



TRECORA RESOURCES (NYSE:TREC)

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

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<sup>(1)</sup>

**#1**

*Circular PE wax producer  
in the US*

### Custom Processing<sup>(1)</sup>

**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

<sup>(1)</sup> Company estimates





# Balanced Platform with Attractive Market Segmentation



Business	Specialty Petrochemicals	Custom Processing	Specialty Waxes	Custom Processing
TTM Revenue	\$252.7 million		\$6.0 million	
TTM Adj. EBITDA	\$29.2mm / 11.3% margin		\$5.5mm / 12.9% 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


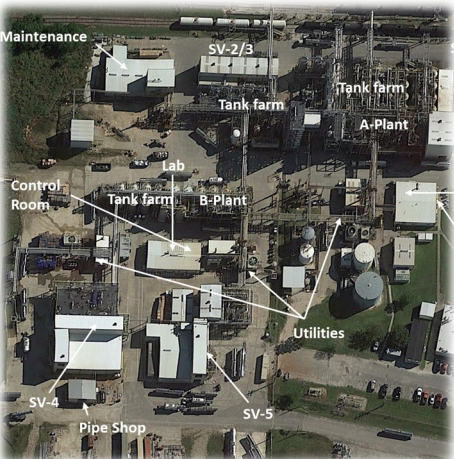



### Facility Highlights

- 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

### Key Statistics

<b>133</b> Employees	<b>13,000</b> barrels per day of fresh feed (air permits limit to 11,000)
<b>276</b> Railcars	<b>4,000</b> barrels per day Advanced Reformer
<b>~100</b> storage tanks with total capacity of ~294,000 barrels	

### Facility Highlights

- 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

### Key Statistics

<b>91</b> Employees	<b>40.6mm lbs.</b> Capacity utilized as of YTD September 2021
<b>28 acre</b> Plant	<b>~35 acres</b> Total site area
<b>50-60%</b> 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

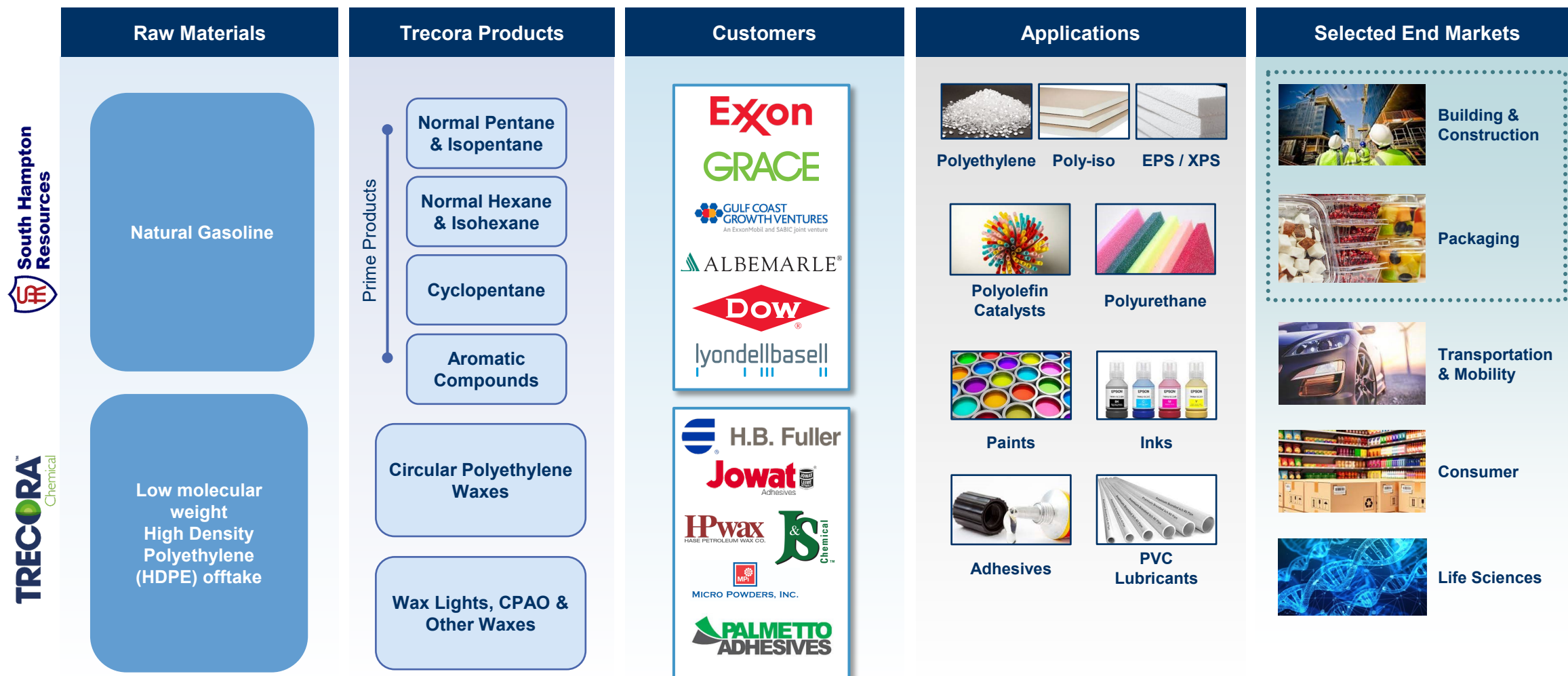
Refocusing business to prioritize free cash flow

## 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

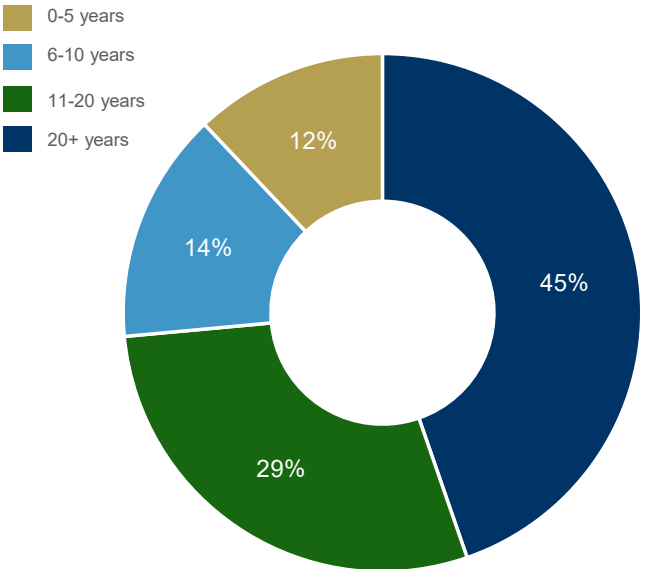
Trecora Provides Solutions to Customers Across a Variety of End Markets





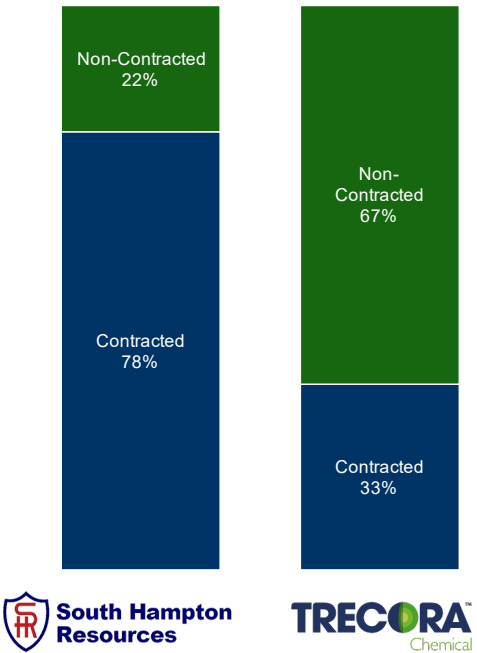
# Entrenched Blue-Chip Customer Relationships with Contracted Revenue Visibility

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



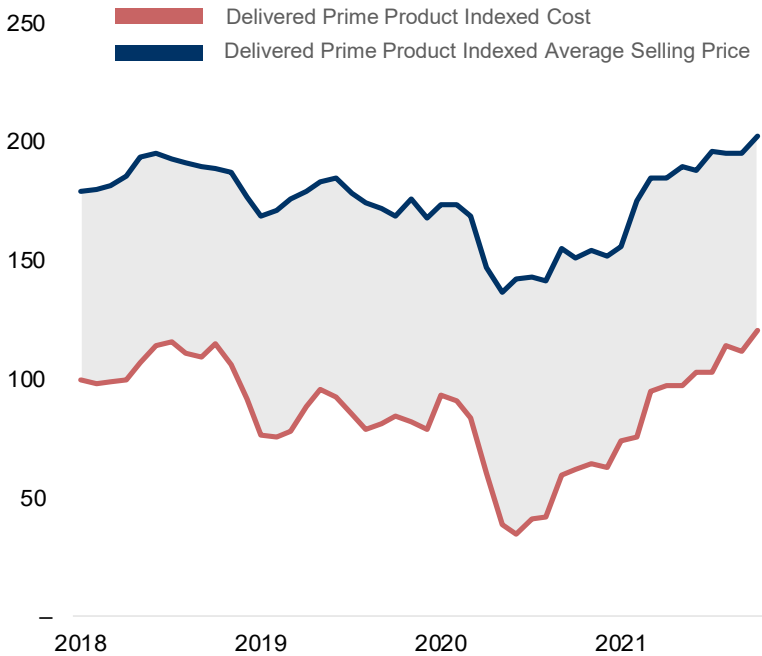
- Strategic and collaborative customer relationships with executing on customized requirements
- Trecora's focus on customer service is demonstrated by its ability to retain both blue-chip and smaller customers, with many relationships lasting over two decades

## 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

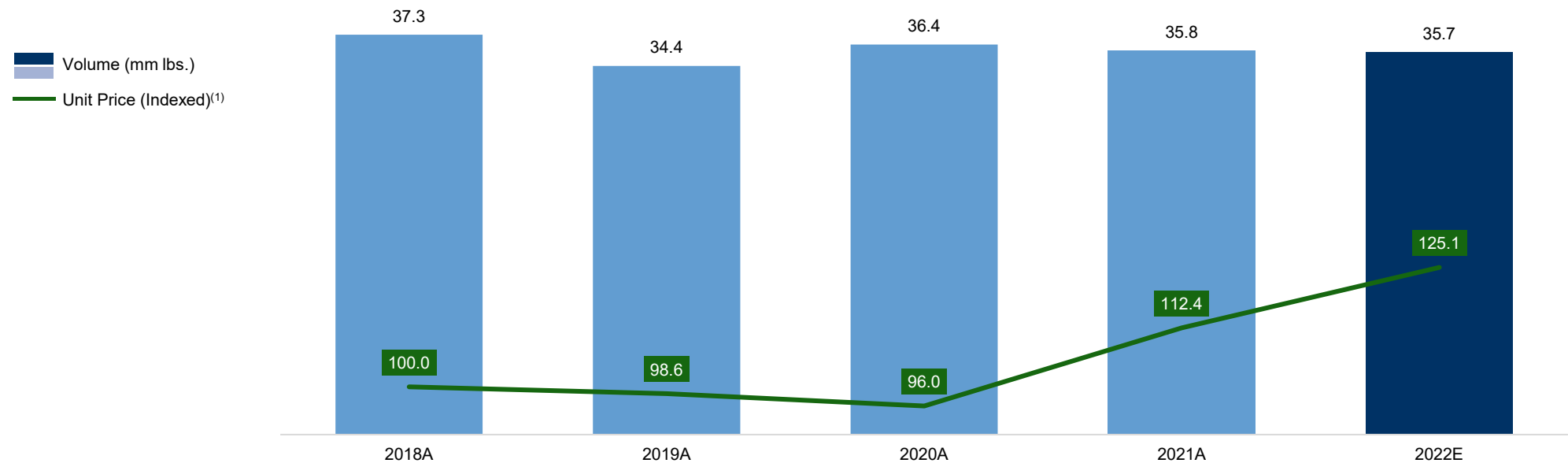
(1) Percentage based on customer tenure weighted by revenue contribution.  
(2) Contracted revenue adjusted for impact of one-time freeze addback.

# Capturing Value of High-Quality Waxes

TRECORA<sup>™</sup>  
Chemical

Volume Stability

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

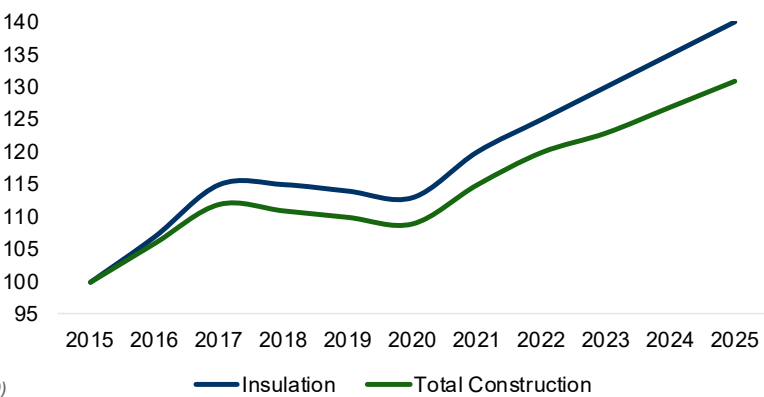
(1) Indexed based on 2018 unit price.

# Trecora is Levered to Several Compelling Secular Growth Trends

Favorable Secular Trends	Select Application Trends
<p><b>Fast growing building and construction markets supported by rising spending in the US on improvements / new housing</b></p>	 <p><i>North American Building &amp; Construction Spend</i></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><b>Increasing penetration of insulation driven by green energy saving trends</b></p>	 <p><i>Building Insulation</i></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><b>Attractive regulatory tailwinds underpinned by ongoing replacement of HFC's with Pentanes</b></p>	 <p><i>Pentane-Related Regulatory Tailwinds</i></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><b>Robust demand for sustainable and circular specialty chemicals</b></p>	 <p><i>Sustainability Trends Impacting the Chemicals Industry</i></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><b>Rising LLDPE packaging demand supported by increasing use of shrink and stretch film packaging</b></p>	 <p><i>Rising LLDPE Demand</i></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>

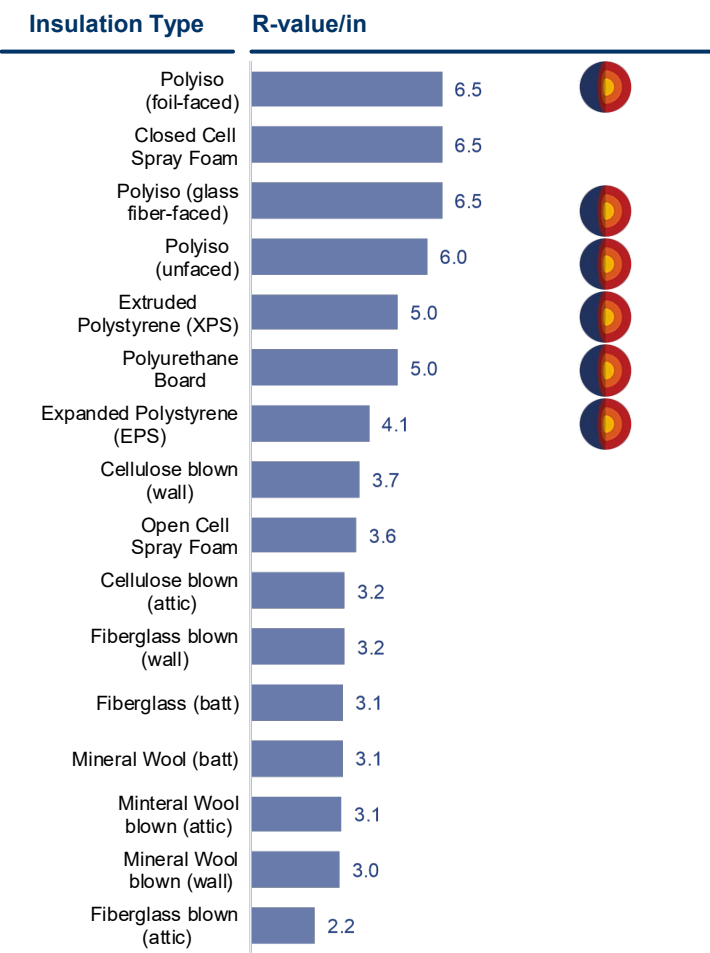
# Megatrend – Growing Demand and Increased Importance of Insulation in the Building and Construction Industry

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

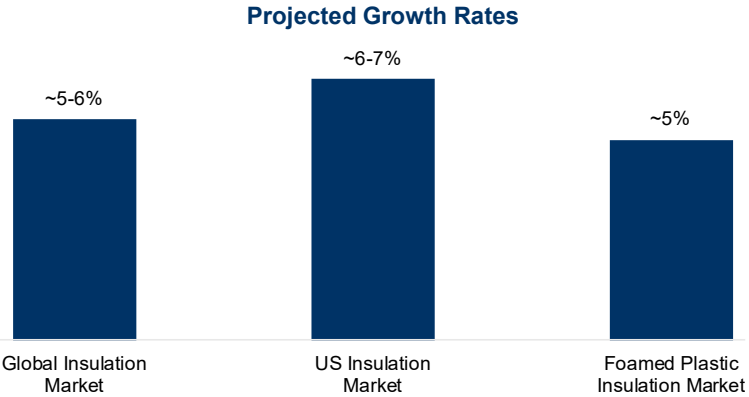


Insulation demand growth is outpacing the already fast-growing broader construction market, providing strong support for future demand of Trecora's products

## Where Trecora Impacts the Insulation Market









## ...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



# Strong Anticipated Growth Underpinned by Robust Demand for Sustainable Materials

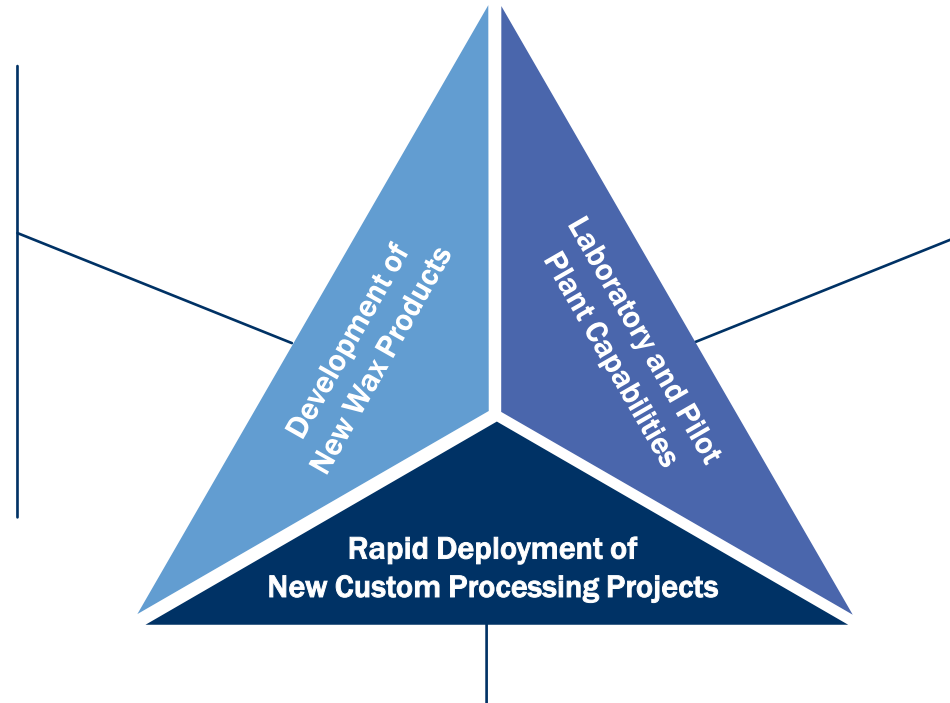
Sustainable Product	Description	Status	Production Scale	Industry CAGR
 <p>Renewable Aviation Fuel</p>	<ul style="list-style-type: none"> <li>Producing and supplying renewable aviation fuel inputs for a North American renewable chemicals and biofuels company</li> </ul>	Commercial	<b>Pilot</b> <i>Potential 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	~1,500 barrels per day	21.3%

# 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



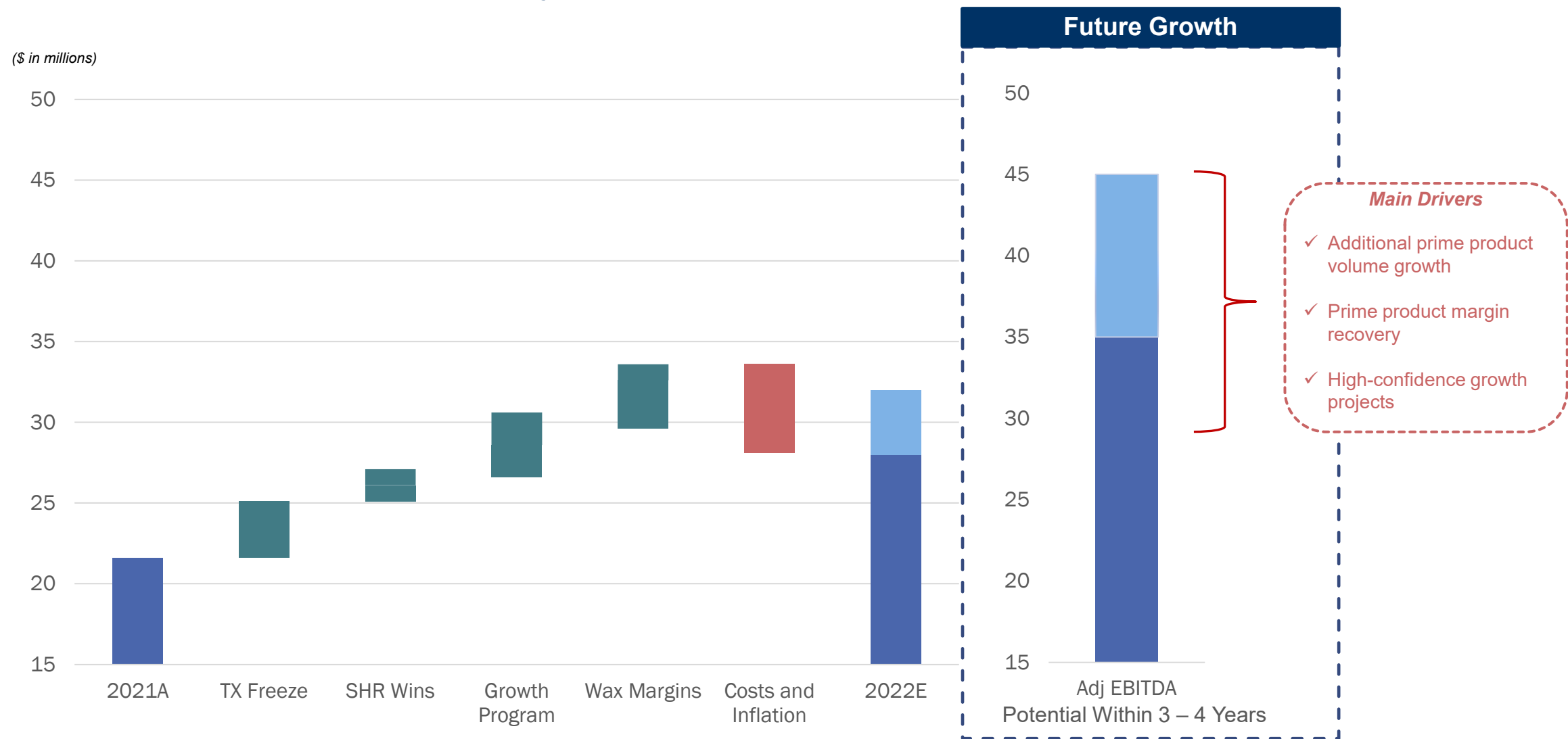
- Trecora leverages two pilot plants to test new products functionality and determine commercial viability
- Thorough trial process ensures the Company only develops products offering a differentiated value proposition

- 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



# 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 <sup>(1)</sup>
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

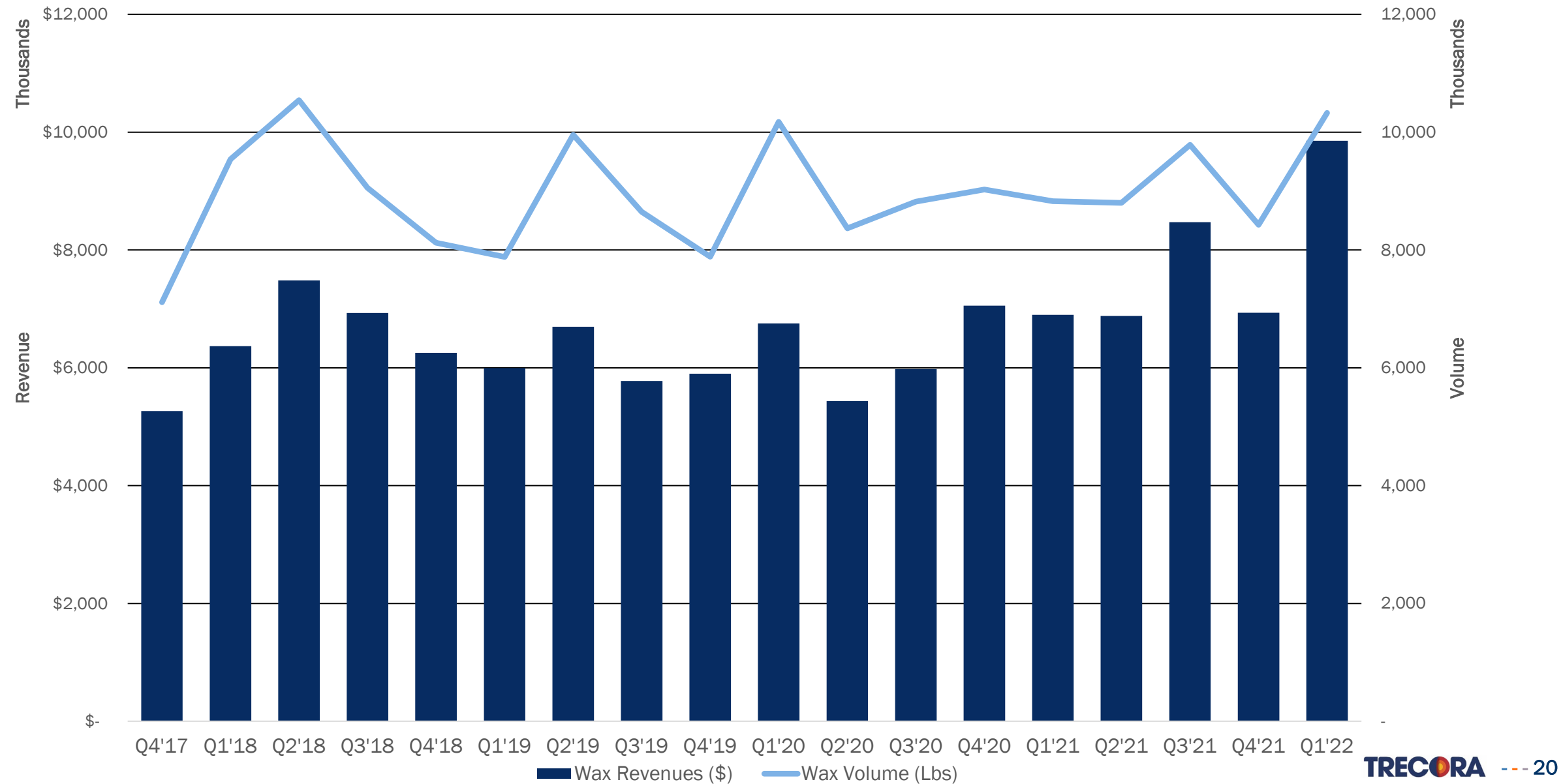
# Specialty Petrochemical Feedstock - Market Price of Natural Gasoline



(Source: OPIS)



# Specialty Waxes – Wax Revenues and Sales Volumes





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## 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><u>\$ 5,889</u></u>	<u><u>\$ 1,902</u></u>	<u><u>\$ (2,034)</u></u>	<u><u>\$ 5,757</u></u>

	<b><u>THREE MONTHS ENDED</u></b>			
	<b><u>12/31/2021</u></b>			
	<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 <sup>(1)</sup>	(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>

<sup>(1)</sup> Extinguishment of debt is directly related to the forgiveness of the PPP Loans.

**THREE MONTHS ENDED****9/30/2021**

	<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 <sup>(1)</sup>	-	(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>

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



	<b><u>THREE MONTHS ENDED</u></b>			
	<b><u>6/30/2021</u></b>			
	<b><u>SPEC. PETRO</u></b>	<b><u>SPEC. WAX</u></b>	<b><u>CORP</u></b>	<b><u>TREC</u></b>
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><u>\$ 9,737</u></u>	<u><u>\$ 1,336</u></u>	<u><u>\$ (2,119)</u></u>	<u><u>\$ 8,954</u></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><u>\$ 2,569</u></u>	<u><u>\$ (479)</u></u>	<u><u>\$ (2,226)</u></u>	<u><u>\$ (136)</u></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 <sup>(1)</sup>	(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>

<sup>(1)</sup> Extinguishment of debt is directly related to the forgiveness of the PPP Loans.