Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

## Part I Reporting Issuer

| 1 Issuer's name | 2 Issuer's employer identification number (EIN) |
|---|---|
| KLX Energy Services Holdings, Inc. | 36-4904146 |

| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact |
|---|---|---|
| Geoff Stanford | 832.844.1015 | geoff.stanford@klx.com |

| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | 7 City, town, or post office, state, and ZIP code of contact |
|---|---|
| 3040 Post Oak Boulevard, 15th Floor | Houston, Texas 77056 |

| 8 Date of action | 9 Classification and description |
|---|---|
| August 24, 2026 | See attached |

| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
|---|---|---|---|
| See Attached | N/A | KLXE / KLXER | N/A |

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See Attached.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See Attached.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See Attached.

**Part II Organizational Action** *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **See Attached.**

**18** Can any resulting loss be recognized? ▶ **See Attached.**

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **See Attached.**

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ /s/ Geoff Stanford Date ▶ 11/11/2026

Print your name ▶ **Geoff Stanford** Title ▶ **Interim CFO**

**Paid Preparer Use Only**

| Print/Type preparer's name | Preparer's signature | Date | Check ☐ if self-employed | PTIN |
|---|---|---|---|---|
| Firm's name ▶ | | | Firm's EIN ▶ | |
| Firm's address ▶ | | | Phone no. | |

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

**KLX Energy Services Holdings, Inc.**
**FEIN: 36-4904146**
**Attachment to Form 8937**
**Report of Organizational Actions Affecting Basis of Securities**

The Company has determined the distribution of Rights pursuant to the Rights Offering (in each case, as defined below) is not an organizational action described in Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code")[1]. Notwithstanding the foregoing, the Company is providing the information contained herein for informational purposes only.

The information contained herein includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Rights Offering (defined below) on certain securities. The information discussed in Form 8937 and this attachment does not constitute tax advice. This information does not take into account the specific circumstances of any Eligible Holder (as defined herein) (including Eligible Holders that may be subject to special tax rules or that held the relevant shares of common stock or Participating Warrants (as defined herein) as other than a capital asset). Eligible Holders should consult their own tax advisors regarding the U.S. federal income tax consequences of the Rights Offering.

**Part I**

**Lines 9 and 10**: **Classification and Description and CUSIP Number**

| Classification and Description (Line 9) | CUSIP Number (Line 10) |
|---|---|
| Common Stock (KLXE) | 48253L205 |
| Subscription Rights (KLXER) | 48253L122 |
| Participating Warrants | N/A |

**Part II**

**Line 14: Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action.**

On August 24, 2026, KLX Energy Services Holdings, Inc. (the "Company") commenced a rights offering (the "Rights Offering"), whereby the Company distributed to holders of the Company's common stock and holders of the Company's outstanding warrants issued on March 12, 2025, March 6, 2026 and March 11, 2026 (the "Participating Warrants") as of 5:00 p.m., New York City time, on August 21, 2026 (the "Record Date" and such holders, the "Eligible Holders"), at no charge and on a pro rata basis, transferable basic subscription rights to purchase shares of the

[1] Unless otherwise specified herein, all "section" references herein are to the Code.

Company's common stock with an aggregate offering value of approximately $125.0 million (the "Rights").[2]

Each Eligible Holder received one Right to purchase shares of the Company's common stock for each share of the Company's common stock, or each share of common stock underlying a Participating Warrant, as applicable, owned by such holder on the Record Date. Each Right entitled such Eligible Holder to purchase 3.885 shares of the Company's common stock at a subscription price equal to $1.49 per whole share (the "Subscription Price"), subject to certain beneficial ownership limitations.[3] Eligible Holders that fully exercised their Rights had an over-subscription privilege to purchase additional shares of common stock that remained unsubscribed as of the Expiration Date (defined below).

The Rights were tradable for the period between August 24, 2026 and September 23, 2026. The Rights Offering expired at 5:00 p.m., New York City time, on September 23, 2026 (the "Expiration Date"). The Rights Offering closed on September 29, 2026 (the "Closing Date"). Pursuant to the Rights Offering, Eligible Holders purchased 24,975,001 shares of common stock.

**Line 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

The U.S. federal income tax treatment of the receipt of a right by a stockholder is subject to uncertainty. While not free from doubt, the Company intends to take the position that the receipt of a Right is not treated as a taxable distribution for U.S. federal income tax purposes. In addition, the Company is taking the position that the fair market value of the Rights as of the date of distribution was less than 15 percent of the fair market value of the Company's shares of common stock as of such date.[4] Accordingly, absent a U.S. federal income tax election by an Eligible Holder under Section 307(b) of the Code and U.S. Treasury Regulation section 1.307-1 to allocate existing stock basis to the Rights, the Rights are expected to be allocated zero basis for U.S. federal income tax purposes, and as a result, an Eligible Holder's existing stock basis remains unchanged.

Eligible Holders should read the U.S. federal income tax discussion in the Prospectus Supplement for the Rights Offering under "Material United States Federal Income Tax Consequences"[5] and

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[2] The Rights Offering was backstopped by the existing holders of the Company's Senior Secured Floating Rate Cash / PIK Notes due 2030 in an aggregate backstop commitment amount of $94.0 million, which was reduced to approximately $87.8 million.

[3] The Company did not issue any fractional shares of common stock in the Rights Offering. The shares of common stock issuable upon the exercise of the Rights and over-subscription privilege were rounded down to the nearest whole number.

[4] Neither Section 307 of the Code nor the Treasury Regulations promulgated thereunder specify how to determine the fair market value of stock rights. The Rights were listed for trading on Nasdaq during the time period described above. The Company reviewed available trading data with respect to the Rights to determine the fair market value of the Rights for purposes of this analysis.

[5] This is available at https://www.sec.gov/Archives/edgar/data/1738827/000119312526361709/d452305d424b5.htm#supptx452305_12.

consult their tax advisors, in light of their particular circumstances, regarding the U.S. federal income tax consequences of the Rights Offering.

Responses 16 through 19 of this Internal Revenue Service Form 8937 assume that an Eligible Holder has not made the election under Section 307(b) of the Code and U.S. Treasury Regulation section 1.307-1. Eligible Holders should consult their tax advisors regarding making this election.

**Line 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

Based on available trading data for the Rights, the Company is taking the position that the fair market value of the Rights as of the date of distribution was less than 15 percent of the aggregate fair market value of the Company's shares of common stock as of such date, and accordingly, absent an election by an Eligible Holder, the basis in the Rights is zero and no change in basis calculation is necessary.

**Line 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Sections 305 and 307.

**Line 18: Can any resulting loss be recognized?**

No loss can be recognized in respect of the distribution of Rights pursuant to the Rights Offering.

**Line 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year**.

N/A