

HI-CRUSH INC.

Consolidated Financial Statements
As of and for the period ended March 31, 2023
(Unaudited)

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash	\$ 44,622	\$ 26,855
Restricted cash	8,765	10,559
Accounts receivable, net	115,356	92,209
Inventories	14,281	17,628
Prepaid expenses and other current assets	7,832	9,034
Total current assets	<u>190,856</u>	<u>156,285</u>
Property, plant and equipment, net	148,791	142,803
Operating lease right-of-use assets	23,612	24,948
Intangible assets, net	4,025	4,619
Other assets	149	146
Total assets	<u>\$ 367,433</u>	<u>\$ 328,801</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 42,167	\$ 44,930
Accrued and other current liabilities	18,016	21,563
Current portion of deferred revenues	9,350	666
Current portion of long-term debt	2,407	2,943
Current portion of operating lease liabilities	11,834	11,821
Total current liabilities	<u>83,774</u>	<u>81,923</u>
Long-term debt	1,169	849
Operating lease liabilities	11,808	13,151
Asset retirement obligations	16,123	15,759
Deferred tax liabilities	240	240
Total liabilities	<u>113,114</u>	<u>111,922</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	-
Additional paid-in-capital	282,741	282,668
Retained earnings (deficit)	(28,422)	(65,789)
Total stockholders' equity	<u>254,319</u>	<u>216,879</u>
Total liabilities and stockholders' equity	<u>\$ 367,433</u>	<u>\$ 328,801</u>

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

	Month Ended	Three Months Ended	
	March 31, 2023	March 31, 2023	December 31, 2022
Revenues	\$ 70,913	\$ 190,280	\$ 175,214
Cost of goods sold	49,635	136,647	130,230
Gross Profit	21,278	53,633	44,984
Operating costs and expenses:			
General and administrative	2,689	7,516	10,078
Depreciation, depletion and amortization	2,607	8,392	8,501
Accretion	175	443	403
Other operating (income) expenses, net	19	(18)	248
Income (loss) from operations	15,788	37,300	25,754
Other income (expense):			
Interest income (expense)	28	68	230
Income (loss) before income tax	15,816	37,368	25,984
Income tax expense (benefit)	1	1	511
Net Income (loss)	\$ 15,815	\$ 37,367	\$ 25,473

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 15,815	\$ 37,367	\$ 25,473
Interest (income) expense	(28)	(68)	(230)
Income tax expense (benefit)	1	1	511
Depreciation, depletion and amortization	2,607	8,392	8,501
Accretion	175	443	403
Restructuring	1	8	15
(Gain) loss on sale of assets	(7)	4	179
Contract terminations/modifications and other	-	-	29
Stock-based compensation expense	24	73	48
One-time termination benefits	-	-	252
One-time legal professional fees	128	232	104
Adjusted EBITDA	\$ 18,716	\$ 46,452	\$ 35,285

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

	March 31, 2023	
	Month Ended	Year to Date
Operating activities:		
Net income (loss)	\$ 15,815	\$ 37,367
Adjustments to reconcile net income (loss) to net cash provided by operating		
Depreciation, depletion and amortization	2,607	8,392
Stock-based compensation	24	73
Accretion expense	175	443
Gain on disposal of property, plant and equipment	(7)	4
Non-cash lease expense	698	2,045
Changes in operating assets and liabilities:		
Accounts receivable	(10,356)	(23,147)
Inventories	2,321	2,284
Prepaid expenses and other current assets	1,887	2,294
Accounts payable, accrued liabilities and deferred revenue	(4,669)	503
Net cash provided by operating activities	<u>8,495</u>	<u>30,258</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(4,292)	(12,774)
Proceeds from sale of property, plant and equipment	23	233
Net cash used in investing activities	<u>(4,269)</u>	<u>(12,541)</u>
Financing activities:		
Repayment of notes payable	(524)	(1,744)
Net cash used in financing activities	<u>(524)</u>	<u>(1,744)</u>
Net increase (decrease) in cash and restricted cash	3,702	15,973
Cash and restricted cash at beginning of period	49,685	37,414
Cash and restricted cash at end of period	<u>\$ 53,387</u>	<u>\$ 53,387</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)	Total Equity
	Shares	Par Value			
Balance at December 31, 2022	7,185	\$ -	\$ 282,668	\$ (65,789)	\$ 216,879
Stock-based compensation expense	-	-	73	-	73
Net income (loss)	-	-	-	37,367	37,367
Balance at March 31, 2023	7,185	\$ -	\$ 282,741	\$ (28,422)	\$ 254,319