

HI-CRUSH INC.

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

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

	<u>August 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash	\$ 64,071	\$ 26,855
Restricted cash	8,021	10,559
Accounts receivable, net	87,536	92,209
Inventories	22,328	17,628
Prepaid expenses and other current assets	14,171	9,034
Total current assets	<u>196,127</u>	<u>156,285</u>
Property, plant and equipment, net	164,165	142,803
Operating lease right-of-use assets	25,144	24,948
Intangible assets, net	3,034	4,619
Other assets	170	146
Total assets	<u>\$ 388,640</u>	<u>\$ 328,801</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 31,561	\$ 44,930
Accrued and other current liabilities	22,374	21,563
Current portion of deferred revenues	2,018	666
Current portion of long-term debt	4,378	2,943
Current portion of operating lease liabilities	14,336	11,821
Total current liabilities	<u>74,667</u>	<u>81,923</u>
Deferred revenues	6,331	-
Long-term debt	1,037	849
Operating lease liabilities	10,832	13,151
Asset retirement obligations	16,584	15,759
Deferred tax liabilities	245	240
Total liabilities	<u>109,696</u>	<u>111,922</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	-
Additional paid-in-capital	282,865	282,668
Retained earnings (deficit)	(3,921)	(65,789)
Total stockholders' equity	<u>278,944</u>	<u>216,879</u>
Total liabilities and stockholders' equity	<u>\$ 388,640</u>	<u>\$ 328,801</u>

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

	Month Ended	Year to Date
	August 31, 2023	August 31, 2023
Revenues	\$ 59,387	\$ 502,668
Cost of goods sold	38,805	348,223
Gross Profit	20,582	154,445
Operating costs and expenses:		
General and administrative	2,803	21,675
Depreciation, depletion and amortization	2,695	19,925
Accretion	93	1,000
Other operating (income) expenses, net	(6,014)	(6,321)
Income (loss) from operations	21,005	118,166
Other income (expense):		
Interest income (expense)	110	457
Income (loss) before income tax	21,115	118,623
Income tax expense (benefit)	-	1,755
Net Income (loss)	\$ 21,115	\$ 116,868

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 21,115	\$ 116,868
Interest (income) expense	(110)	(457)
Income tax expense (benefit)	-	1,755
Depreciation, depletion and amortization	2,695	19,925
Accretion	93	1,000
Restructuring	3	23
(Gain) loss on sale of assets	(6,151)	(6,111)
Stock-based compensation expense	25	197
One-time termination benefits	-	29
One-time legal professional fees	54	833
Adjusted EBITDA	\$ 17,724	\$ 134,062

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

	<u>Month Ended</u> <u>August 31, 2023</u>	<u>Year to Date</u> <u>August 31, 2023</u>
Operating activities:		
Net income (loss)	\$ 21,115	\$ 116,868
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	2,695	19,925
Stock-based compensation	25	197
Accretion expense	93	1,000
Gain on disposal of property, plant and equipment	(6,151)	(6,111)
Non-cash lease expense	1,283	9,304
Changes in operating assets and liabilities:		
Accounts receivable	2,091	4,673
Inventories	(1,836)	(4,167)
Prepaid expenses and other current assets	(9)	343
Accounts payable and other liabilities	(9,349)	(11,114)
Net cash provided by operating activities	<u>9,957</u>	<u>130,918</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(5,836)	(40,326)
Proceeds from sale of property, plant and equipment	4,621	5,177
Net cash used in investing activities	<u>(1,215)</u>	<u>(35,149)</u>
Financing activities:		
Repayment of notes payable	(467)	(7,206)
Dividends paid	-	(53,885)
Net cash used in financing activities	<u>(467)</u>	<u>(61,091)</u>
Net change in cash and restricted cash	<u>8,275</u>	<u>34,678</u>
Cash and restricted cash at beginning of period	63,817	37,414
Cash and restricted cash at end of period	<u>\$ 72,092</u>	<u>\$ 72,092</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	-	-	197	-	197
Net income (loss)	-	-	-	116,868	116,868
Balance at August 31, 2023	7,185	\$ -	\$ 282,865	\$ (3,921)	\$ 278,944