



# Acquisition of U.S. Well Services

June 22, 2022

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Such forward-looking statements are based upon assumptions made by ProFrac and USWS as of the date hereof and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. 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# Disclaimer (continued)

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## **Additional Information and Where to Find It**

In connection with the Proposed Transaction, ProFrac and USWS will jointly prepare, and ProFrac will file with the SEC a registration statement on Form S-4, which will include a proxy statement/prospectus (the "Proxy Statement") and an information statement (the "Information Statement" and together with the Proxy Statement, the "Proxy Materials").

**PROFRAC AND USWS URGE INVESTORS TO READ THE PROXY STATEMENT AND THE INFORMATION STATEMENT CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT PROFRAC, USWS AND THE PROPOSED TRANSACTION.**

Investors may obtain free copies of the Proxy Materials (when available) as well as other filed documents containing information about ProFrac at <http://www.sec.gov>, the SEC's free website. Free copies of ProFrac's SEC filings including the Proxy Materials (when available) are also available on ProFrac's internet website at [www.pfholdingscorp.com](http://www.pfholdingscorp.com) under "Investor Relations." Free copies of USWS' SEC filings including the Proxy Materials (when available) are also available on USWS' website at [www.uswsservices.com](http://www.uswsservices.com) under "Investor Relations."

## **Participants in the Solicitation**

ProFrac and USWS and their respective executive officers and directors may be deemed, under SEC rules, to be participants in the solicitation of proxies in connection with the Proposed Transaction. Information regarding the officers and directors of ProFrac is included in the final prospectus filed pursuant to Rule 424(b) with the SEC on May 16, 2022. Information regarding the officers and directors of USWS is included in the Definitive Proxy Statement on Schedule 14A filed with the SEC on April 20, 2022, as amended from time to time, with respect to the 2022 Annual Meeting of Stockholders of USWS. More detailed information regarding the identity of the potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the Proxy Materials and other materials to be filed with the SEC in connection with the Proposed Transaction.

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# Acquisition Summary

ProFrac to acquire 100% of U.S. Well Services, Inc. (“USWS”, NasdaqCM:USWS) in a stock-for-stock transaction. The acquisition is expected to close by year-end.

## Transaction Structure

- 0.0561 shares of ProFrac Class A Common Stock issued for each outstanding share of USWS Class A Common Stock

## Partial Equitization of U.S. Well Services’ Balance Sheet<sup>1</sup>

- Assumed liabilities to be financed separately, partially through equitization of USWS convertible notes and preferred equity
- Approximately 7.5 million shares of ProFrac Class A Common Stock expected to be issued in connection with conversion
- Remaining USWS debt to be financed prior to closing through operating cash flow and lower-cost debt financing

## Pro Forma Ownership

- Transaction represents approximately 8% pro forma ownership for U.S. Well Services common shareholders

## Conditions and Timing

- Customary regulatory approvals and closing conditions
- Subject to USWS shareholder approval
- Targeted to close by year-end



# ProFrac Pro Forma

**44**

Active Fleets by YE  
2022

**28**

NextGen<sup>1</sup> Fleets by  
YE 2022

**60+**

Granted Electric  
Fracturing Patents

**\$35 million of  
annual cost  
synergies**

**Industry  
Leading eFleet  
IP Portfolio**

**Conservative  
Pro Forma  
Balance Sheet**



# Strategic Rationale

The acquisition of U.S. Well Services introduces an opportunity to expand ProFrac's NextGen frac assets and capabilities while revealing considerable value from scale, supply chain expertise and commercial opportunities



## Delivering on Strategy

Expands the Company's portfolio to 44 active fleets by YE 2022, including 28 NextGen, low-emissions fleets



## Significant Upside

Combines leading edge efficiency and cost structure from ProFrac with top electric fleet platform to deliver best-in-class profitability for PFHC and unrivaled cost savings to customers



## Intellectual Property

Provides unlimited access to expansive intellectual property portfolio, including over 60 and 200 granted and pending patents, respectively

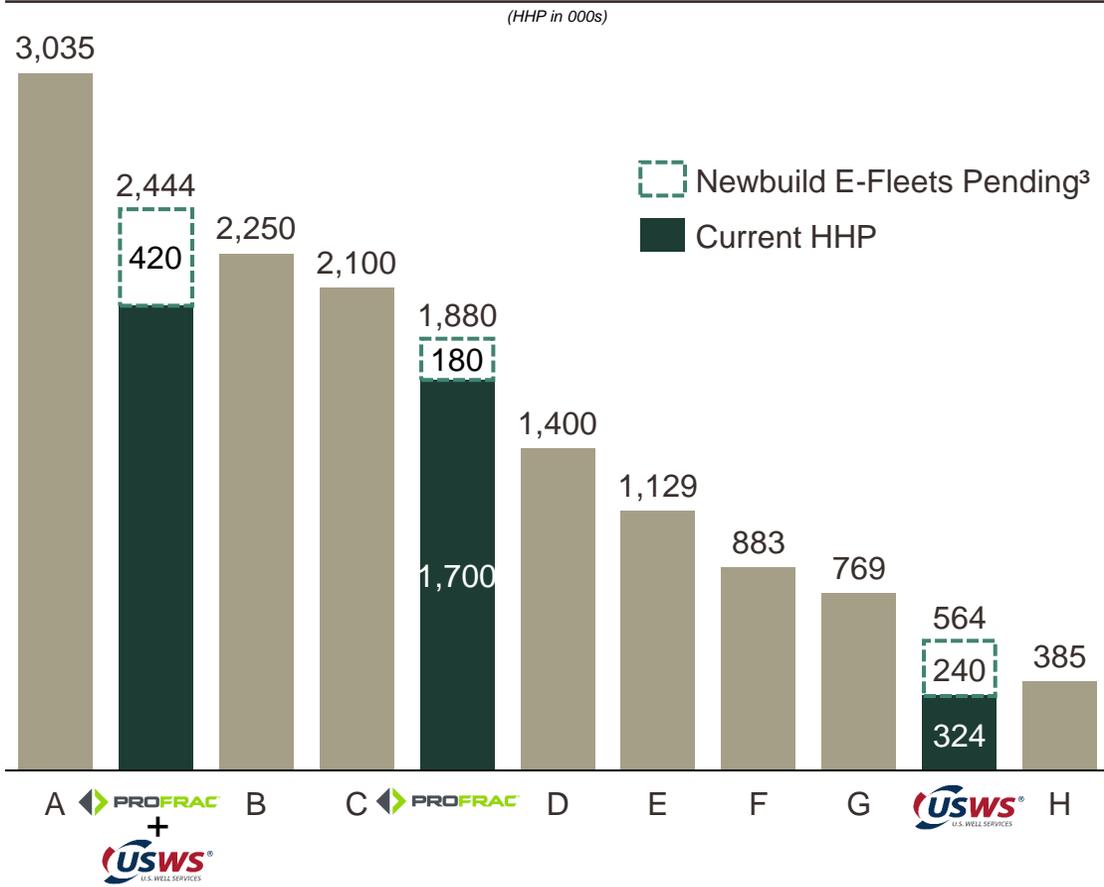


## Financially Attractive

Combined company expected to maintain a conservative balance sheet  
Eliminates all license fees going forward

# Differentiated Leader in NextGen<sup>1</sup> Frac Solutions Market

## Top Pressure Pumpers by Total HHP<sup>2</sup>



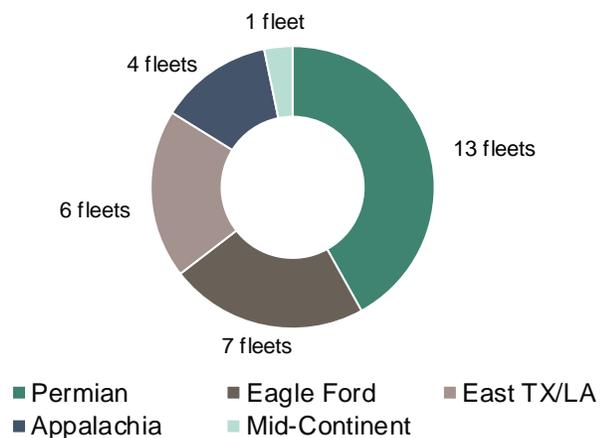
### Pressure Pumping Peer

- Transaction **creates second largest frac company** by total horsepower and the **largest electric frac fleet**<sup>3,4</sup>
- Pro forma company positioned with premier NextGen<sup>1</sup> frac fleet portfolio, consisting of the following estimated by the end of 2022:
  - 12 all-electric fleets<sup>3</sup>
  - 13 Tier IV Dual Fuel fleets<sup>3</sup>
  - 3 Tier IV diesel fleets
- Combination of **vertical integration**, **fuel savings** from natural gas-powered fleets and **technological innovation** enable PFHC to generate best-in-class profitability

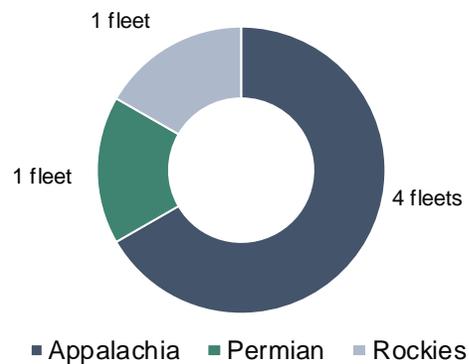
1) NextGen defined as Electric, Tier IV Dual Fuel and Tier IV  
 2) Source: Rystad as of Q2 2022. Represents total HHP of peers as of Q1 2022  
 3) Expected by year end 2022  
 4) Source: Daniel Energy Partners, based on projected newbuilds for peers and planned newbuilds for ProFrac and USWS to be completed by year end 2022

# Combined Company Operations Snapshot

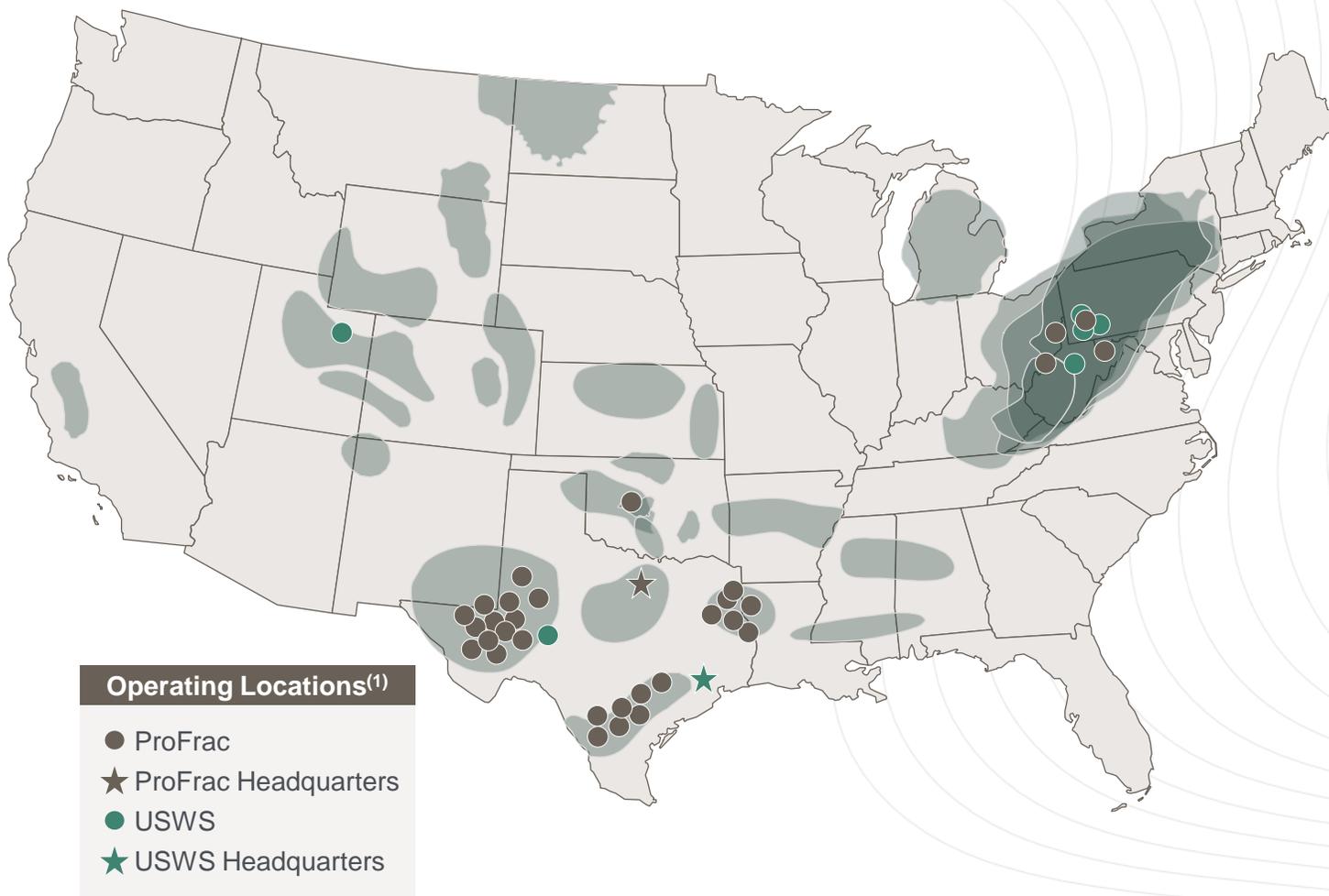
## ProFrac Fleet Locations



## USWS Fleet Locations



## Pro Forma Operational Footprint

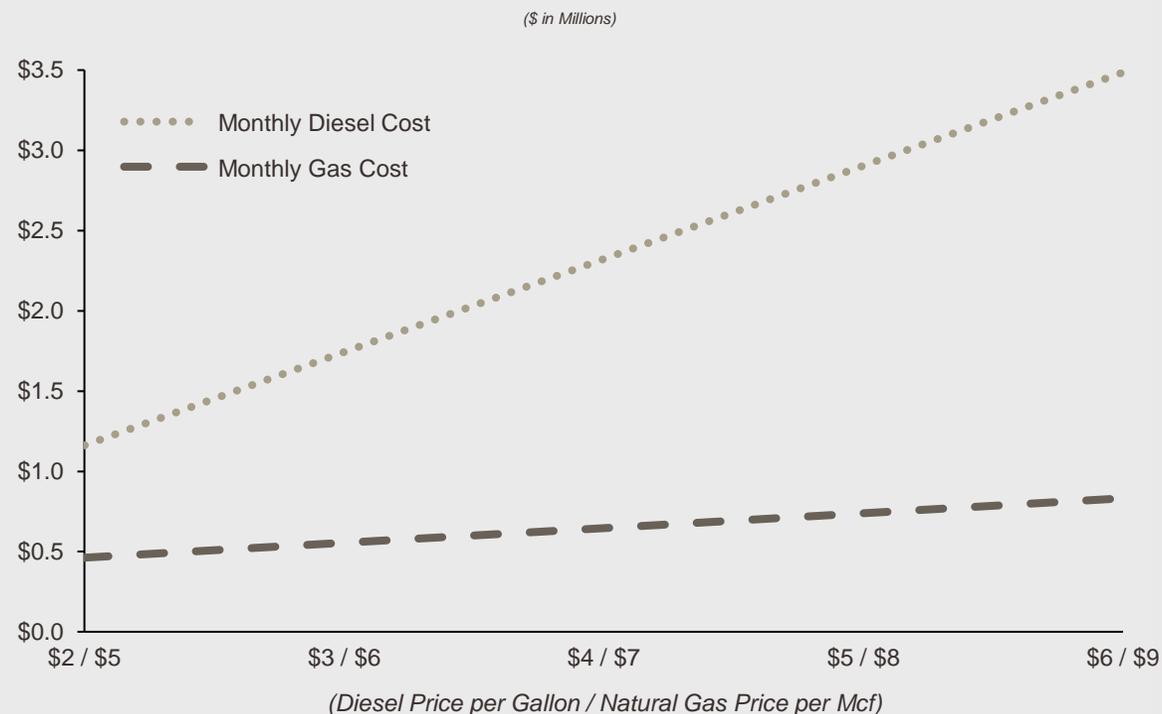


1) Includes corporate offices, service locations and storage yards

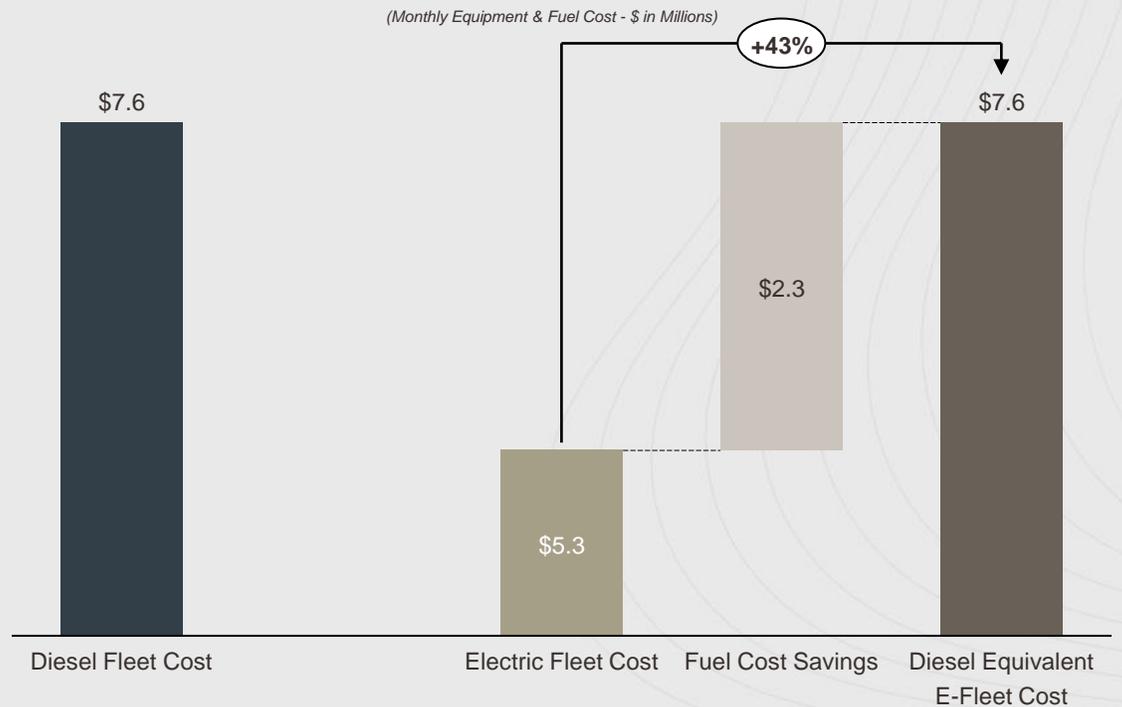
# Electric Fleets Offer Substantial Economic Advantage

- Electric fleets offer significant cost savings by eliminating diesel fuel consumption
- E-fleet fuel cost is less sensitive to changes in natural gas pricing than diesel fleet fuel costs are to changes in diesel pricing
- Fuel cost advantage allows e-fleet service providers to compete more effectively while still delivering considerable cost savings to E&P customers

## Impact of Rising Commodity Prices on Frac Fleet Fuel Cost<sup>1</sup>



## Fuel Savings Allows for Competitive Advantage for HHP<sup>2</sup>



1) Source: USWS estimates; assumes 15 hours pumping per day for 27 days at 100 bpm and 9,000psi.

2) Source: USWS estimates; assumes baseline diesel pricing of \$12,000 per pump hour with 400 pump hours per month at 100 bpm and 9,000 psi, \$4.50 per gallon diesel and \$5.00 per mcf gas.

# Significant Value from Operational Synergies to be achieved in 2023

Synergy	Annual Savings (\$MM)	% of Total Synergies
Corporate and field overhead	\$13	38%
Repair & Maintenance	\$12	33%
Supply Chain Synergies	\$5	14%
Maintenance Capex	\$5	14%
<b>Total</b>	<b>\$35</b>	<b>100%</b>

## Corporate and Field Overhead

- Reduction in corporate expenditures
- Elimination of redundant public company costs
- Consolidation of facilities, IT infrastructure and insurance policies

## Repair & Maintenance

- Capitalize on PFHC's internal manufacturing and refurbishment capabilities as well as spare horsepower
- Considerable cost savings from fluid end and iron expense reduction

## Supply Chain

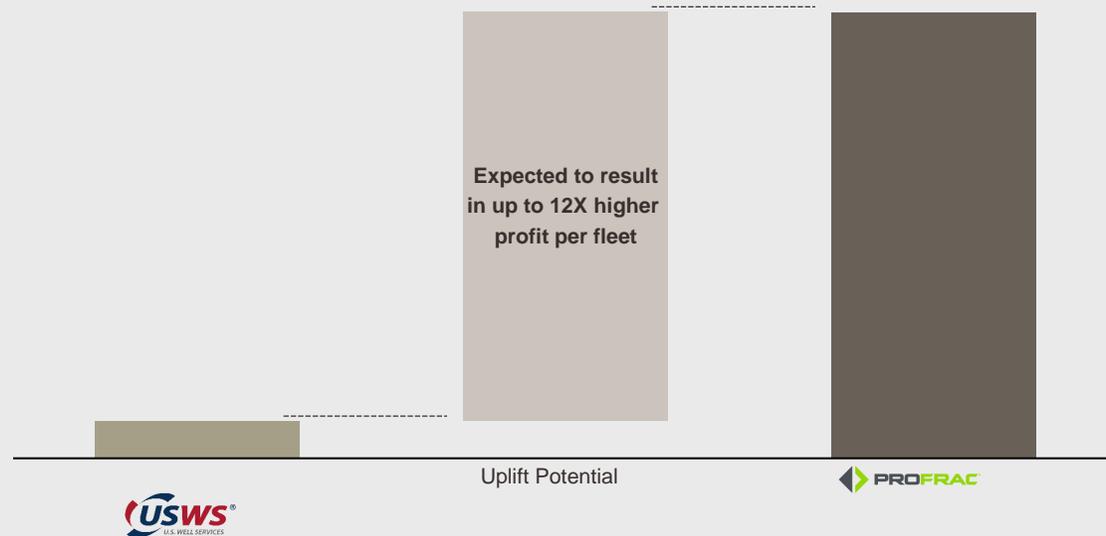
- Utilize pro forma company's buying power to secure best-in-class pricing and terms across various spend categories

## Maintenance Capex

- Electric fleet maintenance capex limited almost entirely to power end replacements and rebuilds
- Leverage PFHC's internal power end manufacturing and remanufacturing capabilities

# Considerable Opportunity Beyond Near-Term Synergies

## Significant Profitability per Fleet Uplift Potential



- Increasing USWS' fleet profitability to ProFrac's level represents significant value creation over and above current estimated annual synergies
- Following proven formula for success from FTSI integration and fleet performance uplift

## ProFrac Capabilities Create Value Creation Opportunity for USWS Fleets

	PROFRAC	USWS U.S. WELL SERVICES
In-House Manufacturing	✓	✗
In-House Refurbishment	✓	✗
In-House Frac Sand / Supplies Sand to Customers	✓	✗
Proprietary Chemicals	✓	✗
NextGen Frac Technology	✓	✓
Loyal and Active Customer Base with little to no overlap	✓	✓
Demonstrated Commitment to ESG	✓	✓



PF HOLDINGS