

September 2022 Investor Presentation

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Safe Harbor

Forward-Looking Statements

This presentation (and the oral statements made in connection therewith) includes forward-looking statements, which include, without limitation, statements that are predictive in nature, that depend upon or refer to future events or conditions or that include the words "may," "could," "plan," "project," "budget," "predict," "pursue," "target," "seek," "objective," "believe," "expect," "anticipate," "intend," "estimate," and other expressions that are predictions of or indicate future events and trends and that do not relate to statements of historical fact. Forward-looking statements include statements about our business strategy and plans for growth, our industry, our expected future profitability, our expected capital expenditures and the impact of such expenditures on our performance and our capital programs, the anticipated timing and benefits of our pending acquisition of USWS, the anticipated benefits of our recently completed acquisition of SPS Monahans, the expected timing and benefits of our new sand mining facilities becoming operational, our estimates with respect to the profitability and utilization of our fleets, our currently expected guidance regarding our third quarter 2022 results of operations and our currently expected guidance regarding our full year 2022 capital expenditures and capital allocation.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date they were made. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

- uncertainty regarding the timing, pace and extent of an economic recovery in the United States and elsewhere, which in turn will likely affect demand for crude oil and natural gas and therefore the demand for our services;
- the level of production of crude oil, natural gas and other hydrocarbons and the resultant market prices of crude oil, natural gas, natural gas liquids and other hydrocarbons;
- the severity and duration of world health events, including the outbreak of the COVID-19 pandemic, related economic repercussions and the resulting severe disruption in the oil and gas industry and negative impact on demand for oil and gas, which has and may continue to negatively impact our business;
- a further decline or future decline in domestic spending by the onshore oil and natural gas industry;
- actions by members of the Organization of Petroleum Exporting Countries, Russia and other oil-producing countries with respect to oil production levels and announcements of potential changes in such levels;
- the political environment in oil and natural gas producing regions, including uncertainty or instability resulting from civil disorder, terrorism or war, such as the recent conflict between Russia and Ukraine, which may negatively impact our operating results;
- changes in general economic and geopolitical conditions;
- competitive conditions in our industry;
- changes in the long-term supply of and demand for oil and natural gas;
- actions taken by our customers, competitors and third-party operators;
- a decline in demand for proppant;
- our ability to obtain permits, approvals and authorizations from governmental and third parties, and the effects of or changes to U.S. government regulation;
- changes in the availability and cost of capital;
- our ability to successfully implement our business plan;
- large or multiple customer defaults, including defaults resulting from actual or potential insolvencies;
- the effects of consolidation on our customers or competitors;
- the price and availability of debt and equity financing (including changes in interest rates);
- our ability to complete growth projects on time and on budget;
- our ability to integrate and realize the benefits expected from our recently completed and pending acquisitions, including any related synergies;
- introduction of new drilling or completion techniques, or services using new technologies subject to patent or other intellectual property protections;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- acts of terrorism, war or political or civil unrest in the United States or elsewhere;
- loss or corruption of our information or a cyberattack on our computer systems;
- the price and availability of alternative fuels and energy sources;
- federal, state and local regulation of hydraulic fracturing and other oilfield service activities, as well as E&P activities, including public pressure on governmental bodies and regulatory agencies to regulate our industry;
- the availability of water resources, suitable proppant and chemicals in sufficient quantities for use in hydraulic fracturing fluids;
- the effects of existing and future laws and governmental regulations (or the interpretation thereof) on us and our customers;
- the effects of future litigation; and
- other factors discussed in our filings with the Securities and Exchange Commission under the headings "Cautionary statement regarding forward-looking statements" and "Risk factors."

You should not place undue reliance on our forward-looking statements, which speak only as of the date they were made. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, unless required by law. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

Industry and Market Data

This presentation has been prepared by ProFrac and includes market data and certain other statistical information from third-party sources, including independent industry publications, government publications and other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in these publications. Additionally, descriptions herein of market conditions and opportunities are presented for informational purposes only; there can be no assurance that such conditions will actually occur. Please also see "Forward-Looking Statements."



Investment Highlights

ProFrac is a growth-oriented, vertically integrated and innovation-driven energy services company



High Performing Pressure Pumping Fleet that has Consistently Outperformed Peers
Focused on Cash Flow and Efficiency



Vertically Integrated Platform with In-House Manufacturing and Sand Production
Enhance Efficiency and Profitability by Controlling More of the Pad



Operational Philosophy Underpinned by ESG-Focused Initiatives
Environmental & Economic Improvements Aligned



Two Prong Growth Strategy: Acquire/Retire/Replace & Scaling Vertical Integration
Equity Currency Enables Full-Cycle Growth Strategy



Diversified Exposure to Oil and Gas Basins with a Loyal and Active Customer Base
Value Add Business Partner with Leading Market Share



Premier Management Team with Established Track Record
We Know Frac

2Q22 Financial Results Exceeded Internal Expectations



Consolidated 2Q22 revenues were approximately \$590 million, up 71% from 1Q22



2Q22 net income was \$70.1 million, up 190% from 1Q22



2Q22 Adjusted EBITDA⁽¹⁾ was \$210.6 million, and \$218.0 million excluding Flotek



2Q22 Annualized Adjusted EBITDA (excluding Flotek) per fleet¹ was \$28.1 million



2Q22 average active fleet count was 31 fleets with 1st electric fleet currently being deployed



Completed IPO with proceeds of \$301.7 million in May, upsized Term Loan by \$150 million in July, and exercised a delayed draw of the Term Loan of \$80 million in September



Closed on acquisition of SPS Monahans, the West Texas subsidiary of Signal Peak Silica



Announced pending acquisition of U.S. Well Services with expected close in early 4Q22

(1) Adjusted EBITDA and Adjusted EBITDA per fleet are financial measures not presented in accordance with generally accepted accounting principles ("GAAP"). Please see "Reconciliation of Non-GAAP Financial Measures" at the end of this presentation

Experienced and Proven Management Team

Matthew Wilks

Executive Chairman of the Board



- **Served as Executive Chairman since May 2022**
- ProFrac – Previously served as CFO and President
- Wilks Brothers – VP of Investments
- FTSI – VP of Logistics (2010–12)
- Approach Resources – Director (2017–19)

Ladd Wilks

Chief Executive Officer



- **Served as the CEO since May 2016**
- Breckenridge Geophysical – Vice President since February 2012
- Owns a controlling interest in two private E&P companies
- Cisco Safe and 13 Foundation – Director
- Wilks Brothers – Executive Officer
- FTSI – Vice President of logistics (2008–11)

Coy Randle

Chief Operating Officer



- **Served as COO since May 2018**
- >39 years of experience in pumping services
- Completions consultant (2 years)
- FTSI – Various roles at FracTech / FTSI including COO (2010–15) and SVP of Operations (2008 – 10)
- BJ Services – Held various roles over a 22 year career; last role being District Manager (Mineral Wells)

Lance Turner

Chief Financial Officer



- **Served as Chief Financial Officer since March 2022**
- Chief Financial Officer and Treasurer of FTSI from October 2015 to March 2022, upon the closing of the FTSI acquisition
- Ernst & Young LLP - Various roles in audit, restructuring, and buy/sell side advisory (2003–2014)

Robert Willette

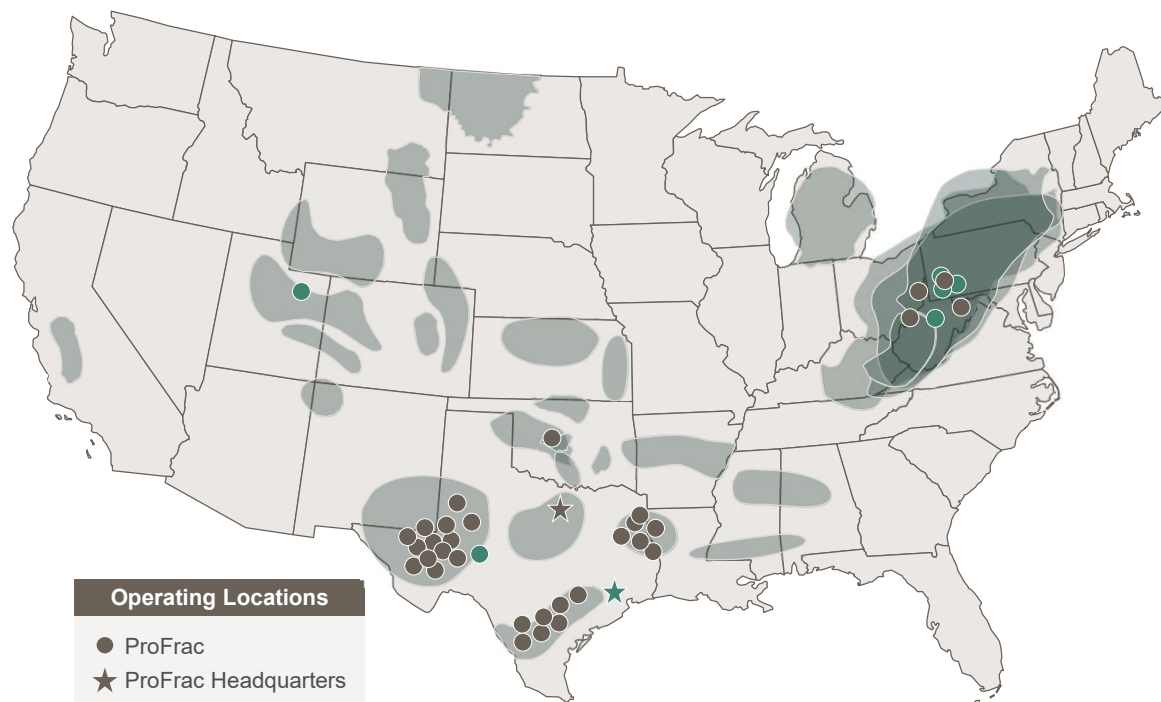
Chief Legal Officer and Secretary



- **Served as the Chief Legal Officer since August 2021**
- ProFrac – General Counsel since October 2020
- CARBO Ceramics Inc. – SVP, General Counsel, Corporate Secretary, Chief Compliance Officer and ESG Officer (2017–20)
- Texon L.P. – Previously served as the General Counsel and Corporate Secretary (2009–17)

Fleet Overview

Operational Footprint; Pro Forma for USWS



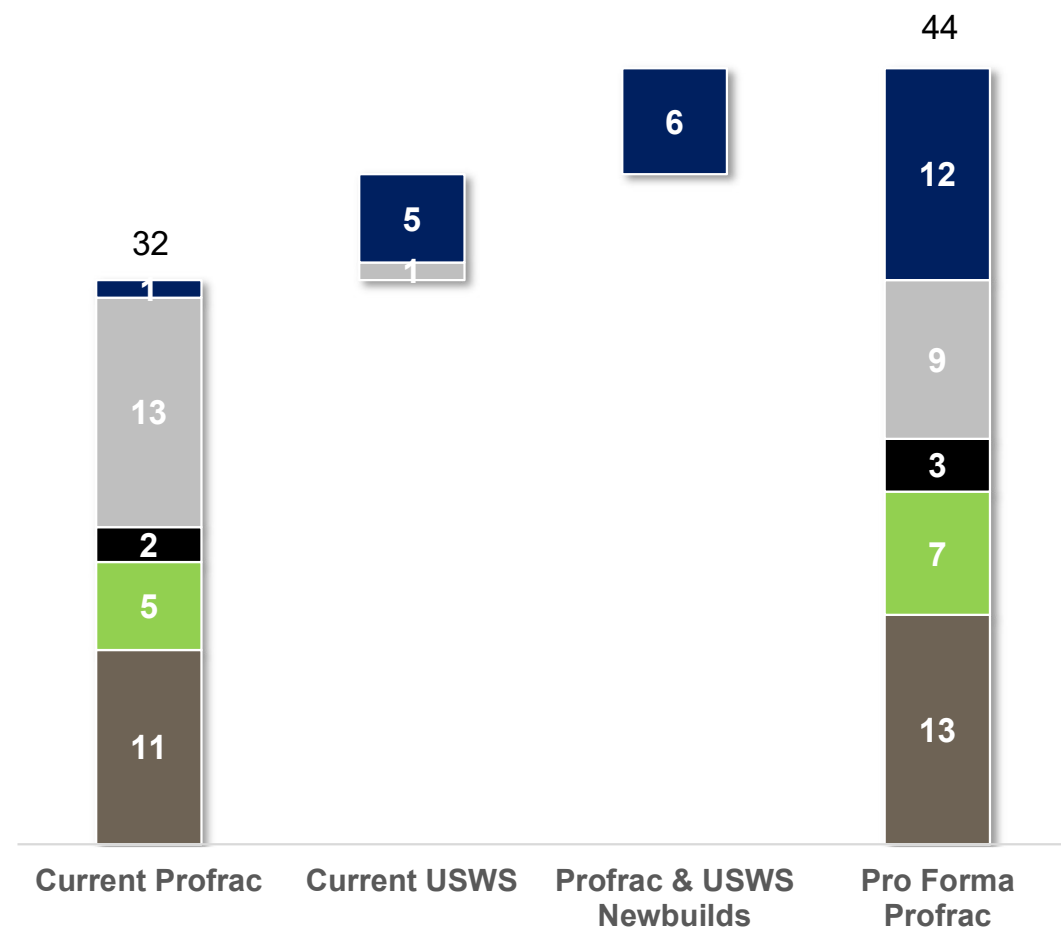
Operating Locations

- ProFrac
- ★ ProFrac Headquarters
- USWS
- ★ USWS Headquarters

- *Transaction creates second largest frac company by total horsepower and the largest electric frac fleet ⁽¹⁾*
- *Utilization of pro forma company's buying power to secure best-in-class pricing and terms across various spend categories*
- *Consolidation of facilities, IT infrastructure and insurance policies*

Retiring & Upgrading Older, Less Technologically Advanced Fleets

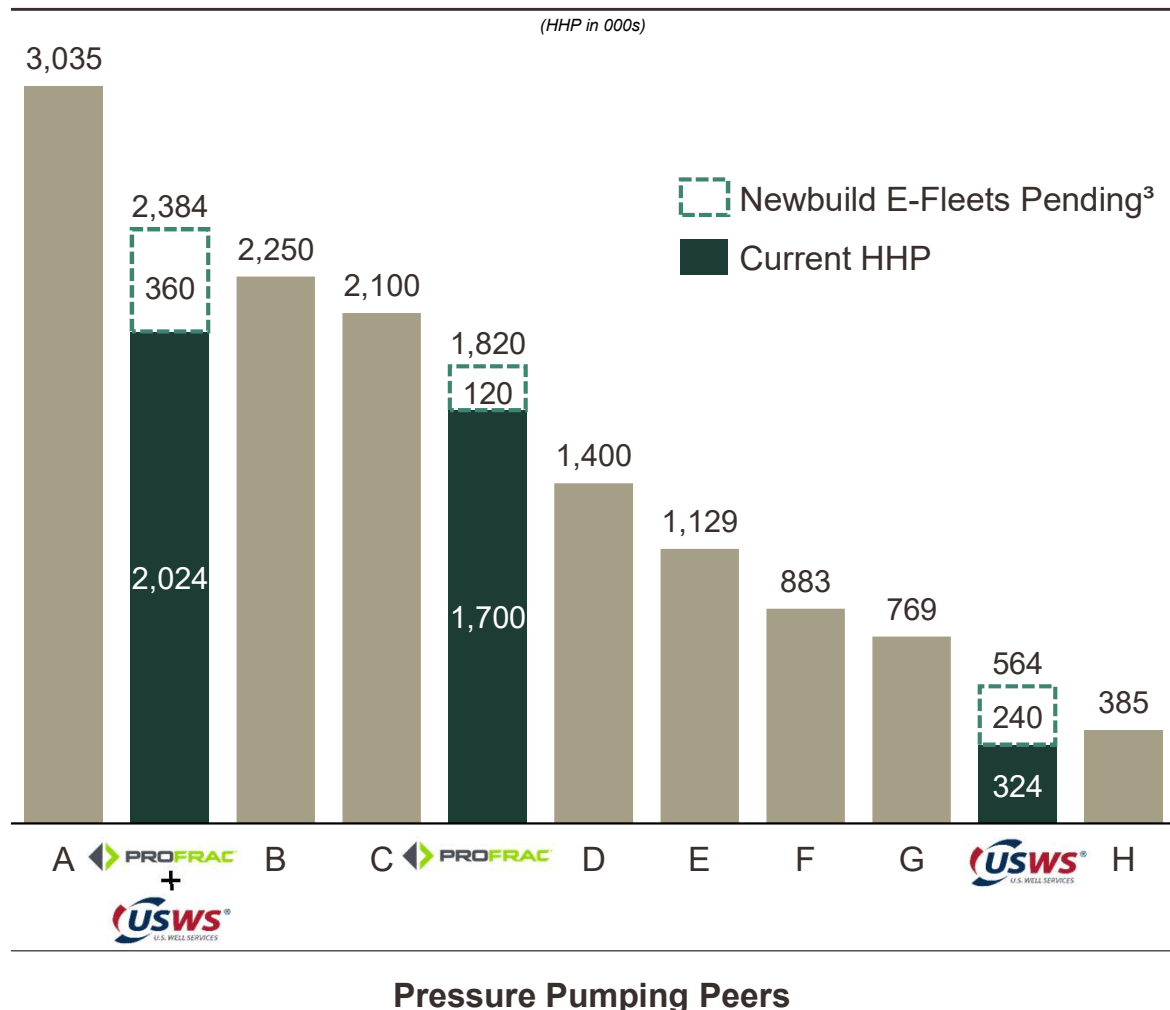
- Tier IV Dual Fuel
- Tier II Dual Fuel
- Tier IV Diesel Fuel
- Tier II Diesel
- E-Fleet



(1) Source: Daniel Energy Partners, based on projected newbuilds for peers and planned newbuilds for ProFrac and USWS expected to be completed by year end 2022; includes Fleets under construction

PFHC to Become Differentiated Leader in NextGen¹ Frac Solutions Market

Top Pressure Pumpers by Total HHP²



- Transaction **creates second largest frac company** by total horsepower and the **largest electric frac fleet**^{3,4}
- Pro forma company positioned with premier NextGen¹ frac fleet portfolio, consisting of the following estimates by the end of 2022:
 - 12 all-electric fleets³
 - 13 Tier IV Dual Fuel fleets³
 - 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

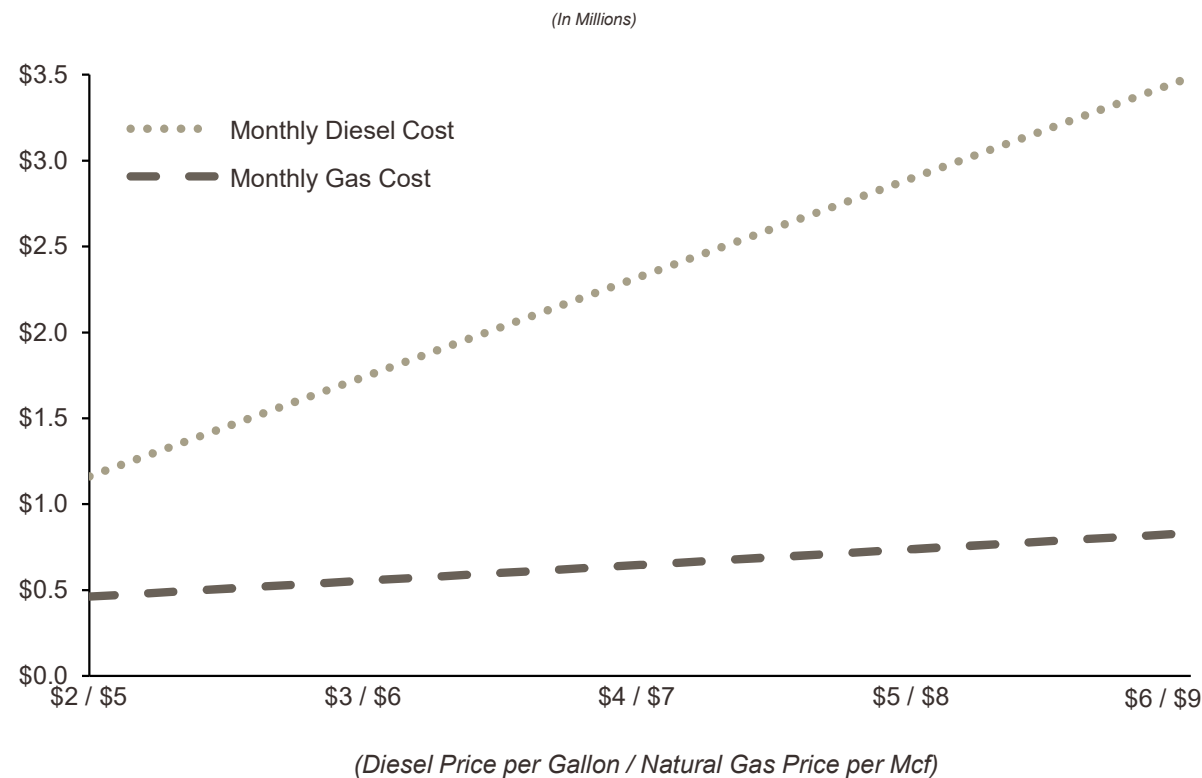
(3) Includes fleets under construction

(4) Source: Daniel Energy Partners, based on projected newbuilds for peers and planned newbuilds for ProFrac and USWS expected to be completed by year end 2022

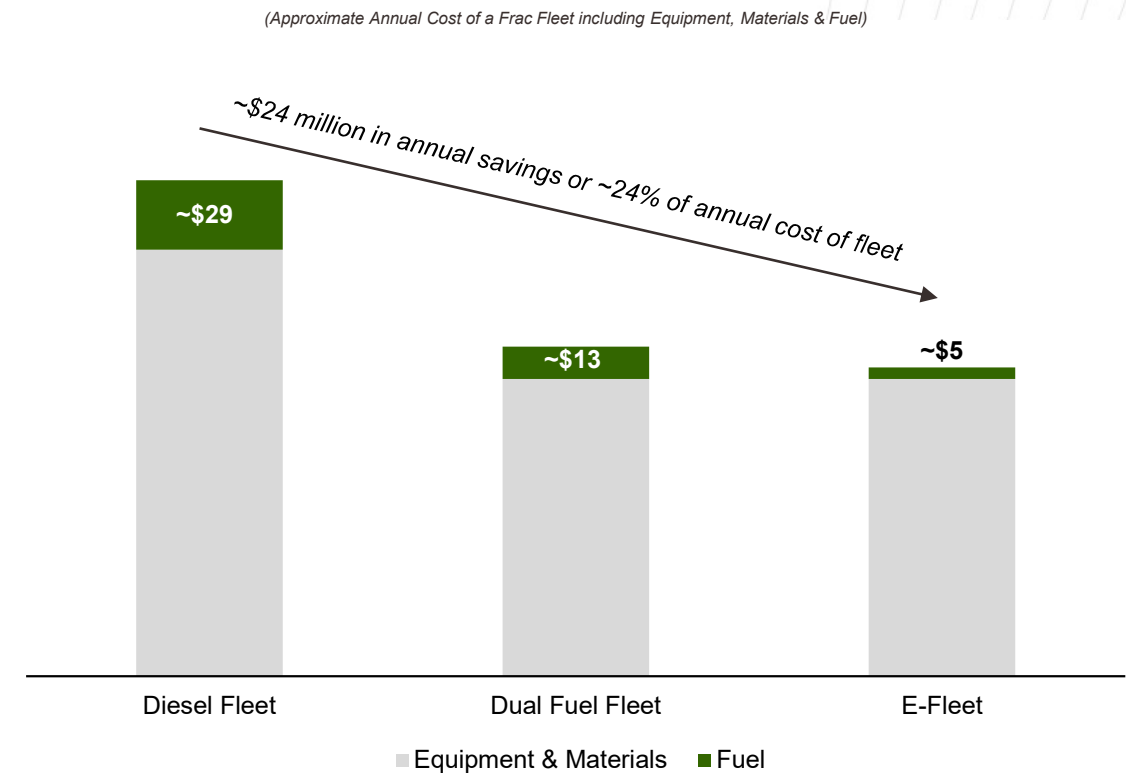
Electric Fleets Offer Substantial Economic Advantage

- Electric fleets offer significant cost savings by eliminating diesel fuel consumption
- E-fleet cost structure is more stable in periods with volatile fuel prices than diesel fleets
- 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 Cost¹



Diesel Fuel Savings Allows for Competitive Advantage for HHP²



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

(2) Source: Management estimates; illustrated from the customer's point of view; assumes baseline diesel pricing of \$12,000 per stage with 200 stages per month, \$4.50 per gallon diesel and \$5.00 per mcf gas; Equipment and Materials costs estimated based on current run rates and subject to change

Why We Believe This Cycle is Different

Themes of Current Cycle

Equipment

Aging Fleets in the Industry

Capex Conservation Since 2019 Leading to Attrition

Rebuilds More Expensive Than Ever

Newest Technologies Prioritized

Materials

Supply Chain Limitations

Logistics Stretched Thin Across Oilfield

Bundled Services Proving Valuable to Customers

Certainty of Supply Highly Valued by Customers

Macro/Other

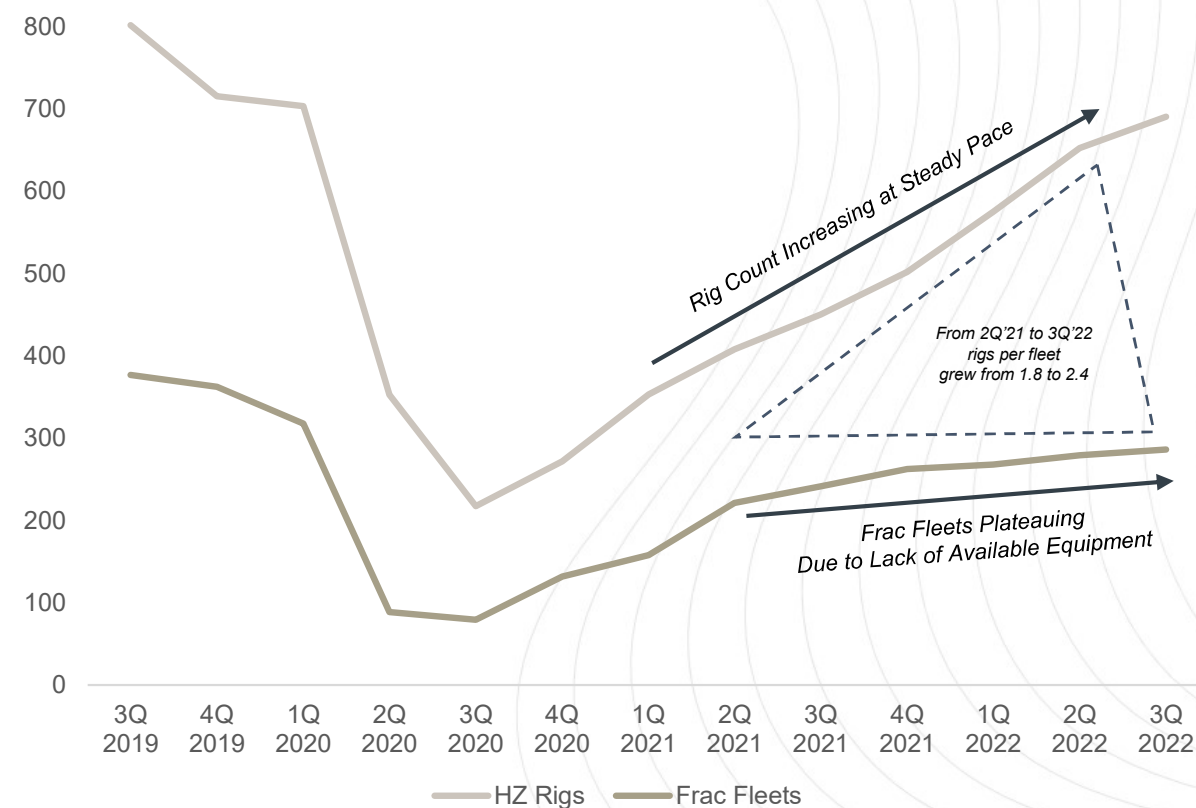
Real ESG Focus
Driven by Economics, Not Altruism

Oilfield Infrastructure More Mature

More Capital-Intensive Cycle than Before

U.S. Oil Demand Undersupplied

HZ Rigs & Frac Fleets



(1) HZ Rigs (U.S. Land) per Baker Hughes North America Rotary Rig Count. Frac Fleets per Primary Vision.

Vertical Integration of Proppant Operations Increases Profitability and Eliminates Sand Delays for Our Customers

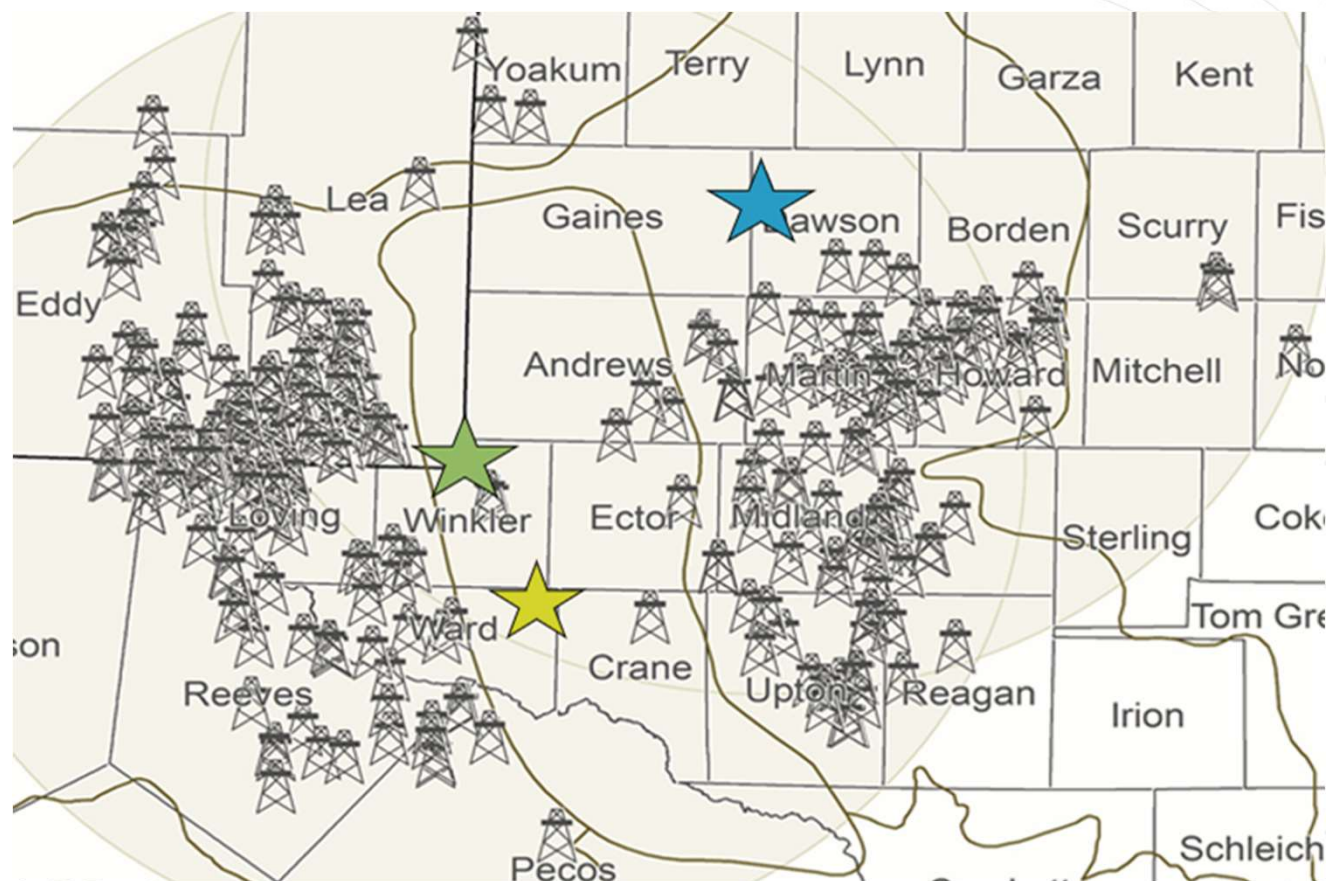
Alpine Silica Sand Operations^{1,2}

★ **Kermit:** ~3mm ton/yr sand mine and processing facility with 40.7 million tons of proved reserves

★ **Lamesa:** ~6,700 acres being developed into a sand mine near Lamesa, TX
– In the process of installing mining and processing facilities that we expect to become operational in 4Q22

★ **Monahans:** ~3mm ton/yr production capacity sand mine

Proximity and flexibility of pull locations provides significant logistical efficiencies lowering trucking rates per ton by up to 30%



No other single proppant provider has varied mine locations that can supply as many frac jobs in West Texas as ProFrac

We Remain Selective in Executing Our Two-Prong Growth Strategy

Acquire, Retire, Replace™

*Acquired Assets Combine to Form Company
Greater Than The Sum of Its Parts*



*Combined we are a stronger, more capable,
more technologically-advanced, and more
environmentally sustainable Company*

- Replace fleets with cutting edge dual fuel or electric technology reducing cost for ProFrac and customers while shrinking our environmental impact
- High-grading pump portfolio to meet both the operational demands and ESG goals of our customers
- Acquire older generation diesel frac fleets at attractive prices
- Permanently retire old fleets, allowing for a more economic and efficient cannibalization, refurbishment and redeployment of equipment
- Evidenced by our 1H 2022 results, we have successfully shown how we can upgrade aging tier 2 equipment cost-effectively and redeploy that equipment at meaningfully higher pricing

Accretively Scale Vertical Integration

- Vertical integration reduces overall cost of service and cost of maintenance to a level that is unmatched in the industry
- More control over the timing and amount of critical inputs into our business and it uniquely distinguishes us with a cost advantage compared to our peers
- Supply chain interruption is a challenge for almost everyone, however, we're in a better position than our peers to capitalize because:
 - We have our own sand mines,
 - We have our own steel,
 - Own our machine shops, and
 - We design, engineer, and assemble our own equipment, from frac pumps to blenders to E-Fleets
- Constantly focused on strategic efficiencies, enhancing value of the supply chain and vertical integration for our Company to maximize profitability and returns for our stakeholders



*Our M&A strategy, is, and will continue to be, based on
a very strict criteria for what is considered an
accretive transaction and to maximize cash generation*

Capital Structure With Leverage of Only 0.5x Adjusted EBITDA⁽¹⁾

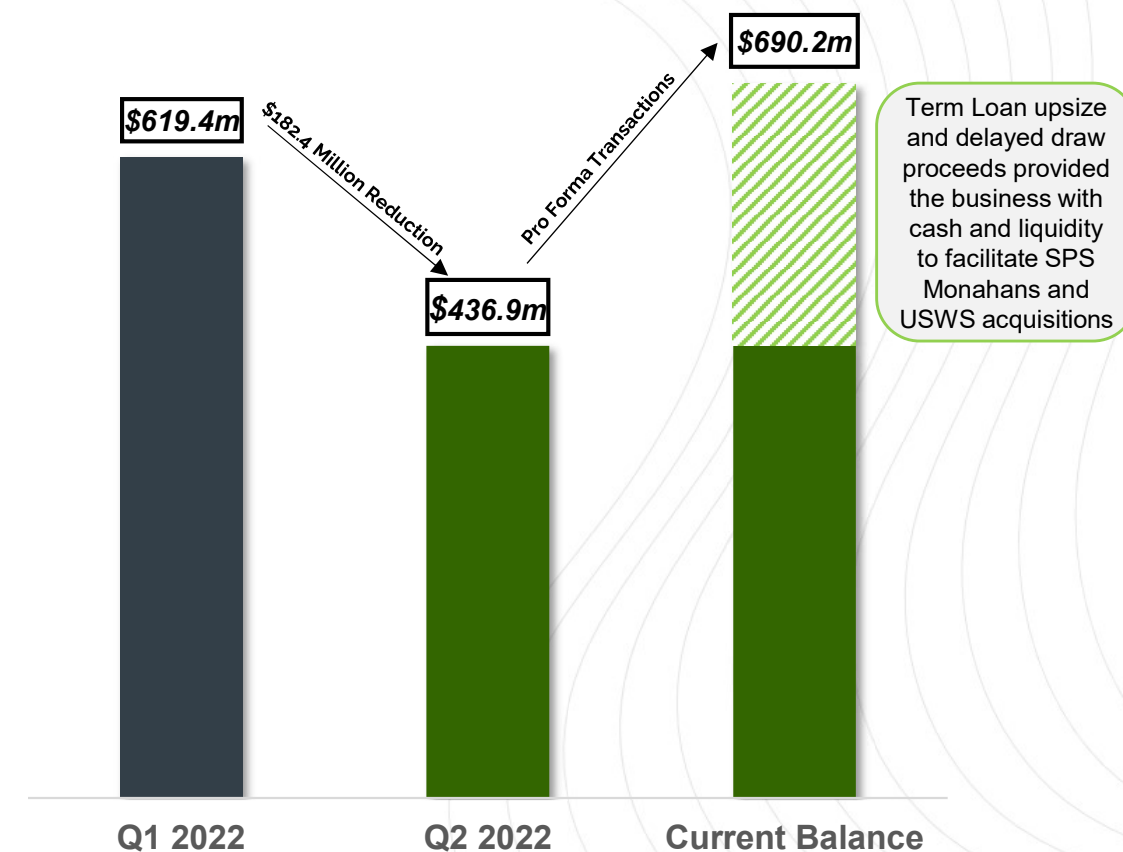
Debt¹

(In millions)	June 30, 2022
First Financial Loan	24.0
New ABL Credit Facility	143.4
New Term Loan Credit Facility	302.4
Other	10.9
Total Gross debt	480.7
Less: unamortized debt issuance costs	(15.8)
Total Debt	464.9

- Gross debt outstanding excluding amounts attributable to Flotek was \$477.5 million, compared to \$648.0 million as of March 31, 2022
- Upsized Term Loan by \$150 million and closed on the acquisition of the SPS Monahans assets in late July

Significant Reduction of Net Debt^{1,2}

Reduced Net Debt in 2Q'22 by \$182.4 million in principal while growing cash on balance sheet



- Pro forma for transactions in July and September, Total Debt would have been \$707.5 million

(1) Excludes Flotek; ratio of 2Q'22 Total Debt excluding Flotek to 2Q'22 Annualized Adjusted EBITDA excluding Flotek

(2) Current balance includes Term Loan upsize of \$150m and delayed draw of \$80m in July and September, respectively, and uses 2Q'22 cash, excluding Flotek, in calculation of net debt

Outlook & Drivers of Future Success

Pricing

Pricing **discussions with customers are constructive and we continue to see pricing power** in part due to market forces but more importantly due to the outperformance of our crews

Bundling

We expect incremental **improvement in third quarter results from further bundling of materials** with our pressure pumping services

E-Fleet Offering

We are currently deploying our **first electric fleet** and expect to average approximately 31 active fleets for 3Q22. We expect to deploy **two more electric fleets in the fourth quarter**

CapEx Guidance

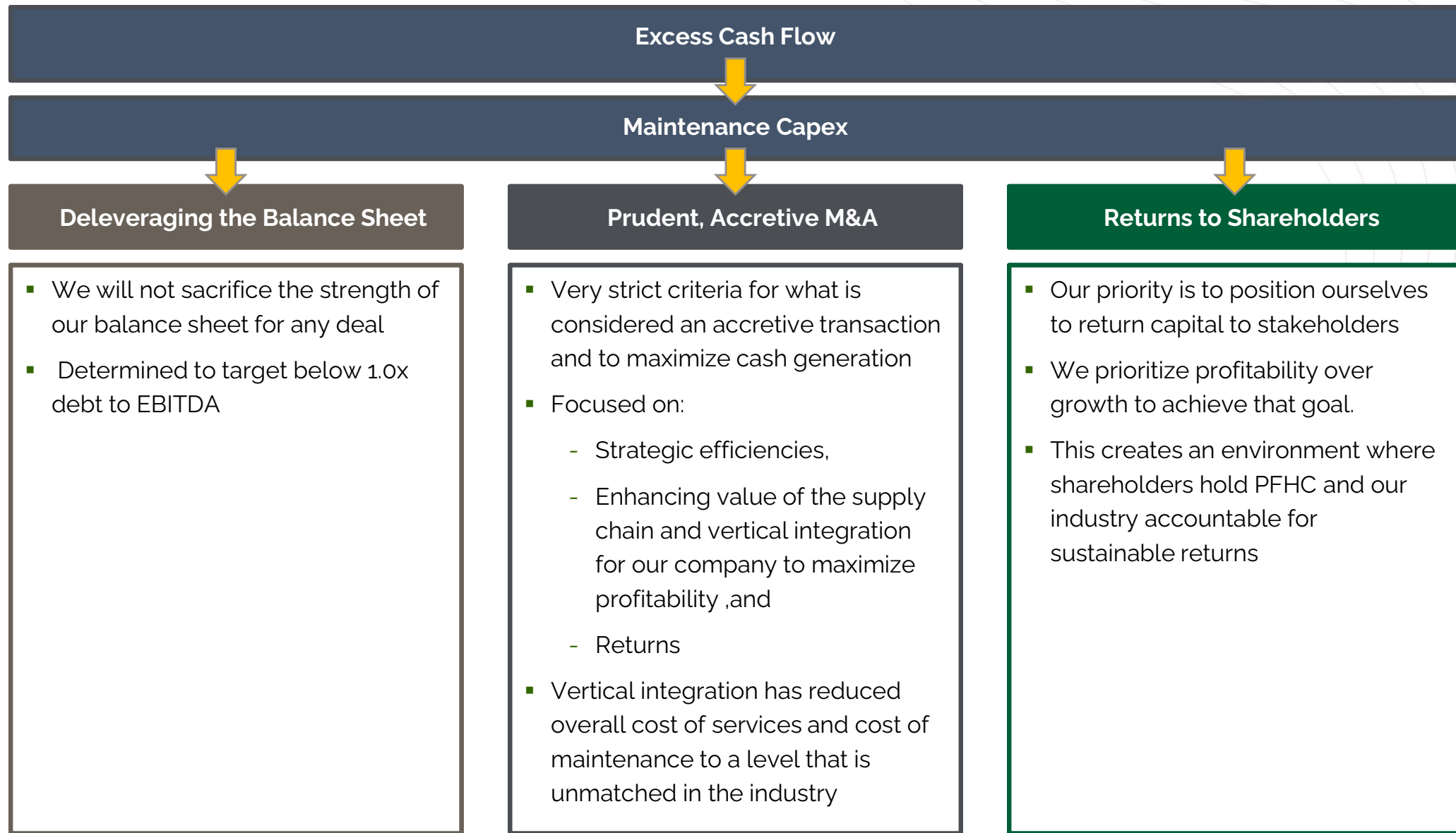
We continue to adapt our capital program to the current environment and expect **full-year 2022 capex to be between \$265 million and \$290 million**. Recent increase primarily relates to **more expected engine replacements and upgrades** in the back half of 2022 **along with e-fleet capex and sand mine construction capex**

Other Capital Allocation

We remain extremely thoughtful about our overall leverage so that we can continue to enhance our ability to return cash to shareholders. We expect that the **excess cash flow we generate after interest and maintenance capex will be sufficient to fund growth capex, de-lever the balance sheet, and position us to return cash to shareholders. All three of those are priorities to us**

"I am proud to partner with our customers and our team to continue pushing for a better, safer service company that provides best-in-class products and services, while focusing on driving superior returns for our shareholders." – Ladd Wilks, CEO

Capital Allocation Prioritizes With Excess Cash Flow After Maintenance Capex





Investor Contacts:

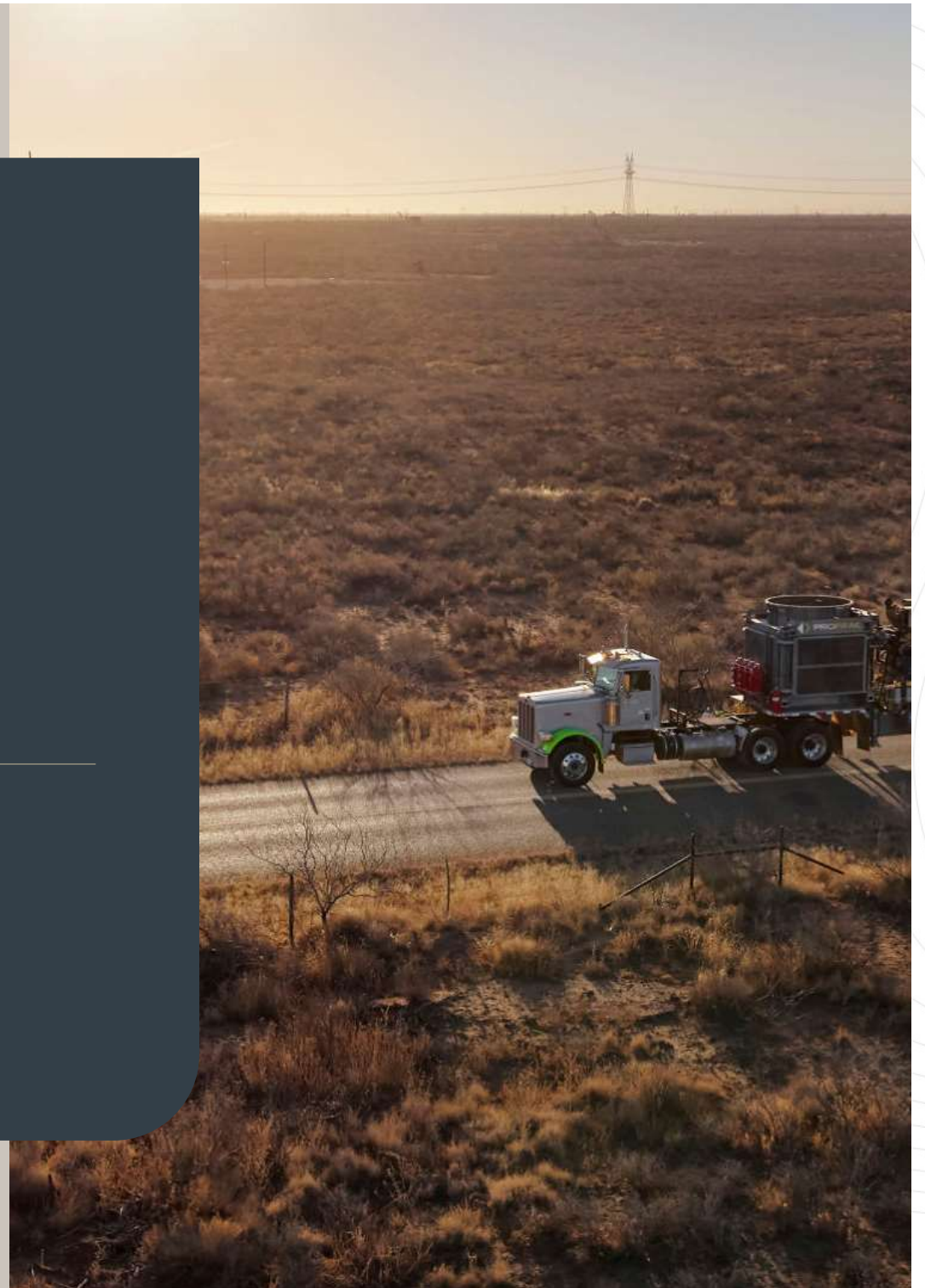
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Appendix

Financial Results and Non-GAAP Reconciliation Results



Consolidated Statements of Operations

(In thousands)	Three Months Ended				Six Months Ended	
	Jun. 30 2022	Mar. 31 2022	Jun. 30 2021	Mar. 31 2021	Jun. 30 2022	Jun. 30 2021
Revenues	\$ 589,844	\$ 344,980	\$ 174,819	\$ 149,586	\$ 934,824	\$ 324,405
Operating costs and expenses:						
Costs of revenues, exclusive of depreciation, depletion and amortization	340,600	232,599	126,708	118,306	573,199	245,014
Depreciation, depletion and amortization	64,064	44,216	34,904	35,461	108,280	70,365
Loss (gain) on disposal of assets, net	2,143	(154)	1,868	2,207	1,989	4,075
Selling, general and administrative	87,548	34,127	14,094	13,778	121,675	27,872
Total operating costs and expenses	494,355	310,788	177,574	169,752	805,143	347,326
Operating income (loss)	95,489	34,192	(2,755)	(20,166)	129,681	(22,921)
Other (expense) income:						
Interest expense, net	(13,451)	(9,272)	(6,187)	(6,035)	(22,723)	(12,222)
Loss on extinguishment of debt	(8,822)	(8,273)	-	-	(17,095)	-
Other income	989	8,231	53	187	9,220	240
Total other expense	(21,284)	(9,314)	(6,134)	(5,848)	(30,598)	(11,982)
Income (loss) before income tax provision	74,205	24,878	(8,889)	(26,014)	99,083	(34,903)
Income tax (provision) benefit	(4,112)	(752)	283	25	(4,864)	308
Net income (loss)	\$ 70,093	\$ 24,126	\$ (8,606)	\$ (25,989)	\$ 94,219	\$ (34,595)
Less: net (income) loss attributable to ProFrac Predecessor	(56,157)	(23,710)	8,478	25,998	(79,867)	34,476
Less: net (income) loss attributable to noncontrolling interests	8,704	(416)	128	(9)	8,288	119
Less: net (income) loss attributable to redeemable noncontrolling interests	(16,082)	-	-	-	(16,082)	-
Net income (loss) attributable to ProFrac Holding Corp.	\$ 6,558	\$ -	\$ -	\$ -	\$ 6,558	\$ -

Consolidated Balance Sheet

	Jun. 30	Mar. 31	Dec. 31
(In thousands)	2022	2022	2021
Assets			
Current assets:			
Cash and cash equivalents	\$ 73,653	\$ 28,654	\$ 5,376
Accounts receivable, net	444,997	298,870	161,632
Accounts receivable - related party	3,637	3,396	4,515
Prepaid expenses, and other current assets	19,331	18,726	6,213
Assets held for sale	1,805	-	-
Inventories	192,377	139,143	73,942
Total current assets	735,800	488,789	251,678
Property, plant, and equipment	1,231,205	1,126,602	827,865
Accumulated depreciation and depletion	(566,960)	(506,831)	(464,178)
Property, plant, and equipment, net	664,245	619,771	363,687
Operating lease right-of-use assets	80,664	79,049	-
Deferred tax assets	3,316	-	-
Investments	49,752	78,296	4,244
Intangible assets, net	28,241	28,681	27,816
Goodwill	82,340	-	-
Other assets	19,267	19,302	17,145
Total assets	1,663,625	1,313,888	664,570
Liabilities, redeemable noncontrolling interest, and stockholders' and members' equity (deficit)			
Current liabilities:			
Accounts payable	178,905	216,054	121,070
Accounts payable - related party	37,577	19,553	21,275
Current portion of operating lease liabilities	9,160	8,371	-
Accrued expenses	159,304	90,079	38,149
Other current liabilities	15,835	36,123	34,400
Current portion of long-term debt	51,329	47,620	31,793
Total current liabilities	452,110	417,800	246,687
Long-term debt	427,961	488,204	235,128
Long-term debt - related party	-	89,800	34,645
Operating lease liabilities	75,397	70,815	-
Other liabilities	-	902	-
Total liabilities	955,468	1,067,521	516,460
Redeemable noncontrolling interest	2,024,687	-	-
Stockholders' and members' equity	-	244,992	147,015
Preferred stock	-	-	-
Class A common stock	412	-	-
Class B common stock	1,011	-	-
Additional paid-in capital	-	-	-
Accumulated deficit	(1,410,780)	-	-
Accumulated other comprehensive (loss) income	(36)	(46)	56
Total stockholders' and members' equity (deficit) attributable to ProFrac Holding	(1,409,393)	244,946	147,071
Noncontrolling interests	92,863	1,421	1,039
Total stockholders' and members' equity (deficit)	(1,316,530)	246,367	148,110
Total liabilities, redeemable noncontrolling interest, and stockholders' and members' equity (deficit)	\$ 1,663,625	\$ 1,313,888	\$ 664,570



Consolidated Statements of Cash Flow

(In thousands)	Three Months Ended		Six Months Ended	
	Jun. 30 2022	Mar. 31 2022	Jun. 30 2022	Jun. 30 2021
Cash flows from operating activities:				
Net income (loss)	\$ 70,093	\$ 24,126	\$ 94,219	\$ (34,595)
Adjustments to reconcile net income to net (loss) cash provided by operating activities:				
Depreciation, depletion and amortization	64,064	44,216	108,280	70,365
Stock based compensation	40,304	-	40,304	-
Loss (gain) on disposal of assets, net	2,143	(154)	1,989	4,075
Non-cash loss on extinguishment of debt	5,946	4,284	10,230	-
Amortization of debt issuance costs	1,358	1,371	2,729	1,063
Bad debt expense, net of recoveries	-	5	5	83
Deferred tax expense	1,024	-	1,024	-
Unrealized gain on investments, net	(426)	(8,100)	(8,526)	-
Changes in operating assets and liabilities:				
Accounts receivable	(127,515)	(46,856)	(174,371)	(25,317)
Inventories	(41,024)	(22,857)	(63,881)	(7,423)
Prepaid expenses and other assets	1,545	(8,653)	(7,108)	201
Accounts payable	(42,574)	29,824	(12,750)	(286)
Accrued expenses	60,007	22,622	82,629	18,614
Deferred revenues and other liabilities	4,545	5,146	9,691	-
Net cash provided by operating activities	<u>39,490</u>	<u>44,974</u>	<u>84,464</u>	<u>26,780</u>
Cash flows from investing activities:				
Investment in property, plant & equipment	(74,577)	(41,492)	(116,069)	(53,607)
Proceeds from sale of assets	479	45,622	46,101	17,586
Acquisitions, net of cash acquired	21,723	(278,990)	(257,267)	(2,430)
Investment in preferred shares of BPC	-	(47,202)	(47,202)	-
Initial investment in Flotek	-	(10,000)	(10,000)	-
Other Investments	-	(3,893)	(3,893)	-
Net cash used in investing activities	<u>(52,375)</u>	<u>(335,955)</u>	<u>(388,330)</u>	<u>(38,451)</u>
Cash flows from financing activities:				
Proceeds from issuance of long-term debt	27,214	560,346	587,560	42,084
Repayments of long-term debt	(270,005)	(227,820)	(497,825)	(18,856)
Borrowings from revolving credit agreements	99,313	97,920	197,233	14,000
Repayments to revolving credit agreements	(26,669)	(96,214)	(122,883)	(10,000)
Payment of debt issuance costs	(671)	(22,913)	(23,584)	(1,127)
Member contribution	-	5,000	5,000	-
Proceeds from issuance of common stock	329,118	-	329,118	-
Payment of THRC related equity	(72,931)	-	(72,931)	-
Payment of common stock issuance costs	(27,444)	-	(27,444)	-
Net cash provided by financing activities	<u>57,925</u>	<u>316,319</u>	<u>374,244</u>	<u>26,101</u>
Net increase in cash, cash equivalents, and restricted cash	\$ 45,040	\$ 25,338	\$ 70,378	\$ 14,430
Cash, cash equivalents, and restricted cash beginning of period	<u>30,714</u>	<u>5,376</u>	<u>5,376</u>	<u>2,952</u>
Cash, cash equivalents, and restricted cash end of period	<u>\$ 75,754</u>	<u>\$ 30,714</u>	<u>\$ 75,754</u>	<u>\$ 17,382</u>



Reconciliation of Net Income (Loss) to Adjusted EBITDA

(In thousands)	Three Months Ended				Six Months Ended	
	Jun. 30	Mar. 31	Jun. 30	Mar. 31	Jun. 30	Jun. 30
	2022	2022	2021	2021	2022	2021
Net income (loss)	\$ 70,093	\$ 24,126	\$ (8,606)	\$ (25,989)	\$ 94,219	\$ (34,595)
Interest expense, net	13,451	9,272	6,187	6,035	22,723	12,222
Depreciation, depletion and amortization	64,064	44,216	34,904	35,461	108,280	70,365
Income tax provision (benefit)	4,112	752	(283)	(25)	4,864	(308)
Loss (gain) on disposal of assets, net	2,143	(154)	1,868	2,207	1,989	4,075
Loss on extinguishment of debt	8,822	8,273	-	-	17,095	-
Litigation	4,000	-	-	-	4,000	-
Stock based compensation	1,455	-	-	-	1,455	-
Stock based compensation related to deemed contributions	38,849	-	-	-	38,849	-
Bad debt expense, net of recoveries	-	5	-	-	5	-
(Gain) loss on foreign currency transactions	(58)	12	-	-	(46)	-
Reorganization costs	-	55	-	-	55	-
Acquisition related expenses	4,063	13,019	-	-	17,082	-
Unrealized gain on investments, net	(426)	(8,100)	-	-	(8,526)	-
Adjusted EBITDA	<u>\$ 210,568</u>	<u>\$ 91,476</u>	<u>\$ 34,070</u>	<u>\$ 17,689</u>	<u>\$ 302,044</u>	<u>\$ 51,759</u>

Reconciliation of Pro Forma Net Income (Loss) to Pro Forma Adjusted EBITDA

(In thousands)	Three Months Ended	
	Mar. 31	
	2022	
Pro forma net income (loss)	\$	(1,223)
Interest expense, net		13,761
Depreciation, depletion and amortization		56,788
Income tax provision		752
Gain on disposal of assets, net		(159)
Loss on extinguishment of debt		8,273
Litigation		-
Stock based compensation		6,495
Stock based compensation related to deemed contributions		-
Bad debt expense, net of recoveries		5
(Gain) loss on foreign currency transactions		12
Reorganization costs		(74)
Acquisition related expenses		22,909
Unrealized gain on investments, net		(8,100)
Pro forma adjusted EBITDA	\$	99,439



Reconciliation of Net Income (Loss) to Adjusted EBITDA excluding Flotek⁽¹⁾ & Calculation of Annualized Adjusted EBITDA per Active Fleet

(In thousands except average active fleets and annualization factor)	Three Months Ended	
	Jun. 30	Mar. 31
	2022	2022
Net income (loss)	\$ 70,093	\$ (1,223)
Interest expense, net	13,451	13,761
Depreciation, depletion and amortization	64,064	56,788
Income tax provision	4,112	752
Loss (gain) on disposal of assets, net	2,143	(159)
Loss on extinguishment of debt	8,822	8,273
Litigation	4,000	-
Stock based compensation	1,455	6,495
Stock based compensation related to deemed contributions	38,849	-
Bad debt expense, net of recoveries	-	5
(Gain) loss on foreign currency transactions	(58)	12
Reorganization costs	-	(74)
Acquisition related expenses	4,063	22,909
Unrealized gain on investments, net	(426)	(8,100)
Total adjusted EBITDA for reportable segments	\$ 210,568	\$ 99,439
Less: Flowtek operating results	7,454	-
Adjusted EBITDA excluding Flotek	218,022	99,439
Average active fleets	31	31
Adjusted EBITDA excluding Flotek per average active fleet	7,033	3,208
Annualization factor	4	4
Annualized adjusted EBITDA excluding Flotek per average active fleet	\$ 28,132	\$ 12,831

(1) 1Q22 Pro Forma for FTSI



Calculation of Net Debt

(In thousands)	Jun. 30 2022	Mar. 31 2022
Current portion of long-term debt	\$ 51,329	\$ 47,620
Long-term debt	427,961	488,204
Long-term debt - related party	-	89,800
Total debt	<u>479,290</u>	<u>625,624</u>
Plus: Unamortized debt issuance costs	<u>15,755</u>	<u>22,388</u>
Total gross debt	<u>495,045</u>	<u>648,012</u>
Less: Cash and cash equivalents	<u>(73,653)</u>	<u>(28,654)</u>
Net debt	<u>\$ 421,392</u>	<u>\$ 619,358</u>

Calculation of Net Debt Excluding Flotek

(In thousands)	Jun. 30 2022
Current portion of long-term debt	\$ 36,938
Long-term debt	424,825
Long-term debt - related party	-
Total debt	<u>461,763</u>
Plus: Unamortized debt issuance costs	<u>15,755</u>
Total gross debt	<u>477,518</u>
Less: Cash and cash equivalents	<u>(40,569)</u>
Net debt	<u>\$ 436,949</u>

