipment (452) (848) Gain on sale of business - (11,399) Non-cash lease expense 470 2,961 Changes in operating assets and liabilities: - (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: - (26,927) Capital expenditures for property, plant and equipment (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities (5,662) (26,927) Financing activities: - 2,142 Repayment of notes payable - 2,142 Repayment of notes payable (291) (2,775) Proceeds from options exercised	Depreciation, depletion and amortization		2,434		17,882	
Gain on disposal of property, plant and equipment (452) (848) Gain on sale of business - (11,399) Non-cash lease expense 470 2,961 Changes in operating assets and liabilities: Accounts receivable 3,015 (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: (26,927) Capital expenditures for property, plant and equipment (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities (5,692) (17,237) Financing activities: 2,142 Repayment of notes payable 2,2142 Repayment of notes payable (291) (2,775) Proceeds from options exercised	Stock-based compensation		25		206	
Gain on sale of business - (11,399) Non-cash lease expense 470 2,961 Changes in operating assets and liabilities:	Accretion expense		134		1,742	
Non-cash lease expense 470 2,961 Changes in operating assets and liabilities: 3,015 (30,510) Accounts receivable 3,015 (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: 2 (26,927) Proceeds from sale of property, plant and equipment (5,662) (26,927) Proceeds from sale of business - 6,478 Net cash used in investing activities (5,092) (17,237) Financing activities: - 2,142 Proceeds from notes payable - 2,142 Repayment of notes payable - 2,142 Repayment of notes payable (291) (2,775) Proceeds from options exercised 45 108 Net cash used in financing activities (246) (525) Effects of exchange rate on cash -	Gain on disposal of property, plant and equipment		(452)		(848)	
Changes in operating assets and liabilities: Accounts receivable 3,015 (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: 2 (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities (5,092) (17,237) Financing activities: - 2,142 Repayment of notes payable - 2,142 Repayment of notes payable (291) (2,775) Proceeds from options exercised 45 108 Net cash used in financing activities (246) (525) Effects of exchange rate on cash - - Net increase (decrease) in cash and restricted cash 8,623 31,282 Cash and restricted cash at beginning of period 70,289	Gain on sale of business		-		(11,399)	
Accounts receivable 3,015 (30,510) Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: 2 (26,927) Capital expenditures for property, plant and equipment (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities (5,092) (17,237) Financing activities: - 2,142 Repayment of notes payable - 2,142 Repayment of notes payable (291) (2,775) Proceeds from options exercised 45 108 Net cash used in financing activities (246) (525) Effects of exchange rate on cash - - Net increase (decrease) in cash and restricted cash 8,623 31,282 Cash and restricted cash at beg	Non-cash lease expense		470		2,961	
Inventories (769) (258) Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: 2 (26,927) Capital expenditures for property, plant and equipment (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities (5,092) (17,237) Financing activities: - 2,142 Repayment of notes payable - 2,142 Repayment of notes payable (291) (2,775) Proceeds from options exercised 45 108 Net cash used in financing activities (246) (525) Effects of exchange rate on cash - - Net increase (decrease) in cash and restricted cash 8,623 31,282 Cash and restricted cash at beginning of period 70,289 47,630	Changes in operating assets and liabilities:					
Prepaid expenses and other current assets (460) 8,884 Accounts payable, accrued liabilities and deferred revenue (1,072) (2,944) Net cash provided by operating activities 13,961 49,044 Investing activities: 2 (26,927) Capital expenditures for property, plant and equipment (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities (5,092) (17,237) Financing activities: - 2,142 Repayment of notes payable - 2,142 Repayment of notes payable (291) (2,775) Proceeds from options exercised 45 108 Net cash used in financing activities (246) (525) Effects of exchange rate on cash - - Net increase (decrease) in cash and restricted cash 8,623 31,282 Cash and restricted cash at beginning of period 70,289 47,630	Accounts receivable		3,015		(30,510)	
Accounts payable, accrued liabilities and deferred revenue Net cash provided by operating activities Investing activities: Capital expenditures for property, plant and equipment Proceeds from sale of property, plant and equipment Proceeds from sale of business Net cash used in investing activities Financing activities: Proceeds from notes payable Proceeds from options exercised Repayment of notes payable Proceeds from options exercised Net cash used in financing activities Proceeds from options exercised Net cash used in financing activities Effects of exchange rate on cash Net increase (decrease) in cash and restricted cash Cash and restricted cash at beginning of period (1,072) (2,944) 49,044 49,04	Inventories		(769)		(258)	
Net cash provided by operating activities Investing activities: Capital expenditures for property, plant and equipment (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities (5,092) (17,237) Financing activities: Proceeds from notes payable - 2,142 Repayment of notes payable (291) (2,775) Proceeds from options exercised 45 108 Net cash used in financing activities (246) (525) Effects of exchange rate on cash Net increase (decrease) in cash and restricted cash 8,623 31,282 Cash and restricted cash at beginning of period 70,289 47,630	Prepaid expenses and other current assets		(460)		8,884	
Investing activities: Capital expenditures for property, plant and equipment (5,662) (26,927) Proceeds from sale of property, plant and equipment 570 3,212 Proceeds from sale of business - 6,478 Net cash used in investing activities (5,092) (17,237) Financing activities: - 2,142 Repayment of notes payable - 2,142 Repayment of notes payable (291) (2,775) Proceeds from options exercised 45 108 Net cash used in financing activities (246) (525) Effects of exchange rate on cash - - Net increase (decrease) in cash and restricted cash 8,623 31,282 Cash and restricted cash at beginning of period 70,289 47,630	Accounts payable, accrued liabilities and deferred revenue		(1,072)		(2,944)	
Capital expenditures for property, plant and equipment(5,662)(26,927)Proceeds from sale of property, plant and equipment5703,212Proceeds from sale of business-6,478Net cash used in investing activities(5,092)(17,237)Financing activities:Proceeds from notes payable-2,142Repayment of notes payable(291)(2,775)Proceeds from options exercised45108Net cash used in financing activities(246)(525)Effects of exchange rate on cashNet increase (decrease) in cash and restricted cash8,62331,282Cash and restricted cash at beginning of period70,28947,630	Net cash provided by operating activities		13,961		49,044	
Proceeds from sale of property, plant and equipment5703,212Proceeds from sale of business-6,478Net cash used in investing activities(5,092)(17,237)Financing activities:Proceeds from notes payable-2,142Repayment of notes payable(291)(2,775)Proceeds from options exercised45108Net cash used in financing activities(246)(525)Effects of exchange rate on cashNet increase (decrease) in cash and restricted cash8,62331,282Cash and restricted cash at beginning of period70,28947,630	Investing activities:					
Proceeds from sale of business-6,478Net cash used in investing activities(5,092)(17,237)Financing activities:Proceeds from notes payable-2,142Repayment of notes payable(291)(2,775)Proceeds from options exercised45108Net cash used in financing activities(246)(525)Effects of exchange rate on cashNet increase (decrease) in cash and restricted cash8,62331,282Cash and restricted cash at beginning of period70,28947,630	Capital expenditures for property, plant and equipment		(5,662)		(26,927)	
Proceeds from sale of business-6,478Net cash used in investing activities(5,092)(17,237)Financing activities:Proceeds from notes payable-2,142Repayment of notes payable(291)(2,775)Proceeds from options exercised45108Net cash used in financing activities(246)(525)Effects of exchange rate on cashNet increase (decrease) in cash and restricted cash8,62331,282Cash and restricted cash at beginning of period70,28947,630	Proceeds from sale of property, plant and equipment		570		3,212	
Financing activities:Proceeds from notes payable-2,142Repayment of notes payable(291)(2,775)Proceeds from options exercised45108Net cash used in financing activities(246)(525)Effects of exchange rate on cashNet increase (decrease) in cash and restricted cash8,62331,282Cash and restricted cash at beginning of period70,28947,630			-		6,478	
Proceeds from notes payable-2,142Repayment of notes payable(291)(2,775)Proceeds from options exercised45108Net cash used in financing activities(246)(525)Effects of exchange rate on cashNet increase (decrease) in cash and restricted cash8,62331,282Cash and restricted cash at beginning of period70,28947,630	Net cash used in investing activities		(5,092)		(17,237)	
Repayment of notes payable(291)(2,775)Proceeds from options exercised45108Net cash used in financing activities(246)(525)Effects of exchange rate on cashNet increase (decrease) in cash and restricted cash8,62331,282Cash and restricted cash at beginning of period70,28947,630	Financing activities:					
Proceeds from options exercised 45 108 Net cash used in financing activities (246) (525) Effects of exchange rate on cash Net increase (decrease) in cash and restricted cash Cash and restricted cash at beginning of period 70,289 47,630	Proceeds from notes payable		-		2,142	
Net cash used in financing activities(246)(525)Effects of exchange rate on cashNet increase (decrease) in cash and restricted cash8,62331,282Cash and restricted cash at beginning of period70,28947,630	Repayment of notes payable		(291)		(2,775)	
Effects of exchange rate on cash Net increase (decrease) in cash and restricted cash Cash and restricted cash at beginning of period 70,289	Proceeds from options exercised		45		108	
Net increase (decrease) in cash and restricted cash Cash and restricted cash at beginning of period 8,623 31,282 47,630	Net cash used in financing activities		(246)		(525)	
Cash and restricted cash at beginning of period 70,289 47,630	Effects of exchange rate on cash		-		-	
	Net increase (decrease) in cash and restricted cash		8,623		31,282	
Cash and restricted cash at end of period \$ 78,912 \$ 78,912	Cash and restricted cash at beginning of period		70,289		47,630	
	Cash and restricted cash at end of period	\$	78,912	\$	78,912	

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

	Common Stock		Additional		Retained	Accumulated							
		Par		Paid-In-		Earnings	Other						
	Shares Value		Value		Value		Value		Capital	(Deficit)	Comprehensive	To	tal Equity
Balance at December 31, 2021	356,827,157	\$	357	\$	283,272	\$ (98,227)	\$ (7)	\$	185,395				
Options exercised	4,011,107		2		106	-	-		108				
Stock-based compensation expense	-		-		206	-	-		206				
Other	-		-		(13)	73	-		60				
Other comprehensive income	-		-		-	-	7		7				
Net income (loss)	-		-		-	63,328			63,328				
Balance at August 31, 2022	360,838,264	\$	359	\$	283,571	\$ (34,826)	\$ -	\$	249,104				