

Risk Factors Comparison 2025-03-07 to 2024-03-07 Form: 10-K

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An investment in our common stock involves a high degree of risk. As described in Part I “ Disclosure Regarding Forward-Looking Statements, ” this Annual Report contains forward- looking statements regarding us, our business, and our industry. The risk factors described below, among others, could cause our actual results to differ materially from the expectations reflected in the forward- looking statements. The occurrence of one or more of the events or circumstances described in the section titled “ Risk Factors, ” alone or in combination with other events or circumstances, may materially adversely affect our business, financial condition and operating results. In that event, the trading price of our common stock could decline, and you could lose all or part of your investment. Such risks include, but are not limited to: Risks Related to Our Business and Our Industry A long- term reduction in the demand for, or production of, natural gas or oil could adversely affect the demand for Kodiak’ s ~~Compression Operations~~ **business and services** or the prices Kodiak charges for Kodiak’ s ~~Compression Operations~~ **business and services** , which could result in a decrease in Kodiak’ s revenues. The demand for Kodiak’ s ~~Compression Operations~~ **business and services** depends upon the continued demand for, and production of, natural gas and oil. The natural gas and oil industry is historically cyclical with levels of activity that are significantly affected by the levels and volatility of natural gas and oil prices. Kodiak may experience fluctuations in operating results as a result of the reactions of Kodiak’ s customers to changes in natural gas and oil prices. Demand may be affected by, among other factors, natural gas prices, oil prices, weather, availability of alternative energy sources, governmental regulation and the overall demand for energy. Any prolonged, substantial, material reduction in the demand for natural gas or oil would likely depress the level of production activity and result in a decline in the demand for Kodiak’ s ~~Compression Operations~~ **business and services** , which could result in a reduction in Kodiak’ s revenues. **The loss of one or more of Kodiak’ s key customers and / -** ~~The loss of one or more of these --~~ **the deterioration of the financial condition of any of its** customers would result in a decrease in Kodiak’ s revenues and could adversely affect its financial results and may have a material adverse effect on Kodiak’ s financial condition. **The loss of one or more of Kodiak’ s** ~~provides Compression Operations under contracts with several key customers -~~ **customer** ~~concentration~~ **concentration** could adversely affect Kodiak’ s business. **Further, During during** times when the natural gas or oil markets weaken, Kodiak’ s customers are more likely to experience financial difficulties, including being unable to access debt or equity financing, which could result in a reduction in Kodiak’ s customers’ spending for Kodiak’ s services. ~~For example, Kodiak’ s customers could seek to preserve capital by using lower cost providers, not renewing month- to- month contracts or opting not to enter into any new Compression Operations contracts.~~ A significant decline in commodity prices may cause certain of Kodiak’ s customers to reconsider their near- term capital budgets, which may impact large- scale natural gas infrastructure and oil production activities. Reduced demand for Kodiak’ s services could adversely affect its business, results of operations, financial condition and cash flows. ~~In addition, in the event of the financial failure of a customer, Kodiak could experience a loss of all or a portion of its outstanding accounts receivable associated with that customer. For example, an affiliate of one of Kodiak’ s customers in the Powder River Basin has been undergoing a bankruptcy proceeding since 2019. Such customer has from time to time been late in remitting payment for Kodiak’ s Compression Operations, which Kodiak has continued to deliver, and Kodiak is pursuing prompt payment of the amount owed. Kodiak does not believe the amount owed presents any material concentration risk. If payment is not timely remitted, Kodiak expects to suspend services to such customer, as well as potentially taking other actions directly against related parties and guarantors. As of December 31, 2023, Kodiak recorded bad debt expense of \$ 7. 1 million related to the collectability of outstanding receivables from that customer.~~ Kodiak faces significant competition that may cause it to lose market share and have a material adverse effect on its financial condition. The compression business is competitive. Kodiak’ s ability to renew or replace existing contracts with its customers at rates sufficient to maintain current revenue and cash flows could be adversely affected by the activities of Kodiak’ s competitors and Kodiak’ s customers. If Kodiak’ s competitors substantially increase the resources they devote to the development and marketing of competitive services or substantially decrease the prices at which they offer their services, Kodiak may be unable to compete effectively. Kodiak’ s competitors may be able to adapt more quickly to technological changes within ~~its the~~ **the** industry and changes in economic and market conditions and more readily take advantage of acquisitions and other opportunities. In addition, Kodiak could face significant competition from new entrants into its industry. Some of these competitors may expand or construct newer, more powerful or more flexible compression fleets, which would create additional competition for Kodiak. All of these competitive pressures could have a material adverse effect on Kodiak’ s business, results of operations and financial condition. Kodiak’ s customers may choose to vertically integrate their operations by purchasing and operating their own compression fleet, increasing the number of compression units they currently own, or using alternative technologies for enhancing oil production, which may have a material adverse effect on Kodiak’ s ~~business~~ **business**. Kodiak’ s customers that are significant producers,

processors, gatherers and transporters of natural gas and oil may choose to vertically integrate their operations by purchasing and operating their own compression fleets in lieu of using Kodiak's **business Compression Operations**. The historical availability of attractive financing terms from financial institutions and **services for a variety** equipment manufacturers facilitates this possibility by making the purchase of **reasons, including individual compression units increasingly affordable to Kodiak's customers- customer**. In addition **reactions to changes in the pricing of our services, failure to meet certain customer safety standards or any there- other reason. There** are many technologies available for the artificial enhancement of oil production, and Kodiak's customers may elect to use these alternative technologies instead of the gas lift compression Kodiak provides. Such vertical integration or use of alternative technologies could result in decreased demand for Kodiak's **Compression Operations business and services**, which may have a material adverse effect on Kodiak's business, results of operations and financial condition, and reduce its cash available for distribution. After the primary term of Kodiak's contracts, such contracts are cancellable on 30 to 90 days' notice, and Kodiak cannot be sure that such contracts will be extended or renewed after the end of the initial contractual term. Any such non-renewals, or renewals at reduced rates or the loss of contracts with any significant customer, could adversely impact Kodiak's financial results. The length of Kodiak's **Compression Operations Contract Services** contracts with customers varies based on operating conditions and customer needs. As of December 31, ~~2023~~ **2024**, approximately ~~10-11~~ **2-3** % of Kodiak's revenue-generating horsepower **is was** on a month-to-month basis **to with** customers who continue to utilize Kodiak's services following expiration of the primary term of their contracts. These customers can generally terminate their month-to-month **Compression Operations Contract Services** contracts on 30 to 90 days' notice. Kodiak cannot be sure that a substantial number of these contracts will be extended or renewed by Kodiak's customers or that any of Kodiak's customers will continue to contract with Kodiak. The inability to negotiate extensions or renew a substantial portion of Kodiak's **Compression Operations Contract Services** contracts, the renewal of such contracts at reduced rates, the inability to contract for additional services with Kodiak's customers, or the loss of all or a significant portion of Kodiak's services contracts with any significant customer, could lead to a reduction in revenue and net income and could require Kodiak to record additional asset impairments. This could have a material adverse effect upon Kodiak's business, results of operations and financial condition. The majority of Kodiak's operations are located in the Permian Basin and Eagle Ford Shale, making Kodiak vulnerable to risks associated with operating in limited geographic areas, which could have an impact on its revenues. Kodiak's operations are geographically concentrated in the Permian Basin and Eagle Ford Shale. As a result, Kodiak may be disproportionately exposed to the impact of regional supply and demand factors in the Permian Basin or Eagle Ford Shale caused by changed governmental regulations, curtailment of production or interruption of the processing or transportation of natural gas and oil produced from the wells in these geographic areas. In addition, the effect of fluctuations on supply and demand may become more pronounced within specific geographic natural gas and oil producing areas such as the Permian Basin and Eagle Ford Shale, which may cause these conditions to occur with greater frequency or magnify the effects of these conditions. Due to the concentrated nature of Kodiak's operations, Kodiak could experience any of these same conditions at the same time, resulting in a relatively greater impact on its revenues than these conditions might have on other companies that have more geographically diverse operations. Kodiak may be unable to **effectively integrate the businesses it may acquire, such as the pending Merger, which may impact its operations and limit its growth. From time to time, Kodiak may choose to make additional business acquisitions, such as the pending Merger, pursue market opportunities, increase Kodiak's existing capabilities and expand into new geographic areas of operations. Kodiak may not be successful in integrating any future acquisitions into Kodiak's existing operations, which may result in unforeseen operational difficulties or diminished financial performance or require a disproportionate amount of Kodiak management's attention. Even if Kodiak is successful in integrating future acquisitions into its existing operations, Kodiak may not derive the benefits, such as operational or administrative synergies, that Kodiak expected from such acquisitions, which may result in the commitment of Kodiak's capital resources without the expected returns on such capital. Kodiak's inability to integrate acquisitions successfully into its existing operations may adversely impact its operations and limit its growth. Kodiak may be unable to access the capital and credit markets or borrow on affordable terms to obtain additional capital that Kodiak may require, which could have a material adverse effect on its business, results of operations and financial conditions. Kodiak has financed its operating expenses and capital expenditures with a combination of cash provided by operating and financing activities. However, to the extent Kodiak is unable to finance its operating expenses, capital expenditures, scheduled interest and debt repayments and any future dividends with net cash provided by operating activities and borrowings under the ABL Credit Agreement or future financing arrangements, Kodiak may require additional capital. Periods of instability in the capital and credit markets (both generally and in the natural gas and oil industry in particular) could limit Kodiak's ability to access these markets to raise debt or equity capital on affordable terms, to refinance borrowings under the ABL Credit Agreement** or to obtain additional financing. Among other things, Kodiak's lenders may seek to increase interest rates, enact tighter lending standards, refuse to refinance existing debt at maturity at favorable terms or at all, and may reduce or cease to provide funding to Kodiak. If Kodiak is unable to access the capital and credit markets on favorable terms, or if Kodiak is not successful in raising capital within the time period required or at all, Kodiak may not be able to grow or maintain its business, which could have a material adverse effect on its business, results of operations and financial condition. **Additionally, Kodiak may be unable to refinance borrowings under the ABL Credit Agreement.** Kodiak's fleet may require additional operating or capital expenses to maintain over time, which could adversely impact its financial results. Kodiak's fleet may require additional operating expenses or capital expenditures to maintain over time, which could adversely impact its financial results. Such costs may include direct costs, such as labor, parts, materials and any other services that are unique in nature to each individual compression unit. The cost of additions or improvements to Kodiak's fleet could adversely impact its financial results. Impairment in the carrying value of long-lived assets, **including impairment of goodwill and other intangible assets,** could reduce Kodiak's earnings. Kodiak has a significant number of long-lived assets on its consolidated balance sheet. Under

generally accepted accounting principles (“ GAAP ”), Kodiak is required to review its long- lived assets, **including goodwill and other intangible assets**, for impairment when events or circumstances indicate that the carrying value of such assets may not be recoverable or such assets will no longer be utilized in the operating fleet. ~~The carrying value of a long- lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset.~~ If business conditions or other factors cause the ~~expected undiscounted cash flows~~ **carrying value of assets** to decline **become unrecoverable**, Kodiak may be required to record non- cash impairment charges. Events and conditions that could result in impairment in the value of Kodiak’ s long- lived assets include ~~changes in the industry in which it operates~~, long- term extended reduction in demand for natural gas and oil, competition, advances in technology, adverse changes in the regulatory environment or other factors leading to a reduction in Kodiak’ s expected long- term profitability. ~~A prolonged downturn in the economic environment could cause an impairment of goodwill or other intangible assets and reduce Kodiak’ s earnings.~~ As of December 31, 2023, Kodiak had approximately \$ 305. 6 million of goodwill and identifiable intangible assets of approximately \$ 122. 9 million. Goodwill is recorded when the purchase price of a business exceeds the fair market value of the tangible and separately measurable intangible net assets. GAAP requires Kodiak to test goodwill for impairment on an annual basis or when events or circumstances occur indicating that goodwill might be impaired. Any event that causes a reduction in demand for Kodiak’ s services could result in a reduction of its estimates of future cash flows and growth rates in its business. ~~These events could cause Kodiak to record impairments of goodwill or other intangible assets.~~ Kodiak has in the past been, and may in the future be, subject to sales tax audits in jurisdictions where Kodiak operates. As a result, Kodiak may incur material unanticipated sales tax liabilities. Taxing authorities in the jurisdictions in which Kodiak operates have in the past, and may in the future, audit Kodiak or otherwise challenge the amount of sales tax Kodiak has collected or paid. As a result, Kodiak may incur material unanticipated sales tax liabilities. **From** ~~Beginning in~~ October 2019 through April 2023, Kodiak received notices of audits from the State of Texas Comptroller’ s office for the periods covering December 2015 through ~~December~~ **November 2022-2023** (the “ Sales Tax Audit ”). Based on the information currently available, Kodiak has accrued as of December 31, ~~2023-2024~~, a contingent liability of \$ ~~28-70~~ **8-1** million for the periods set forth in the notices of audit. This accrual may not be sufficient to cover the expenses and liabilities related to a future audit for such period. If Kodiak is unable to make all payments required by any taxing authority as a result of an audit, settlement or otherwise, Kodiak could face additional interest or penalties, or other punitive actions, up to and including seizure of its assets or forfeiture of its sales tax permit. Payments and penalties related to sales taxes could have a material adverse effect on Kodiak’ s business, financial condition and results of operations. Kodiak qualifies as a Heavy Equipment Dealer for ad valorem tax purposes under revised Texas statutes. ~~If in the future Kodiak does not qualify as a Heavy Equipment Dealer or Kodiak’ s compression units do not qualify as Heavy Equipment because of new or revised Texas statutes or different interpretations by Texas governmental authorities, Kodiak may incur additional taxes, which would adversely impact its results of operations and financial condition.~~ In 2011, the Texas Legislature enacted changes related to the appraisal of natural gas compression units for ad valorem tax purposes by expanding the definitions of “ Heavy Equipment Dealer ” and “ Heavy Equipment ” effective from the beginning of 2012. If legislation is enacted in Texas that repeals or alters the Heavy Equipment statutes or a Texas governmental authority takes a different position such that Kodiak does not qualify as a Heavy Equipment Dealer or Kodiak’ s compression units do not qualify as Heavy Equipment, then Kodiak would likely be required to pay additional ad valorem taxes with respect to prior and future periods, which would increase its quarterly cost of sales expense unless passed on to its customers, thereby impacting its future results of operations and financial condition. Kodiak may not be able to pass this cost along to its customers. Kodiak’ s ability to manage and grow its business effectively may be adversely affected if Kodiak loses key members of its management. Kodiak depends on the continuing efforts of its executive officers, and the departure of any of Kodiak’ s executive officers could have a significant negative effect on its business, operating results, financial condition and Kodiak’ s ability to compete effectively in the marketplace. Kodiak might be unable to employ or retain qualified technical personnel, which could hamper its present operations, limit its ability to grow or increase its costs. Many of the compression units that Kodiak operates are mechanically complex and **operate often must perform** in harsh conditions. Kodiak believes that its success depends upon its ability to employ and retain a sufficient number of technical personnel who have the ability to utilize, enhance and maintain these compression units. Kodiak’ s ability to maintain and expand its operations depends in part on its ability to utilize, replace, supplement and increase its skilled labor force. The demand for skilled workers is high, and supply is limited, especially in the Permian Basin. A significant increase in the wages paid by competing employers could result in a reduction of Kodiak’ s skilled labor force or cause an increase in the wage rates that Kodiak must pay or both. If either of these events were to occur, Kodiak’ s cost structure could increase, and its operations and growth potential could be impaired. Employee turnover may also lead to lost productivity and decrease employee engagement, which could adversely impact Kodiak’ s business. Additionally, Kodiak’ s ability to hire, train and retain qualified personnel could become more challenging as Kodiak grows and to the extent energy industry market conditions are competitive. When general industry conditions are favorable, the competition for experienced operational and field technicians increases as other energy and manufacturing companies’ needs for the same personnel ~~increases~~ **increase**. Kodiak’ s ability to grow or even to continue its current level of service to its current customers could be adversely impacted if Kodiak is unable to successfully hire, train and retain these important personnel. **Similarly, Kodiak depends on its ability to hire and retain executive officers, and the departure of any such officers from Kodiak could have a significant effect on its business**. In addition, effective succession planning for Kodiak’ s employees and expansion planning is important to Kodiak’ s long- term success. Failure to achieve these plans could hinder Kodiak’ s strategic planning and execution and have a material adverse impact on Kodiak’ s business, financial condition or results of operations. Any unionization efforts or labor regulation changes in certain jurisdictions in which Kodiak operates could divert management’ s attention and could have a materially adverse effect on Kodiak’ s operating results or limit Kodiak’ s operational flexibility. Kodiak considers its relationship with its employees to be satisfactory, and ~~none~~ **certain** of Kodiak’ s employees are represented by a union in collective bargaining with

Kodiak. However, efforts could be made by employees and third parties from time to time to unionize portions of Kodiak's workforce. In addition, Kodiak may be subject to strikes or work stoppages and other labor disruptions in the future. Any unionization efforts, collective bargaining agreements or work stoppages could have a materially adverse effect on Kodiak's operating results or limit its operational flexibility. **Further, our response to any union organizing efforts could negatively impact how our brand is perceived by our employees and customers and have material adverse effects on our business and future results.** Kodiak depends on a limited number of suppliers, and, particularly as a result of supply chain and logistics disruptions resulting from geopolitical disruptions and the resulting inflationary environment, Kodiak is vulnerable to product shortages, long lead times and price increases, which could have a negative impact on Kodiak's results of operations. The substantial majority of the components for Kodiak's natural gas compression equipment are supplied by a limited number of key vendors. Kodiak's reliance on these suppliers involves several risks, including price increases and a potential inability to obtain an adequate supply of required components in a timely manner **on account of supplier nonperformance or otherwise.** Kodiak also relies primarily on a limited number of vendors to package and assemble its compression units. Kodiak does not have long-term contracts with these suppliers or packagers, and a partial or complete loss of any of these sources could have a negative impact on Kodiak's results of operations and could damage its customer relationships. In addition, the preferences of Kodiak's customers with respect to particular vendors may change, which could require Kodiak to find new vendors. Some of these suppliers manufacture the components Kodiak purchases in a single facility, and any damage to that facility could lead to significant delays in delivery of completed compression units to Kodiak. If Kodiak is unable to purchase compression equipment or components for its compression equipment on a timely basis to meet the demands of its customers, its existing customers may terminate their contractual relationships with Kodiak, or Kodiak may not be able to compete for business from new or existing customers, which, in each case, could have a material adverse effect on Kodiak's business, results of operations and financial condition. Further, supply chain bottlenecks could adversely affect Kodiak's ability to obtain necessary materials, parts or other components used in Kodiak's operations or increase the costs of such items. A significant increase in the price of such equipment, materials and services and the resulting supply chain and logistics disruptions, or otherwise, could have a negative impact on Kodiak's business, results of operations, financial condition and cash flows. ~~Nonperformance by Kodiak's suppliers or vendors could impact its revenues, increase its expenses and otherwise have a negative impact on Kodiak's ability to conduct its business, operating results and cash flows. Weak economic conditions or widespread financial distress could reduce the liquidity of Kodiak's suppliers or vendors, making it more difficult for them to meet their commitments or obligations to Kodiak. Nonperformance by suppliers or vendors who have committed to provide Kodiak with critical products or services could raise its costs or interfere with Kodiak's ability to successfully conduct its business.~~ Kodiak's operations entail inherent risks that may result in interruption of Kodiak's operations and / or substantial liability. Kodiak does not insure against all potential losses and could be seriously harmed by unexpected liabilities. Kodiak's operations are subject to inherent risks, such as equipment defects, malfunctions and failures, natural disasters and other incidents that can result in uncontrollable flows of gas or well fluids, fires and explosions. In addition, Kodiak's operations employees spend a significant amount of time driving from location to location, often on busy or statistically dangerous roadways, especially in the Permian Basin, which could lead to an increased risk of vehicular accidents. These risks could cause the interruption of Kodiak's operations and the operations of its customers, and Kodiak may endure significant loss of health and life of employees and third- persons, equipment damage, revenue losses and reputational harm, all of which could have an adverse effect on Kodiak's business, prospects and financial condition. Moreover, such risks could expose Kodiak to substantial liability for personal injury, death, property damage, pollution and other environmental damages. Kodiak's insurance may be inadequate to cover its liabilities or subject to cancellation notices. Further, insurance covering the risks Kodiak faces or in the amounts it desires may not be available in the future or, if available, the premiums may not be commercially justifiable. If Kodiak were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, resulted in cancellation of Kodiak's policy, or if Kodiak were to incur liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be adversely affected. If Kodiak does not satisfy its mechanical availability guarantee, a customer has the ability to terminate its contracts. Kodiak's gas compression contracts provide a guarantee of specified "mechanical availability" of 98.0% to 98.5%. ~~Kodiak defines "mechanical availability" as the percentage of time each month that Kodiak's Compression Operations equipment is "mechanically available" to compress gas under design and operating conditions set forth in the contract.~~ The calculation for mechanical availability includes any downtime that is incurred as a result of Kodiak's operations, such as mechanical shutdowns, maintenance events and repairs or overhauls, but does not include any downtime caused by a mechanical failure or shutdown that occurs as a result of improper gas or objectionable liquids or solids in the gas or fuel stream, insufficient gas available for compression or fuel, any shutdown due to the applicable customer's production or processing operations, or downtime not directly caused by Kodiak, including downtime due to "force majeure" events, such as acts of God, acts related to terrorism, strikes, lockouts and / or accidents. A failure to satisfy mechanical availability requirements under a contract for three consecutive months could result in termination of the applicable contract by the customer, which could have an adverse effect on Kodiak's financial results. **Acts or threats of Terrorist terrorism, acts of war, social unrest, cyber or physical security attacks, and the threat of terrorist attacks or other sustained military campaigns may malicious acts of individuals or groups seeking to disrupt Kodiak's operations could adversely impact Kodiak's business, financial condition, and results of operations. The long Kodiak's operations are potential targets for terrorist acts and threats, acts of war, social unrest, cyber and physical security attacks, and other disruptive activities of individuals or groups, including by nation states or nation state - term impact of terrorist sponsored groups. There have been cyber and physical attacks within and the magnitude of the threat of future terrorist attacks on the energy industry in general and on Kodiak energy infrastructure in particular the past and there are not known at this time likely to be additional attacks in the future.** Uncertainty surrounding sustained military campaigns may affect Kodiak's **and its**

suppliers and vendors have been subject to, and will likely continue to be subject to, attempts to disrupt operations in unpredictable ways, any including disruptions of natural gas which could result in a material decrease in revenues and which increase costs to protect oil supplies and markets for natural gas, repair, natural gas liquids and oil insure Kodiak's assets and operate its the possibility that infrastructure facilities could be direct targets of, systems or indirect casualties of, an and business act of terror or war. Changes in the insurance markets attributable to terrorist attacks may make insurance against such attacks more difficult for Kodiak to obtain, if it chooses to do so. Moreover, the insurance that may be available to Kodiak may be significantly more expensive than its existing insurance coverage. Instability in the financial markets resulting from terrorism or war could also negatively affect its ability to raise capital. Risks Related to Regulatory Matters Kodiak's operations are subject to stringent environmental, health and safety regulations and changing expectations of other stakeholders with respect to sustainability practices, and changes in these regulations and / or expectations could increase Kodiak's costs or liabilities. Kodiak's operations at customer sites are subject to stringent and complex federal, state and local environmental, health and safety laws and regulations, including laws and regulations governing the discharge of materials into the environment, emissions controls and other environmental protection and occupational health and safety concerns. Environmental laws and regulations, such as CERCLA and comparable state laws, may impose strict, as well as joint and several, liability for environmental contamination, which could render Kodiak potentially liable for remediation costs, natural resource damages, the costs of certain health studies and other damages, regardless of whether Kodiak was responsible for the release or contamination, and even if Kodiak's operations were lawful at the time of the release or if contamination was caused by third parties. In addition, third parties, including neighboring landowners, could file claims for personal injury, property damage and recovery of response costs. Remediation costs and other damages arising as a result of environmental laws and regulations, and costs associated with changes in existing environmental laws and regulations or the adoption of new environmental laws and regulations over time could adversely impact Kodiak's or its customers' financial condition or results of operations. Moreover, failure by Kodiak or its customers to comply with these environmental laws and regulations could result in the imposition of administrative, civil and criminal penalties and the issuance of injunctions delaying or prohibiting operations, which could in turn have an adverse impact on Kodiak's customers and its business. Kodiak conducts operations in a wide variety of customer locations across the continental U. S. and internationally. Kodiak's customers are required to hold certain U. S. federal, state or local or other jurisdictional environmental permits or other authorizations and may require new or amended facility permits or licenses from time to time with respect to storm water discharges, hydraulic fracturing, waste handling or air emissions relating to equipment operations, including compression units, which subject Kodiak's customers to new or revised permitting conditions that may be onerous or with respect to which compliance may be costly. These permits and authorizations frequently contain numerous compliance requirements, including monitoring and reporting obligations and operational restrictions, such as emissions limits. Given the wide variety of locations in which Kodiak's customers operate, and the number of environmental permits and other authorizations that are applicable to its customers' operations, Kodiak's customers may occasionally identify or be notified of violations of or noncompliance with certain requirements existing under various permits or may be required to obtain additional permits. Although Kodiak does not hold the permits, such noncompliance with required permits or the failure to obtain additional permits by Kodiak's customers could subject its customers to future penalties, operating restrictions, or delays in obtaining new or amended permits which could in turn have a material adverse effect on Kodiak's business, financial condition and results of operations. Environmental, health and safety laws and regulations are constantly evolving and may become increasingly complex and more stringent over time. In addition to the evolving regulatory environment, Kodiak may also face pressures from stakeholders, many of whom are focused on climate change, to prioritize sustainable energy practices, reduce Kodiak's carbon footprint and promote sustainability while at the same time remaining a successfully operating public company, any or all of which may be difficult for Kodiak to achieve on such stakeholders' desired timeline or at all. Future environmental health and safety laws and regulations (or changes to existing laws and regulations), and potentially future stakeholders' focus on sustainability (or changes to such focus), may also additionally negatively impact natural gas and oil exploration, as well as production, gathering and pipeline companies, including Kodiak's customers, which in turn could have a material adverse effect on Kodiak's business, financial condition and results of Kodiak's operations. New regulations, proposed regulations and proposed modifications to existing regulations under the CAA, if implemented, could result in increased compliance costs and changes in customers' demand and desired suppliers. New regulations or proposed modifications to existing regulations under the CAA may lead to adverse impacts on Kodiak's business, financial condition and results of operations. For example, in 2015, the EPA finalized a rule strengthening the primary and secondary National Ambient Air Quality Standards ("NAAQS") for ground level ozone, both of which are eight-hour concentration standards of 70 parts per billion. In August 2023, the EPA announced a new review of the ozone NAAQS after considering advice provided by the Clean Air Scientific Advisory Committee ("CASAC"). As part of its new review, the EPA is seeking information from the scientific community and the public to guide CASAC's development of the Integrated Science Assessment prior to the EPA's expected release of its Integrated Review Plan in the fall of 2024. After the EPA revises a NAAQS standard, the states are expected to establish revised attainment / non-attainment regions. State implementation of any revised NAAQS could result in stricter permitting requirements, delay or prohibit Kodiak's customers' ability to obtain such permits, and result in increased expenditures for pollution control equipment, which could negatively impact Kodiak's customers' operations, increase the cost of additions to property, plant and equipment, and negatively impact Kodiak's business. In addition, the EPA proposed rules in November 2021 and 2022 intended to reduce methane emissions from natural gas and oil sources. The proposed rules would make the existing regulations in Subpart OOOOa more stringent and create a Subpart OOOOb to expand reduction requirements for new, modified, and reconstructed natural gas and oil sources, including standards focusing on certain source types that have never been regulated under the CAA (including intermittent vent pneumatic controllers, oil well associated gas, and liquids unloading facilities). In addition, the proposed rule

would establish “ Emissions Guidelines, ” creating a Subpart OOOOc that would require states to develop plans to reduce methane emissions from existing sources that must be at least as effective as presumptive standards set by the EPA. The EPA announced a final rule in December 2023, which, among other things, requires the phase out of routine flaring of natural gas from new oil wells and routine leak monitoring at all well sites and compressor stations. Notably, the EPA updated the applicability date for Subparts OOOOb and OOOOc to December 6, 2022, meaning that sources constructed prior to that date will be considered existing sources with later compliance dates under state plans. The final rule gives states, along with federal tribes that wish to regulate existing sources, two years to develop and submit their plans for reducing methane from existing sources. The final emissions guidelines under Subpart OOOOc provide three years from the plan submission deadline for existing sources to comply. Kodiak cannot predict how the EPA and states will implement the final rule; however, Subpart OOOO regulation of air emissions from the natural gas and oil sector could result in increased expenditures for pollution control equipment, which could impact Kodiak’s customers’ operations and negatively impact Kodiak’s business. Additionally, in August 2022, **the President Biden of the United States** signed into law the Inflation Reduction Act. Among other things, the Inflation Reduction Act includes a methane emissions reduction program that amends the CAA to include a Methane Emissions and Waste Reduction Incentive Program for petroleum and natural gas systems. This program requires the EPA to impose a “ waste emissions charge ” on certain natural gas and oil sources that are already required to report under the EPA’s Greenhouse Gas Reporting Program. In order to implement the program, the Inflation Reduction Act required revisions to GHG reporting regulations for petroleum and natural gas systems (Subpart W) by 2024. In **July-May 2023-2024**, the EPA proposed to expand the scope of the Greenhouse Gas Reporting Program for petroleum and natural gas facilities, as required by the Inflation Reduction Act. Among other things, the ~~proposed~~ rule expands the emissions events that are subject to reporting requirements to include “ other large release events ” and applies reporting requirements to certain new sources and sectors. The rule **took is currently scheduled to be finalized in 2024 and would take** effect on January 1, 2025 for reporting year 2025 (due March 2026) in certain circumstances, with the potential to also impact GHG reporting for reporting year 2024 (due March 2025) in certain circumstances. In **January-November** 2024, the EPA ~~proposed~~ **finalized** a rule implementing the Inflation Reduction Act’s methane emissions charge. The ~~proposed~~ rule includes ~~potential~~ methodologies for calculating the amount by which a facility’s reported methane emissions are below or exceed the waste emissions thresholds **addresses and contemplates approaches for implementing** certain exemptions created by the Inflation Reduction Act. The methane emissions charge imposed under the Methane Emissions and Waste Reduction Incentive Program for calendar year 2024 **is would be** \$ 900 per ton emitted over annual methane emissions thresholds, **would increase increased** to \$ 1, 200 in 2025, and **will increase to** \$ 1, 500 in 2026 **! However, a proposed resolution has recently been filed in Congress under the Congressional Review Act to disapprove the methane emissions charge rule**. Implementation of such programs could increase Kodiak’s operating costs and accelerate the transition away from fossil fuels, which could in turn have an adverse impact on Kodiak’s customers and thus adversely impact Kodiak’s business. A climate-related decrease in demand for natural gas and oil could negatively affect Kodiak’s business. Supply and demand for natural gas and oil is dependent upon a variety of factors, many of which are beyond Kodiak’s control. These factors include, among others, the potential adoption of new government regulations, including those related to fuel conservation measures and climate change regulations, technological advances in fuel economy, an economy-wide transition to lower GHG energy sources and energy generation devices. For example, legislative, regulatory or executive actions intended to reduce emissions of GHGs could increase the cost of consuming natural gas and oil, thereby potentially causing a reduction in the demand for such products. A broader transition to alternative fuels or energy sources, whether resulting from potential new government regulation, carbon taxes or consumer preferences, could result in decreased demand for natural gas and oil. Any decrease in demand for these products could consequently reduce demand for Kodiak’s services and could have a negative effect on Kodiak’s business. ~~In January 2024, the Biden administration announced a moratorium on approvals of applications for LNG export authorizations by the United States Department of Energy (“ DOE ”) while the DOE conducts studies related to the cumulative impact of LNG exports on domestic natural gas prices, climate change, and other matters. The moratorium on these approvals is expected to continue for several months and it is uncertain as to timing or conclusions of these studies and the resulting effect on the DOE approval process related to applications for LNG export authorizations. As a result, it is difficult to predict whether changes to the DOE’s approval process will have a negative effect on the prospects for future LNG export projects and on demand for domestic natural gas production that would be supported by these new LNG projects.~~ Efforts by governments, international bodies, businesses and consumers to reduce GHGs and otherwise mitigate the effects of climate change are ongoing. The nature of these efforts and their effects on Kodiak’s business are inherently unpredictable and subject to change. However, any activism directed at shifting funding and / or demand away from companies with energy-related assets could result in a reduction of funding for the energy sector overall, which could have an adverse effect on Kodiak’s ability to obtain external financing, as well as negatively affect the cost of, and terms for, financing to fund capital expenditures or other aspects of Kodiak’s business. Kodiak’s business is subject to climate-related transitional risks, including evolving climate change legislation, regulatory initiatives and stakeholder pressures, which could result in increased operating expenses and capital costs, financial risks and potential reduction in demand for Kodiak’s services. Combating the effects of climate change continues to attract considerable attention in the United States and internationally, including from regulators, legislators, companies in a variety of industries, financial market participants and other stakeholders. Climate change legislation and regulatory initiatives may arise from a variety of sources, including international, national, regional and state levels of government and associated administrative bodies, seeking to monitor, restrict or regulate existing emissions of GHGs, such as carbon dioxide and methane, as well as to restrict or eliminate future emissions. Accordingly, Kodiak’s business and operations, and those of Kodiak’s customers, are subject to executive, regulatory, political and financial risks associated with natural gas and the emission of GHGs. ~~Congress has previously considered legislation to restrict or regulate emissions of GHGs. Energy legislation and other initiatives continue to be proposed that may be relevant to GHG emissions issues. A number of states,~~

either individually or through multi-state regional initiatives, have begun to address GHG emissions, primarily through the planned development of emission inventories or regional GHG cap and trade programs. Although most of the state-level initiatives have to date been focused on large sources of GHG emissions, such as electric power plants, it is possible that smaller sources, such as Kodiak's natural gas-powered compression units, could become subject to GHG-related regulation. Depending on the particular program, Kodiak could be required to control emissions or to purchase and surrender allowances for GHG emissions resulting from Kodiak's operations. The \$1 trillion legislative infrastructure package passed by Congress in November 2021 includes a number of climate-focused spending initiatives targeted at climate resilience, enhanced response and preparation for extreme weather events, and clean energy and transportation investments. The Inflation Reduction Act also provides significant funding and incentives for research and development of low-carbon energy production methods, carbon capture, and other programs directed at addressing climate change. Independent of Congress, the EPA has promulgated regulations controlling GHG emissions under its existing CAA authority. The EPA has adopted rules requiring many facilities, including petroleum and natural gas systems, to inventory and report their GHG emissions. In **May-April 2023-2024**, the EPA also **proposed issued a final rule with** CAA emission limits for new gas-fired combustion turbines, existing coal, oil- and gas-fired steam generating units and certain existing gas fire combustion turbines, **and a final rule is anticipated by April 2024**. In addition, the EPA rules provide air permitting requirements for certain large sources of GHG emissions. The requirement for certain facilities and large sources of GHG emissions to obtain and comply with permits will affect some of Kodiak's customers' largest new or modified facilities going forward but is not expected to cause Kodiak to incur material costs. The EPA has also developed rules to regulate emissions of methane, considered a GHG, from existing, new, modified and reconstructed sources in the natural gas and oil sector. **However** In an executive order issued in January 2021, **a proposed resolution** President Biden asked the heads **has** of all executive departments and agencies to **recently been filed in Congress under the Congressional review-Review Act** and take action to **disapprove** address any federal regulations, orders, guidance documents, policies and any similar agency actions promulgated during the prior administration that may be inconsistent with or present obstacles to the administration's stated goals of protecting public health and the environment, and conserving national monuments and refuges. The executive order also established an Interagency Working Group on the Social Cost of Greenhouse Gases, which is called on to, among other **the methane** things, capture the full costs of GHG emissions, including the "social cost of carbon," "social cost of nitrous oxide" and "social cost of methane," which are "the monetized damages associated with incremental increases in greenhouse gas emissions," including "changes **charge rule** in net agricultural productivity, human health, property damage from increased flood risk, and the value of ecosystem services." The EPA published a final report in December 2023 with the social cost of carbon at \$190 per metric ton of carbon dioxide emitted in 2020 at a 2% discount rate. That figure is intended to be used to guide federal decisions on the costs and benefits of various policies and approvals, although such efforts have been the subject of a series of judicial challenges. At this time, Kodiak cannot determine whether the administration's efforts on social cost or other interagency climate efforts will lead to any particular actions that give rise to a material adverse effect on Kodiak's business, financial condition, results of operations and cash flows. At the international level, the U. S. joined the international community at COP21, which resulted in the Paris Agreement. While the Paris Agreement does not impose direct requirements on emitters, national plans to meet its pledge could result in new regulatory requirements. In April 2021, the **current previous** administration announced a new "nationally determined contribution" for U. S. GHG emissions that would achieve emissions reductions of at least 50% relative to 2005 levels by 2030. **However** Those national commitments by themselves create no binding requirements on individual companies or facilities, but **in January 2025, President Trump withdrew** they **the United States** do provide indications of the current administration's policy direction and the types of legislative and regulatory requirements—such as the EPA's proposed methane rules—that may be needed to achieve those commitments. In September 2021, the U. S. and European Union jointly announced the launch of the "Global Methane Pledge," which aims to cut global methane pollution at least 30% by 2030 relative to 2020 levels, including "all feasible reductions" in the energy sector. Since its formal launch at COP26, over 150 countries have joined the pledge. Additionally, at COP28, member countries entered into an agreement that calls for actions towards achieving, at a global scale, a tripling of renewable energy capacity and doubling energy efficiency improvements by 2030. The goals of the agreement, among other things, are to accelerate efforts towards the phase-down of unabated coal power, phase out inefficient fossil fuel subsidies, and take other measures that drive the transition away from fossil fuels in energy systems. With the **Paris Agreement. Consequently** exception of the final EPA methane rules and related updates, which were announced by President Biden at COP28, Kodiak cannot predict whether these pledges **by the previous administration** made in connection with the Paris Agreement will result in any particular new regulatory requirements or initiatives or whether such requirements or initiatives will cause Kodiak to incur material costs **should the U. S.'s participation in the Paris Agreement again change in the future**. Additionally, the SEC issued a proposed rule in March 2022 that would mandate extensive disclosure of climate-related data, risks, and opportunities, including financial impacts, physical and transition risks, related governance and strategy, and GHG emissions, for certain public companies. **Although However, in April 2024,** the **proposed SEC voluntarily stayed the effectiveness of the rule, pending completion**'s ultimate date of effectiveness **judicial review**, and the final form and substance of these **the requirements is not yet known and new administration has requested the court to refrain from proceeding while it reviews the rule. Thus,** the ultimate scope and impact on our business is uncertain, compliance with the **proposed-rule, if finalized-it takes effect**, may result in increased legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly, and place strain on our personnel, systems and resources. Although it is not currently possible to predict how **these-any proposed or future** executive orders, **national commitments or any proposed or future** GHG or climate change legislation or regulation promulgated by Congress, the states or multi-state regions and their respective regulatory agencies will impact Kodiak's business, any legislation or regulation of GHG emissions that may be imposed in areas in which Kodiak conducts business or on the assets Kodiak operates could result

in increased compliance or operating costs, additional operating restrictions or reduced demand for Kodiak's services, and could have a material adverse effect on Kodiak's business, financial condition and results of operations. Apart from governmental regulation, there are also ~~increasing~~ financial risks for companies in the energy sector as **certain** stockholders and bondholders currently invested in energy companies may elect ~~in the future~~ to shift some or all of their investments toward non-fossil fuel energy sources. In recent years, **ESG-sustainability** goals and programs, which typically include policies, practices and extralegal targets related to environmental stewardship, social responsibility, and corporate governance, have ~~been a~~ **become an increasing** focus of investors and stakeholders across the industry, ~~and companies without robust ESG programs may find access to capital and investors more challenging in the future.~~ For example, ~~certain investment banks and asset managers based both domestically and internationally have announced that they are adopting climate change guidelines for their banking and investing activities.~~ Institutional lenders who provide financing to energy companies such as Kodiak have ~~become been~~ more attentive to sustainable lending practices, and **although this trend has waned recently,** some may elect not to provide traditional energy producers or companies that support such producers with funding. ~~ESG considerations may also affect others in the investment community, including investment advisers, sovereign wealth funds, public pension funds, insurance companies and other groups, and may result in their divestment of energy-related equities or otherwise limit their willingness to finance Kodiak's or its customers' operations.~~ Limitation of investments in and financings for energy companies could result in the restriction, delay or cancellation of infrastructure projects and energy production activities. This potential for reduced access to the capital and financial markets, whether impacting Kodiak's customers and / or Kodiak's business, may further adversely affect the demand for and price of Kodiak's securities. Furthermore, some scientists have concluded that increasing concentrations of GHGs in the earth's atmosphere are changing global climate patterns in a manner that results in significant weather-related effects, such as increased frequency and severity of storms, droughts, floods and other such events, in addition to more chronic changes such as shifting temperature, precipitation, and other meteorological patterns. Energy needs could increase or decrease as a result of extreme weather conditions depending on the duration and magnitude of any such climate changes. Increased energy use due to weather changes may require Kodiak to invest in additional equipment to serve increased demand. A decrease in energy use due to weather changes may negatively affect Kodiak's financial condition through decreased revenues. To the extent the frequency of extreme weather events increases, this could impact Kodiak's operations in various ways, including damage to Kodiak's facilities interruptions in service or supply chain, increased insurance premiums or increases to Kodiak's cost of providing service. Such impacts may be proportionately more severe given the geographical concentration of Kodiak's operations. Demand for Kodiak's operations also depends in part on the volume of products being produced, processed and / or transported by Kodiak's customers, which may also be impacted by similar risks. If any of these results occur, it could have an adverse effect on Kodiak's assets and operations and cause Kodiak to incur costs in preparing for and responding to them. Litigation risks also are increasing as a number of parties have sought to bring suit against various natural gas and oil companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that the companies have been aware of the adverse effects of climate change for some time but defrauded their investors or customers by failing to adequately disclose those impacts. Should Kodiak be targeted by any such litigation, it may incur liability, which, to the extent that societal pressures or political or other factors are involved, could be imposed without regard to causation or contribution to the asserted damage, or to other mitigating factors. Moreover, any such litigation targeting Kodiak's customers could negatively impact their operation and, in turn, decrease demand for Kodiak's operations. An unfavorable ruling in any such case could significantly impact Kodiak's operations and could have an adverse impact on its financial condition. In sum, any legislation, regulatory programs or social pressures related to climate change could increase Kodiak's costs and require substantial capital, compliance, operating and maintenance costs, reduce demand for Kodiak's services and reduce Kodiak's access to financial markets. Current, as well as potential future, laws and regulations that limit emissions of GHGs or that otherwise promote the use of renewable energy over fossil fuel energy sources could increase the cost of Kodiak's services and, thereby, further reduce demand and adversely affect Kodiak's sales volumes, revenues and margins. **Kodiak's financial results could be significantly impacted by uncertainty in U. S. trade policy, including uncertainty surrounding changes in tariffs, trade agreements or other trade restrictions imposed by the U. S. or other governments. Kodiak's ability to conduct business can be significantly impacted by changes in tariffs, changes or repeals of trade agreements, or the imposition of other trade restrictions or retaliatory actions imposed by various governments. For example, the current U. S. presidential administration has proposed to significantly increase tariffs on foreign imports into the U. S. and as of February 2025, new tariffs were enacted and are rapidly evolving. Other effects of these changes, including responsive actions from governments, could also have significant impacts on Kodiak's financial results. Kodiak cannot predict what further action may be taken with respect to tariffs or trade relations between the U. S. and other governments, and any further changes in U. S. or international trade policy could have an adverse impact on Kodiak's business.** Regulatory initiatives relating to the protection of endangered or threatened species in the United States could have an adverse impact on Kodiak's and its customers' ability to expand operations. In the United States, the ESA restricts activities that may affect endangered or threatened species or their habitats. Similar protections are offered to migratory birds under the MBTA and bald and golden eagles under the BGEPA. To the extent species that are listed under the ESA or similar state or international laws, are protected under the MBTA or the BGEPA, or live in the areas where Kodiak or its customers operate, both Kodiak's and Kodiak's customers' abilities to conduct or expand operations and construct facilities could be limited, or Kodiak or Kodiak's customers could be forced to incur material additional costs. The designation of previously unidentified endangered or threatened species or new critical or suitable habitat designations could indirectly cause Kodiak to incur additional costs, cause Kodiak's or its customers' operations to become subject to operating restrictions or bans, and limit future development activity by Kodiak or its customers in affected areas. In June and July 2022, the U. S. Fish and Wildlife Service issued final rules rescinding **regulations**

enacted during President Trump –era regulations -'s first term concerning the definition of “ habitat ” and critical habitat exclusions. In June 2023, the U. S. Fish and Wildlife Service issued three proposed rules governing critical habitat designation and expanding protection options for species listed as threatened pursuant to the ESA. **The comment periods for these rules ended in August 2023, and final rules are expected by April 2024.**–As a result of these rules, the potential designation of previously unprotected species as threatened or endangered or new critical or suitable habitat designations in areas where Kodiak or its customers might conduct operations could result in limitations or prohibitions on Kodiak’ s operations and could adversely impact Kodiak’ s business. There is also increasing interest in nature- related matters beyond protected species, such as general biodiversity, which may similarly require Kodiak or its customers to incur costs or take other measures which may adversely impact Kodiak’ s business or operations. **Our sales to increased regulation of hydraulic fracturing could result in reductions of, or delays in, natural gas and operations in non- U oil production by Kodiak’ s customers, which could adversely impact Kodiak’ s revenue. S. markets exposes us to additional risks** A significant portion of Kodiak’ s customers’ natural gas and oil production is developed from unconventional sources **uncertainties, including with respect to U. S. trade and economic sanctions, export control laws, and the Foreign Corrupt Practices Act (“ FCPA ”), and similar anti- bribery laws. If we are not in compliance with applicable legal requirements, we may be subject to civil or criminal penalties and other remedial measures** that require hydraulic fracturing as part of the completion process. Hydraulic fracturing involves the injection of water, sand and chemicals under pressure into the rock formation to stimulate gas production. The U. S. Congress has from time to time considered legislation to amend the SDWA to repeal the exemption for hydraulic fracturing from the definition of “ underground injection ” and require federal permitting and regulatory control of hydraulic fracturing and disclosure of the chemical constituents of the fluids used in the fracturing process. Scrutiny of hydraulic fracturing activities continues in other ways, with the EPA having commenced a multi- year study of the potential environmental impacts of hydraulic fracturing. In December 2016, the EPA issued a report on the potential impacts of hydraulic fracturing on drinking water resources. The final report concluded that “ water cycle ” activities associated with hydraulic fracturing may impact drinking water resources “ under some circumstances, ” noting that the following hydraulic fracturing water cycle activities and local or regional- scale factors are more likely than others to result in more frequent or more severe impacts: water withdrawals for fracturing in times or areas of low water availability; surface spills during the management of fracturing fluids, chemicals or produced water; injection of fracturing fluids into wells with inadequate mechanical integrity; injection of fracturing fluids directly into groundwater resources; discharge of inadequately treated fracturing wastewater to surface waters; and disposal or storage of fracturing wastewater in unlined pits. To date, the EPA has taken no further action in response to the December 2016 report. Under the CWA, the EPA also prohibits the discharge of wastewater from hydraulic fracturing and certain other natural gas operations to publicly owned wastewater treatment plants. State and federal regulatory agencies have also recently focused on a possible connection between the operation of injection wells used for natural gas and oil waste disposal and seismic activity. Similar concerns have been raised that hydraulic fracturing may also contribute to seismic activity. When caused by human activity, such events are called induced seismicity. Developing research suggests that the link between seismic activity and wastewater disposal may vary by region, and that only a very small fraction of the tens of thousands of injection wells have been suspected to be, or have been, the likely cause of induced seismicity. In March 2016, the United States Geological Survey identified six states with the most significant hazards from induced seismicity, including Oklahoma, Kansas, Texas, Colorado, New Mexico and Arkansas, some of which are states where Kodiak operates. In light of these concerns, some state regulatory agencies have modified their regulations or issued orders to address induced seismicity. Increased regulation and attention given to induced seismicity could lead to greater opposition to, and litigation concerning, natural gas and oil activities utilizing hydraulic fracturing or injection wells for waste disposal, which could indirectly impact Kodiak’ s business, financial condition and results of operations. In addition, these concerns may give rise to private tort suits against Kodiak’ s customers from individuals who claim they are adversely impacted by seismic activity they allege was induced. Such claims or actions could result in liability to Kodiak’ s customers for property damage, exposure to waste and other hazardous materials, nuisance or personal injuries, and require Kodiak’ s customers to expend additional resources or incur substantial costs or losses. This could in turn adversely affect the demand for Kodiak’ s services. Kodiak cannot predict the future of any such legislation or tort liability. If additional levels of regulation, restrictions and permits were required through the adoption of new laws and regulations at the federal or state level or the development of new interpretations of those requirements by the agencies that issue the required permits, that could lead to operational delays, increased operating costs and process prohibitions that could reduce demand for Kodiak’ s Compression Operations, which would materially adversely affect its revenue and results of operations. Increasing scrutiny and changing stakeholder expectations in respect of ESG and sustainability practices may impose additional costs or risks. Companies across all industries are facing increasing scrutiny from stakeholders related to their ESG and sustainability practices. A number of advocacy groups, both domestically and internationally, have campaigned for governmental and private action to promote change at public companies related to ESG matters, including increasing attention and demands for action related to climate change, promoting the use of substitutes to fossil fuel products and encouraging the divestment of companies in the fossil fuel industry. Investor advocacy groups, proxy advisory firms, certain institutional investors and lenders, investment funds and other influential investors and rating agencies also are increasingly focused on ESG and sustainability practices and matters and on the implications and social cost of their investments and loans. Kodiak has established a long- term strategy intended to meet ESG- related objectives, which currently includes certain sustainability targets. However, Kodiak cannot guarantee that this long- term strategy will meet its ESG- related objectives. Such initiatives are voluntary, not binding on Kodiak’ s business or management and subject to change. Kodiak may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG- related initiatives, or to meet previously set goals and targets based on cost, timing or other considerations. If Kodiak does not adapt to or comply with investor or other stakeholder expectations and standards on ESG matters (or meet ESG- related goals and targets that Kodiak has set), as they

continue to evolve, if Kodiak is perceived to have not responded appropriately or quickly enough to growing concern for ESG and sustainability issues, regardless of whether there is a regulatory or legal requirement to do so, or if estimates, assumptions, and / or third-party information Kodiak currently believes to be reasonable are subsequently considered erroneous or misinterpreted, Kodiak may suffer from reputational damage and its business, financial condition and / or stock price could be materially and adversely affected. Further, Kodiak's operations, projects and growth opportunities require it to have strong relationships with various key stakeholders, including its stockholders, employees, suppliers, customers, local communities and others. Kodiak may face pressures from stakeholders, many of whom are increasingly focused on climate change, to prioritize sustainable energy practices, reduce Kodiak's carbon footprint and promote sustainability while at the same time remaining a successfully operating public company. If Kodiak does not deftly manage expectations across these varied stakeholder interests, such failure could erode Kodiak's stakeholder trust and thereby affect Kodiak's brand and reputation. Such erosion of confidence could negatively impact Kodiak's business through decreased demand and growth opportunities, delays in projects, increased legal action and regulatory oversight, adverse press coverage and other adverse public statements, difficulty hiring and retaining top talent, difficulty obtaining necessary approvals and permits from governments and regulatory agencies on a timely basis and on acceptable terms, and difficulty securing investors and access to capital. The occurrence of any of the foregoing could have a material **impact** adverse effect on **our Kodiak's business**. **We have operations in Mexico and financial condition occasionally have direct sales without services or operations in certain other non- U. S. markets. Non- U. S. operations carry special risks. Our operations in the countries in which we currently operate and those countries in which we may operate in the future, could be adversely affected by: • government controls and actions, such as expropriation of assets and changes in legal and regulatory environments; • import and export license requirements; • political, social, or economic instability; • trade restrictions; • changes in tariffs and taxes; • currency exposure; • restrictions on repatriating foreign profits back to the United States; and • the impact of anti- corruption laws. Sanctions imposed by the U. S. Office of Foreign Assets Control (" OFAC ") prohibit our operations in or sales to customers in certain non- U. S. markets. We are also subject to the FCPA, which prohibits U. S. companies and their intermediaries from bribing overseas officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment, and other similar laws governing our foreign operations. The FCPA's non- U. S. counterparts, including the UK Bribery Act, contain similar prohibitions, although varying in both scope and jurisdiction. We operate in parts of the world that have experienced governmental corruption in the past. We have policies and procedures to maintain our compliance with the FCPA, OFAC sanctions, export controls, and similar laws and regulations. The implementation of such policies and procedures may be time consuming and expensive and could result in the discovery of issues or violations with respect to the foregoing by us or our employees, independent contractors, subcontractors, or agents of which we were previously unaware. If we violate any of these regulations, significant administrative, civil, and criminal penalties could be assessed on us**. In addition, **Kodiak expects foreign governments and agencies often establish permit and regulatory standards different from those in there -- the will likely U. S. If we cannot obtain foreign regulatory approvals or cannot obtain them in a timely manner, our growth and profitability from international operations could be adversely affected** increasing levels of regulation, disclosure-related and otherwise, with respect to ESG matters, which will likely lead to increased compliance costs as well as scrutiny that could heighten all of the risks identified in this risk factor. Such ESG matters may also impact Kodiak's suppliers or customers, which could augment existing or cause additional impacts to Kodiak's business or operations. Kodiak may be involved in legal proceedings that could result in substantial liabilities. Kodiak is, from time to time, involved in various legal and other proceedings in the ordinary course of its business. Such legal proceedings are inherently uncertain and their results cannot be predicted. Regardless of the outcome, such proceedings could have an adverse impact on Kodiak because of legal costs, diversion of management and other personnel and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in liability, penalties or sanctions, as well as judgments, consent decrees or orders requiring a change in Kodiak's business practices, which could materially and adversely affect Kodiak's business, operating results and financial condition. Accruals for such liability, penalties or sanctions may be insufficient. Judgments and estimates to determine accruals or a range of losses related to legal and other proceedings could change from one period to the next, and such changes could be material. Risks Related to Intellectual Property, Information Technology and Cybersecurity Kodiak may be sued by third parties for infringement, misappropriation, dilution or other violation of their intellectual property or proprietary rights, any of which could adversely affect Kodiak's business and results of operations. Third parties may in the future assert that Kodiak has infringed, misappropriated or otherwise violated their intellectual property rights (" IPR "). Such claims, administrative proceedings and litigation may involve patent holding companies or other adverse IPR holders who have no relevant product revenue, and therefore Kodiak's own IPR may provide little or no deterrence to these rights holders in bringing IPR claims against Kodiak. There may be IPR owned by third parties, including issued or pending patents and trademarks, that cover significant aspects of Kodiak's technologies, content, branding or business methods, and Kodiak cannot assure that it is not infringing, misappropriating or otherwise violating, and **have has** not infringed, misappropriated or otherwise violated, any third- party IPR or that Kodiak will not be held to have done so or be accused of doing so in the future. Kodiak expects that it may receive in the future notices that claim it allegedly has infringed, misappropriated or otherwise violated third parties' IPR. Kodiak cannot assure you that it will be able to detect potential or actual misappropriation or infringement of its IPR or trade secrets. Even if Kodiak detects misappropriation or infringement by a third - party, it cannot assure you that it will be able to enforce its rights at a reasonable cost, or at all. Any claim that Kodiak has infringed, misappropriated or otherwise violated IPR of third parties, with or without merit, and whether or not it results in litigation, is settled out of court or is determined in Kodiak's favor, could be time- consuming and costly to address and resolve, and could divert the time and attention of management and technical personnel from Kodiak's business. Furthermore, an adverse outcome of a dispute may result in an injunction and could require Kodiak to pay substantial monetary damages, including treble damages and attorneys'

fees, if Kodiak is found to have willfully infringed a third party's IPR. Any settlement or adverse judgment resulting from such a claim could require Kodiak to enter into a licensing agreement to continue using the technology, content or other IPR that is the subject of the claim; restrict or prohibit Kodiak's use of such technology, or other IPR; require Kodiak to expend significant resources to redesign Kodiak's technology or solutions; and require Kodiak to indemnify third parties if they become subject to third party claims relating to IPR that Kodiak licenses or otherwise provides to them, which could be costly. Royalty or licensing agreements, if required or desirable, may be unavailable on terms acceptable to Kodiak, or at all, and may require significant royalty payments and other expenditures. Kodiak may also be required to develop alternative non-infringing technology, which could require significant time and expense. There also can be no assurance that Kodiak would be able to develop or license suitable alternative technology or other IPR to permit Kodiak to continue offering the affected technology. If Kodiak cannot develop or license technology for any allegedly infringing aspect of its business, Kodiak would be forced to limit its service and may be unable to compete effectively. In addition, Kodiak's rights to IPR and trade secrets may not prevent independent third-party development and commercialization of competing products or services. Any of these events could materially harm Kodiak's business, financial condition and results of operations. Kodiak may find it necessary or appropriate to initiate claims or litigation to enforce its IPR or determine the validity and scope of IPR claimed by others. In any lawsuit Kodiak brings to enforce its IPR, a court may refuse to stop the other party from using the technology at issue on grounds that Kodiak's IPR do not cover the use or technology in question. Further, in such proceedings, the defendant could counterclaim that Kodiak's IPR is invalid or unenforceable and the court may agree, in which case Kodiak could lose valuable IPR. Litigation is inherently uncertain and any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect Kodiak's business and results of operations. If Kodiak fails to obtain, maintain, protect and enforce its intellectual property, its business and results of operations may be harmed. Kodiak's reliance on third-party components for use in its IT systems could result in delays in service or disrupt its business. Components of Kodiak's IT systems include various types of software and services licensed or provided from unaffiliated third parties, most of which Kodiak obtains on Software as a Service basis, without any ongoing support or maintenance obligations. Kodiak's business would be disrupted if any of the software or services Kodiak obtains from others or functional equivalents thereof were either no longer available to Kodiak or no longer offered on commercially reasonable terms, or if they fail and Kodiak cannot obtain maintenance and support on reasonable terms. In either case, Kodiak could be required to either redesign its IT systems to function with software or services available from other parties or develop these components itself, which could result in increased costs and could result in delays in services. Furthermore, Kodiak might be forced to limit the features available in its IT system due to changes by its third-party software and service providers, or due to price increases by such vendors. In addition, if Kodiak fails to maintain or renegotiate any of these software or service agreements, Kodiak could face significant delays and diversion of resources in attempting to obtain and integrate functional equivalents. Kodiak is subject to significant legal and reputational risks and expenses relating to the privacy, use and security of employee and customer information, which could negatively affect Kodiak's business, financial condition and results of operations. Kodiak receives, maintains, and stores the non-public personal information ("PII") of its employees, vendors, suppliers and customers. The sharing, use, disclosure and protection of this information are governed by the privacy and data security policies maintained by Kodiak. Moreover, there are federal and state laws and regulations regarding privacy and the storing, sharing, use, disclosure, and protection of PII and user data. Specifically, PII is increasingly subject to legislation and regulations in numerous jurisdictions, the intent of which is to protect the privacy of personal information that is collected, processed and transmitted in or from the governing jurisdiction. California enacted a privacy law (the "California Consumer Privacy Act" or "CCPA") which limits how covered entities may collect and use PII, and which came into effect on January 1, 2020. In addition, California enacted, effective January 1, 2023, a privacy law, the California Privacy Rights Act (the "CPRA"), which significantly modifies the CCPA, including by expanding consumers' rights with respect to certain PII and creating a new state agency to oversee implementation and enforcement efforts. There are more states considering similar privacy laws. Kodiak could be adversely affected if the CCPA, CPRA and other states' legislation or regulations require changes in Kodiak's business practices or privacy policies, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect Kodiak's business, financial condition and results of operations. Kodiak has experienced cybersecurity incidents or IT system disruptions in the past, and cybersecurity breaches or IT system disruptions may adversely affect Kodiak's business in the future. Kodiak relies on its IT systems to operate and record a significant portion of its business. This may include confidential information or PII belonging to Kodiak, Kodiak's employees, customers, suppliers, or others. Similar to other companies, Kodiak's systems and networks, and those of third parties with whom Kodiak does business, may be subject to cybersecurity breaches caused by, among other things, illegal hacking, insider threats, computer viruses, phishing, malware, ransomware, or acts of vandalism or terrorism, or those perpetrated by criminals or nation-state actors. Furthermore, Kodiak may also experience increased cybersecurity risk as some of its personnel work remotely. Kodiak has experienced cyber incidents in the past, although none have been material or had a material adverse effect on Kodiak's business or financial condition. Kodiak may experience cybersecurity incidents and security breaches in the future. In addition to Kodiak's own systems and networks, Kodiak uses third-party service providers to process certain data or information on Kodiak's behalf. Due to applicable laws and regulations, Kodiak may be held responsible for cybersecurity incidents attributed to Kodiak's service providers to the extent it relates to information Kodiak shares with them. Although Kodiak seeks service providers that implement and maintain reasonable security measures, Kodiak cannot control third parties and cannot guarantee that a security breach will not occur in their systems or networks. Despite Kodiak's efforts to continually refine its procedures, educate its employees, and implement tools and security measures to protect against such cybersecurity risks, there can be no assurance that these current or future measures will prevent unauthorized access or detect every type of attempt or attack. Kodiak's potential future upgrades, refinements, tools and measures may not be completely effective or result in the anticipated improvements, if at

all, and may cause disruptions in Kodiak's IT systems. In addition, **the techniques and sophistication used to conduct cyberattacks frequently change and the deployment of evolving artificial intelligence tools could be used to identify vulnerabilities and create more deceptive phishing attempts.** Despite Kodiak's best efforts, a cyberattack or security breach could go undetected for an extended period of time, and the ensuing investigation of the incident would take time to complete. During that period, Kodiak would not necessarily know the impact to its IT systems, or the costs and actions required to fully remediate, and Kodiak's initial remediation efforts may not be successful. Additionally, a cyberattack or security breach could be repeated before they are fully contained and remediated. A breach or failure of Kodiak's systems or networks, critical third-party systems on which Kodiak relies, or those of Kodiak's customers, vendors or suppliers, could result in an interruption in Kodiak's operations, unplanned capital expenditures, unauthorized publication of Kodiak's confidential business or proprietary information, unauthorized release of customer, employee or third-party data, theft or misappropriation of funds, violation of privacy or other laws, and exposure to litigation or indemnity claims including resulting from customer-imposed cybersecurity controls or other related contractual obligations. There could also be increased costs to detect, prevent, respond or recover from cybersecurity incidents **that cannot be estimated or predicted and which may not be fully insured by Kodiak's cyber risk insurance policy. For example, the SEC recently adopted rules requiring the disclosure of cybersecurity incidents that we determine to be "material," to be made within four business days of such determination, which can be complex, requiring a number of assumptions based on several factors. It is possible that the SEC may not agree with Kodiak's determinations, which could result in fines, civil litigation or damage to our reputation.** Any such breach, or Kodiak's delay or failure to make adequate or timely disclosures to the public, regulatory or law enforcement agencies or affected individuals following such an event, could have a material adverse effect on Kodiak's business, reputation, financial position, results of operations and cash flows and cause reputational damage. Kodiak's ability to manage its business and monitor its results is highly dependent upon information and communication systems, and a failure of these systems or its enterprise resource planning ("ERP") system could disrupt its business **and any intended benefits related to technology transformation projects may be negligible or nonexistent.** Kodiak **continues to evaluate technology transformation projects and** is dependent upon a variety of information and communication systems to operate its business, including its ERP system. Any disruptions, delays or deficiencies in these systems, or in the design or implementation of any new ERP system, could adversely affect Kodiak's ability to effectively operate and manage information. **Further, Kodiak depends on its ability to gather and promptly transmit accurate information to key decision makers, and Kodiak's business, results of operations and financial condition may be adversely affected if Kodiak's information systems fail, even for a short period of time. Failure to properly or adequately address these issues could impact Kodiak's ability to perform necessary business operations, which could adversely affect Kodiak's reputation, competitive position, business, results of operations and financial condition. Kodiak may not realize the intended benefits of its process and technology transformation projects, which could have an adverse effect on its business. Kodiak continues to evaluate process and technology transformation projects, which will, among other things, consolidate several systems onto a single ERP system. It is possible that Kodiak may not realize the anticipated benefits from these projects. Any such difficulties Failure to properly or adequately address these issues could have an impact Kodiak's ability to perform necessary business operations, which could adversely effect affect on Kodiak's reputation, competitive position,** business, results of operations and financial condition. **In light of the pending Merger, Kodiak has postponed the near-term implementation is subject to risks associated with disruptive technologies, including artificial intelligence. Presently, Kodiak employs a limited array of artificial intelligence any process and technology transformation projects in our business, the use of which introduces us to certain risks including dependency on accurate intelligence performance, potential security breaches, challenges in regulatory compliance, ethical considerations, potential workforce disruption, the risk of intellectual property infringement, and other emerging technology risks. It is conceivable that Kodiak might integrate further artificial intelligence solutions into its information systems in the future, potentially assuming a more critical role in its operations over time. While Kodiak safeguards its assets, including intellectual property and sensitive information, Kodiak cannot ensure that its employees, contractors or other agents would adhere to those policies. Failure or perceived failure by us to address these risks adequately may negatively impact Kodiak's operations, reputation and financial performance. Further, navigating continually evolving legal and regulatory requirements associated with implementing artificial intelligence tools may require a material amount of human capital significant resources to help ensure compliance with U. S. and international law. Additionally, other resources to complete until a broader unforeseen risks stemming from Kodiak's use and development of artificial intelligence tools and technology implementation plan is developed may arise in the future that is capable could adversely affect Kodiak's business, financial condition and results of operations supporting the combined companies.** Risks Related to Kodiak's Relationship with EQT EQT controls a significant percentage of Kodiak's voting power, and it is subject to contractual restrictions that may affect Kodiak Holdings' exercise of its rights to approve corporate actions under the Kodiak Stockholders' Agreement. As of December 31, ~~2023~~ **2024**, Kodiak Holdings owns approximately ~~76.43~~ **28** % of the outstanding Kodiak Common Stock. Frontier Intermediate GP, Inc. is the general partner of Kodiak Holdings. Investment vehicles affiliated with EQT own 100 % of the membership interests in Frontier Intermediate GP, Inc., and EQT indirectly has exclusive responsibility for the management and control of such investment vehicles. ~~As such, EQT indirectly has the power to control the business and affairs of Kodiak Holdings.~~ In addition, certain of Kodiak's directors are currently employed by EQT. Consequently, EQT is able to influence matters that require approval by Kodiak's stockholders, including the election and removal of directors, changes to Kodiak's organizational documents, and approval of acquisition offers and other significant corporate transactions. This concentration of ownership will limit your ability to influence corporate matters, and as a result, actions may be taken that do you not view as beneficial. This concentration of stock ownership may also adversely affect the trading price of Kodiak Common Stock to the extent investors perceive a disadvantage in owning stock of a company with a ~~controlling~~ stockholder

that controls a significant percentage of its voting power. In connection with its IPO, Kodiak entered into the Kodiak Stockholders' Agreement with Kodiak Holdings, which granted Kodiak Holdings rights to approve certain of Kodiak's corporate actions, including, among other things, amendments to Kodiak's organizational documents, equity issuances, occurrence of certain indebtedness, changing the size of the Kodiak ~~board~~ **Board of directors**, dispositions of assets, modifying Kodiak's dividend policy, consummating a change of control transaction or entering into voluntary liquidation or the commencement of bankruptcy proceedings. In connection with the closing of Kodiak's IPO, Kodiak Holdings pledged the shares it owns in Kodiak as collateral under the Kodiak Holdings Term Loan and granted the lenders thereunder certain consent rights over Kodiak Holdings' exercise of its rights under the Kodiak Stockholders' Agreement. The lenders under the Kodiak Holdings Term Loan have different interests than Kodiak's stockholders and may exercise these consent rights in ways that are adverse to the interests of Kodiak's stockholders. EQT may have interests that conflict with the interests of Kodiak's other stockholders. Certain of Kodiak's directors may also have conflicts of interest because they are also employees of EQT, investment advisors to EQT managed funds, or directors or officers of EQT. The resolution of these conflicts of interest may not be in Kodiak's or your best interests. EQT may have interests that conflict with the interests of Kodiak's other stockholders. In connection with the closing of Kodiak's IPO, EQT pledged its shares in Kodiak as collateral under the Kodiak Holdings Term Loan. The lenders under the Kodiak Holdings Term Loan are funds or accounts managed by (i) the Infrastructure Debt strategy of Ares Management Corporation and (ii) Caisse de dépôt et placement du Québec. Pursuant to the Kodiak Holdings Term Loan, EQT is limited from taking or causing its subsidiaries from approving or taking certain actions without the consent of the lenders, including amending organizational documents, authorizing equity issuances in excess of certain thresholds, incurring indebtedness for borrowed money (other than indebtedness under the ABL Facility provided under and governed by the ABL Credit Agreement, certain working capital and ordinary course financings, and indebtedness otherwise permitted by the ABL Facility (other than certain unsecured debt)), materially modifying Kodiak's dividend policy, entering into certain affiliate transactions or entering into a voluntary liquidation or the commencement of bankruptcy proceedings. These restrictions are consistent with the consent rights held by Kodiak Holdings under the Kodiak Stockholders' Agreement. In addition, certain of Kodiak's directors may also have conflicts of interest because they are also employees of EQT, investment advisors to EQT managed funds, or directors or officers of EQT. These positions may conflict with such individuals' duties as one of Kodiak's directors or officers regarding business dealings and other matters between EQT and Kodiak. The resolution of these conflicts may not always be in Kodiak's or your best interest. EQT is not limited in its ability to compete with Kodiak, and the corporate opportunity provisions in the Kodiak Charter could enable EQT to benefit from corporate opportunities that may otherwise be available to Kodiak. EQT may invest in other companies in the future that may compete with Kodiak. Conflicts of interest could arise in the future between Kodiak, on the one hand, and EQT, on the other hand, concerning among other things, potential competitive business activities or business opportunities. Kodiak's amended and restated certificate of incorporation (the "Kodiak Charter") provides that, to the fullest extent permitted by applicable law, Kodiak renounce any interest or expectancy in any business opportunity that involves any aspect of the energy equipment or services business or industry and that may be from time to time presented to EQT or any of Kodiak's directors or officers who is also an employee, partner, member, manager, officer or director of EQT or any affiliate of EQT, even if the opportunity is one that Kodiak might reasonably have pursued or had the ability or desire to pursue if granted the opportunity to do so. The Kodiak Charter provides that no such person or party shall be liable to Kodiak by reason of the fact that such person pursues any such business opportunity or fails to offer any such business opportunity to Kodiak. As a result, any of Kodiak's directors or officers who is also an employee, partner, member, manager, officer or director of EQT or any affiliate of EQT may become aware, from time to time, of certain business opportunities, such as acquisition opportunities, and may direct such opportunities to other businesses in which they have invested, in which case Kodiak may not become aware of or otherwise have the ability to pursue such opportunity. Further, such businesses may choose to compete with Kodiak for these opportunities. As a result, by renouncing Kodiak's interest and expectancy in any business opportunity that may be from time to time presented to any member of EQT or an affiliate of EQT or any of Kodiak's directors or officers who is also an employee, partner, member, manager, officer or director of EQT or any affiliate of EQT, Kodiak's business or prospects could be adversely affected if attractive business opportunities are procured by such parties for their own benefit rather than for ours. The Kodiak Charter provides that, at any time EQT beneficially owns less than 35 % of the shares outstanding of Kodiak Common Stock, any amendment to or adoption of any provision inconsistent with the Kodiak Charter's provisions governing the renouncement of business opportunities must be approved by the holders of at least 66.66 % of the voting power of the outstanding stock of the corporation entitled to vote thereon. Any actual or perceived conflicts of interest with respect to the foregoing could have an adverse impact on the trading price of Kodiak Common Stock. A significant reduction by Kodiak Holdings of its ownership interests in Kodiak could adversely affect Kodiak. Kodiak believes that Kodiak Holdings' substantial ownership interest in Kodiak provides Kodiak Holdings and its affiliates with an economic incentive to assist Kodiak to be successful. Kodiak Holdings is not subject to any obligation to maintain its ownership interest in Kodiak and may elect at any time thereafter to sell all or a substantial portion of or otherwise reduce its ownership interest in Kodiak. If Kodiak Holdings sells all or a substantial portion of its ownership interest in Kodiak, it may have less incentive to assist in Kodiak's success and its affiliates serving as members of Kodiak's Board may resign. Furthermore, the shares that Kodiak Holdings owns are subject to a pledge as collateral under the Kodiak Holdings Term Loan. In the event that Kodiak Holdings is subject to a continuing event of default under the Kodiak Holdings Term Loan, after the expiration of any applicable grace period and subject to the exercise of applicable cure rights, the lenders may foreclose on such shares and acquire ~~a~~ **controlling Kodiak Holdings'** interest in Kodiak. In such case, the lenders would assume Kodiak Holdings' rights under the Kodiak Stockholders' Agreement and would thereafter have consent rights over many aspects of Kodiak's business, including any modifications to Kodiak's dividend policy and the ability to nominate directors. The lenders under the Kodiak Holdings Term Loan may have different interests than Kodiak Holdings and may have interests that are different from, or conflict with,

those of Kodiak's other stockholders. Such actions could adversely affect Kodiak's ability to successfully implement its business strategies which could adversely affect its cash flows or results of operations. Risks Related to Kodiak's Indebtedness

Kodiak's substantial indebtedness could adversely affect its financial condition and impair Kodiak's ability to operate its business. Kodiak has a significant amount of indebtedness. As of December 31, 2023, Kodiak's total long-term debt was approximately \$ 2.86 billion in aggregate principal amount. On February 2, 2024, Kodiak issued including \$ 750 million principal amount of senior notes due 2029 which were issued February 2, 2024 with aggregate principal amount of \$ 750 million. Subject to the limits contained in the ABL Credit Agreement, Kodiak may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, dividends or for other purposes. If Kodiak does so, the risks related to its substantial indebtedness could intensify. Specifically, Kodiak's substantial indebtedness could have important consequences, including the following:

- making it more difficult for Kodiak to satisfy its obligations with respect to its debt;
- limiting Kodiak's ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general company requirements on favorable terms or at all;
- requiring a substantial portion of Kodiak's cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, future business opportunities and other general purposes;
- increasing Kodiak's vulnerability to general adverse economic and industry conditions;
- exposing Kodiak to the risk of increased interest rates as certain of its borrowings, including borrowings under the ABL Credit Agreement, are at variable rates of interest;
- limiting Kodiak's flexibility in planning for and reacting to changes in the industry in which it competes;
- consequences relating to adverse borrowing base redeterminations;
- placing Kodiak at a disadvantage compared to other, less leveraged competitors; and
- increasing Kodiak's cost of borrowing.

In addition, Kodiak's ability to refinance Kodiak's indebtedness prior to maturity is dependent on the condition of the capital and credit markets and Kodiak's financial condition. Kodiak can provide no assurance that it will be able to refinance its indebtedness or that any indebtedness incurred to refinance Kodiak's indebtedness will be on comparable terms. See the section titled "Risk Factors — Risk Factors Related to Our Business and Our Industry — Kodiak may be unable to access the capital and credit markets or borrow on affordable terms to obtain additional capital that Kodiak may require" of this Annual Report for more information. Kodiak may not be able to generate sufficient cash to service all of its indebtedness and may be forced to take other actions to satisfy its obligations under its indebtedness, which may not be successful. Kodiak's ability to generate cash depends on many factors beyond Kodiak's control. Kodiak's ability to make scheduled payments on or refinance its debt obligations depends on its financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. Kodiak may be unable to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness. If Kodiak's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. Kodiak may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow Kodiak to meet its scheduled debt service obligations. The ABL Credit Agreement and the Indenture (as defined below) restricts Kodiak's ability to dispose of assets and use the proceeds from those dispositions and may also restrict Kodiak's ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. Kodiak may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. In addition, Kodiak may in the future conduct its operations through subsidiaries, certain of which may not be guarantors of Kodiak's indebtedness. Accordingly, repayment of Kodiak's indebtedness may be dependent on the generation of cash flow by its subsidiaries and their ability to make such cash available to Kodiak, by dividend, debt repayment or otherwise. Unless they are guarantors of its indebtedness, Kodiak's subsidiaries do not have any obligation to pay amounts due on Kodiak's indebtedness or to make funds available for that purpose. Kodiak's subsidiaries may not be able to, or may not be permitted to, make distributions to enable Kodiak to make payments in respect of Kodiak's indebtedness. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit Kodiak's ability to obtain cash from its subsidiaries. While the ABL Credit Agreement and the Indenture limit the ability of Kodiak's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to Kodiak, these limitations are subject to qualifications and exceptions. In the event that Kodiak does not receive distributions from its subsidiaries, Kodiak may be unable to make required principal and interest payments on its indebtedness. Kodiak's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect Kodiak's financial position and results of operations and Kodiak's ability to satisfy its obligations under the ABL Facility. Kodiak's ability to generate cash in the future is, to a significant extent, subject to general economic, financial, competitive, legislative, tax, regulatory, environmental and other factors that are beyond Kodiak's control. If Kodiak cannot make scheduled payments on its debt, Kodiak will be in default and the lenders under the ABL Facility could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings, holders of the notes could declare all outstanding principal and interest to be due and payable and Kodiak could be forced into bankruptcy or liquidation. The terms of the ABL Credit Agreement and the Indenture restrict Kodiak's current and future operations, particularly Kodiak's ability to respond to changes or to take certain actions. The ABL Credit Agreement and the Indenture contain restrictive covenants (which contain a number of exceptions and qualifications that may be material) that impose significant operating and financial restrictions on Kodiak and may limit Kodiak's ability to engage in acts that may be in Kodiak's long-term best interest, including restrictions on Kodiak's ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions or repurchase or redeem equity interests;
- prepay, redeem or repurchase certain debt;
- issue certain preferred units or similar equity securities;
- make loans and investments;
- sell, transfer

or otherwise dispose of assets; • incur liens; • enter into transactions with affiliates; • enter into agreements restricting Kodiak's restricted subsidiaries' ability to pay dividends; • enter into certain swap agreements; • amend certain organizational documents; • create **certain** subsidiaries; • enter into sale and leaseback transactions; • consolidate, merge or sell all or substantially all of Kodiak's assets; and • engage in certain other transactions without the prior consent of the lenders. In addition, the ABL Credit Agreement contains certain operating and financial covenants and requires Kodiak to maintain specified financial ratios and satisfy other financial condition tests. Kodiak's ability to comply with those covenants and meet those financial ratios and tests can be affected by events beyond Kodiak's control, and Kodiak may be unable to meet them. A breach of the covenants or restrictions under the ABL Credit Agreement or the Indenture could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the ABL Credit Agreement would permit the lenders under the ABL Facility to terminate all commitments to extend further credit under that facility. Furthermore, if Kodiak were unable to repay the amounts due and payable under the ABL Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event Kodiak's lenders or note holders accelerate the repayment of Kodiak's borrowings, Kodiak and its subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, Kodiak may be: • limited in how Kodiak conducts its business; • unable to raise additional debt or equity financing to operate during general economic or business downturns; or • unable to compete effectively or to take advantage of new business opportunities. These restrictions may affect Kodiak's ability to grow in accordance with Kodiak's strategy. In addition, Kodiak's financial results, Kodiak's substantial indebtedness and Kodiak's credit ratings could adversely affect the availability and terms of Kodiak's financing. Kodiak's variable rate indebtedness subjects it to interest rate risk, which could cause its debt service obligations to increase significantly. Borrowings under the ABL Credit Agreement are at variable rates of interest and expose Kodiak to interest rate risk. **Despite the interest rate reductions from the Federal Reserve's reduction in the target Fed Funds Rate in the third and fourth quarters of 2024, interest rates could be increased again in the future.** If interest rates were to increase, Kodiak's debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and Kodiak's net income and cash flows, including cash available for servicing Kodiak's indebtedness, ~~will~~ **would** correspondingly decrease. Kodiak has in the past entered into, and in the future may enter into, interest rate swaps that involve the exchange of floating for fixed rate interest payments to reduce interest rate volatility. However, Kodiak may not maintain interest rate swaps with respect to all of Kodiak's variable rate indebtedness, and any swaps it enters into may not fully mitigate Kodiak's interest rate risk. **Kodiak may not be able to..... could be forced into bankruptcy or liquidation**. Despite Kodiak's current level of indebtedness, Kodiak and its subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to Kodiak's financial condition described above. Kodiak and its subsidiaries may be able to incur significant additional indebtedness in the future. Although the ABL Credit Agreement and the Indenture contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. If Kodiak incurs any additional indebtedness that ranks equally to Kodiak's outstanding debt obligations, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of Kodiak's business. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent Kodiak from incurring obligations that do not constitute indebtedness. In addition, as of December 31, ~~2023~~ **2024**, the ABL Facility provided for unused commitments of \$ ~~354.322~~ **9.5** million. Because the borrowing capacity under the ABL Facility is determined on the basis of a fluctuating borrowing base comprised predominantly of ~~eligible accounts receivable, inventory and~~ the appraised value of our compression units, such amounts may not reflect future borrowing capacity. If new debt is added to Kodiak's current debt levels, the related risks that Kodiak and the guarantors now face could intensify. Risks Related to Owning Kodiak Common Stock ~~Kodiak is a "controlled company" within the meaning of the rules of the NYSE and, as a result, qualifies for, but does not currently rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements. Kodiak Holdings directly controls (and EQT indirectly controls) a majority of Kodiak's voting power. As a result, Kodiak is a "controlled company" within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and need not comply with certain requirements, including the requirement that a majority of the board of directors consist of independent directors and the requirements that Kodiak's compensation and nominating and governance committees be composed entirely of independent directors. Kodiak does not currently utilize these exemptions. However, for so long as Kodiak qualifies as a "controlled company," it will maintain the option to utilize some or all of these exemptions. If Kodiak utilizes these exemptions, it may not have a majority of independent directors and Kodiak's compensation and nominating and governance committees may not consist entirely of independent directors, and such committees will not be subject to annual performance evaluations. Accordingly, in the event Kodiak elects to rely on these exemptions in the future, you would not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.~~ If securities or industry analysts do not publish research reports or publish unfavorable research about Kodiak's business, the trading volume of Kodiak Common Stock could be negatively impacted and the price could decline resulting in decreased demand for Kodiak Common Stock by investors. The trading market for Kodiak Common Stock depends in part on the research reports that securities or industry analysts publish about Kodiak or its business. If securities or industry analysts suspend or cease coverage of Kodiak, the trading price for Kodiak Common Stock and other securities could be negatively affected. In the event one or more of the analysts who covers Kodiak downgrades Kodiak's securities, the price of Kodiak's securities would likely decline. If one or more of these analysts ceases to cover Kodiak or fails to publish regular reports on Kodiak, interest in the purchase of

Kodiak's securities could decrease, which could cause the price of Kodiak Common Stock and other securities and their trading volume to decline. The Kodiak Charter and Kodiak Bylaws contain provisions that could delay, discourage or prevent a takeover attempt even if a takeover might be beneficial to Kodiak's stockholders, and such provisions may adversely affect the market price of Kodiak Common Stock. Provisions contained in the Kodiak Charter and Kodiak Bylaws could make it more difficult for a third party to acquire Kodiak. The Kodiak Charter and Kodiak Bylaws also impose various procedural and other requirements, which could make it more difficult for stockholders to effect certain corporate actions. For example, the Kodiak Charter authorizes the Kodiak ~~board~~ **Board of directors** to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock without any vote or action by Kodiak's stockholders. Thus, the Kodiak ~~board~~ **Board of directors** can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of Kodiak's capital stock. These rights may have the effect of delaying or deterring a change of control of Kodiak. Additionally, for example, ~~Kodiak's~~ the Kodiak Bylaws (as defined below) (i) establish limitations on the removal of directors and on the ability of Kodiak's stockholders to call special meetings, (ii) include advance notice requirements for nominations for election to the Kodiak ~~board~~ **Board of directors** and for proposing matters that can be acted upon at stockholder meetings, (iii) provide that the Kodiak ~~board~~ **Board of directors** is expressly authorized to adopt, or to alter or repeal, the Kodiak Bylaws, and (iv) provide for a classified ~~board~~ **Board of directors**, consisting of three classes of approximately equal size, each class serving staggered three-year terms, so that only approximately one-third of Kodiak's directors are elected each year. These provisions could limit the price that certain investors might be willing to pay in the future for shares of Kodiak Common Stock. The Kodiak Charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Kodiak's stockholders, which could limit Kodiak's stockholders' ability to obtain a favorable judicial forum for disputes with Kodiak or its directors, officers, employees or agents. The Kodiak Charter provides that, unless it consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on Kodiak's behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of Kodiak's directors, officers, employees or agents to Kodiak or its stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, the Kodiak Charter or Kodiak Bylaws, or (iv) any action asserting a claim against Kodiak that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Notwithstanding the foregoing sentence, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under U. S. federal securities laws, including the Securities Act and the Exchange Act. Any person or entity purchasing or otherwise acquiring any interest in shares of Kodiak's capital stock will be deemed to have notice of, and consented to, the provisions of the Kodiak Charter described in the preceding sentences. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with Kodiak or its directors, officers, employees or agents, which may discourage such lawsuits against Kodiak and such persons. Alternatively, if a court were to find these provisions of the Kodiak Charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, Kodiak may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect Kodiak's business, financial condition or results of operations. Kodiak cannot assure you that it will be able to pay dividends on the Kodiak Common Stock. The Kodiak ~~board~~ **Board of directors** may elect to declare cash dividends on the Kodiak Common Stock, subject to its compliance with applicable law, and depending on, among other things, economic conditions, Kodiak's financial condition, results of operations, projections, liquidity, earnings, legal requirements, and restrictions in the agreements governing Kodiak's indebtedness (as further discussed below). The declaration and amount of any future dividends is subject to the discretion of the Kodiak ~~board~~ **Board of directors** and Kodiak has no obligation to pay any dividends at any time. Kodiak's ability to pay dividends depends on Kodiak's receipt of cash dividends from Kodiak's operating subsidiaries, which may further restrict Kodiak's ability to pay dividends as a result of the laws of their jurisdiction of organization, agreements of Kodiak's subsidiaries or covenants under any existing and future outstanding indebtedness Kodiak or its subsidiaries incur. See Note **11.9** ("Debt and Credit Facilities") to Kodiak's annual financial statements. **Additionally, Kodiak's ABL Facility contains restrictions on the payment of dividends. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Description of Indebtedness" for more information regarding Kodiak's** restrictions allow Kodiak to pay dividends only when (1) no default or event of default has occurred and is continuing or would result after giving effect to such dividends, (2) availability under the borrowing base under the ABL Facility exceeds the greater of (x) 10% of the total commitments under the facility of \$2.2 billion or (y) \$200 million, and (3) Kodiak is in compliance with the financial covenants under the ABL Facility applicable at such time. Such covenants provide that (1) Kodiak maintains an interest coverage ratio of at least 2.50 to 1.00 and (2) Kodiak maintains a leverage ratio not to exceed (i) 5.50 to 1.00 for the fiscal quarters through June 30, 2023, (ii) 5.25 to 1.00 for the fiscal quarters thereafter through December 31, 2023, (iii) 5.00 to 1.00 for the fiscal quarter ended March 31, 2024, (iv) 4.75 to 1.00 for the fiscal quarter ended June 30, 2024 and (v) 4.50 to 1.00 for each fiscal quarter thereafter. In the event Kodiak issues certain unsecured debt, Kodiak must (1) maintain an unsecured leverage ratio not to exceed 5.75 to 1.00 for the first four fiscal quarters after such issuance and 5.25 to 1.00 for each fiscal quarter thereafter and (2) maintain a secured leverage ratio not to exceed 3.50 to 1.00 for the first four fiscal quarters after such issuance and 3.00 to 1.00 for each fiscal quarter thereafter. On January 22, 2024, Kodiak, and certain other subsidiaries of Kodiak entered into the Third Amendment, which amends the Existing ABL Credit Agreement. The Third Amendment, among other things, amended certain provisions of the Existing ABL Credit Agreement (i) to accommodate the consummation of the transactions contemplated by the Merger Agreement and (ii) to account for Kodiak's organizational structure after giving effect to the transactions contemplated by the Merger Agreement. See Note 21 ("Subsequent Events") for additional disclosures. Due to the foregoing, Kodiak cannot assure

you that it will be able to pay a dividend in the future or continue to pay a dividend after it commences paying dividends. **The U. S. federal income tax treatment of distributions on common stock to a U. S. holder will depend upon Kodiak's tax attributes and the U. S. holder's tax basis in the common stock, which are not necessarily predictable and can change over time. Distributions of cash or other property on common stock, if any, will constitute dividends for U. S. federal income tax purposes to the extent paid from Kodiak's current or accumulated earnings and profits, as determined under U. S. federal income tax principles. To the extent those distributions exceed Kodiak's current and accumulated earnings and profits, the distributions will be treated as a non- taxable return of capital to the extent of the U. S. holder's tax basis in its shares of common stock and thereafter as capital gain from the sale or exchange of such shares. Also, if any U. S. holder sells shares of common stock, the U. S. holder will recognize a gain or loss equal to the difference between the amount realized and the U. S. holder's tax basis in such shares. To the extent that the amount of Kodiak's distributions is treated as a non- taxable return of capital as described above, such distribution will reduce the U. S. holder's tax basis in its shares of common stock. Consequently, such excess distributions will result in a corresponding increase in the amount of gain, or a corresponding decrease in the amount of loss, recognized by the U. S. holder upon the sale of shares of common stock or subsequent distributions with respect to such shares. Additionally, with regard to U. S. corporate holders of common stock, to the extent that a distribution on common stock exceeds both Kodiak's current and accumulated earnings and profits and such U. S. holder's tax basis in such shares, such U. S. holders would be unable to utilize the corporate dividends- received deduction (to the extent it would otherwise be applicable to such U. S. holder) with respect to the gain resulting from such excess distribution.**

Terms of subsequent financings may adversely impact stockholder equity. If Kodiak raises more equity capital from the sale of Kodiak Common Stock, such equity could be offered at a price more favorable than the then current market price of Kodiak Common Stock. If Kodiak issues debt securities, the holders of the debt would have a claim to Kodiak's assets that would be prior to the rights of stockholders until the debt is paid. Interest on these debt securities would increase costs and could negatively impact Kodiak's operating results. In accordance with Delaware law and the provisions of Kodiak's certificate of incorporation and the Kodiak Stockholders' Agreement, Kodiak may issue one or more classes or series of preferred stock that ranks senior in right of dividends, liquidation or voting to Kodiak Common Stock. Preferred stock may have such designations, preferences, limitations and relative rights, including preferences over Kodiak Common Stock respecting dividends and distributions, as the Kodiak ~~board~~ **Board of directors** may determine, and the issuance of preferred stock would dilute the ownership of Kodiak's existing stockholders. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of Kodiak Common Stock. For example, Kodiak might grant holders of preferred stock the right to elect some number of Kodiak's directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences Kodiak might assign to holders of preferred stock could affect the residual value of the common stock. The terms of any series of preferred stock may also reduce or eliminate the amount of cash available for payment of dividends to Kodiak's holders of common stock or subordinate the claims of Kodiak's holders of common stock to Kodiak's assets liquidation. Kodiak Common Stock will not be subject to redemption or sinking fund provisions. Taking advantage of the reduced disclosure requirements applicable to "emerging growth companies" may make Kodiak Common Stock less attractive to investors. Kodiak qualifies as an "emerging growth company" as defined in the JOBS Act. An emerging growth company may take advantage of certain reduced reporting and other requirements that are otherwise applicable generally to public companies. Pursuant to these reduced disclosure requirements, emerging growth companies are not required to, among other things, comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, provide certain disclosures regarding executive compensation, hold stockholder advisory votes on executive compensation or obtain stockholder approval of any golden parachute payments not previously approved. In addition, emerging growth companies have longer phase- in periods for the adoption of new or revised financial accounting. Kodiak will cease to be an emerging growth company upon the earliest of (i) the last day of the fiscal year in which Kodiak has \$ 1. 235 billion or more in annual revenues; (ii) the date on which Kodiak becomes a "large accelerated filer" (the fiscal year- end on which the total market value of Kodiak's common equity securities held by non- affiliates is \$ 700 million or more as of June 30); (iii) the date on which Kodiak issues more than \$ 1. 0 billion of non- convertible debt securities over a three- year period; or (iv) the last day of the fiscal year following the fifth anniversary of Kodiak's IPO. Kodiak intends to take advantage of all of the reduced reporting requirements and exemptions, including the longer phase- in periods for the adoption of new or revised financial accounting standards under Section 107 of the JOBS Act, until Kodiak is no longer an emerging growth company. If Kodiak were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to Section 107 of the JOBS Act. Kodiak's election to use the phase- in periods permitted by this election may make it difficult to compare Kodiak's financial statements to those of non- emerging growth companies and other emerging growth companies that have opted out of the longer phase- in periods under Section 107 of the JOBS Act and who will comply with new or revised financial accounting standards. Kodiak cannot predict if investors will find Kodiak Common Stock less attractive because Kodiak will rely on these exemptions. If some investors find Kodiak Common Stock less attractive as a result, there may be a less active trading market for Kodiak Common Stock and Kodiak Common Stock price may be more volatile. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. In addition, if Kodiak ceases to be an emerging growth company, Kodiak will no longer be able to take advantage of certain exemptions from reporting, and ~~absent~~ **absent** other exemptions or relief available from the SEC, Kodiak will also be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act. Kodiak will incur additional expenses in connection with such compliance and Kodiak's management will need to devote additional time and effort to implement and comply with such requirements. ~~Risks Related to the Merger~~ **The Merger is subject to various closing conditions, and any delay in completing the Merger may reduce or eliminate the benefits expected. The Merger is subject to the**

satisfaction of a number of other conditions beyond Kodiak's control that may prevent, delay or otherwise materially adversely affect the completion of the Merger. These conditions include, among other things, the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Kodiak cannot predict with certainty whether and when any of these conditions will be satisfied. Any delay in completing the Merger could cause the combined company not to realize, or delay the realization, of some or all of the benefits that Kodiak expects to achieve from the Merger. Kodiak may fail to realize all of the anticipated benefits of the Merger or those benefits may take longer to realize than expected. Kodiak may also encounter significant difficulties in integrating the acquired business. Kodiak's ability to realize the anticipated benefits of the Merger will depend, to a large extent, on Kodiak's ability to successfully integrate the acquired business. The integration of a business is a complex, costly and time-consuming process. As a result, Kodiak will be required to devote significant management attention and resources to integrating Kodiak's business practices and operations with the business practices and operations of the acquired business. The integration process may disrupt Kodiak's business and, if implemented ineffectively, would restrict the full realization of the anticipated benefits from the acquisition. The failure to meet the challenges involved in integrating the acquired business and to realize the anticipated benefits of the transaction could adversely impact the carrying value of the acquisition premium or goodwill; could cause an interruption of, or a loss of momentum in, Kodiak's business activities; and could adversely impact Kodiak's business, financial condition or results of operations. In addition, the overall integration of the acquired business may result in material unanticipated problems, expenses, liabilities, loss of customers and diversion of the attention of Kodiak's management and employees. The challenges of integrating the operations of acquired businesses include, among others: • difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the Merger; • difficulties in the integration of operations and systems, including information technology systems; • difficulties in establishing effective uniform controls, standards, systems, procedures, business cultures, compensation structures and accounting and other policies between the two businesses; • difficulties in the acculturation of employees; • difficulties managing the expanded operations of a larger and more complex company, including in new regions and countries and in new, ancillary business lines; • challenges in keeping existing customers and obtaining new customers; • challenges in attracting and retaining key personnel, including personnel that are considered key to the future success of the business; and • challenges in keeping key business relationships in place. Many of these factors are outside of Kodiak's control, and any one of them could result in increased costs and liabilities, decreases in the amount of expected revenue and earnings, and diversion of management's time and energy, which could have a material adverse effect on Kodiak's business, financial condition and results of operations. In addition, even if the operations of Kodiak's business and the acquired business are integrated successfully, the full benefits of the Merger may not be realized, including the synergies, cost savings, growth opportunities or cash flows that are expected, and Kodiak will also be subject to additional risks that could impact future earnings. These benefits may not be achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in the integration of the acquired business. In addition, it is possible that the integration process could result in the loss of key employees and inconsistencies in standards, controls, procedures and policies, which may adversely affect Kodiak's ability to maintain relationships with Kodiak's customers and employees or to achieve the anticipated benefits of the Merger. These integration matters and Kodiak's amount of indebtedness may hinder Kodiak's ability to make further acquisitions and could have an adverse effect on Kodiak for an undetermined period after the Merger. All of these factors could decrease or delay the expected accretive effect of the Merger or have a material adverse effect on Kodiak's business, financial condition and results of operations. The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following the Merger. Following the Merger, the size of the business, both domestically and internationally, of the combined company will have increased significantly beyond the current size of either Kodiak's current business. The combined company's future success depends, in part, upon Kodiak's ability to manage this expanded business, which will pose substantial challenges for Kodiak's management, including challenges related to the management and monitoring of new operations, which utilize different operation processes, and associated increased costs and complexity. The combined company will be subject to non-U. S. laws, which will be a significant change from Kodiak's current U. S.-only operations. Kodiak may not be successful in realizing the expected operating efficiencies, cost savings, revenue enhancements and other benefits currently anticipated from the Merger. Furthermore, Kodiak has incurred and expects to incur significant costs, expenses and fees for professional services and other transaction costs in connection with the Merger. In addition, the continued integration of the two businesses could result in additional costs and expenses that were not expected or anticipated, and such costs and expenses could materially and adversely affect the prospects, business, financial condition, results of operations and cash flows of the combined company. Kodiak will incur substantial transaction-related costs in connection with the Merger, including fees paid to legal, financial and accounting advisors, filing fees and printing costs. Kodiak has incurred and expects to incur a number of non-recurring costs associated with the Merger. These costs include financial advisory, legal, accounting, consulting and other advisory fees, severance / employee benefit-related costs, public company filing fees and other regulatory fees, printing costs and other related costs. Some of these costs are payable by Kodiak regardless of whether or not the Merger is completed. Kodiak expects to incur substantial costs in connection with the related integration of the Merger. There are a large number of processes, policies, procedures, operations, technologies and systems that may need to be integrated, including purchasing, accounting and finance, sales, payroll, pricing and benefits. While Kodiak has assumed that a certain level of costs will be incurred, there are many factors beyond Kodiak's control that could affect the total amount or the timing of the integration costs. Moreover, many of the costs that will be incurred are, by their nature, difficult to estimate accurately. These costs could, particularly in the near term, exceed the savings that Kodiak expects to achieve from the elimination of duplicative costs and the realization of economies of scale and cost savings. These integration costs may result in Kodiak taking significant charges against earnings following the completion of the Merger, and the amount and timing of such charges are uncertain at present. General Risks A financial crisis or deterioration in general economic, business or industry

conditions could materially adversely affect Kodiak's results of operations, financial condition and ability to pay dividends on Kodiak Common Stock. Concerns over global economic conditions, stock market volatility, energy costs, geopolitical issues, **persistent inflation-inflationary pressures** and **uncertain** U. S. Federal Reserve interest rate increases **in response**, the availability and cost of credit, and slowing of economic growth in the United States and fears of a recession have contributed and may continue to contribute to economic uncertainty and diminished expectations for the global economy. Concerns about global economic growth can result in a significant adverse impact on global financial markets and commodity prices. In addition, a financial crisis may cause Kodiak to face limitations on its ability to borrow under its debt agreements, service its debt obligations, access the debt and equity capital markets and complete asset purchases or sales, may cause increased counterparty credit risk on its derivative instruments and may lead such counterparties to make Kodiak post collateral guaranteeing Kodiak's performance. Further, if there is a financial crisis or the economic climate in the United States or abroad deteriorates, worldwide demand for natural gas or oil could materially decrease, which would likely depress the level of production activity and result in a decline in the demand for Kodiak's **Compression Operations-business and services** and ultimately materially adversely impact its results of operations and financial condition. If a material adverse change occurs in Kodiak's business such that an event of default occurs under its debt agreements, the lenders under such agreements may be able to accelerate the maturity of its debt. Events outside of Kodiak's control, including an epidemic or outbreak of an infectious disease or the threat thereof, could have a material adverse effect on Kodiak's business, liquidity, financial condition, results of operations, cash flows and ability to pay dividends on Kodiak Common Stock. Kodiak faces risks related to pandemics, epidemics, outbreaks or other public health events, or the threat thereof, that are outside of its control, and could significantly disrupt its business and operational plans and adversely affect its liquidity, financial condition, results of operations, cash flows and ability to pay dividends on Kodiak Common Stock. ~~For example, the COVID-19 pandemic adversely affected the global economy and resulted in unprecedented governmental actions in the United States and countries around the world, including, among other things, social distancing guidelines, travel restrictions and stay-at-home orders; among other actions, which caused a significant decrease in activity in the global economy and the demand for oil, and to a lesser extent, natural gas.~~ The nature, scale and scope of the above- described events, combined with the uncertain duration and extent of governmental actions, prevent Kodiak from identifying all potential risks to its business. Inflation may adversely affect Kodiak by increasing costs beyond what it can recover through price increases and limit its ability to enter into future traditional debt financing. **Persistent Inflation-inflationary has pressures have** adversely affected Kodiak by increasing costs of critical components, equipment, labor and other services it may rely on, and continued inflationary pressures could prevent Kodiak from operating at capacity, decreasing its revenues or having an adverse effect on its profitability. In addition, inflation is often accompanied by higher interest rates. Such higher interest rates may affect Kodiak's ability to enter into future debt financing, as high inflation may result in an increase in cost to borrow. ~~A deterioration in general economic, business, geopolitical or industry conditions could materially adversely affect Kodiak's results of operations, financial condition and cash flows.~~ Concerns over global economic conditions, energy costs, geopolitical issues, including the conflicts between Russia and Ukraine and the Israel-Hamas war, the impacts of the COVID-19 pandemic or a similar global health crisis, inflation, the availability and cost of credit and slow economic growth in the United States have contributed to general economic uncertainty and diminished expectations for the global economy. Additionally, acts of protest and civil unrest have caused economic and political disruption in the United States. Meanwhile, continued hostilities in Europe and the Middle East and the occurrence or threat of terrorist attacks in the United States or other countries could adversely affect the economies of the United States and other countries. If the economic climate in the United States or abroad deteriorates, worldwide demand for energy could destabilize, which could materially adversely affect Kodiak's and its customers' operations, financial condition and cash flows. Kodiak's ability to use net operating losses ("NOLs") to offset future income may be limited. Kodiak's ability to use any NOLs generated by it could be substantially limited if Kodiak were to experience an "ownership change" as defined under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"). In general, an "ownership change" would occur if Kodiak's "5- percent stockholders," as defined under Section 382 of the Code, including certain groups of persons treated as "5- percent stockholders," collectively increased their ownership in Kodiak by more than 50 percentage points over a rolling three- year period. An ownership change can occur as a result of a public offering of Kodiak Common Stock, as well as through secondary market purchases of Kodiak Common Stock and certain types of reorganization transactions. Such a limitation could, for any given year, have the effect of increasing the amount of Kodiak's U. S. federal income tax liability, which would negatively impact its financial condition and the amount of after- tax cash available for distribution to Kodiak's stockholders. Tax legislation and administrative initiatives or challenges to Kodiak's tax positions could adversely affect its results of operations and financial condition. Kodiak operates in locations throughout the U. S. and, as a result, Kodiak is subject to the tax laws and regulations of U. S. federal, state and local governments. From time to time, various legislative or administrative initiatives may be proposed that could adversely affect Kodiak's tax positions. There can be no assurance that Kodiak's tax provision or tax payments will not be adversely affected by these initiatives. In addition, U. S. federal, state and local tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that Kodiak's tax positions will not be challenged by relevant tax authorities or that it would be successful in any such challenge. ~~After the consummation of the Merger, Kodiak will be~~ **is also** subject to non- US tax laws that **are may be** significantly different from Kodiak's current U. S. tax treatment. ~~Kodiak previously identified a material weakness in its internal controls, which was remediated, however Kodiak cannot provide assurances that additional material weaknesses will not occur in the future. If Kodiak's internal control over financial reporting or Kodiak's disclosure controls and procedures are not appropriately designed or effective, Kodiak may not be able to accurately report its financial results, prevent fraud, or file its periodic reports in a timely manner. As disclosed in Item 9A, "Controls and Procedures," during the preparation and review of the unaudited interim condensed consolidated financial statements for the three and six month periods ended June 30, 2023 and 2022, Kodiak~~

~~identified a previously corrected adjusting entry that was erroneously recorded in the three months ended June 30, 2022 and should have been recorded in the three months ended March 31, 2022. This entry was specific to the unrealized (loss) gain on derivatives and did not impact the six month period ended June 30, 2022 unaudited interim condensed consolidated financial statements. Additionally, as described more fully in Item 9A, "Controls and Procedures," we executed a remediation plan with respect to the material weakness and, as a result determined that, as of December 31, 2023, such material weakness has been remediated. Completion of remediation does not provide assurance that our remediation or other controls will continue to operate properly or remain adequate. Any failure to design or maintain effective internal control over financial reporting or any difficulties encountered in their implementation or improvement could increase compliance costs, negatively impact the market price of Kodiak Common Stock, or otherwise harm Kodiak's operating results or cause Kodiak to fail to meet its reporting obligations.~~