

HI-CRUSH INC.

Consolidated Financial Statements
As of and for the period ended September 30, 2022
(Unaudited)

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash	\$ 68,954	\$ 25,810
Restricted cash	10,552	21,820
Accounts receivable, net	84,817	50,167
Inventories	17,505	15,886
Prepaid expenses and other current assets	9,005	18,645
Total current assets	<u>190,833</u>	<u>132,328</u>
Property, plant and equipment, net	138,659	118,897
Operating lease right-of-use assets	12,893	9,825
Intangible assets, net	5,527	8,252
Other assets	219	386
Total assets	<u>\$ 348,131</u>	<u>\$ 269,688</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 40,365	\$ 26,069
Accrued and other current liabilities	18,098	18,442
Current portion of deferred revenues	1,057	5,591
Current portion of long-term debt	2,823	1,520
Current portion of operating lease liabilities	5,995	4,109
Total current liabilities	<u>68,338</u>	<u>55,731</u>
Long-term debt	741	1,147
Operating lease liabilities	6,883	5,733
Asset retirement obligations	15,562	21,381
Deferred tax liabilities	301	301
Total liabilities	<u>91,825</u>	<u>84,293</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	357
Additional paid-in-capital	282,568	283,272
Retained earnings (deficit)	(26,262)	(98,227)
Accumulated other comprehensive loss	-	(7)
Total stockholders' equity	<u>256,306</u>	<u>185,395</u>
Total liabilities and stockholders' equity	<u>\$ 348,131</u>	<u>\$ 269,688</u>

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

	Month Ended	Three Months	Year to Date
	September 30, 2022	September 30, 2022	September 30, 2022
Revenues	\$ 50,203	\$ 155,748	\$ 416,323
Cost of goods sold	37,122	112,946	312,997
Gross Profit	13,081	42,802	103,326
Operating costs and expenses:			
General and administrative	3,153	7,679	22,414
Depreciation, depletion and amortization	328	4,872	18,210
Accretion	134	403	1,876
Restructuring	36	49	158
Gain from sale of business	-	-	(11,399)
Other operating (income) expenses, net	850	500	45
Income (loss) from operations	8,580	29,299	72,022
Other income (expense):			
Interest expense	(16)	(19)	(130)
Income (loss) before income tax	8,564	29,280	71,892
Income tax expense (benefit)	-	-	-
Net Income (loss)	\$ 8,564	\$ 29,280	\$ 71,892

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 8,564	\$ 29,280	\$ 71,892
Interest expense	16	19	130
Depreciation, depletion and amortization	328	4,872	18,210
Accretion	134	403	1,876
Restructuring	36	49	158
(Gain) loss on sale of assets	(141)	(576)	(989)
Gain from sale of business	-	-	(11,399)
Contract terminations/modifications and other	779	779	651
Stock-based compensation expense	26	77	232
One-time legal professional fees	268	606	1,957
Adjusted EBITDA	\$ 10,010	\$ 35,509	\$ 82,718

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

	September 30, 2022	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ 8,564	\$ 71,892
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	328	18,210
Stock-based compensation	26	232
Accretion expense	134	1,876
Gain on disposal of property, plant and equipment	(141)	(989)
Gain on sale of business	-	(11,399)
Non-cash lease expense	505	3,466
Changes in operating assets and liabilities:		
Accounts receivable	(5,830)	(36,340)
Inventories	(1,496)	(1,754)
Prepaid expenses and other current assets	550	9,434
Accounts payable, accrued liabilities and deferred revenue	3,489	545
Net cash provided by operating activities	<u>6,129</u>	<u>55,173</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(5,107)	(32,034)
Proceeds from sale of property, plant and equipment	402	3,614
Proceeds from sale of business	-	6,478
Net cash used in investing activities	<u>(4,705)</u>	<u>(21,942)</u>
Financing activities:		
Proceeds from notes payable	-	2,142
Repayment of notes payable	(293)	(3,068)
Dividends	(537)	(537)
Proceeds from options exercised	-	108
Net cash used in financing activities	<u>(830)</u>	<u>(1,355)</u>
Net increase (decrease) in cash and restricted cash	594	31,876
Cash and restricted cash at beginning of period	78,912	47,630
Cash and restricted cash at end of period	<u>\$ 79,506</u>	<u>\$ 79,506</u>

HI-CRUSH INC.

Consolidated Statement of Changes in Equity

(In thousands, except share amounts)

(Unaudited)

	Common Stock		Additional Paid-In- Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive	Total Equity
	Shares	Par Value				
Balance at December 31, 2021	356,827,157	\$ 357	\$ 283,272	\$ (98,227)	\$ (7)	\$ 185,395
Options exercised	4,011,107	4	104	-	-	108
Reverse stock split - 50,000 to 1	(360,831,076)	(361)	(1,027)	-	-	(1,388)
Stock-based compensation expense	-	-	232	-	-	232
Other	-	-	(13)	73	-	60
Other comprehensive income	-	-	-	-	7	7
Net income (loss)	-	-	-	71,892	-	71,892
Balance at September 30, 2022	7,188	\$ 0	\$ 282,568	\$ (26,262)	\$ -	\$ 256,306