



Investor Summary

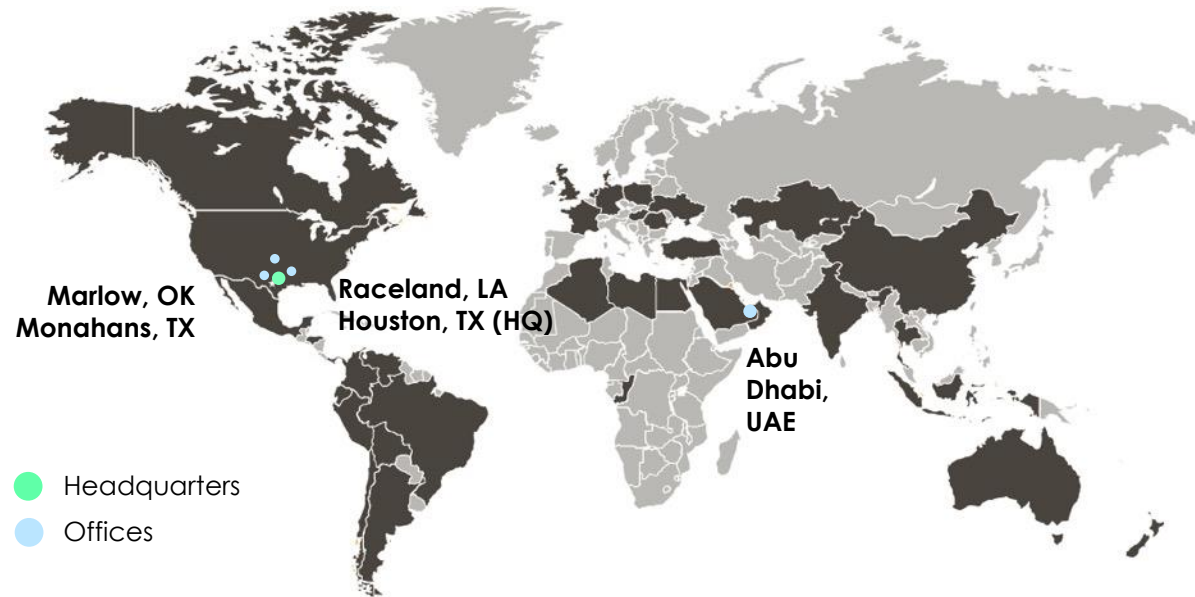
March 2023

// NYSE: FTK

Forward-Looking Statements

Certain statements set forth in this presentation constitute forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934) regarding Flotek Industries, Inc.'s business, financial condition, results of operations and prospects. Words such as will, continue, expects, anticipates, intends, plans, believes, seeks, estimates and similar expressions or variations of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements in this press release. Although forward-looking statements in this presentation reflect the good faith judgment of management, such statements can only be based on facts and factors currently known to management. Consequently, forward-looking statements are inherently subject to risks and uncertainties, and actual results and outcomes may differ materially from the results and outcomes discussed in the forward-looking statements. Further information about the risks and uncertainties that may impact the Company are set forth in the Company's most recent filing with the Securities and Exchange Commission on Form 10-K (including, without limitation, in the "Risk Factors" section thereof), and in the Company's other SEC filings and publicly available documents. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. The Company undertakes no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this presentation.

Company Overview



FLOTEK INDUSTRIES (FTK)

Technology-driven chemistry and data analytics company

Founded: **1985**

Employees: **152**

Countries with Clients: **15+**

Corporate Headquarters: **Houston**

Chemical Technologies

Commercial and Industrial Chemistry Technologies

Sustainable chemistry solutions to maximize customers value chain while minimizing their environmental impact.

Data Analytics

Digital Technologies & Data Analytics

Transforming business through real-time data, monitoring and visualization across the energy value chain.

Strategic Priorities

Flawless Execution

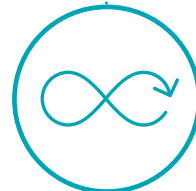
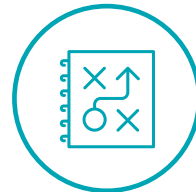
Exemplary safety and service delivery

Sustainable Revenue

10-year contract with guaranteed minimum of \$2B+

Focus on Profitability

Upper quartile performance of SG&A as a percentage of revenue



Capital-light Growth

No new capital required to support robust growth

Improving Balance Sheet

Low debt balance positions company to prosper through the cycle

Environmental Leadership

Focus on protecting people, land, air, and water

Investment Considerations

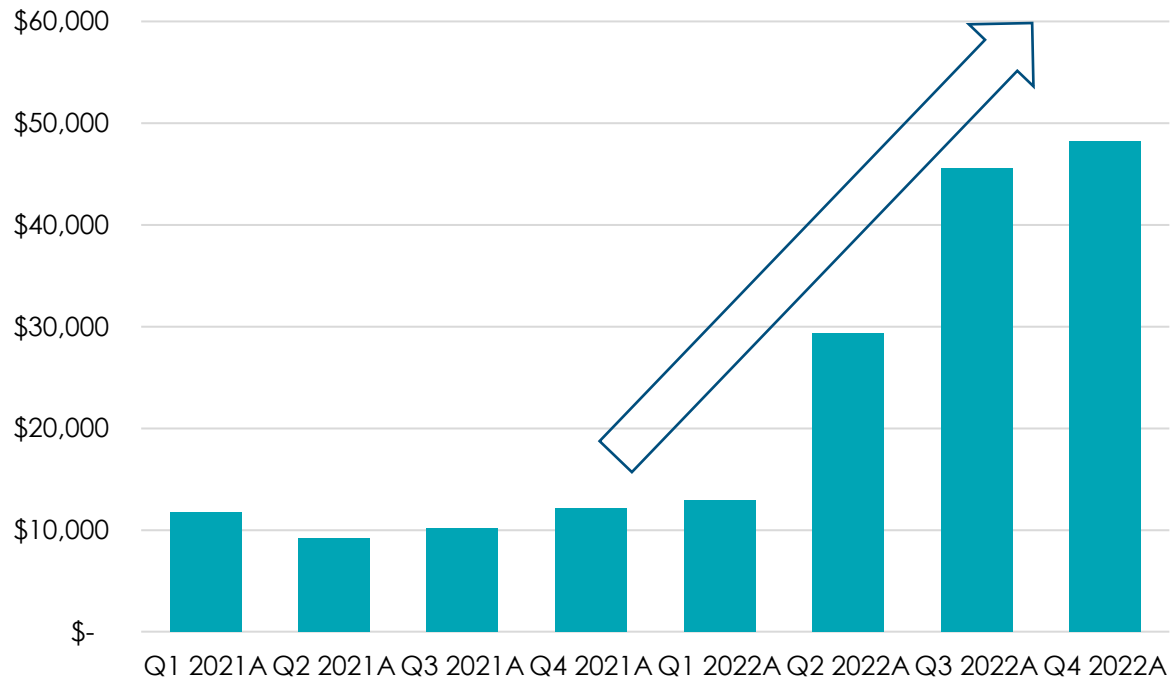
FTK is a simple 2023 investment story

- New leadership team
- Rapid revenue growth
- Transition to positive Adjusted EBITDA
- Improving balance sheet
- Capital light business model
- Full cycle resilience

Flotek Revenue: Strong Growth Continues into 2023

Managing for Rapid Growth

Quarterly Consolidated Revenue (000's)



- Q4 2022 revenue up 6% QoQ, 2x YoY
- Average frac fleets serviced up 10x YoY
- 5X increase in volume of custom chemistry solutions provided YoY
- Zero lost time incidents in field operations
- Amendment to ProFrac Supply Agreement enhances financial opportunities
- JP3 demand traction taking hold with Q4 2022 revenue up significantly and continues into 2023

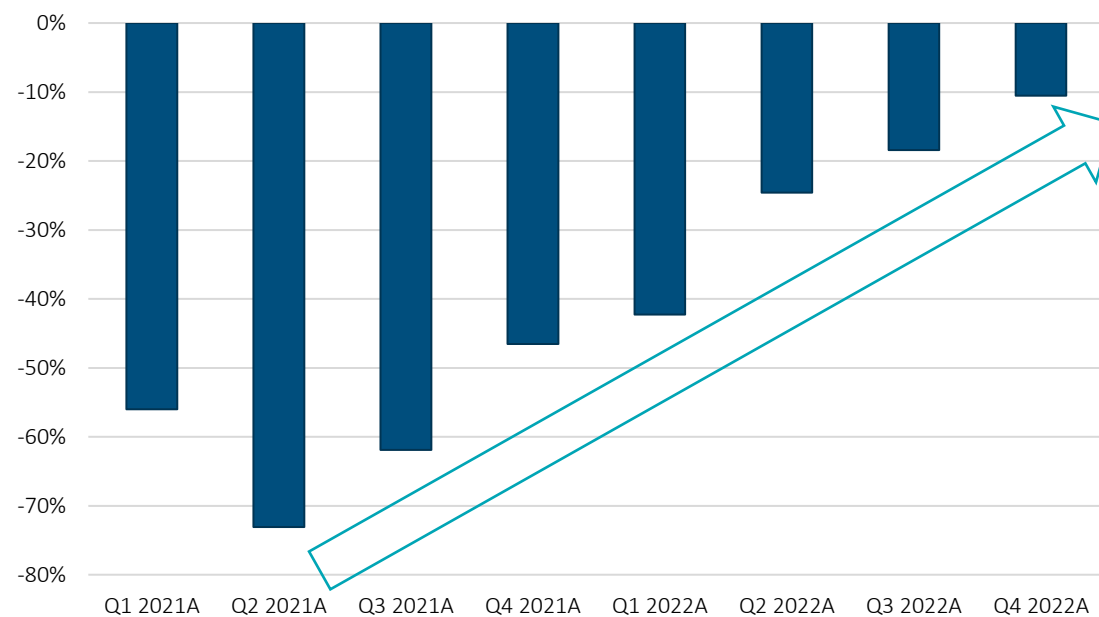
Definitive Path to Positive Adjusted EBITDA

Revenue Growth + Expense Management = Positive *Adjusted EBITDA

Consistently improving Adjusted EBITDA over past 6 quarters provides evidence of progress toward positive margins

- Revenue optimization
- Increased delivery of customized chemistry and data solutions
- EBITDA enhancement
 - Above Gross Margin
 - Increasing impact from economies of scale
 - Significant overtime efficiency achieved
 - Trucking and route enhancement in place
 - Realigned freight costs to drive efficiency
 - Below Gross Margin
 - Rapid reduction of SG&A of \$5 million
 - Stronger oversight of professional fees resulting in \$3 million savings
 - JP3 re-engineering savings
 - Right sizing of corporate HQ footprint

Quarterly *Adjusted EBITDA/Revenue



* Adjusted EBITDA is a non-GAAP metric. Please see company filings for reconciliation to nearest GAAP measure

Improving Balance Sheet

Balance sheet and liquidity to weather the full cycle

Recent Developments

- Recently commenced a process to evaluate asset-based borrowing options
- January 2023 – Received confirmation of forgiveness of \$4.4MM of Flotek's \$4.8MM PPP loan

ProFrac Equity Investment

- ProFrac invested \$19.5MM in Flotek pre-funded warrants
- Purchase of pre-funded warrants completed at a 20% premium to 30-day VWAP

Real Estate Asset Optimization

- Monahans, TX: Sold facility for \$1.5MM in December, 2022
- Waller, TX: Sold facility for \$4.3MM in April, 2022

Capital-light Growth

Low Asset Utilization Rate Means Minimal Capex Required For Growth



Marlow Liquid Blending Facility

- Capacity ~ 60MM gallons/year
- 35 bulk storage tanks: 755k gallons
- Heated bulk storage: 195k gallons
- Ambient bulk storage: 560k gallons





Appendix

Recent Financials

Unaudited Condensed Consolidated Statement of Operations

(in thousands, except share data)

| | Three Months Ended | | | Twelve Months Ended | |
|--|--------------------|-------------|-------------|---------------------|-------------|
| | 12/31/2022 | 12/31/2021 | 9/30/2022 | 12/31/2022 | 12/31/2021 |
| Revenue: | | | | | |
| Revenue from external customers | \$ 15,940 | \$ 9,845 | \$ 15,206 | \$ 54,344 | \$ 39,627 |
| Revenue from related party | 32,277 | 2,309 | 30,417 | 81,748 | 3,641 |
| Total revenues | 48,217 | 12,154 | 45,623 | 136,092 | 43,268 |
| Cost of sales | 50,291 | 13,131 | 47,465 | 142,792 | 40,012 |
| Gross profit (loss) | (2,074) | (977) | (1,842) | (6,700) | 3,256 |
| Operating costs and expenses: | | | | | |
| Selling, general, and administrative | 5,779 | 5,792 | 9,035 | 27,124 | 20,166 |
| Depreciation and amortization | 180 | 218 | 177 | 734 | 1,011 |
| Research and development | 922 | 1,342 | 985 | 4,438 | 5,537 |
| Gain on sale of property and equipment | (1,000) | (39) | (10) | (2,916) | (94) |
| Gain on lease termination | — | — | — | (584) | — |
| Change in fair value of contract consideration convertible notes payable | 8,941 | — | 4,250 | (75) | — |
| Impairment of goodwill | — | 8,092 | — | — | 8,092 |
| Total operating costs and expenses | 14,822 | 15,405 | 14,437 | 28,721 | 34,712 |
| Loss from operations | (16,896) | (16,382) | (16,279) | (35,421) | (31,456) |
| Other income (expense): | | | | | |
| Paycheck protection plan loan forgiveness | — | — | — | — | 881 |
| Interest expense | (2,465) | (25) | (2,321) | (7,051) | (78) |
| Other income (expense), net | 212 | 149 | (187) | 145 | 87 |
| Total other income (expense), net | (2,253) | 124 | (2,508) | (6,906) | 890 |
| Loss before income taxes | (19,149) | (16,258) | (18,787) | (42,327) | (30,566) |
| Income tax benefit (expense) | 123 | 70 | (7) | 22 | 40 |
| Net Loss | \$ (19,026) | \$ (16,188) | \$ (18,794) | \$ (42,305) | \$ (30,526) |
| Loss per common share: | | | | | |
| Basic | \$ (0.25) | \$ (0.22) | \$ (0.25) | \$ (0.57) | \$ (0.42) |
| Diluted | \$ (0.25) | \$ (0.22) | \$ (0.25) | \$ (0.57) | \$ (0.42) |
| Weighted average common shares: | | | | | |
| Weighted average common shares used in computing basic loss per common share | 75,405 | 73,423 | 75,312 | 74,425 | 73,361 |
| Weighted average common shares used in computing diluted loss per common share | 75,405 | 73,423 | 75,312 | 74,425 | 73,361 |



Unaudited Condensed Consolidated Balance Sheets

(in thousands, except share data)

| | December 31, 2022 | December 31, 2021 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 12,290 | \$ 11,534 |
| Restricted cash | 100 | 1,790 |
| Accounts receivable, net of allowance for doubtful accounts of \$623 and \$659 at December 31, 2022 and December 31, 2021 | 19,136 | 13,297 |
| Accounts receivable, related party | 22,683 | — |
| Inventories, net | 15,720 | 9,454 |
| Other current assets | 4,045 | 3,762 |
| Current contract asset | 7,113 | — |
| Assets held for sale | — | 2,762 |
| Total current assets | <u>81,087</u> | <u>42,599</u> |
| Long-term contract assets | 72,576 | — |
| Property and equipment, net | 4,826 | 5,296 |
| Operating lease right-of-use assets | 5,900 | 2,041 |
| Deferred tax assets, net | 404 | 279 |
| Other long-term assets | 17 | 29 |
| TOTAL ASSETS | <u>\$ 164,810</u> | <u>\$ 50,244</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 33,375 | \$ 7,616 |
| Accrued liabilities | 8,984 | 8,996 |
| Income taxes payable | 97 | 4 |
| Interest payable | 130 | 82 |
| Current portion of operating lease liabilities | 3,328 | 602 |
| Current portion of finance lease liabilities | 36 | 41 |
| Current portion of long-term debt | 2,052 | 1,436 |
| Convertible notes payable | 19,799 | — |
| Contract consideration convertible notes payable | 83,570 | — |
| Total current liabilities | <u>151,371</u> | <u>18,777</u> |
| Deferred revenue, long-term | 44 | 91 |
| Long-term operating lease liabilities | 8,044 | 7,779 |
| Long-term finance lease liabilities | 19 | 53 |
| Long-term debt | 2,736 | 3,352 |
| TOTAL LIABILITIES | <u>162,214</u> | <u>30,052</u> |
| Stockholders' equity: | | |
| Common stock, \$0.0001 par value, 240,000,000 shares authorized; 83,915,918 shares issued and 77,788,391 shares outstanding at December 31, 2022 ; 79,483,837 shares issued and 73,461,203 shares outstanding at December 31, 2021 | 8 | 8 |
| Additional paid-in capital | 388,177 | 363,417 |
| Accumulated other comprehensive income | 181 | 81 |
| Accumulated deficit | (351,519) | (309,214) |
| Treasury stock, at cost; 6,127,527 and 6,022,634 shares at December 31, 2022 and December 31, 2021, respectively | (34,251) | (34,100) |
| Total stockholders' equity | <u>2,596</u> | <u>20,192</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$ 164,810</u> | <u>\$ 50,244</u> |

Unaudited Condensed Consolidated Statements of Cash Flows

(in thousands)

| | Years ended December 31, | |
|---|--------------------------|------------------|
| | 2022 | 2021 |
| Cash flows from operating activities: | | |
| Net loss | \$ (42,305) | \$ (30,526) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Change in fair value of contingent consideration | (25) | (808) |
| Change in fair value of contract consideration convertible notes payable | (75) | — |
| Amortization of convertible note issuance costs | 1,002 | — |
| Payment-in-kind interest expense | 5,956 | — |
| Amortization of contract assets | 3,371 | — |
| Depreciation | 734 | 1,011 |
| Provision for doubtful accounts, net of recoveries | 203 | (127) |
| Inventory purchase commitment settlement | — | (7,633) |
| Provision for excess and obsolete inventory | 1,734 | 623 |
| Impairment of goodwill | — | 8,092 |
| Gain on sale of property and equipment | (2,916) | (94) |
| Gain on lease termination | (584) | — |
| Non-cash lease expense | 226 | 279 |
| Stock compensation expense | 3,325 | 3,757 |
| Deferred income tax expense | (125) | (56) |
| Paycheck protection plan loan forgiveness | — | (881) |
| Changes in current assets and liabilities: | | |
| Accounts receivable | (7,342) | (106) |
| Accounts receivable, related party | (21,383) | (1,300) |
| Inventories | (7,917) | 1,760 |
| Income taxes receivable | 14 | 381 |
| Other assets | (285) | (609) |
| Contract assets, net | (3,600) | — |
| Accounts payable | 25,760 | 1,829 |
| Accrued liabilities | (34) | (860) |
| Operating lease liabilities | (507) | (603) |
| Income taxes payable | 93 | (17) |
| Interest payable | 48 | 48 |
| Net cash used in operating activities | <u>(44,632)</u> | <u>(25,840)</u> |
| Cash flows from investing activities: | | |
| Capital expenditures | (421) | (39) |
| Proceeds from sale of assets | 5,752 | 151 |
| Net cash provided by investing activities | <u>5,331</u> | <u>112</u> |
| Cash flows from financing activities: | | |
| Proceeds from issuance of convertible notes | 21,150 | — |
| Payment of issuance costs of convertible notes | (1,084) | — |
| Proceeds from issuance of warrants | 19,500 | — |
| Payment of issuance costs of stock warrants | (1,170) | — |
| Payments to tax authorities for shares withheld from employees | (224) | (390) |
| Proceeds from issuance of stock | 133 | 80 |
| Payments for finance leases | (38) | (62) |
| Net cash provided by (used in) provided by financing activities | <u>38,267</u> | <u>(372)</u> |
| Effect of changes in exchange rates on cash and cash equivalents | <u>100</u> | <u>100</u> |
| Net change in cash, cash equivalents and restricted cash | <u>(934)</u> | <u>(26,000)</u> |
| Cash and cash equivalents at the beginning of period | 11,534 | 38,660 |
| Restricted cash at the beginning of period | 1,790 | 664 |
| Cash and cash equivalents and restricted cash at beginning of period | <u>13,324</u> | <u>39,324</u> |
| Cash and cash equivalents at end of period | 12,290 | 11,534 |
| Restricted cash at the end of period | 100 | 1,790 |
| Cash, cash equivalents and restricted cash at end of period | <u>\$ 12,390</u> | <u>\$ 13,324</u> |

Unaudited Reconciliation of Non-GAAP Items and Non-Cash Items Impacting Earnings (in thousands)

| | Three Months Ended | | | Twelve Months Ended | |
|---|--------------------|-------------------|-------------------|---------------------|--------------------|
| | 12/31/2022 | 12/31/2021 | 9/30/2022 | 12/31/2022 | 12/31/2021 |
| Gross profit (loss) | \$ (2,074) | \$ (977) | \$ (1,842) | \$ (6,700) | \$ 3,256 |
| Stock compensation expense | 85 | 242 | — | 459 | 1,202 |
| Severance and retirement | — | 439 | — | 3 | 168 |
| Contingent liability revaluation | 81 | — | — | (53) | — |
| Sanitizer inventory write down | — | — | 1,036 | 1,036 | — |
| Amortization of contract assets | 1,386 | — | 1,249 | 3,371 | — |
| Adjusted Gross profit (loss) | \$ (522) | \$ (296) | \$ 443 | \$ (1,884) | \$ 4,626 |
| Net loss | \$ (19,026) | \$ (16,188) | \$ (18,794) | \$ (42,305) | \$ (30,526) |
| Interest expense | 2,465 | 25 | 2,321 | 7,051 | 78 |
| Interest income | — | — | — | — | (9) |
| Income tax (benefit) expense | (123) | (70) | 7 | (22) | (40) |
| Depreciation and amortization | 180 | 218 | 177 | 734 | 1,011 |
| Impairment of goodwill | — | 8,092 | — | — | 8,092 |
| EBITDA (Non-GAAP) | (16,504) | (7,923) | (16,289) | (34,542) | (21,394) |
| Stock compensation expense | 1,062 | 1,090 | 671 | 3,325 | 3,757 |
| Severance and retirement | — | 354 | (219) | 387 | 1,344 |
| Contingent liability revaluation | 81 | (107) | 28 | (25) | (808) |
| M&A transaction costs | — | — | — | — | 243 |
| Sanitizer inventory write down | — | — | 1,036 | 1,036 | — |
| Terpene purchase commitment | — | — | — | — | (7,633) |
| (Gain) loss on disposal of assets | (1,000) | (39) | (10) | (2,916) | (94) |
| Gain on lease termination | — | — | — | (584) | — |
| Contract consideration convertible notes payable revaluation adjustment | 8,941 | — | 4,250 | (75) | — |
| Amortization of contract assets | 1,386 | — | 1,249 | 3,371 | — |
| PPP loan forgiveness | — | — | — | — | (881) |
| Employee retention credit | — | — | — | — | (2,851) |
| Non-Recurring professional fees | 955 | 950 | 882 | 3,854 | 2,996 |
| Inventory step-up | — | 21 | — | — | 23 |
| Winter Storm (Natural Disaster) | — | — | — | — | 199 |
| Adjusted EBITDA (Non-GAAP) | \$ (5,079) | \$ (5,654) | \$ (8,402) | \$ (26,169) | \$ (25,099) |

(1) Management believes that adjusted gross profit and adjusted EBITDA for the three and twelve months ended December 31, 2022 and 2021, and the three months ended September 30, 2022, is useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods. Management views the expenses noted above to be outside of the Company's normal operating results. Management analyzes operating results without the impact of the above items as an indicator of performance, to identify underlying trends in the business and cash flow from continuing operations, and to establish operational goals.



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