

HI-CRUSH INC.

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

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

	<u>October 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash	\$ 69,953	\$ 25,810
Restricted cash	10,554	21,820
Accounts receivable, net	90,137	50,167
Inventories	19,395	15,886
Prepaid expenses and other current assets	8,846	18,645
Total current assets	<u>198,885</u>	<u>132,328</u>
Property, plant and equipment, net	138,471	118,897
Operating lease right-of-use assets	12,645	9,825
Intangible assets, net	5,224	8,252
Other assets	225	386
Total assets	<u>\$ 355,450</u>	<u>\$ 269,688</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 37,421	\$ 26,069
Accrued and other current liabilities	19,688	18,442
Current portion of deferred revenues	779	5,591
Current portion of long-term debt	2,464	1,520
Current portion of operating lease liabilities	6,080	4,109
Total current liabilities	<u>66,432</u>	<u>55,731</u>
Long-term debt	472	1,147
Operating lease liabilities	6,562	5,733
Asset retirement obligations	15,696	21,381
Deferred tax liabilities	301	301
Total liabilities	<u>89,463</u>	<u>84,293</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	357
Additional paid-in-capital	282,594	283,272
Retained earnings (deficit)	(16,607)	(98,227)
Accumulated other comprehensive loss	-	(7)
Total stockholders' equity	<u>265,987</u>	<u>185,395</u>
Total liabilities and stockholders' equity	<u>\$ 355,450</u>	<u>\$ 269,688</u>

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

	Month Ended	Year to Date
	October 31, 2022	October 31, 2022
Revenues	\$ 58,732	\$ 475,055
Cost of goods sold	43,843	356,840
Gross Profit	14,889	118,215
Operating costs and expenses:		
General and administrative	3,197	25,611
Depreciation, depletion and amortization	1,738	19,948
Accretion	134	2,010
Restructuring	4	162
Gain from sale of business	-	(11,399)
Other operating (income) expenses, net	204	249
Income (loss) from operations	9,612	81,634
Other income (expense):		
Interest income (expense)	43	(87)
Income (loss) before income tax	9,655	81,547
Income tax expense (benefit)	-	-
Net Income (loss)	\$ 9,655	\$ 81,547

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 9,655	\$ 81,547
Interest (income) expense	(43)	87
Depreciation, depletion and amortization	1,738	19,948
Accretion	134	2,010
Restructuring	4	162
(Gain) loss on sale of assets	119	(870)
Gain from sale of business	-	(11,399)
Contract terminations/modifications and other	32	683
Stock-based compensation expense	26	258
One-time legal professional fees	6	1,963
Adjusted EBITDA	\$ 11,671	\$ 94,389

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

	October 31, 2022	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ 9,655	\$ 81,547
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	1,738	19,948
Stock-based compensation	26	258
Accretion expense	134	2,010
Gain on disposal of property, plant and equipment	119	(870)
Gain on sale of business	-	(11,399)
Non-cash lease expense	506	3,972
Changes in operating assets and liabilities:		
Accounts receivable	(5,320)	(41,660)
Inventories	(1,663)	(3,417)
Prepaid expenses and other current assets	153	9,587
Accounts payable, accrued liabilities and deferred revenue	196	741
Net cash provided by operating activities	<u>5,544</u>	<u>60,717</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(2,168)	(34,202)
Proceeds from sale of property, plant and equipment	(119)	3,495
Proceeds from sale of business	-	6,478
Net cash used in investing activities	<u>(2,287)</u>	<u>(24,229)</u>
Financing activities:		
Proceeds from notes payable	-	2,142
Repayment of notes payable	(2,256)	(5,324)
Dividends	-	(537)
Proceeds from options exercised	-	108
Net cash used in financing activities	<u>(2,256)</u>	<u>(3,611)</u>
Net increase (decrease) in cash and restricted cash	1,001	32,877
Cash and restricted cash at beginning of period	79,506	47,630
Cash and restricted cash at end of period	<u>\$ 80,507</u>	<u>\$ 80,507</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	-	-	258	-	-	258
Other	-	-	(13)	73	-	60
Other comprehensive income	-	-	-	-	7	7
Net income (loss)	-	-	-	81,547	-	81,547
Balance at October 31, 2022	7,188	\$ -	\$ 282,594	\$ (16,607)	\$ -	\$ 265,987