

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): May 4, 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 May 4, 2022, regarding its financial results for the quarter ended March 31, 2022, including consolidated financial statements for the quarter ended March 31, 2022, 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 first quarter 2022 earnings presentation on May 5, 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

| <u>Exhibit No.</u> | <u>Description of Exhibit</u> |
|--------------------|---|
| 99.1 | Earnings Release of the Company, dated May 4, 2022 |
| 99.2 | Earnings Presentation of the Company, dated May 5, 2022 |
| 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: May 5, 2022

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



Trecora Resources Announces First Quarter 2022 Results

- First quarter revenue of \$83.2 million, an increase of 52.4% compared with the first quarter of 2021, driven by price and volume increases in both the Specialty Petrochemicals and Specialty Waxes segments.
- First quarter net loss of \$(0.4) million was significantly improved from \$(4.4) million in the first quarter 2021.
- First quarter Adjusted EBITDA of \$5.8 million compared to \$(0.1) million in the first quarter 2021.
- Increasing full year Adjusted EBITDA guidance to a range between \$28 million and \$32 million from \$27 million to \$31 million previously.
- Conference call at 11:00 am ET, May 5, 2022.

SUGAR LAND, Texas, May 4, 2022 – Trecora Resources (“Trecora” or the “Company”) (NYSE: TREC), a leading provider of specialty hydrocarbons and specialty waxes, today announced financial results for the first quarter ended March 31, 2022.

Executive Commentary

“The first quarter of 2022 saw a continuation of the market dynamics Trecora experienced during the second half of 2021 as the Company recorded solid results driven by increased economic activity, which is supporting end market demand. Demand for solvents and specialty wax products, along with custom processing, remained strong during the first quarter, enabling Trecora to record top line growth of 52.4% compared to the first quarter of 2021. Specialty Petrochemical volumes improved 17.6% from the same period in the prior year, while wax volumes similarly grew 17%. Recall that last year’s volumes were significantly impacted by the Texas freeze event. Average Specialty Petrochemical sales prices rose 31.6% from the prior year period as Trecora continued to implement pricing increases in order to keep pace with input pricing. Custom processing revenues at TC improved more than 50% to \$2.7 million for the first quarter of 2022 compared to the prior year period, while volumes of byproduct sales at SHR also expanded, gaining 45.2% from year-ago levels to 3.7 million gallons in the first quarter of 2022.”

“We were particularly pleased to see volume growth in our Specialty Wax segment as input availability improved. That coupled with a favorable pricing environment yielded solid growth in segment revenue and Adjusted EBITDA in the first quarter of 2022,” stated Pat Quarles, Trecora’s President and Chief Executive Officer.

Sami Ahmad, Trecora’s Chief Financial Officer stated, “The Specialty Petrochemicals segment had a strong first quarter, which included expenses associated with a large maintenance turnaround. The turnaround was completed safely and successfully. The costs for the turnaround were greater than expected and totaled approximately \$2.4 million in the first quarter. We expect a further \$0.4 of turnaround related costs in the second quarter.”

“Rising natural gasoline feedstock costs in the first quarter, coupled with higher product pricing, had a negative impact on our working capital. Inventory build ahead of the SHR turnaround allowed us to utilize some lower cost inventory, on a relative basis, during the quarter thereby further enhancing margins. We ended the quarter with cash balance of \$31.9 million and debt of \$40.9 million. Operating cash flow for the quarter was a strong \$7.7 million,” concluded Mr. Ahmad.

First Quarter 2022 Financial Results

Total revenue in the first quarter of 2022 was \$83.2 million, compared to \$54.6 million in the first quarter of 2021. The 52.4% year-over-year increase was primarily due to increased volume compared with last year's quarter which was negatively impacted by the Texas freeze event. Price increases in both operating segments, resulting from strong end market demand and higher feedstock costs, also contributed to the positive year over year comparison.

Gross profit in the first quarter of 2022 was \$7.9 million, or 9.5% of total revenues, compared to \$2.3 million, or 4.3% of total revenues, in the first quarter of 2021 and \$6.2 million, or 8.4% of total revenues, in the fourth quarter of 2021.

Net loss in the first quarter of 2022 was \$(0.4) million, or \$(0.02)¹ per diluted share, compared to net loss of \$(4.4) million, or \$(0.18)² per diluted share, in the first quarter of 2021. Adjusted EBITDA was \$5.8 million for the first quarter of 2022, compared with \$(0.1) million in the first quarter of 2021.

Specialty Petrochemicals

Specialty Petrochemicals volume in the first quarter of 2022 was 20.2 million gallons, which increased from 17.2 million gallons in the first quarter of 2021. Prime product volume in the first quarter of 2022 was 16.6 million gallons, which increased from 14.7 million gallons in the first quarter of 2021. By-product sales volume was 3.7 million gallons in the first quarter of 2022. The increase in volume compared to last year was primarily due to the Texas freeze event. Specialty Petrochemicals gross revenue increased 53.7% year-over-year due to the combination of increased volumes coupled with higher product prices.

Specialty Petrochemicals net income was \$1.8 million in the first quarter of 2022, compared to net income of \$0.2 million in the first quarter of 2021. Adjusted EBITDA for Specialty Petrochemicals in the first quarter of 2022 was \$5.9 million, compared to \$2.6 million in the first quarter of 2021.

| | THREE MONTHS ENDED MARCH 31, | | |
|---|------------------------------------|----------|----------|
| | 2022 | 2021 | % Change |
| Product sales | \$69,090 | \$44,658 | 54.7% |
| Processing fees | 1,488 | 1,254 | 18.7% |
| Gross revenues | \$70,578 | \$45,912 | 53.7% |
| Operating income before depreciation and amortization | 5,383 | 2,571 | 109.4% |
| Operating income (loss) | 2,654 | (231) | 1,248.9% |
| Net income (loss) before taxes | 2,362 | (297) | 895.3% |
| Depreciation and amortization | 2,729 | 2,802 | (2.6%) |
| Adjusted EBITDA ^(*) | 5,889 | 2,569 | 129.2% |
| Capital expenditures | 4,129 | 3,567 | 15.8% |

^(*) 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 \$12.6 million in the first quarter of 2022, a 45.7% increase from the first quarter of 2021. Revenues included approximately \$10.0 million of wax product sales in the first quarter of 2022, and processing revenues of \$2.7 million. Wax revenues grew as higher selling prices combined with increased sales volumes. Wax sales volumes were 10.3 million pounds in the first quarter of 2022 compared to 8.8 million pounds in the first quarter of 2021.

the first quarter 2021.

¹ Based on 23.6 million shares outstanding

² Based on 24.9 million shares outstanding

Specialty Waxes net income was \$0.3 million in the first quarter of 2022, compared to a net loss of \$(2.0) million in the first quarter of 2021. Adjusted EBITDA for Specialty Waxes in the first quarter of 2022 was \$1.9 million, compared with \$(0.5) million in the first quarter of 2021.

Processing fees were approximately \$2.7 million in the first quarter of 2022, an increase of 50.9% from the first quarter of 2021. Processing fees in the first quarter of 2021 were negatively impacted by the Texas freeze event.

| <i>Dollar amounts in thousands/rounding may apply</i> | THREE MONTHS | | |
|--|---------------------|--------------------|------------------------|
| | ENDED | | |
| | MARCH 31, | | |
| | <u>2022</u> | <u>2021</u> | <u>% Change</u> |
| Product sales | \$9,971 | \$6,907 | 44.4% |
| Processing fees | <u>2,665</u> | <u>1,766</u> | 50.9% |
| Gross revenues | \$12,636 | \$8,673 | 45.7% |
| Operating income (loss) before depreciation and amortization | 1,909 | (481) | 496.9% |
| Operating income (loss) | 331 | (1,957) | 116.9% |
| Net income (loss) before taxes | 324 | (1,954) | 116.6% |
| Depreciation and amortization | 1,578 | 1,476 | 6.9% |
| Adjusted EBITDA ^(*) | 1,902 | (479) | 497.1% |
| Capital expenditures | 722 | 1,214 | (40.5%) |

^(*) 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

“Our first quarter was ahead of our guidance. Market conditions also continue to be consistent with our view when we introduced guidance last quarter and with that in mind, we are increasing our full year Adjusted EBITDA guidance to a range between \$28 million and \$32 million,” concluded Mr. Quarles.

Earnings Call

Tomorrow’s conference call, on May 5, 2022, at 11:00 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/vi42iivi>. A webcast replay of the call will also be available through the same link until May 5, 2023.

To participate via telephone, callers should dial in at least ten to fifteen minutes prior to the 11:00 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 2060048. To listen to the playback, which will be available telephonically for 48 hours, please call 1-855-859-2056 if calling within the United States or 1-404-537-3406 if calling internationally. Use pin number 2060048 for the replay.

Use of Non-GAAP Measures

This earnings press release includes non-GAAP financial measures of EBITDA and Adjusted EBITDA and provides 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 as net income (loss) plus interest expense, income tax expense (benefit), and depreciation and amortization. We define Adjusted EBITDA as EBITDA 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, costs for professional services associated with M&A and strategic initiatives and other non-recurring costs. 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, including the impact of rising inflation and supply chain issues; the ongoing impact of geopolitical conflict; the impact of actions by activist stockholders; 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



TRECORA RESOURCES AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

| | March 31, 2022 | December 31, 2021 |
|---|---|--------------------------|
| | (unaudited) | |
| | <i>(thousands of dollars, except par value)</i> | |
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 31,937 | \$ 30,535 |
| Trade receivables, net | 33,572 | 32,811 |
| Inventories | 20,355 | 21,134 |
| Prepaid expenses and other assets | 3,396 | 4,313 |
| Total current assets | 89,260 | 88,793 |
| Property, plant and equipment, net | 186,029 | 185,521 |
| Intangible assets, net | 10,601 | 11,056 |
| Lease right-of-use assets, net | 7,305 | 8,170 |
| TOTAL ASSETS | 293,195 | 293,540 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable | 12,387 | 12,075 |
| Accrued liabilities | 7,123 | 5,873 |
| Current portion of long-term debt | 4,194 | 4,194 |
| Current portion of lease liabilities | 3,085 | 3,227 |
| Current portion of other liabilities | 620 | 626 |
| Total current liabilities | 27,409 | 25,995 |
| Long-term debt, net of current portion | 36,658 | 37,707 |
| Lease liabilities, net of current portion | 4,202 | 4,923 |
| Other liabilities, net of current portion | 403 | 417 |
| Deferred income taxes | 24,771 | 24,525 |
| Total liabilities | 93,443 | 93,567 |
| EQUITY | | |
| Common stock - authorized 40 million shares of \$0.10 par value; issued 25.1 million and 25.1 million in 2022 and 2021, respectively, and outstanding 23.7 million and 23.6 million in 2022 and 2021, respectively | 2,508 | 2,499 |
| Additional paid-in capital | 63,406 | 63,260 |
| Treasury stock, at cost (1.4 million shares) | (11,486) | (11,486) |
| Retained earnings | 145,324 | 145,700 |
| Total equity | 199,752 | 199,973 |
| TOTAL LIABILITIES AND EQUITY | 293,195 | 293,540 |



TRECORA RESOURCES AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

THREE MONTHS ENDED
MARCH 31

(unaudited)

| | 2022 | 2021 |
|---|---|----------------|
| | <i>(thousands of dollars, except per share amounts)</i> | |
| REVENUES | | |
| Product sales | \$ 79,061 | \$ 51,565 |
| Processing fees | 4,153 | 3,020 |
| | <u>83,214</u> | <u>54,585</u> |
| OPERATING COSTS AND EXPENSES | | |
| Cost of sales and processing (including depreciation and amortization of \$4,079 and \$4,055, respectively) | 75,321 | 52,240 |
| GROSS PROFIT | <u>7,893</u> | <u>2,345</u> |
| GENERAL AND ADMINISTRATIVE EXPENSES | | |
| General and administrative | 7,533 | 7,332 |
| Depreciation | 228 | 226 |
| | <u>7,761</u> | <u>7,558</u> |
| OPERATING INCOME (LOSS) | 132 | (5,213) |
| OTHER INCOME (EXPENSE) | | |
| Interest expense | (283) | (302) |
| Miscellaneous income, net | 69 | 110 |
| | <u>(214)</u> | <u>(192)</u> |
| INCOME (LOSS) BEFORE INCOME TAXES | (82) | (5,405) |
| INCOME TAX (EXPENSE) BENEFIT | <u>(294)</u> | <u>1,001</u> |
| NET INCOME (LOSS) | <u>(376)</u> | <u>(4,404)</u> |
| Basic Earnings (Loss) per Common Share | | |
| Net loss (dollars) | \$ (0.02) | \$ (0.18) |
| Basic weighted average number of common shares outstanding | 23,600 | 24,861 |
| Diluted Earnings (Loss) per Common Share | | |
| Net loss (dollars) | \$ (0.02) | \$ (0.18) |
| Diluted weighted average number of common shares outstanding | 23,600 | 24,861 |



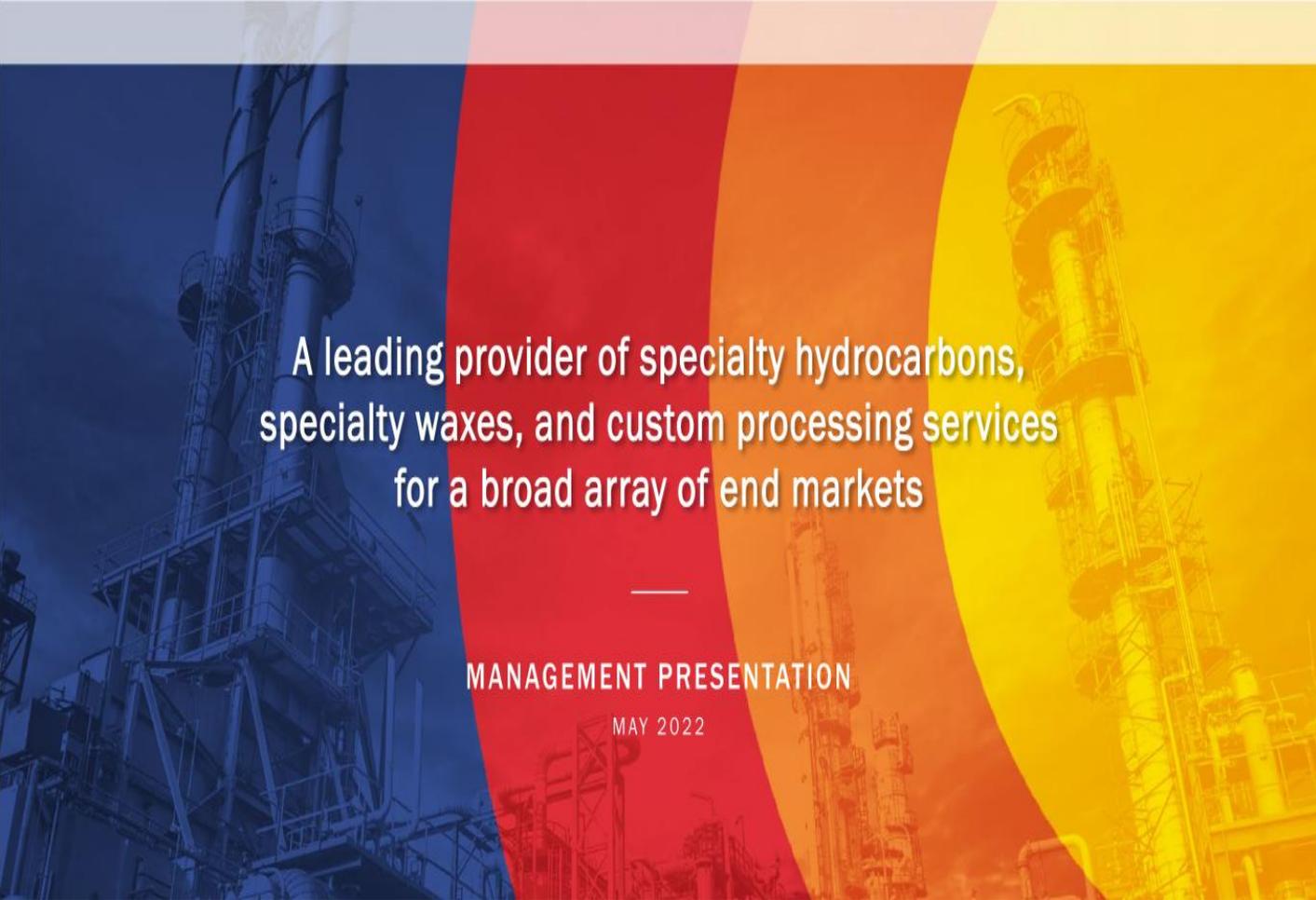
TRECORA RESOURCES AND SUBSIDIARIES
RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES
EBITDA and Adjusted EBITDA
(Thousands of dollars; rounding may apply)

| | <u>THREE MONTHS ENDED</u> | | | | <u>THREE MONTHS ENDED</u> | | | |
|---|------------------------------|----------------------------|----------------|--------------|------------------------------|----------------------------|----------------|--------------|
| | <u>3/31/2022</u> | | | | <u>3/31/2021</u> | | | |
| | <u>SPEC.</u> <u>PETRO</u> | <u>SPEC.</u> <u>WAX</u> | <u>CORP</u> | <u>TREC</u> | <u>SPEC.</u> <u>PETRO</u> | <u>SPEC.</u> <u>WAX</u> | <u>CORP</u> | <u>TREC</u> |
| NET INCOME (LOSS) | \$ 1,765 | 324 | (2,465) | (376) | \$ 205 | (1,954) | (2,655) | (4,404) |
| Interest expense | 283 | 0 | 0 | 283 | 302 | 0 | 0 | 302 |
| Income tax expense (benefit) | 597 | 0 | (303) | 294 | (486) | 0 | (515) | (1,001) |
| Depreciation and amortization | 206 | 22 | 0 | 228 | 200 | 23 | 3 | 226 |
| Depreciation and amortization in cost of sales | <u>2,523</u> | <u>1,556</u> | <u>0</u> | <u>4,079</u> | <u>2,602</u> | <u>1,452</u> | <u>0</u> | <u>4,054</u> |
| EBITDA | 5,374 | 1,902 | (2,768) | 4,508 | 2,823 | (479) | (3,167) | (823) |
| Stock-based compensation | 0 | 0 | 524 | 524 | 0 | 0 | 571 | 571 |
| Gain on disposal of assets | 0 | 0 | 0 | 0 | (254) | 0 | 0 | (254) |
| Costs for professional services associated with M&A and strategic initiatives | 0 | 0 | 210 | 210 | 0 | 0 | 370 | 370 |
| Other non-recurring costs | <u>515</u> | <u>0</u> | <u>0</u> | <u>515</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Adjusted EBITDA | \$ <u>5,889</u> | <u>1,902</u> | <u>(2,034)</u> | <u>5,757</u> | \$ <u>2,569</u> | <u>(479)</u> | <u>(2,226)</u> | <u>(136)</u> |





TRECORA RESOURCES (NYSE:TREC)



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

MANAGEMENT PRESENTATION

MAY 2022

Forward Looking Statements

Some of the statements and information contained in this presentation 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, including the impact of rising inflation and supply chain issues; the ongoing impact of geopolitical conflict; the impact of actions by activist stockholders; 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.

Non-GAAP Measures

This presentation includes non-GAAP financial measures of EBITDA and Adjusted EBITDA and provides 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 as net income (loss) plus interest expense, income tax expense (benefit), and depreciation and amortization. We define Adjusted EBITDA as EBITDA 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, costs for professional services associated with M&A and strategic initiatives and other non-recurring costs. We define net debt as balance sheet debt minus cash. We also present Adjusted EBITDA for the trailing twelve months. Non-GAAP measures have been reconciled to the nearest GAAP measure for historical periods in the appendix to our presentation. 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⁾

#1

Circular PE wax producer in the US

Custom Processing⁽¹⁾

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

⁽¹⁾ Company estimates

Balanced Platform with Attractive Market Segmentation



| | South Hampton Resources | | TRECORA Chemical | | |
|---------------------|--|---------------------|---|--------------------|---------------------|
| | Specialty Petrochemicals | Custom Processing | Specialty Waxes | Custom Processing | |
| Business | | | | | |
| TTM Revenue | \$252.7 million | \$6.0 million | \$32.3 million | \$10.3 million | |
| TTM Adj. EBITDA | \$29.2mm / 11.3% margin | | \$5.5mm / 12.9% margin | | |
| Key Highlights | <ul style="list-style-type: none"> Superior logistical advantage underpinned by tailored customer interactions Strategically located near raw materials suppliers and key customer base Reputation for exacting quality and technical expertise Dedicated assets available for Custom Processing | | <ul style="list-style-type: none"> Significant feedstock cost advantage High-pressure hydrogenation and polyol capacity are in short supply in the Gulf region Close relationship with customers serving as extension of product line offering for large, multinational corporations | | |
| 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

133
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

91
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

Pre-2019

Specialty Petrochemical and Custom Processing Expansion

2014

Acquired Trecora Chemical to diversify and broaden earnings base, including Custom Processing focus

2015

Commenced growth investment program driven by expectations of crude oil environment & asset replenishment

2017

Began reviewing strategy on resource / mining elements of the Company

Highlights

- D Train and Advanced Reformer completed
- Acquired BASF facility, or B Plant, to expand polyol and circular PE wax capabilities
- Expanded Custom Processing capabilities, including hydrogenation and distillation, via significant investment in capital projects

2019 – 2021

Narrowed Strategic Focus

2019

Appointed Patrick Quarles as CEO and established new management team

2020

Focus on execution including upgraded facility leadership and operational excellence principles

2020

Disciplined capital allocation / debt reduction driven by capex process & return thresholds – portfolio simplification

Highlights

- Narrowed strategic focus via sale of AMAK shares and sale of Pioche
- Appointed Karen Twitchell as Chairman and refreshed Board of Directors
- Implemented company management system – emphasizing safety, reliable operations & sustainability
- Launched disciplined growth program defining value and complexity; upgraded and applied resources

2022 & Beyond

Leverage Well Invested Infrastructure to Drive Growth

2022

Delivering the growth program by developing the right capabilities and aligning priorities

2022

Rolling out performance management system ensuring accountability and achievement of milestones

2022

Refocusing business to prioritize free cash flow

Highlights

- Launched Odyssey logistics savings platform
- Improved natural gasoline supply agreement and octane boost product line
- Change in executive compensation metric tied to free cash flow performance
- Capitalizing on advantageous domestic positioning by increasing prices at TC
- Capturing 95% of new growth coming online in polyethylene, poly-iso and EPS / XPS applications

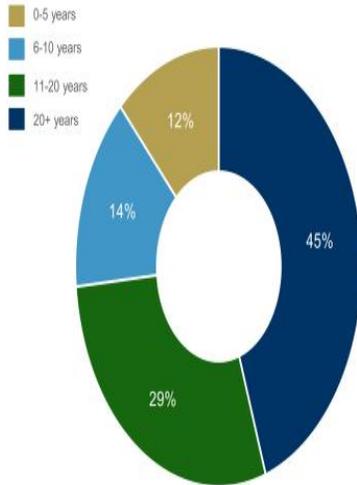
Trecora Resources' Products Play a Critical Link in the Value Chain

Trecora Provides Solutions to Customers Across a Variety of End Markets



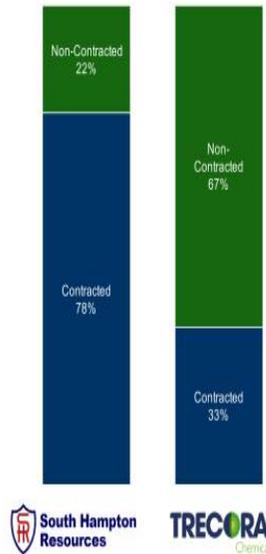
Entrenched Blue-Chip Customer Relationships with Contracted Revenue Visibility

Longstanding Customer Relationships⁽¹⁾



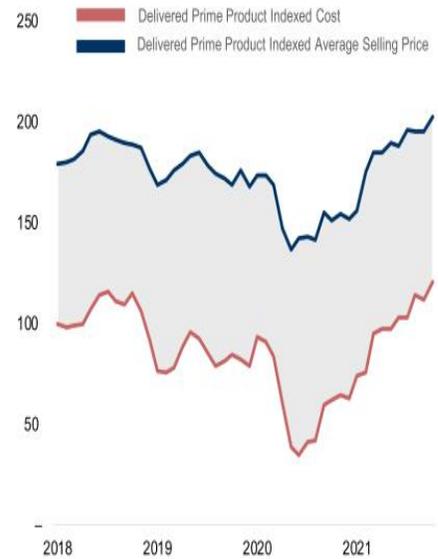
- Strategic and collaborative customer relationships with executing on customized requirements
- Trecora's focus on customer service is demonstrated by its ability to retain both blue-chip and smaller customers, with many relationships lasting over two decades

Contracted Revenue⁽²⁾



- 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.

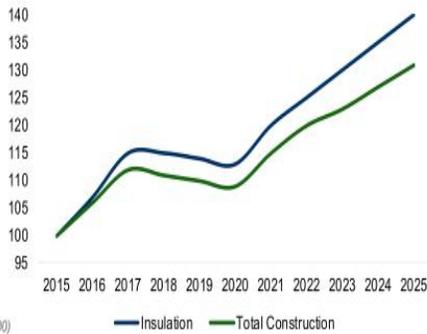
Trecora is Levered to Several Compelling Secular Growth Trends

| 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 style="text-align: center;">+</p> |  <p>North American Building & Construction Spend</p> | <ul style="list-style-type: none"> ▪ Poly-iso and EPS / XPS demand poised to benefit from secular building product trends ▪ Applications include insulation in roofing and foundation construction |
| <p>Increasing penetration of insulation driven by green energy saving trends</p> <p style="text-align: center;">+</p> |  <p>Building Insulation</p> | <ul style="list-style-type: none"> ▪ Increased adoption of insulation due to energy consumption awareness ▪ Growth tied heavily to the commercial and residential construction industry |
| <p>Attractive regulatory tailwinds underpinned by ongoing replacement of HFC's with Pentanes</p> <p style="text-align: center;">+</p> |  <p>Pentane-Related Regulatory Tailwinds</p> | <ul style="list-style-type: none"> ▪ Regulation to eliminate UFC-340 driving switch over to pentane / UFO blends ▪ HC foam substitution opportunity for blowing agents used in polyurethane appliances |
| <p>Robust demand for sustainable and circular specialty chemicals</p> <p style="text-align: center;">+</p> |  <p>Sustainability Trends Impacting the Chemicals Industry</p> | <ul style="list-style-type: none"> ▪ Shift towards sustainable and circular specialty chemical products ▪ HFC restrictions expected to increase pentane demand (applicable for refrigeration appliances) |
| <p>Rising LLDPE packaging demand supported by increasing use of shrink and stretch film packaging</p> <p style="text-align: center;">+</p> |  <p>Rising LLDPE Demand</p> | <ul style="list-style-type: none"> ▪ Rising adoption of LLDPE in construction ▪ Demand driven by high and increasing LLDPE penetration in the polymer market |

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...

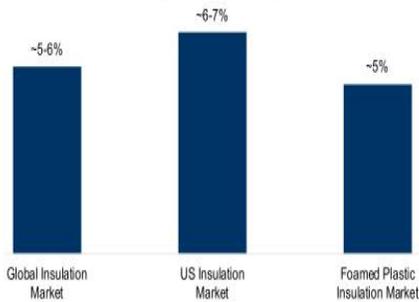


(Growth shown relative to base of 100)

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

Projected Growth Rates



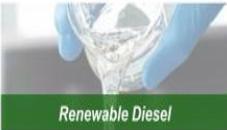
EPS insulation is now the largest product segment (~25% of the market) and XPS has emerged as a superior product due to its environmental impact and performance capabilities

Where Trecora Impacts the Insulation Market

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

Source: Advancy Research, US Department of Energy, GMIinsights, Freedonia, Principia.

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

Source: Expresswire, Mordor Intelligence and Technavio.

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

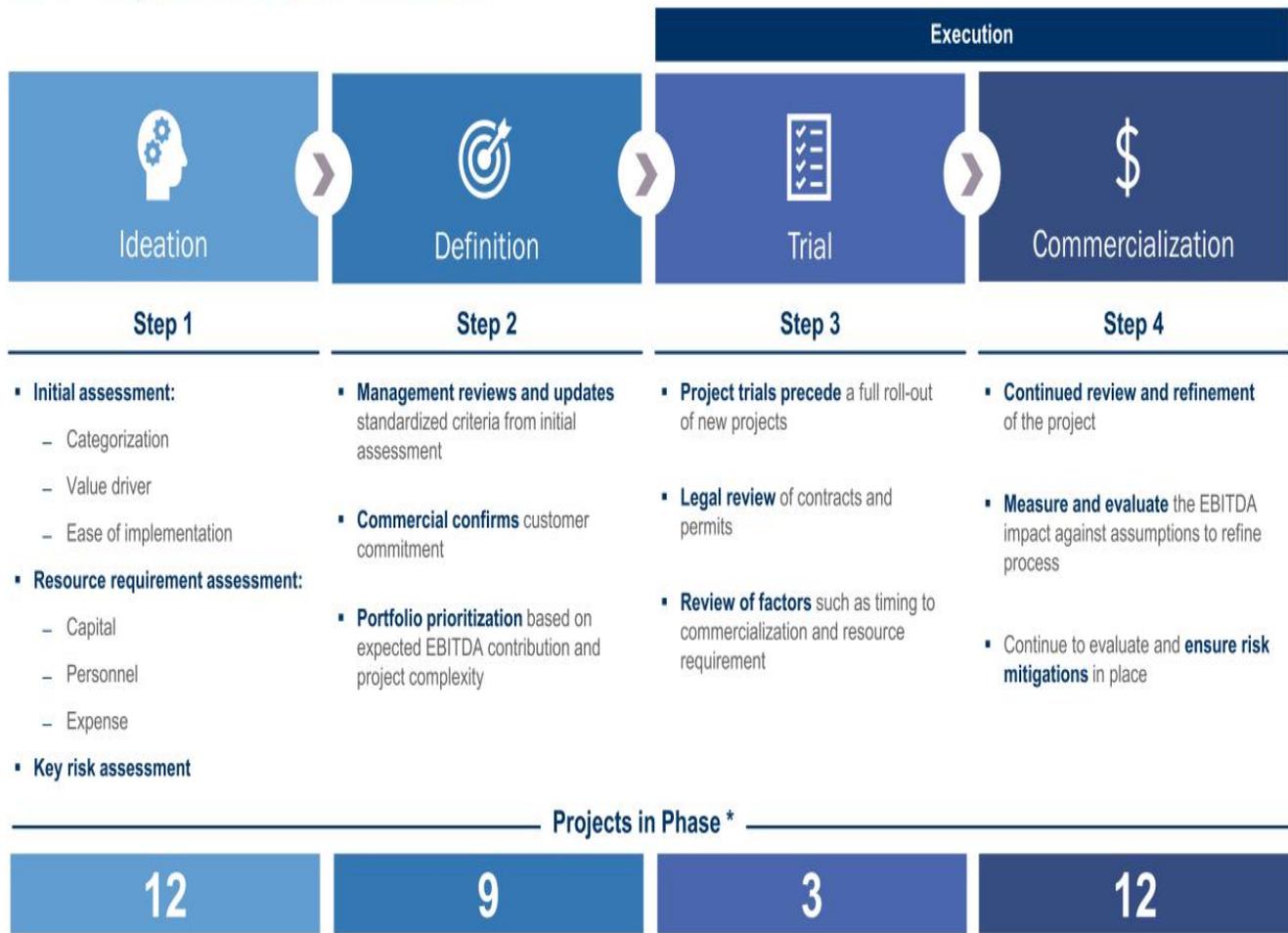
- Trecora has a team of technically trained chemists suited to develop new TC wax products
- The lab and R&D team enhance Trecora's proprietary technology such as the company's circular PE wax



- Trecora leverages two pilot plants to test new products functionality and determine commercial viability
- Thorough trial process ensures the Company only develops products offering a differentiated value proposition

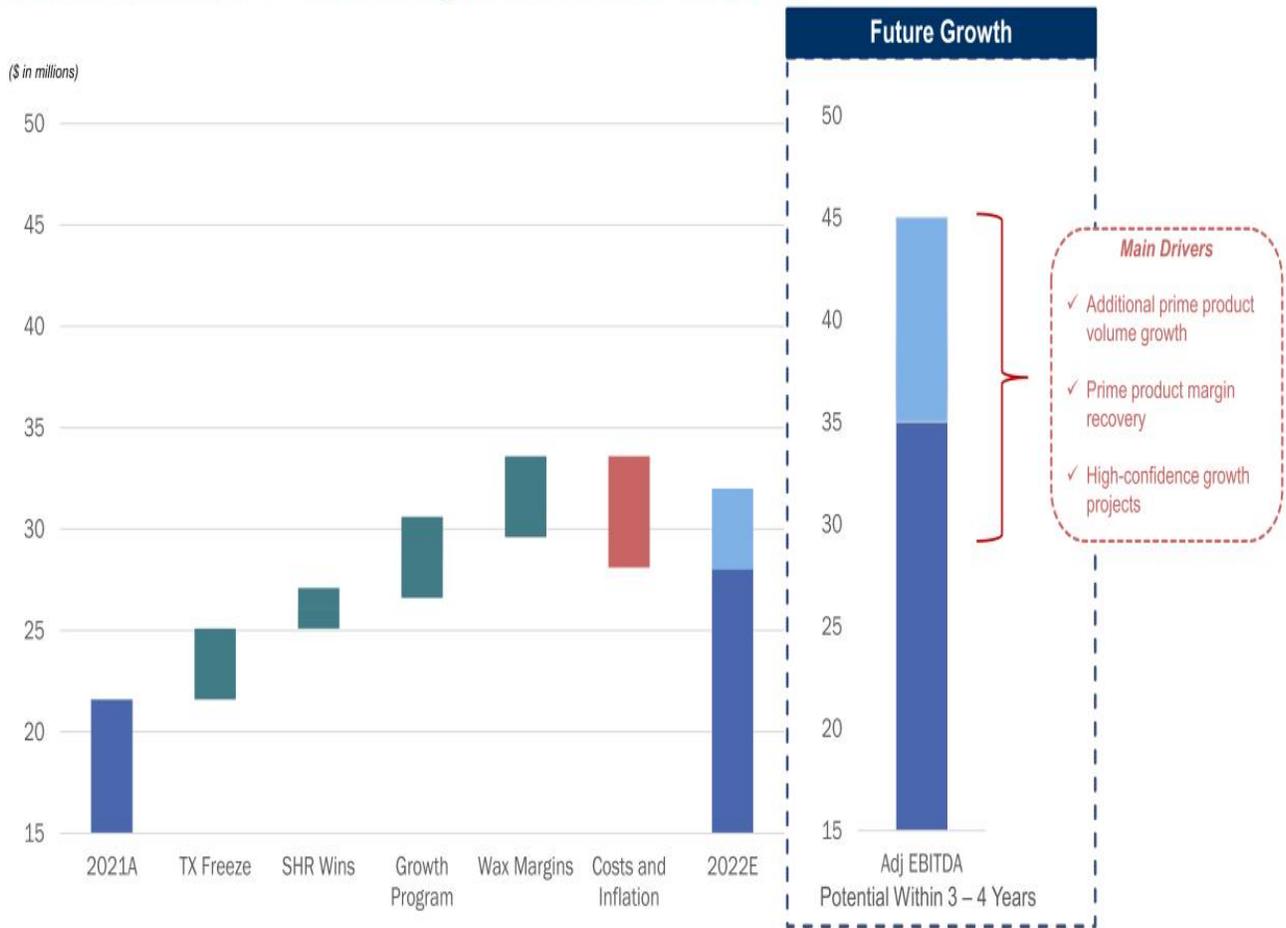
- Trecora's high quality team of chemists and engineers offer custom processing partners unique solutions
- Trecora's lab and pilot plant capability empowers the company to bridge the gap between ideation and commercialization

New Project Selection Process



* As of April 2022

Trecora Resources - 2022 Adjusted EBITDA Guidance



Quarterly Performance Summary

| | Q1'22 | Q4'21 | Q3'21 | Q2'21 | Q1'21 | TTM | 12M'21 |
|-------------------|----------|--------|--------|--------|----------|--------|-----------------------|
| Diluted EPS | (\$0.02) | \$0.21 | \$0.08 | \$0.09 | (\$0.18) | \$0.36 | \$0.20 |
| Net Income (Loss) | (\$0.4) | \$5.2 | \$1.9 | \$2.3 | (\$4.4) | \$9.0 | \$5.0 |
| Adjusted EBITDA | \$5.8 | \$5.2 | \$7.5 | \$9.0 | (\$0.1) | \$27.5 | \$21.6 ⁽¹⁾ |
| Gross Margin | 9.5% | 8.4% | 12.0% | 16.0% | 4.3% | 11.3% | 10.5% |
| Cap Ex | \$4.9 | \$1.9 | \$3.6 | \$3.9 | \$4.8 | \$14.3 | \$14.2 |
| Total Debt | \$40.9 | \$41.9 | \$42.9 | \$44.0 | \$45.0 | \$40.9 | \$41.9 |

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

2022 Business Segment Performance Summary

Specialty Petrochemicals Sales Volume

| | Q1'22 | Q4'21 | Q3'21 | Q2'21 | Q1'21 | TTM | 12M'21 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|
| All Products (million gals) | 20.2 | 20.2 | 20.9 | 20.0 | 17.2 | 81.3 | 78.3 |
| Prime Products (million gals) | 16.6 | 16.3 | 17.2 | 16.9 | 14.7 | 67.0 | 65.1 |
| By-products (million gals) | 3.7 | 3.9 | 3.7 | 3.1 | 2.5 | 14.4 | 13.2 |
| By-product spread (\$/gal) | \$0.46 | \$0.23 | \$0.38 | \$0.62 | \$0.30 | \$0.42 | \$0.38 |

Specialty Waxes

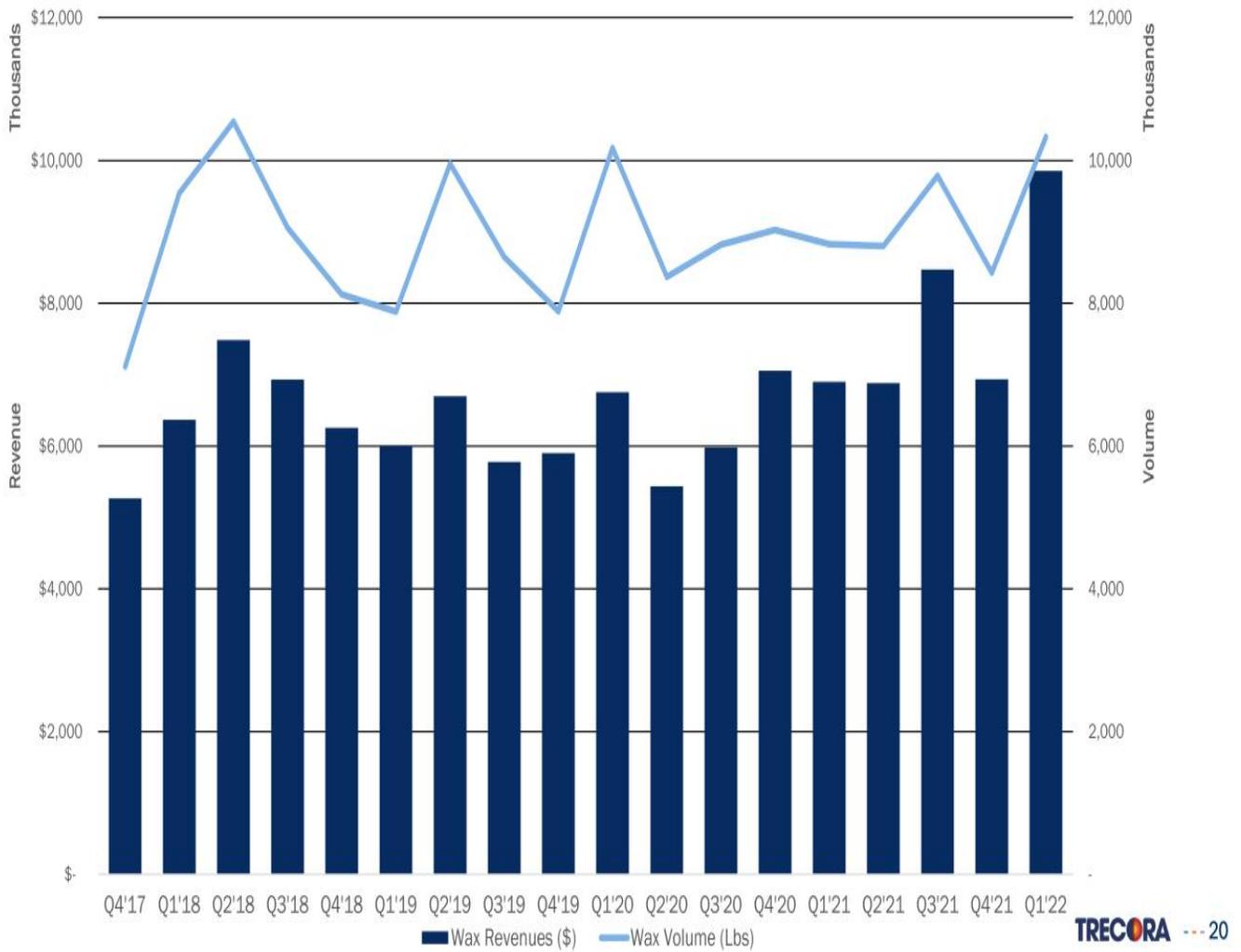
| | Q1'22 | Q4'21 | Q3'21 | Q2'21 | Q1'21 | TTM | 12M'21 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Wax Revenue (\$m) | \$10.0 | \$7.0 | \$8.5 | \$6.9 | \$6.9 | \$32.4 | \$29.3 |
| Wax Sales Volume (million lbs) | 10.3 | 8.4 | 9.8 | 8.8 | 8.8 | 37.3 | 35.9 |
| Avg. Wax Sales Price (\$/lb) | \$0.97 | \$0.83 | \$0.87 | \$0.78 | \$0.78 | \$0.86 | \$0.81 |
| Custom Processing Revenue (\$m) | \$2.7 | \$2.1 | \$2.8 | \$2.7 | \$1.8 | \$10.3 | \$8.7 |

Specialty Petrochemical Feedstock - Market Price of Natural Gasoline



(Source: OPIS)

Specialty Waxes - Wax Revenues and Sales Volumes





APPENDIX

Reconciliation Of Selected GAAP Measures To Non-GAAP Measures



THREE MONTHS ENDED

3/31/2022

| | <u>SPEC. PETRO</u> | <u>SPEC. WAX</u> | <u>CORP</u> | <u>TREC</u> |
|--|--------------------|------------------|-------------------|-----------------|
| NET INCOME (LOSS) | \$ 1,765 | \$ 324 | \$ (2,465) | \$ (376) |
| Interest expense | 283 | - | - | 283 |
| Income tax expense (benefit) | 597 | - | (303) | 294 |
| Depreciation and amortization | 206 | 22 | - | 228 |
| Depreciation and amortization in cost of sales | <u>2,523</u> | <u>1,556</u> | <u>-</u> | <u>4,079</u> |
| EBITDA | 5,374 | 1,902 | (2,768) | 4,508 |
| Stock-based compensation | - | - | 524 | 524 |
| Costs for professional services associated with M&A and strategic initiatives | - | - | 210 | 210 |
| Other non-recurring costs | <u>515</u> | <u>-</u> | <u>-</u> | <u>515</u> |
| Adjusted EBITDA | <u>\$ 5,889</u> | <u>\$ 1,902</u> | <u>\$ (2,034)</u> | <u>\$ 5,757</u> |

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 |
| Interest expense | 287 | - | - | 287 |
| Income tax expense (benefit) | (1,352) | - | (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>-</u> | <u>4,099</u> |
| EBITDA | 10,285 | 227 | (2,540) | 7,972 |
| Stock-based compensation | - | - | 552 | 552 |
| Gain on extinguishment of debt ⁽¹⁾ | (3,935) | - | - | (3,935) |
| Gain on disposal of assets | 1 | - | - | 1 |
| Professional services associated with M&A and strategic initiatives | <u>-</u> | <u>-</u> | <u>657</u> | <u>657</u> |
| Adjusted EBITDA | <u>\$ 6,351</u> | <u>\$ 227</u> | <u>\$ (1,331)</u> | <u>\$ 5,247</u> |

⁽¹⁾ Extinguishment of debt is directly related to the forgiveness of the PPP Loans.

| | THREE MONTHS ENDED | | | |
|--|---------------------------|------------------|-------------------|-----------------|
| | <u>9/30/2021</u> | | | |
| | <u>SPEC. PETRO</u> | <u>SPEC. WAX</u> | <u>CORP</u> | <u>TREC</u> |
| NET INCOME (LOSS) | \$ 2,619 | \$ 2,670 | \$ (3,406) | \$ 1,883 |
| Interest expense | 318 | - | 1 | 319 |
| Income tax expense (benefit) | 1,444 | - | (1,655) | (211) |
| Depreciation and amortization | 195 | 23 | - | 218 |
| Depreciation and amortization in cost of sales | <u>2,649</u> | <u>1,530</u> | <u>-</u> | <u>4,179</u> |
| EBITDA | 7,225 | 4,223 | (5,060) | 6,388 |
| Stock-based compensation | - | - | 572 | 572 |
| Gain on extinguishment of debt ⁽¹⁾ | - | (2,188) | - | (2,188) |
| Gain on disposal of assets | 12 | - | - | 12 |
| One-time costs for professional services associated with M&A and strategic initiatives | <u>-</u> | <u>-</u> | <u>2,751</u> | <u>2,751</u> |
| Adjusted EBITDA | <u>\$ 7,237</u> | <u>\$ 2,035</u> | <u>\$ (1,737)</u> | <u>\$ 7,535</u> |

⁽¹⁾ Extinguishment of debt is directly related to the forgiveness of the TC PPP Loan.

THREE MONTHS ENDED**6/30/2021**

| | <u>SPEC. PETRO</u> | <u>SPEC. WAX</u> | <u>CORP</u> | <u>TREC</u> |
|---|--------------------|------------------|-------------------|-----------------|
| NET INCOME (LOSS) | \$ 5,286 | \$ (183) | \$ (2,848) | \$ 2,255 |
| Interest expense | 297 | - | - | 297 |
| Income tax expense (benefit) | 1,406 | - | (703) | 703 |
| Depreciation and amortization | 200 | 23 | 3 | 226 |
| Depreciation and amortization in cost of sales | <u>2,586</u> | <u>1,496</u> | <u>-</u> | <u>4,082</u> |
| EBITDA | 9,775 | 1,336 | (3,548) | 7,563 |
| Stock-based compensation | - | - | 552 | 552 |
| Gain on disposal of assets | (38) | - | - | (38) |
| Professional services associated with M&A and strategic initiatives | <u>-</u> | <u>-</u> | <u>877</u> | <u>877</u> |
| Adjusted EBITDA | <u>\$ 9,737</u> | <u>\$ 1,336</u> | <u>\$ (2,119)</u> | <u>\$ 8,954</u> |

THREE MONTHS ENDED

3/31/2021

| | <u>SPEC. PETRO</u> | <u>SPEC. WAX</u> | <u>CORP</u> | <u>TREC</u> |
|--|--------------------|------------------|-------------------|-----------------|
| NET INCOME (LOSS) | \$ 205 | \$ (1,954) | \$ (2,655) | \$ (4,404) |
| Interest expense | 302 | - | - | 302 |
| Income tax expense (benefit) | (486) | - | (515) | (1,001) |
| Depreciation and amortization | 200 | 23 | 3 | 226 |
| Depreciation and amortization in cost of sales | <u>2,602</u> | <u>1,452</u> | <u>-</u> | <u>4,054</u> |
| EBITDA | 2,823 | (479) | (3,167) | (823) |
| Stock-based compensation | - | - | 571 | 571 |
| Gain on disposal of assets | (254) | - | - | (254) |
| Costs for professional services associated with M&A and strategic initiatives | <u>-</u> | <u>-</u> | <u>370</u> | <u>370</u> |
| Adjusted EBITDA | <u>\$ 2,569</u> | <u>\$ (479)</u> | <u>\$ (2,226)</u> | <u>\$ (136)</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 |
| Interest expense | 1,204 | - | 1 | 1,205 |
| Income tax expense (benefit) | 1,012 | - | (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>-</u> | <u>16,415</u> |
| EBITDA | 30,109 | 5,307 | (14,315) | 21,101 |
| Stock-based compensation | - | - | 2,247 | 2,247 |
| Gain on extinguishment of debt ⁽¹⁾ | (3,935) | (2,188) | - | (6,123) |
| (Gain) Loss on disposal of assets | (279) | - | - | (279) |
| Professional services associated with M&A and strategic initiatives | <u>-</u> | <u>-</u> | <u>4,655</u> | <u>4,655</u> |
| Adjusted EBITDA | <u>\$ 25,895</u> | <u>\$ 3,119</u> | <u>\$ (7,413)</u> | <u>\$ 21,601</u> |

⁽¹⁾ Extinguishment of debt is directly related to the forgiveness of the PPP Loans.

