

HI-CRUSH INC.

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

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

| | <u>July 31, 2023</u> | <u>December 31, 2022</u> |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 55,798 | \$ 26,855 |
| Restricted cash | 8,019 | 10,559 |
| Accounts receivable, net | 89,627 | 92,209 |
| Inventories | 20,247 | 17,628 |
| Prepaid expenses and other current assets | 8,660 | 9,034 |
| Total current assets | <u>182,351</u> | <u>156,285</u> |
| Property, plant and equipment, net | 165,731 | 142,803 |
| Operating lease right-of-use assets | 25,995 | 24,948 |
| Intangible assets, net | 3,232 | 4,619 |
| Other assets | 171 | 146 |
| Total assets | <u>\$ 377,480</u> | <u>\$ 328,801</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 39,617 | \$ 44,930 |
| Accrued and other current liabilities | 22,649 | 21,563 |
| Current portion of deferred revenues | 2,441 | 666 |
| Current portion of long-term debt | 4,561 | 2,943 |
| Current portion of operating lease liabilities | 14,615 | 11,821 |
| Total current liabilities | <u>83,883</u> | <u>81,923</u> |
| Deferred revenues | 6,331 | - |
| Long-term debt | 1,320 | 849 |
| Operating lease liabilities | 11,405 | 13,151 |
| Asset retirement obligations | 16,492 | 15,759 |
| Deferred tax liabilities | 245 | 240 |
| Total liabilities | <u>119,676</u> | <u>111,922</u> |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Common stock, \$0.001 par value | - | - |
| Additional paid-in-capital | 282,840 | 282,668 |
| Retained earnings (deficit) | (25,036) | (65,789) |
| Total stockholders' equity | <u>257,804</u> | <u>216,879</u> |
| Total liabilities and stockholders' equity | <u>\$ 377,480</u> | <u>\$ 328,801</u> |

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

| | Month Ended | Year to Date |
|--|----------------------|----------------------|
| | July 31, 2023 | July 31, 2023 |
| Revenues | \$ 65,686 | \$ 443,281 |
| Cost of goods sold | 44,495 | 309,418 |
| Gross Profit | 21,191 | 133,863 |
| Operating costs and expenses: | | |
| General and administrative | 3,323 | 18,872 |
| Depreciation, depletion and amortization | 2,430 | 17,230 |
| Accretion | 102 | 907 |
| Other operating (income) expenses, net | 120 | (307) |
| Income (loss) from operations | 15,216 | 97,161 |
| Other income (expense): | | |
| Interest income (expense) | 101 | 347 |
| Income (loss) before income tax | 15,317 | 97,508 |
| Income tax expense (benefit) | - | 1,755 |
| Net Income (loss) | \$ 15,317 | \$ 95,753 |

Reconciliation of Net Income (Loss) to Adjusted EBITDA

| | | |
|--|-----------|------------|
| Net Income (loss) | \$ 15,317 | \$ 95,753 |
| Interest (income) expense | (101) | (347) |
| Income tax expense (benefit) | - | 1,755 |
| Depreciation, depletion and amortization | 2,430 | 17,230 |
| Accretion | 102 | 907 |
| Restructuring | - | 20 |
| (Gain) loss on sale of assets | 128 | 40 |
| Stock-based compensation expense | 25 | 172 |
| One-time termination benefits | 29 | 29 |
| One-time legal professional fees | 250 | 779 |
| Adjusted EBITDA | \$ 18,180 | \$ 116,338 |

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

| | <u>Month Ended</u> <u>July 31, 2023</u> | <u>Year to Date</u> <u>July 31, 2023</u> |
|--|--|---|
| Operating activities: | | |
| Net income (loss) | \$ 15,317 | \$ 95,753 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation, depletion and amortization | 2,430 | 17,230 |
| Stock-based compensation | 25 | 172 |
| Accretion expense | 102 | 907 |
| Gain on disposal of property, plant and equipment | 128 | 40 |
| Non-cash lease expense | 1,275 | 8,021 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 8,722 | 2,582 |
| Inventories | 930 | (2,331) |
| Prepaid expenses and other current assets | (2,554) | 352 |
| Accounts payable and other liabilities | 5,191 | (1,765) |
| Net cash provided by operating activities | <u>31,566</u> | <u>120,961</u> |
| Investing activities: | | |
| Capital expenditures for property, plant and equipment | (8,209) | (34,490) |
| Proceeds from sale of property, plant and equipment | 192 | 556 |
| Net cash used in investing activities | <u>(8,017)</u> | <u>(33,934)</u> |
| Financing activities: | | |
| Repayment of notes payable | (2,300) | (6,739) |
| Dividends paid | (2,174) | (53,885) |
| Net cash used in financing activities | <u>(4,474)</u> | <u>(60,624)</u> |
| Net change in cash and restricted cash | <u>19,075</u> | <u>26,403</u> |
| Cash and restricted cash at beginning of period | 44,742 | 37,414 |
| Cash and restricted cash at end of period | <u>\$ 63,817</u> | <u>\$ 63,817</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 |
| Dividends | - | - | - | (55,000) | (55,000) |
| Stock-based compensation expense | - | - | 172 | - | 172 |
| Net income (loss) | - | - | - | 95,753 | 95,753 |
| Balance at July 31, 2023 | 7,185 | \$ - | \$ 282,840 | \$ (25,036) | \$ 257,804 |