

HI-CRUSH INC.

Consolidated Financial Statements
As of and for the period ended June 30, 2023
(Unaudited)

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash	\$ 36,724	\$ 26,855
Restricted cash	8,018	10,559
Accounts receivable, net	98,349	92,209
Inventories	20,944	17,628
Prepaid expenses and other current assets	6,105	9,034
Total current assets	<u>170,140</u>	<u>156,285</u>
Property, plant and equipment, net	160,971	142,803
Operating lease right-of-use assets	25,559	24,948
Intangible assets, net	3,430	4,619
Other assets	172	146
Total assets	<u>\$ 360,272</u>	<u>\$ 328,801</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 36,794	\$ 44,930
Accrued and other current liabilities	25,620	21,563
Current portion of deferred revenues	2,907	666
Current portion of long-term debt	2,671	2,943
Current portion of operating lease liabilities	14,522	11,821
Total current liabilities	<u>82,514</u>	<u>81,923</u>
Deferred revenues	6,331	-
Long-term debt	1,205	849
Operating lease liabilities	11,065	13,151
Asset retirement obligations	16,450	15,759
Deferred tax liabilities	245	240
Total liabilities	<u>117,810</u>	<u>111,922</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	-
Additional paid-in-capital	282,815	282,668
Retained earnings (deficit)	(40,353)	(65,789)
Total stockholders' equity	<u>242,462</u>	<u>216,879</u>
Total liabilities and stockholders' equity	<u>\$ 360,272</u>	<u>\$ 328,801</u>

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

	Month Ended	Three Months Ended		Year to Date
	June 30, 2023	June 30, 2023	March 31, 2023	June 30, 2023
Revenues	\$ 58,924	\$ 187,315	\$ 190,280	\$ 377,595
Cost of goods sold	41,687	128,276	136,647	264,923
Gross Profit	17,237	59,039	53,633	112,672
Operating costs and expenses:				
General and administrative	2,818	8,033	7,516	15,549
Depreciation, depletion and amortization	2,319	6,408	8,392	14,800
Accretion	111	362	443	805
Other operating (income) expenses, net	(105)	(409)	(18)	(427)
Income (loss) from operations	12,094	44,645	37,300	81,945
Other income (expense):				
Interest income (expense)	46	178	68	246
Income (loss) before income tax	12,140	44,823	37,368	82,191
Income tax expense (benefit)	878	1,754	1	1,755
Net Income (loss)	\$ 11,262	\$ 43,069	\$ 37,367	\$ 80,436

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 11,262	\$ 43,069	\$ 37,367	\$ 80,436
Interest (income) expense	(46)	(178)	(68)	(246)
Income tax expense (benefit)	878	1,754	1	1,755
Depreciation, depletion and amortization	2,319	6,408	8,392	14,800
Accretion	111	362	443	805
Restructuring	2	12	8	20
(Gain) loss on sale of assets	-	(92)	4	(88)
Stock-based compensation expense	24	74	73	147
One-time legal professional fees	176	297	232	529
Adjusted EBITDA	\$ 14,726	\$ 51,706	\$ 46,452	\$ 98,158

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

	<u>Month Ended</u> <u>June 30, 2023</u>	<u>Three Months Ended</u>		<u>Year to Date</u> <u>June 30, 2023</u>
		<u>June 30, 2023</u>	<u>March 31, 2023</u>	
Operating activities:				
Net income (loss)	\$ 11,262	\$ 43,069	\$ 37,367	\$ 80,436
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation, depletion and amortization	2,319	6,408	8,392	14,800
Stock-based compensation	24	74	73	147
Accretion expense	111	362	443	805
Gain on disposal of property, plant and equipment	-	(92)	4	(88)
Non-cash lease expense	1,229	4,701	2,045	6,746
Changes in operating assets and liabilities:				
Accounts receivable	3,259	17,007	(23,147)	(6,140)
Inventories	(2,303)	(5,545)	2,284	(3,261)
Prepaid expenses and other current assets	527	612	2,294	2,906
Accounts payable and other liabilities	(6,707)	(7,459)	503	(6,956)
Net cash provided by operating activities	9,721	59,137	30,258	89,395
Investing activities:				
Capital expenditures for property, plant and equipment	(6,591)	(13,507)	(12,774)	(26,281)
Proceeds from sale of property, plant and equipment	11	131	233	364
Net cash used in investing activities	(6,580)	(13,376)	(12,541)	(25,917)
Financing activities:				
Repayment of notes payable	(352)	(2,695)	(1,744)	(4,439)
Dividends paid	(17,424)	(51,711)	-	(51,711)
Net cash used in financing activities	(17,776)	(54,406)	(1,744)	(56,150)
Net change in cash and restricted cash	(14,635)	(8,645)	15,973	7,328
Cash and restricted cash at beginning of period	59,377	53,387	37,414	37,414
Cash and restricted cash at end of period	\$ 44,742	\$ 44,742	\$ 53,387	\$ 44,742

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
Dividends	-	-	-	(55,000)	(55,000)
Stock-based compensation expense	-	-	147	-	147
Net income (loss)	-	-	-	80,436	80,436
Balance at June 30, 2023	7,185	\$ -	\$ 282,815	\$ (40,353)	\$ 242,462