

Risk Factors Comparison 2025-03-13 to 2024-03-08 Form: 10-K

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Investing in our Common Stock involves a high degree of risk. You should carefully consider the information in this Annual Report, including the matters addressed under “ Cautionary **Note Statement** Regarding Forward- Looking Statements ” and the following risks before making an investment decision. If any of the following risks or uncertainties or any other risks or uncertainties of which we are currently unaware actually occur, or if any of our underlying assumptions prove to be incorrect, our business, financial condition and results of operations could be materially adversely affected. The trading price of our Common Stock could decline due to any of these risks, and you may lose all or part of your investment. Risks Relating to Our Business Our business depends on domestic capital spending by the oil and natural gas industry, and reductions in capital spending could have a material adverse effect on our business, financial condition and results of operations. Our revenues are generated primarily from customers who are engaged in drilling for and production of oil and natural gas. Demand for services in the oil and natural gas industry is cyclical and subject to sudden and significant volatility, and we depend on our customers’ willingness to make capital and operating expenditures to explore for, develop and produce oil and natural gas in the United States. The oil and gas industry experienced significant increases in activity in late 2021 and 2022 due to the recovery from the COVID- 19 pandemic and increasing demand for oil and gas. Average oil prices and natural gas prices and activity subsequently decreased in 2023 **and 2024** compared to 2022, ~~before~~ **with average oil prices and activity** stabilizing in late 2023 **and natural gas prices continuing to decrease through the end of 2024**. Oil and natural gas prices have been, and may remain, volatile, which impacts demand for our business. However, an unexpected slowdown in economic activity may result in lower capital expenditures, project modifications, delays or cancellations, general business disruptions, and delays in payment of, or nonpayment of, amounts that are owed to us, which could have a material adverse effect on our financial condition, results of operations and cash flows. Over the past several years, an increasing number of E & P companies increased their focus on generating free cash flow; as a result, if oil prices drop or spending for activities exceeds amounts budgeted earlier in their fiscal years, many E & P companies will sharply curtail spending, which negatively impacts demand for our services. This practice has been commonly referred to as “ budget exhaustion ” in the industry. The lack of notice of budget exhaustion negatively impacts our hiring practices and operating efficiencies. Additional factors over which we have no control that could affect our customers’ willingness to undertake drilling, completion, production, and intervention spending activities include: • the level of prices, and expectations about prices, for oil and natural gas; • the level of domestic and global oil and natural gas production; • the level of domestic and global oil and natural gas inventories; • the availability, pricing and perceived safety of pipeline, trucking, train storage and other transportation capacity; • the supply of and demand for oilfield services and equipment; • lead times associated with acquiring equipment and availability of qualified personnel; • the cost of exploring for, developing, producing and delivering oil and natural gas; • the expected rates of decline in production from existing and prospective wells; • the discovery rates of new oil and natural gas reserves; • any prolonged reduction in the overall level of oil and natural gas E & P activities, whether resulting from changes in oil and natural gas prices or otherwise; • uncertainty in capital and commodities markets and the ability of oil and natural gas E & P companies to raise equity capital and debt financing; • federal, state and local regulation of hydraulic fracturing and other oilfield service activities, as well as E & P activities, including public pressure on governmental bodies and regulatory agencies to regulate the oil and gas industry; • moratoriums on drilling activity resulting in a cessation of operation or a failure to expand operations; • adverse weather conditions, including rain, tropical storms, hurricanes and severe cold weather, that can affect oil and natural gas operations over a wide area; • oil refining capacity; • merger and divestiture activity among oil and gas producers; • the availability of water resources and suitable proppants in sufficient quantities and on acceptable terms for use in hydraulic fracturing operations; • the availability, capacity and cost of disposal and recycling services for used hydraulic fracturing fluids; • the political environment in oil and natural gas producing regions, including uncertainty or instability resulting from civil disorder, terrorism or war, such as the continuing conflicts in Ukraine and Israel; • worldwide political, military and economic conditions; • global or national health pandemics, epidemics or concerns, such as the COVID- 19 pandemic, which reduced and may further reduce demand for oil and natural gas and related products due to reduced global or national economic activity; • actions of the Organization of the Petroleum Exporting Countries (“ OPEC”), its members and other state- controlled oil companies relating to oil and natural gas price and production levels, including announcements of potential changes to such levels; • advances in exploration, development and production technologies or in technologies affecting energy consumption; • stockholder activism or activities by non- governmental organizations to restrict the exploration, development and production of oil and natural gas; • the potential acceleration of the energy transition and development of alternative fuels; and • the price and availability of alternative fuels and energy sources. The volatility of oil and natural gas prices may adversely affect the demand for our services and negatively impact our results of operations. The demand for our services is primarily determined by current and anticipated oil and natural gas prices and the related levels of capital spending and drilling activity in the areas in which we have operations. Volatility or weakness in oil prices or natural gas prices (or the perception that oil prices or natural gas prices will decrease) affects the spending patterns of our customers and may result in the drilling of fewer new wells. This, in turn, could lead to lower demand for our services and may cause lower utilization of our assets. We have experienced, and may in the future experience, significant fluctuations in operating results as a result of the reactions of our customers to changes in oil and natural gas prices. Historically, prices for oil and natural gas have been extremely volatile and are expected to continue to be volatile. During the past five years, **West Texas Intermediate (“ WTI ”)** has ranged from a low of \$ (36. 98) per barrel (“ “ Bbl ” ”) in April 2020 to a high of \$ 123. 64 per Bbl

in March 2022. As of December 31, ~~2023-2024~~, WTI closed at \$ ~~71-72~~ . ~~89-44~~ per Bbl, a ~~10-0~~ . ~~3-8~~ % ~~decrease~~ **increase** compared to the closing price of WTI on December 31, ~~2022-2023~~. On February ~~29-3~~, ~~2024-2025~~, WTI closed at \$ ~~79-73~~ . ~~22-52~~ per Bbl. Significant factors that are likely to affect commodity prices in current and future periods include, but are not limited to, price reductions or increased production by OPEC members and other oil exporting nations, the effect of U. S. energy, monetary and trade policies, U. S. and global economic conditions, U. S. and global political and economic developments, including initiatives introduced by the ~~Biden~~ **Trump** Administration and resulting energy and environmental policies, war or other military conflict, including the continuing conflict between Russia and Ukraine, ~~the impact of the COVID-19 pandemic~~, and conditions in the U. S. oil and gas industry and the resulting demand for domestic land oilfield services. If the prices of oil and natural gas continue to be volatile or decline, our business, financial condition and results of operations may be materially and adversely affected. Our business may be adversely affected by a deterioration in general economic conditions or a weakening of the broader energy industry. Although oil prices **have increased since the COVID-19 pandemic** ~~were higher in 2022 and 2023, compared to 2021~~, the industry **has** ~~still has not~~ fully recovered, and is currently still at a lower rig count than before the COVID-19 pandemic. We cannot assure you these conditions will not continue to exist throughout ~~2024-2025~~. The risks associated with our business are more acute during periods of economic slowdown or recession because such periods may be accompanied by decreased spending by our customers. A prolonged period of economic slowdown and / or recession in the United States, particularly if coupled with a prolonged slowdown in the E & P industry, would materially and adversely impact our business, financial condition and results of operations. The oil and gas industry has historically been both cyclical and seasonal. Activity levels historically have been driven primarily by E & P company capital spending, well completions and workover activity, the geological characteristics of the producing wells and their effect on the services required to commence and maintain production levels, and our customers' capital and operating budgets. All of these indicators are generally driven by commodity prices, which are affected by both domestic and global supply and demand factors. In particular, while U. S. oil and natural gas prices are correlated with global oil price movements, they are also affected by local markets, weather and consumption patterns. Our results have been, and in the future may be, impacted by the uncertainty caused by an economic downturn, public health crises, geopolitical issues, including the ongoing conflict between Russia and Ukraine, volatility or deterioration in the debt and equity capital markets, inflation, deflation or other adverse economic conditions that negatively affect us or parties with whom we do business resulting in a reduction in our customers' spending and their non- payment or inability to perform obligations owed to us, such as the failure of customers to honor their commitments or the failure of major suppliers to complete orders. A continued recession or long- term market correction could further materially affect the value of our Common Stock, affect our access to capital and affect our business in the near and long- term. The borrowing base of our **New** ABL Facility is dependent upon our receivables, which may be significantly lower in the future due to reduced activity levels or decreases in pricing for our services. The industry in which we operate has undergone and may continue to undergo consolidation. Some of our largest customers have consolidated in recent years and are using their size and purchasing power to achieve economies of scale and pricing concessions. This consolidation may result in reduced capital spending by E & P customers or the acquisition of one or more of our other primary customers, which may lead to decreased demand for our products and services. If we cannot maintain sales levels for customers that have consolidated or replace such revenue with increased business activities from other customers, this consolidation activity could have a significant negative impact on our business, financial condition and results of operations. We are unable to predict what effect consolidations in our industry may have on prices, capital spending by customers, selling strategies, competitive position, ability to retain customers or ability to negotiate favorable agreements with customers. The loss of one or more of our larger customers could have a material adverse effect on our business, financial condition and results of operations. In addition, if a significant customer experiences liquidity constraints or other financial difficulties, it may be unable to make required payments to us or may seek to renegotiate contracts, which could adversely affect our liquidity and profitability. We may be adversely affected by the effects of inflation. The U. S. inflation rate began increasing significantly in 2021 and has remained at an elevated level as of year- end ~~2023-2024~~. Inflation in wages, materials, parts, equipment and other costs has the potential to adversely affect our results of operations, cash flows and financial position by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers for our products and services. In addition, the existence of inflation in the economy has resulted in higher interest rates, which could result in higher borrowing costs, supply shortages, increased costs of labor, weakening exchange rates and other similar effects. Sustained levels of high inflation caused the U. S. Federal Reserve and other central banks to increase interest rates several times in ~~2022 and 2023~~ in an effort to curb inflationary pressure on the costs of goods and services across the United States, **including which could have the effects of raising the cost of capital significant increases in prevailing interest rates that occurred during 2022 and depressing 2023 as a result of the 525 aggregate basis point increase in the federal funds rate, and the associated macroeconomic impact on slowdown in** economic growth ; ~~either of which or the combination thereof could negatively impact~~ **hurt the financial and operating results of** our business. **While** ~~In early 2024, the U. S. Federal Reserve reduced~~ **indicated its intention to eventually lower benchmark interest rates -** ~~However~~ **by 75 basis points in late 2024** , **to it has recently announced a pause on interest rate cuts.** **To** the extent elevated inflation remains, we may experience further cost increases for our operations, including labor costs and equipment. We cannot predict any future trends in the rate of inflation and a significant increase in inflation, to the extent we are unable to timely pass through the cost increases to our customers, would negatively impact our business, financial condition and results of operations. We may be unable to maintain existing prices or implement price increases on our services. Our ability to maintain our existing prices or to implement price increases depends on our customers' ability and willingness to pay such prices. As a result, and given the volatility in the market, we may not be successful in maintaining our existing prices or, in the future, implementing price increases. We cannot predict the magnitude or duration of volatility in oil and gas prices and therefore on the prices we charge our customers. Any inability to maintain our pricing or to increase our pricing from reduced levels could have a material

adverse effect on our business, financial condition and results of operations. There could also be pressure on our pricing and limitations on our ability to increase prices during future periods of increased market demand when a significant amount of new service capacity, including new well service rigs, wireline units and coiled tubing units, may enter the market. In periods of high demand for oilfield services, a tighter labor market may result in higher labor costs. During such periods, our labor costs could increase at a greater rate than our ability to raise prices. Also, we may not be able to successfully increase prices without adversely affecting our activity levels. Even if we are able to increase our prices in future periods, we may not be able to do so at a rate that is sufficient to offset any rising costs, which could have a material adverse effect on our business, financial condition and results of operations. We have been expanding our available products and services in recent periods. Our inability to properly manage or support future expansion of our business may have a material adverse effect on our business, financial condition, and results of operations and could cause the market value of our Common Stock to decline. We have been expanding our available products and services in recent periods and may continue to expand over time through the internal expansion of products and services and potential acquisitions. Any such expansion, if achieved, could place significant demands on our management team and our operational, administrative and financial resources. We may not be able to expand effectively or manage our expansion successfully, and the failure to do so could have a material adverse effect on our business, financial condition and results of operations and could cause the market value of our Common Stock to decline. If we lose significant customers, significant customers materially reduce their purchase orders or significant programs on which we rely are delayed, scaled back or eliminated, our business, financial condition and results of operations may be adversely affected. Our significant customers change from year to year, depending on the level of E & P activity and the use of our services. For the year ended December 31, ~~2023~~ **2024**, no single customer accounted for more than 10 % of our revenues. Our top five customers for the year ended December 31, ~~2023~~ **2024** together accounted for approximately ~~26~~ **31**% of our revenues. A reduction in purchases of our products and services by, or the loss of, one of our larger customers for any reason, such as the current industry conditions and economic downturn, insolvency of a customer, decreased production, changes in drilling practices, loss of a customer as a result of the acquisition of such customer by a purchaser who uses a competitor, in-sourcing by customers, a transfer of business to a competitor, or failure to adequately service our clients, could have a material adverse effect on our business, financial condition and results of operations. We may be unable to effectively and efficiently manage our equipment fleet as we expand our business, which could have an adverse effect on our business, financial condition and results of operations. We have substantially expanded the size, scope and nature of our business through past mergers and acquisitions, resulting in an increase in the breadth of our product offerings and an expansion of our business geographically. Business expansion places increasing demands on us to increase the inventories that we carry and / or our equipment fleet. We must anticipate demand well into the future in order to service our extensive customer base. The inability to effectively and efficiently manage our assets to meet the current and future needs of our customers, which may vary widely from what is originally forecast due to a number of factors beyond our control, including periods of adverse weather, difficult market conditions or slowdowns in oil and natural gas exploration in the various regions in which we operate, could have an adverse effect on our business, financial condition and results of operations. Possible decreased revenues, difficulty in obtaining access to financing and increased funding costs we experience may be exacerbated by the geographic concentrations of our completion and production operations. We could experience any of these conditions at the same time, resulting in a relatively greater impact on our results of operations than they might have on other companies that have more geographically diversified operations. Such delays or interruptions could have a material adverse effect on our business, financial condition and results of operations. Our past acquisition activity and any future acquisitions may not be successful in delivering expected performance post-acquisition, which could have a material adverse effect on our business, financial condition and results of operations. Our business was created largely through a series of acquisitions, including ~~most recently~~ the Greene's Acquisition (as defined below). We regularly evaluate acquisition opportunities, frequently engage in acquisition discussions and conduct due diligence activities and, where appropriate, engage in acquisition negotiations, some of which could be material to us. Our ability to continue to achieve our goals may depend upon our ability to effectively identify attractive businesses, access financing sources on acceptable terms, negotiate favorable transaction terms and successfully integrate any businesses we acquire, achieve cost efficiencies and manage these businesses as part of our company. Our acquisition and merger activities may involve unanticipated delays, costs and other problems. If we encounter unanticipated problems with one of our acquisitions, our senior management may be required to divert attention away from other aspects of our business. We may lose key employees and customers of the acquired and merged businesses, and we may be unable to commercially develop acquired technologies. With any future acquisition or merger, we may also risk entering markets in which we have limited prior experience. Additionally, we may fail to consummate proposed acquisitions or divestitures, after incurring expenses and devoting substantial resources, including management time, to such transactions. Acquisitions also pose the risk that we may be exposed to successor liability relating to actions by an acquired company and its management before the acquisition. The due diligence we conduct in connection with an acquisition, and any contractual guarantees or indemnities that we receive from the sellers of acquired companies, may not be sufficient to protect us from, or compensate us for, actual liabilities that we assume or incur in connection with acquisitions we complete. Additionally, depending upon the acquisition opportunities available, we also may need to raise additional funds through the capital markets or arrange for additional bank financing in order to consummate such acquisitions or to fund capital expenditures necessary to integrate such acquired businesses. ~~We also~~ **The 2030 Senior Notes Indenture (as defined below) permits us to incur additional pari passu indebtedness up to \$ 150. 0 within twelve months of the Refinancing (as defined below) to, among other things, consummate permitted acquisitions and investments, subject to the terms and conditions contained therein. Beyond twelve months, we** may not be able to raise the substantial capital required for acquisitions and integrations on satisfactory terms, if at all. In addition, if we elect to utilize shares of Common Stock or other equity securities as consideration for one or more acquisitions or business combinations, such as we did in the Greene's Acquisition, or if we issue Common

Stock or other equity securities in order to finance one or more acquisitions, existing stockholders of our company could experience dilution in the value of their securities, which could be material. The process of integrating an acquired business may involve unforeseen costs and delays or other operational, technical and financial difficulties and may require a disproportionate amount of management attention and financial and other resources. Our failure to achieve consolidation savings, to incorporate the acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our business, financial condition and results of operations. Furthermore, there is intense competition for acquisition opportunities in our industry. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions. Global pandemics have previously, may continue to, and may in the future adversely impact our business. Global pandemics and the actions taken by third parties, including, but not limited to, governmental authorities, businesses, and consumers, in response to such pandemics, including the COVID- 19 pandemic, have previously adversely impacted and may in the future adversely impact the global economy, resulting in significant volatility in the oil and gas industry. A continued, prolonged period or a renewed period of reduced demand for oil and other commodities and other adverse impacts from a pandemic may adversely affect our business, financial condition, cash flows, and results of operations. Further, to the extent COVID- 19 or any other pandemic adversely affects our business or the global economic conditions more generally, it may also have the effect of heightening many of the other risks described in this report. Risks Relating to Our Industry Conservation measures and technological advances could reduce demand for oil and natural gas. Fuel conservation measures, alternative fuel requirements, increasing consumer demand for or legislative incentives for alternatives to oil and natural gas, technological advances in fuel economy and energy generation devices could reduce demand for oil and natural gas. We cannot predict the impact of the changing demand for oil and natural gas services, and any major changes may have a material adverse effect on our business, financial condition and results of operations. Our business involves many hazards and operational risks that could adversely affect our business, financial condition and results of operations. Conditions inherent in the oil and natural gas industry can cause personal injury or loss of life, disruption or suspension in operations, damage to geological formations, damage to facilities, substantial revenue loss, business interruption and damage to, or destruction of, property, equipment and the environment. Our operations are subject to many hazards and risks, including the following: • equipment defects; • accidents resulting in serious bodily injury and the loss of life or property; • damaged or lost equipment; • liabilities from accidents or damage by our operators or equipment; • pollution and other damage to the environment; • well blowouts and the uncontrolled flow of natural gas, oil or other well fluids into or through the environment, including onto or into the ground or into the atmosphere, groundwater, surface water or an underground formation; • fires, explosions and cratering; • mechanical or technological failures; • loss of well control; • spillage handling and disposing of materials; • collapse of the boreholes; • adverse weather conditions; and • failure of our employees to comply with our internal environmental, health and safety guidelines. If any of these hazards materialize, they could result in the suspension of operations, termination of contracts without compensation, damage to or destruction of our equipment and the property of others, or injury or death to our personnel or third parties and could expose us to substantial liability or losses. Although we customarily include a waiver of consequential damages in our customer contracts, defects or other performance problems in the services or products we offer could result in our customers seeking to invalidate such waiver and seek damages from us for losses associated with these defects or other performance problems. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators. Our customers may elect not to purchase our services if they view our safety record as unacceptable or otherwise experience material defects in our products or performance problems, which could cause us to lose customers and substantial revenue, and any litigation or claims, even if fully indemnified or insured, could negatively affect our reputation with our customers and the public and make it more difficult for us to compete effectively or obtain adequate insurance in the future. In addition, these risks may be greater for us upon the acquisition of another company that has not allocated significant resources and management focus to safety and has a poor safety record. We maintain what we believe is customary and reasonable insurance to protect our business against most potential losses, but we are not fully insured against all risks inherent in our business and such insurance may not be adequate to cover our liabilities, especially as the inherent risks in our operations increase with increasing well complexity. For example, although we are insured for environmental pollution resulting from certain environmental accidents that occur on a sudden and accidental basis, we may not be insured against all environmental accidents or events that might occur, some of which may result in toxic tort claims. If a significant accident or event occurs for which we are not adequately insured, it could adversely affect our financial condition and results of operations. Furthermore, we may not be able to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies may substantially increase. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. Our insurance has deductibles or self- insured retentions and contains certain coverage exclusions. The current trend in the insurance industry is towards larger deductibles and self- insured retentions. In addition, insurance may not be available in the future at rates that we consider reasonable and commercially justifiable, compelling us to have larger deductibles or self- insured retentions to effectively manage expenses. As a result, we could become subject to material uninsured liabilities or situations where we have high deductibles or self- insured retentions that expose us to liabilities that could have a material adverse effect on our business, financial condition and results of operations. Competition among oilfield service and equipment providers is affected by each provider' s reputation for safety and quality. Our activities are subject to a wide range of national, state and local occupational health and safety laws and regulations. In addition, customers maintain their own compliance and reporting requirements. Failure to comply with these health and safety laws and regulations, or failure to comply with our customers' compliance or reporting requirements, could tarnish our reputation for safety and quality and have a material adverse effect on our competitive position, business, financial condition and results of operations. Increased labor costs, the unavailability of skilled workers or labor- related litigation could hurt our business, financial condition and results of operations. We are dependent upon a pool of

available skilled employees to operate and maintain our business. We compete with other oilfield services businesses and other similar employers to attract and retain qualified personnel with the technical skills and experience required to provide the highest quality service. The demand for skilled workers is high and the supply is limited, and a shortage in the labor pool of skilled workers or other general inflationary pressures or changes in applicable laws and regulations could make it more difficult for us to attract and retain personnel and could require us to enhance our wage and benefits packages, which could increase our operating costs. Although our employees are not covered by a collective bargaining agreement, union organizational efforts could occur and, if successful, could increase our labor costs. A significant increase in the wages paid by competing employers or the unionization of groups of our employees could result in increases in the wage rates that we must pay. Likewise, laws and regulations to which we are subject, such as the Fair Labor Standards Act, which governs such matters as minimum wage, overtime and other working conditions, can increase our labor costs or subject us to liabilities to our employees. Our operations are also exposed to risks of claims for alleged employment-related liabilities, including risks of claims related to alleged wrongful termination or discrimination, wage payment practices, retaliation claims and other human resource related matters. We cannot assure you that labor costs will not increase. Increases in our labor costs or unavailability of skilled workers could impair our capacity, diminish our profitability and have a material adverse effect on our business, financial condition and results of operations. In recent years, oilfield services companies have been the subject of a significant volume of wage and hour-related litigation, including claims brought under the Fair Labor Standards Act, in which employee pay practices have been challenged. We have previously been named as defendants in these lawsuits, and we do not maintain insurance for alleged wage and hour-related litigation. The frequency and significance of wage or other employment-related claims may affect expenses, costs and relationships with employees and regulators. Additionally, we could become subject to material uninsured liabilities that could have a material adverse effect on our business, financial condition and results of operations. We operate in highly competitive markets and our failure to compete effectively may negatively impact our business, financial condition and results of operations. The markets in which we operate are highly competitive. Price competition, equipment availability, location and suitability, experience of the workforce, safety records, reputation, operating integrity and the condition of equipment are all factors used by customers in awarding contracts. Our competitors are numerous and may have greater financial and technological resources than we do. Contracts are traditionally awarded on the basis of competitive bids or direct negotiations with customers. The competitive environment has intensified as mergers among E & P companies have reduced the number of available customers and may further increase if E & P company bankruptcies further reduce the number of available customers or our existing and potential customers may develop their own service businesses. The fact that certain oilfield services equipment is mobile and can be moved from one market to another in response to market conditions heightens the competition in the industry. In addition, any increase in the supply of hydraulic fracturing fleets could have a material adverse impact on market prices. This increased supply could also require higher capital investment to keep our services competitive. Some of our competitors may have greater financial, technical, marketing and personnel resources than we do. The larger size of many of our competitors provides them with cost advantages as a result of their economies of scale and their ability to obtain volume discounts and purchase raw materials at lower prices. As a result, such competitors may have stronger bargaining power with their suppliers and have an advantage over us in pricing as well as securing a sufficient supply of raw materials during times of shortage. Many of our competitors also have better brand name recognition, stronger presence in certain geographic markets, more established distribution networks, larger customer bases, more in-depth knowledge of the target markets, and the ability to provide a much broader array of services. Some of our competitors may also be able to devote greater resources to the R & D, promotion and sale of their services and products and better withstand the evolving industry standards and changes in market conditions as compared to us. Our operations may be adversely affected if our competitors introduce new products or services with better features, performance, prices or other characteristics than our products and services or expand into service areas where we operate. Our operations may also be adversely affected if our competitors are able to respond more quickly to new or emerging technologies and services and changes in customer requirements. Our future success and profitability will partly depend upon our ability to keep pace with our customers' demands for awarding contracts. The competitive pressures described herein, and any others we may not currently be aware of, could reduce our market share or require us to reduce the price of our services and products, particularly during industry downturns, either of which could harm our business, financial condition and results of operations. Significant increases in overall market capacity have also caused active price competition and led to lower pricing and utilization levels for our services and products. Any significant future increase in overall market capacity for completion, intervention and production services may adversely affect our business, financial condition and results of operations. Seasonal and adverse weather conditions adversely affect demand for services and operations. Weather has a significant impact on demand as consumption of energy is seasonal, and any variation from normal weather patterns, such as cooler or warmer summers and winters, can have a significant impact on demand. Adverse weather conditions, including rain, tropical storms, hurricanes, tornadoes and severe cold weather, have in the past and may in the future interrupt or curtail operations, our customers' operations, cause supply disruptions and result in a loss of revenue and damage to our equipment and facilities, which may or may not be insured. Specifically, we typically have experienced a pause by our customers around the holiday season in the fourth quarter, which may be compounded as our customers exhaust their annual capital spending budgets towards year end. Additionally, our operations are directly affected by weather conditions, which can severely disrupt the normal operation of our business and adversely impact our financial condition and results of operations. During the winter months (first and fourth quarters) and periods of heavy snow, ice or rain, particularly in the northeastern U. S., Colorado, North Dakota and Wyoming, our customers may delay operations or we may not be able to operate or move our equipment between locations. Also, during the spring thaw, which normally starts in late March and continues through June, some areas impose transportation restrictions to prevent damage. In addition, throughout the year heavy rains adversely affect activity levels, as dirt access roads can become impassible in wet conditions and well locations become inaccessible. These locations and activities are

susceptible to the physical effects of climate change, such as increased frequency or severity storm systems, hurricanes, droughts, floods, extreme winter weather, or geologic / geophysical conditions. Risks Relating to Financial Considerations We have operated at a loss, and there is no assurance of our profitability in the future. We have experienced periods of low demand for our services and have incurred operating losses. Although there have been improvements in profitability, ~~which have led to we still had a net income in loss during the most recent period~~ fiscal year ended December 31, 2023, we are still in an accumulated deficit position. We serve customers who are involved in drilling for and production of oil and natural gas. Demand for services in the oil and natural gas industry is cyclical and has experienced significant downturns in recent years, which have significantly affected the performance of our business. Additional adverse developments affecting this industry could have a material adverse effect on our business, financial condition and results of operations. We may not be able to sufficiently reduce our costs or increase our revenues to achieve profitability and generate positive operating income. We may incur further operating losses and experience negative operating cash flow, which may be significant. ~~We may need to obtain additional capital or financing to fund expansion of our asset base, which could increase our financial leverage, or we may not be able to finance our capital needs. In order to expand our asset base, we may need to make significant capital expenditures. If we do not make sufficient or effective capital expenditures, we will be unable to organically expand our business operations. We intend to fund our future capital expenditures primarily with cash flows from operating activities and existing cash balances. To the extent our cash and cash flows from operating activities are not sufficient, we could borrow under our ABL Facility. Availability under the ABL Facility is determined primarily by a borrowing base formula calculated based on a percentage of our accounts receivable and inventory. As of December 31, 2023, availability under the ABL Facility was \$ 41. 9. If our cash flows, existing cash balances, and borrowings under our ABL Facility are insufficient to fund future capital expenditures, we may consider additional financing or refinancing alternatives. The terms of the indenture that governs our 11. 5 % senior secured notes due 2025 (the “ Senior Notes ”), the credit agreement that governs the ABL Facility, and the agreements that will govern any future debt and equity instruments may restrict us from adopting some of these alternatives. If debt and equity capital or alternative financing plans are not available on favorable terms or at all, we would be required to either get the necessary consents to amend the terms of our debt to allow us to pursue additional financing alternatives or curtail our capital spending, and our ability to sustain or improve our profits may be adversely affected. Our ability to refinance or restructure our debt will depend on the condition of the capital markets and our financial condition at such time, among other things. Our assets require capital for maintenance, upgrades and refurbishment, and we may require capital expenditures for new equipment. Our equipment requires periodic capital investment in maintenance, upgrades and refurbishment to maintain its competitiveness. The costs of components and labor have increased in the past and may increase in the future with increases in demand, which will require us to incur additional costs to upgrade any equipment we may acquire in the future. Our equipment typically does not generate revenue while it is undergoing maintenance, refurbishment or upgrades. Any maintenance, upgrade or refurbishment project for our assets could increase our indebtedness or reduce cash available for other opportunities. Further, such projects may require proportionally greater capital investments as a percentage of total asset value, which may make such projects difficult to finance on acceptable terms. To the extent we are unable to fund such projects, we may have less equipment available for service or our equipment may not be attractive to potential or current customers. Moreover, if challenging business conditions in the energy sector occur for a prolonged period, we may be unable to make capital investments. Additionally, competition or advances in technology within our industry may require us to update our products and services. Such demands on our capital or reductions in demand and the increase in cost to maintain labor necessary for such maintenance and improvement, in each case, could have a material adverse effect on our business, financial condition and results of operations. We have substantial indebtedness, and efforts to refinance our ability to repay such indebtedness may as it becomes due will depend on or our future may not be successful, which could adversely impact our business, financial condition and results of operations— operating performance.~~ We have substantial indebtedness. As of December 31 ~~Upon completing the Refinancing on March 12, 2023-2025~~, we had total outstanding long- term indebtedness of \$ 284,287, 3-2, comprised of \$ 55. 0 outstanding borrowings under our New ABL Facility and \$ 232. 2 in aggregate principal amount of 2030 Senior Notes. Our New ABL Facility matures in 2028. See Item 8. Note 7- Long Term Debt for more information. Under the terms of the 2030 Senior Notes Indenture, we are required to make quarterly redemptions of our 2030 Senior Notes in an amount equal to two percent per annum of all 2030 Senior Notes outstanding as described in greater detail in “ Management’s Discussion and Analysis of Financial Condition and Results ~~the prior interest payment date, which will require us to dedicate all or a substantial portion of cash from Operations operations” below to fund such redemptions.~~ Our ability to pay the principal and interest on our long-term debt as it becomes due, including the quarterly redemptions of the 2030 Senior Notes, and to satisfy our other liabilities will depend on our future operating performance and ability to refinance our debt as it becomes due. Our future operating performance and ability to refinance such indebtedness will be affected by prevailing economic and political conditions, the level of drilling, completion, production and intervention services activity for North American onshore oil and natural gas resources, the willingness of capital providers to lend to our industry and other financial and business factors, many of which are beyond our control. ~~To service~~ Our ability to refinance our debt will depend on the condition of the public and private debt markets and our financial condition at such time, among other things. Any refinancing of our debt could be at higher interest rates and may require us to comply with covenants, which could further restrict our business operations. A rising interest rate environment could have an ~~and~~ adverse impact on the price of our shares, or our ability to issue equity or incur debt to refinance our existing indebtedness, for acquisitions or other purposes. In addition, incurring additional debt in excess of our existing outstanding indebtedness would result in increased interest expense and financial leverage, and issuing Common Stock may result in dilution to our current stockholders. Our ABL Facility matures in 2025 and we intend to work with our existing lenders or other sources of capital to seek to refinance the ABL Facility. If we are unable to refinance the ABL Facility as planned over the next twelve months and uncertainty around our ability to refinance our

existing long-term debt still exists, that could result in our auditors issuing a “going concern” or like qualification or exception as early as our audit opinion with respect to the year ending December 31, 2024. The delivery of an audit opinion with such a qualification would result in an event of default under our ABL Facility. If an event of default occurs, the lenders under the ABL Facility would be entitled to accelerate any outstanding indebtedness, terminate all undrawn commitments and enforce liens securing our obligations under the ABL Facility. Further, the acceleration of indebtedness under our ABL Facility could cause an event of default under our Senior Notes, entitling the requisite holders of the Senior Notes to accelerate our indebtedness in respect thereof and enforce liens securing our obligations under the Senior Notes. If our lenders or noteholders accelerate our obligations under the affected debt agreements, we may not have sufficient liquidity to repay all of our outstanding indebtedness then due and payable. In light of our substantial leverage position, as market conditions warrant and subject to our contractual restrictions, liquidity position and other factors, we have, and may in the future, access the public or private debt and equity markets or seek to recapitalize, refinance or otherwise restructure our capital structure. Some of these alternatives may require the consent of current lenders, stockholders or noteholders, and there is no assurance that we will be able to execute any of these alternatives on acceptable terms or at all. For example, during the year ended December 31, 2022, we entered into debt for equity exchange agreements (the “Exchange Agreements”) with certain holders (the “Noteholders”) of our Senior Notes. Pursuant to the Exchange Agreements, the Noteholders exchanged \$ 12. 8 in aggregate principal amount of the Company’s outstanding Senior Notes for an aggregate of 777, 811 shares of our Common Stock (the “Exchanges”). If we cannot service our debt or repay or refinance our debt as it becomes due, we may be forced to sell assets or take other disadvantageous actions, including (1) reducing financing in the future for working capital, capital expenditures and other general corporate purposes ~~or~~ **and** (2) dedicating an unsustainable level of our cash flow from operations to the payment of principal and interest on our indebtedness. The lenders or other investors who hold debt that we fail to service or on which we otherwise default could also accelerate amounts due, which could in such an instance potentially trigger a default or acceleration of other debt we may incur. Our significant level of indebtedness may limit our ability to borrow additional funds or capitalize on acquisition or other business opportunities. The **2030 indenture that governs the Senior Notes Indenture** and the **New credit agreement that governs the ABL Facility** have significant financial and operating restrictions that may have an adverse effect on our business, financial condition and results of operations. **As of December 31, Our leverage and the restrictions and obligations contained in the 2023- 2030 Senior Notes Indenture and the New**, we had total outstanding long-term indebtedness of \$ 284. 3 under our ABL Facility and **any Senior Notes**. Our leverage and the current and future restrictions contained in the agreements governing our **future** indebtedness may reduce our ability to incur additional indebtedness, engage in certain transactions or capitalize on acquisition or other business opportunities. **If our future cash flows and available borrowings under our New ABL Facility are insufficient to fund our operating expenses, we may be forced to consider additional financing alternatives. If debt and equity capital or alternative financing plans are not available on favorable terms or at all, we may be required to get the necessary consents to amend the terms of our debt to allow us to pursue additional financing alternatives. Our ability to request borrowings for the working capital or general corporate purposes under the New ABL Facility is subject to satisfaction of certain customary conditions, including representations and warranties, no default or event of default, and the amount of requested borrowing not exceeding the lesser of the aggregate commitments thereunder and the borrowing base then in effect.** Our indebtedness and other financial obligations and restrictions could have financial consequences. For example, they could: • increase our vulnerability to adverse economic and industry conditions; • require us to dedicate a substantial portion of cash from operations to the payment of debt service, **including making mandatory quarterly redemptions of the 2030 Senior Notes**, thereby reducing the availability of cash to fund working capital, capital expenditures and other general corporate purposes; • limit our ability to obtain additional financing for working capital, capital expenditures, general corporate purposes or acquisitions; • place us at a disadvantage compared to our competitors that are less leveraged; • limit our flexibility in planning for, or reacting to, changes in our business and in our industry; and • make us vulnerable to increases in interest rates **if we with respect to the outstanding 2030 Senior Notes and amounts borrow borrowed** under our **New ABL Facility**, as any such borrowings would be made at variable interest rates. Despite our current level of indebtedness, we may incur more debt in the future, **including additional pari passu indebtedness of up to \$ 150. 0 within twelve months of the Refinancing (including for the purpose of consummating permitted acquisitions and investments)** which could further exacerbate the risks described above. **Any additional indebtedness may also increase the applicable interest rates with respect to our 2030 Senior Notes, which are floating and based, in part, on our Secured Net Leverage Ratio.** The **New ABL Facility** includes financial, operating and negative covenants that limit our ability to incur indebtedness, to create liens or other encumbrances, to make certain payments and investments, including dividend payments, to engage in transactions with affiliates, to engage in sale / leaseback transactions, to guarantee indebtedness and to sell or otherwise dispose of assets and merge or consolidate with other entities. It also includes a covenant to deliver annual audited financial statements that are not qualified by a “going concern” or like qualification or exception. A failure to comply with the obligations contained in the **New ABL Facility** could result in an event of default, which could permit acceleration of the debt, termination of undrawn commitments and enforcement against any liens securing the debt. The **2030 indenture governing the Senior Notes Indenture** contains **certain financial customary affirmative and negative covenants that include (i) a maximum total net leverage ratio of not greater than 4. 50 to 1. 0 for the test periods ending March 31, 2025 through December 31, 2025, stepping down to 4. 00 to 1. 0 for the test periods ending March 31, 2026 through December 31, 2026, 3. 50 to 1. 0 for the test periods ending March 31, 2027 through December 31, 2027, 3. 00 to 1. 0 for the test periods ending March 31, 2028 through December 31, 2028, and 2. 50 to 1. 0 for each test period thereafter and (ii) restricting restrictions on making net capital expenditures in any test period in excess of the greater of (x) \$ 65. 0 in the aggregate or (y) 7 % of revenues during such test period. The 2030 Senior Notes Indenture also restricts**, among other things, the Company’s ability to incur indebtedness and liens, pay dividends or make other distributions, make certain other restricted payments or investments, sell

assets, enter into restrictive agreements, enter into transactions with the Company's affiliates, and merge or consolidate with other entities or **sell, convey, transfer or lease all or substantially all of the Company's properties and assets to another person, which, in each case, is subject to certain limitations and exceptions**. The **2030 Senior Notes Indenture** also contains customary events of default including, among other things, the failure to pay interest for **30 three business days**, failure to pay principal when due, failure to observe or perform any other covenants or agreement in the **2030 Senior Notes Indenture** subject to grace periods, cross-acceleration to indebtedness with an aggregate principal amount in excess of \$ **50-7.0 5**, material impairment of liens, failure to pay certain material judgments and certain events of bankruptcy. Agreements governing our future indebtedness could also contain significant financial and operating restrictions. A failure to comply with the obligations contained in any such agreement governing our indebtedness could result in an event of default under such agreement, which could permit acceleration of the related debt, enforcement against any liens securing the related debt and acceleration of debt under other instruments that may contain cross acceleration or cross default provisions. We may not have, or may not be able to obtain, sufficient funds to make any required accelerated payments. We may experience future impairment charges. To conduct our business operations and execute our strategy, we acquire tangible and intangible assets, which affect the amount of future period amortization expense and possible impairment expense that we may incur. The risk of impairment may be heightened for the duration of the current industry conditions, which may persist for a prolonged period. The determination of the value of such intangible assets requires management to make estimates and assumptions that affect our financial statements. As part of our strategy, we may make additional acquisitions, which may result in the addition of duplicative assets. In the event such an acquisition results in the combined assets of our Company and the acquired assets being in excess of any reasonable forecast of future need, the excess portion of the book value of these assets may be judged to be impaired. In accordance with Accounting Standards Codification ("ASC") **Topic 360**, Property, Plant, and Equipment, we assess potential impairment to long-lived assets (property and equipment and amortized intangible assets) when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. Our judgment regarding the existence of impairment indicators and future cash flows related to intangible assets is based on operational performance of our acquired businesses, expected changes in the global economy, oil and gas price and industry projections, discount rates and other judgmental factors. We would be required to record any such impairment losses resulting from any such test as a charge to operating results. To perform the annual assessment, we utilize a combination of income and market-based approaches to value the reporting units. The income approach to valuation relies on a discounted cash flow analysis to determine the fair value of each reporting unit, which considers forecasted cash flows discounted at an appropriate discount rate. The annual goodwill impairment test requires us to make a number of assumptions and estimates concerning future levels of revenue growth, operating margins and working capital requirements, which are based upon our long-term strategic plan. The discount rate is an estimate of the overall after-tax rate of return required by a market participant, whose weighted average cost of capital includes both equity and debt, including a risk premium. Any future impairment loss could have a material non-cash adverse impact on our results of operations. Customer payment delays of outstanding receivables and customer bankruptcies could have a material adverse effect on our liquidity, results of operations, and consolidated financial condition. We often provide credit to our customers for our services and we are, therefore, subject to the risk of our customers delaying or failing to pay outstanding invoices. Although we monitor individual customer financial viability in granting such credit arrangements and maintain reserves we believe are adequate to cover exposure for doubtful accounts, in weak economic environments, customers' delays and failures to pay often increase due to, among other reasons, a reduction in our customers' cash flow from operations and their access to credit markets. If our customers delay or fail to pay a significant amount of outstanding receivables, it could reduce our availability under our **New** ABL Facility or otherwise have a material adverse effect on our liquidity, financial condition, results of operations and cash flows. Some of our customers have entered bankruptcy proceedings in the past, and certain of our customers' businesses face financial challenges that put them at risk of future bankruptcies. Customer bankruptcies could delay or in some cases eliminate our ability to collect accounts receivable that are outstanding at the time the customer enters bankruptcy proceedings. We are also at risk that we may be required to refund amounts collected from a customer during the period immediately prior to that customer's bankruptcy filing, and the amount we ultimately collect from the customer's bankruptcy estate may be significantly less. Customer bankruptcies may also reduce our availability under our **New** ABL Facility. Although we maintain reserves for potential customer credit losses, customer bankruptcies could result in unanticipated credit losses. As a result, if one or more of our customers enter bankruptcy proceedings, particularly our larger customers or those to whom we have greater credit exposure, it could have a material adverse impact on our liquidity, operating results and financial condition. On March 9, 2021, the Company filed claims in the District Court of Harris County, Texas against Magellan E & P Holdings, Inc. ("**Magellan**"), Redmon-Keys Insurance Group, Inc. ("**Redmon-Keys**") and certain underwriters at Lloyd's ("**the Magellan Underwriters**") to recover \$ 4.6 owed on invoices duly issued by the Company for services rendered on behalf of the defendants in response to an offshore well blowout near Bob Hall Pier in Corpus Christi, Texas. On March 30, 2021, Magellan filed for bankruptcy pursuant to Chapter 7 of the U. S. bankruptcy code. ~~The bankruptcy proceedings are ongoing.~~ During the fiscal year ended January 31, 2021, the Company reserved the full amount of its invoices totaling \$ 4.6 as a prudent action in light of the Chapter 7 filing. **Through the bankruptcy proceedings, the Company recovered \$ 1.0 in March 2024 and, following a settlement by the Chapter 7 Trustee with the Magellan Underwriters in December 2024 and approved by the Court in January 2025, the Company expects to receive an additional \$ 1.0 to \$ 1.3 in 2025. The Company continues to pursue claims against Redmon-Keys.** Risks Relating to Third Parties Shortages or increases in the costs of the equipment we use in our operations could adversely affect our operations in the future. We generally do not have specialized tools, trucks or long-term contracts in place that provide for the delivery of equipment, including, but not limited to, replacement parts and other equipment. We could experience delays in the delivery of the equipment that we have ordered and its placement into service due to factors that are

beyond our control. Demand by other oilfield services companies and numerous other factors beyond our control could either adversely affect our ability to procure equipment that we have not yet ordered or cause the prices of such equipment to increase. Price increases, delays in delivery and interruptions in supply may require us to increase capital and repair expenditures and incur higher operating costs. Each of these could have a material adverse effect on our business, financial condition and results of operations. We are dependent on a small number of suppliers for key goods and services that we use in our operations. We do not have long- term contracts with third- party suppliers of many of the goods and services used in large volumes in our operations, including manufacturers of technical services equipment and fishing tools, wireline perforating guns and charges and other tools and equipment used in our operations. If demand for goods and services exceeds supply, such as from disruptions to the supply chain or supplier bankruptcies, the availability of certain goods and services used in our industry decreases and the price of such goods and services increases. We are dependent on a small number of suppliers for key goods and services. During the year ended December 31, 2023-2024, based on total purchase cost, our ten largest suppliers of goods and services represented approximately 25-27% of all such purchases. Our reliance on such suppliers could increase the difficulty of obtaining such goods and services in the event of a disruption to the supply chain or upon a bankruptcy of one or more of these suppliers or upon a shortage in our industry. Price increases, delays in delivery and interruptions in supply may require us to incur higher operating costs. Each of these could have a material adverse effect on our business, financial condition and results of operations. We rely on a limited number of third parties for sand, proppant and chemicals, and delays in deliveries of such materials, increases in the cost of such materials or our contractual obligations to pay for materials that we ultimately do not require could harm our business, results of operations and financial condition. We have established relationships with a limited number of suppliers of our raw materials (such as sand, proppant and chemical additives). Should any of our current suppliers be unable to provide the necessary materials or otherwise fail to deliver the materials in a timely manner and in the quantities required, any resulting delays in our ability to provide our services could have a material adverse effect on our ability to compete, business, financial condition and results of operations. While we believe that we will be able to make satisfactory alternative arrangements in the event of any interruption in the supply of these materials and / or products by one of our suppliers, we may not always be able to make alternative arrangements. In addition, certain materials for which we do not currently have long- term supply agreements could experience shortages and significant price increases in the future. Increasing costs of such materials may negatively impact demand for our services or the profitability of our business operations. In the past, our industry faced sporadic proppant shortages associated with hydraulic fracturing operations requiring work stoppages, which adversely impacted the operating results of several competitors. We may not be able to mitigate any future shortages of materials, including proppant, and our results of operations, prospects and financial condition could be adversely affected. Furthermore, to the extent our contracts require us to purchase more materials, including proppant, than we ultimately require, we may be forced to pay for the excess amount under “ take or pay ” contract provisions. An increase in the cost of proppant as a result of increased demand or a decrease in the number of proppant providers as a result of consolidation could increase our cost of an essential raw material in hydraulic stimulation and have a material adverse effect on our business, financial condition and results of operations. If suppliers are unable to supply us with the products used in our operations in a timely manner, in adequate quantities and / or at a reasonable cost, we may be unable to meet the demands of our customers, which could have a material adverse effect on our business, financial condition and results of operations. We depend on third- party companies to support our operations through the timely supply of products. Our suppliers may experience capacity constraints that may result in their inability to supply us with products in a timely fashion, with adequate quantities or at a desired price. Factors affecting suppliers can include labor disputes, general economic issues, and changes in raw material and energy costs. Natural disasters such as earthquakes or hurricanes, as well as political instability, global or national health pandemics, epidemics or concerns, such as the COVID- 19 pandemic, and terrorist activities, may negatively impact the production or delivery capabilities of our suppliers as well. These factors could lead to increased prices and / or the unfavorable allocation of products by our suppliers, which could reduce our revenues and profit margins and harm our customer relations. Significant disruptions in our supply chain could negatively impact our business, financial condition and results of operations.

Risks Relating to Technology and Intellectual Property Our inability to develop, obtain, maintain or implement new technology may cause us to become less competitive. The energy services industry is subject to the introduction of new drilling, completion and well intervention techniques using new technologies, some of which may be subject to patent protection or costly to obtain. As our competitors and others use or develop new technologies in the future, we may be placed at a competitive disadvantage if we fail to keep pace with technological advancements within our industry. If we cannot obtain patents or other protections for the intellectual property rights in our technology, it may not be economical for us to continue to develop systems, services, and technologies to meet evolving industry requirements at prices acceptable to our customers. Furthermore, we may face competitive pressure to implement or acquire certain new technologies at a substantial cost. Some of our competitors are large national and multinational companies that may have greater financial, technical, manufacturing, marketing and personnel resources which may allow them to develop technological advantages and implement new systems, services and technologies before we can. These large national and multinational companies may also have a larger number of manufacturers for their products or ability to manufacture their own products. We may not be able to implement these new technologies on a timely basis or at an acceptable cost, and as our competitors and others use or develop new or comparable technologies in the future, we may lose market share or be placed at a competitive disadvantage. New technology could also make it easier for our oil and natural gas E & P customers to vertically integrate their operations, thereby reducing or eliminating their need for our services. Thus, limits on our ability to effectively use and implement new and emerging technologies may have a material adverse effect on our business, financial condition or results of operations. We currently rely on a limited number of manufacturers for the production of the proprietary products used in the provision of our products and services. Termination of the manufacturing relationship with any of these manufacturers could affect our ability to provide such products and services to our customers. Although we believe

other alternate sources of supply for our proprietary products exist, we would need to establish relationships with new manufacturers, which could potentially involve significant expense, delay or potential changes to certain product components. Any interruptions to the supply of any of our key products could have a material adverse effect on our financial condition, business, or results of operations. Our success may be affected by our ability to use and protect our proprietary technology as well as our ability to enter into license agreements. Our success may be affected by our development and implementation of new product designs and improvements and by our ability to protect, obtain and maintain intellectual property assets related to these developments. We rely on a combination of patents and trade secrets to protect our proprietary technology. We have received patents and have filed patent applications with respect to certain aspects of our technology in the U. S. and international jurisdictions. In addition to seeking patent protection, we also protect our proprietary technology with other protective measures, including through a combination of trade secrets and employee and third- party non- disclosure agreements. We cannot assure you that our competitors or other third parties will not infringe upon, misappropriate, violate or challenge our intellectual property rights in the future. Further, we cannot assure you that our intellectual property rights will deter or prevent competitors from creating similar products or services. Any failure to adequately protect or enforce our intellectual property rights could have a material adverse effect to our business, financial condition or results of operations. Moreover, our rights in our confidential information, trade secrets and confidential know- how cannot prevent third parties from independently developing similar technologies. Publicly available information (e. g., information in issued patents, published patent applications and scientific literature) may be used by third parties to independently develop similar technology, and we cannot provide assurance that this independently developed technology will not be equivalent or superior to our proprietary technology. In addition, while we have patented some of our key technologies, we do not seek patent protection for all of our proprietary technology, even if such technology is patentable. The process of maintaining, monitoring and enforcing patent protection can be long and expensive. There is also no assurance that patents will be issued from our currently pending or future applications or that, if patents are issued, they will be of sufficient scope to provide meaningful protection or any commercial advantage to us. Further, with respect to exclusive third- party intellectual property arrangements, existing arrangements could be terminated and future arrangements may not be available on commercially acceptable terms, if at all, which could result in a material adverse effect on our financial condition, business or results of operations. We may be adversely affected by disputes regarding intellectual property rights and the value of our intellectual property rights is uncertain. We may become involved in claims, litigation or dispute resolution proceedings from time to time to maintain, protect or enforce our intellectual property rights against potential third- party infringers, which could be costly and time- consuming. Moreover, in these dispute resolution proceedings, a defendant or opposing third party may assert claims, defenses, counterclaims and countersuits that attack the validity or enforceability of our intellectual property rights, and / or allege that that our business, services, or products infringe, impair, misappropriate, dilute or otherwise violate their intellectual property rights. We may not prevail in any such dispute resolution proceedings, and our intellectual property rights may be found invalid or unenforceable, or our products and services may be found to infringe, impair, misappropriate, dilute or otherwise violate the intellectual property rights of others. The results or costs of any such dispute resolution proceedings may have an adverse effect on our business, financial condition or results of operations. Any dispute resolution proceeding concerning intellectual property could be protracted and costly, is inherently unpredictable and could have an adverse effect on our business, financial condition or results of operations, regardless of its outcome. Additionally, if we discover or a legal authority finds that our technologies infringe intellectual property rights of third parties, we may need to obtain licenses from these parties or substantially re- engineer our technologies in order to avoid infringement. We may not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to re- engineer our technologies successfully. Also, as a part of resolving such disputes, we may need to enter into cross- licenses, which could reduce the value of our intellectual property rights. If our inability to obtain required licenses for certain technologies or products prevents us from using the infringed technologies or products, our business, financial condition and results of operations could be materially adversely impacted. Our operations rely on an extensive network of IT resources and a failure to maintain, upgrade and protect such systems could adversely impact our business, financial condition and results of operations. Our operations are subject to cybersecurity risks that could have a material adverse effect on our business, financial condition and results of operations. IT plays a crucial role in all of our operations. To remain competitive, our hardware, software and related services must properly and efficiently interact with our suppliers' and customers' products, services and technology, record and process our financial transactions accurately, and obtain accurate and timely data and information to enable our analysis of trends and plans and the execution of our strategies. At the same time, cyber incidents have increased in frequency and severity. A cyber incident could be caused by malicious insiders or third parties using sophisticated, targeted methods to circumvent firewalls, encryption, and other cybersecurity defenses, including hacking, fraud, trickery, or other forms of deception. Emerging artificial intelligence technologies may improve or expand the capabilities of malicious third parties in a way we cannot predict at this time, including being used to develop new hacking tools, exploit vulnerabilities, obscure malicious activities and increase the difficulty detecting threats. The U. S. government has issued public warnings that indicate that energy assets might be specific targets of cybersecurity threats. Our IT systems, and networks, and those of our vendors, suppliers and other business partners, are subject to possible breaches and other threats that could cause us harm. The increase in companies and individuals working remotely has increased the risk of cyberattacks and potential cybersecurity incidents, both deliberate attacks and unintentional events. Despite our security measures, our IT systems may become the target of cyberattacks or security breaches (including employee error, malfeasance or other breaches), which could result in the theft or loss of sensitive data, misappropriation of assets, disruption of transactions and reporting functions, our ability to protect confidential information and our financial reporting. Moreover, we may not be able to anticipate, detect or prevent cyberattacks or security breaches, particularly because the methodologies used by attackers change frequently or may not be recognized until such attack is underway, and because attackers are increasingly using technologies specifically designed to circumvent cybersecurity measures

and avoid detection. In addition, as technologies evolve, and cyberattacks become increasingly sophisticated, we may incur significant costs to modify, upgrade or enhance our security measures to protect against such cyberattacks and we may face difficulties in fully anticipating or implementing adequate security measures or mitigating potential harm. To date, we have not experienced any material losses relating to cyberattacks; however, there can be no assurance that we will not suffer such losses in the future. If our IT systems for protecting against cybersecurity risks are inadequate, we could be adversely affected by, among other things, loss or damage of intellectual property, proprietary information, or customer data; interruption of business operations; reputational harm; or additional costs to prevent, respond to, or mitigate cybersecurity attacks. We are subject to various laws related to cybersecurity requirements, which are continuing to develop and evolve at a rapid pace. We may not be able to monitor and react to all legal developments in a timely manner. As legislation continues to develop and cyber incidents continue to evolve, we will likely be required to expend additional resources to continue to modify or enhance our protective measures, or to investigate and remediate any vulnerability to cyber incidents in order to comply with such laws. Likewise, our business involves the collection, use, and processing of personal data of our employees, contractors, suppliers, and service providers, and such collection, use and processing is subject to a changing landscape of data privacy laws, rules and regulations. These data privacy laws are not uniform and as the privacy legal landscape continues to develop, we will likely be required to expend significant resources to continue to modify or enhance our compliance measures to comply with such laws, rules and regulations. Any failure or perceived failure by us or our third-party service providers to comply with such data privacy laws, rules and regulations, or any security compromise that results in the unauthorized access, improper disclosure, or misappropriation of personal data or other customer data, could result in significant liabilities, negative publicity or reputational harm. Our systems and insurance coverage for cyber incidents, including deliberate attacks, may not be sufficient to cover all of the losses we may experience as a result of such cyberattacks. These risks could have a material adverse effect on our business, financial condition, reputation or results of operations. See “Item 1C. Cybersecurity” for additional information on our cybersecurity risk management, strategy and governance. Risks Relating to Government Regulation and Legal Matters Oilfield anti-indemnity provisions enacted by many states may restrict or prohibit a party’s indemnification of us. We typically enter into agreements with our customers governing the provision of our services, which usually include certain indemnification provisions for losses resulting from operations. These agreements may require each party to indemnify the other against certain claims regardless of the negligence or other fault of the indemnified party; however, many states place limitations on contractual indemnity provisions, particularly agreements that indemnify a party against the consequences of its own negligence. Furthermore, certain states, including Louisiana, New Mexico, Texas and Wyoming, have enacted statutes generally referred to as “oilfield anti-indemnity acts” expressly prohibiting certain indemnity agreements contained in or related to oilfield services agreements. Such oilfield anti-indemnity acts may restrict or void a party’s indemnification of us, which could have a material adverse effect on our business, financial condition and results of operations. Changes in trucking regulations may increase our transportation costs and negatively impact our business, financial condition and results of operations. We operate trucks and other heavy equipment for the transportation and relocation of our oilfield services equipment and are therefore subject to regulation as a motor carrier by the DOT and analogous state agencies, whose regulations include authorizations to engage in motor carrier operations and regulatory safety. In addition, regulations issued by environmental and highway safety regulators can have an adverse impact on our trucking costs, and therefore, on our results of operations. See Part I, Item 1. “Business – Government Regulation and Environmental, Health and Safety Matters” for more discussion on the DOT and analogous state legal requirements relating to trucking matters. While we cannot predict whether, or in what form, any legislation or regulatory and executive actions that change existing trucking legal requirements will occur, we may incur increased expenses associated with new or changed trucking laws, regulatory and executive actions, or other restrictions, which could negatively impact our business, financial condition and results of operations. Legal requirements relating to hydraulic fracturing could increase our customers’ costs of doing business, limit the areas in which our customers can operate and reduce oil and natural gas production by our customers, which could adversely impact our business, financial condition and results of operations. We do not directly engage in hydraulic fracturing but provide products and services in support of our customers’ fracturing activities. The practice is controversial in certain parts of the country and there remains increased scrutiny and government regulation of the hydraulic fracturing process. Additionally, with concerns about seismic activity resulting from injection of produced wastewaters into underground disposal wells, certain regulators have and could continue to impose additional requirements related to seismic safety. Our customers’ inability to locate or contractually acquire and sustain the receipt of sufficient amounts of water could also adversely impact their operations. See Part I, Item 1. “Business – Government Regulation and Environmental, Health and Safety Matters” for more discussion on these hydraulic fracturing, seismicity and water availability matters. One or more of these developments could decrease completion of our customers’ oil and gas wells, increase our and our customers’ compliance costs and reduce demand for our products and services, which could have a material adverse effect on our business, results of operations, and financial condition. We and our customers are subject to environmental and occupational health and safety laws and regulations that could increase our or our customers’ costs of doing business and adversely impact our business, financial condition and results of operations. Our operations and our customers’ operations are subject to stringent federal, Tribal, state and local laws and regulations governing worker health and safety, protection of the environment, including natural resources and certain wildlife, and management, transportation and disposal of wastes, explosives and other materials. See Part I, Item 1. “Business – Government Regulation and Environmental, Health and Safety Matters” for more discussion on these matters. Additional regulatory requirements in one or more of these areas could adversely impact our customers’ operations, increase our and our customers’ compliance costs and reduce demand for our products and services, any of which could have a material adverse effect on our business, results of operations and financial condition. Our and our customers’ operations are subject to a number of risks arising out of the threat of climate change, energy conservation measures, or initiatives that stimulate demand for alternative forms of energy, which could result in increased operating and capital costs for us and our customers, limit the

areas in which oil and gas production may occur and reduce demand for the products and services we provide. The threat of climate change continues to attract considerable attention in the United States and foreign countries and, as a result, our and our customers' operations are subject to legislative, regulatory, political, litigation and financial risks associated with the production and processing of fossil fuels and emission of GHGs. See Part I, Item 1. "Business – Government Regulation and Environmental, Health and Safety Matters" for more discussion on the risks associated with attention to the threat of climate change and restriction of GHG emissions. New or amended legislation, executive actions, regulations or other regulatory initiatives that impose more stringent oil and gas sector requirements or fees on GHG emissions or restrict the areas in which this sector may produce oil and natural gas or generate GHG emissions could result in increased compliance costs or costs of producing fossil fuels. Additionally, political, financial and litigation risks may result in our or our customers restricting, delaying or canceling operational or production activities, incurring liability for infrastructure damages as a result of climatic changes, restricting access to capital, or impairing the ability to continue to operate in an economic manner, which could reduce demand for our products and services. Fuel conservation measures, alternative fuel requirements and increasing consumer demand for or legislative incentives supporting alternative energy sources (such as wind, solar, geothermal and tidal) could also reduce demand for oil and natural gas. The occurrence of one or more of these developments could have a material adverse effect on our business, financial condition and results of operations. Increasing attention to ESG matters may impact our business. Increasing attention to climate change, increasing societal expectations on companies to address climate change, and potential consumer use of substitutes to fossil- fuel energy commodities may result in increased costs, reduced demand for our customers' hydrocarbon products and our products and services, reduced profits, increased governmental investigations and private litigation against us, and negative impacts on our stock price and access to capital markets. Increasing attention to climate change and environmental conservation, for example, may result in demand shifts for our customers' hydrocarbon products and additional governmental investigations and private litigation against those customers. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to the asserted damage, or to other mitigating factors. See Part I, Item 1. "Business – Government Regulation and Environmental, Health and Safety Matters" for more discussion on climate change and ESG matters that may pose a risk to our business ~~such as regulatory actions taken by the Biden Administration and the proposed SEC rule relating to climate disclosures~~. We may be required to assume responsibility for environmental and other liabilities of companies we have acquired or will acquire. We may incur liabilities in connection with environmental conditions currently unknown to us relating to our existing, prior or future operations or those of predecessor companies whose liabilities we may have assumed or acquired. We also could be subject to third- party and governmental claims with respect to environmental matters, including claims under CERCLA in instances where we are identified as a potentially responsible party. We believe that indemnities provided to us in certain of our pre- existing acquisition agreements may cover certain environmental conditions existing at the time of the acquisition, subject to certain terms, limitations and conditions. However, if these indemnification provisions terminate or if the indemnifying parties do not fulfill their indemnification obligations, we may be subject to liability with respect to the environmental matters that those indemnification provisions address. We face risks from increasing activism against, and negative investor sentiment towards the oil and gas industry, which may adversely impact our business. Opposition towards oil and gas drilling and development activity has been growing globally **including and is particularly pronounced** in the United States. Companies in the oil and gas industry have frequently been the target of activist efforts regarding environmental and safety matters as well as business practices but, in recent years, have been facing increasing scrutiny on its ESG practices, which include such areas as sustainability, human rights and environmental social justice. Furthermore, certain segments of the investor community have developed negative sentiment towards investing in the oil and gas industry, with some investors (including certain investment advisers, sovereign wealth funds, pension funds, university endowments and family foundations) having introduced policies to disinvest in the oil and gas sector for stated social and environmental considerations. Commercial and investment banks have also faced pressure to stop financing oil and gas production and related projects. Companies which do not adapt to or comply with investor or stakeholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and / or stock price of such a company could be materially and adversely affected. Increasing attention to climate change, increasing societal expectations on companies to address climate change, and potential consumer use of substitutes to energy commodities may result in increased costs, reduced demand for our customers' hydrocarbon products and our products and services, reduced profits, increased investigations and litigation, and negative impacts on our stock price and access to capital markets. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Currently, there are no universal standards for such scores or ratings, but the importance of sustainability evaluations is becoming more broadly accepted by investors and shareholders. Such ratings are used by some investors to inform their investment and voting decisions. Additionally, certain investors use these scores to benchmark companies against their peers and, if a company is perceived as lagging, these investors may engage with companies to require improved ESG disclosure or performance. Moreover, certain members of the broader investment community may consider a company' s sustainability score as a reputational or other factor in making an investment decision. Consequently, a low sustainability score could result in exclusion of our stock from consideration by certain investment funds, engagement by investors seeking to improve such scores and a negative perception of our operations by certain investors. These organizations can also place pressure on companies to set sustainability targets, including targets to reduce GHG emissions which could adversely impact demand for our services or result in increased costs for ourselves or our customers. Restrictions, delays or cancellations imposed by governmental authorities in issuing permits or leases for our or our customers' operations could impair our business. We and our customers are required to obtain permits from one or more governmental agencies in order to perform

certain activities. Such permits are typically required by state agencies but can also be required by federal and local governmental agencies. Moreover, some of our customers' drilling and completion activities may take place on federal land or Tribal lands, requiring leases and other approvals from the federal government or Tribes to conduct such drilling and completion activities. The requirements for such permits vary depending on the type of operations, including the location where our customers' drilling and completion activities will be conducted. As with all governmental permitting processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit to be issued and the conditions that may be imposed in connection with the granting of the permit. Certain regulatory authorities have delayed or suspended the issuance of permits while the potential environmental impacts associated with issuing such permits can be studied and appropriate mitigation measures evaluated. **At times** ~~Also, in some cases~~, federal agencies have sought to cancel proposed leases for federal lands and refused or delayed required approvals. Permitting or lease delays, an inability to obtain or renew permits or leases, or revocation of our or our customers' current permits could cause a loss of revenue and could materially and adversely affect our business, financial condition and results of operations. See Part I, Item 1. "Business – Government Regulation and Environmental, Health and Safety Matters" for more discussion on permitting and leasing matters, including actions ~~under the Biden Administration~~ that may adversely affect oil and natural gas leasing and permitting activities. Consequently, our customers' operations in certain areas of the United States may be interrupted or suspended for varying lengths of time, resulting in reduced demand for our products and services and a corresponding loss of revenue to us as well as adversely affecting our results of operations in support of those customers. Silica-related legal requirements, including compliance with OSHA regulations relating to respirable crystalline silica or litigation, could have a material adverse effect on our business, financial condition, results of operation and reputation. We are subject to laws and regulations relating to human exposure to crystalline silica. See Part I, Item 1. "Business – Government Regulation and Environmental, Health and Safety Matters" for more discussion on exposure to crystalline silica and other occupational health and safety matters. If we are unable to satisfy these exposure requirements, or are not able to do so in a manner that is cost effective or attractive to our customers, availability or demand for our products and services could be significantly affected and we can provide no assurance that we will be able to comply with any future laws and regulations relating to exposure to crystalline silica that are adopted, or that the costs of complying with such future laws and regulations would not have a material adverse effect on our operating results by requiring us to modify or cease our operations. Moreover, the actual or perceived health risks of handling hydraulic fracturing sand could materially and adversely affect hydraulic fracturing service providers, including us, through reduced use of hydraulic fracturing sand, the threat of product liability or employee or third-party lawsuits, increased scrutiny by federal, state and local regulatory authorities of us and our E & P customers or reduced financing sources available to the hydraulic fracturing industry. Explosive incidents arising out of dangerous materials used in our business could disrupt operations and result in bodily injuries and property damages, which occurrences could have a material adverse effect on our business, results of operations and financial conditions. Our operations include the licensing, storage and handling of explosive materials that are subject to regulation by the ATF and analogous state agencies. Despite our use of specialized facilities to store and handle dangerous materials and our performance of employee training programs, the storage and handling of explosive materials could result in explosive incidents that temporarily shut down or otherwise disrupt our or our customers' operations or could cause restrictions, delays or cancellations in the delivery of our products and services. It is possible that such incidents could result in death or significant injuries to employees and other persons. Material property damage to us, our customers and third parties arising from an explosion or resulting fire could also occur. Any explosion could expose us to adverse publicity and liability for damages and injuries or cause production restrictions, delays or cancellations, any of which occurrences could have a material adverse effect on our operating results, financial condition and cash flows. Moreover, failure to comply with applicable requirements or the occurrence of an explosive incident may also result in the loss of our ATF or analogous state license to store and handle explosives, which would have a material adverse effect on our business, results of operations and financial conditions. The ESA and comparable laws intended to protect certain species of wildlife govern our and our oil and natural gas E & P customers' operations, which constraints could have an adverse impact on our ability to expand some of our existing operations or limit our customers' ability to develop new oil and natural gas wells. The federal ESA and comparable state laws were established to protect endangered and threatened species. Under the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species' habitat. Similar protections are offered to migratory birds under **the** MBTA. See Part I, Item 1. "Business – Government Regulation and Environmental, Health and Safety Matters" for more discussion on the impact of wildlife laws. Customer oil and natural gas operations may be adversely affected by seasonal or permanent restrictions on drilling activities designed to protect various wildlife, which may limit their ability to operate in protected areas. Permanent restrictions imposed to protect endangered and threatened species could prohibit drilling in certain areas, require the implementation of expensive mitigation measures, or limit the availability of frac sand. Moreover, the FWS may make determinations on the listing of numerous species as endangered or threatened under the ESA and designate areas as critical habitat, which listings and designations could cause our customers to incur additional costs, become subject to operating restrictions or bans, and limit future development activity in affected areas, which could reduce demand for our products and services to those customers. We may be subject to claims for personal injury and property damage or other litigation, which could materially adversely affect our business, financial condition and results of operations. Our services are subject to inherent risks that can cause personal injury or loss of life, damage to or destruction of property, equipment or the environment or the suspension of our operations. As the wells we service continue to become more complex, our exposure to such inherent risks becomes greater as downhole risks increase exponentially with an increase in complexity and lateral length. Litigation arising from operations where our facilities are located, or our services are provided, may cause us to be named as a defendant in lawsuits asserting potentially large claims including claims for exemplary damages. For example, transportation of heavy equipment creates the potential for our trucks to become involved in roadway accidents, which in turn could result in personal

injury or property damages lawsuits being filed against us. Generally, our oil and natural gas E & P customers agree to indemnify us against claims arising from their employees' personal injury or death to the extent that, in the case of our well site services, their employees are injured or their properties are damaged by such operations, unless, in most instances, resulting from our gross negligence or willful misconduct. Similarly, we generally agree to indemnify our E & P customers for liabilities arising from personal injury to or death of any of our employees, unless, in most instances, resulting from gross negligence or willful misconduct of the E & P customer. In addition, our E & P customers generally agree to indemnify us for loss or destruction of customer- owned property or equipment and in turn, we agree to indemnify our customers for loss or destruction of property or equipment we own. Losses due to catastrophic events, such as blowouts, are generally the responsibility of the E & P customer. However, despite this general allocation of risk, we might not succeed in enforcing such contractual allocation, might incur an unforeseen liability falling outside the scope of such allocation or may be required to enter into a service agreement with terms that vary from the above allocations of risk. As a result, we may incur substantial losses which could materially and adversely affect our business, financial condition and results of operations. Although either we or our affiliates expect to maintain insurance at a level that we believe is consistent with that of similarly situated companies in our industry, we cannot guarantee that this insurance will be adequate to cover all liabilities. Further, insurance may not be generally available in the future or, if available, insurance premiums may make such insurance commercially unjustifiable. **Tariffs and other trade measures could adversely affect our business, results of operations, financial position, and cash flows. The cost of raw materials, parts, and components that are manufactured and supplied for our operations may be adversely affected by tariffs imposed by the U. S. government on products imported into the United States and tariffs or other retaliatory trade measures imposed by other jurisdictions. Tariffs and other trade restrictions could also disrupt our supply chain and logistics, restrict or limit the availability of materials or supplies, and cause adverse financial impacts due to volatility in foreign exchange rates and interest rates or inflationary pressures on raw materials and energy. We may not be able to fully mitigate the impact of these increased costs or pass price increases on to our customers. While tariffs and other retaliatory trade measures imposed by other countries on U. S. goods have not yet had a significant impact on our business or results of operations, we cannot predict further developments, and such existing or future tariffs could have a material adverse effect on our results of operations, financial position, and cash flows. Recently, the United States has proposed changes in trade policies that include export control restrictions, the negotiation or termination of trade agreements, the imposition of higher tariffs on imports into the United States, increased economic sanctions on individuals, companies, or countries, and other government regulations affecting trade between the United States and other countries where we may have direct or indirect business relationships, including with suppliers, and a number of other nations have proposed similar measures directed at trade with the United States in response. As a result of these developments, there may be greater restrictions and economic disincentives on international trade that could adversely affect our business. It may be time- consuming and expensive for us to alter our business operations to adapt to or comply with any such changes, and any failure to do so could have a material adverse effect on our business, results of operations, and financial position.**

Risks Relating to Our Common Stock Future sales of our Common Stock in the public market could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership interest. We may sell shares of Common Stock in the future. We may also issue additional shares of, **and securities exercisable for, or convertible into,** Common Stock, including as employee compensation or as consideration in one or more acquisitions or other business combination transactions. As of December 31, ~~2023~~ **2024**, we had outstanding approximately ~~16.0~~ **4** million shares of our Common Stock. We also have registered 2, 477, 051 shares of Common Stock reserved for issuance under our Long- Term Incentive Plan (" LTIP"). Of those shares initially registered and reserved for issuance, as of December 31, ~~2023~~ **2024**, approximately ~~1, 296~~ **716**, ~~553~~ **489** restricted shares of Common Stock were granted in connection with equity awards to management, directors and employees and approximately ~~1~~ **760**, ~~562~~ **180**, ~~498~~ shares remain available for future issuance. An amendment to the LTIP was approved by stockholders on May 10, 2023 to, among other things, increase the total number of shares of Common Stock for issuance by 1, 200, 000 shares, resulting in an increase of the total number of shares of our Common Stock reserved for issuance to 1, 256, 289, and extend the expiration date to March 8, 2033. **In connection with the Refinancing, on March 12, 2025, we issued warrants to purchase, in aggregate, up to 2, 373, 187 shares of Common Stock at an exercise price of \$ 0. 01 per share, subject to adjustment (the " Warrants "), as described in greater detail in Item 7. " Management' s Discussion and Analysis of Financial Condition and Results of Operations " below. The Warrants are exercisable immediately, and in lieu of exercising such Warrant, the holders thereof may convert their Warrants, in whole or in part, into the number of shares of Common Stock they would otherwise be entitled to purchase pursuant to the terms of the Warrants at any time prior to the expiration date. The warrant agreements governing the Warrants stipulate that the Company will file a registration statement with SEC with respect to the shares of Common Stock underlying the Warrants within 90 days of their issuance.** During the year ended December 31, ~~2022~~ **2024**, we entered into ~~a debt- for- equity exchange agreement (the " Exchange Agreements- Agreement ") with the a Notcholders- noteholder~~ of our ~~11. 5 % senior secured notes due 2025 (the " 2025 Senior Notes ")~~. Pursuant to the ~~Exchange Agreements- Agreement~~, the ~~noteholders- noteholder~~ exchanged \$ ~~12. 1~~ **8. 0** in aggregate principal amount of the Company' s outstanding ~~2025 Senior Notes~~ for an aggregate of ~~777~~ **190**, ~~811~~ **476** shares of our Common Stock through (the " ~~Exchanges- Exchange~~ "). **During the year ended December 31, 2023, we did not engage in any debt- for- equity exchanges**. Subject to the satisfaction of vesting conditions and the requirements of Rule 144, the registered restricted shares of our Common Stock will be available for resale immediately in the public market without restriction. With respect to shares of restricted stock granted to certain members of our management, we have filed a resale prospectus in order to allow such members of our management to freely resell their restricted stock once it has vested. In addition, (i) certain former members of our management are entitled to registration rights with respect to their shares of restricted

stock, and (ii) certain former QES stockholders are entitled to registration rights with respect to the shares of Common Stock they received in the QES Merger. On March 8, 2023, we entered into a Registration Rights and Lock-Up Agreement with Greene's Holding Corporation in connection with the Greene's Acquisition. Following their receipt of Common Stock as consideration in the Greene's Acquisition, subject to release from the associated lock-up provisions and the filing of a resale registration statement or satisfaction of the requirements of Rule 144, the seller may seek to sell the Common Stock delivered to them. These sales (or the perception that these sales may occur), coupled with the increase in the outstanding number of shares of Common Stock, may affect the market for, and the market price of, our Common Stock in an adverse manner. On June 14, 2021, we entered into an Equity Distribution Agreement (**as amended from time to time**, the "Equity Distribution Agreement") with Piper Sandler & Co. as sales agent (the "Agent"). Pursuant to the terms of the Equity Distribution Agreement, we may sell from time to time through the Agent (the "ATM Offering") the Company's Common Stock, par value \$ 0.01 per share, having an aggregate offering price of up to \$ 50.0. On November 16, 2022, the Company entered into Amendment No. 1 to the Equity Distribution Agreement (the "EDA Amendment"). Among other things, the EDA Amendment allows for debt-for-equity exchanges in accordance with Section 3 (a) (9) of the Securities Act of 1933, as amended (the "Securities Act"). During the three and twelve months ended December 31, ~~2023~~ **2024**, the Company did not sell any shares of Common Stock and incurred legal and administrative fees of \$ 0. ~~1~~ **3** and \$ 0.5, respectively. ~~Any Shares of~~ **Any Shares of** Common Stock offered and sold in the ATM Offering ~~were will be~~ issued pursuant to ~~our the Company's~~ shelf registration statement on Form S-3 (Registration No. 333-256149) filed with the SEC on May 14, 2021 and declared effective on June 11, 2021 (the "Registration Statement"), the prospectus supplement relating to the ATM Offering filed with the SEC on June 14, 2021 and any applicable additional prospectus supplements related to the ATM Offering that form a part of the Registration Statement. **The Registration Statement expired on June 11, 2024 pursuant** ~~Sales of Common Stock under the Equity Distribution Agreement may be made in any transactions that are deemed to be "at the market offerings" as defined in~~ **Sales under the ATM Offering program may restart when and if the Company files a prospectus supplement under a successor registration statement**. We cannot predict the size of future issuances of our Common Stock or securities convertible into Common Stock or the effect, if any, that future issuances and sales of shares of our Common Stock will have on the market price of our Common Stock. Sales of substantial amounts of our Common Stock (including shares issued in connection with an acquisition or shares held by stockholders with registration rights), or the perception that such sales could occur, may adversely affect prevailing market prices of our Common Stock. Sales of or other transactions relating to shares of our Common Stock by our significant stockholders, directors, officers or employees could cause a perception in the marketplace that adverse events or trends have occurred or may be occurring at our company or that it is otherwise an advantageous time to sell shares of our Common Stock. We cannot assure you that we will pay dividends on our Common Stock, and our indebtedness could limit our ability to pay dividends on our Common Stock. We do not currently intend to pay dividends. Our dividend policy will be established by our board of directors (the "Board" or "Board of Directors") based on our financial condition, results of operations and capital requirements, as well as applicable law, regulatory constraints, industry practice and other business considerations that our Board considers relevant. In addition, the terms of the agreements governing our debt limit, and the terms of the agreements governing any future debt may limit or prohibit, the payments of dividends. We cannot assure you that we will pay dividends in the future or continue to pay any dividends if we do commence the payment of dividends. Additionally, our indebtedness could have important consequences for holders of our Common Stock. If we cannot generate sufficient cash flow from operations to meet our debt payment obligations, then our Board's ability to declare dividends on our Common Stock will be impaired and we may be required to attempt to restructure or refinance our debt, raise additional capital or take other actions such as selling assets, reducing or delaying capital expenditures or reducing any proposed dividends. We cannot assure you that we will be able to effect any such actions or do so on satisfactory terms, if at all, or that such actions would be permitted by the terms of our debt or our other credit and contractual arrangements. Certain provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws, and certain provisions of Delaware law may prevent or delay an acquisition of our company or other strategic transactions, which could decrease the trading price of our Common Stock. Our amended and restated certificate of incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with our Board rather than to attempt a hostile takeover. Some of these provisions include: • prohibiting cumulative voting by our stockholders on all matters; • establishing advance notice provisions for stockholder proposals and nominations for elections to the Board of Directors to be acted upon at meetings of stockholders; • a classified Board of Directors; • granting our Board the ability to authorize undesignated preferred stock; and • expressly authorizing our Board to adopt, alter or repeal our bylaws. In addition, because we have not chosen to be exempt from Section 203 of the Delaware General Corporation Law (the "DGCL"), this provision could also delay or effectively prevent a change of control that some stockholders may favor. In general, Section 203 provides that, subject to limited exceptions, persons that, together with their affiliates and associates, acquire ownership of 15% or more of the outstanding voting stock of a Delaware corporation shall not engage in any "business combination" with that corporation or its subsidiaries, including any merger or various other transactions, for a three-year period following the date on which that person became the owner of 15% or more of the corporation's outstanding voting stock. We believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board and by providing our Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or effectively prevent an acquisition that our Board determines is not in the best interests of our company and our stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors. Our amended and restated bylaws designate courts in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings

that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a different judicial forum for intra- corporate disputes with us or our directors, officers, employees or agents. Our amended and restated bylaws provide that, unless we otherwise consent in writing to selection of an alternative forum, the Court of Chancery in the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of KLX Energy Services, any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of KLX Energy Services to KLX Energy Services or KLX Energy Services' stockholders, any action asserting a claim arising pursuant to any provision of the DGCL, KLX Energy Services' certificate of incorporation or the bylaws, or any action asserting a claim governed by the internal affairs doctrine. This provision may limit a stockholder' s ability to bring a claim in a different judicial forum, including one that it may find favorable or convenient for intra- corporate disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits. Alternatively, if a court were to find this provision of our amended and restated bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions. If securities or industry analysts do not publish research reports or publish unfavorable research about our business, the price and trading volume of our Common Stock could decline. The trading market for our Common Stock depends in part on the research reports that securities or industry analysts publish about us or our business. If one or more of the analysts who covers us downgrades our securities, the price of our securities would likely decline. If one or more of these analysts ceases to cover us or fails to publish regular reports on us, interest in the purchase of our securities could decrease, which could cause the price of our Common Stock and its trading volume to decline.

General Risks

We may be unable to attract or retain personnel who are key to our operations. Our success, among other things, is dependent on our ability to attract, develop and retain highly qualified senior management and other key personnel. Competition for key personnel is intense, and our ability to attract and retain key personnel is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. The inability to hire, develop and retain these key employees may adversely affect our business, financial condition and results of operations. Many key responsibilities within our business have been assigned to a small number of employees. The loss of their services could adversely affect our business. In particular, the loss of the services of one or more members of our management team, including our Chief Executive Officer, Chief Financial Officer, Chief Compliance Officer, Chief Accounting Officer and certain of our Vice Presidents, could disrupt our operations. We do not maintain " key person " life insurance policies on any of our employees. As a result, we are not insured against any losses resulting from the death of our key employees.