

## Risk Factors Comparison 2025-03-12 to 2024-03-15 Form: 10-K

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The Company's business, financial condition, results of operations, cash flows, liquidity and prospects are subject to various risks and uncertainties. Readers of this Annual Report should not consider any descriptions of these risk factors to be a complete set of all potential risks that could affect the Company. These factors should be carefully considered together with the other information contained in this Annual Report and the other reports and materials filed by the Company with the SEC. Further, many of these risks are interrelated and, as a result, the occurrence of certain risks could trigger and / or exacerbate other risks. Such a combination could materially increase the severity of the impact of these risks on the Company's business, results of operations, financial condition, cash flows, liquidity or prospects. This Annual Report contains "forward- looking statements," as defined in **Section 27A of the Private Securities Litigation Reform Act and Section 21E of 1995 the Exchange Act** that involve risks and uncertainties. Forward- looking statements discuss Company prospects, expected revenue, expenses and profits, strategic and operational initiatives, and other activities. Forward- looking statements also contain suppositions regarding future oil and natural gas industry and other conditions, both domestically and internationally. The Company's results could differ materially from those anticipated in the forward- looking statements as a result of a variety of factors, including risks described below and elsewhere. See "Forward- Looking Statements" at the beginning of this Annual Report. Risks Related to the Company's Business The Company's business is largely dependent upon its customers' spending in the oil and gas industry. Spending could be adversely affected by industry conditions; ~~or by~~ **new or increased governmental regulations; changes to existing** governmental regulations; global economic conditions; the availability of credit; and oil and natural gas prices. Demand for and prices of the Company's products are subject to a variety of factors, including, but not limited to: • global demand for energy as a result of population growth, economic development, and general economic and business conditions; • political and economic uncertainty, and sociopolitical unrest including the current military conflicts in Ukraine and Middle East and ongoing sanctions imposed on Russia; • the ability of the Organization of Petroleum Exporting Countries ("OPEC") to ~~influence set and maintain~~ **influence** production levels and the impact of non- OPEC producers on global supply; • availability and quantity of natural gas storage; • import and export volumes and pricing of liquefied natural gas; • domestic and international refining activity; • **rising demand for electricity in the U. S. and technological improvements to competing sources of power generation, including wind, solar and hydrogen;** • pipeline capacity to critical markets and out of producing regions; • cost of exploration, production and transport of oil and natural gas; • sustained market adoption of green chemistry solutions; • technological advances impacting energy production and consumption; • **new or increased governmental regulation or changes to existing governmental regulations;** • **expectations for inflation and the resulting impact on** interest rates; • the ~~imposition~~ **imposition** ~~timing and rate of~~ **tariffs or trade sanctions** economic recovery from the effects of the pandemic; • weather conditions; and • foreign exchange rates. ~~The volatility of commodity prices and the consequential effect on the activities of the Company's target customer base~~ **Volatile** The volatility of commodity prices and the consequential effect on the activities of the Company's target customer base could adversely impact the activity levels of the Company's customers. Demand for the Company's goods and services may be adversely impacted if volatile economic conditions weaken customer expenditures, ~~specifically as it concerns the continued adoption of chemistry solutions with lower overall impact on the environment.~~ **specifically as it concerns the continued adoption of chemistry solutions with lower overall impact on the environment.** It is difficult to predict the pace of industry growth, the direction of oil and natural gas prices, the direction and magnitude of economic activity, the demand for ~~professional~~ **chemistry and data analytics** products, and to what extent these conditions could affect the Company. However, reduced cash flow and capital availability could adversely impact the financial condition of the Company's customers, which could result in customer project modifications, delays or cancellations, general business disruptions, and delay in, or nonpayment of, amounts that are owed to the Company. This could cause a negative impact on ~~the Company's results of operations and cash flows.~~ **the Company's results of operations and cash flows.** Furthermore, if key suppliers were to experience significant cash flow constraints or become insolvent as a result of such conditions, a reduction or interruption in supplies or a significant increase in the price of supplies could occur, adversely impacting the Company's results of operations and cash flows. The Company's reliance on the ProFrac Agreement could adversely impact our financial condition, results of operations and cash flows. The ProFrac Agreement is a major source of the Company's liquidity and we expect it to remain so over the term of the contract. Revenues attributable to the ProFrac Agreement represented **62 % and** 65 % of our total revenues during **2024 and 2023**, respectively. If the Company became unable to execute the requirements of the agreement financially and operationally, from procuring inventory to meet the needs of ProFrac Services, LLC under the ProFrac Agreement ~~and to~~ **executing** timely billing and collection, the Company's liquidity could be adversely impacted. Further, our relationship with ProFrac Services, LLC may impact their competitors' willingness to purchase products from the Company or to seek price concessions **from the Company**. We are also dependent on ProFrac Services, LLC's compliance in meeting their committed activity levels and paying for ~~our~~ **our** products ~~provided,~~ **provided,** including any Contract Shortfall Fees, ~~in on~~ **in on** a timely basis, in accordance with the terms of the ProFrac Agreement. Our financial condition, results of operations and cash flows may be adversely impacted if ProFrac Services, LLC's financial condition or its spending level under the ProFrac Agreement is negatively impacted and ~~they are~~ **it is** unable to pay ~~their~~ **its** outstanding obligations to the Company, including those payments related to Contract Shortfall Fees. As of ~~March 11~~ **December 31**, 2024, approximately **amounts due to the Company from ProFrac Services, LLC totaled \$ 10.52. 0.4** million of, including **\$ 32. 4 million related to 2024** Contract Shortfall Fees ~~from 2023~~ **have been collected with the remaining \$ 10. 1 million due on or before April 8, 2024.** ProFrac Services, LLC has the right to terminate the ProFrac Agreement by providing written notice to the Company after the occurrence of any of the following events: (i) the Company's bankruptcy; (ii) the Company's failure to produce and deliver the ~~product~~ **products** in accordance

with the specifications, or failure to timely deliver ~~product-products~~, and the Company has been unable to cure such failure within a commercially reasonable period determined by ProFrac Services, LLC; (iii) the Company fails to meet pricing requirements set forth in the ProFrac Agreement; or (iv) the Company is affected by a force majeure event, and such force majeure event has not been remedied within 30 days of the initial occurrence of such event. ProFrac Services, LLC also has the right to terminate the ProFrac Agreement for any other material breach of the ProFrac Agreement by the Company if the breach is capable of being cured, but is not cured within 30 days after written notice. Termination of the ProFrac Agreement would have a material adverse impact on the Company's financial condition, results of operations and cash flows. **In addition, ProFrac Services, LLC has customary rights to audit our compliance with the terms of the ProFrac Agreement. Any adverse findings during such an audit could have an adverse impact on the Company's financial condition, results of operations and cash flows.** The Company's inability to develop and / or introduce new products or differentiate existing products could have an adverse effect on its ability to be responsive to customers' needs and could result in a loss of customers, as well as adversely affecting the Company's future success and profitability. The industries in which the Company does business are characterized by technological advancements that have historically resulted in, and will likely continue to result in, substantial improvements in the scope and quality of specialty chemistries and **data** analytical services. Consequently, the Company's future success is dependent, in part, upon the Company's continued ability to timely develop innovative products and services. Successful introduction of new technology requires time and resources, and there is no assurance that the Company will be able to commercialize new technology in a timely manner. If the Company fails to successfully develop and introduce innovative products and services **at price points** that appeal to customers, or if existing or new market competitors develop superior products and services, the Company's revenue and profitability could deteriorate. The Company's business, financial condition, operating results and ability to grow and compete may be affected adversely if adequate capital is not available. **While we believe that our** ~~The Company's existing resources including cash on hand, liquid assets,~~ and availability under **its the ABL will provide us with sufficient financial resources to fund operations to meet our capital requirements and anticipated obligations as they become due, uncertainty surrounding the long-term stability and strength of the oil and gas markets, and the resulting potential impact on our customers' ability to pay their obligations to us in a timely manner, could have a negative impact on our liquidity. The availability of capital is dependent on the Company's operating cash flow, which is currently expected to be principally derived from the ProFrac Agreement. The Company** ~~may not be sufficient to finance operations and strategies. The Company may therefore need~~ **additional** ~~to rely on external~~ financing sources, including commercial borrowings and issuances of debt and **/or** equity securities. The Company's ability to procure debt financing, is dependent on, among other things, the willingness of banks and other financial institutions to lend into the Company's industry and on their evaluation of the Company's credit risk. There is no guarantee that the Company will be able to procure additional debt financing or, in the event that it is able to procure additional debt financing, that the financing will be on favorable terms and conditions or at favorable rates of interest. **The Company's ability to access the capital markets, is dependent on, among other things, the willingness of investors to purchase new debt and / or equity issuances from the Company. There is no guarantee that the Company will be able to procure additional capital markets financing or, in the event that it is able to do so, that the capital raises will be on favorable terms or conditions to the Company.** If the Company cannot access capital on acceptable terms ~~when required,~~ the Company's business, financial ~~conditions-~~ **condition** and operating results may be adversely affected. Further, the ability of the Company to grow and be competitive in the marketplace may be adversely impacted as the Company may not be able to finance strategic growth plans, take advantage of business opportunities ~~or~~ respond to competitive pressures. Increased competition could exert downward pressure on prices charged for the Company's products and services. The Company operates in a competitive environment populated by large and small competitors **and with relatively low barriers to entry. Absent an applicable restrictive covenant, employees of the Company may leave and compete directly with the Company.** Competitors with greater resources and lower cost structures or who are trying to gain market share may be successful in providing competing products and services to the Company's customers at lower prices than the Company currently charges. ~~The Company operates in an environment with relatively low barriers to entry; employees of the Company may leave and compete directly with the Company.~~ This may require the Company to lower its prices, resulting in an adverse impact on revenues, margins, and operating results. Thus, competition could have a detrimental impact on the Company's business. If the Company is unable to adequately protect intellectual property rights or is found to infringe upon the intellectual property rights of others, or is unable to maintain the registrations and certifications of its products and facilities, the Company's business is likely to be adversely affected. The Company relies on a combination of patents, trademarks, copyrights, trade secrets, non-disclosure agreements and other methods to access markets and create a competitive advantage. Although the Company believes that existing measures are reasonably adequate to protect intellectual property rights, there is no assurance that the measures taken will prevent misappropriation of proprietary information or dissuade others from independent development of similar products or services. Moreover, there is no assurance that the Company will be able to prevent competitors from copying, reverse engineering, modifying or otherwise obtaining, infringing and / or using the Company's technology, intellectual property or proprietary rights to create competitive products or services. The Company may not be able to enforce intellectual property rights outside of the U. S. Additionally, the laws of certain countries in which the Company's products and services are manufactured or marketed may not protect the Company's proprietary rights to the same extent as do the laws of the U. S. In each case, the Company's ability to compete could be significantly impaired. A portion of the Company's products and services are without patent protection. The issuance of a patent does not guarantee validity or enforceability. Third parties may have blocking patents that could be used to prevent the Company from marketing the Company's own patented products and services and utilizing the Company's patented technology. The Company is exposed and, in the future, may be exposed to allegations of patent and other intellectual property infringement from others. The Company may allege infringement of its patents and other intellectual property rights against

others. Under either scenario, the Company could become involved in costly litigation or other legal proceedings regarding its patent or other intellectual property rights, from both an enforcement and defensive standpoint. Even if the Company chooses to enforce its patent or other intellectual property rights against a third party, there may be risk that the Company's patent or other intellectual property rights become invalidated or otherwise unenforceable through legal proceedings. These could result in the Company having to discontinue the use, manufacture and sale of certain products and services, **increase increases in** the cost of selling certain products and services, or **result in** damage to the Company's reputation. An award of damages, including material royalty payments, or the entry of an injunction order against the use, manufacture and sale of any of the Company's products and services found to be infringing, could have an adverse effect on the Company's results of operations and ability to compete. Certain of the Company's products and facilities, **especially those related to the professional chemistry products,** have been **qualified or** registered with the EPA. The failure of the Company to maintain such EPA **qualifications or** registrations could result in the inability of the Company to market or sell its products. In the event that the Company cannot maintain its **qualifications,** registrations or licenses or is unable to procure new **qualifications,** licenses or registrations for new products or in response to changes to regulatory requirements, the ability of the Company to sell its products and obtain revenue may be adversely affected. The loss of key customers could have an adverse impact on the Company's results of operations and could result in a decline in the Company's revenue. **In the CT segment in aggregate, revenue Revenue** derived from the Company's three largest customers as a percentage of consolidated revenue for the years ended December 31, **2024 and 2023 and 2022,** totaled **75 % and 73 % and 44%,** respectively. The Company has seen customer concentration risk increase **substantially** due to **the its** entry into the ProFrac Agreement. Unlike the ProFrac Agreement, **our other large** customer relationships are **substantially typically** governed by purchase orders or other short-term contractual obligations as opposed to long-term contracts. Losses of customers also may occur due to product, service or pricing issues, as well as industry consolidation. The Company competes in a highly competitive environment and must work diligently to create and maintain productive customer relationships, and the failure to maintain those relationships could result in the loss of one or more key customers. The loss of one or more key customers could have an adverse effect on the Company's results of operations and could result in a decline in the Company's revenue. Loss of key suppliers, the inability to secure raw materials on a timely basis, or the Company's inability to pass commodity price increases on to its customers could have a material adverse effect on the Company's ability to service its customers' needs and could result in a significant loss of customers. **Raw Materials materials** used in servicing and manufacturing operations, as well as those purchased for sale, are generally available on the open market from multiple sources. Acquisition costs and transportation of raw materials to the Company's facilities have historically been impacted by extreme weather conditions. Additionally, prices paid for raw materials could be affected by energy products and other commodity prices; weather and disease associated with our crop dependent raw materials; tariffs and duties on imported materials; evolving geopolitical risks; foreign currency exchange rates; and phases of the general business cycle and global demand. The prices of key raw materials are subject to market fluctuations, which at times can be significant and unpredictable. Availability of key raw materials, weather events, natural disasters, and health epidemics in countries from which the Company sources raw materials may significantly impact prices. During a period of scarcity of supply the Company may also be negatively impacted by prioritization decisions enacted by its suppliers. **Furthermore, if key suppliers were to experience significant cash flow constraints or become insolvent, a reduction or interruption in supplies or a significant increase in the price of supplies could occur, adversely impacting the Company's results of operations and cash flows.** The Company may be unable to pass along price increases to its customers, which could result in a materially adverse impact on margins and operating profits. The Company currently does not hedge commodity prices, but may consider such strategies in the future, and there is no guarantee that the Company's purchasing strategies will prevent cost increases from resulting in materially adverse impacts on margins and operating profits. The Company's DA segment is dependent on its ability to source appropriate technical components for its Verax™ measurement system, certain of which are specialty products that are sole-sourced and are not easily replaceable with other sources. Any inability to source appropriate components in the future could result in significant difficulty supplying equipment or services to the Company's customers. **The new Trump Administration Removal of members of management or directors may be difficult make substantial changes to fiscal, tax, and international trade policies that may adversely affect or our** **costly business, financial condition, and results of operations**. The **Trump administration has called Company's management and employees may have retention, employment or for severance agreements in place substantial change to various fiscal, tax, and international trade policies**. **In We cannot predict the impact, if any, of the these event changes to our business, financial condition and results of operations. However, it is possible that these changes could adversely affect** our employees, management or directors do not have the proper skills for management or operation of the Company, or the Company otherwise wishes to remove them from their position(s), the Company may be required to pay severance or similar payments. In addition, the loss of key management personnel or directors and the required transition may cause interruption in the operations, governance, strategies or management of the Company, which may significantly reduce the Company's ability to manage operations effectively and implement strategic business initiatives. **It Failure to maintain effective disclosure controls and procedures and internal control over financial reporting could have an adverse effect on the Company's operations and the trading price of the Company's common stock. Effective internal controls are necessary for the Company to provide reliable financial reports, effectively prevent fraud and operate successfully as a public company. If the Company cannot provide reliable financial reporting or effectively prevent fraud, the Company's reputation and operating results could be harmed. If the Company is likely that some policies adopted by unable to maintain effective disclosure controls and procedures and internal controls over financial reports, the new administration will benefit us and others will** Company may not be able to provide reliable financial reporting, which in turn could affect the Company's operating results or cause the Company to fail to meet its reporting obligations. Ineffective internal controls could also cause investors to lose confidence in reported financial information, which could negatively affect **us. Until we know what changes**

**are enacted** the trading price of the Company's common stock, **we will not know whether** limit the ability of the Company to access capital markets in the future **total we benefit from**, **or are negatively affected by, the changes** and require additional costs to improve internal control systems and procedures. Failure to collect for goods and services sold to key customers could have an adverse effect on the Company's financial results, liquidity and cash flows. The Company performs credit analysis on potential customers; however, credit analysis does not provide full assurance that customers will be willing and / or able to pay for goods and services purchased from the Company. Furthermore, collectability of international sales can be subject to the laws of foreign countries, which may provide **less more limited** protection to the Company in the event of a dispute over payment. Because sales to domestic and international customers are generally made on an unsecured basis, there can be no assurance of collectability. The Company's sales revenues are concentrated among customers operating in the oil and gas industry. Furthermore, the Company has seen an increase in concentration risk ~~in 2022 and 2023, which it anticipates will continue in 2024 and beyond~~ as a result of the Company's entry into the ProFrac Agreement. If one or more major customers, including ProFrac Services, LLC, are unwilling or unable to pay their obligations to the Company, it could have an adverse effect on the Company's financial results, liquidity and cash flows. ~~Failure to adapt to changing buying habits of the Company's potential and existing customers could have a negative effect on the Company's ability to attract and retain business. The demographics and habits of the purchasing departments of many of the Company's customers and potential customers is changing. Key decision makers may be less experienced and show different buying habits and approaches. Customers are increasingly requiring vendors to integrate with purchasing modules and are using advanced analytics to make purchasing decisions. If the Company does not adapt to these changing purchasing trends, the Company may not be able to attract or retain business.~~ Cyberattacks may have a significant and adverse impact on the Company's operations and related financial condition. The Company relies on access to information systems for operational, reporting and communication functions. Impairments of these systems, such as ransomware and network communications disruptions, could have an adverse effect on our ability to conduct operations and could directly impact consolidated reporting. Phishing attacks could result in sensitive or confidential information being released by the Company. Security breaches pose a risk to confidential data and intellectual property, which could result in damages to our competitiveness and reputation. The Company's policies and procedures, system monitoring and data back-up processes may not prevent or detect potential disruptions or breaches in a timely or effective manner. There can be no assurance that existing or emerging threats will not have an adverse impact on our systems or communications networks. While the Company does carry cybersecurity insurance, the coverage and amount of such insurance may not be sufficient to adequately compensate the Company for cybersecurity loss. See "Item 1C. Cybersecurity" **in within this Part I of this Annual Report**. Unforeseen contingencies such as litigation could adversely affect the Company's financial condition. The Company is, and from time to time may become, a party to legal proceedings incidental to the Company's business involving **, among other matters**, alleged injuries ~~arising from the use of Company products~~, exposure to hazardous substances, patent infringement, employment matters, commercial disputes, ~~claims related to adverse physical reactions to the Company's products such as rashes or allergic reactions~~ and shareholder lawsuits. The defense of these lawsuits may require significant expenses, divert management's attention, and may require the Company to pay damages that could adversely affect the Company's financial condition. In addition, any insurance or indemnification rights that the Company may have might be insufficient or unavailable to protect against potential loss exposures. The Company's current insurance policies may not adequately protect the Company's business from all potential risks. The Company's operations are subject to risks inherent in the ~~specialty chemical~~ **oil and gas** industry, such as, but not limited to, accidents, explosions, fires, severe weather, oil and chemical spills, and other hazards. These conditions can result in personal injury or loss of life, damage to property, equipment and the environment, as well as suspension of customers' oil and gas operations. These events could result in damages requiring costly repairs, the interruption of Company business, including the loss of revenue and profits, and / or the Company being named as a defendant in lawsuits asserting large claims. The Company does not have insurance against all foreseeable or unforeseeable risks. Consequently, losses and liabilities arising from uninsured or underinsured events could have an adverse effect on the Company's business, financial condition and results of operations. If the Company does not manage the potential difficulties associated with expansion successfully, the Company's operating results could be adversely affected. The Company believes future success will depend, in part, on the Company's ability to adapt to market opportunities and changes, to successfully integrate the operations of any businesses acquired, to enhance existing product and service lines, and potentially expand into new product and service areas in which the Company may not have prior experience. Factors that could result in strategic business difficulties include, but are not limited to: • failure to effectively integrate acquisitions, joint ventures or strategic alliances; • failure to effectively execute on the ProFrac Agreement; • failure to effectively plan for risks associated with expansion into areas in which management lacks prior experience; • lack of experienced management personnel; • increased administrative burdens; • lack of customer retention; • **lack of familiarity with applicable legal, regulatory and compliance requirements**; • technological obsolescence; and • infrastructure, technological, communication and logistical problems associated with large, expansive operations. If the Company fails to manage potential difficulties successfully, the Company's operating results could be adversely impacted. The Company may pursue strategic acquisitions, joint ventures and strategic divestitures, which could have an adverse impact on the Company's business. The Company's potential future acquisitions, joint ventures, and divestitures involve risks that could adversely affect the Company's business. Negotiations of potential acquisitions, joint ventures, or other strategic relationships, integration of newly acquired businesses, and / or **sales dispositions** of existing businesses **or assets** could be time consuming and divert management's attention from other business concerns. Acquisitions and joint ventures could also expose the Company to unforeseen liabilities or risks associated with new markets or businesses. Unforeseen operational difficulties related to acquisitions and joint ventures could result in diminished financial performance or require a disproportionate amount of the Company's management's attention and resources. Additionally, acquisitions could result in the commitment of capital resources without the realization of anticipated returns.

~~Divestitures~~ **Dispositions** could result in the loss of future earnings without adequate compensation and the loss of unrealized strategic opportunities. The Company's ability to use net operating losses and tax attribute carryforwards to offset future taxable income ~~has become~~ **became** limited due to an "ownership change" in 2023. Under Section 382 of the Internal Revenue Code of 1986, as amended, a corporation that undergoes an "ownership change" is subject to limitations on the Company's ability to utilize pre-change net operating losses ("NOLs"), and certain other tax attributes to offset future taxable income. In general, an ownership change occurs if the aggregate stock ownership of certain stockholders increases by more than 50 percentage points over such stockholders' lowest percentage ownership during the testing period (generally three years). During 2023, the conversion of various debt instruments into the Company's common stock and warrants to purchase the Company's common stock resulted in an ownership change limiting the Company's ability to utilize existing NOLs and tax attribute carryforwards. Additional information about these limitations is provided in Note 11, "Income Taxes" in Part II, Item 8 – "Financial Statements and Supplementary Data" of this Annual Report. In addition, under the 2017 Tax Act, the ability to carry back NOLs to prior taxable years is generally eliminated, and while NOLs arising in tax years beginning after 2017 may be carried forward indefinitely, these post-2017 NOLs may only reduce 80% of the Company's taxable income in a tax year. Limitations imposed on the ability to use NOLs and tax credits to offset future taxable income could reduce or eliminate the benefit of the NOLs and tax attributes and could require the Company to pay U. S. federal income taxes in excess of that which would otherwise be required if such limitations were not in effect. Similar rules and limitations may apply for state income tax purposes. The Company is subject to complex foreign, federal, state and local environmental, health, and safety laws and regulations, which expose the Company to liabilities that could adversely affect the Company's business, financial condition, and results of operations. The Company's operations are subject to foreign, federal, state, and local laws and regulations related to, among other things, the protection of natural resources, injury, health and safety considerations, chemical exposure assessment, waste management, and transportation of waste and other hazardous materials. The Company's operations are exposed to risks of environmental liability that could result in fines, penalties, remediation, property damage, and personal injury liability. Sanctions for noncompliance with such laws and regulations could include assessment of administrative, civil and criminal penalties, revocation of permits, and issuance of corrective action orders. The Company could incur substantial costs to ensure compliance with existing and future laws and regulations. Laws protecting the environment have generally become more stringent and are expected to continue to evolve and become more complex and restrictive in the future. Failure to comply with applicable laws and regulations could result in material expense associated with future environmental compliance and remediation. The Company's costs of compliance could also increase if existing laws and regulations are amended or reinterpreted. Such amendments or reinterpretations of existing laws or regulations, or the adoption of new laws or regulations, could curtail exploratory or developmental drilling for, and production of, oil and natural gas which, in turn, could limit demand for the Company's products and services. Some environmental laws and regulations could also impose joint and strict liability, meaning that the Company could be exposed in certain situations to increased liabilities as a result of the Company's conduct that was lawful at the time it occurred or conduct of, or conditions caused by, ~~prior operators or other~~ third parties. Remediation expense and other damages arising as a result of such laws and regulations could be substantial and have a material adverse effect on the Company's financial condition and results of operations. The Company and the Company's customers are subject to risks associated with doing business outside of the U. S., including political risk, foreign exchange risk, and other uncertainties. Less than 10% of the Company's revenue for the year ended December 31, ~~2023~~ **2024** was from customers based outside of the U. S. The Company and its customers are subject to risks inherent in doing business outside of the U. S., including, but not limited to: • governmental instability; • corruption; • war and other international conflicts; • civil and labor disturbances; • requirements of local ownership; • cartel behavior; • partial or total expropriation or nationalization; • currency devaluation; and • foreign laws and policies, each of which can limit the movement of assets or funds or result in the deprivation of contractual rights or appropriation of property without fair compensation. Collections from international customers could also prove difficult due to inherent uncertainties in foreign law and judicial procedures. The Company could experience significant difficulty with collections or recovery due to the political or judicial climate in foreign countries where Company operations occur or in which the Company's products are sold. The Company's international operations must be compliant with the Foreign Corrupt Practices Act and other applicable U. S. laws. The Company could become liable under these laws for actions taken by employees. Compliance with international laws and regulations could become more complex and expensive thereby creating increased risk as the Company's international business portfolio grows. Further, the U. S. periodically enacts laws and imposes regulations prohibiting or restricting trade with certain nations. The current sanctions imposed on trade with Russia ~~does do~~ not currently **directly** impact **us** because the Company does not have any activity within that region. The U. S. government could also change these laws or enact new laws that could restrict or prohibit the Company from doing business in identified foreign countries. The Company conducts, and will continue to conduct, business in currencies other than the U. S. dollar. Historically, the Company has not hedged against foreign currency fluctuations. Accordingly, the Company's profitability could be affected by fluctuations in foreign exchange rates. The Company has no control over and can provide no assurances that future laws and regulations will not materially impact the Company's ability to conduct international business. Regulatory pressures, environmental activism, and legislation could result in reduced demand for the Company's products and services, increase the Company's costs, and adversely affect the Company's business, financial condition and results of operations. Regulations restricting volatile organic compounds ("VOC") exist in many states and / or communities, which limit demand for certain products. ~~Although citrus oil is considered a VOC, its health, safety, and environmental profile is preferred over other solvents (e. g., benzene, toluene, ethylbenzene and xylene), which is currently creating new market opportunities around the world.~~ Changes in the perception of ~~citrus oils as a preferred VOC~~ **VOCs**, increased consumer activism against hydraulic fracturing or other regulatory or legislative actions by governments could potentially result in materially reduced demand for the Company's products and services and could adversely affect the Company's business,

financial condition, and results of operations. Perceptions and related usage of chemistry solutions that are currently considered safe and acceptable, within specified parameters, may be subject to change in future periods as research and testing of environmental impacts mature. Changes in laws and regulations relating to hydraulic fracturing may have a negative effect on the Company's operations. The majority of the Company's revenue **in is generated from** its CT segment **and the majority of the CT segment's revenue** is derived from customers engaged in hydraulic fracturing services. Some states have adopted regulations which require operators to publicly disclose certain **formulation non-proprietary** information. These regulations could require the reporting and public disclosure of the Company's proprietary chemistry formulas. The adoption of any future federal or state laws or local requirements, or the implementation of regulations imposing reporting obligations on, or otherwise limiting, the hydraulic fracturing process, could increase the difficulty of oil and natural gas production activity and could have an adverse effect on the Company's future results of operations. Climate change, environmental, social and governance and sustainability initiatives may result in regulatory or structural industry changes that could require significant operational changes and expenditures, reduce demand for the Company's products and services and adversely affect the Company's business, financial condition, results of operations, stock price or access to capital markets. Climate change, environmental, social and governance ("ESG") initiatives and sustainability are a growing global movement. Continuing political and social attention to these issues has resulted in both existing and pending international agreements and national, regional and local legislation, regulatory measures, reporting obligations and policy changes. Also, there is increasing societal pressure in some of the areas where the Company operates ~~to limit greenhouse gas emissions as well as other global initiatives.~~ These agreements and measures, including the Paris Climate Accord, may require, or could result in future legislation, regulatory measures or policy changes that would require, significant equipment modifications, operational changes, taxes, or purchases of emission credits to reduce emission of greenhouse gases from the Company's operations or those of our customers, which may result in substantial capital expenditures and compliance, operating, maintenance and remediation costs. As a result of heightened public awareness and attention to these issues as well as continued political and regulatory initiatives to reduce the reliance upon oil and natural gas, demand for hydrocarbons may be reduced, which could have an adverse effect on the Company's business, financial condition, and results of operations. The imposition and enforcement of stringent greenhouse gas emissions reduction requirements could severely and adversely impact the oil and natural gas industry and therefore significantly reduce the value of the Company's business. Certain financial institutions, institutional investors and other sources of capital have **begun to limit limited** or **eliminate eliminated** their investment in financing of **conventional-certain** energy-related activities due to concerns about climate change, which could make it more difficult for our customers and for the Company to finance our respective businesses. Increasing attention to climate change, ESG and sustainability has resulted in governmental investigations, and public and private litigation, which could increase the Company's costs or otherwise adversely affect our business or results of operations. In addition, some organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to increased negative investor sentiment toward the Company and our industry and to the diversion of investment to other companies or industries, which could have a negative impact on the price of the Company's securities and our access to and cost of capital. Any or all of these ESG and sustainability initiatives may result in significant operational changes and expenditures, reduced demand for the Company's products and services, and could materially adversely affect the Company's business, financial condition, results of operations, stock price or access to capital markets. ~~The persistence and /or emergence of new pandemic threats can significantly reduce demand for our services and adversely impact our financial condition, results of operations and cash flows. Actions taken by businesses and governments in efforts to mitigate pandemic threats have the potential to negatively impact international and U. S. economic activity for an indeterminable duration. These effects can directly impact the demand for oil and natural gas, as well as our oil and gas related services and products. Furthermore, pandemic conditions can create disruptions in raw materials, logistics, and access to other critical resources such as human capital and financial markets.~~ Risks Related to the Company's Industry General economic declines or recessions, limits to credit availability, and industry specific factors could have an adverse effect on energy industry activity resulting in lower demand for the Company's products and services. Worldwide economic uncertainty can reduce the availability of liquidity and credit markets to fund the continuation and expansion of industrial business operations worldwide. The shortage of liquidity and credit combined with pressure on worldwide equity markets **may could continue to** impact the worldwide economic climate. Geopolitical unrest around the world may also impact demand for the Company's products and services both domestically and internationally. Demand for many of the Company's products and services is dependent on oil and natural gas industry activity and expenditure levels that are directly affected by trends in oil and natural gas prices. Demand for the Company's products and services is particularly sensitive to levels of activity in the upstream, downstream and midstream sectors, and the corresponding capital spending by oil and natural gas companies, including national oil companies. While capital spending programs for domestic producers appear stable, uncertainties around the potential for weakness in oil and natural gas prices could reduce or defer major expenditures given the long- term nature of many large- scale development projects. Lower levels of activity could result in a corresponding decline in the demand for the Company's oil and natural gas related products and services, which could have a material adverse effect on the Company's revenue and profitability. Events in global credit markets can significantly impact the availability of credit and associated financing costs for many of the Company's customers. Many of the Company's upstream customers finance a portion of their drilling and completion programs through third- party lenders or public debt offerings. Lack of available credit or increased costs of borrowing may cause customers to reduce spending on drilling programs, thereby reducing demand and potentially resulting in lower prices for the Company's products and services. Also, the credit and economic environment could significantly impact the financial condition of some customers over a prolonged period, leading to business disruptions and restricted ability to pay for the Company's products and services. A continuous period of swings in oil and

natural gas prices could result in further reductions in demand for the Company's products and services and adversely affect the Company's business, financial condition, and results of operations. The markets for the Company's products, especially oil and gas markets, have historically been **very** volatile. Such volatility in oil and natural gas prices, or the perception by the Company's customers of unpredictability in oil and natural gas prices, could adversely affect spending levels. ~~The oil and natural gas markets may be volatile in the future.~~ The demand for the Company's products and services is, in large part, driven by general levels of exploration and production spending and drilling activity by its customers. Future declines in oil or gas prices could adversely affect the Company's business, financial condition, and results of operations. The Company presently does not hedge oil and natural gas prices. The Company's industry has a high rate of employee turnover. Difficulty attracting or retaining personnel or agents could adversely affect the Company's business. The Company operates in an industry that has historically been highly competitive in securing qualified personnel with the required technical skills and experience. The Company's services require skilled personnel able to perform physically demanding work. Due to industry volatility, the demanding nature of the work, and the need for industry specific knowledge and technical skills, current employees could choose to pursue employment opportunities outside the Company that offer a more desirable work environment and / or higher compensation than is offered by the Company. As a result of these competitive labor conditions, the Company may not be able to find qualified labor, which could limit the Company's growth. In addition, the cost of attracting and retaining qualified personnel has increased over the past several years due to competitive pressures. In order to attract and retain qualified personnel, the Company may be required to offer increased wages and benefits. If the Company is unable to increase the prices of products and services to compensate for increases in compensation including inflation, or is unable to attract and retain qualified personnel, operating results could be adversely affected. Our DA segment may be ~~materially and~~ negatively affected by government regulations ~~and / or facility disruptions~~. The demand for our equipment and services offerings in our DA segment could be materially affected by additional regulations **or changes to existing regulations** on the upstream, midstream, and downstream portions of the oil and gas sectors. Additional regulation on oil and gas production, transportation, or processing of hydrocarbons may result in significantly reduced demand for our offerings, either individually or as a result of a decline in the overall oil and gas markets in the United States and abroad. **Changes to existing regulations related to the energy industry could also materially affect our DA segment. During the second quarter of 2024, the EPA designated one of our DA segment's measurement systems as an approved measurement technology with respect to recently enacted flare monitoring regulations. The optical measurement system, designed for precise measurement of net heating values in flare gases, was the first to be approved as an alternative method under the New Source Performance Standards OOOOb regulations. Following the EPA's approval of our analyzer, we recognized our first revenues from flare monitoring in August 2024. We believe that this approval could facilitate opportunities to access this new application as a source of future growth; however, future changes in EPA regulations could impact or eliminate the applicability of the measurement system and have an adverse effect on our results of operations.** In addition, our products are subject to export control laws and regulations, and changes to those laws and regulations may negatively impact our ability to pursue international opportunities. Disruptions to pipelines and refineries, whether due to regulation, weather, demand, or other factors, may also have a materially adverse effect on our ability to derive revenue from our DA segment. Adjustments to our DA segment's commercial strategy, with a shift towards subscription revenue and away from equipment sales, and the market's response to that strategy, may materially and adversely affect revenues in the near term, even if the strategic shift is successful, due to longer payback periods on subscription models. Severe weather could have an adverse impact on the Company's business. The Company's business could be materially and adversely affected by severe weather conditions. Hurricanes, tropical storms, flash floods, blizzards, **extreme** cold weather, and other severe weather conditions could result in curtailment of services, damage to equipment and facilities, interruption in transportation of products and materials, and loss of productivity. If the Company's customers are unable to operate or are required to reduce operations due to severe weather conditions, and as a result curtail purchases of the Company's products and services, the Company's business could be adversely affected. A terrorist attack or armed conflict could harm the Company's business. Terrorist activities, anti-terrorist efforts, and other armed conflicts involving the U. S. could adversely affect the U. S. and global economies and could prevent the Company from meeting financial and other obligations. The Company could experience loss of business, delays or defaults in payments from payors, or disruptions of fuel supplies and markets if pipelines, production facilities, processing plants, or refineries are direct targets or indirect casualties of an act of terror or war. Such activities could reduce the overall demand for oil and natural gas which, in turn, could also reduce the demand for the Company's products and services. Terrorist activities and the threat of potential terrorist activities and any resulting economic downturn could adversely affect the Company's results of operations, impair the ability to raise capital, or otherwise adversely impact the Company's ability to realize certain business strategies. The armed conflicts in Ukraine and the Middle East could affect regions in which the Company does business directly or indirectly and could harm the Company's ability to sell its good and services in those regions. Risks Related to the Company's Securities The market price of the Company's common stock has been and may continue to be volatile. The market price of the Company's common stock is subject to significant fluctuations. The following factors, among others, could cause the price of the Company's common stock to fluctuate: • variations in the Company's quarterly results of operations; • changes in market valuations of companies within the Company's industry; • fluctuations in stock market prices and volume; • fluctuations in oil and natural gas prices; • issuances of common stock or other securities in the future, including ~~debt or~~ warrants convertible into the Company's common stock ~~and earnings per share~~; • additions or departures of key personnel; • inability **of either party to execute the perform its obligations under our agreement with ProFrac Agreement Services, LLC regarding the purchase of our chemicals;** • announcements by the Company or the Company's competitors of new business, acquisitions, or joint ventures; and • negative statements made by external parties about the Company's business in public forums. The stock market has experienced significant price and volume fluctuations in recent years that have affected the price of common stock of

companies within many industries including the oil and natural gas industry. The price of the Company's common stock could fluctuate based upon factors that have little to do with the Company's operational performance, and these fluctuations could materially reduce the Company's stock price. The Company could be a defendant in a legal case related to a significant loss of value for the shareholders. This could be expensive and divert management's attention and Company resources, as well as have an adverse effect on the Company's business, operating results, cash flows, financial condition or securities. The Company's **common stock is thinly traded; therefore, our stock price may fluctuate more than the stock market as a whole and it may be difficult to sell large numbers of our shares at prevailing trading prices. As a result of the thin trading market for shares of our common stock, meaning that the number of persons interested in purchasing our common stock at or near bid prices at any given time may be relatively small or non-existent, our stock price may fluctuate significantly more than the stock market as a whole or the stock prices of similar companies. Without a larger public float, shares of our common stock will be less liquid than the shares of common stock of companies with broader public ownership, and as a result, it may be difficult for investors to sell the number of shares they desire at an acceptable price. Trading of a relatively small volume of shares of our common stock may have a greater effect on the trading price than would be the case if our public float were larger. Accordingly, we cannot assure you of the likelihood that an active trading market for our common stock will develop or be maintained, your ability to sell your shares of our common stock when desired or the prices that you may obtain for your shares.** The Company's relationship with ProFrac Services, LLC and certain of its affiliates may create a conflict of interest. The Company derived **62 % and 65 % and 60 %** of its revenue for the years ended December 31, **2024 and 2023 and 2022**, respectively, from ProFrac Services LLC. In addition to being the Company's largest customer, certain affiliates of ProFrac Services LLC, entered into various convertible debt transactions with the Company during 2022, which were subsequently converted into shares of the Company's common stock and warrants to purchase shares of the Company's common stock in 2023 (see Note 9, "Debt and Convertible Notes Payable" and Note 17, "Related Party Transactions," in Part II, Item 8- "Financial Statements and Supplementary Data" of this Annual Report). As a result, ProFrac Holdings, LLC or its affiliates **owns-owned** approximately 51 % of the Company's common stock as of December 31, **2023 2024** making them the Company's largest shareholder. In addition, ProFrac Holdings, LLC **currently consolidates the Company's financial results in its financial results and** also has the right to elect four out of seven **members of the Company's Board of Directors** ~~members and currently consolidates Flotek in their financial results~~. Pursuant to this right, Matt Wilks was nominated and elected to serve on ~~the our~~ Board at the Company's 2022 annual meeting of shareholders and Evan Farber was appointed to ~~the our~~ Board on October 11, 2022. As a result of the operational and financial relationship with ProFrac Services LLC and its affiliates, as ~~both the~~ **Company's** largest customer ~~and, a Board member and the Company's~~ majority shareholder, certain conflicts of interest may occur. ~~An active market for the Company's common stock may not continue to exist or may not continue to exist at current trading levels. Trading volume for the Company's common stock historically has been very volatile when compared to companies with larger market capitalization. The Company cannot presume that an active trading market for the Company's common stock will continue or be sustained. Sales of a significant number of shares of the Company's common stock in the public market could lower the market price of the Company's stock.~~ If the Company cannot meet the New York Stock Exchange ("NYSE") continued listing requirements, the NYSE may delist the Company's common stock. The Company's common stock is currently listed on the NYSE. In the future, if the Company is not able to meet the continued listing requirements of the NYSE, the Company's common stock may be delisted. ~~If the Company is unable to satisfy the NYSE criteria for continued listing, its common stock would be subject to delisting.~~ A delisting of its common stock could negatively impact the Company by, among other things, reducing the liquidity and market price of its common stock; reducing the number of investors willing to hold or acquire the Company's common stock, which could negatively impact its ability to raise equity financing; decreasing the amount of news and analyst coverage of the Company; and limiting the Company's ability to issue additional securities or obtain additional financing in the future. In addition, delisting from the NYSE might negatively impact the Company's reputation and, as a consequence, its business, operating results, cash flows, financial condition or securities. Future issuance of additional shares of common stock could cause dilution of ownership interests and adversely affect the Company's common stock price. The Company is currently authorized to issue up to 240, 000, 000 shares of common stock. The Company may, in the future, issue previously authorized and unissued shares of common stock, which would result in the dilution of current stockholders' ownership interests. Additional shares are subject to issuance through unexercised warrants, equity compensation plans or through the exercise of currently outstanding equity awards. The potential issuance of additional shares of common stock may create downward pressure on the trading price of the Company's common stock. The Company may also issue additional shares of common stock or other securities that are convertible into or exercisable for common stock in order to raise capital or effectuate other business purposes. Future sales of substantial amounts of common stock, or the perception that sales could occur, could have an adverse effect on the price of the Company's common stock. The Company may issue a substantial amount of securities in connection with future acquisitions, and the sale of those securities could adversely affect the trading price of our common stock or other securities. As part of our growth strategy, we may issue additional securities, or securities that have rights, preferences, and privileges senior to our other securities. We may file future shelf registration statements with the SEC that we may use to sell securities from time to time in connection with acquisitions. To the extent that we are able to grow through acquisitions and are able to pay for such acquisitions with shares of our common stock or other securities, the number of outstanding shares of common stock or other securities that will be eligible for sale in the future is likely to increase substantially. Persons receiving shares of our common stock or other securities in connection with these acquisitions may be more likely to sell large quantities of their common stock or other securities, which may influence the price of our common stock or other securities. In addition, the potential issuance of additional shares of common stock or other securities in connection with anticipated acquisitions could lessen demand for our common stock or other securities and result in a lower price than would otherwise be obtained. The Company may issue shares

of preferred stock or debt securities with greater rights than the Company's common stock. Subject to the rules of the NYSE, the Company's certificate of incorporation authorizes the board of directors to issue one or more additional series of preferred stock and to set the terms of the issuance without seeking approval from holders of common stock. Currently, there are 100,000 preferred shares authorized, with no shares currently outstanding. Any preferred stock that is issued may rank senior to common stock in terms of dividends, priority and liquidation premiums, and may have greater voting rights than holders of common stock. Certain anti-takeover provisions of the Company's certificate of incorporation and applicable Delaware law could discourage or prevent others from acquiring the Company, which may adversely affect the market price of the Company's common stock. The Company's certificate of incorporation and bylaws contain provisions that, among other things: • permit the Company to issue, without stockholder approval, shares of preferred stock, in one or more series and, with respect to each series, to fix the designation, powers, preferences, and rights of the shares of the series; • prohibit stockholders from calling special meetings; • limit the ability of stockholders to act by written consent; • prohibit cumulative voting; and • require advance notice for stockholder proposals and nominations for election to the board of directors to be acted upon at meetings of stockholders. In addition, Section 203 of the Delaware General Corporation Law limits business combinations with owners of more than 15% of the Company's voting stock without the approval of the board of directors. Aforementioned provisions and other similar provisions make it more difficult for a third party to acquire the Company exclusive of negotiation. The Company's board of directors could choose not to negotiate with an acquirer deemed not beneficial to or synergistic with the Company's strategic outlook. If an acquirer were discouraged from offering to acquire the Company or prevented from successfully completing a hostile acquisition by these anti-takeover measures, stockholders could lose the opportunity to sell their shares at a favorable price. **ProFrac Holdings, LLC, together with its affiliates, owned approximately 51% of our common stock as of December 31, 2024 making them our largest shareholder. This level of ownership of shares of our common stock could have the effect of discouraging or impeding an unsolicited acquisition proposal.** The Company has no **current** plans to pay dividends on the Company's common stock, and, therefore, investors will have to look to stock appreciation for return on investments. The Company does not anticipate paying any cash dividends on the Company's common stock within the foreseeable future. Any payment of future dividends will be at the discretion of the Company's board of directors and will depend, among other things, on the Company's earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations deemed relevant by the board of directors. Investors must rely on sales of common stock held after price appreciation, which may never occur, in order to realize a return on their investment. The lack of plans for dividends may make the common stock of the Company an unattractive investment for investors who are seeking dividends. ~~We identified a material weakness in our internal control over financial reporting in 2022, which has been remediated as of December 31, 2023. If we experience material weaknesses or other deficiencies in the future, or otherwise fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately or timely report our financial results, which could result in loss of investor confidence and adversely impact our stock price. As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, the Dodd-Frank Act and other applicable securities rules and regulations. In particular, we are subject to reporting obligations under Section 404 of the Sarbanes-Oxley Act that require us to include a management report on our internal control over financial reporting in our Annual Report, which contains management's assessment of the effectiveness of our internal control over financial reporting. Internal controls must be evaluated continuously and be properly designed and executed by a sufficient level of properly trained staff to maintain adequate internal control over financial reporting. As disclosed in Part II, Item 9A, during the fourth quarter of 2022, management identified a material weakness in the design and operation of internal controls related to accounting for leases, prepaid assets and related-party revenues. During the year ended December 31, 2023, we implemented measures to improve our internal control over financial reporting to remediate this material weakness. Such measures included ensuring sufficient and appropriate resources in our finance and accounting department, enhancing required training specific to internal control over financial reporting and revenue recognition and other measures to enhance our risk control assessment process and communication processes. After testing the design, implementation and operating effectiveness of the enhanced controls, management concluded that the material weakness was remediated as of December 31, 2023. Our ability to comply with the annual internal control report requirements will depend on the continual effectiveness of our financial reporting controls across our company. We expect these systems and controls to involve significant expenditures and to become more complex as our business grows. To effectively manage this complexity, we will continue to monitor the execution of our controls to ensure their effectiveness and make enhancements when and where necessary. Our inability to successfully avoid or remediate any future material weaknesses or other deficiencies in our internal control over financial reporting or any failure to implement required new or improved controls, or difficulties encountered in the implementation or operation of these controls, could harm our operating results and cause us to fail to meet our financial reporting obligations or result in material misstatements in our financial statements. These events could limit our liquidity and access to capital markets, adversely affect our business and investor confidence in our financial statements, and adversely impact our stock price.~~ General Risk Factors If the Company loses the services of key members of management, the Company may not be able to manage operations and implement growth strategies. The Company depends on the continued service of its Chief Executive Officer and Chief Financial Officer and other key members of the executive management team, who possess significant expertise and knowledge of the Company's business and industry. The Company has entered into employment agreements with certain of these key members. Any loss or interruption of the services of key members of the Company's management could significantly reduce the Company's ability to manage operations effectively and implement strategic business initiatives. The Company's tax returns are subject to audit by tax authorities. Taxing authorities may make claims for back taxes, interest and penalties. Changes in U. S. tax legislation may adversely affect our business, results of operations, financial condition and cash flows. The Company is subject to income,

property, excise, employment, and other taxes in the U. S. and a variety of other jurisdictions around the world. Tax rules and regulations in the U. S. and around the world are complex and subject to interpretation. From time to time, taxing authorities conduct audits of the Company' s tax filings and may make claims for increased taxes and, in some cases, assess interest and penalties. The assessments for back taxes, interest, and penalties could be significant. If the Company is unsuccessful in contesting these claims, the resulting payments could result in a drain on the Company' s capital resources and liquidity. In addition, there may be material adverse effects resulting from new or future U. S. tax reforms that have not been identified and that could have an adverse effect on the Company' s business, results of operations, financial condition and cash flows.

Disclaimer of Obligation to Update Except as required by applicable law or regulation, the Company assumes no obligation (and specifically disclaims any such obligation) to update these risk factors or any other forward- looking statement contained in this Annual Report to reflect actual results, changes in assumptions, or other factors affecting such forward- looking statements.