

HI-CRUSH INC.

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

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

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash	\$ 44,929	\$ 26,855
Restricted cash	8,102	10,559
Accounts receivable, net	94,423	92,209
Inventories	22,362	17,628
Prepaid expenses and other current assets	7,904	9,034
Total current assets	<u>177,720</u>	<u>156,285</u>
Property, plant and equipment, net	161,962	142,803
Operating lease right-of-use assets	30,222	24,948
Intangible assets, net	2,242	4,619
Other assets	152	146
Total assets	<u>\$ 372,298</u>	<u>\$ 328,801</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 43,097	\$ 44,930
Accrued and other current liabilities	32,449	21,563
Current portion of deferred revenues	3,439	666
Current portion of long-term debt	3,121	2,943
Current portion of operating lease liabilities	15,975	11,821
Total current liabilities	<u>98,081</u>	<u>81,923</u>
Deferred revenues	10,514	-
Long-term debt	454	849
Operating lease liabilities	14,267	13,151
Asset retirement obligations	16,858	15,759
Deferred tax liabilities	245	240
Total liabilities	<u>140,419</u>	<u>111,922</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	-
Additional paid-in-capital	282,938	282,668
Retained earnings (deficit)	(51,059)	(65,789)
Total stockholders' equity	<u>231,879</u>	<u>216,879</u>
Total liabilities and stockholders' equity	<u>\$ 372,298</u>	<u>\$ 328,801</u>

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

	Month Ended	Three Months Ended		Year to Date
	Dec 31, 2023	Dec 31, 2023	Sept 30, 2023	Dec 31, 2023
Revenues	\$ 61,943	\$ 186,970	\$ 185,293	\$ 749,858
Cost of goods sold	42,148	133,407	122,804	521,134
Gross Profit	19,795	53,563	62,489	228,724
Operating costs and expenses:				
General and administrative	4,574	10,439	9,944	35,932
Depreciation, depletion and amortization	4,640	11,033	8,196	34,029
Accretion	54	191	278	1,274
Other operating (income) expenses, net	(265)	305	(5,905)	(6,027)
Income (loss) from operations	10,792	31,595	49,976	163,516
Other income (expense):				
Interest income (expense)	158	357	388	991
Income (loss) before income tax	10,950	31,952	50,364	164,507
Income tax expense (benefit)	7,184	7,557	985	10,297
Net Income (loss)	<u>\$ 3,766</u>	<u>\$ 24,395</u>	<u>\$ 49,379</u>	<u>\$ 154,210</u>

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (loss)	\$ 3,766	\$ 24,395	\$ 49,379	\$ 154,210
Interest (income) expense	(158)	(357)	(388)	(991)
Income tax expense (benefit)	7,184	7,557	985	10,297
Depreciation, depletion and amortization	4,640	11,033	8,196	34,029
Accretion	54	191	278	1,274
Restructuring	2	14	3	37
(Gain) loss on sale of assets	(70)	465	(6,031)	(5,654)
Incentive Compensation	1,814	1,863	1,174	3,184
One-time termination benefits	-	-	29	29
One-time legal professional fees	156	160	391	1,080
Adjusted EBITDA	<u>\$ 17,388</u>	<u>\$ 45,321</u>	<u>\$ 54,016</u>	<u>\$ 197,495</u>

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

	<u>Month Ended</u>	<u>Three Months Ended</u>		<u>Year to Date</u>
	<u>Dec 31, 2023</u>	<u>Dec 31, 2023</u>	<u>Sept 30, 2023</u>	<u>Dec 31, 2023</u>
Operating activities:				
Net income (loss)	\$ 3,766	\$ 24,395	\$ 49,379	\$ 154,210
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation, depletion and amortization	4,640	11,033	8,196	34,029
Provision for credit losses	92	92	-	92
Stock-based compensation	-	49	74	270
Accretion expense	54	191	278	1,274
Gain (loss) on disposal of property, plant and equipment	(70)	465	(6,031)	(5,654)
Non-cash lease expense	1,954	5,808	4,152	16,706
Changes in operating assets and liabilities:				
Accounts receivable	7,986	(3,026)	7,019	(2,147)
Inventories	(103)	(1,110)	(665)	(5,036)
Prepaid expenses and other current assets	512	335	177	3,418
Accounts payable and other liabilities	3,559	7,629	5,591	6,264
Net cash provided by operating activities	<u>22,390</u>	<u>45,861</u>	<u>68,170</u>	<u>203,426</u>
Investing activities:				
Capital expenditures for property, plant and equipment	(2,159)	(8,144)	(16,380)	(50,805)
Proceeds from sale of property, plant and equipment	(89)	5,681	5,693	11,738
Net cash used in investing activities	<u>(2,248)</u>	<u>(2,463)</u>	<u>(10,687)</u>	<u>(39,067)</u>
Financing activities:				
Repayment of notes payable	(435)	(2,883)	(3,234)	(10,556)
Dividends paid	(38,817)	(38,817)	(47,658)	(138,186)
Net cash used in financing activities	<u>(39,252)</u>	<u>(41,700)</u>	<u>(50,892)</u>	<u>(148,742)</u>
Net change in cash and restricted cash	<u>(19,110)</u>	<u>1,698</u>	<u>6,591</u>	<u>15,617</u>
Cash and restricted cash at beginning of period	72,141	51,333	44,742	37,414
Cash and restricted cash at end of period	<u>\$ 53,031</u>	<u>\$ 53,031</u>	<u>\$ 51,333</u>	<u>\$ 53,031</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
Options forfeited	(10)	-	-	-	-
Dividends	-	-	-	(139,480)	(139,480)
Stock-based compensation expense	-	-	270	-	270
Net income (loss)	-	-	-	154,210	154,210
Balance at December 31, 2023	7,175	\$ -	\$ 282,938	\$ (51,059)	\$ 231,879