

HI-CRUSH INC.

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

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

	<u>November 30, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash	\$ 80,603	\$ 25,810
Restricted cash	10,556	21,820
Accounts receivable, net	100,794	50,167
Inventories	16,321	15,886
Prepaid expenses and other current assets	8,766	18,645
Total current assets	<u>217,040</u>	<u>132,328</u>
Property, plant and equipment, net	137,993	118,897
Operating lease right-of-use assets	16,543	9,825
Intangible assets, net	4,922	8,252
Other assets	225	386
Total assets	<u>\$ 376,723</u>	<u>\$ 269,688</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 42,324	\$ 26,069
Accrued and other current liabilities	22,551	18,442
Current portion of deferred revenues	735	5,591
Current portion of long-term debt	2,288	1,520
Current portion of operating lease liabilities	7,425	4,109
Total current liabilities	<u>75,323</u>	<u>55,731</u>
Long-term debt	181	1,147
Operating lease liabilities	9,127	5,733
Asset retirement obligations	15,657	21,381
Deferred tax liabilities	301	301
Total liabilities	<u>100,589</u>	<u>84,293</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	357
Additional paid-in-capital	282,671	283,272
Retained earnings (deficit)	(6,537)	(98,227)
Accumulated other comprehensive loss	-	(7)
Total stockholders' equity	<u>276,134</u>	<u>185,395</u>
Total liabilities and stockholders' equity	<u>\$ 376,723</u>	<u>\$ 269,688</u>

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

	Month Ended	Year to Date
	November 30, 2022	November 30, 2022
Revenues	\$ 59,691	\$ 534,746
Cost of goods sold	44,702	401,542
Gross Profit	14,989	133,204
Operating costs and expenses:		
General and administrative	2,838	28,449
Depreciation, depletion and amortization	2,504	22,452
Accretion	134	2,144
Restructuring	6	168
Gain from sale of business	-	(11,399)
Other operating (income) expenses, net	(283)	(34)
Income (loss) from operations	9,790	91,424
Other income (expense):		
Interest income (expense)	68	(19)
Income (loss) before income tax	9,858	91,405
Income tax expense (benefit)	(212)	(212)
Net Income (loss)	\$ 10,070	\$ 91,617

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 10,070	\$ 91,617
Interest (income) expense	(68)	19
Income tax expense (benefit)	(212)	(212)
Depreciation, depletion and amortization	2,504	22,452
Accretion	134	2,144
Restructuring	6	168
(Gain) loss on sale of assets	(241)	(1,111)
Gain from sale of business	-	(11,399)
Contract terminations/modifications and other	-	683
Stock-based compensation expense	26	284
One-time termination benefits	25	25
One-time legal professional fees	3	1,966
Adjusted EBITDA	\$ 12,247	\$ 106,636

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

	November 30, 2022	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ 10,070	\$ 91,617
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	2,504	22,452
Stock-based compensation	26	284
Accretion expense	134	2,144
Gain on disposal of property, plant and equipment	(241)	(1,111)
Gain on sale of business	-	(11,399)
Non-cash lease expense	608	4,580
Changes in operating assets and liabilities:		
Accounts receivable	(10,657)	(52,317)
Inventories	3,006	(411)
Prepaid expenses and other current assets	84	9,671
Accounts payable, accrued liabilities and deferred revenue	6,853	8,982
Net cash provided by operating activities	<u>12,387</u>	<u>74,492</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(1,286)	(35,488)
Proceeds from sale of property, plant and equipment	241	3,736
Proceeds from sale of business	-	6,478
Net cash used in investing activities	<u>(1,045)</u>	<u>(25,274)</u>
Financing activities:		
Proceeds from notes payable	-	2,142
Repayment of notes payable	(741)	(6,065)
Dividends	-	(537)
Proceeds from options exercised	51	159
Repurchase of common stock	-	(1,388)
Net cash used in financing activities	<u>(690)</u>	<u>(5,689)</u>
Net increase (decrease) in cash and restricted cash	10,652	43,529
Cash and restricted cash at beginning of period	80,507	47,630
Cash and restricted cash at end of period	<u>\$ 91,159</u>	<u>\$ 91,159</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	5,898,657	6	153	-	-	159
Reverse stock split - 50,000 to 1	(362,718,588)	(363)	(1,025)	-	-	(1,388)
Stock-based compensation expense	-	-	284	-	-	284
Other	-	-	(13)	73	-	60
Other comprehensive income	-	-	-	-	7	7
Net income (loss)	-	-	-	91,617	-	91,617
Balance at November 30, 2022	<u>7,226</u>	<u>\$ -</u>	<u>\$ 282,671</u>	<u>\$ (6,537)</u>	<u>\$ -</u>	<u>\$ 276,134</u>