
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): September 29, 2023

ProFrac Holding Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-41388
(Commission
File Number)

87-2424964
(IRS Employer
Identification No.)

333 Shops Boulevard, Suite 301
Willow Park, Texas
(Address of principal executive offices)

76087
(Zip Code)

(254) 776-3722
(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 exchange on which registered
Class A common stock, par value \$0.01 per share	ACDC	The Nasdaq Global Select Market
Warrants to purchase Class A common stock	ACDCW	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 1.01 Entry into a Material Definitive Agreement.

On September 29, 2023, ProFrac Holding Corp., a Delaware corporation (the “**Company**”), entered into a purchase agreement (the “**Purchase Agreement**”) with THRC Holdings, LP, a Texas limited partnership (the “**THRC Holdings**”), and FARJO Holdings, LP, a Texas limited partnership (the “**FARJO Holdings**”), and together with THRC Holdings, the “**Investors**”), pursuant to which the Company agreed to issue and sell shares of a new series of the Company’s preferred stock, designated as Series A Redeemable Convertible Preferred Stock, par value \$0.01 per share (the “**Series A Preferred Stock**”), in a private placement transaction (the “**Private Placement**”).

THRC Management, LLC, a Texas limited liability company, is the general partner of THRC Holdings. Mr. Dan Wilks is the sole manager of THRC Management, LLC. FARJO Management, LLC, a Texas limited liability company, is the general partner of FARJO Holdings. Mr. Farris Wilks and Ms. Jo Ann Wilks are the members of FARJO Management. Mr. Farris Wilks and Mr. Dan Wilks are brothers and are founders and principal stockholders of the Company. Their sons, Mr. Johnathan Ladd Wilks and Mr. Matthew D. Wilks are the Company’s Chief Executive Officer and Executive Chairman, respectively.

At the closing of the Private Placement on September 29, 2023 (the “**Closing**”), the Company issued and sold to the Investors 50,000 shares of the Series A Preferred Stock at a purchase price of \$1,000.00 per share. The gross proceeds to the Company from the sale of the Series A Preferred Stock were \$50.0 million. The Company plans to use the proceeds to prepay a portion of its outstanding debt, and for working capital and general corporate purposes.

The shares of Series A Preferred Stock are convertible into shares of the Company’s Class A common stock, par value \$0.01 per share (the “**Class A Common Stock**”), and have other terms as described in Item 5.03 of this Current Report on Form 8-K, which is incorporated by reference herein.

Within a reasonable period of time from the date of the Purchase Agreement, the Company will file a registration statement (the “**Registration Statement**”) with the U.S. Securities and Exchange Commission to register the resale of the Series A Preferred Stock, including any shares of Class A Common Stock that may be acquired by the Investors upon conversion of the Series A Preferred Stock in accordance with the Series A Certificate of Designation (as defined in Item 5.03 of this Current Report on Form 8-K).

The Purchase Agreement contains customary representations, warranties and agreements by the Company made solely for the benefit of the parties to the Purchase Agreement, and investors should not rely on the representations, warranties and agreements or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or any of its affiliates.

The foregoing description of the material terms of the Private Placement is qualified in its entirety by reference to the Purchase Agreement, which is attached hereto as Exhibit 10.1, and the Series A Certificate of Designation, which is attached hereto as Exhibit 3.1, each of which exhibits is incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 and Item 5.03 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 and Item 5.03 of this Current Report on Form 8-K regarding the securities sold and issued under the Purchase Agreement is incorporated herein by reference. The Series A Preferred Stock have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws. The Company relied on the exemption from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof, and Rule 506 of Regulation D promulgated thereunder.

Item 3.03 Material Modification to Rights of Security Holders.

The information set forth in Item 1.01 and Item 5.03 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The disclosure set forth under Item 1.01 above is incorporated by reference herein, to the extent applicable under Item 5.03. On September 29, 2023, the Company filed a Certificate of Designation of the Series A Preferred Stock with the Secretary of State of the State of Delaware (the “**Series A Certificate of Designation**”) in connection with the Private Placement referenced in Item 1.01 of this Current Report on Form 8-K, designating 50,000 shares out of the authorized but unissued shares of its preferred stock as Series A Preferred Stock. Holders of the Series A Preferred Stock are entitled to:

Dividends

Holders of the Series A Preferred Stock shall be entitled to cumulative paid-in-kind dividends at a rate per share equal to eight percent per annum. Such dividends shall compound and be payable quarterly in arrears.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, after payment or provision for payment of the debts and other liabilities of the Company, the holders of the shares of Series A Preferred Stock then outstanding shall be entitled to receive, out of the assets of the Company available for distribution to the stockholders of the Company or their assignees, and subject to the rights of any outstanding shares of Senior Stock (as defined in the Series A Certificate of Designation) and before any amount shall be distributed to the holders of Junior Stock (as defined in the Series A Certificate of Designation), a liquidation distribution in an amount equal to the greater of: (i) the then-applicable Liquidation Preference (as defined in the Series A Certificate of Designation), including any adjustment for the PIK Accrual (as defined in the Series A Certificate of Designation), and (ii) the amount such holder of Series A Preferred Stock would have been entitled to receive had such holder converted its shares of Series A Preferred Stock into shares of Class A Common Stock at the then-applicable Conversion Ratio (as defined in the Series A Certificate of Designation) immediately prior to such liquidation.

Voting

The Series A Preferred Stock is non-voting stock and does not entitle the holder thereof to vote on any matter submitted to the stockholders of the Company for their action or consideration, except as otherwise provided by the General Corporation Law of the State of Delaware, the Series A Certificate of Designation, or the Company's Certificate of Incorporation (as each may be amended from time to time). In each instance in which the holders of the Series A Preferred Stock shall be entitled to vote pursuant to the General Corporation Law of the State of Delaware, the Series A Certificate of Designation, or the Company's Certificate of Incorporation, each holder of the Series A Preferred Stock entitled to vote with respect to such matters shall be entitled to one vote per share of the Series A Preferred Stock.

So long as any shares of the Series A Preferred Stock are outstanding, the Company may not, without the written consent or affirmative vote of the holders of at least seventy-five percent (75%) of the then outstanding shares of Series A Preferred Stock, take, among others, the following actions: (i) authorize or create, or increase the authorized amount of, or issue any class or series of Senior Stock (as defined in the Series A Certificate of Designation) or reclassify or amend the provisions of any existing class of securities of the Company into shares of Senior Stock; (ii) authorize, create or issue any stock or debt instrument or other obligation that is convertible or exchangeable into shares of the Company's Senior Stock (or that is accompanied by options or warrants to purchase such Senior Stock); (iii) amend, alter or repeal any provision of the Certificate of Incorporation or the Series A Certificate of Designation in a manner that would adversely affect the rights, preferences, privileges or powers of the Series A Preferred Stock; (iv) declare or pay any dividends or other distributions in cash or property with respect to the capital stock of the Company (other than dividends or other distributions of cash or property paid on the Series A Preferred Stock); (v) redeem, repurchase, recapitalize or acquire shares of the Company's Class A Common Stock or other Junior Stock (as defined in the Series A Certificate of Designation), other than with respect to customary repurchase rights or tax withholding arrangements with respect to equity awards or benefit plans and the exchange of outstanding warrants or as contemplated by the Certificate of Incorporation, as in effect on the date of the Series A Certificate of Designation with respect to the Company's Class B common stock.

Conversion

Following the first anniversary of the first issuance of shares of Series A Preferred Stock, other than in connection with a Change of Control, each holder of the Series A Preferred Stock shall have the option from time to time to convert all or a portion of such holder's shares of Series A Preferred Stock into shares of Class A Common Stock at a conversion ratio of the quotient of: (i) the Liquidation Preference as of the date of the conversion and (ii) the then applicable conversion price (which is initially set at \$20.00, but may be adjusted from time to time, in accordance with the Series A Certificate of Designation).

Redemption

The Company may, at its option and in its sole discretion, from time to time redeem all, but not less than all, of the then outstanding shares of Series A Preferred Stock for an amount per share of Series A Preferred Stock equal to the Liquidation Preference (as defined in the Series A Certificate of Designation) as of the date of redemption multiplied by 1.15.

Change of Control

Upon the occurrence of a Change of Control (as defined in the Series A Certificate of Designation) the Company may, but shall not be required to, at the Company's sole option, either (a) convert all or part of the outstanding shares of Series A Preferred Stock into shares of Class A Common Stock at the greater of (i) the quotient of (A) the Liquidation Preference (as defined in the Series A Certificate of Designation) as of the date of such conversion and (B) the volume-weighted average trading price of the Class A Common Stock on the NASDAQ Global Market for the thirty trading day period (including the last day of such period) immediately preceding September 27, 2023 and (ii) the quotient of (X) the Liquidation Preference as of the date of such conversion and (Y) the volume-weighted average trading price

of the Class A Common Stock on the principal national securities exchange on which the Class A Common Stock is then listed for trading for the thirty trading day period (including the last day of such period) immediately preceding the public announcement of such Change of Control by the Company; or (b) pay each holder of the Series A Preferred Stock a cash payment per share of the Series A Preferred Stock held by such holder equal to the greater of: (i) the Liquidation Preference (as defined in the Series A Certificate of Designation) as of the date of such payment and (ii) the amount such holder would have been entitled to receive in or as a result of such Change of Control if, immediately prior to the record date for payments relating to such Change of Control, such shares of Series A Preferred Stock had been converted into a number of shares of Class A Common Stock equal to the greater of (x) the Conversion Ratio at such time and (y) the then-applicable Liquidation Preference divided by the 30-Day VWAP of the Class A Common Stock on the trading day immediately preceding the Change of Control.

The foregoing description of the Series A Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the Series A Certificate of Designation, a copy of which is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 8.01 Other Events.

On October 2, 2023, the Company issued a press release announcing the Closing and certain other matters. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein in its entirety by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
3.1	<u>Certificate of Designation of Series A Redeemable Convertible Preferred Stock.</u>
10.1	<u>Series A Redeemable Convertible Preferred Stock Purchase Agreement, dated September 29, 2023, by and among the Company and the Investors.</u>
99.1	<u>Press Release, dated October 2, 2023.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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.

PROFRAC HOLDING CORP.

By: /s/ Lance Turner

Name: Lance Turner

Title: Chief Financial Officer

Date: October 2, 2023

PROFRAC HOLDING CORP.

CERTIFICATE OF DESIGNATION

Pursuant to Section 151 of the General
Corporation Law of the State of Delaware

SERIES A REDEEMABLE CONVERTIBLE PREFERRED STOCK

(Par Value \$0.01 Per Share)

ProFrac Holding Corp. (the “*Corporation*”), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the “*General Corporation Law*”), hereby certifies that, pursuant to the authority expressly granted to and vested in the Board of Directors of the Corporation (the “*Board of Directors*”) by the Second Amended and Restated Certificate of Incorporation of the Corporation (as amended from time to time in accordance with its terms and the General Corporation Law, the “*Certificate of Incorporation*”), which authorizes the Board of Directors, by resolution, to provide out of the unissued shares of the preferred stock (the “*Preferred Stock*”) for one or more series of Preferred Stock and to establish from time to time the number of shares to be included in each such series and to fix the voting rights (if any), designations, powers, preferences and relative, participating, optional, special and other rights (if any) of each such series and any qualifications, limitations and restrictions thereof, and in accordance with the provisions of Section 151 of the General Corporation Law, the Board of Directors duly adopted on September 29, 2023 the following resolution:

RESOLVED, that pursuant to the authority expressly vested by Article IV, Section 1 of the Second Amended and Restated Certificate of Incorporation of the Corporation and in accordance with Section 151(g) of the General Corporation Law of the State of Delaware, the Board hereby creates, authorizes and provides for the issuance of a new series of preferred stock out of the authorized and unissued shares of the Corporation’s preferred stock, par value \$0.01 per share, and that the designation, rights, powers and preferences, and the qualifications, limitations and restrictions, of such Series A Preferred Stock are hereby approved and adopted by the Board and the form, terms and provisions of the Certificate of Designation of such Series A Preferred Stock are hereby approved, adopted, ratified and confirmed in all respects as follows:

1. General.

(a) The shares of such series shall be designated the Series A Redeemable Convertible Preferred Stock (hereinafter referred to as the “*Series A Preferred Stock*”).

(b) Each share of Series A Preferred Stock shall be identical in all respects with the other shares of Series A Preferred Stock.

(c) The authorized number of shares of Series A Preferred Stock shall initially be 50,000, which number may from time to time be increased or decreased by resolution of the Board of Directors as permitted by the General Corporation Law.

(d) For purposes of this Certificate of Designation, “*Capital Stock*” of any person means any and all shares, interests, participations or other equivalents however designated of corporate stock or other equity participations, whether general or limited, of such person and any rights (other than debt securities convertible or exchangeable into an equity interest), warrants or options to acquire an equity interest in such person. The Series A Preferred Stock shall, with respect to dividend rights and rights upon a liquidation, winding-up or dissolution of the Corporation, rank:

(i) senior to the Class A Common Stock, par value \$0.01 per share, of the Corporation (“*Class A Common Stock*”), the Class B Common Stock, par value \$0.01 per share, of the Corporation (“*Class B Common Stock*”), and any other class or series of Capital Stock of the Corporation, the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Series A Preferred Stock with respect to dividend rights or rights upon a liquidation, winding-up or dissolution of the Corporation (collectively, together with any warrants, rights, calls or options exercisable for or convertible into such Capital Stock, the “*Junior Stock*”);

(ii) on a parity with any class or series of Capital Stock of the Corporation, the terms of which provide that such class or series ranks on a parity with the Series A Preferred Stock with respect to dividend rights or rights upon a liquidation, winding-up or dissolution of the Corporation (collectively, together with any warrants, rights, calls or options exercisable for or convertible into such Capital Stock, the “**Parity Stock**”); and

(iii) junior to any class or series of Capital Stock of the Corporation (other than Class A Common Stock and Class B Common Stock), the terms of which expressly provide that such class or series ranks senior to the Series A Preferred Stock with respect to dividend rights or rights upon a liquidation, winding-up or dissolution of the Corporation (collectively, together with any warrants, rights, calls or options exercisable for or convertible into such Capital Stock, the “**Senior Stock**”).

(e) For purposes of this Certificate of Designation, the following terms have meanings set forth in the Section indicated:

<u>Term</u>	<u>Section</u>
30-Day VWAP	Section 7(c)(1)(ii)(B)
ABL Credit Agreement	Section 7(n)(B)
Board of Directors	Preamble
Borrower	Section 7(n)(A)
Business Day	Section 4(b)
Capital Stock	Section 1(d)
Certificate of Incorporation	Preamble
Change of Control	Section 7(d)(A)
Change of Control Cash Redemption Amount	Section 8(b)(B)(2)(y)
Class A Common Stock	Section 1(d)(i)
Class B Common Stock	Section 1(d)(i)
COC Forced Conversion	Section 7(c)(1)(ii)(B)
COC Related Conversion Ratio	Section 7(c)(1)(ii)(B)
Conversion Notice	Section 7(a)
Conversion Price	Section 7(a)
Conversion Ratio	Section 7(a)
Corporation	Preamble
Corporation Event	Section 7(g)
Credit Facilities	Section 7(n)(C)
Dividend Payment Date	Section 2(a)
Dividend Period	Section 2(a)

General Corporation Law	Preamble
Holdings	Section 7(n)(A)
Initial Dividend Payment Date	Section 2(a)
Issuance Date	Section 2(a)
Issuer Conversion Notice	Section 7(c)
Junior Stock	Section 1(d)(i)
Liquidation	Section 3(a)
Liquidation Distribution	Section 3(a)
Liquidation Preference	Section 3(a)
Optional Holder Conversion	Section 7(a)
Parity Stock	Section 1(d)(ii)
Permitted Holder	Section 7(d)(B)
PIK Accrual	Section 2(c)
Preferred Stock	Preamble
Redemption Notice	Section 8(a)
Redemption Price	Section 8(a)
Senior Stock	Section 1(d)(iii)
Series A Dividend	Section 2(a)
Series A Dividend Rate	Section 2(a)
Series A Preferred Stock	Section 1(a)
Term Loan Credit Agreement	Section 7(n)(A)

2. Dividends.

(a) Whether or not declared by the Board of Directors and whether or not there are funds legally available for the payment of dividends, holders of outstanding shares of Series A Preferred Stock shall be entitled to cumulative paid-in-kind dividends (the “**Series A Dividend**”) at the rate per share equal to eight percent (8.00%) per annum on the then-applicable Liquidation Preference (as defined herein) (the “**Series A Dividend Rate**”). Such Series A Dividends shall compound and be payable quarterly in arrears. The period from the Issuance Date to and including December 31, 2023 (the “**Initial Dividend Payment Date**”) and each period from but excluding a Dividend Payment Date to and including the following Dividend Payment Date is herein referred to as a “**Dividend Period**.” For purposes hereof, the “**Issuance Date**” means September 29, 2023 and “**Dividend Payment Date**” means December 31, March 31, June 30, and September 30 (following the Initial Dividend Payment Date).

(b) Series A Dividends compound and accumulate, whether or not earned or declared, from the most recent date on which dividends have been paid, or, if no dividends have been paid, from the Issuance Date.

(c) In full payment and discharge of the accrued dividends for such Dividend Period, the Liquidation Preference of each outstanding share of Series A Preferred Stock, regardless of its Issuance Date, shall automatically increase on such Dividend Payment Date by an amount equal to the Series A Dividend Rate multiplied by the Liquidation Preference in effect immediately after the immediately prior Dividend Payment Date (or the Issuance Date in respect of the first Dividend Period) (such automatic increase, the “**PIK Accrual**”).

3. Liquidation.

(a) Prior to conversion pursuant to Section 7, in the event of a liquidation (complete or partial), dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary (a “**Liquidation**”), after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of Series A Preferred Stock shall be entitled to receive, in respect of any shares of Series A Preferred Stock held by them, out of assets of the Corporation available for distribution to stockholders of the Corporation or their assignees, and subject to the rights of any outstanding shares of Senior Stock and before any amount shall be distributed to the holders of Junior Stock, a liquidating distribution (the “**Liquidation Distribution**”) in an amount equal to the greater of (i) the then-applicable Liquidation Preference, including, for the avoidance of doubt, any adjustment for the PIK Accrual, and (ii) the amount such holder of Series A Preferred Stock would have been entitled to receive had such holder converted its shares of Series A Preferred Stock into shares of Class A Common Stock at the then-applicable Conversion Ratio immediately prior to such Liquidation. The “**Liquidation Preference**” initially shall equal the original issue price per share of \$1,000.00 for each share of Series A Preferred Stock, which amount shall be adjusted as the result of any PIK Accrual and as otherwise set forth herein. If, upon a Liquidation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the then outstanding shares of Series A Preferred Stock and the holders of any shares of Parity Stock ranking on a parity with the Series A Preferred Stock with respect to any distribution of assets upon Liquidation are insufficient to pay in full the amount of all such Liquidation Preference payable with respect to the Series A Preferred Stock and any such Parity Stock, then the holders of Series A Preferred Stock and such Parity Stock shall share ratably in any distribution of assets in proportion to the full respective preferential amounts to which they are entitled.

(b) The Corporation shall provide the holders of Series A Preferred Stock appearing on the stock books of the Corporation as of the date of such notice at the address of said holder shown therein with written notice of (i) any voluntary Liquidation promptly after such Liquidation has been approved by the Board of Directors and at least five (5) days prior to the effective date of such Liquidation and (ii) any involuntary Liquidation promptly upon the Corporation becoming aware of any instituted proceeding in respect thereof. Such notice shall state a distribution or payment date, the amount of the Liquidation Preference and the place where the Liquidation Preference shall be distributable or payable.

(c) After the payment in cash or proceeds to the holders of shares of the Series A Preferred Stock of the full amount of the Liquidation Distribution with respect to outstanding shares of Series A Preferred Stock, the holders of outstanding shares of Series A Preferred Stock shall have no right or claim, based on their ownership of shares of Series A Preferred Stock, to the remaining assets of the Corporation, if any. Whenever any such distribution shall be paid in property other than cash, the value of such distribution shall be the fair market value of such property as determined in the good faith reasonable discretion of the Board of Directors or liquidating trustee, as the case may be.

4. Voting.

(a) General. Except as otherwise required by the General Corporation Law, other applicable law, the Certificate of Incorporation, or this Certificate of Designation, holders of Series A Preferred Stock shall not be entitled to any vote on matters submitted to the Corporation’s stockholders for approval. In any case in which the holders of the Series A Preferred Stock shall be entitled to vote pursuant to the General Corporation Law, other applicable law, the Certificate of Incorporation, or this Certificate of Designation, each holder of Series A Preferred Stock entitled to vote with respect to such matter shall be entitled to one vote per share of Series A Preferred Stock.

(b) Protective Provisions. In addition to any vote required by the General Corporation Law, other applicable law, the Certificate of Incorporation, or this Certificate of Designation, for so long as any of the shares of Series A Preferred Stock shall remain outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, take any of the following actions, including whether by merger, consolidation or

otherwise, without (in addition to any other vote required the General Corporation Law, other applicable law, the Certificate of Incorporation, or this Certificate of Designation) the written consent or affirmative vote of the holders of at least seventy-five percent (75%) of the then outstanding shares of Series A Preferred Stock and the Parity Stock, consenting or voting as a single class, by relative liquidation preference, to:

- (i) authorize or create, or increase the authorized amount of, or issue any class or series of Senior Stock or reclassify or amend the provisions of any existing class of securities of the Corporation into shares of Senior Stock;
- (ii) authorize, create or issue any stock or debt instrument or other obligation that is convertible or exchangeable into shares of its Senior Stock (or that is accompanied by options or warrants to purchase such Senior Stock);
- (iii) amend, alter or repeal any provision of the Certificate of Incorporation or this Certificate of Designation in a manner that adversely affects the rights, preferences, privileges or powers of the Series A Preferred Stock;
- (iv) declare or pay any dividends or other distributions in cash or property with respect to its Capital Stock (other than dividends or other distributions of cash or property paid on the Series A Preferred Stock);
- (v) redeem, repurchase, recapitalize or acquire shares of its Class A Common Stock or other Junior Stock (other than with respect to customary repurchase rights or tax withholding arrangements with respect to equity awards or benefit plans and the exchange of outstanding warrants or as contemplated by the Certificate of Incorporation as in effect on the date hereof with respect to the Class B Common Stock); or
- (vi) notwithstanding anything to the contrary herein, repurchase, recapitalize or acquire shares of its Capital Stock in a transaction that would be treated, in whole or in part, as a dividend for U.S. federal income tax purposes (unless such redemption, repurchase, recapitalization or acquisition, based on the Corporation's reasonable determination, is an isolated transaction within the meaning of U.S. Treasury Regulations Section 1.305-3(b)(3) or is in connection with a Change of Control).

If the Corporation shall propose to take any action enumerated above in clauses (i) through (vi) of this Section 4(b) then, and in each such case, the Corporation shall give notice of such proposed action to each holder of record of the shares of Series A Preferred Stock appearing on the stock books of the Corporation as of the date of such notice at the address of said holder shown therein. Such notice shall specify, inter alia (x) the proposed effective date of such action; (y) the date on which a record is to be taken for the purposes of such action, if applicable; and (z) the other material terms of such action. Such notice shall be given at least ten (10) calendar days prior to the applicable date or effective date specified above. For the purposes of this Certificate of Designation, "**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Fort Worth, Texas or New York, New York are authorized or required by law to close. If at any time the Corporation shall cancel any of the proposed actions for which notice has been given under this Section 4(b) prior to the consummation thereof, the Corporation shall give prompt notice of such cancellation to each holder of record of the shares of Series A Preferred Stock appearing on the stock books of the Corporation as of the date of such notice at the address of said holder shown therein. For the avoidance of doubt, if a holder of record of shares of Series A Preferred Stock does not respond to the aforementioned notice, such non-response shall in no way be deemed to constitute the written consent or affirmative vote of such holder regarding any of the aforementioned actions in this Section 4(b) or described within such notice.

5. Reservation of Class A Common Stock.

(a) At any time that any Series A Preferred Stock is outstanding, the Corporation shall from time to time take all lawful action within its control to cause the authorized capital stock of the Corporation to include a number of authorized but unissued shares of Class A Common Stock then necessary to enable the Corporation to satisfy its obligation to issues shares of Class A Common Stock on conversion of the Series A Preferred Stock in accordance herewith (for the avoidance of doubt, taking into account any other obligations of the Corporation to reserve Class A Common Stock upon the conversion, exchange or exercise of other securities of the Corporation, including, without limitation, any warrants to acquire shares of Class A Common Stock, such that any other reservation may not be counted toward the reservation of Class A Common Stock hereunder).

(b) If any shares of Class A Common Stock to be reserved for the purpose of conversion of the Series A Preferred Stock require registration or listing with or approval of any governmental authority, stock exchange or other regulatory body under any federal or state law or regulation or otherwise before such shares may be validly issued or delivered upon conversion, the Corporation shall, at its sole cost and expense, in good faith and as expeditiously as possible, endeavor to secure such registration, listing or approval, as the case may be.

6. Uncertificated Shares.

The Series A Preferred Stock shall be uncertificated and evidenced by registration in the holder's name in book-entry form. Unless and until the Board of Directors determines to assign the responsibility to another person, the Corporation will act as the registrar and transfer agent for the Series A Preferred Stock. The Series A Preferred Stock shall be separately identified and shall not bear the same CUSIP number as Class A Common Stock or Class B Common Stock, or any other security of the Corporation.

7. Conversion.

(a) Optional Conversion. Following the first anniversary of the Issuance Date, other than in connection with Section 7(c), each holder of Series A Preferred Stock shall have the option from time to time, exercisable by delivery of written notice to the Corporation substantially in the form attached hereto as Annex A-1 (the "**Conversion Notice**"), to convert all or a portion of such holder's shares of Series A Preferred Stock into Class A Common Stock at the Conversion Ratio (an "**Optional Holder Conversion**"). The "**Conversion Ratio**" means, for each share of Series A Preferred Stock, the quotient of (i) the Liquidation Preference as of the date of the conversion and (ii) the then applicable Conversion Price. The "**Conversion Price**" shall initially be \$20.00, which may be adjusted from time to time as set forth herein.

(b) RESERVED.

(c) Change of Control Conversion. Upon the occurrence of a Change of Control prior to conversion pursuant to either Section 7(a) or redemption pursuant to Section 8(a), the Corporation shall have the option but not the obligation, exercisable by delivery of written notice to the record holders of the shares of Series A Preferred Stock as of the date of such notice at the address of said holder shown on the stock books of the Corporation substantially in the form attached hereto as Annex A-2 (the "**Issuer Conversion Notice**") at least one Business Day prior to such Change of Control, to (1) convert on a date specified in such Issuer Conversion Notice no later than the second Business Day following such Issuer Conversion Notice, some or all of the outstanding shares of Series A Preferred Stock into shares of Class A Common Stock at the greater of (i) the quotient of (A) the Liquidation Preference as of the date of such conversion and (B) the volume-weighted average trading price of the Class A Common Stock on the NASDAQ Global Market for the thirty (30) trading day period (including the last day of such period) immediately preceding September 27, 2023 and (ii) the quotient of (X) the Liquidation Preference as of the date of such conversion and (Y) the volume-weighted average trading price of the Class A Common Stock on the principal national securities exchange on which the Class A Common Stock is then listed for trading for the thirty (30) trading day period (including the last day of such period) (the "**30-Day VWAP**") immediately preceding the public announcement of such Change of Control by the Corporation (such lesser amount, the "**CoC Related Conversion Ratio**" and such a conversion, a "**CoC Forced Conversion**"); or (2) redeem the shares of Series A Preferred Stock pursuant to Section 8(b)(B).

(d) For purposes of this Certificate of Designation, (A) a "**Change of Control**" means (1) the consummation of any transaction the result of which is that any person, other than any Permitted Holder, becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting stock of the Corporation, measured by voting power rather than number of shares, units or the like; provided that a transaction in which the Corporation becomes a subsidiary of another person shall not constitute a Change of Control if, immediately following such transaction, the persons who were beneficial owners of the voting stock of the Corporation immediately prior to such transaction beneficially own, directly or indirectly, fifty percent (50%) or more of the total voting power of the voting stock of such other person of whom the Corporation has become a subsidiary, (2) the sale of all or substantially all of the Corporation's assets or (3) the Class A Common Stock ceases to be listed or quoted on a National Securities Exchange; and (B) the "**Permitted Holder**" means any holder of shares of Series A Preferred Stock as of the first Issuance Date and its affiliates.

(e) Any Class A Common Stock delivered as a result of conversion pursuant to this Section 7 shall be validly issued, fully paid and non-assessable, free and clear of any preemptive right, liens, claims, rights or encumbrances other than those arising under securities laws, the General Corporation Law or the Bylaws of the Corporation then in effect. Immediately following the settlement of any conversion, if any, the rights of the holders of converted Series A Preferred Stock shall cease and the persons entitled to receive shares of Class A Common Stock upon the conversion of shares of Series A Preferred Stock shall be treated for all purposes as having become the owners of such shares of Class A Common Stock. Concurrently with such conversion, the converted shares of Series A Preferred Stock shall cease to be outstanding, shall be canceled and the shares of Series A Preferred Stock formerly designated pursuant to this Certificate of Designation shall be restored to authorized but unissued shares of Preferred Stock.

(f) If, after the Issuance Date, the Corporation (i) makes a distribution on its Class A Common Stock in cash, securities (including Class A Common Stock) or other property or assets, (ii) subdivides or splits its outstanding Class A Common Stock into a greater number of Class A Common Stock, (iii) combines or reclassifies its Class A Common Stock into a smaller number of Class A Common Stock or (iv) issues by reclassification of its Class A Common Stock any securities (including any reclassification in connection with a merger, consolidation or business combination in which the Corporation is the surviving person), then the Conversion Price in effect at the time of the record date for such distribution or of the effective date of such subdivision, split, combination, or reclassification shall be proportionately adjusted so that the conversion of the Series A Preferred Stock after such time shall entitle the holder to receive the aggregate number of Class A Common Stock (or shares of any securities into which such shares of Class A Common Stock would have been combined, consolidated, merged or reclassified pursuant to clauses (iii) and (iv) above) that such holder would have been entitled to receive if the Series A Preferred Stock had been converted into shares of Class A Common Stock immediately prior to such record date or effective date, as the case may be, and in the case of a merger, consolidation or business combination in which the Corporation is the surviving person, the Corporation shall provide effective provisions to ensure that the provisions in this Certificate of Designation relating to the Series A Preferred Stock shall not be abridged or amended and that the Series A Preferred Stock shall thereafter retain the same powers, preferences and relative participating, optional and other special rights, and the qualifications, limitations and restrictions thereon, that the Series A Preferred Stock had immediately prior to such transaction or event. An adjustment made pursuant to this Section 7(f) shall become effective immediately after the record date in the case of a distribution and shall become effective immediately after the effective date in the case of a subdivision, combination, reclassification (including any reclassification in connection with a merger, consolidation or business combination in which the Corporation is the surviving person) or split. Such adjustment shall be made successively whenever any event described above shall occur.

(g) At least fifteen (15) days prior to the consummation of any recapitalization, reorganization, consolidation, Change of Control, spin-off or other business combination (not otherwise addressed in Section 7(f) above) (a “**Corporation Event**”), the Corporation shall notify each holder of Series A Preferred Stock of such event (such notice to set forth in reasonable detail the material terms and conditions of such Corporation Event and the securities, cash or other assets, if any, which a holder of Series A Preferred Stock and Class A Common Stock (each on a per share basis) would receive upon the consummation of such event, to the extent known by the Corporation at the time); provided that the Corporation shall not be obligated to provide any holder with information that is otherwise not publicly available.

(h) Notwithstanding any of the other provisions of this Section 7, no adjustment shall be made to the Conversion Price as a result of any of the following:

(i) the grant of Class A Common Stock or options, warrants or rights to purchase Class A Common Stock to employees, officers or directors of the Corporation or its subsidiaries, under compensation plans and agreements approved in good faith by the Board of Directors;

(ii) the issuance of any Class A Common Stock as all or part of the consideration to effect (A) the closing of any acquisition by the Corporation of assets of a third party in an arm’s-length transaction or (B) the consummation of a merger, consolidation or other business combination of the Corporation with another entity in which the Corporation survives and the Class A Common Stock remain outstanding to the extent such transaction(s) is or are validly approved by the vote or consent of the Board of Directors;

(iii) the issuance of any Class A Common Stock as all or part of the consideration to a financial institution in connection with the Company obtaining financing to the extent such transaction(s) is or are validly approved by the vote or consent of the Board of Directors;

(iv) without duplication of Section 7(h)(i) above, the issuance of options, warrants or other rights to purchase Class A Common Stock, or securities exercisable or convertible into or exchangeable for Class A Common Stock (or options, warrants or other rights to purchase any such securities that are exercisable or convertible into or exchangeable for Class A Common Stock, in each case, that are outstanding on the Issuance Date (including, for the avoidance of doubt, the warrants exercisable for Class A Common Stock issued on the Issuance Date)); and

(iv) the issuance of securities for which an adjustment is made under another provision of this Section 7.

(i) Upon any adjustment to the Conversion Price pursuant to this Section 7, the Corporation promptly shall deliver to each holder of Series A Preferred Stock a certificate signed by an appropriate officer of the Corporation, setting forth in reasonable detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased Conversion Price then in effect following such adjustment.

(j) The Corporation shall pay any and all issue, documentary, stamp and other taxes, excluding any income, franchise, property or similar taxes, that may be payable in respect of any issue or delivery of Class A Common Stock on conversion of Series A Preferred Stock pursuant hereto. However, the holder of any Series A Preferred Stock shall pay any tax that is due because Class A Common Stock issuable upon conversion thereof are issued in a name other than such holder's name.

(k) No fractional Class A Common Stock shall be issued upon the conversion of any Series A Preferred Stock. All Class A Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional stock. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a Class A Common Stock, the Corporation shall not issue a fractional Class A Common Stock but shall round the fractional Class A Common Stock to the nearest whole Class A Common Stock (and a 0.5 of a share of Class A Common Stock shall be rounded up to the next higher share of Class A Common Stock).

(l) The Corporation agrees that it will act in good faith to make any adjustment(s) required by this Section 7 equitably and in such a manner as to afford the holders of Series A Preferred Stock the benefits of the provisions hereof and will not intentionally take any action to deprive such holders of the express benefit hereof.

(m) RESERVED.

(n) Notwithstanding anything in this Section 7 to the contrary, if a proposed conversion would (i) require approvals under, or conflict with, the terms of (A) the Term Loan Credit Agreement, dated March 4, 2022 by and among ProFrac Holdings, LLC, a Texas limited liability company ("**Holdings**"), ProFrac Holdings II, LLC, a Texas limited liability company (the "**Borrower**"), the guarantors from time to time party hereto, the lenders from time to time party thereto, and Piper Sandler Finance LLC, as the administrative agent and collateral agent (the "**Term Loan Credit Agreement**"), (B) Credit Agreement, dated March 4, 2022, by and among Holdings, the Borrower, the guarantors from time to time party hereto, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as the administrative agent and collateral agent (the "**ABL Credit Agreement**" and together with the Term Loan Credit Agreement) or (C) any other credit facility or debt securities entered into or issued by Holdings, the Borrower or any of their respective Subsidiaries (any such credit facilities, together with the Term Loan Credit Agreement and the ABL Credit Agreement, the "**Credit Facilities**"), or (ii) require the approval of holders of the Class A Common Stock pursuant to the applicable rules of the NASDAQ Stock Market, such conversion shall be limited to the number of shares of Series A Preferred Stock that would not require any approvals or result in any conflicts.

8. Redemption

(a) The Corporation has the option in its sole discretion, from time to time other than in connection with a Liquidation, to redeem all, but not less than all, of the then outstanding shares of Series A Preferred Stock, for an amount per share of Series A Preferred Stock equal to the Liquidation Preference as of the date of redemption multiplied by 1.15x (the “*Redemption Price*”). The Corporation may exercise its redemption option under this Section 8(a) by delivery of written notice to the holders of shares of the Series A Preferred Stock in the form attached as Annex B (the “*Redemption Notice*”), pursuant to which the holders of Series A Preferred Stock shall have five Business Days from the date of receipt of such Redemption Notice, in lieu of being paid in cash the Redemption Price, to elect to convert in accordance with Section 7(a). Such redemption shall be completed on a date specified in the Redemption Notice, which shall be not less than 10 and not more than 20 Business Days following the date of the Redemption Notice.

(b) Upon the occurrence of a Change of Control the Corporation may, but shall not be required to, at the Corporation’s sole option, either (A) convert all or part of the outstanding Series A Preferred Stock pursuant to Section 7(c)(1) or (B) pay each holder of Series A Preferred Stock a cash payment per share of Preferred Stock held by such holder equal to the greater of (1) the Liquidation Preference as of the date of such payment and (2) the amount such holder would have been entitled to receive in or as a result of such Change of Control pursuant to the applicable merger or other acquisition agreement if, immediately prior to the record date for payments relating to such Change of Control, such share of Series A Preferred Stock had been converted into a number of shares of Class A Common stock equal to the greater of (x) the Conversion Ratio at such time and (y) the then-applicable Liquidation Preference divided by the 30-Day VWAP of the Class A Common Stock on the trading day immediately preceding the Change of Control (such cash payment, the “*Change of Control Cash Redemption Amount*”).

9. Additional Procedures.

(a) In connection with any conversion pursuant to Section 7 or redemption in accordance with Section 8, the holder of Series A Preferred Stock must surrender the certificates, if any, representing such shares of Series A Preferred Stock (or, if such certificate or certificates have been lost, stolen, or destroyed, a lost certificate affidavit and indemnity in form and substance reasonably acceptable to the Corporation), and deliver transfer instruments reasonably satisfactory to the Corporation, at the principal office of the Corporation (or such other place mutually acceptable to the holder of Series A Preferred Stock and the Corporation). Upon surrender of a certificate that is to be redeemed or converted in part pursuant to this Certificate of Designation, the Corporation shall execute and deliver to the holder of such certificate a new certificate representing the number of Series A Preferred Stock that are not so redeemed or converted.

(b) On the date of a conversion or redemption hereof, as applicable, with respect to any share of Series A Preferred Stock, certificates representing the number of shares of Class A Common Stock into which the applicable shares of Series A Preferred Stock are converted shall be promptly issued and delivered to the holder of Series A Preferred Stock thereof or such holder’s designee (or cash shall be paid to an account designated by such person) upon presentation and surrender of the certificate, if any, evidencing the Series A Preferred Stock (or, if such certificate or certificates have been lost, stolen, or destroyed, a lost certificate affidavit and indemnity in form and substance reasonably acceptable to the Corporation) to the Corporation and, if required, the furnishing of appropriate endorsements and transfer documents and the payment of all transfer and similar taxes, if any, allocable to such holder.

10. No Other Rights.

The shares of Series A Preferred Stock shall not have any powers, designations, preferences or relative, participating, optional, or other special rights, nor shall there be any qualifications, limitations or restrictions or any powers, designations, preferences or rights of such shares, other than as set forth herein or in the Certificate of Incorporation, or as may be provided by law.

11. Other Provisions.

(a) The shares of Series A Preferred Stock shall not be subject to the operation of any retirement or sinking fund.

(b) In case any one or more of the provisions contained in this Certificate of Designation shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Furthermore, in lieu of any such invalid, illegal or unenforceable provision, there shall be added automatically as a part of this Certificate of Designation a provision as similar in terms to such invalid, illegal or unenforceable provision as may be possible and be legal, valid and enforceable, unless the requisite parties separately agree to a replacement provision that is valid, legal and enforceable.

(c) Any payments, issuances or distributions required to be made hereunder on any day that is not a Business Day shall be made on the next succeeding Business Day without interest or additional payment for such delay. All payments required hereunder shall be made by wire transfer of immediately available funds in United States Dollars to the holders in accordance with the payment instructions as such holders may deliver by written notice to the Corporation from time to time.

12. Effective Date.

This Certificate of Designation shall become effective on September 29, 2023.

[The Remainder of this Page Intentionally Left Blank]

IN WITNESS WHEREOF, ProFrac Holding Corp. has caused this Certificate of Designation to be duly executed this 29th day of September, 2023.

PROFRAC HOLDING CORP.

By: /s/ Lance Turner

Name: Lance Turner

Title: Chief Financial Officer

[Signature Page to Certificate of Designation]

Annex A-1

Conversion Notice

The undersigned holder of Series A Preferred Stock hereby irrevocably elects to convert the number of shares of Series A Preferred Stock indicated below pursuant to Section 7(a) of the Certificate of Designation into shares of Class A Common Stock at the Conversion Ratio. Capitalized terms utilized but not defined herein shall have the meaning ascribed to such terms in that certain Certificate of Designation of Series A Redeemable Convertible Preferred Stock, filed by ProFrac Holding Corp. on September 29, 2023.

Conversion Calculations:

Number of shares of Series A Preferred Stock owned prior to conversion: [_____]

Number of shares of Series A Preferred Stock to be converted: [_____]

Number of shares of Class A Common Stock to be issued: [_____]

Address for delivery of physical certificates: [_____]

[HOLDER]

By: _____
Name:
Title:
Date:

Annex A-2

Issuer Conversion Notice

ProFrac Holding Corp., a Delaware corporation (the “*Issuer*”), hereby irrevocably elects to convert the number of shares of Series A Preferred Stock held by you indicated below into shares of Class A Common Stock at the CoC Related Conversion Ratio on the date set forth below pursuant to Section 7(c) of the Certificate of Designation. Capitalized terms utilized but not defined herein shall have the meaning ascribed to such terms in that certain Certificate of Designation of Series A Redeemable Convertible Preferred Stock, filed by ProFrac Holding Corp. on September 29, 2023.

Holder: [_____]

Conversion Calculations:

Number of Shares of Series A Preferred Stock owned by you prior to conversion: [_____]

Number of shares of Series A Preferred Stock owned by you to be converted: [_____]

Number of shares of Class A Common Stock to be issued to you: [_____]

Date of conversion settlement: [_____]

PROFRAC HOLDING CORP.

By: _____

Name:

Title:

Date:

Annex B

Redemption Notice

ProFrac Holding Corp., a Delaware corporation (the "Issuer"), hereby irrevocably elects to redeem all of shares of Series A Preferred Stock held by you as indicated below on the date set forth below. Capitalized terms utilized but not defined herein shall have the meaning ascribed to such terms in that certain Certificate of Designation of Series A Redeemable Convertible Preferred Stock, filed by ProFrac Holding Corp. on September 29, 2023.

Holder: [_____]

Date of redemption: [_____]

Redemption Calculations:

Number of Shares of Series A Preferred Stock owned by you prior to redemption and to be redeemed by the Company: [_____]

Redemption Price: [_____]

PROFRAC HOLDING CORP.

By: _____

Name:

Title:

Date:

SERIES A REDEEMABLE CONVERTIBLE PREFERRED STOCK**PURCHASE AGREEMENT**

This Series A Redeemable Convertible Preferred Stock Purchase Agreement (this “**Agreement**”), is made as of September 29, 2023 by and among ProFrac Holding Corp., a Delaware corporation (the “**Company**”) and the investors listed on Exhibit A attached to this Agreement (each a “**Purchaser**” and together the “**Purchasers**”).

RECITALS

A. The Purchasers desire to purchase from the Company, and the Company desires to sell to the Purchasers, in exchange for cash, shares of the Company’s Series A Redeemable Convertible Preferred Stock, \$0.01 par value per share (“**Series A Preferred Stock**”) in accordance with the terms and conditions set forth in this Agreement.

AGREEMENT

1. Purchase and Sale of Preferred Stock. The Company shall adopt and file with the Secretary of State of the State of Delaware on or before the Closing (as defined below) the Certificate of Designation of the Series A Redeemable Convertible Preferred Stock in the form attached to this Agreement as Exhibit B (the “**Certificate of Designation**”) as an amendment to the Company’s Second Amended and Restated Certificate of Incorporation dated March 22, 2023 (as so amended, the “**Certificate**”).

1.1 Sale and Issuance of Series A Preferred Stock. Subject to the terms and conditions of this Agreement, each Purchaser agrees to purchase at the Closing, and the Company agrees to sell and issue to each Purchaser at the Closing, that number of shares of Series A Preferred Stock set forth opposite each Purchaser’s name on Exhibit A, at a purchase price of \$1,000.00 per share (the “**Shares**”). The purchase price for the Shares issued to the Purchasers shall be payable by wire transfer of immediately available funds to a bank account designated by the Company.

1.2 Closing; Delivery.

(a) The purchase and sale of the Shares shall take place remotely via the exchange of documents and signatures, at 10 a.m. ET, on the date hereof, or at such other time and place as the Company and the Purchasers mutually agree, orally or in writing (which time and place are designated as the “**Closing**”).

(b) At the Closing, the Company shall cause its books and records to reflect the purchase of the Shares by the Purchasers against payment of the purchase price therefor.

1.3 Use of Proceeds. The net proceeds of the sale of Shares hereunder shall be used by the Company for the prepayment of indebtedness, working capital and general corporate purposes.

1.4 Resale Registration Statement. Subject to the other applicable provisions of this Agreement, the Company shall file within a reasonable period of time of the date hereof, and use commercially reasonable efforts to cause to go effective as promptly as practicable thereafter, a registration statement covering (or amend an existing registration statement to cover) the sale or distribution from time to time by the Purchasers of all of the Shares, including any shares of Class A Common Stock (as defined

below) hereafter acquired by any Purchaser pursuant to the conversion of the Shares in accordance with the Certificate of Designation (together, the ("**Registrable Securities**"), on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on FormS-3, then such registration shall be on another appropriate form (including Form S-1)) and shall provide for the registration of such Registrable Securities for resale by such Purchasers until such time as all such Registrable Securities have been sold or disposed of by the Purchasers and/or such time that all Registrable Securities then held by Purchasers may be sold on a single day pursuant to Rule 144 under the Securities Act.

1.5 Certain Defined Terms Used in this Agreement. In addition to the terms defined elsewhere in this Agreement, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

(a) "**Code**" means the Internal Revenue Code of 1986, as amended.

(b) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(c) "**Knowledge**" including the phrase "**to the Company's knowledge**" shall mean the actual knowledge of each officer of the Company, after reasonable investigation and assuming such knowledge as the individual would have as a result of the reasonable performance of his or her duties in the ordinary course.

(d) "**Material Adverse Effect**" means a material adverse effect on the business, assets (including intangible assets), liabilities, financial condition, property or results of operations of the Company.

(e) "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(f) "**Purchaser**" means each of the Purchasers who is a party to this Agreement.

(g) "**SEC**" means the United States Securities and Exchange Commission.

(h) "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

2. Representations and Warranties of the Company.

2.1 The Company and each of its subsidiaries is an entity duly formed or incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its formation, incorporation or organization, with the requisite power and authority to own, lease and operate its properties and conduct its business as presently conducted and to enter into, deliver and perform its obligations under this Agreement. Neither the Company nor any of its subsidiaries is in violation or default of any of the provisions of its respective certificate of incorporation, bylaws or other organizational or charter documents. Each of the Company and its subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not reasonably be expected to have a Material Adverse Effect and no proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

2.2 The authorized capital of the Company consists, immediately prior to the Closing, of 1,050,000,000 shares of capital stock (collectively, the “**Capital Stock**”), classified as (i) 50,000,000 shares of preferred stock, \$0.01 par value per share, of which 50,000 have been designated as Series A Redeemable Convertible Preferred Stock; (ii) 600,000,000 shares of Class A common stock, \$0.01 par value per share (“**Class A Common Stock**”); and (iii) 400,000,000 shares of Class B common stock, \$0.01 par value per share. All of the issued and outstanding shares of Capital Stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws.

2.3 All corporate action required to be taken by the Company to authorize the Company to enter into this Agreement and to issue the Shares at the Closing and the Class A Common Stock issuable upon conversion of the Shares, has been taken or will be taken prior to the Closing. All action on the part of the Company necessary for the execution and delivery of this Agreement, the performance of all obligations of the Company under this Agreement to be performed as of the Closing, and the issuance and delivery of the Shares has been taken or will be taken prior to the applicable Closing. This Agreement, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with its terms except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors’ rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

2.4 The Shares, when sold, issued, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable, free and clear of any liens or other restrictions (other than those under applicable securities laws), and will not have been issued in violation of or subject to any preemptive or similar rights created under the Company’s certificate of incorporation or bylaws or the Delaware General Corporation Law.

2.5 The Shares have not been registered for resale under any state or federal securities laws and may not be sold unless so registered or pursuant to an exemption from applicable registration requirements. Assuming the accuracy of the representations and warranties of the Purchasers in Section 3 of this Agreement and subject to the filing of the Certificate of Designation and timely filings pursuant to Regulation D of the Securities Act, and applicable state securities laws, the Shares will be issued in compliance with all applicable federal and state securities laws. The Class A Common Stock issuable upon conversion of the Shares has been duly reserved for issuance, and upon issuance in accordance with the terms of the Certificate, will be validly issued, fully paid and nonassessable.

2.6 Assuming the accuracy of the representations and warranties made by the Purchasers in Section 3 of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority or any self-regulatory body or securities exchange or other Person in connection with the execution, delivery and performance by the Company of this Agreement is required on the part of the Company in connection with the consummation of the transactions contemplated by this Agreement, except for (i) the filing of the Certificate of Designation, which will have been filed as of the Closing, (ii) filings with the SEC, and (iii) filings pursuant to Regulation D of the Securities Act, and applicable state securities laws, which have been made or will be made in a timely manner.

2.7 The Company is not in violation or default of any instrument, judgment, order, writ or decree, under any note, indenture or mortgage, under any lease, agreement, contract or purchase order to which it is a party or by which it is bound, or to its knowledge, of any provision of federal or state statute, rule or regulation applicable to the Company, in each case, the violation or default of which would have a Material Adverse Effect. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not result in any such violation or constitute either (i) a default under any such provision, instrument, judgment, order, writ, decree, contract or agreement; or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company, in each case, the default or event of which would have a Material Adverse Effect.

2.8 Assuming the accuracy of the Purchaser's representations and warranties set forth in this Agreement, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchaser hereunder. The Shares (i) were not offered by any form of general solicitation or general advertising and (ii) are not being offered in a manner involving a public offering under, or in a distribution in violation of, the Securities Act or any state securities laws.

3. Representations and Warranties of the Purchasers. Each Purchaser hereby represents and warrants to the Company, severally and not jointly, that:

3.1 The Purchaser has full power and authority to enter into this Agreement and consummate the transactions contemplated hereby. When executed and delivered by the Purchaser, this Agreement will constitute valid and legally binding obligations of the Purchaser, enforceable against such Purchaser in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, and as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.2 This Agreement is made with the Purchaser in reliance upon the Purchaser's representation to the Company, which by the Purchaser's execution of this Agreement, the Purchaser hereby confirms, that the Shares to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participations to such Person or to any third Person, with respect to any of the Shares. The Purchaser has not been formed for the specific purpose of acquiring the Shares.

3.3 The Purchaser acknowledges and agrees that the Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act and that the Shares have not been registered under the Securities Act. The Purchaser acknowledges and agrees that the Shares may not be offered, resold, transferred, pledged or otherwise disposed of by the Purchaser absent an effective registration statement under the Securities Act except (i) to the Company or a subsidiary thereof, (ii) pursuant to another applicable exemption from the registration requirements of the Securities Act, and in each of clauses (i) and (ii) in accordance with any applicable securities laws of the states and other jurisdictions of the United States. If certificated, any certificates representing the Shares shall contain a restrictive legend to such effect and any book entry of the Shares will include a notation to such effect. The Purchaser acknowledges and agrees that it has been advised to consult legal counsel and tax and accounting advisors prior to making any offer, resale, transfer, pledge or disposition of any of the Shares.

3.4 The Purchaser acknowledges and agrees that the Purchaser is purchasing the Shares directly from the Company. The Purchaser further acknowledges that there have been no representations, warranties, covenants and agreements made to the Purchaser by or on behalf of the Company, any of its respective affiliates or any control persons, officers, directors, employees, partners, agents or representatives of any of the foregoing or any other person or entity, expressly or by implication, other than those representations, warranties, covenants and agreements of the Company expressly set forth in Section 2 of this Agreement.

3.5 The Purchaser acknowledges and agrees that the Purchaser has received such information as the Purchaser deems necessary in order to make an investment decision with respect to the Shares, including, with respect to the Company, the business of the Company and its subsidiaries. The Purchaser acknowledges and agrees that the Purchaser and the Purchaser's professional advisor(s), if any, have had the full opportunity to ask such questions, receive such answers and obtain such information as the Purchaser and such Purchaser's professional advisor(s), if any, have deemed necessary to make an investment decision with respect to the Shares.

3.6 The Purchaser became aware of this offering of the Shares solely by means of direct contact between the Purchaser and the Company and the Shares were offered to the Purchaser solely by direct contact between the Purchaser and the Company. The Purchaser did not become aware of this offering of the Shares, nor were the Shares offered to the Purchaser, by any other means. The Purchaser acknowledges that the Shares (i) were not offered to it by any form of general advertising or, to its knowledge, general solicitation, and (ii) are not being offered to it in a manner involving a public offering under, or in a distribution in violation of, the Securities Act, or any state securities laws. The Purchaser acknowledges that it is not relying upon, and has not relied upon, any statement, representation or warranty made by any person, firm or corporation (including, without limitation, the Company or any of its affiliates, or any control persons, officers, directors, employees, partners, agents or representatives of any of the foregoing), other than the representations and warranties of the Company contained in Section 2 of this Agreement, in making its investment or decision to invest in the Company.

3.7 The Purchaser acknowledges that it is aware that there are substantial risks incident to the purchase and ownership of the Shares, including those set forth in its reports filed with the SEC. The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the Purchaser has sought such accounting, legal and tax advice as the Purchaser has considered necessary to make an informed investment decision and the Purchaser has made its own assessment and has satisfied itself concerning relevant tax and other economic considerations relative to its purchase of the Shares. Alone, or together with its professional advisor(s), the Purchaser has adequately analyzed and fully considered the risks of an investment in the Shares and determined that the Shares are a suitable investment for the Purchaser and that the Purchaser is able at this time and in the foreseeable future to bear the economic risk of a total loss of the Purchaser's investment in the Company.

3.8 The Purchaser is an "accredited investor" (as defined in Rule 501(a) of Regulation D promulgated under the Securities Act).

3.9 The Purchaser acknowledges that it is not relying upon any Person in making its investment or decision to invest in the Company. The Purchaser agrees that neither any Purchaser nor the respective controlling Persons, officers, directors, partners, agents, or employees of any Purchaser shall be liable to any other Purchaser for any action heretofore taken or omitted to be taken by any of them in connection with the purchase of the Shares.

3.10 If the Purchaser is an individual, then the Purchaser resides in the state or province identified in the address of the Purchaser set forth on Exhibit A; if the Purchaser is not an individual, then the Purchaser is resident in the state or provide of the office or offices of the Purchaser in which its principal place of business is identified in the address or addresses of the Purchaser set forth on Exhibit A.

3.11 Each Purchaser acknowledges that the Company will rely on the acknowledgments, understandings, agreements, representations and warranties of the Purchaser contained in this Agreement, including Schedule A hereto, and any certifications provided herewith.

4. Conditions to the Purchasers' Obligations at Closing. The obligations of each Purchaser to purchase Shares at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

4.1 The representations and warranties of the Company contained in Section 2 shall be true and correct in all respects as of such Closing.

4.2 The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Company on or before the Closing.

4.3 The Company shall have filed the Certificate of Designation with the Secretary of State of the State of Delaware on or prior to the Closing, which shall continue to be in full force and effect as of the Closing.

5. Conditions of the Company's Obligations at Closing. The obligations of the Company to sell Shares to the Purchasers at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

5.1 The representations and warranties of each Purchaser contained in Section 3 shall be true and correct in all respects as of such Closing.

5.2 The Purchasers shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before such Closing.

5.3 All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall be obtained and effective as of such Closing.

6. Miscellaneous.

6.1 Unless otherwise set forth in this Agreement, the representations and warranties of the Company and the Purchasers contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation or knowledge of the subject matter thereof made by or on behalf of the Purchasers or the Company.

6.2 The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6.3 This Agreement shall be governed by the internal law of the State of Delaware without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

6.4 This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.5 The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.6 All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the party to be notified, (b) when sent, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) business day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their address as set forth on Exhibit A, or to such e-mail address or address as subsequently modified by written notice given in accordance with this Subsection 6.6. If notice is given to the Company, it shall be sent to 333 Shops Blvd. Ste. 301, Willow Park, TX 76087, *Attention: Legal Department*, with a copy (which shall not constitute notice) to Brown Rudnick LLP, One Financial Center, Boston, MA 02110, *Attention: Stephen Best and Samuel Williams*.

6.7 Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction. Each Purchaser agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which each Purchaser or any of its officers, employees or representatives is responsible. The Company agrees to indemnify and hold harmless each Purchaser from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

6.8 Except as set forth in Subsection 1.2(a) of this Agreement, any term of this Agreement may be amended, terminated or waived only with the written consent of the Company and the holders of a majority of the then-outstanding Shares; *provided, however, that*, any amendment or waiver that would materially and adversely affect any Purchaser (unless the Purchaser(s) so affected consents to such amendment or waiver in writing) shall require the written consent of the Company and the holders of at least seventy-five percent (75%) of the then-outstanding Shares. Any amendment or waiver effected in accordance with this Subsection 6.8 shall be binding upon the Purchasers and each transferee of the Shares (or the Common Stock issuable upon conversion thereof), each future holder of all such securities, and the Company.

6.9 This Agreement may be executed and delivered in one or more counterparts (including by facsimile or any other form of electronic delivery (including .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com or other transmission method)) by different parties in separate counterparts, with the same effect as if all parties hereto had signed the same document. All counterparts so executed and delivered shall be construed together and shall constitute one and the same agreement.

6.10 The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

6.11 No delay or omission to exercise any right, power or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.12 This Agreement (including the Exhibits hereto) and the Certificate of Designation constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

6.13 EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION AGREEMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL

6.14 The parties hereto acknowledge and agree that irreparable damage may occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement, without posting a bond or undertaking and without proof of damages, to seek to enforce specifically the terms and provisions of this Subscription Agreement, this being in addition to any other remedy to which such party is entitled at law, in equity, in contract, in tort or otherwise.

6.15 All actions or other proceedings brought by any party regarding this Agreement's validity, interpretation, performance, enforcement, or otherwise will be brought and litigated exclusively in the courts located in the State of Delaware. The parties hereby waive any objections to such jurisdiction, forum, or venue. Service of process, summons, notice, or other document by mail to such party's address set forth in this Agreement will be effective service of process for any such action or proceeding brought in any such court or jurisdiction.

6.16 Except as otherwise provided herein, this Agreement shall be binding upon, and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives, and permitted assigns, and the agreements, representations, warranties, covenants and acknowledgments contained herein shall be deemed to be made by, and be binding upon, such heirs, executors, administrators, successors, legal representatives and permitted assigns.

[Remainder of Page Intentionally Left Blank]

The parties have executed this Series A Preferred Stock Purchase Agreement as of the date first written above.

COMPANY:

PROFRAC HOLDING CORP.

By: /s/ Lance Turner

Name: Lance Turner

Title: Chief Financial Officer

PURCHASERS:

THRC HOLDINGS, LP

By: THRC Management, LLC, its General Partner

By: /s/ Matt Wilks

Name: Matt Wilks

Title: Vice President, Investments

FARJO HOLDINGS, LP

By: FARJO Management, LLC, its General Partner

By: /s/ Farris C. Wilks

Name: Farris C. Wilks

Title: Manager

SIGNATURE PAGE TO SERIES A PREFERRED STOCK PURCHASE AGREEMENT

EXHIBITS

Exhibit A - Schedule of Purchasers
Exhibit B - Certificate of Designation

EXHIBIT A

SCHEDULE OF PURCHASERS

<u>Name and Address Purchaser</u>	<u>Payment in Cash</u>	<u>Number of Series A Shares</u>
THRC Holdings, LP 17018 IH 20 Cisco, TX 76437	\$ 30,000,000	30,000
FARJO Holdings, LP 17018 IH 20 Cisco, TX 76437	\$ 20,000,000	20,000

EXHIBIT B

Certificate of Designation

(attached)



NEWS RELEASE

Contacts: [ProFrac Holding Corp.](#)
Lance Turner – Chief Financial Officer
investors@profrac.com

Dennard Lascar Investor Relations
Ken Dennard / Rick Black
ACDC@dennardlascar.com

ProFrac Holding Corp. Announces Its Intent to Maximize Value of Alpine Silica

Additional Investment Made by the Wilks Family

WILLOW PARK, TX – October 2, 2023 – ProFrac Holding Corp. (NASDAQ: ACDC) (“ProFrac”, or the “Company”) today announces that it is evaluating strategic options to maximize and realize the full value of its Proppant Production segment, which operates through its wholly-owned Alpine Silica subsidiary. A variety of options are under strategic review, including a public offering, a sale or merger of Alpine Silica and/or a potential recapitalization.

“Vertical integration has always been part of our vision for ProFrac, which we believe provides a unique competitive advantage,” stated Ladd Wilks, Chief Executive Officer. “Alpine Silica is a key component to this strategy and that will continue as we look at the right strategic option – one that we believe will benefit from our vertical integration while enhancing our commercial capabilities for unaffiliated customers.”-

Matt Wilks, Executive Chairman, said, “After our recent acquisitions, Alpine Silica is now the largest proppant producer in the industry with a multi-basin footprint. Alpine Silica has entered into multiple attractive long-term proppant supply contracts with unaffiliated customers ramping into 2024. As we continue to develop this contract position, we believe that Alpine Silica can support a different leverage profile and a significantly lower cost of capital as compared to the rest of ProFrac, yielding a higher valuation reflective of different business drivers.”

In connection with its strategic review, the Company also announces that entities affiliated with its largest shareholders, the Wilks Family, have invested \$50 million in perpetual convertible preferred equity securities (the “Preferred Equity”) issued by the Company at a conversion price of \$20.00 per share. Proceeds of the investment will primarily be used to reduce the Company’s indebtedness. “This equity investment demonstrates the Wilks Family’s unwavering confidence in ProFrac and facilitates optimizing the Company’s capital structure by enabling a future potential separation of Alpine Silica,” added Matt Wilks.

Commenting on the Wilks Investment, Lance Turner, Chief Financial Officer, said, “We are pleased that the Wilks Family continues to support ProFrac and is making this investment on very favorable terms for the Company with a conversion price that we believe more closely reflects the sum-of-the-parts valuation we are striving to unlock. By paying down some of our existing indebtedness, we expect to have the flexibility to pursue a separate capital structure for Alpine Silica that’s better suited to a highly contracted business model.”

Key terms of the preferred equity investment include:

1. Issuance of an aggregate of \$50.0 million of perpetual preferred equity securities convertible into ProFrac Holding Corp. Class A common stock at a conversion price of \$20.00 per share; and
2. Preferred Equity accrues interest at 8% annualized rate, payable quarterly and payment-in-kind (“PIK”).

No specific timeline has been established for the completion of the evaluation of strategic alternatives for Alpine Silica. The Company noted that there can be no assurance that any transaction will take place. The Company does not intend to disclose developments with respect to the progress of its evaluation of any strategic options until such time as the Board of Directors has approved a transaction or otherwise deems disclosure required or appropriate.

The Company has retained Piper Sandler & Co. as its financial advisor and Brown Rudnick as its legal advisor in connection with its evaluation of strategic alternatives for Alpine Silica.

About ProFrac Holding Corp.

ProFrac Holding Corp. is a technology-focused, vertically integrated energy services company providing well stimulation services, proppants production and other complementary products and services to oil and gas companies engaged in the exploration and production (“E&P”) of unconventional oil and natural gas resources throughout the United States. Founded in 2016, ProFrac was built to be the go-to service provider for E&P companies’ most demanding hydraulic fracturing needs. ProFrac is focused on employing new technologies to significantly reduce “greenhouse gas” emissions and increase efficiency in what has historically been an emissions-intensive component of the unconventional E&P development process. For more information, please visit the ProFrac’s website at www.pfholdingscorp.com.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this press release are, or may be considered, “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “should,” “expect,” “intend,” “will,” “estimate,” “anticipate,” “believe,” “predict,” “project” or similar words and expressions and uses of future or conditional verbs, generally identify forward-looking statements. The Company cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. Such risks and uncertainties include, but are not limited to: the ability to achieve the anticipated benefits of the Company’s acquisitions, mining operations, and vertical integration strategy, including risks and costs relating to integrating acquired assets and personnel; risks that the Company’s actions intended to achieve its published financial and operational guidance will be insufficient to achieve that guidance, either alone or in combination with external market, industry or other factors; the failure to operationalize or utilize to the extent anticipated the Company’s fleets and sand mines in a timely manner or at all; the Company’s ability to deploy capital in a manner that furthers the Company’s growth strategy, as well as the Company’s general ability to execute its business plans; the risk that the Company may need more capital than it currently projects or that capital expenditures could increase beyond current expectations; industry conditions, including fluctuations in supply, demand and prices for the Company’s products and services; global and regional economic and financial conditions; the effectiveness of the Company’s risk management strategies; the transition to becoming a public company; and other risks and uncertainties set forth in the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s filings with the Securities and Exchange Commission (“SEC”), which are available on the SEC’s website at www.sec.gov. The Company undertakes no obligation, and specifically declines, to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.