

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 8, 2022

**Trecora Resources**

(Exact name of registrant as specified in its charter)

Delaware

1-33926

75-1256622

(State or other jurisdiction  
of incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

1650 Hwy 6 South, Suite 190

Sugar Land, Texas 77478

(Address of principal executive offices, including Zip Code)

(281) 980-5522

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	TREC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 2.02. Results of Operations and Financial Condition**

The Company's press release dated March 8, 2022, regarding its financial results for the fourth quarter and year ended December 31, 2021, including consolidated financial statements for the year ended December 31, 2021, is Exhibit 99.1 of this Form 8-K.

The information in this Item 2.02, including the corresponding Exhibit 99.1, is being furnished with the Securities and Exchange Commission (the "Commission") and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

**Item 7.01. Regulation FD Disclosure**

The slides for the Company's fourth quarter 2021 earnings presentation on March 9, 2022, are Exhibit 99.2 to this Form 8-K.

The information in this Item 7.01, including the corresponding Exhibit 99.2, is being furnished with the Commission and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
99.1	<a href="#">Earnings Release of the Company, dated March 8, 2022</a>
99.2	<a href="#">Earnings Presentation of the Company, dated March 9, 2022</a>
104	Cover Page Interactive Data File (formatted as inline XBRL and included as Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRECORA RESOURCES

Date: March 9, 2022

By: /s/ Christopher Groves  
Christopher Groves  
Principal Accounting Officer and Corporate Controller



## **Trecora Resources Announces Fourth Quarter and Full Year 2021 Results**

- Full year revenue of \$272.7 million, an increase of 30.7% compared with the prior year, driven by price and volume increases in the Specialty Petrochemicals segment while Specialty Wax segment revenue growth benefitted from higher selling prices.
- Net income from continuing operations of \$5.0 million in 2021. Q4 2021 net income from continuing operations of \$5.2 million.
- Adjusted EBITDA from continuing operations of \$21.6 million in 2021; Q4 2021 Adjusted EBITDA from continuing operations of \$5.2 million compared with \$5.3 million in the prior year.
- Portfolio of growth projects delivered approximately \$7 million of EBITDA in 2021.
- Repurchased 1.4 million shares for approximately \$11.5 million in 2021.
- Company introduces financial guidance for FY 2022 – Adjusted EBITDA in the range of \$27 million to \$31 million.
- Conference call at 10:00 am ET, March 9, 2022.

SUGAR LAND, Texas, March 8, 2022 – Trecora Resources (“Trecora” or the “Company”) (NYSE: TREC), a leading provider of specialty hydrocarbons and specialty waxes, today announced financial results for the fourth quarter and full year ended December 31, 2021.

### **Executive Commentary**

“2021 was a turning point for Trecora Resources. After a quick recovery from the Texas freeze event early in the year, we saw a resurgence of demand in our Specialty Petrochemicals and Specialty Waxes segments along with new demand for our custom processing services. The demand growth allowed us to drive product pricing of both prime products and specialty wax products. By year end, we realized a \$1.05 per gallon price increases for prime products and \$0.23 per pound of wax price increases. We also successfully converted 5 growth projects into new custom processing commitments with our customers. We invested in the expansion of our owned truck fleet for delivery to our prime products customers and maintained high customer service levels despite a challenging supply chain. By year-end, this commitment to reliable, high purity supply allowed us to secure customer contract commitments for 95% of all new prime product demand into the new polyethylene and polyisocyanurate plants coming to market in 2021 and 2022 in North America.”

“Continued and growing demand for our products, multiple successful price increases, ample liquidity and a strong balance sheet enabled more than \$11 million of share re-purchases during the year,” stated Pat Quarles, Trecora’s President and Chief Executive Officer.

Sami Ahmad, Trecora’s Chief Financial Officer stated, “We continued our focus on controlling costs and capital expenditures, particularly given the pervasive supply chain and inflationary challenges in the economy. We controlled costs in a variety of areas including logistics, product handling and plant maintenance. Capital expenditures for the year were \$14.2 million with nearly \$4 million spent on the multi-year upgrade of our feedstock pipeline at South Hampton and about \$2 million for repairs following the 2021 Texas freeze event. The remaining \$8 million of capital expenditures were for plant maintenance and compliance at both facilities. Cash flow from operations for the full year 2021 was \$4.4 million, including a negative working capital impact of approximately \$19 million mainly due to sharp feedstock price increases.

“Our cash balance at the end of the year stood at nearly \$31 million, and our \$75 million revolver remained undrawn. Total debt at the end of the year was \$41.9 million. We achieved forgiveness of the remaining \$3.9 million PPP loan balance in the fourth quarter of 2021. Finally, we further simplified and streamlined our corporate structure through the sale of all remaining mining assets owned at PEVM, which we dissolved in early 2022,” concluded Mr. Ahmad.

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## Fourth Quarter 2021 Financial Results

Total revenue in the fourth quarter of 2021 was \$74.6 million, compared to \$58.1 million in the fourth quarter of 2020. The 28.3% year-over-year increase was primarily due to increased revenues in the Specialty Petrochemicals segment that resulted from sharply higher average selling prices which rose 31.2% compared with the prior year.

Gross profit in the fourth quarter of 2021 was \$6.2 million, or 8.4% of total revenues, compared to \$6.0 million, or 10.3% of total revenues in the fourth quarter of 2020. Gross margins contracted compared to the prior year period due to reduced Specialty Petrochemicals volume partially offset by expansion of by-product spreads. Operating loss in the fourth quarter of 2021 was \$(0.8) million, compared to operating loss of \$(0.4) million in the fourth quarter of 2020, due primarily to increased General and Administrative expense of approximately \$0.7 million. Included in fourth quarter General and Administrative expense was approximately \$0.5 million of remaining, non-recurring expense associated with professional services and due diligence work related to a significant M&A opportunity which the Company terminated in the third quarter.

Net income from continuing operations in the fourth quarter of 2021 was \$5.2 million, or \$0.22<sup>1</sup> per diluted share, compared to net loss of \$(0.1) million, or \$(0.01)<sup>2</sup> per diluted share, in the fourth quarter of 2020. Adjusted EBITDA from continuing operations was \$5.2 million for the fourth quarter of 2021, compared with \$5.3 million in the fourth quarter of 2020.

### Specialty Petrochemicals

Specialty Petrochemicals volume in the fourth quarter of 2021 was 20.2 million gallons and 22.1 million gallons in the fourth quarter of 2020. Specialty Petrochemicals gross revenue increased 33.5% year-over-year as sharply higher product prices driven by formula and non-formula price increases more than offset the decline in volumes.

Prime product volume in the fourth quarter of 2021 was 16.3 million gallons and 17.6 million gallons in the fourth quarter of 2020. The decline in prime product sales volume compared to fourth quarter of 2020 was primarily due to lower sales to Canadian Oil Sands customers. By-product sales volume was 3.9 million gallons in the fourth quarter of 2021.

Specialty Petrochemicals net income was \$8.6 million in the fourth quarter of 2021, compared to net income of \$4.8 million in the fourth quarter of 2020. Adjusted EBITDA from continuing operations for Specialty Petrochemicals in the fourth quarter of 2021 was \$6.4 million, compared to \$6.4 million in the fourth quarter of 2020.

*Dollar amounts in thousands/rounding may apply*

	THREE MONTHS ENDED		
	DECEMBER 31,		
	2021	2020	% Change
Product sales	\$63,934	\$47,852	33.6%
Processing fees	<u>1,598</u>	<u>1,249</u>	27.9%
Gross revenues	\$65,532	\$49,101	33.5%
Operating income before depreciation and amortization	6,360	6,436	(1.2%)
Operating income	3,611	3,730	(3.2%)
Net income before taxes	7,248	3,393	113.6%
Depreciation and amortization	2,750	2,706	1.6%
Adjusted EBITDA from continuing operations (*)	6,351	6,442	(1.4%)
Capital expenditures	958	2,267	(57.7%)

(\*) See non-GAAP reconciliations included in the accompanying financial tables for the reconciliation of each non-GAAP measure to its most directly comparable GAAP measure.

### Specialty Waxes

Specialty Waxes reported revenues of approximately \$9.1 million in the fourth quarter of 2021, relatively unchanged from the fourth quarter of 2020. Revenues included approximately \$7.0 million of wax product sales in the fourth quarter of 2021, and processing revenues of \$2.1 million. Wax revenues were relatively flat as higher selling prices offset lower sales volumes.

<sup>1</sup> Based on 24.7 million shares outstanding

<sup>2</sup> Based on 24.8 million shares outstanding

Wax sales volumes were 8.4 million pounds in the fourth quarter of 2021 compared to 9.0 million pounds in the fourth quarter 2020.

Specialty Waxes net loss was \$(1.3) million in the fourth quarter of 2021, compared to net loss of \$(3.2) million in the fourth quarter of 2020. Adjusted EBITDA from continuing operations for Specialty Waxes in the fourth quarter of 2021 was \$0.2 million, compared with \$(0.2) million in the fourth quarter of 2020.

Processing fees were approximately \$2.1 million in the fourth quarter of 2021, an increase of approximately \$0.4 million from the fourth quarter of 2020. Processing fees were constrained by delays in receiving input materials from customers due to supply chain difficulties combined with plant operating issues.

*Dollar amounts in thousands/rounding may apply*

	<b>THREE MONTHS ENDED DECEMBER 31,</b>		
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>% Change</u></b>
Product sales	\$6,958	\$7,063	(1.5%)
Processing fees	<u>2,129</u>	<u>1,974</u>	7.9%
Gross revenues	\$9,087	\$9,037	0.6%
Operating income before depreciation and amortization	239	(247)	196.8%
Operating income (loss)	(1,322)	(1,676)	21.1%
Net income (loss) before taxes	(1,333)	(1,626)	18.0%
Depreciation and amortization	1,561	1,429	9.2%
Adjusted EBITDA from continuing operations (*)	227	(169)	234.7%
Capital expenditures	899	775	16.0%

(\*) See non-GAAP reconciliations included in the accompanying financial tables for the reconciliation of each non-GAAP measure to its most directly comparable GAAP measure.

## Year End 2021 Financial Results

Total revenue for the full year 2021 was \$272.7 million, compared to \$208.6 million for the full year 2020, an increase of 30.7%. This increase was primarily due to higher selling prices the company was able to pass on to customers in response to increased input prices.

Gross profit for the full year 2021 was \$28.6 million, or 10.5% of total revenues, compared to \$28.7 million, or 13.7% of total revenues, for the same period in 2020. Operating loss during the full year 2021 was \$(3.1) million, compared to operating income of \$2.9 million during 2020. Included in full year General and Administrative expense was approximately \$4.5 million of non-recurring expense associated with professional services and due diligence work related to a significant M&A opportunity which the Company terminated in the third quarter.

Net income from continuing operations for the full year 2021 was \$5.0 million, or \$0.20<sup>3</sup> per diluted share, which was level with net income from continuing operations of \$5.0 million, or \$0.20<sup>4</sup> per diluted share, for 2020. Fiscal year 2021 results benefitted from a non-recurring gain of \$6.1 million resulting from the extinguishment of debt related to the Company's PPP loans along with a reduction in interest expense of \$1.3 million compared to 2020. Adjusted EBITDA from continuing operations in 2021 was \$21.6 million, compared to Adjusted EBITDA from continuing operations of \$22.2 million in 2020. As previously disclosed, Adjusted EBITDA for 2021 was negatively impacted by approximately \$3.5 million due to the Texas freeze event in February 2021.

## Specialty Petrochemicals

Specialty Petrochemicals net income was \$16.7 million for the full year 2021, compared to net income of \$14.9 million for the same period in 2020. Specialty Petrochemicals volume during 2021 was 78.2 million gallons, compared to 75.1 million gallons in 2020. Prime product volume during 2021 was 65.0 million gallons, compared to 61.7 million gallons in 2020. Adjusted EBITDA from continuing operations for Specialty Petrochemicals for the full year 2021 decreased slightly to \$25.9 million, compared to \$26.4 million 2020.

<sup>3</sup> Based on 25.1 million shares outstanding

<sup>4</sup> Based on 25.4 million shares outstanding

*Dollar amounts in thousands/rounding may apply*

	YEAR END		
	DECEMBER 31,		
	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Product sales	\$228,293	\$167,054	36.7%
Processing fees	<u>5,798</u>	<u>5,296</u>	9.5%
Gross revenues	\$234,091	\$172,350	35.8%
Operating income before depreciation and amortization	25,930	26,438	(1.9)%
Operating income	14,748	15,827	(6.8)%
Net income before taxes	17,722	13,294	33.3%
Depreciation and amortization	11,183	10,611	5.4%
Adjusted EBITDA from continuing operations (*)	25,895	26,398	(1.9)%
Capital expenditures	11,633	11,334	2.6%

(\*) See non-GAAP reconciliations included in the accompanying financial tables for the reconciliation of each non-GAAP measure to its most directly comparable GAAP measure.

### Specialty Waxes

Specialty Waxes net loss was \$(0.8) million for the full year 2021 compared to net loss of \$(3.6) million in 2020. Specialty Waxes reported revenues of \$38.6 million during the full year 2021, a 6.4% increase from 2020. Revenues included \$29.2 million of wax product sales and \$9.4 million of processing fees. Wax revenues increased 15.5% during 2021 versus 2020 due to higher selling prices. Adjusted EBITDA from continuing operations for Specialty Waxes in 2021 was \$3.1 million, compared to \$2.0 million in 2020.

*Dollar amounts in thousands/rounding may apply*

	YEAR END		
	DECEMBER 31,		
	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Product sales	\$29,246	\$25,321	15.5%
Processing fees	<u>9,353</u>	<u>10,955</u>	(14.6)%
Gross revenues	\$38,599	\$36,276	6.4%
Operating income before depreciation and amortization	3,120	1,762	77.1%
Operating loss	(2,988)	(3,760)	20.5%
Net income (loss) before taxes	(800)	(3,606)	77.8%
Depreciation and amortization	6,108	5,522	10.6%
Adjusted EBITDA from continuing operations (*)	3,119	1,961	59.1%
Capital expenditures	2,519	2,017	24.9%

(\*) See non-GAAP reconciliations included in the accompanying financial tables for the reconciliation of each non-GAAP measure to its most directly comparable GAAP measure.

### Outlook

“We enter 2022 optimistic on multiple fronts. COVID-19 impacts appear to be fading and we are hopeful that continues to be the case. While supply chain constraints persist in certain areas, our rail and truck fleets are well positioned to supply the new demand growth we see in the year for prime products. We expect our successes in converting our growth projects to new commercial commitments to drive meaningful growth in our custom processing revenues. The sharp increase in natural gasoline prices driven by the conflict in Ukraine are a risk. However, with two-thirds of our prime product prices tied to feedstock costs we believe we have significant protection. Based on the strong growth we see early in 2022, we expect our full year Adjusted EBITDA to range between \$27 million and \$31 million.

### Earnings Call

Tomorrow’s conference call, on March 9, 2022, at 10:00 am Eastern Time, will be simulcast live on the Internet, and can be accessed on the investor relations section of the Company's website at <http://www.trecora.com/> or at <https://edge.media-server.com/mmc/p/ogthqjbq>. A replay of the call will also be available through the same link until March 9, 2023.

To participate via telephone, callers should dial in at least ten to fifteen minutes prior to the 10:00 am Eastern Time start; domestic callers (U.S. and Canada) should call +1-866-417-5724 or +1-409-217-8234 if calling internationally, using the conference ID 6267010. To listen to

the playback, please call 1-855-859-2056 if calling within the United States or 1-404-537-3406 if calling internationally. Use pin number 6267010 for the replay.

### **Use of Non-GAAP Measures**

This earnings press release includes non-GAAP financial measures of EBITDA from continuing operations and Adjusted EBITDA from continuing operations and provide reconciliations from our most directly comparable GAAP financial measures to those measures.

We believe these financial measures provide users of our financial statements with supplemental information that may be useful in evaluating our operating performance. We also believe that such non-GAAP measures, when read in conjunction with our operating results presented under GAAP, can be used to better assess our performance from period to period and relative to performance of other companies in our industry, without regard to financing methods, historical cost basis or capital structure. These measures are not measures of financial performance or liquidity under GAAP and should be considered in addition to, and not as a substitute for, analysis of our results under GAAP.

We define EBITDA from continuing operations as net income (loss) from continuing operations plus interest expense, income tax expense (benefit), and depreciation and amortization. We define Adjusted EBITDA from continuing operations as EBITDA from continuing operations net of the impact of items we do not consider indicative of our ongoing operating performance, including share-based compensation, gains, or losses on disposal of assets, gains or losses on extinguishment of debt and costs for professional services associated with M&A and strategic initiatives. These non-GAAP measures have been reconciled to the nearest GAAP measure for historical periods in the tables below entitled “Reconciliation of Selected GAAP Measures to Non-GAAP Measures.” However, the Company is unable to reconcile its expectations regarding Adjusted EBITDA for the full year 2022 to the most directly comparable GAAP measures without unreasonable efforts because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP measures for these periods but would not impact the non-GAAP measures.

### **Forward-Looking Statements**

Some of the statements and information contained in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements regarding the Company’s financial position, business strategy and plans and objectives of the Company’s management for future operations and other statements that are not historical facts, are forward-looking statements. Forward-looking statements are often characterized by the use of words such as “outlook,” “may,” “will,” “can,” “shall,” “should,” “could,” “expects,” “plans,” “anticipates,” “contemplates,” “proposes,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “continue,” “intend,” or the negative of such terms and other comparable terminology, or by discussions of strategy, plans or intentions.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other important factors that could cause the actual results, performance or our achievements, or industry results, to differ materially from historical results, any future results, or performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and factors include, but are not limited to the impacts of the COVID-19 pandemic on our business, financial results and financial condition and that of our customers, suppliers, and other counterparties; general economic and financial conditions domestically and internationally; insufficient cash flows from operating activities; our ability to attract and retain key employees; feedstock and product prices; feedstock availability and our ability to access third party transportation; competition; industry cycles; natural disasters or other severe weather events, health epidemics and pandemics (including the COVID-19 pandemic) and terrorist attacks; our ability to consummate, and the costs associated with, extraordinary transactions, including acquisitions, dispositions and other business combinations, and realize the financial and strategic goals of such transactions; technological developments and our ability to maintain, expand and upgrade our facilities; regulatory changes; environmental matters; lawsuits; outstanding debt and other financial and legal obligations; difficulties in obtaining additional financing on favorable conditions, or at all; local business risks in foreign countries, including civil unrest and military or political conflict, local regulatory and legal environments and foreign currency fluctuations; and other risks detailed in our latest Annual Report on Form 10-K, including, but not limited to, “Part I, Item 1A, Risk Factors” and “Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations” therein and in our other filings with the Securities and Exchange Commission (the



“SEC”). Many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 pandemic and other natural disasters such as severe weather events.

There may be other factors of which we are currently unaware or deem immaterial that may cause our actual results to differ materially from the forward-looking statements. In addition, to the extent any inconsistency or conflict exists between the information included in this report and the information included in our prior releases, reports and other filings with the SEC, the information contained in this report updates and supersedes such information.

Forward-looking statements are based on current plans, estimates, assumptions, and projections, and, therefore, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.

#### **About Trecora Resources (TREC)**

TREC owns and operates a specialty petrochemicals facility specializing in high purity hydrocarbons and other petrochemical manufacturing and a specialty wax facility, both located in Texas, and provides custom processing services at both facilities.

#### **Investor Relations Contact: The Equity Group Inc.**

Jeremy Hellman, CFA (212) 836-9626  
[jhellman@equityny.com](mailto:jhellman@equityny.com)

**TRECORA RESOURCES AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b><u>December 31, 2021</u></b>	<b><u>December 31, 2020</u></b>
	<i>(thousands of dollars, except par value)</i>	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 30,535	\$ 55,664
Trade receivables, net	32,811	25,301
Inventories	21,134	12,945
Prepaid expenses and other assets	4,313	9,198
Taxes receivable	-	2,788
Total current assets	<u>88,793</u>	<u>105,896</u>
<b>Plant, pipeline and equipment, net</b>	185,521	187,104
<b>Lease right-of-use assets, net</b>	8,170	10,528
<b>Intangible assets, net</b>	11,056	12,893
<b>Mineral properties</b>	<u>-</u>	<u>412</u>
<b>TOTAL ASSETS</b>	<u><u>293,540</u></u>	<u><u>316,833</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	12,075	14,447
Accrued liabilities	5,873	6,857
Current portion of long-term debt	4,194	4,194
Current portion of lease liabilities	3,227	3,195
Current portion of other liabilities	626	891
Total current liabilities	<u>25,995</u>	<u>29,584</u>
<b>CARES Act, PPP Loans, net of current portion</b>	-	6,123
<b>Long-term debt, net of current portion</b>	37,707	41,901
<b>Lease liabilities, net of current portion</b>	4,923	7,333
<b>Other liabilities, net of current portion</b>	417	968
<b>Deferred income taxes</b>	<u>24,525</u>	<u>26,517</u>
<b>Total liabilities</b>	<u>93,567</u>	<u>112,426</u>
<b>EQUITY</b>		
<b>Common stock</b> - authorized 40 million shares of \$0.10 par value; issued 25.0 million and 24.8 million in 2021 and 2020, respectively, and outstanding 23.6 million and 24.8 million in 2021 and 2020, respectively	2,499	2,483
<b>Additional paid-in capital</b>	63,260	61,311
<b>Treasury stock</b> , at cost (1.4 million shares)	(11,486)	-
<b>Retained earnings</b>	<u>145,700</u>	<u>140,324</u>
Total Trecora Resources Stockholders' Equity	199,973	204,118
Noncontrolling Interest	<u>-</u>	<u>289</u>
<b>Total equity</b>	<u>199,973</u>	<u>204,407</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>293,540</u></u>	<u><u>316,833</u></u>



**TRECORA RESOURCES AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**

**THREE MONTHS ENDED**

**DECEMBER 31,**

*(unaudited)*

**TWELVE MONTHS ENDED**

**DECEMBER 31,**

*(unaudited)*

**2021**

**2020**

**2021**

**2020**

*(Thousands of dollars, except per share amounts)*

Revenues				
Product sales	\$ 70,892	\$ 54,915	\$ 257,539	\$ 192,375
Processing fees	3,727	3,223	15,151	16,251
	<u>74,619</u>	<u>58,138</u>	<u>272,690</u>	<u>208,626</u>
Operating costs and expenses				
Cost of sales and processing (including depreciation and amortization of \$4,098, \$3,927, \$16,415 and \$15,300, respectively)	68,383	52,162	244,114	179,948
Gross Profit	<u>6,236</u>	<u>5,976</u>	<u>28,576</u>	<u>28,678</u>
General and Administrative Expenses				
General and administrative	6,194	5,640	26,123	24,334
Professional services associated with M&A and strategic initiatives	656	523	4,655	558
Depreciation	212	211	882	848
	<u>7,062</u>	<u>6,374</u>	<u>31,660</u>	<u>25,740</u>
Operating income (loss)	(826)	(398)	(3,084)	2,938
Other income (expense)				
Interest expense	(287)	(332)	(1,205)	(2,491)
Gain on extinguishment of debt	3,935	-	6,123	-
Gain (loss) on disposal of assets	-	(30)	279	(39)
Miscellaneous income	552	593	486	595
	<u>4,200</u>	<u>231</u>	<u>5,683</u>	<u>(1,935)</u>
Income (loss) from continuing operations before income taxes	3,374	(167)	2,599	1,003
Income tax (expense) benefit	<u>1,855</u>	<u>21</u>	<u>2,364</u>	<u>3,963</u>
Income (loss) from continuing operations	5,229	(146)	4,963	4,966
Income from discontinued operations, net of tax	-	30	-	26,209
Net income (loss)	<u><u>5,229</u></u>	<u><u>(116)</u></u>	<u><u>4,963</u></u>	<u><u>31,175</u></u>
Basic earnings (loss) per common share				
Net income (loss) from continuing operations (dollars)	\$ 0.22	\$ (0.01)	\$ 0.20	\$ 0.20
Net income from discontinued operations, net of tax (dollars)	\$ -	\$ -	\$ -	\$ 1.06
Net income (loss) (dollars)	<u>\$ 0.22</u>	<u>\$ (0.01)</u>	<u>\$ 0.20</u>	<u>\$ 1.26</u>
Basic weighted average number of common shares outstanding	24,148	24,823	24,459	24,802
Diluted earnings (loss) per common share				
Net income (loss) from continuing operations (dollars)	\$ 0.21	\$ (0.01)	\$ 0.20	\$ 0.20
Net income from discontinued operations, net of tax (dollars)	\$ -	\$ -	\$ -	\$ 1.03
Net income (loss) (dollars)	<u>\$ 0.21</u>	<u>\$ (0.01)</u>	<u>\$ 0.20</u>	<u>\$ 1.23</u>
Diluted weighted average number of common shares outstanding	24,735	24,823	25,081	25,360

TRECORA RESOURCES AND SUBSIDIARIES  
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES  
EBITDA from continuing operations and Adjusted EBITDA from continuing operations  
(Thousands of dollars; rounding may apply)

**THREE MONTHS ENDED**

**12/31/2021**

	<u>SPEC. PETRO</u>	<u>SPEC. WAX</u>	<u>CORP</u>	<u>TREC</u>
NET INCOME (LOSS)	\$ 8,600	\$ (1,333)	\$ (2,038)	\$ 5,229
Income from discontinued operations, net of tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Income (loss) from continuing operations *	\$ 8,600	\$ (1,333)	\$ (2,038)	\$ 5,229
Interest expense	287	0	0	287
Income tax expense (benefit)	(1,352)	0	(503)	(1,855)
Depreciation and amortization	190	21	1	212
Depreciation and amortization in cost of sales	<u>2,560</u>	<u>1,539</u>	<u>0</u>	<u>4,099</u>
EBITDA from continuing operations *	10,285	227	(2,540)	7,972
Stock-based compensation	0	0	552	552
Gain on extinguishment of debt**	(3,935)	0	0	(3,935)
Gain on disposal of assets	1	0	0	1
Professional services associated with M&A and strategic initiatives	<u>0</u>	<u>0</u>	<u>657</u>	<u>657</u>
Adjusted EBITDA from continuing operations *	<u>\$ 6,351</u>	<u>\$ 227</u>	<u>\$ (1,331)</u>	<u>\$ 5,247</u>

**THREE MONTHS ENDED**

**12/31/2020**

	<u>SPEC. PETRO</u>	<u>SPEC. WAX</u>	<u>CORP</u>	<u>TREC</u>
NET INCOME (LOSS)	\$ 4,758	\$ (3,221)	\$ (1,653)	\$ (116)
Income from discontinued operations, net of tax	<u>0</u>	<u>0</u>	<u>30</u>	<u>30</u>
Income (loss) from continuing operations *	\$ 4,758	\$ (3,221)	\$ (1,683)	\$ (146)
Interest expense	331	0	1	332
Income tax expense (benefit)	(1,354)	1,595	(262)	(21)
Depreciation and amortization	185	23	2	210
Depreciation and amortization in cost of sales	<u>2,521</u>	<u>1,406</u>	<u>0</u>	<u>3,927</u>
EBITDA from continuing operations *	6,441	(197)	(1,942)	4,302
Stock-based compensation	0	0	490	490
Gain on extinguishment of debt**	0	0	0	0
Gain on disposal of assets	2	28	0	30
Professional services associated with M&A and strategic initiatives	<u>0</u>	<u>0</u>	<u>523</u>	<u>523</u>
Adjusted EBITDA from continuing operations *	<u>\$ 6,443</u>	<u>\$ (169)</u>	<u>\$ (929)</u>	<u>\$ 5,345</u>

**TWELVE MONTHS ENDED**

**12/31/2021**

	<u>SPEC. PETRO</u>	<u>SPEC. WAX</u>	<u>CORP</u>	<u>TREC</u>
NET INCOME (LOSS)	\$ 16,710	\$ (800)	\$ (10,947)	\$ 4,963
Income from discontinued operations, net of tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Income (Loss) from continuing operations *	\$ 16,710	\$ (800)	\$ (10,947)	\$ 4,963
Interest expense	1,204	0	1	1,205
Income tax expense (benefit)	1,012	0	(3,376)	(2,364)
Depreciation and amortization	785	90	7	882
Depreciation and amortization in cost of sales	<u>10,398</u>	<u>6,017</u>	<u>0</u>	<u>16,415</u>
EBITDA from continuing operations *	30,109	5,307	(14,315)	21,101
Stock-based compensation	0	0	2,247	2,247
Gain on extinguishment of debt**	(3,935)	(2,188)	0	(6,123)
(Gain) Loss on disposal of assets	(279)	0	0	(279)
Professional services associated with M&A and strategic initiatives	<u>0</u>	<u>0</u>	<u>4,655</u>	<u>4,655</u>
Adjusted EBITDA from continuing operations *	<u>\$ 25,895</u>	<u>\$ 3,119</u>	<u>\$ (7,413)</u>	<u>\$ 21,601</u>

**TWELVE MONTHS ENDED**

**12/31/2020**

	<u>SPEC. PETRO</u>	<u>SPEC. WAX</u>	<u>CORP</u>	<u>TREC</u>
NET INCOME (LOSS)	\$ 14,908	\$ (3,606)	\$ 19,873	\$ 31,175
Income from discontinued operations, net of tax	<u>0</u>	<u>0</u>	<u>26,209</u>	<u>26,209</u>
Income (Loss) from continuing operations *	\$ 14,908	\$ (3,606)	\$ (6,336)	\$ 4,966
Interest expense	2,489	0	2	2,491
Income tax expense (benefit)	(1,603)	0	(2,360)	(3,963)
Depreciation and amortization	739	94	15	848
Depreciation and amortization in cost of sales	<u>9,872</u>	<u>5,428</u>	<u>0</u>	<u>15,300</u>
EBITDA from continuing operations *	26,405	1,916	(8,679)	19,642
Stock-based compensation	0	0	1,912	1,912
Gain on extinguishment of debt**	0	0	0	0
(Gain) Loss on disposal of assets	(6)	45	0	39
Professional services associated with M&A and strategic initiatives	<u>0</u>	<u>0</u>	<u>558</u>	<u>558</u>
Adjusted EBITDA from continuing operations *	<u>\$ 26,399</u>	<u>\$ 1,961</u>	<u>\$ (6,209)</u>	<u>\$ 22,151</u>

\* Discontinued Operations only applicable within the Corporate segment

\*\* Extinguishment of debt is directly related to the forgiveness of the PPP Loans.



TRECORA RESOURCES (NYSE:TREC)

The background of the slide features a photograph of an industrial facility, likely a refinery or chemical plant, with tall distillation columns and complex piping. The image is overlaid with three large, semi-transparent colored shapes: a blue shape on the left, a red shape in the center, and a yellow shape on the right.

A leading provider of specialty hydrocarbons,  
specialty waxes, and custom processing services  
for a broad array of end markets

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MANAGEMENT PRESENTATION

MARCH 2022

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## Forward Looking Statements

Some of the statements and information contained in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements regarding the Company's financial position, business strategy and plans and objectives of the Company's management for future operations and other statements that are not historical facts, are forward-looking statements. Forward-looking statements are often characterized by the use of words such as "outlook," "may," "will," "can," "shall," "should," "could," "expects," "plans," "anticipates," "contemplates," "proposes," "believes," "estimates," "predicts," "projects," "potential," "continue," "intend," or the negative of such terms and other comparable terminology, or by discussions of strategy, plans or intentions.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other important factors that could cause the actual results, performance or our achievements, or industry results, to differ materially from historical results, any future results, or performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and factors include, but are not limited to the impacts of the COVID-19 pandemic on our business, financial results and financial condition and that of our customers, suppliers, and other counterparties; general economic and financial conditions domestically and internationally; insufficient cash flows from operating activities; our ability to attract and retain key employees; feedstock and product prices; feedstock availability and our ability to access third party transportation; competition; industry cycles; natural disasters or other severe weather events, health epidemics and pandemics (including the COVID-19 pandemic) and terrorist attacks; our ability to consummate, and the costs associated with, extraordinary transactions, including acquisitions, dispositions and other business combinations, and realize the financial and strategic goals of such transactions; technological developments and our ability to maintain, expand and upgrade our facilities; regulatory changes; environmental matters; lawsuits; outstanding debt and other financial and legal obligations; difficulties in obtaining additional financing on favorable conditions, or at all; local business risks in foreign countries, including civil unrest and military or political conflict, local regulatory and legal environments and foreign currency fluctuations; and other risks detailed in our latest Annual Report on Form 10-K, including, but not limited to, "Part I, Item 1A. Risk Factors" and "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" therein and in our other filings with the Securities and Exchange Commission (the "SEC"). Many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 pandemic and other natural disasters such as severe weather events.

There may be other factors of which we are currently unaware or deem immaterial that may cause our actual results to differ materially from the forward-looking statements. In addition, to the extent any inconsistency or conflict exists between the information included in this report and the information included in our prior releases, reports and other filings with the SEC, the information contained in this report updates and supersedes such information.

Forward-looking statements are based on current plans, estimates, assumptions and projections, and, therefore, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.



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## Non-GAAP Measures

This presentation includes non-GAAP financial measures of EBITDA from continuing operations and Adjusted EBITDA from continuing operations and provide reconciliations from our most directly comparable GAAP financial measures to those measures

We believe these financial measures provide users of our financial statements with supplemental information that may be useful in evaluating our operating performance. We also believe that such non-GAAP measures, when read in conjunction with our operating results presented under GAAP, can be used to better assess our performance from period to period and relative to performance of other companies in our industry, without regard to financing methods, historical cost basis or capital structure. These measures are not measures of financial performance or liquidity under GAAP and should be considered in addition to, and not as a substitute for, analysis of our results under GAAP.

We define EBITDA from continuing operations as net income (loss) from continuing operations plus interest expense, income tax expense (benefit), and depreciation and amortization. We define Adjusted EBITDA from continuing operations as EBITDA from continuing operations net of the impact of items we do not consider indicative of our ongoing operating performance, including share-based compensation, gains or losses on disposal of assets, gains or losses on extinguishment of debt and costs for professional services associated with M&A and strategic initiatives. These non-GAAP measures have been reconciled to the nearest GAAP measure for historical periods in the tables below entitled "Reconciliation of Selected GAAP Measures to Non-GAAP Measures." However, the Company is unable to reconcile its expectations regarding Adjusted EBITDA for the full year 2022 to the most directly comparable GAAP measures without unreasonable efforts because the Company is currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP measures for these periods but would not impact the non-GAAP measures.



# Industry Leading Producer of Specialty Hydrocarbons, Circular PE Waxes and Custom Processing Solutions

## Market Leader Across Core Operations

### Specialty Petrochemicals

**#1**

*High purity C5 producer  
in the US*

**#2**

*High purity C6 producer  
in the US*

### Specialty Waxes

**#1**

*Circular PE wax producer  
in the US*

### Custom Processing

**Top 2**

*In high-pressure hydrogenation  
and distillation*

## Company Highlights



Leadership position across its core markets due to superior quality and technical capabilities



One of two domestic producers of high-purity pentane and hexane solvents



Only US producer of high-performance, circular polyethylene waxes



Unique custom processing capabilities in a strategic geographical location relative to raw material suppliers and key customers



Control of supply chain logistics provides advantaged customer service position and contributes to end-to-end quality



Advantageous market position in an industry with inelastic demand



Significant capital invested to date yielding superior manufacturing capabilities



Seasoned management team with proven value creation experience

# Trecora Resources – Leading Company Specializing in High-Purity Hydrocarbons and Other Petrochemical Manufacturing

## Business Overview

- Trecora Resources, based in Sugar Land, TX was founded in 1967 and specializes in high purity hydrocarbons and other petrochemical manufacturing
- The Company's main business activities are the manufacturing of various specialty petrochemical products and synthetic waxes and the provision of Custom Processing services
- Trecora's products are used in applications including polyethylene, poly-iso and expandable / extruded polystyrene
- Risk profile mitigated by diversity of end markets, which include building and construction, packaging and consumer

## Key Statistics

**\$272.7mm**  
2021A Revenue

**5.1%**  
'21A – '26E  
Revenue CAGR

**9.9%**  
'21A – '26E  
EBITDA CAGR

**300+**  
Existing Customer  
Base

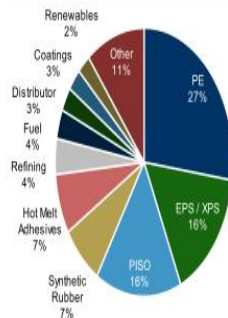
**\$21.6mm**  
2021A Adj. EBITDA

**9.0%**  
2021A Adj.  
EBITDA Margin

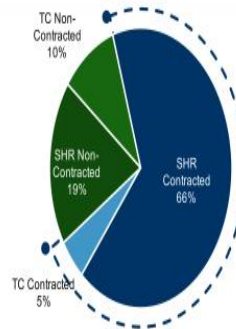
**~71%**  
Contracted Revenue

**~15%**  
International  
Revenue

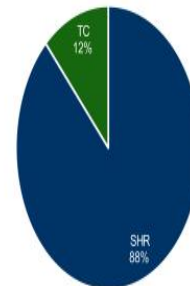
## Revenue by Application<sup>(1)</sup>



## Contracted Revenue Breakdown












## Adj. EBITDA Breakdown



Note: Pie charts based on 2021A financials 1) Excludes sales from Aromatic Compounds (by-product).

## Balanced Platform with Attractive Market Segmentation



	Specialty Petrochemicals		Custom Processing		Specialty Waxes		Custom Processing			
Business										
2021A Revenue	\$228.3 million		\$5.8 million		\$29.2 million		\$9.4 million			
2021A Adj. EBITDA	\$25.9mm / 11.1% margin				\$3.1mm / 8.1% margin					
Key Highlights	<ul style="list-style-type: none"><li>• Superior logistical advantage underpinned by tailored customer interactions</li><li>• Strategically located near raw materials suppliers and key customer base</li><li>• Reputation for exacting quality and technical expertise</li><li>• Dedicated assets available for Custom Processing</li></ul>				<ul style="list-style-type: none"><li>• Significant feedstock cost advantage</li><li>• High-pressure hydrogenation and polyol capacity are in short supply in the Gulf region</li><li>• Close relationship with customers serving as extension of product line offering for large multinational corporations</li></ul>					
Select Applications	 Polyethylene		 Poly-iso Insulation		 EPS / XPS Insulation		 Hot Melt Adhesives		 Paints and Coatings	

## Facility Overview

### Facility Highlights

### Key Statistics



- South Hampton Resources is a petrochemical manufacturer in southeast Texas
- Market leader in high-purity pentanes and hexanes
- ~30 miles north of Beaumont and ~90 miles east of Houston
- SHR dedicated truck fleet meets customer's demand expectations; 16 drivers, 16 trucks

**151**  
Employees

**13,000**  
barrels per day of fresh  
feed (air permits limit to  
11,000)

**276**  
Railcars

**4,000**  
barrels per day  
Advanced Reformer

**~100**  
storage tanks with total capacity of ~294,000 barrels



- Located in the center of the industrial region in the Gulf Coast near Houston, Texas
- Leading manufacturer and provider of specialty polyethylene waxes and Custom Processing solutions
- Three primary areas of business, including Custom Processing / Tolling, PE wax and Proprietary Products

**86**  
Employees

**40.6mm lbs.**  
Capacity utilized as of  
YTD September 2021

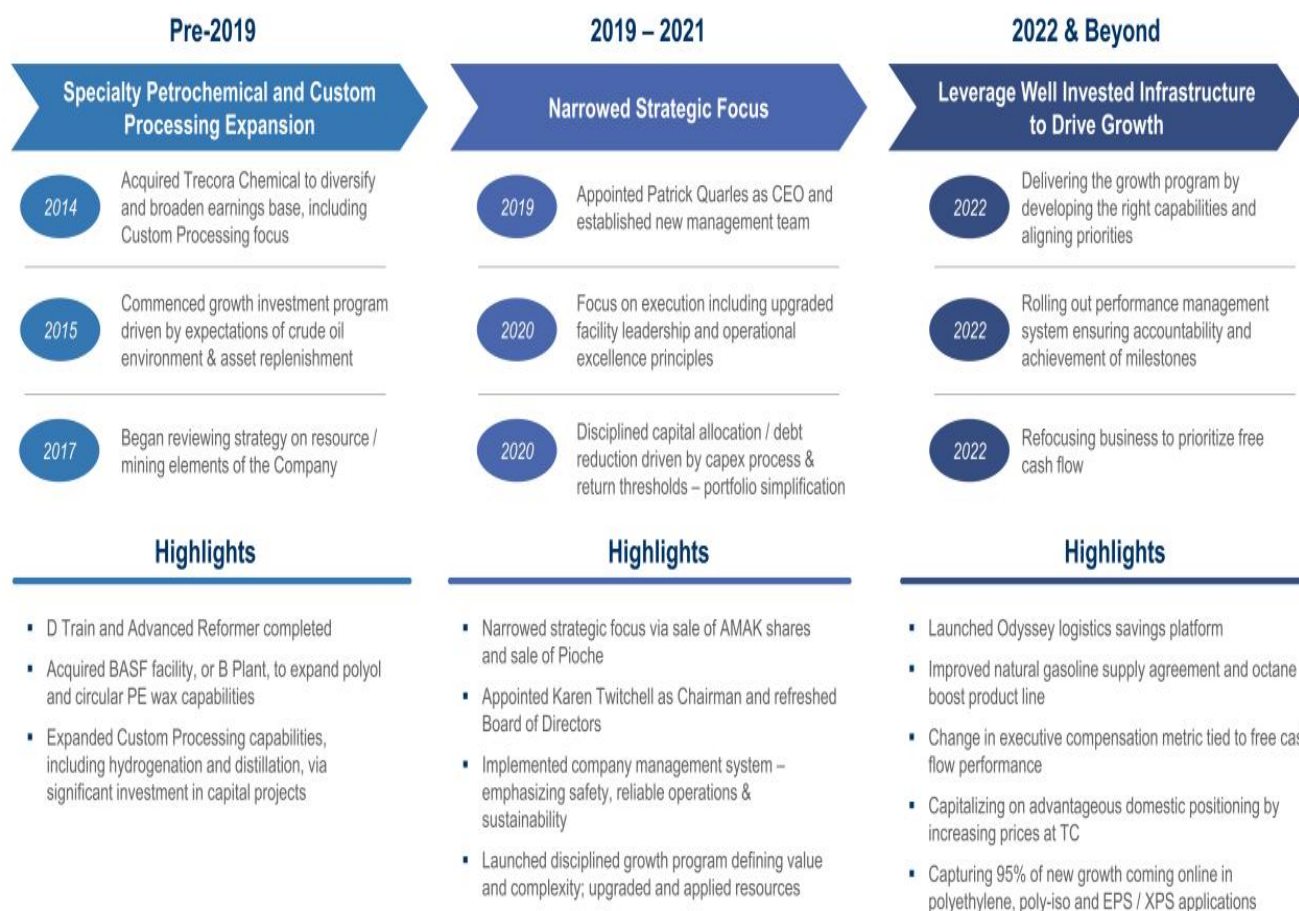
**28 acre**  
Plant

**~35 acres**  
Total site area

**50-60%**  
Available capacity (product mix dependent)



## Trecora's Business Evolution & Transformation Supports Future Growth



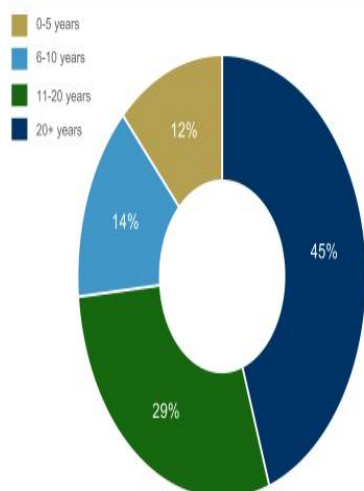
## Trecora Resources' Products Play a Critical Link in the Value Chain

Trecora Provides Solutions to Customers Across a Variety of End Markets



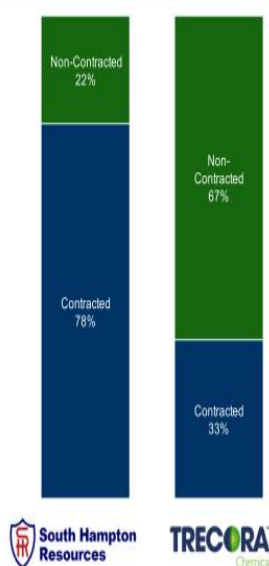
## Entrenched Blue-Chip Customer Relationships with Contracted Revenue Visibility

### Longstanding Customer Relationships<sup>(1)</sup>



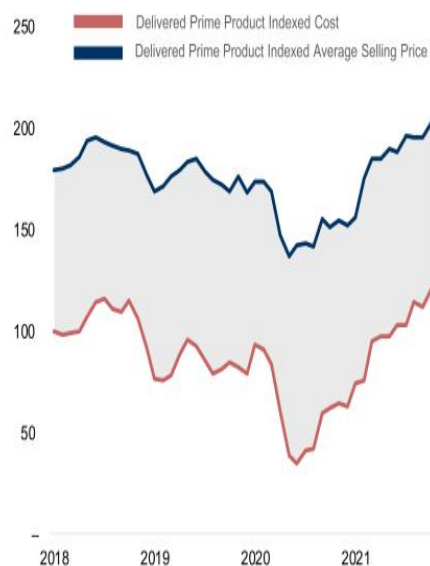
- Strategic and collaborative customer relationships with executing on customized requirements
- Trecora's focus on customer service is demonstrated by its ability to retain both blue-chip and smaller customers, with many relationships lasting over two decades

### Contracted Revenue<sup>(2)</sup>



- Delivers a differentiated value proposition to ~300 customers
- ~71% of revenue base is contracted
- Trecora utilizes both formula and non-formula based pricing depending upon a customer's requirements

### Stable Prime Product Margin Profile



- SHR's favorable contracted customer mix insulates prime product margins from Non-TET natural gasoline index price fluctuations
- SHR pricing is set on a cost-plus basis (base raw materials plus adder); TC wax is based on FT wax alternative pricing; Custom Processing revenue falls through to bottom line

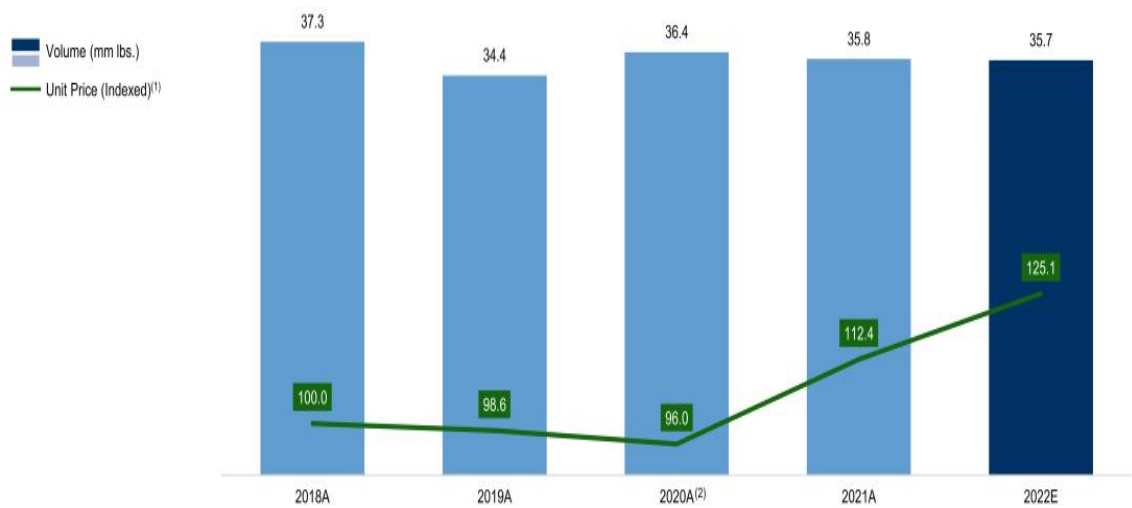
(1) Percentage based on customer tenure weighted by revenue contribution.

(2) Contracted revenue adjusted for impact of one-time freeze addback.

# Capturing Value of High-Quality Waxes



Annual Historical and Projected Volume and Price (\$ in millions)



New supplemental feedstock supply and expansion of new products can increase capacity beyond base plan

Increase in quality, expansion of circularity and domestic supply puts Trecora in a position to enhance margin profile via price increases

Strong demand for TC's specialty wax products has led to sold out demand historically and on a projected basis

(1) Indexed based on 2018 unit price.  
(2) 2021A financials subject to revision following auditor review.



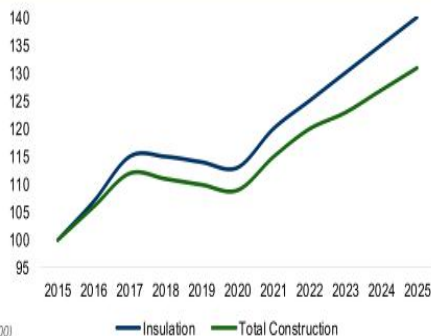
## Trecora is Levered to Several Compelling Secular Growth Trends

Favorable Secular Trends	Select Application Trends
<p>Fast growing building and construction markets supported by rising spending in the US on improvements / new housing</p> <p>+</p>	 <ul style="list-style-type: none"> <li>▪ Poly-iso and EPS / XPS demand poised to benefit from secular building product trends</li> <li>▪ Applications include insulation in roofing and foundation construction</li> </ul>
<p>Increasing penetration of insulation driven by green energy saving trends</p> <p>+</p>	 <ul style="list-style-type: none"> <li>▪ Increased adoption of insulation due to energy consumption awareness</li> <li>▪ Growth tied heavily to the commercial and residential construction industry</li> </ul>
<p>Attractive regulatory tailwinds underpinned by ongoing replacement of HFC's with Pentanes</p> <p>+</p>	 <ul style="list-style-type: none"> <li>▪ Regulation to eliminate UFC-340 driving switch over to pentane / UFO blends</li> <li>▪ HC foam substitution opportunity for blowing agents used in polyurethane appliances</li> </ul>
<p>Robust demand for sustainable and circular specialty chemicals</p> <p>+</p>	 <ul style="list-style-type: none"> <li>▪ Shift towards sustainable and circular specialty chemical products</li> <li>▪ HFC restrictions expected to increase pentane demand (applicable for refrigeration appliances)</li> </ul>
<p>Rising LLDPE packaging demand supported by increasing use of shrink and stretch film packaging</p>	 <ul style="list-style-type: none"> <li>▪ Rising adoption of LLDPE in construction</li> <li>▪ Demand driven by high and increasing LLDPE penetration in the polymer market</li> </ul>

Source: Advancy, Mordor Intelligence and Infront Research.

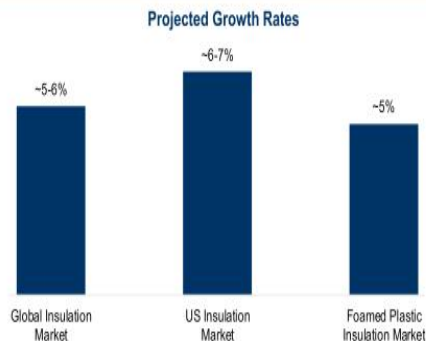
## Megatrend – Growing Demand and Increased Importance of Insulation in the Building and Construction Industry

### North American Insulation Growth Outpaces Construction Growth...



Insulation demand growth is outpacing the already fast-growing broader construction market, providing strong support for future demand of Trecora's products

### ...Supported by Insulation Market Tailwind Growth






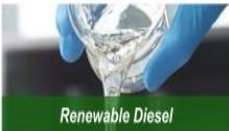


EPS insulation is now the largest product segment (~25% of the market) and XPS has emerged as a superior product due to its environmental impact and performance capabilities

### Where Trecora Impacts the Insulation Market





Insulation Type	R-value/in	
Polyiso (foil-faced)	6.5	
Closed Cell Spray Foam	6.5	
Polyiso (glass fiber-faced)	6.5	
Polyiso (unfaced)	6.0	
Extruded Polystyrene (XPS)	5.0	
Polyurethane Board	5.0	
Expanded Polystyrene (EPS)	4.1	
Cellulose blown (wall)	3.7	
Open Cell Spray Foam	3.6	
Cellulose blown (attic)	3.2	
Fiberglass blown (wall)	3.2	
Fiberglass (batt)	3.1	
Mineral Wool (batt)	3.1	
Mineral Wool blown (attic)	3.1	
Mineral Wool blown (wall)	3.0	
Fiberglass blown (attic)	2.2	

## Strong Anticipated Growth Underpinned by Robust Demand for Sustainable Materials

Sustainable Product	Description	Status	Production Scale	Industry CAGR
 <p>Renewable Aviation Fuel</p>	<ul style="list-style-type: none"> <li>Producing and supplying renewable aviation fuel inputs for a North American renewable chemicals and biofuels company</li> </ul>	Commercial	<b>Pilot</b> <i>Potential to expand volumes at Trecora location</i>	67.2%
 <p>Terpenes</p>	<ul style="list-style-type: none"> <li>Producing and supplying pine-based chemicals for a third party specialty chemical company</li> </ul>	Commercial	<b>Railcar Quantities</b> <i>Organic growth potential</i>	14.2%
 <p>Renewable Products</p>	<ul style="list-style-type: none"> <li>Producing and supplying renewable products for a sustainable technology company focused on producing cost-competitive renewable chemicals from non-food biomass</li> </ul>	Commercial	<b>Pilot</b>	9.3%
 <p>PE Circular Waxes</p>	<ul style="list-style-type: none"> <li>Producing and supplying circular PE waxes based on recovery of low molecular weight polymer from PE resin production</li> </ul>	Commercial	<b>Current Production</b>	3.0%
 <p>Flare Gas Mitigation</p>	<ul style="list-style-type: none"> <li>Wax produced from flare gas capture / mitigation at the well heads used to manufacture FT wax products</li> </ul>	Commercial Trial	<b>Truckload Quantities</b> <i>Potential to expand to large quantities as there is expansion in flare gas mitigation</i>	7.7%
 <p>Renewable Diesel</p>	<ul style="list-style-type: none"> <li>Developing inputs for renewable diesel production for a third party Custom Processing project</li> </ul>	Definition	<b>~1,500 barrels per day</b>	21.3%

Source: Expresswire, Mordor Intelligence and Technavio.

## Ongoing Margin Enhancement and Process Optimization Initiatives

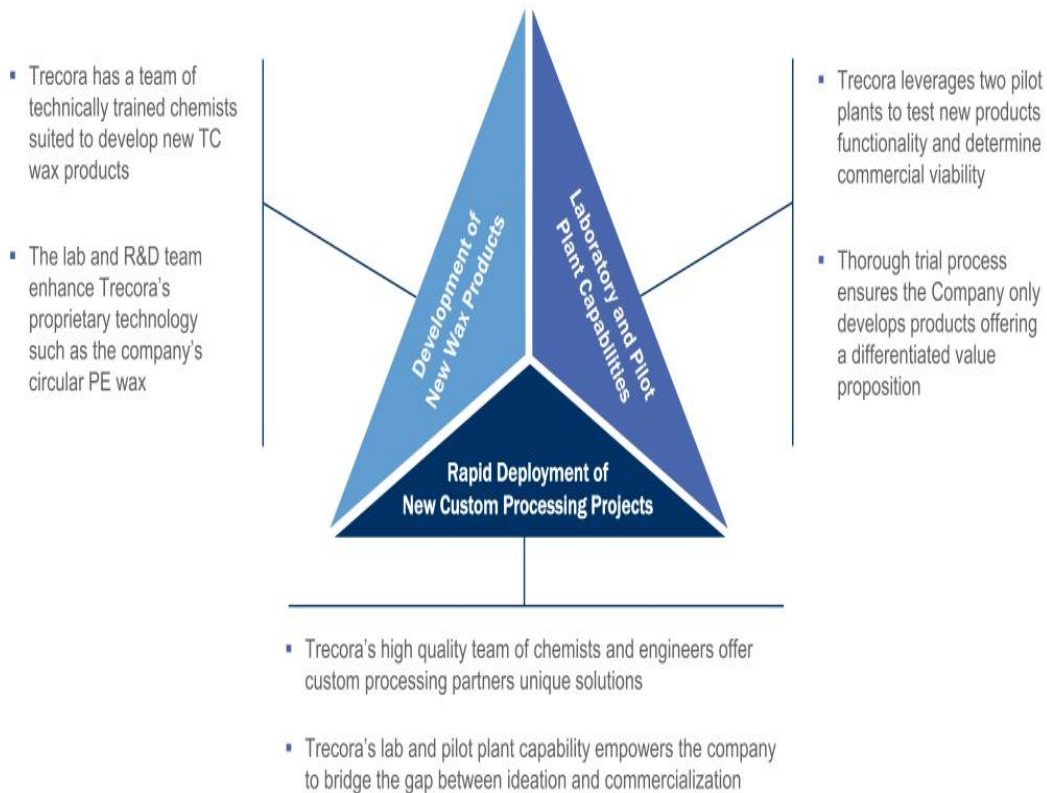
Initiative	Description	Incremental EBITDA Growth <sup>(1)</sup>
Process Yield and Energy Improvement	 <ul style="list-style-type: none"> <li>Advanced process control drives optimized performance on two train pentane distillation towers</li> <li>Optimized energy use of pentane distillation towers</li> </ul>	<b>~\$790k</b> <i>Commercial Execution</i>
Third Party Logistics Utilization	 <ul style="list-style-type: none"> <li>Utilized third party to outsource loading/unloading personnel</li> </ul>	<div>+</div> <b>~\$670k</b> <i>Commercial Execution</i>
SHR Feed Supply Improvement	 <ul style="list-style-type: none"> <li>Improved pricing and shortfall fee improvements</li> </ul>	<div>+</div> <b>~\$950k</b> <i>Commercial Execution</i>
Recent Historical Initiatives	 <ul style="list-style-type: none"> <li>Odyssey Logistics price optimization, use of in-house rescue team, transition to rope access, Aromax optimization and use of rental equipment</li> </ul>	

<sup>(1)</sup> Savings expected to be realized in the future.

## Organic Development Overview

### Product Development Capabilities Overview

Fully equipped laboratory and pilot plant facility with a highly trained, technically proficient team of engineers and chemists



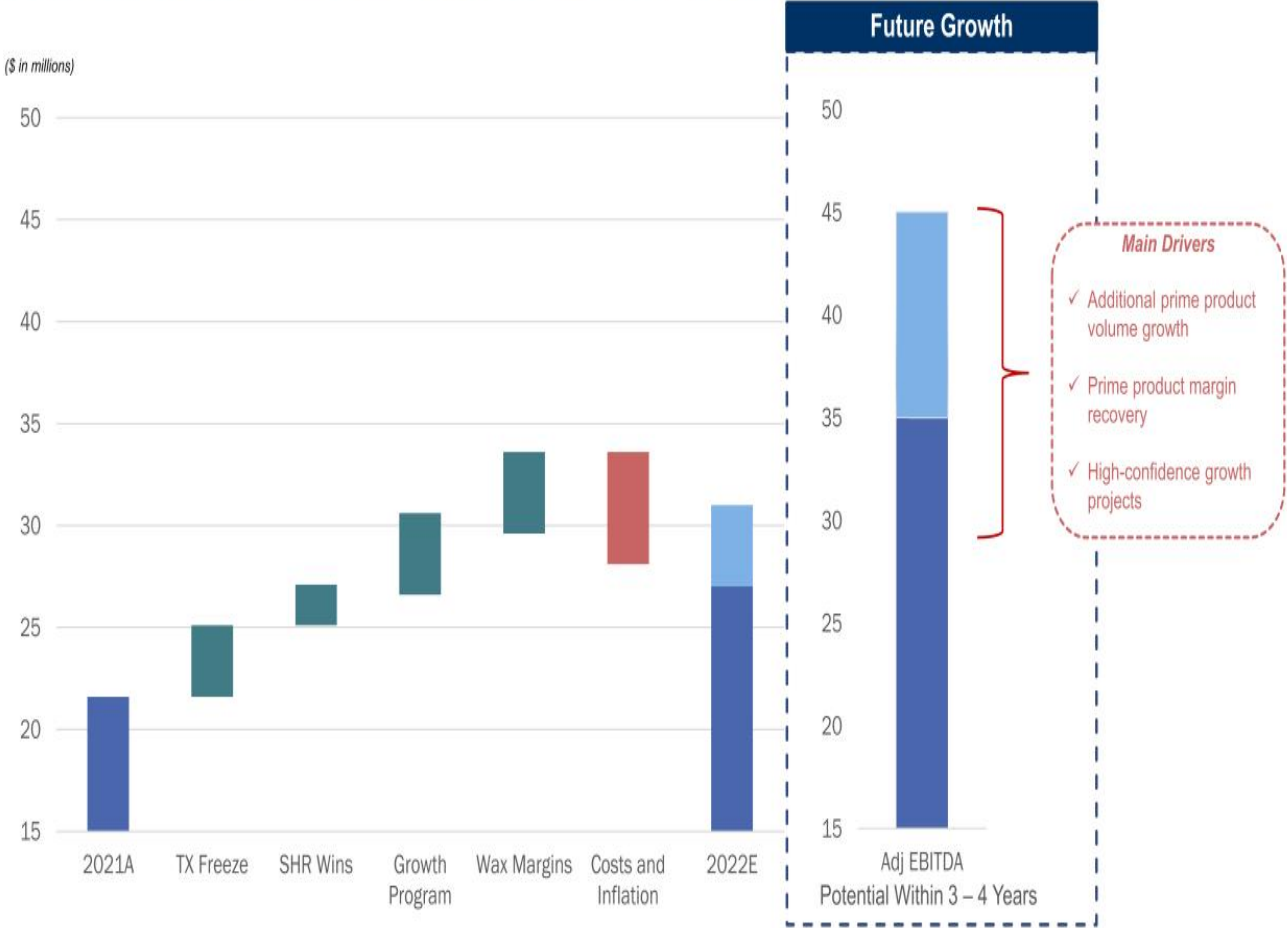


## New Project Selection Process



\* As of January 2022

# Trecora Resources - 2022 Adjusted EBITDA\* Guidance



\* Please see non-GAAP reconciliation on slide 23

## 2021 Performance Summary

	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	12M'21	12M'20
Diluted EPS from continuing operations	\$0.21	\$0.08	\$0.09	(\$0.18)	(\$0.01)	\$0.20	\$0.20
Net Income (Loss) from continuing operations	\$5.2	\$1.9	\$2.3	(\$4.4)	(\$0.1)	\$5.0	\$5.0
Adjusted EBITDA from continuing operations <sup>(1)</sup>	\$5.2	\$7.5	\$9.0	(\$0.1)	\$5.3	\$21.6 <sup>(2)</sup>	\$22.2
Gross Margin	8.4%	12.0%	16.0%	4.3%	10.3%	10.5%	13.7%
Cap Ex	\$1.9	\$3.6	\$3.9	\$4.8	\$3.0	\$14.2	\$13.4
Total Debt	\$41.9	\$42.9	\$44.0	\$45.0	\$46.1	\$41.9	\$46.1

(1) See non-GAAP reconciliations included in the accompanying financial tables for the reconciliation of each non-GAAP measure to its more directly comparable GAAP measure.

(2) Includes the unfavorable impact of the Texas freeze event of approximately \$3.5 million.



## 2021 Business Segment Performance Summary

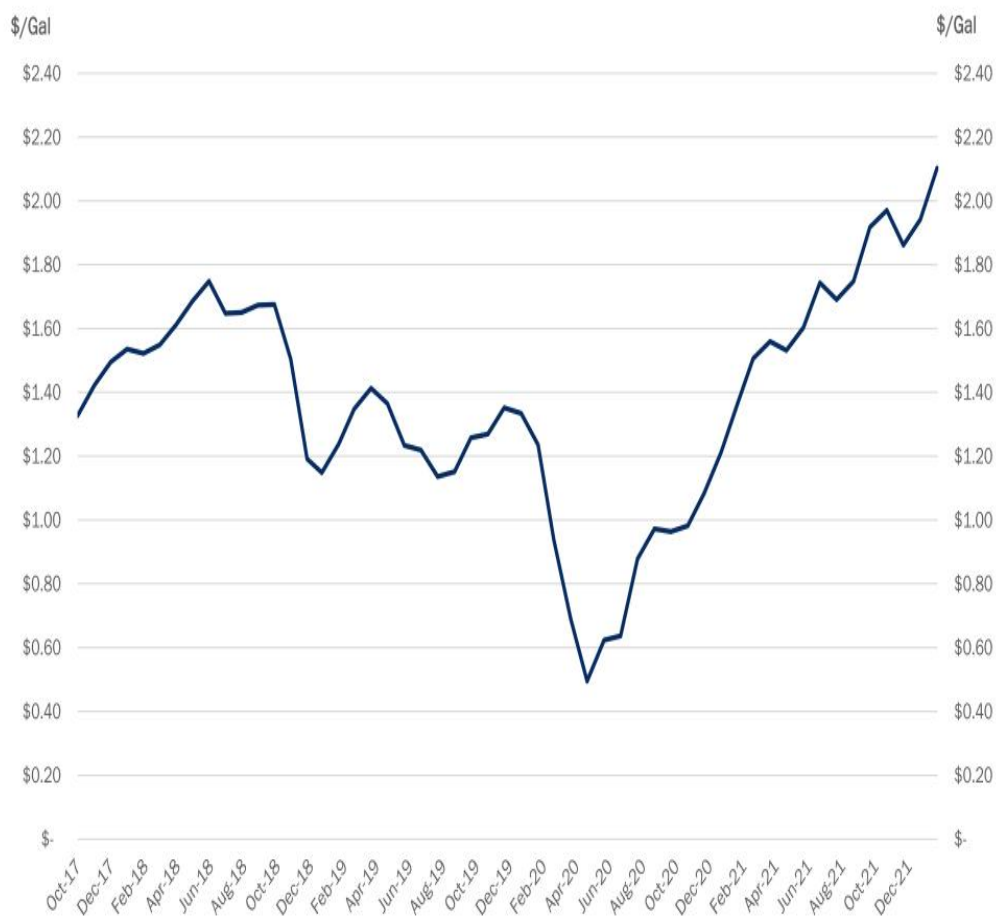
### Specialty Petrochemicals Sales Volume

	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	12M'21	12M'20
All Products (million gals)	20.2	20.9	20.0	17.2	22.1	78.2	75.1
Prime Products (million gals)	16.3	17.2	16.9	14.7	17.6	65.0	61.7
By-products (million gals)	3.9	3.7	3.1	2.5	4.5	13.2	13.5
By-product spread (\$/gal)	\$0.23	\$0.38	\$0.62	\$0.30	\$(0.04)	\$1.26	\$1.22

### Specialty Waxes

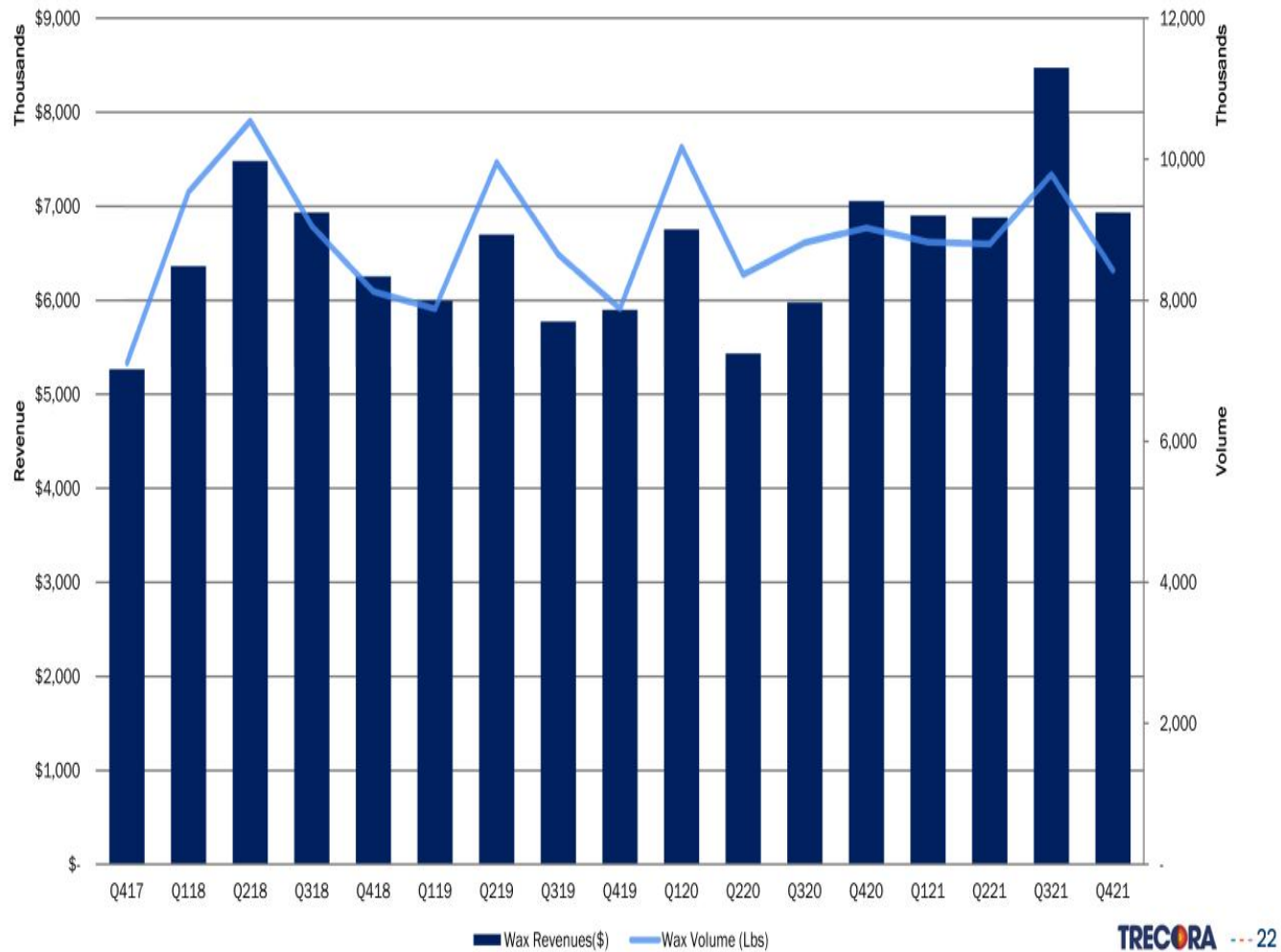
	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	12M'21	12M'20
Wax Revenue (\$m)	\$7.0	\$8.5	\$6.9	\$6.9	\$7.1	\$29.2	\$25.3
Wax Sales Volume (million lbs)	8.4	9.8	8.8	8.8	9.0	35.8	36.4
Avg. Wax Sales Price (\$/lb)	\$0.83	\$0.87	\$0.78	\$0.78	\$0.78	\$0.82	\$0.70
Custom Processing Revenue (\$m)	\$2.1	\$2.8	\$2.7	\$1.8	\$2.0	\$9.4	\$11.0

# Specialty Petrochemical Feedstock - Market Price of Natural Gasoline



(Source: OPIS)

# Specialty Waxes - Wax Revenues and Sales Volumes



## Reconciliation Of Selected GAAP Measures To Non-GAAP Measures

	THREE MONTHS ENDED				THREE MONTHS ENDED			
	12/31/2021				12/31/2020			
	SPEC. PETRO	SPEC. WAX	CORP	TREC	SPEC. PETRO	SPEC. WAX	CORP	TREC
NET INCOME (LOSS)	\$ 8,600	\$ (1,333)	\$ (2,038)	\$ 5,229	\$ 4,758	\$ (3,221)	\$ (1,653)	\$ (116)
Income from discontinued operations, net of tax	0	0	0	0	0	0	30	30
Income (loss) from continuing operations *	\$ 8,600	\$ (1,333)	\$ (2,038)	\$ 5,229	\$ 4,758	\$ (3,221)	\$ (1,683)	\$ (146)
Interest expense	287	0	0	287	331	0	1	332
Income tax expense (benefit)	(1,352)	0	(503)	(1,855)	(1,354)	1,595	(262)	(21)
Depreciation and amortization	190	21	1	212	185	23	2	210
Depreciation and amortization in cost of sales	2,560	1,539	0	4,099	2,521	1,406	0	3,927
EBITDA from continuing operations *	10,285	227	(2,540)	7,972	6,441	(197)	(1,942)	4,302
Stock-based compensation	0	0	552	552	0	0	490	490
Gain on extinguishment of debt**	(3,935)	0	0	(3,935)	0	0	0	0
Gain on disposal of assets	1	0	0	1	2	28	0	30
Professional services associated with M&A and strategic initiatives	0	0	657	657	0	0	523	523
Adjusted EBITDA from continuing operations *	\$ 6,351	\$ 227	\$ (1,331)	\$ 5,247	\$ 6,443	\$ (169)	\$ (929)	\$ 5,345

	TWELVE MONTHS ENDED				TWELVE MONTHS ENDED			
	12/31/2021				12/31/2020			
	SPEC. PETRO	SPEC. WAX	CORP	TREC	SPEC. PETRO	SPEC. WAX	CORP	TREC
NET INCOME (LOSS)	\$ 16,710	\$ (800)	\$ (10,947)	\$ 4,963	\$ 14,908	\$ (3,606)	\$ 19,873	\$ 31,175
Income from discontinued operations, net of tax	0	0	0	0	0	0	26,209	26,209
Income (Loss) from continuing operations *	\$ 16,710	\$ (800)	\$ (10,947)	\$ 4,963	\$ 14,908	\$ (3,606)	\$ (6,336)	\$ 4,966
Interest expense	1,204	0	1	1,205	2,489	0	2	2,491
Income tax expense (benefit)	1,012	0	(3,376)	(2,364)	(1,603)	0	(2,360)	(3,963)
Depreciation and amortization	785	90	7	882	739	94	15	848
Depreciation and amortization in cost of sales	10,398	6,017	0	16,415	9,872	5,428	0	15,300
EBITDA from continuing operations *	30,109	5,307	(14,315)	21,101	26,405	1,916	(8,679)	19,642
Stock-based compensation	0	0	2,247	2,247	0	0	1,912	1,912
Gain on extinguishment of debt**	(3,935)	(2,188)	0	(6,123)	0	0	0	0
(Gain) Loss on disposal of assets	(279)	0	0	(279)	(6)	45	0	39
Professional services associated with M&A and strategic initiatives	0	0	4,655	4,655	0	0	558	558
Adjusted EBITDA from continuing operations *	\$ 25,895	\$ 3,119	\$ (7,413)	\$ 21,601	\$ 26,399	\$ 1,961	\$ (6,209)	\$ 22,151

\* Discontinued Operations only applicable within the Corporate segment

\*\* Extinguishment of debt is directly related to the forgiveness of the PPP Loans.

