

HI-CRUSH INC.

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

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

	<u>October 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash	\$ 55,757	\$ 26,855
Restricted cash	8,033	10,559
Accounts receivable, net	93,726	92,209
Inventories	25,882	17,628
Prepaid expenses and other current assets	13,809	9,034
Total current assets	<u>197,207</u>	<u>156,285</u>
Property, plant and equipment, net	162,843	142,803
Operating lease right-of-use assets	25,662	24,948
Intangible assets, net	2,638	4,619
Other assets	172	146
Total assets	<u>\$ 388,522</u>	<u>\$ 328,801</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 40,312	\$ 44,930
Accrued and other current liabilities	28,393	21,563
Current portion of deferred revenues	4,835	666
Current portion of long-term debt	3,871	2,943
Current portion of operating lease liabilities	14,410	11,821
Total current liabilities	<u>91,821</u>	<u>81,923</u>
Deferred revenues	10,467	-
Long-term debt	608	849
Operating lease liabilities	11,275	13,151
Asset retirement obligations	16,741	15,759
Deferred tax liabilities	245	240
Total liabilities	<u>131,157</u>	<u>111,922</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	-
Additional paid-in-capital	282,914	282,668
Retained earnings (deficit)	(25,549)	(65,789)
Total stockholders' equity	<u>257,365</u>	<u>216,879</u>
Total liabilities and stockholders' equity	<u>\$ 388,522</u>	<u>\$ 328,801</u>

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

	Month Ended	Year to Date
	October 31, 2023	October 31, 2023
Revenues	\$ 61,960	\$ 624,848
Cost of goods sold	43,673	431,400
Gross Profit	18,287	193,448
Operating costs and expenses:		
General and administrative	3,088	28,581
Depreciation, depletion and amortization	2,676	25,672
Accretion	73	1,156
Other operating (income) expenses, net	776	(5,556)
Income (loss) from operations	11,674	143,595
Other income (expense):		
Interest income (expense)	51	685
Income (loss) before income tax	11,725	144,280
Income tax expense (benefit)	-	2,740
Net Income (loss)	\$ 11,725	\$ 141,540

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 11,725	\$ 141,540
Interest (income) expense	(51)	(685)
Income tax expense (benefit)	-	2,740
Depreciation, depletion and amortization	2,676	25,672
Accretion	73	1,156
Restructuring	2	25
(Gain) loss on sale of assets	646	(5,473)
Incentive Compensation	25	1,346
One-time termination benefits	-	29
One-time legal professional fees	(15)	905
Adjusted EBITDA	\$ 15,081	\$ 167,255

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

	<u>Month Ended</u> <u>October 31, 2023</u>	<u>Year to Date</u> <u>October 31, 2023</u>
Operating activities:		
Net income (loss)	\$ 11,725	\$ 141,540
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	2,676	25,672
Stock-based compensation	25	246
Accretion expense	73	1,156
Gain (loss) on disposal of property, plant and equipment	646	(5,473)
Non-cash lease expense	1,374	12,272
Changes in operating assets and liabilities:		
Accounts receivable	(2,396)	(1,517)
Inventories	(3,416)	(7,342)
Prepaid expenses and other current assets	(93)	2,990
Accounts payable and other liabilities	5,727	4,362
Net cash provided by operating activities	<u>16,341</u>	<u>173,906</u>
Investing activities:		
Capital expenditures for property, plant and equipment	(2,064)	(44,725)
Proceeds from sale of property, plant and equipment	159	6,216
Net cash used in investing activities	<u>(1,905)</u>	<u>(38,509)</u>
Financing activities:		
Repayment of notes payable	(1,979)	(9,652)
Dividends paid	-	(99,369)
Net cash used in financing activities	<u>(1,979)</u>	<u>(109,021)</u>
Net change in cash and restricted cash	<u>12,457</u>	<u>26,376</u>
Cash and restricted cash at beginning of period	51,333	37,414
Cash and restricted cash at end of period	<u>\$ 63,790</u>	<u>\$ 63,790</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	-	-	-	(101,300)	(101,300)
Stock-based compensation expense	-	-	246	-	246
Net income (loss)	-	-	-	141,540	141,540
Balance at October 31, 2023	7,185	\$ -	\$ 282,914	\$ (25,549)	\$ 257,365