

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended March 31, 2026

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-38609

KLX Energy Services Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

36-4904146
(I.R.S. Employer Identification No.)

**3040 Post Oak Boulevard, 15th Floor
Houston, TX 77056
(832) 844-1015**

(Address, including zip code, and telephone number, including area code, of principal executive offices of registrant)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 Par Value	KLXE	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant has one class of common stock, \$0.01 par value, of which 19,911,759 shares were outstanding as of April 30, 2026.

KLX Energy Services Holdings, Inc.
Form 10-Q
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PART 1 – FINANCIAL INFORMATION
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

KLX Energy Services Holdings, Inc.
Condensed Consolidated Balance Sheets
(In millions of U.S. dollars and shares, except per share data)

	March 31, 2026	December 31, 2025
	<i>(Unaudited)</i>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5.6	\$ 5.7
Accounts receivable–trade, net of allowance for credit losses of \$1.5 and \$1.7	107.3	102.7
Inventories, net	31.9	30.7
Prepaid expenses and other current assets	9.3	10.8
Total current assets	154.1	149.9
Property and equipment, net	149.0	161.1
Operating lease assets	21.6	22.3
Intangible assets, net	1.0	1.1
Other assets	5.8	5.9
Total assets	\$ 331.5	\$ 340.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 69.7	\$ 68.7
Accrued interest	0.4	0.4
Accrued liabilities	24.4	26.0
Current portion of long-term debt	4.5	4.4
Current portion of operating lease liabilities	7.4	7.1
Current portion of finance lease liabilities	16.6	19.6
Total current liabilities	123.0	126.2
Long-term debt	271.3	253.9
Long-term operating lease liabilities	14.7	15.9
Long-term finance lease liabilities	17.8	17.4
Other non-current liabilities	0.8	1.1
Commitments, contingencies and off-balance sheet arrangements (Note 6)		
Stockholders' equity:		
Common stock, \$0.01 par value; 110.0 authorized; 20.5 and 18.9 issued	0.2	0.2
Additional paid-in capital	573.6	571.3
Treasury stock, at cost, 0.6 shares and 0.5 shares	(6.4)	(6.2)
Accumulated deficit	(663.5)	(639.5)
Total stockholders' deficit	(96.1)	(74.2)
Total liabilities and stockholders' deficit	\$ 331.5	\$ 340.3

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Condensed Consolidated Statements of Operations
(In millions of U.S. dollars, except per share data)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenues	\$ 144.7	\$ 154.0
Costs and expenses:		
Cost of sales	119.1	123.8
Depreciation and amortization	21.9	24.7
Selling, general and administrative	15.4	21.6
Research and development costs	0.4	0.4
Operating loss	(12.1)	(16.5)
Non-operating expense:		
Interest income	(0.0)	(0.3)
Interest expense	11.7	10.3
Loss on debt extinguishment	—	1.2
Net loss before income tax	(23.8)	(27.7)
Income tax expense	0.2	0.2
Net loss	\$ (24.0)	\$ (27.9)
Net loss per share-basic	\$ (1.23)	\$ (1.62)
Net loss per share-diluted	\$ (1.23)	\$ (1.62)

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Condensed Consolidated Statements of Stockholders' Equity
Three Months Ended March 31, 2026 and March 31, 2025
(In millions of U.S. dollars and shares)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2025	18.9	\$ 0.2	\$ 571.3	\$ (6.2)	\$ (639.5)	\$ (74.2)
Restricted stock, net of forfeitures	(0.1)	0.0	0.3	—	—	0.3
Purchase of treasury stock	—	—	—	(0.2)	—	(0.2)
Issuance of common stock, net of cost	0.4	0.0	—	—	—	—
Issuance of warrants	—	—	2.0	—	—	2.0
Exercise of warrants	1.3	0.0	—	—	—	—
Net loss	—	—	—	—	(24.0)	(24.0)
Balance at March 31, 2026	20.5	\$ 0.2	\$ 573.6	\$ (6.4)	\$ (663.5)	\$ (96.1)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2024	17.5	\$ 0.2	\$ 557.5	\$ (5.8)	\$ (562.4)	\$ (10.5)
Restricted stock, net of forfeitures	—	—	0.8	—	—	0.8
Purchase of treasury stock	—	—	—	(0.4)	—	(0.4)
Issuance of common stock, net of cost	0.6	0.0	0.4	—	—	0.4
Issuance of warrants	—	—	11.0	—	—	11.0
Net loss	—	—	—	—	(27.9)	(27.9)
Balance at March 31, 2025	18.1	\$ 0.2	\$ 569.7	\$ (6.2)	\$ (590.3)	\$ (26.6)

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions of U.S. dollars)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cash flows from operating activities:		
Net loss	\$ (24.0)	\$ (27.9)
Adjustments to reconcile net loss to net cash flows provided by (used in) operating activities		
Depreciation and amortization	21.9	24.7
Non-cash compensation	0.3	0.8
Amortization of deferred financing fees	1.3	0.5
Provision for inventory reserve	0.2	0.5
Change in allowance for credit losses	(0.2)	—
Gain on disposal of property, equipment and other	(2.5)	(2.7)
Non-cash interest expense	6.8	—
Loss on debt extinguishment	—	1.2
Other	0.1	0.1
Changes in operating assets and liabilities:		
Accounts receivable	(4.4)	(5.8)
Inventories	(1.4)	(1.4)
Prepaid expenses and other current and non-current assets	2.0	3.4
Accounts payable	2.1	(14.5)
Other current and non-current liabilities	(1.9)	(16.5)
Net cash flows provided by (used in) operating activities	<u>0.3</u>	<u>(37.6)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(8.7)	(15.0)
Proceeds from sale of property and equipment	3.4	4.8
Net cash flows used in investing activities	<u>(5.3)</u>	<u>(10.2)</u>
Cash flows from financing activities:		
Borrowings under 2028 ABL Facility	49.0	55.0
Repayments on Prior ABL Facility	—	(50.0)
Repayments on 2028 ABL Facility	(36.0)	—
Proceeds from issuance of 2030 Senior Notes and warrants	—	225.2
Repayment of 2025 Senior Notes	—	(236.3)
Mandatory redemption on 2030 Senior Notes	(1.2)	(1.2)
Payments on finance lease obligations	(5.3)	(4.2)
Payments of debt issuance costs	—	(8.3)
Change in financed payables	(1.4)	(1.4)
Other	(0.2)	0.1
Net cash flows provided by (used in) financing activities	<u>4.9</u>	<u>(21.1)</u>
Net change in cash and cash equivalents	(0.1)	(68.9)
Cash and cash equivalents, beginning of period	5.7	91.6
Cash and cash equivalents, end of period	<u>\$ 5.6</u>	<u>\$ 22.7</u>
Supplemental disclosures of cash flow information:		
Cash paid during period for:		
Income taxes paid, net of refunds	\$ (0.4)	\$ 0.1
Interest	3.6	12.1
Supplemental schedule of non-cash activities:		
Accrued capital expenditures	6.4	10.9
Non-cash interest expense (paid in kind)	6.8	—

See accompanying notes to condensed consolidated financial statements.

KLX Energy Services Holdings, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited – U.S. dollars in millions, except per share data)

NOTE 1 - Description of Business and Basis of Presentation

Description of Business

KLX Energy Services Holdings, Inc. (the “Company”, “KLXE”, “KLX Energy Services”, “we”, “us” or “our”) is a growth-oriented provider of diversified oilfield services to leading onshore oil and natural gas exploration and production (“E&P”) companies operating in both conventional and unconventional plays in major active basins throughout the United States. The Company delivers mission critical oilfield services focused on drilling, completion, production and intervention activities for technically demanding wells in over 60 service and support facilities located throughout the United States.

The Company offers a complementary suite of proprietary products and specialized services that is supported by technically skilled personnel and a broad portfolio of innovative in-house manufacturing, repair and maintenance capabilities. KLXE’s primary services include coiled tubing, directional drilling, fishing, flowback, fluid pumping, hydraulic fracturing rentals, pressure control, pressure pumping, rig-assisted snubbing, special situation services, thru-tubing and wireline. KLXE’s primary rentals include accommodation units, blow out preventers, downhole tools, hydraulic fracturing stacks and tubulars. KLXE’s primary product offering includes a suite of proprietary dissolvable and composite plugs along with casing equipment, float equipment, inflatables, liner hangers and stage cementing tools.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. All adjustments which, in the opinion of the Company’s management, are considered necessary for a fair presentation of the results of operations for the periods shown are of a normal recurring nature and have been reflected in the condensed consolidated financial statements. The results of operations for the periods presented are not necessarily indicative of the results expected for the full year 2026 or for any future period. The information included in these condensed consolidated financial statements should be read in conjunction with the condensed consolidated financial statements and accompanying notes included in the Company’s 2025 Annual Report on Form 10-K filed with the SEC on March 12, 2026.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and related disclosures. Actual results could differ from those estimates.

NOTE 2 - Inventories, Net

Inventories consisted of the following:

	March 31, 2026	December 31, 2025
Spare parts	\$ 18.7	\$ 19.3
Plugs	8.6	9.0
Consumables	5.0	4.6
Other	3.2	1.9
Subtotal	35.5	34.8
Less: Inventory reserve	(3.6)	(4.1)
Total inventories, net	\$ 31.9	\$ 30.7

Inventories are made up of spare parts, composite and dissolvable plugs, consumables (including thru-tubing accessory tools, chemicals and cement) and other (including coiled tubing strings and wireline spools) used to perform services for customers. The Company values inventories at the lower of cost or net realizable value. Inventories are reported net of inventory reserve of \$3.6 and \$4.1 as of March 31, 2026 and December 31, 2025, respectively.

NOTE 3 - Property and Equipment, Net

Property and equipment consisted of the following:

	Useful Life (Years)	March 31, 2026	December 31, 2025
Land, buildings and improvements	1 — 40	\$ 36.5	\$ 36.1
Machinery	1 — 20	301.5	299.8
Equipment and furniture	1 — 15	250.6	248.6
ROU assets - finance leases	1 — 20	85.3	84.9
Total property and equipment		673.9	669.4
Less: Accumulated depreciation and amortization		(528.3)	(512.3)
Add: Construction in progress		3.4	4.0
Total property and equipment, net		\$ 149.0	\$ 161.1

Depreciation expense related to non-leased fixed assets was \$16.9 and \$19.0 for the three months ended March 31, 2026 and March 31, 2025, respectively. Finance lease amortization expense was \$4.9 and \$5.6, respectively, for the three months ended March 31, 2026 and March 31, 2025.

NOTE 4 - Debt

Outstanding debt consisted of the following:

	March 31, 2026	December 31, 2025
2030 Senior Notes	\$ 249.5	\$ 244.1
2028 ABL Facility	49.0	36.0
Total principal outstanding	298.5	280.1
Less: Unamortized debt issuance costs	(6.0)	(6.2)
Less: Unamortized issue discount	(16.7)	(15.6)
Total debt	275.8	258.3
Less: Current portion of long-term debt	4.5	4.4
Long-term debt	\$ 271.3	\$ 253.9

Refinancing

On March 7, 2025, the Company and certain of our subsidiaries party thereto entered into a Securities Purchase Agreement with certain holders (the "Investors") of our 11.5% senior secured notes due 2025 (the "2025 Senior Notes"), pursuant to which the Company agreed to issue and sell to the Investors (a) approximately \$232.2 in aggregate principal amount of the Senior Secured Floating Rate Cash / PIK Notes due 2030 (the "2030 Senior Notes" and, together with the 2025 Senior Notes, the "Senior Secured Notes") and (b) warrants entitling the holders thereof to purchase, in the aggregate, up to 2,373,187 shares of the Company's common stock, par value \$0.01 per share ("Common Stock"), at an exercise price of \$0.01 per share, subject to adjustment in exchange for (i) approximately \$78.4 in aggregate cash consideration and (ii) approximately \$143.6 aggregate principal amount of the 2025 Senior Notes, which were cancelled by the Company upon receipt thereof (collectively, the "Refinancing"). The Company consummated the Refinancing on March 12, 2025.

Senior Secured Notes

2030 Senior Notes

On March 12, 2025, as part of the Refinancing, the Company and certain of its subsidiaries entered into an indenture, dated as of March 12, 2025 (the "2030 Senior Notes Indenture"), with U.S. Bank Trust Company, National Association, as the trustee and notes collateral agent, pursuant to which \$232.2 of the 2030 Senior Notes were issued. The 2030 Senior Notes will mature on March 12, 2030 and bear a floating rate of interest of Term SOFR plus the Applicable Margin (as defined in the 2030 Senior Notes Indenture) based on the Secured Net Leverage Ratio (as defined in the 2030 Senior Notes Indenture) payable on the last day of the applicable interest period in cash or, at the Company's election, additional 2030 Senior Notes paid-in-kind on one-, three- or six-month interest periods, which shall include a 100 basis point premium for any period where interest is paid-in-kind. The 2030 Senior Notes are senior secured obligations of the Company and are guaranteed on a senior secured basis by each of the Company's current domestic subsidiaries and by certain future subsidiaries, subject to agreed guaranty and security principles and certain exclusions.

The 2030 Senior Notes are fully and unconditionally guaranteed by each of the Company's current subsidiaries. The 2030 Senior Notes will also be guaranteed by each of the Company's future subsidiaries that guarantee the Company's indebtedness or indebtedness of guarantors, including under the 2028 ABL Facility (as defined below) and such subsidiaries that become guarantors in the future will also pledge their collateral in support of such guarantees. These guarantees are senior secured obligations of the guarantors secured by a first priority security interest on substantially all of the guarantors' assets (other than collateral securing the 2028 ABL Facility on a first priority basis) and a second priority security interest on the guarantors' assets which secure the 2028 ABL Facility on a first priority basis, subject in each case to certain excluded assets.

The Company is required to redeem the 2030 Senior Notes in an amount equal to 2.00% per annum of all 2030 Senior Notes outstanding as of the prior applicable Interest Payment Date (as defined in the 2030 Senior Notes Indenture) on the last business day of each of March, June, September and December.

Additionally, upon certain changes of control, consummation of certain asset sales and other events, the Company will be required to repurchase the 2030 Senior Notes at the applicable redemption prices.

The 2030 Senior Notes Indenture contains certain financial covenants that include (i) a maximum total net leverage ratio of not greater than 4.50 to 1.0 for the test periods ended 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) 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 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 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 \$7.5, material impairment of liens, failure to pay certain material judgments and certain events of bankruptcy. The 2030 Senior Notes Indenture permits the Company to incur 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) subject to the terms and conditions contained in the 2030 Senior Notes Indenture and contains certain other covenants, events of default and other customary provisions.

On March 6, 2026, the requisite holders agreed to execute the First Amendment to the 2030 Senior Notes Indenture (the "First Amendment to the Indenture") to provide financial covenant relief in the form of (i) extending the period for which the maximum total net leverage ratio covenant is tested at 4.50 to 1.0 through and including the testing period ending March 31, 2027, stepping down to 3.50 to 1.0 for the testing periods ending June 30, 2027 through and including March 31, 2028, to 3.00 to 1.0 for the testing periods ending June 30, 2028 through and including March 31, 2029, and to 2.50 to 1.0 for the testing periods ending June 30, 2029 and thereafter, (ii) a temporary holiday to exclude capital lease obligations as indebtedness for the purposes of determining compliance with the maximum total net leverage ratio covenant for the testing periods ending December 31, 2025 through and including March 31, 2027 and (iii) clarifying that proceeds from our ATM Offering (as defined below) program may be applied as an equity cure. The First Amendment to the Indenture also establishes additional debt and lien baskets to permit the issuance of letters of credit by third parties for the Company's account in favor of insurers in connection with a \$6.7 substitute insurance collateral facility. As of March 31, 2026, the Company was in compliance with its debt covenants under the 2030 Senior Notes.

As of March 31, 2026, the principal amount outstanding under the 2030 Senior Notes was \$249.5. On a net basis, after taking into consideration unamortized debt issuance costs and issue discount for the 2030 Senior Notes, total debt related to the 2030 Senior Notes as of March 31, 2026 was \$226.8. The effective interest rate under the 2030 Senior Notes was approximately 12.18% on March 31, 2026. Accrued interest related to the 2030 Senior Notes was \$— as of March 31, 2026 and \$— as of December 31, 2025.

2025 Senior Notes

The previously-issued 2025 Senior Notes were redeemed on March 30, 2025 and the related indenture was satisfied and discharged in full.

ABL Facilities

2028 ABL Facility

On March 7, 2025, the Company also entered into a Credit Agreement, dated as of March 7, 2025 (the “2028 ABL Facility”), with the Company, as borrower, Eclipse Business Capital LLC, as administrative agent, as collateral agent and as FILO administrative agent and the lenders party thereto. The 2028 ABL Facility is comprised of an asset-based revolving credit facility with a \$125.0 commitment (the “Revolving Facility”), a first-in-last-out asset-based credit facility with a \$10.0 commitment (the “FILO Facility”), and a committed incremental loan option under the Revolving Facility with a \$25.0 commitment (the “Incremental Revolving Loans”). The availability of the Incremental Revolving Loans are subject to usual and customary conditions to effectiveness, including, for example, the Company electing to utilize such Incremental Revolving Loans by a date certain and the payment of required fees. Borrowings under the Revolving Facility (including, to the extent incurred, the Incremental Revolving Loans) bear interest at a rate equal to adjusted term SOFR plus an applicable margin of 4.625%. Borrowings under the FILO Facility bear interest at a rate equal to adjusted term SOFR plus an applicable margin of 6.00%. The applicable margin under the Revolving Facility is subject to a 0.125% reduction and the applicable margin under the FILO Facility is subject to a 0.50% reduction, in each case upon the repayment in full of a \$5.0 over-advance provided on the initial funding date under the Revolving Facility. The 2028 ABL Facility is secured by, among other things, a first priority lien on accounts receivable and inventory and contains customary conditions precedent to borrowing and affirmative and negative covenants.

The initial funding under the 2028 ABL Facility occurred on March 12, 2025, and the proceeds therefrom were used to repay the Company's 2018 credit facility with JPMorgan Chase Bank, N.A. as administrative agent (the “Prior ABL Facility”) in full. After giving effect to the foregoing, we had approximately \$39.9 of available borrowing capacity under the 2028 ABL Facility. The 2028 ABL Facility includes a springing financial covenant which requires the Company's consolidated fixed charge coverage ratio to be at least 1.0 to 1.0 if availability under the Revolving Facility falls below \$7.0.

The 2028 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 2028 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 2028 ABL Facility contains certain other covenants (including the ability to incur indebtedness for the purpose of consummating permitted acquisitions, subject to the terms of the 2028 ABL Facility), events of default and other customary provisions. As of March 31, 2026, the Company was in compliance with its financial covenants under the 2028 ABL Facility.

As of March 31, 2026, the borrowings outstanding under the 2028 ABL Facility were \$49.0. The effective interest rate under the 2028 ABL Facility was approximately 8.41% on March 31, 2026. Accrued interest related to the 2028 ABL Facility was \$0.4 as of March 31, 2026 and \$0.4 as of December 31, 2025.

We have funds available under the 2028 ABL Facility of \$42.1 on the March 31, 2026 borrowing base certificate, which includes the undrawn availability on the FILO Facility.

Prior ABL Facility

On March 12, 2025, in connection with the completion of the Refinancing, the Prior ABL Facility was repaid in full using borrowings under the 2028 ABL Facility and the commitments thereunder terminated.

Other debt-related items

The Company uses standby letters of credit to facilitate commercial transactions with third parties and to secure our performance to certain vendors. Total letters of credit outstanding under the 2028 ABL Facility were \$6.9 at March 31, 2026 and \$6.9 at December 31, 2025. To the extent liabilities are incurred as a result of the activities covered by the letters of credit, such liabilities are included on the accompanying consolidated balance sheets.

As of March 31, 2026, the Company had \$0.5 of outstanding short-term indebtedness related to the financing of various insurance premiums at a weighted average interest rate of approximately 6.43%.

NOTE 5 - Fair Value Information

All financial instruments are carried at amounts that approximate estimated fair value. The fair value is the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. Assets measured at fair value are categorized based upon the lowest level of significant input to the valuations.

Level 1 – quoted prices in active markets for identical assets and liabilities.

Level 2 – quoted prices for identical assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 – unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The carrying amounts of cash and cash equivalents, accounts receivable-trade and accounts payable represent their respective fair values due to their short-term nature. There was \$49.0 and \$36.0 debt outstanding under the 2028 ABL Facility as of March 31, 2026 and December 31, 2025, respectively. The fair value of the 2028 ABL Facility approximates its carrying value as of March 31, 2026.

The following tables present the placement in the fair value hierarchy of the 2030 Senior Notes, based on market prices for publicly traded debt, as of March 31, 2026 and December 31, 2025:

	March 31, 2026	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
2030 Senior Notes	\$ 239.3	\$ —	\$ —	\$ 239.3
Total Senior Notes	\$ 239.3	\$ —	\$ —	\$ 239.3

	December 31, 2025	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
2030 Senior Notes	\$ 246.0	\$ —	\$ —	\$ 246.0
Total Senior Notes	\$ 246.0	\$ —	\$ —	\$ 246.0

NOTE 6 - Commitments, Contingencies and Off-Balance-Sheet Arrangements

Environmental Regulations & Liabilities

The Company is subject to various federal, state and local environmental laws and regulations that establish standards and requirements for the protection of the environment. The Company continues to monitor the status of these laws and regulations. However, the Company cannot predict the future impact of such laws and regulations, as well as standards and requirements, on our business, which are subject to change and can have retroactive effectiveness. Currently, the Company has not been fined, cited or notified of any environmental violations or liabilities that would have a material adverse effect on its condensed consolidated financial statement position, results of operations, liquidity or capital resources. However, management does recognize that by the very nature of its business, material costs could be incurred in the future to maintain compliance. The amount of such future expenditures is not determinable due to several factors, including the unknown magnitude of possible regulation or liabilities, the unknown timing and extent of the corrective actions that may be required, the determination of the Company's liability in proportion to other responsible parties and the extent to which such expenditures are recoverable from insurance or indemnification.

Litigation

The Company is at times either a plaintiff or a defendant in various legal actions arising in the normal course of business, the outcomes of which, in the opinion of management, neither individually nor in the aggregate are likely to result in a material adverse effect on the Company's condensed consolidated financial statements.

Indemnities, Commitments and Guarantees

During its ordinary course of business, the Company has made certain indemnities, commitments and guarantees under which it may be required to make payments in relation to certain transactions. These indemnities include indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease, as well as indemnities to other parties to certain acquisition agreements. The duration of these indemnities, commitments and guarantees varies and, in certain cases, is indefinite. Many of these indemnities, commitments and guarantees provide for limitations on the maximum potential future payments the Company could be obligated to make. However, the Company is unable to estimate the maximum amount of liability related to its indemnities, commitments and guarantees because such liabilities are contingent upon the occurrence of events that are not reasonably determinable. Management believes that any liability for these indemnities, commitments and guarantees would not be material to the accompanying condensed consolidated financial statements. Accordingly, no significant amounts have been accrued for indemnities, commitments and guarantees.

NOTE 7 - Equity and Stock-Based Compensation

Equity Distribution Agreement

On June 14, 2021, the Company 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, the Company may sell from time to time through the Agent (the "ATM Offering") Common Stock, 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, which, among other things, allows for debt-for-equity exchanges in accordance with Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"). On March 14, 2025, the Company entered into Amendment No. 2 to the Equity Distribution Agreement (the "EDA Amendment"), which, among other things, increased the aggregate offering price to up to approximately \$57.8 (which amount includes all of the Common Stock previously sold pursuant to the Equity Distribution Agreement prior to the EDA Amendment) and provides for the Company's election not to deliver a placement notice.

Any Common Stock offered and sold in the ATM Offering may be issued pursuant to the Company's shelf registration statement on Form S-3 (Registration No. 333-271182) filed with the SEC on April 7, 2023 and declared effective on April 19, 2023 (the "Registration Statement"), the prospectus supplement relating to the ATM Offering filed with the SEC on March 14, 2025 and any applicable additional prospectus supplements

related to the ATM Offering that form a part of the Registration Statement. 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 Rule 415 under the Securities Act. The Registration Statement expired on April 19, 2026 pursuant to Rule 415(a)(5) under the Securities Act. Sales under the ATM Offering program may restart when and if the Company files a prospectus supplement under a successor registration statement.

The Equity Distribution Agreement contains customary representations, warranties and agreements by the Company, indemnification obligations of the Company and the Agent, including for liabilities under the Securities Act, other obligations of the parties and termination provisions. Under the terms of the Equity Distribution Agreement, the Company will pay the Agent a commission equal to 3.0% of the gross sales price of the Common Stock sold.

The Company has used and plans to use the net proceeds from the ATM Offering, after deducting the Agent’s commissions and the Company’s offering expenses, for general corporate purposes, which may include, among other things, paying or refinancing all or a portion of the Company’s then-outstanding indebtedness and funding acquisitions, capital expenditures and working capital.

During the three months ended March 31, 2026, the Company did not sell any shares of Common Stock and incurred legal and administrative fees of \$0.0.

During the three months ended March 31, 2025, the Company sold 142,769 shares of Common Stock in exchange for gross proceeds of approximately \$0.5 and incurred legal and administrative fees of \$0.1.

Stock-Based Compensation

The Company has a Long-Term Incentive Plan (“LTIP”) under which the compensation committee of the Board of Directors (the “Board”) of the Company (the “Compensation Committee”) has the authority to grant stock options, stock appreciation rights, restricted stock, restricted stock units or other forms of equity-based or equity-related awards. Compensation cost for the LTIP grants is generally recorded on a straight-line basis over the vesting term of the shares based on the grant date value using the closing trading price.

On May 10, 2023, the stockholders of KLXE approved the Second Amended and Restated KLX Energy Services Holdings, Inc. Long-Term Incentive Plan, amended and restated as of March 8, 2023 (the “Amended and Restated LTIP”), which, among other things, increased 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 extended the expiration date to March 8, 2033. A description of the Amended and Restated LTIP is included in the Company’s proxy statement, filed with the SEC on March 28, 2023.

Compensation cost recognized during the three months ended March 31, 2026 and March 31, 2025 was related to grants of restricted stock as approved by the Compensation Committee. Stock-based compensation was \$0.3 and \$0.8 for the three months ended March 31, 2026 and March 31, 2025, respectively. Unrecognized compensation cost related to restricted stock awards made by the Company was \$3.4 at March 31, 2026 and \$3.0 at December 31, 2025.

NOTE 8 - Income Taxes

Income tax expense was \$0.2 and \$0.2 for the three months ended March 31, 2026 and March 31, 2025, respectively, and was comprised primarily of state and local taxes. The Company has a valuation allowance against its deferred tax balances and, as a result, it was unable to recognize a federal tax benefit on its year-to-date losses.

The Company continues to monitor additional guidance issued by the U.S. Treasury Department, the Internal Revenue Service and others.

NOTE 9 - Segment Reporting

The Company is organized on a geographic basis into three reportable segments. These reportable segments, which are also the Company's operating segments, are comprised of the Rocky Mountains Region (the Bakken, Williston, DJ, Uinta, Powder River, Piceance and Niobrara basins), the Southwest Region (the Permian Basin and the Eagle Ford Shale) and the Northeast/Mid-Con Region (the Marcellus and Utica Shale as well as the Mid-Continent STACK and SCOOP and Haynesville Shale). The segments regularly report their results of operations and make requests for capital expenditures and acquisition funding to the Chief Operating Decision Maker ("CODM"). The Company's CODM is our Chief Executive Officer.

The following tables present revenues, significant expenses and operating (loss) income by reportable segment:

	Three Months Ended				
	March 31, 2026				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Revenues	\$ 38.6	\$ 53.7	\$ 52.6	\$ (0.2)	\$ 144.7
Less					
Cost of sales	33.8	45.8	38.8	(0.2)	
Depreciation and amortization	5.9	7.9	7.9		
Selling, general and administrative ⁽¹⁾	1.9	3.1	1.6		
Other segment items	0.8	0.3	1.3		
Segment operating income	\$ (3.8)	\$ (3.4)	\$ 3.0	\$ —	\$ (4.2)
<i>Reconciliation of profit or loss (segment profit/(loss))</i>					
Unallocated corporate expenses ⁽²⁾					(7.9)
Interest income					0.0
Interest expense					(11.7)
Loss before income tax					\$ (23.8)

⁽¹⁾ Note that the Selling, general and administrative line item in the Consolidated Statement of Operations contains the Other segment items line item here, less the Research and development costs line item.

⁽²⁾ For the three months ended March 31, 2026, these consist of \$0.9 of cost of sales, \$0.2 of depreciation and amortization, \$6.4 of selling, general and administrative, and \$0.4 of other expenses.

	Three Months Ended				
	March 31, 2025				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Revenues	\$ 47.9	\$ 65.4	\$ 41.0	\$ (0.3)	\$ 154.0
Less					
Cost of sales	37.7	49.7	35.8	(0.3)	
Depreciation and amortization	6.8	8.3	9.0		
Selling, general and administrative ⁽¹⁾	1.9	3.4	1.6		
Other segment items	1.7	1.0	2.7		
Segment operating income	\$ (0.2)	\$ 3.0	\$ (8.1)	\$ —	\$ (5.3)
<i>Reconciliation of profit or loss (segment profit/(loss))</i>					
Unallocated corporate expenses ⁽²⁾					(11.2)
Interest income					0.3
Interest expense					(10.3)
Loss on debt extinguishment					(1.2)
Loss before income tax					\$ (27.7)

⁽¹⁾ Note that the Selling, general and administrative line item in the Consolidated Statement of Operations contains the Other segment items line item here, less the Research and development costs line item.

⁽²⁾ For the three months ended March 31, 2025, these consist of \$0.8 of cost of sales, \$0.6 of depreciation and amortization, \$9.4 of selling, general and administrative, and \$0.4 of other expenses.

Other segment items include research and development costs, allocations and other expenses.

The following tables present revenues by service offering by reportable segment:

	Three Months Ended				
	March 31, 2026				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Drilling	\$ 5.9	\$ 10.7	\$ 12.5	\$ (0.2)	\$ 28.9
Completion	17.7	28.2	32.1		78.0
Production	10.7	9.5	3.7		23.9
Intervention	4.3	5.3	4.3		13.9
Total revenues	\$ 38.6	\$ 53.7	\$ 52.6	\$ (0.2)	\$ 144.7

	Three Months Ended				
	March 31, 2025				
	Rocky Mountains	Southwest	Northeast /Mid-Con	Eliminations	Total
Drilling	\$ 7.5	\$ 12.0	\$ 11.4	\$ (0.3)	\$ 30.6
Completion	22.3	32.9	22.9		78.1
Production	12.4	12.4	2.9		27.7
Intervention	5.7	8.1	3.8		17.6
Total revenues	\$ 47.9	\$ 65.4	\$ 41.0	\$ (0.3)	\$ 154.0

The following table presents total assets by segment:

	Three Months Ended	
	March 31, 2026	December 31, 2025
Rocky Mountains	\$ 90.5	\$ 103.0
Southwest	134.2	139.2
Northeast/Mid-Con	101.2	92.4
Total	325.9	334.6
Unallocated corporate assets	5.6	5.7
Total assets	\$ 331.5	\$ 340.3

The following table presents cash capital expenditures by reportable segment:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Rocky Mountains	\$ 1.7	\$ 1.5
Southwest	1.8	6.1
Northeast/Mid-Con	5.2	7.1
Unallocated corporate expenditures	—	0.3
Total capital expenditures	\$ 8.7	\$ 15.0

NOTE 10 - Net Loss Per Common Share

Basic net loss per common share is computed using the weighted average common shares outstanding during the period. Diluted net loss per common share is computed by using the weighted average common

shares outstanding, including the dilutive effect of restricted shares based on an average share price during the period. For the three months ended March 31, 2026 and March 31, 2025, 0.6 and 0.7 million shares of Common Stock, respectively, were excluded from the determination of diluted net loss per common share because their effect would have been anti-dilutive. The computations of basic and diluted net loss per share for the three months ended March 31, 2026 and March 31, 2025 are as follows:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net loss	\$ (24.0)	\$ (27.9)
(Shares in millions)		
Basic weighted average common shares	19.5	17.2
Effect of dilutive securities - dilutive securities	—	—
Diluted weighted average common shares	19.5	17.2
Basic net loss per common share	\$ (1.23)	\$ (1.62)
Diluted net loss per common share	\$ (1.23)	\$ (1.62)

NOTE 11 - Related Party Transactions

Stuart Porter, a greater than 5% passive shareholder of the company, is the Senior Partner of Trace Capital. From time to time and in the ordinary course of business and at arms-length, certain Trace Capital portfolio companies engage us as service providers. The revenue associated with these related party transactions was \$3.4 and \$0.4 for the three months ended March 31, 2026 and March 31, 2025, respectively, and the related accounts receivable balance was \$0.3 and \$3.9 as of March 31, 2026 and December 31, 2025, respectively.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information to investors. This Quarterly Report on Form 10-Q (this “Quarterly Report”) includes forward-looking statements that reflect our current expectations and projections about our future results, performance and prospects. Forward-looking statements include all statements that are not historical in nature or are not current facts. When used in this Quarterly Report, the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could,” “will” or the negative of these terms or similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events.

These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause our actual results, performance and prospects to differ materially from those expressed in, or implied by, these forward-looking statements. Factors that might cause such a difference include those discussed in our filings with the SEC, in particular those discussed under the headings “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025 and in this Quarterly Report, including the following factors:

- general economic conditions, such as inflation and government efforts to reduce inflation or a recession;
- persistent volatility in national and global crude oil demand and crude oil prices;
- the possibility of inefficiencies, curtailments or shutdowns in our customers’ operations, whether in response to reductions in demand or other factors;
- uncertainty regarding our future operating results;
- regulation of and dependence upon the energy industry;
- the cyclical nature of the energy industry;

- fluctuations in market prices for fuel, oil and natural gas;
- overall domestic and global political and economic conditions, including the imposition of increased, new and retaliatory tariffs or trade or other economic sanctions, political instability or armed conflict, including the ongoing conflicts in Ukraine, the Israel-Gaza region and elsewhere in the Middle East, including the conflict with Iran, as well as conditions in South America, including most recently in Venezuela;
- the level of capital spending and access to capital markets by our customers in response to changes in demand and crude oil prices;
- our ability to maintain acceptable pricing for our services;
- our ability to maintain compliance with the covenants in our debt agreements and our liquidity levels and the need to obtain additional capital or financing, and the availability and/or cost of obtaining such capital or financing;
- competitive conditions within the industry;
- the loss of or interruption in operations of one or more key suppliers;
- legislative or regulatory changes and potential liability under federal and state laws and regulations;
- decreases in the rate at which oil and/or natural gas reserves are discovered and/or developed;
- the impact of technological advances on the demand for our products and services;
- customers' delays in obtaining permits for their operations;
- hazards and operational risks that may not be fully covered by insurance;
- limitations originating from our organizational documents, debt instruments and U.S. federal income tax obligations may impact our financial flexibility, our ability to engage in strategic transactions or our ability to declare and pay cash dividends on our Common Stock;
- changes in supply, demand and costs of equipment, including as a result of tariffs;
- oilfield anti-indemnity provisions;
- seasonal and adverse weather conditions that can affect oil and natural gas operations;
- reliance on information technology resources and the inability to implement new technology and services;
- the possibility of terrorist or cyberattacks and the consequences of any such events;
- increased labor costs or our ability to employ, or maintain the employment of, a sufficient number of key employees, technical personnel, and other skilled and qualified workers;
- the market environment and impacts resulting from a global pandemic and subsequent variants;
- the inability to successfully consummate or integrate our acquisitions or inability to manage potential growth; and
- our ability to remediate any material weakness in, or to maintain effective, internal controls over financial reporting and disclosure controls and procedures.

In light of these risks and uncertainties, you are cautioned not to put undue reliance on any forward-looking statements in this Quarterly Report. These statements should be considered only after carefully reading this entire Quarterly Report. Except as required under the federal securities laws and rules and regulations of the SEC, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional risks that we may currently deem immaterial or that are not presently known to us could also cause the forward-looking events discussed in this Quarterly Report not to occur.

All forward-looking statements, expressed or implied, included in this Quarterly Report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statement that we or persons acting on our behalf may issue.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (U.S. dollars in millions, except per share data)

The following discussion and analysis should be read in conjunction with the historical condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report as well as our Annual Report on Form 10-K for the year ended December 31, 2025. This discussion contains forward-looking statements reflecting our current expectations and estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the sections entitled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” appearing elsewhere in this Quarterly Report.

The following discussion and analysis addresses the results of our operations for the three months ended March 31, 2026, as compared to our results of operations for the three months ended March 31, 2025. In addition, the discussion and analysis addresses our liquidity, financial condition and other matters for these periods.

Company History

KLX Energy Services was initially formed from the combination of seven private oilfield service companies acquired during 2013 and 2014. The Company continued to selectively acquire regional and product line specific businesses through 2019 to expand our service capabilities and broaden our geographic presence. Once the acquisitions were completed, we undertook a comprehensive integration of these businesses to align our services, our people and our assets across all the geographic regions where we maintain a presence. We acquired Quintana Energy Services, Inc. (“QES”) during the second quarter of 2020 and, by doing so, helped establish KLXE as an industry leading provider of asset-light oilfield solutions across the full well lifecycle to the major onshore oil and gas producing regions of the United States.

The merger of KLXE and QES (the “QES Merger”) provided increased scale to serve a blue-chip customer base across the onshore oil and gas basins in the United States. The QES Merger combined two strong company cultures comprised of highly talented teams with shared commitments to safety, performance, customer service and profitability. The combination leveraged two of the largest fleets of coiled tubing and wireline assets, resulting in KLXE becoming a leading diversified provider of drilling, completions and production services, with market leadership positions in coiled tubing and fishing services. After closing the QES Merger, the Company integrated personnel, facilities, processes and systems across all functional areas of the organization.

On March 8, 2023, KLXE acquired all of the equity interests of Greene’s Energy Group, LLC (“Greene’s”), in an all-stock transaction, including \$1.7 in cash remaining at Greene’s, which was subsequently adjusted to \$1.1 due to a \$0.6 working capital adjustment.

Looking ahead, the Company expects to continue to pursue opportunistic, strategic, accretive acquisitions that would be expected to further strengthen the Company’s competitive positioning and capital structure and drive efficiencies, accelerate growth and create long-term stockholder value.

Company Overview

We serve many of the leading companies engaged in the exploration and development of onshore conventional and unconventional oil and natural gas reserves in the United States. Our customers are primarily large independent and major oil and gas companies. We currently support these customer operations from over 60 service facilities located in the key major shale basins. We operate in three segments on a geographic basis, including the Rocky Mountains Region (the Bakken, Williston, DJ, Uinta, Powder River, Piceance and Niobrara basins), the Southwest Region (the Permian Basin, Eagle Ford Shale and the Gulf Coast as well as in industrial and petrochemical facilities) and the Northeast/Mid-Con Region (the Marcellus and Utica Shale as well as the Mid-Continent STACK and SCOOP and Haynesville Shale). Our revenues, operating earnings and identifiable assets are primarily attributable to these three reportable

geographic segments. While we manage our business based upon these geographic groupings, our assets and our technical personnel are deployed on a dynamic basis across all of our service facilities to optimize utilization and profitability.

These expansive operating areas provide us with access to a number of nearby unconventional crude oil and natural gas basins, both with existing customers expanding their production footprint and third parties acquiring new acreage. Our proximity to existing and prospective customer activities allows us to anticipate and respond quickly to such customers' needs and efficiently deploy our assets. We believe that our strategic geographic positioning will benefit us as activity increases in our core operating areas. Our broad geographic footprint provides us with exposure to the ongoing recovery in drilling, completion, production and intervention related service activity and will allow us to opportunistically pursue new business in basins with active drilling environments.

We work with our customers to provide engineered solutions across the lifecycle of the well by streamlining operations, reducing non-productive time and developing cost effective solutions and customized tools for our customers' challenging service needs, including their technically complex extended reach horizontal wells. We believe future revenue growth opportunities will continue to be driven by increases in the number of new customers served and the breadth of services we offer to existing and prospective customers.

We offer a variety of targeted services that are differentiated by the technical competence and experience of our field service engineers and their deployment of a broad portfolio of specialized tools and proprietary equipment. Our innovative and adaptive approach to proprietary tool design has been employed by our in-house research and development ("R&D") organization and, in selected instances, by our technology partners to develop tools covered by 40 patents and 6 pending patent applications, which we believe differentiates us from our regional competitors and also allows us to deliver more focused service and better outcomes in our specialized services than larger national competitors that do not discretely dedicate their resources to the services we provide.

We utilize contract manufacturers to produce our products, which, in many cases, our engineers have developed from input and requests from our customers and customer-facing managers, thereby maintaining the integrity of our intellectual property while avoiding manufacturing startup and maintenance costs. This approach leverages our technical strengths, as well as those of our technology partners. These services and related products are modest in cost to the customer relative to other well construction expenditures but have a high cost of failure and are, therefore, critical to our customers' outcomes. We believe our customers have come to depend on our decades of field experience to execute on some of the most challenging problems they face. We believe we are well positioned as a company to service customers when they are drilling and completing complex wells, and remediating both newer and older legacy wells.

We invest in innovative technology and equipment designed for modern production techniques that increase efficiencies and production for our customers. North American unconventional onshore wells are increasingly characterized by extended lateral lengths, tighter spacing between hydraulic fracturing stages, increased cluster density and heightened proppant loads. Drilling and completion activities for wells in unconventional resource plays are extremely complex, and downhole challenges and operating costs increase as the complexity and lateral length of these wells increase. For these reasons, E&P companies with complex wells increasingly prefer service providers with the scale and resources to deliver best-in-class solutions that evolve in real-time with the technology used for extraction. We believe we offer best-in-class service execution at the wellsite and innovative downhole technologies, positioning us to benefit from our ability to service technically complex wells where the potential for increased operating leverage is high due to the large number of stages per well.

We endeavor to create a next generation oilfield services company in terms of management controls, processes and operating metrics, and have driven these processes down through the operating management structure in every region, which we believe differentiates us from many of our competitors. This allows us to offer our customers in all of our geographic regions discrete, comprehensive and differentiated services that leverage both the technical expertise of our skilled engineers and our in-house R&D team.

Recent Trends and Outlook

Demand for services in the oil and natural gas industry is cyclical and subject to sudden and significant volatility. While oil prices declined in the first half of 2023 from their 2022 highs, oil prices rebounded in the third quarter of 2023 due to stronger than anticipated economic growth and sustained production cuts from Saudi Arabia and Russia, followed by oil price stabilization, through decreases, in the fourth quarter of 2023 due to a decrease in demand as the overall economy declined. During the first half of 2024, oil prices increased steadily, while in the second half of the year they fell back and traded within a relatively narrow band. Natural gas prices also declined since the fourth quarter of 2023, bottoming out in the first quarter of 2024 and remaining near historic lows for the remainder of the year, before increasing in early 2025 to a two-year high. Oil and natural gas prices have been, and may remain, volatile, which impacts demand for our business. West Texas Intermediate's ("WTI") average daily price per barrel increased by approximately 22.0%, to \$72.74 per Bbl during the three months ended March 31, 2026, compared to the WTI average daily price per barrel of \$59.62 per Bbl during the three months ended December 31, 2025. However, these average prices conceal extremes reached within the first quarter of 2026, with early January lows near \$56 per Bbl and late March highs at almost \$105 per Bbl, in the run-up to the ongoing conflict with Iran. As of March 31, 2026, U.S. land rig count stood at 530, which increased slightly compared to December 31, 2025, when the U.S. land rig count was 527. So far in 2026, factors affecting oil prices have included instability and conflict in the Middle East, output increases from the largest oil-producing countries and changes in the growth rate of the U.S. and world economies.

Despite the volatility in commodity prices during the fiscal year ended December 31, 2025, the Company remains focused on providing the highest level of customer service across our regions and different service offerings, which has allowed us to make meaningful positive impacts to our revenue, operating margins, cash flows and Adjusted EBITDA (as defined below). We are taking steps to hire essential personnel and increase capital expenditures as activity rebounds, but we are measured in our growth and focused on returns.

Looking ahead to the year ending December 31, 2026, assuming economic activity holds at the recent level and commodity prices remain volatile, we anticipate that our customers will continue to cautiously allocate capital and operating expense spending. So far in the year ending December 31, 2026, WTI prices have increased markedly in March and April, after the start of the ongoing conflict with Iran. Still, the increase has not been stable, as news from the region drives large changes to WTI prices on a daily basis. Currently, it is difficult to try and estimate the future direction of WTI prices or global oil inventories, or whether our customers will meaningfully increase planned drilling this year if there continues to be significant uncertainty on the duration of the conflict and increase in oil prices.

Oil and natural gas prices may fluctuate with changes in demand due to, among other things, the ongoing war in Ukraine, the Israel-Hamas conflict, the conflict with Iran, conditions in South America, including most recently in Venezuela, international sanctions, speculation as to future actions by the Organization of the Petroleum Exporting Countries and its allies, gas prices, interest rates, inflation and government efforts to reduce inflation, and possible changes in the overall health of the global economy, including a perceived economic recovery or any increased volatility in financial and credit markets, the imposition of increased, new and retaliatory tariffs or a recession. To what extent these and other external factors (such as government action with respect to climate change regulation) ultimately impact our future business, liquidity, financial condition, and results of operations is highly uncertain and dependent on numerous factors, including future developments, that are not within our control and cannot be accurately predicted.

We believe our diverse product and service offerings uniquely position KLXE to respond to a rapidly evolving marketplace where we can provide a comprehensive suite of engineered solutions for our customers with one call and one master services agreement.

How We Generate Revenue and the Costs of Conducting Our Business

Our business strategy seeks to generate attractive returns on capital by providing differentiated services and prudently applying our cash flow to select targeted opportunities, with the potential to deliver high returns that

we believe offer superior margins over the long-term and short payback periods. Our services generally require equipment that is less expensive to maintain and is operated by a smaller staff than many other oilfield services providers. As part of our returns-focused approach to capital spending, we are focused on efficiently utilizing capital to develop new products. We support our existing asset base with targeted investments in R&D, which we believe allows us to maintain a technical advantage over our competitors providing similar services using standard equipment.

Demand for services in the oil and natural gas industry is cyclical and subject to sudden and significant volatility. We remain focused on serving the needs of our customers by providing a broad portfolio of product service lines across major basins, while preserving a solid balance sheet, maintaining sufficient operating liquidity and prudently managing our capital expenditures.

We believe we have strong management systems in place, which will allow us to manage our operating resources and associated expenses relative to market conditions. Historically, we believe our services have generated margins superior to our competitors based upon the differential quality of our performance, and that these margins may contribute to future cash flow generation. The required investment in our business includes both working capital (principally for accounts receivable, inventory and accounts payable growth tied to increasing activity) and capital expenditures for both maintenance of existing assets and ultimately growth when economic returns justify the spending. Our required maintenance capital expenditures tend to be lower than other oilfield service providers due to the generally asset-light nature of our services, the lower average age of our assets and our ability to charge back a portion of asset maintenance to customers for a number of our assets.

Results of Operations

Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

Revenue. The following is a summary of revenue by segment and product line for the periods indicated:

	Three Months Ended		
	March 31, 2026	March 31, 2025	% Change
Revenue:			
Rocky Mountains	\$ 38.6	\$ 47.8	(19.2)%
Southwest	53.6	65.2	(17.8)%
Northeast/Mid-Con	52.5	41.0	28.0 %
Total revenue	<u>\$ 144.7</u>	<u>\$ 154.0</u>	<u>(6.0)%</u>

	Three Months Ended		
	March 31, 2026	March 31, 2025	% Change
Revenue:			
Drilling	\$ 28.9	\$ 30.6	(5.6)%
Completion	78.0	78.1	(0.1)%
Production	23.9	27.7	(13.7)%
Intervention	13.9	17.6	(21.0)%
Total revenue	<u>\$ 144.7</u>	<u>\$ 154.0</u>	<u>(6.0)%</u>

For the quarter ended March 31, 2026, revenues were \$144.7, a decrease of \$9.3, or 6.0%, as compared with the prior year period. The overall decrease in revenues reflects a decline in activity during the quarter, leading to lower demand for our services. Lower weighted average price contributed to approximately 67% of the \$9.3 decrease, and lower weighted average volume contributed to the remaining approximately 33%. On a segment basis, Rocky Mountains segment revenue decreased by \$9.2 or 19.2%. Lower weighted average price contributed to approximately 7% of the dollar decrease, and lower weighted average volume contributed to the remaining approximately 93%. Southwest segment revenue decreased by \$11.6 or 17.8%. Lower weighted average price contributed to approximately 97% of the dollar decrease, and lower weighted average volume contributed to the remaining approximately 3%. Northeast/Mid-Con segment revenue increased by \$11.5 or 28.0%. Higher weighted average price contributed to approximately 80% of the dollar decrease, and higher weighted average volume contributed to the remaining approximately 20%.

Cost of sales. For the quarter ended March 31, 2026, cost of sales were \$119.1, or 82.3% of sales, as compared to the three months ended March 31, 2025 of \$123.8, or 80.4% of sales. Cost of sales as a percentage of revenues increased primarily due to lower revenues during the quarter. The two largest components of cost of sales are labor and repair & maintenance. As cost of sales as a percentage of revenues increased, labor costs per employee increased by 0.6% as compared with the three months ended March 31, 2025. Repair & maintenance costs as a percentage of revenues increased by 7.3% as compared to the three months ended March 31, 2025, due to an increase in repair & maintenance costs during the quarter.

Selling, general and administrative expenses (“SG&A”). For the quarter ended March 31, 2026, SG&A expenses were \$15.4, or 10.6% of revenues, as compared with \$21.6, or 14.0% of revenues, in the prior year period. The decreases on a dollar basis and in percentage of revenues are the result of continuous efforts to reduce costs and improve efficiency.

Operating (loss) income. The following is a summary of operating (loss) income by segment:

	Three Months Ended		
	March 31, 2026	March 31, 2025	% Change
Operating (loss) income:			
Rocky Mountains	\$ (3.8)	\$ (0.2)	NM
Southwest	(3.4)	3.0	NM
Northeast/Mid-Con	3.0	(8.1)	NM
Corporate and other	(7.9)	(12.4)	36.3 %
Total operating loss	<u>\$ (12.1)</u>	<u>\$ (17.7)</u>	<u>31.6 %</u>

For the quarter ended March 31, 2026, operating loss was \$12.1 compared to operating loss of \$17.7 in the prior year period, due to lower Corporate and other operating costs.

The operating results across our three geographic segments declined as a function of lower revenues compared to the prior year period. Rocky Mountains segment operating loss was \$3.8, Southwest segment operating loss was \$3.4, and Northeast/Mid-Con segment operating income was \$3.0 for the three months ended March 31, 2026.

Income tax expense. For the quarter ended March 31, 2026, income tax expense was \$0.2, consistent with income tax expense of \$0.2 in the prior year period, and was comprised primarily of state and local taxes. The Company did not recognize a federal tax benefit on its year-to-date losses because it has a valuation allowance against its deferred tax balances.

Net loss. For the quarter ended March 31, 2026, net loss was \$24.0, as compared to net loss of \$27.9 in the prior year period, improving primarily as a result of lower operating costs as discussed above.

Liquidity and Capital Resources

Overview

We require capital to fund ongoing operations, including maintenance expenditures on our existing fleet and equipment, organic growth initiatives, debt service obligations, investments and acquisitions. Our primary sources of liquidity to date have been capital contributions from our equity and note holders, borrowings under our Prior ABL Facility and 2028 ABL Facility and cash flows from operations. At March 31, 2026, we had \$5.6 of cash and cash equivalents and \$42.1 of available capacity under the 2028 ABL Facility.

We have taken several actions to continue to improve our liquidity position, including equity issuances under our ATM Offering program, debt-for-equity exchanges that have reduced interest burden and monetization of non-core and obsolete assets. Recently, we completed a refinancing of our long-term indebtedness on March 12, 2025, as described in greater detail under “—Refinancing”, “—ABL Facilities—2028 ABL Facility” and “—Senior Secured Notes—2030 Senior Notes” below. As market conditions warrant and subject to our contractual restrictions, liquidity position and other factors, we may further access the public or private debt and equity markets, sell non-core assets or seek to recapitalize, refinance or otherwise restructure our capital structure.

Our ability to comply with the covenants in our debt instruments and pay the principal and interest on our debt and to satisfy our other liabilities will depend on our future operating performance and our 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. 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.

In order to ensure our continued compliance with the maximum total net leverage ratio covenant under the 2030 Senior Notes Indenture, on March 6, 2026, the requisite Investors (as defined below) agreed to execute the First Amendment to the 2030 Senior Notes Indenture (the "First Amendment to the Indenture") to provide financial covenant relief, described more fully below under "2030 Senior Notes." In connection with the entry into the First Amendment to the Indenture, we issued warrants for our Common Stock (the "Warrants") to our Investors, based on their pro rata ownership of principal amount of the 2030 Senior Notes, providing for the purchase of up to 803,712 shares of Common Stock at an exercise price of \$0.01 per share, subject to adjustment, pursuant to Section 4(a)(2) of the Securities Act.

Our 2028 ABL Facility matures on March 7, 2028 and we intend to work with our existing lenders or other sources of capital to refinance the 2028 ABL Facility as well as our 2030 Senior Notes. If we are unable to refinance the 2028 ABL Facility as planned 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 fiscal year ending December 31, 2026.

In light of our substantial leverage position, as market conditions warrant and subject to our contractual restrictions, liquidity position and other factors, we are evaluating several alternatives for deleveraging including debt for equity exchanges, non-core asset sales or other potential transactions to recapitalize, refinance or otherwise restructure our capital structure. Some of these alternatives may require the consent of current lenders, stockholders or Investors, and there is no assurance that we will be able to execute any of these alternatives on acceptable terms or at all.

We actively manage our capital spending and are focused primarily on required maintenance spending. For the past couple of years, due to increasing oil prices leading to an increase in demand for our services, our operating cash flow has been positive. Based on our current forecasts, we believe our cash on hand, availability under the 2028 ABL Facility and our cash flows will provide us with the ability to fund our operations for at least the next twelve months.

Refinancing

On March 7, 2025, the Company and certain of our subsidiaries party thereto entered into a Securities Purchase Agreement with certain holders (the "Investors") of our 2025 Senior Notes, pursuant to which the Company agreed to issue and sell to the Investors (a) approximately \$232.2 in aggregate principal amount of the 2030 Senior Notes and (b) warrants entitling the Investors thereof to purchase, in the aggregate, up to 2,373,187 shares of Common Stock, at an exercise price of \$0.01 per share, subject to adjustment in exchange for (i) approximately \$78.4 in aggregate cash consideration and (ii) approximately \$143.6 aggregate principal amount of the 2025 Senior Notes, which were cancelled by the Company upon receipt thereof (collectively, the "Refinancing"). The Company consummated the Refinancing on March 12, 2025.

Senior Secured Notes

2030 Senior Notes

On March 12, 2025, as part of the Refinancing, the Company and certain of its subsidiaries entered into the 2030 Senior Notes Indenture, with U.S. Bank Trust Company, National Association, as the trustee and notes collateral agent, pursuant to which \$232.2 of the 2030 Senior Notes were issued. The 2030 Senior Notes will mature on March 12, 2030 and bear a floating rate of interest of Term SOFR plus the Applicable Margin (as defined in the 2030 Senior Notes Indenture) based on the Secured Net Leverage Ratio (as defined in the 2030 Senior Notes Indenture) payable on the last day of the applicable interest period in cash or, at the Company's election, additional 2030 Senior Notes paid-in-kind on one-, three- or six-month interest periods, which shall include a 100 basis point premium for any period where interest is paid-in-kind. The 2030 Senior Notes are senior secured obligations of the Company and are guaranteed on a senior secured basis by each

of the Company's current domestic subsidiaries and by certain future subsidiaries, subject to agreed guaranty and security principles and certain exclusions.

The 2030 Senior Notes are fully and unconditionally guaranteed by each of the Company's current subsidiaries. The 2030 Senior Notes will also be guaranteed by each of the Company's future subsidiaries that guarantee the Company's indebtedness or indebtedness of guarantors, including under the 2028 ABL Facility and such subsidiaries that become guarantors in the future will also pledge their collateral in support of such guarantees. These guarantees are senior secured obligations of the guarantors secured by a first priority security interest on substantially all of the guarantors' assets (other than collateral securing the 2028 ABL Facility on a first priority basis) and a second priority security interest on the guarantors' assets which secure the 2028 ABL Facility on a first priority basis, subject in each case to certain excluded assets.

The Company is required to redeem the 2030 Senior Notes in an amount equal to 2.00% per annum of all 2030 Senior Notes outstanding as of the prior applicable Interest Payment Date (as defined in the 2030 Senior Notes Indenture) on the last business day of each of March, June, September and December. Additionally, upon certain changes of control, consummation of certain asset sales and other events, the Company will be required to repurchase the 2030 Senior Notes at the applicable redemption prices.

The 2030 Senior Notes Indenture contains certain financial covenants that include (i) a maximum total net leverage ratio of not greater than 4.50 to 1.0 for the test periods ended 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) 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 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 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 \$7.5, material impairment of liens, failure to pay certain material judgments and certain events of bankruptcy. The 2030 Senior Notes Indenture permits the Company to incur 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) subject to the terms and conditions contained in the 2030 Senior Notes Indenture and contains certain other covenants, events of default and other customary provisions.

On March 6, 2026, the requisite Investors agreed to execute the First Amendment to the Indenture to provide financial covenant relief in the form of (i) extending the period for which the maximum total net leverage ratio covenant is tested at 4.50 to 1.0 through and including the testing period ending March 31, 2027, stepping down to 3.50 to 1.0 for the testing periods ending June 30, 2027 through and including March 31, 2028, to 3.00 to 1.0 for the testing periods ending June 30, 2028 through and including March 31, 2029, and to 2.50 to 1.0 for the testing periods ending June 30, 2029 and thereafter, (ii) a temporary holiday to exclude capital lease obligations as indebtedness for the purposes of determining compliance with the maximum total net leverage ratio covenant for the testing periods ending December 31, 2025 through and including March 31, 2027 and (iii) clarifying that proceeds from our ATM Offering program may be applied as an equity cure. The First Amendment to the Indenture also establishes additional debt and lien baskets to permit the issuance of letters of credit by third parties for the Company's account in favor of insurers in connection with a \$6.7 substitute insurance collateral facility. As of March 31, 2026, the Company was in compliance with its financial covenants under the 2030 Senior Notes.

There is no certainty that the First Amendment to the Indenture will be sufficient to allow us to comply with our covenants under the 2030 Senior Notes Indenture or that we will be able to obtain future amendments in the event we are unable to comply with such covenants. For additional details, see “Part I. Item 1A. Risk Factors—Risks Relating to Financial Considerations—The 2030 Senior Notes Indenture and the 2028 ABL Facility have significant financial and operating restrictions that may have an adverse effect on our business, financial condition and results of operations. 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” in our Annual Report on Form 10-K for the year ended December 31, 2025. Also in connection with our entry into the First Amendment to the Indenture, we issued Warrants to our noteholders, based on their pro rata ownership of principal amount of the 2030 Senior Notes, providing for the purchase of up to 803,712 shares of Common Stock at an exercise price of \$0.01 per share, subject to adjustment, pursuant to Section 4(a)(2) of the Securities Act.

As of March 31, 2026, the principal amount outstanding under the 2030 Senior Notes was \$249.5. On a net basis, after taking into consideration unamortized debt issuance costs and issue discount for the 2030 Senior Notes, total debt related to the 2030 Senior Notes as of March 31, 2026 was \$226.8. The effective interest rate under the 2030 Senior Notes was approximately 12.18% on March 31, 2026. Accrued interest related to the 2030 Senior Notes was \$— as of March 31, 2026 and \$— as of December 31, 2025.

2025 Senior Notes

The previously-issued 2025 Senior Notes were redeemed on March 30, 2025 and the related indenture was satisfied and discharged in full.

ABL Facilities

2028 ABL Facility

On March 7, 2025, the Company also entered into a Credit Agreement, dated as of March 7, 2025 (the “2028 ABL Facility”), with the Company, as borrower, Eclipse Business Capital LLC, as administrative agent, as collateral agent and as FILO administrative agent and the lenders party thereto. The 2028 ABL Facility is comprised of an asset-based revolving credit facility with a \$125.0 commitment (the “Revolving Facility”), a first-in-last-out asset-based credit facility with a \$10.0 commitment (the “FILO Facility”), and a committed incremental loan option under the Revolving Facility with a \$25.0 commitment (the “Incremental Revolving Loans”).

The availability of the Incremental Revolving Loans are subject to usual and customary conditions to effectiveness, including, for example, the Company electing to utilize such Incremental Revolving Loans by a date certain and the payment of required fees. Borrowings under the Revolving Facility (including, to the extent incurred, the Incremental Revolving Loans) bear interest at a rate equal to adjusted term SOFR plus an applicable margin of 4.625%. Borrowings under the FILO Facility bear interest at a rate equal to adjusted term SOFR plus an applicable margin of 6.00%. The applicable margin under the Revolving Facility is subject to a 0.125% reduction and the applicable margin under the FILO Facility is subject to a 0.50% reduction, in each case upon the repayment in full of a \$5.0 over-advance provided on the initial funding date under the Revolving Facility. The 2028 ABL Facility is secured by, among other things, a first priority lien on accounts receivable and inventory and contains customary conditions precedent to borrowing and affirmative and negative covenants.

The initial funding under the 2028 ABL Facility occurred on March 12, 2025, and the proceeds therefrom were used to repay the Prior ABL Facility in full. After giving effect to the foregoing, we had approximately \$39.9 of available borrowing capacity under the 2028 ABL Facility. Our 2028 ABL Facility matures on March 7, 2028.

The 2028 ABL Facility includes a springing financial covenant which requires the Company's consolidated fixed charge coverage ratio to be at least 1.0 to 1.0 if availability under the Revolving Facility falls below \$7.0.

The 2028 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 2028 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 2028 ABL Facility contains certain other covenants (including the ability to incur indebtedness for the purpose of consummating permitted acquisitions, subject to the terms of the 2028 ABL Facility), events of default and other customary provisions. As of March 31, 2026, the Company was in compliance with its financial covenants under the 2028 ABL Facility.

As of March 31, 2026, the borrowings outstanding under the 2028 ABL Facility were \$49.0. The effective interest rate under the 2028 ABL Facility was approximately 8.41% on March 31, 2026. Accrued interest related to the 2028 ABL Facility was \$0.4 as of March 31, 2026 and \$0.4 as of December 31, 2025.

Indemnities, Commitments and Guarantees

In the normal course of our business, we make certain indemnities, commitments and guarantees under which we may be required to make payments in relation to certain transactions. These indemnities include indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease and indemnities to other parties to certain acquisition agreements. The duration of these indemnities, commitments and guarantees varies and, in certain cases, is indefinite. Many of these indemnities, commitments and guarantees provide for limitations on the maximum potential future payments we could be obligated to make. However, we are unable to estimate the maximum amount of liability related to our indemnities, commitments and guarantees because such liabilities are contingent upon the occurrence of events that are not reasonably determinable. Our management believes that any liability for these indemnities, commitments and guarantees would not be material to our financial statements. Accordingly, no significant amounts have been accrued for indemnities, commitments and guarantees.

We have employment agreements with certain key members of management expiring on various dates. Our employment agreements generally provide for certain protections in the event of a change of control. These protections generally include the payment of severance and related benefits under certain circumstances in the event of a change in control.

Capital Expenditures

Our capital expenditures were \$8.7 during the three months ended March 31, 2026, compared to \$15.0 in the three months ended March 31, 2025. We offset \$3.4 of capital spending during the three months ended March 31, 2026 with the same amount of proceeds from asset sales. Based on current industry conditions and our significant investments in capital expenditures over the past several years, we expect to incur approximately \$40.0 in total capital expenditures for the year ending December 31, 2026. The nature of our capital expenditures is comprised of a base level of investment required to support our current operations and amounts related to growth and Company initiatives. Capital expenditures for growth and Company initiatives are discretionary. We continually evaluate our capital expenditures, and the amount we ultimately spend will depend on a number of factors, including expected industry activity levels and Company initiatives.

Equity Distribution Agreement

On June 14, 2021, the Company 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, the Company may sell from time to time through the Agent (the “ATM Offering”) Common Stock, 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, which, among other things, allows for debt-for-equity exchanges in accordance with Section 3(a)(9) of the Securities Act. On March 14, 2025, the Company entered into Amendment No. 2 to the Equity Distribution Agreement (the “EDA Amendment”), which, among other things, increased the aggregate offering price to up to approximately \$57.8 (which amount includes all of the Common Stock previously sold pursuant to the Equity Distribution Agreement prior to the EDA Amendment) and provides for the Company’s election not to deliver a placement notice. Under the terms of the Equity Distribution Agreement, the Company will pay the Agent a commission equal to 3.0% of the gross sales price of the Common Stock sold.

Any Common Stock offered and sold in the ATM Offering may be issued pursuant to the Company’s shelf registration statement on Form S-3 (Registration No. 333-271182) filed with the SEC on April 7, 2023 and declared effective on April 19, 2023 (the “Registration Statement”), the prospectus supplement relating to the ATM Offering filed with the SEC on March 14, 2025 and any applicable additional prospectus supplements related to the ATM Offering that form a part of the Registration Statement. 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 Rule 415 under the Securities Act. The Registration Statement expired on April 19, 2026 pursuant to Rule 415(a)(5) under the Securities Act. Sales under the ATM Offering program may restart when and if the Company files a prospectus supplement under a successor registration statement.

The Company has used and plans to use the net proceeds from the ATM Offering, after deducting the Agent’s commissions and the Company’s offering expenses, for general corporate purposes, which may include, among other things, paying or refinancing all or a portion of the Company’s then-outstanding indebtedness, and funding acquisitions, capital expenditures and working capital.

During the three months ended March 31, 2026, the Company did not sell any shares of Common Stock and incurred legal and administrative fees of \$0.0.

During the three months ended March 31, 2025, the Company sold 142,769 shares of Common Stock in exchange for gross proceeds of approximately \$0.5 and incurred legal and administrative fees of \$0.1.

Cash Flows

Our cash flows provided by operating activities for the three months ended March 31, 2026 were approximately \$0.3 as compared to approximately \$37.6 used in operating activities for the three months ended March 31, 2025. Our operating cash flows are sensitive to many variables, the most significant of which are utilization and profitability, the timing of billing and customer collections, payments to our vendors, repair and maintenance costs and personnel, any of which may affect our available cash. Additionally, should our customers experience financial distress for any reason, they could default on their payments owed to us, which would affect our cash flows and liquidity.

At March 31, 2026, we had \$5.6 of cash and cash equivalents. Cash on hand at March 31, 2026 decreased by \$0.1, as a result of \$0.3 of cash flows provided by operating activities, \$5.3 of cash flows used in investing activities and \$4.9 provided by financing activities. Our liquidity requirements consist of working capital needs, debt service obligations and ongoing capital expenditure requirements. Our primary requirements for working capital are directly related to the activity level of our operations.

The following table sets forth our cash flows for the periods presented below:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cash and cash equivalents balance beginning of period	\$ 5.7	\$ 91.6
Net cash flows provided by (used in) operating activities	0.3	(37.6)
Net cash flows used in investing activities	(5.3)	(10.2)
Net cash flows provided by (used in) financing activities	4.9	(21.1)
Net change in cash and cash equivalents	(0.1)	(68.9)
Cash and cash equivalents balance end of period	\$ 5.6	\$ 22.7

Net cash provided by (used in) operating activities

Net cash provided by operating activities was \$0.3 for the three months ended March 31, 2026, as compared to net cash used in operating activities of \$37.6 for the three months ended March 31, 2025. The improvement in operating cash flows was attributable to management of working capital and an increase in days payable outstanding.

Net cash used in investing activities

Net cash used in investing activities was \$5.3 for the three months ended March 31, 2026, as compared to net cash used in investing activities of \$10.2 for the three months ended March 31, 2025. The cash flows used in investing activities for the three months ended March 31, 2026 were primarily driven by maintenance capital spending tied to the operation of our existing asset base offset by sales of property and equipment.

Net cash provided by (used in) financing activities

Net cash provided by financing activities was \$4.9 for the three months ended March 31, 2026, compared to net cash used in financing activities of \$21.1 for the three months ended March 31, 2025. In the prior year, we refinanced both our 2025 Senior Notes and Prior ABL Facility, which brought additional cash outlays.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our financial statements. Other than the critical accounting policy included below, we believe that our critical accounting policies are limited to those described in the Critical Accounting Estimates section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2025 Annual Report on Form 10-K filed with the SEC on March 12, 2026.

Recent Accounting Pronouncements

We continue to evaluate any recently issued accounting pronouncements for future adoption.

How We Evaluate Our Operations

Key Financial Performance Indicators

We recognize the highly cyclical nature of our business and the need for metrics to (1) best measure the trends in our operations and (2) provide baselines and targets to assess the performance of our managers.

The measures we believe most effective to achieve the above stated goals include:

- *Revenue*
- *Operating income*
- *Adjusted Earnings before interest, taxes, depreciation and amortization* (“Adjusted EBITDA”): Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. Adjusted EBITDA is not a measure of net earnings or cash flows as determined by GAAP. We define Adjusted EBITDA as net earnings (loss) before interest, taxes, depreciation and amortization, further adjusted for (i) goodwill and/or long-lived asset impairment charges, (ii) stock-based compensation expense, (iii) restructuring charges, (iv) transaction and integration costs related to acquisitions and (v) other expenses or charges to exclude certain items that we believe are not reflective of ongoing performance of our business.
- *Adjusted EBITDA Margin*: Adjusted EBITDA Margin is defined as Adjusted EBITDA, as defined above, as a percentage of revenue.

We believe Adjusted EBITDA is useful because it allows us to supplement the GAAP measures in order to evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure. We exclude the items listed above in arriving at Adjusted EBITDA (Loss) because these amounts can vary substantially from company to company within our industry depending upon accounting methods, book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net (loss) earnings as determined in accordance with GAAP, or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company’s financial performance, such as a company’s cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by Item 305 of Regulation S-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures that are designed to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers (who are our Chief Executive Officer and Chief Financial Officer, respectively), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures can

provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met.

In connection with the preparation of this Quarterly Report for the quarter ended March 31, 2026, an evaluation was performed under the supervision of and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that its disclosure controls and procedures were effective as of March 31, 2026.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the period covered by this Quarterly Report on Form 10-Q that have materially affected or, are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS (U.S. dollars in millions)

The Company is at times either a plaintiff or a defendant in various legal actions arising in the normal course of business, the outcomes of which, in the opinion of management, neither individually nor in the aggregate are likely to result in a material adverse effect on the Company's consolidated financial statements, except as noted herein.

ITEM 1A. RISK FACTORS

In addition to the information set forth in this Quarterly Report, you should carefully consider the risk factors previously described in Part I, Item IA. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table presents the total number of shares of our Common Stock that we repurchased during the three months ended March 31, 2026:

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share ⁽²⁾	Total number of shares purchased as part of publicly announced plans or programs ⁽³⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs
January 1, 2026 - January 31, 2026	—	\$ —	—	\$ 48,859,603
February 1, 2026 - February 28, 2026	58,084	\$ 2.78	—	\$ 48,859,603
March 1, 2026 - March 31, 2026	2,422	\$ 2.54	—	\$ 48,859,603
Total	60,506		—	

(1) Includes shares purchased from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting of restricted stock grants under the Company's Amended and Restated LTIP.

(2) The average price paid per share of Common Stock repurchased includes commissions paid to the brokers.

(3) In August 2019, our Board authorized a share repurchase program for the repurchase of outstanding shares of the Company's Common Stock having an aggregate purchase price up to \$50.0 million.

Warrant Purchase Agreement

As previously reported, on March 6, 2026, the Company entered into a Warrant Purchase Agreement (the "Warrant Purchase Agreement") with certain holders of the 2030 Notes (the "2030 Noteholders"), pursuant to which the Company agreed to issue and sell Warrants to such 2030 Noteholders entitling the 2030 Noteholders to purchase, in the aggregate, up to 803,712 shares of Common Stock, based on their pro rata ownership of principal amount of the 2030 Senior Notes, in consideration of such 2030 Noteholders consenting to the First Amendment to the Indenture. The Warrants were issued on March 6 and March 11, 2026, and expire 5 years from their respective date of issuance.

The agreement governing the Warrants stipulates that the Company will file a registration statement with the SEC with respect to the shares of Common Stock underlying the Warrants. The Warrants will be exercisable immediately, and in lieu of exercising such Warrant, the 2030 Noteholders may convert their Warrants, in whole or in part, into the number of the shares of Common Stock underlying the Warrants pursuant to the terms of the Warrants prior to the expiration date.

The Warrant Purchase Agreement contains customary representations, warranties and covenants of the Company and the 2030 Noteholders. Upon Closing, the Company has agreed to reimburse certain of the 2030 Noteholders for certain expenses. The issuance of the Warrants, entitling the 2030 Noteholders to purchase, in the aggregate, up to 803,712 shares of Common Stock, will not be registered under the Securities Act, in reliance upon the exemption from registration provided by Section 4(a)(2) thereof as a transaction not involving any public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable

ITEM 6.	EXHIBITS
3.1	Amended and Restated Certificate of Incorporation of KLX Energy Services Holdings, Inc. (incorporated by reference to Exhibit 3.1 of KLX Energy Services Holdings, Inc.'s Quarterly Report on Form 10-Q, filed on September 8, 2020, File No. 001-38609).
3.2	Fourth Amended and Restated Bylaws of KLX Energy Services Holdings, Inc. (incorporated by reference to Exhibit 3.1 of KLX Energy Services Holdings, Inc.'s Current Report on Form 8-K, filed on September 9, 2021, File No. 001-38609).
4.1	First Amendment to Indenture, dated March 6, 2026, by and among KLX Energy Services Holdings, Inc. the guarantors party thereto, and U.S. Bank Trust Company, National Association, as trustee.
4.2*	Form of Warrant Agreement
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

¥ Certain schedules and exhibits to this agreement have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC on request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KLX ENERGY SERVICES HOLDINGS, INC.

By: /s/ Christopher J. Baker
Christopher J. Baker
President, Chief Executive Officer and Director

Date: May 13, 2026

By: /s/ Geoffrey C. Stanford
Geoffrey C. Stanford
Senior Vice President, Interim Chief Financial Officer and Chief Accounting Officer

Date: May 13, 2026

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THIS WARRANT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED EXCEPT PURSUANT TO A REGISTRATION STATEMENT IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OR OTHER JURISDICTIONS, AND, IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, SUCH SECURITIES MAY ONLY BE TRANSFERRED IF THE COMPANY HAS RECEIVED DOCUMENTATION REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT.

THE REGISTERED HOLDER OF THIS WARRANT, BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL NOT SELL, TRANSFER OR ASSIGN THIS WARRANT EXCEPT AS HEREIN PROVIDED.

WARRANT TO PURCHASE COMMON STOCK

For the Purchase of Up to [●] Shares of Common Stock

of

KLX ENERGY SERVICES HOLDINGS, INC.

1. **Warrant.** This Warrant to Purchase Common Stock (this “**Warrant**”), issued on March [●], 2026 (the “**Issuance Date**”), hereby certifies that, for value received by KLX Energy Services Holdings, Inc., a Delaware corporation (the “**Company**”), [●], a [●] (“**Holder**”), as registered owner of this Warrant, is entitled, at any time or from time to time on or after the Issuance Date and at or before 4:00 p.m., Central Time, on March [●], 2031 (the “**Expiration Time**”), but not thereafter, to subscribe for, purchase and receive, in whole or in part, up to [●] shares of Common Stock (as may be adjusted pursuant to Article 6, the “**Warrant Shares**”), at a price per Warrant Share of \$0.01 (as may be adjusted pursuant to Article 6, the “**Exercise Price**”), subject to the terms and conditions set forth herein.

2. **Exercise.** Holder may exercise this Warrant, in whole or in part, in accordance with the procedures set forth in this Article 2 below.

2.1 **Exercise Form.** In order to exercise this Warrant, the form of Notice of Exercise attached hereto as Annex A (the “**Exercise Form**”) must be duly executed and completed and delivered to the Company in facsimile copy or e-mail attachment, together with this Warrant for the surrender and cancellation thereof (to the extent described below), and if a cash exercise is elected, payment of the Exercise Price for the Warrant Shares being purchased payable in cash by wire transfer of immediately available funds to an account designated by the Company or by certified check or official bank check (each date on which all such items are delivered to the Company, an “**Exercise Date**”). No ink-original Exercise Form shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Exercise Form be required. Notwithstanding anything herein to the contrary, Holder shall not be required to physically surrender this Warrant to the Company until Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, Holder shall surrender this Warrant to the Company for cancellation. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. Any rights represented hereby that have not been exercised by the Expiration Time shall become and be void without

further force or effect, and all rights to exercise this Warrant represented hereby shall cease and expire at the Expiration Time. If the date on which the Expiration Time is set to occur is not a Business Day, then the Expiration Time shall be deemed to be extended to 4:00 p.m., Central Time, on the next succeeding Business Day.

2.2 Cashless Exercise. Holder may elect in its sole discretion to exercise this Warrant through a cashless exercise in lieu of paying the Exercise Price in cash, pursuant to which Holder shall be entitled to receive the number of Warrant Shares computed using the following formula:

$$2.3 \quad X = \frac{Y(A-B)}{A}$$

2.4 Where X = the number of Warrant Shares to be issued to Holder by the Company

2.5 Y = the number of Warrant Shares that Holder elects to purchase under this Warrant (as of the date of such calculation)

2.6 A = the Per Share Price (as of the date of such calculation)

2.7 B = the Exercise Price (as may be adjusted pursuant to Article 6).

2.8 If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrant Shares may be tacked on to the holding period of the Warrants. The Company agrees not to take any position contrary to the foregoing sentence.

3. Delivery of Warrant Shares.

3.1 As promptly as reasonably practicable on or after an Exercise Date, and in any event within two (2) Business Days thereafter, the Company shall cause the Transfer Agent to issue book-entry interests representing the number of Warrant Shares exercised on such Exercise Date to the account designated by Holder in the Exercise Form. Such issuance and delivery shall be made without charge to Holder for any issue or transfer tax (other than any such taxes in respect of any transfer by Holder to another person occurring contemporaneously therewith), Transfer Agent fee or other incidental expense in respect of the issuance, all of which such taxes and expenses shall be paid by the Company.

3.2 Legend. Other than as provided below, the Warrant Shares issued upon the exercise of this Warrant shall bear a legend as follows:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THESE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED EXCEPT PURSUANT TO A REGISTRATION STATEMENT IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OR OTHER JURISDICTIONS, AND, IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, SUCH SECURITIES MAY ONLY BE TRANSFERRED IF THE COMPANY HAS RECEIVED DOCUMENTATION REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT.”

If this Warrant is exercised and (A) there is then an effective registration statement permitting the issuance of the Warrant Shares to, or resale of the Warrant Shares by, Holder, or (B) the Warrant Shares are (x) eligible for resale by Holder pursuant to Rule 144 at the time of sale of such Warrant Shares or (y) eligible for resale by Holder without volume or manner-of-sale limitations pursuant to Rule 144, then the Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to Holder by crediting the account of Holder’s or its designee’s balance account with The Depository Trust

Company through its Deposit or Withdrawal at Custodian system. The Company shall, at the request of Holder, promptly deliver all the necessary documentation to cause the Transfer Agent to promptly remove all restrictive legends from any of the Warrant Shares pursuant to the foregoing, and promptly deliver or cause its legal counsel to promptly deliver to the Transfer Agent the necessary legal opinions or instruction letters required by the Transfer Agent, if any, to promptly effectuate the foregoing, subject to receipt of customary representation letters from Holder and, if applicable, its broker.

4. **Transfer.**

4.1 **General Restrictions.** Holder may sell, transfer, assign, pledge or hypothecate (“**Transfer**”) this Warrant, in whole or in part, subject to compliance with applicable securities laws and the terms of this Warrant. In order to make any Transfer, Holder must deliver to the Company the form of Notice of Transfer attached hereto as **Annex B** (the “**Transfer Form**”), duly executed and completed by Holder, together with this Warrant for the surrender and cancellation thereof and remit the payment of all transfer taxes, if any, payable in connection therewith. Within two (2) Business Days of the Company’s receipt of such Transfer Form, this Warrant and reasonably satisfactory evidence of the remittance of payment for all applicable transfer taxes, if any, the Company shall transfer the rights under this Warrant, in whole or in part, on the books of the Company, cancel this Warrant and execute and deliver a new warrant or warrants of like tenor to the appropriate Transferee(s) expressly evidencing the right to purchase the aggregate number of Warrant Shares Transferred pursuant to this **Section 4.1** (subject to the execution thereof by such Transferee(s)) and, if applicable, to Holder in accordance with **Section 5.1**.

4.2 **Restrictions Imposed by the Securities Act.** This Warrant and the Warrant Shares issuable upon the exercise hereof shall not be Transferred unless and until: (a) the Company has received an opinion of counsel for Holder reasonably acceptable to the Company that the securities may be transferred pursuant to an exemption from registration under the Securities Act and applicable state securities laws, the availability of which is established to the reasonable satisfaction of the Company (**provided** that no such opinion of counsel shall be required in connection with sales of Warrant Shares under Rule 144 of the Securities Act); or (b) a registration statement or a post-effective amendment to a registration statement relating to the offer and sale of such securities has been filed by the Company and declared effective by the Commission and compliance with applicable state securities law has been established to the Company’s satisfaction, acting reasonably and in good faith.

5. **New Warrants to be Issued.**

5.1 **Partial Exercise or Transfer.** Subject to the restrictions in **Article 4**, this Warrant may be exercised or Transferred in whole or in part. In the event that the exercise or the Transfer hereof is in part only, upon surrender of this Warrant for cancellation, together with the duly executed Exercise Form or Transfer Form, as applicable, and funds sufficient to pay any Exercise Price and/or transfer tax, the Company shall cause to be delivered to Holder without charge a new warrant of like tenor to this Warrant in the name of Holder evidencing the right of Holder to purchase the number of Warrant Shares purchasable hereunder as to which this Warrant has not been exercised or Transferred (subject to Holder’s execution thereof).

5.2 **Lost Certificate.** Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, including a certification by Holder thereof, and of reasonably satisfactory indemnification or the posting of a bond, the Company shall execute and deliver a new warrant of like tenor and date (subject to Holder’s execution thereof). Any such new warrant executed and delivered as a result of such loss, theft, mutilation or destruction shall constitute a substitute contractual obligation on the part of the Company.

5.3 **Maximum Percentage.** The Holder may notify the Company in writing in the event it elects to be subject to the provisions contained in this **Section 5.3**; **however**, the Holder shall not be subject to this **Section 5.3** unless he, she or it makes such election. If the election is made by the Holder, the Holder shall not have the right to exercise such Warrant, to the extent that after giving effect to such exercise, the Holder (together with the Holder’s Affiliates) or any “group” of which Holder or its Affiliates is a member, would beneficially own in excess of 4.9% or 9.8% (or such other amount as the

Holder may specify) (the “**Maximum Percentage**”) of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by the Holders and its Affiliates, or any group of which the Holder and its Affiliates is a member, shall include the number of shares of Common Stock issuable upon exercise of the Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock that would be issuable upon (x) exercise of the remaining, unexercised portion of the Warrant beneficially owned by the Holder and its Affiliates, or any group of which the Holder and its Affiliates is a member, and (y) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by the Holder and its Affiliates, or any group of which the Holder and its Affiliates is a member (including, without limitation, any convertible notes or convertible preference shares or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the applicable regulations of the Commission. For purposes hereof, “group” has the meaning set forth in Section 13(d) of the Exchange Act and applicable regulations of the Commission, and the percentage held by the Holder shall be determined in a manner consistent with the provisions of Section 13(d) of the Exchange Act. To the extent that the Holder makes the election described in this Section 5.3, the Company shall not effect the exercise of the Holder’s Warrant, and the Holder shall not have the right to exercise such Warrant, unless the Holder provides to the Company in its Exercise Form, a certification that, upon after giving effect to such exercise, the Holder (together with the Holder’s Affiliates) or any “group” of which the Holder or its Affiliates is a member, would not beneficially own in excess of the Maximum Percentage of the shares of Common Stock outstanding immediately after giving effect to such exercise as determined in accordance with this Section 5.3. For purposes of the Warrant, in determining the number of issued and outstanding shares of Common Stock, the Holder may rely on the number of issued and outstanding shares of Common Stock as reflected in (1) the Company’s most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other public filing with the Commission as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company setting forth the number of shares of Common Stock issued and outstanding. For any reason at any time, upon the written request of the Holder, the Company shall, within two (2) Business Days, confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of issued and outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of equity securities of the Company by the Holder and its Affiliates since the date as of which such number of issued and outstanding shares of Common Stock was reported. By written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage applicable to the Holder to any other percentage specified in such notice or remove the applicability of this Section 5.3; provided, however, that any such increase, decrease or removal shall not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

6. **Adjustments.**

6.1 **Adjustments to Number of Warrant Shares.** In the event that the Company (a) pays a dividend in shares of Common Stock or makes a distribution in shares of Common Stock or any other equity or equity equivalent security payable in shares of Common Stock to holders of its outstanding Common Stock, (b) subdivides (by any split, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares Common Stock, or (c) combines (by any combination, reverse split or otherwise) its outstanding shares of Common Stock into a smaller number of shares of Common Stock, then the remaining number of Warrant Shares issuable upon the exercise of this Warrant in full immediately prior to any such dividend, distribution, subdivision, or combination shall be proportionately adjusted such that Holder will thereafter receive upon exercise in full of this Warrant the aggregate number of Warrant Shares that Holder would have owned immediately following such action if this Warrant had been exercised in full immediately before the record date, if any, for such action. Any adjustment made pursuant to this Section 6.1 shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

6.2 **Rights Offerings.** In addition to any adjustments pursuant to Section 6.1 above, if at any time the Company grants, issues or sells any Common Stock equivalents or rights to purchase stock, warrants or securities or other property pro rata to all (or substantially all) of the record holders of any

class of shares of Common Stock (“**Purchase Rights**”), then Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which Holder would have acquired if Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record date is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issuance or sale of such Purchase Rights.

6.3 **Extraordinary Transactions.** If the Company effects any Extraordinary Transaction, then upon consummation of such Extraordinary Transaction, this Warrant shall automatically become exercisable for the kind and amount of securities, cash or other assets which Holder would have owned immediately after the consummation of such Extraordinary Transaction if Holder had exercised in full this Warrant immediately before the consummation of such Extraordinary Transaction. If holders of Common Stock are given any choice as to the kind or amount of securities, cash or other assets receivable upon the consummation of such Extraordinary Transaction, then Holder shall be given the same choice as to such consideration it receives upon any exercise of this Warrant following such Extraordinary Transaction. For the avoidance of doubt, if this Section 6.3 applies to transaction, Section 6.1 shall not apply.

6.4 **Adjustments to Exercise Price.** Upon any adjustment to the number of Warrant Shares subject to this Warrant pursuant to this Article 6, the Exercise Price shall be adjusted concurrently therewith to equal the product of (a) the Exercise Price (as it may have been previously adjusted pursuant to this Section 6.4) and (b) a fraction, the numerator of which is the total number of Warrant Shares subject to issuance upon the exercise of this Warrant in full before giving effect to such adjustment, and the denominator of which is the total number of Warrant Shares subject to issuance upon the exercise of this Warrant as so adjusted pursuant to this Article 6.

6.5 **No Changes in Form of Warrant.** This Warrant need not be amended or modified because of any adjustment pursuant to this Article 6, and any Warrant issued after the occurrence of an event requiring an adjustment under this Article 6 may state the same Exercise Price and the same number of Warrant Shares as are stated in this Warrant, subject to Section 5.1. The acceptance by Holder of the issuance of any new warrant reflecting a required or permissive change shall not be deemed to waive any rights to an adjustment occurring after the Issuance Date or the computation thereof.

6.6 **Elimination of Fractional Interests.** The Company shall not be required to issue fractional shares of Common Stock upon the exercise of this Warrant, nor shall it be required to issue scrip or pay cash in lieu of any fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up or down, as the case may be, to the nearest whole number of Warrant Shares or other securities, properties or rights.

7. **Reservation; Listing.** The Company shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon exercise of this Warrant, such number of Warrant Shares as shall be issuable upon the full exercise of this Warrant. The Company covenants and agrees that, upon exercise of this Warrant and payment of the Exercise Price therefor (whether in cash or by the cashless exercise procedure described in Section 2.2), in accordance with the terms hereof, all Warrant Shares and other securities issuable upon such exercise shall be duly and validly issued, fully paid and non-assessable. Notwithstanding anything to the contrary herein, no Warrant Shares shall be issued at less than their par value. The Company shall use its best efforts to cause all Warrant Shares to be approved for listing, subject to official notice of issuance, on each securities exchange or automated quotation system on which the Common Stock has been listed.

8. **Registration Requirements.**

8.1 The Company agrees that, within 90 calendar days following the Issuance Date, the Company shall file with the Commission a shelf registration statement (the “**Registration Statement**”) registering the resale of the Warrant Shares on a delayed and continuous basis, and the Company shall use commercially reasonable efforts to have the Registration Statement declared effective as soon as reasonably practicable thereafter and maintain the effectiveness of the Registration Statement until the

earlier of such time as (a) all of the Warrant Shares have been sold thereunder and (b) all of the Warrant Shares are eligible for resale without restriction and without the need for current public information pursuant to Rule 144(b) under the Securities Act; provided, however, that the Company's obligation to include the resale of the Warrant Shares in the Registration Statement is contingent upon Holder furnishing in writing to the Company such information regarding Holder, the securities of the Company held by Holder and the intended method of disposition of the Warrant Shares as shall be reasonably requested by the Company to effect the registration of the Warrant Shares, and executing such documents in connection with such registration as the Company may reasonably request that are customary of a selling shareholder in similar situations. The Company shall bear all fees and expenses attendant to the registration of the Warrant Shares but Holder shall pay any and all underwriting commissions and the expenses of any legal counsel selected by Holder to represent it in connection with the sale of the Warrant Shares.

8.2 Notwithstanding anything to the contrary contained herein, the Company may, upon written notice to Holder, (a) delay the filing of the Registration Statement, (b) delay requesting effectiveness of such Registration Statement or (c) if such Registration Statement has already become effective, suspend the use of any prospectus which is a part of the Registration Statement if the board of directors of the Company (the "**Board**") determines in its reasonable good faith judgment that such use or filing would: (i) materially interfere with a significant acquisition, corporate organization, financing, securities offering or other similar transaction involving the Company or its subsidiaries; (ii) require premature disclosure of material non-public information regarding the Company and its subsidiaries ("**Non-Public Information**") that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to materially comply with requirements under the Securities Act or the Exchange Act (each of items (a) through (c) above, an "**Allowed Delay**"); provided that the Company shall promptly (A) notify Holder in writing of the commencement of an Allowed Delay, and (B) advise Holder in writing to cease all sales under the Registration Statement until the end of such Allowed Delay (in which event Holder shall discontinue sales of Warrant Shares pursuant to such Registration Statement but Holder may settle any contracted sales of Warrant Shares), in both cases which notice shall not contain any material non-public information regarding the Company; provided, further, that in no event shall the Company delay or suspend under this Section 8.2 for a period that, in aggregate, exceeds 90 calendar days during any 180-day period or 120 calendar days during any 365-day period. Upon notice by the Company to Holder of any determination to delay the filing of the Registration Statement, delay requesting effectiveness of the Registration Statement or suspend the use of any prospectus which is a part of the Registration Statement, Holder shall keep the fact of any such suspension strictly confidential and shall not use or disclose such notice or information to any Person other than Holder's legal counsel or as required by applicable Law. Upon disclosure of such information or the termination of the condition described above, the Company shall provide prompt notice to Holder and shall promptly terminate any suspension of sales it has put into effect and shall take such other actions to permit registered sales of Warrant Shares as contemplated in this Article 8.

8.3 The Company shall promptly advise Holder: (A) when a Registration Statement or any amendment thereto has been filed with the Commission and when such Registration Statement or any post-effective amendment thereto has become effective; (B) of any request by the Commission for amendments or supplements to any Registration Statement or the prospectus included therein or for additional information; (C) of the issuance by the Commission of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose; (D) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Warrant Shares included therein for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and (E) subject to the provisions in this Warrant, of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading. Notwithstanding anything to the contrary set forth herein, the Company shall not, when so advising Holder of such events, provide Holder with any Non-Public Information other than to the extent that providing notice to Holder of the occurrence of the events listed in clauses (A) through (E) above constitutes Non-Public Information or subjects the Holder to any duty of confidentiality. The Company shall use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement if such order should

be issued. Except for such times as the Company is permitted under this Warrant to suspend, and has suspended, the use of a prospectus forming part of a Registration Statement as contemplated by this Warrant, the Company shall use its commercially reasonable efforts to as soon as reasonably practicable and as applicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document so that, as thereafter delivered to purchasers of the Warrant Shares included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

8.4 The Company agrees to indemnify and hold harmless, to the extent permitted by Law, Holder, its directors, and officers, employees, and agents, and each Person who controls Holder (within the meaning of the Securities Act or the Exchange Act) and each Affiliate of Holder (within the meaning of Rule 405 under the Securities Act), to the extent Holder is a seller under the Registration Statement, from and against any and all losses, claims, damages, liabilities and expenses (including, without limitation, any reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, prospectus included in any Registration Statement or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances in which they were made) not misleading, except insofar as the same are caused by or contained in any information furnished in writing to the Company by or on behalf of Holder expressly for use therein. Holder agrees, in connection with any Registration Statement under which Holder is a seller, severally and not jointly with any other Holder, to indemnify and hold harmless the Company, its Affiliates and its and its Affiliates' directors, officers, employees and agents, and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) against any losses, claims, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees and expenses incurred in connection with defending or investigating any such action or claim) resulting from any untrue statement of material fact contained in the Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances in which they were made) not misleading, but only to the extent that such untrue statement or omission is contained (or not contained, in the case of an omission) in any information or affidavit so furnished by or on behalf of Holder expressly for use therein. In no event shall the liability of Holder be greater in amount than the dollar amount of the net proceeds received by Holder upon the sale of the Warrant Shares giving rise to such indemnification obligation. Any Person entitled to indemnification herein shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent. An indemnifying party who elects not to assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of legal counsel to any indemnified party a conflict of interest exists between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation. The indemnification provided for under this Warrant shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, employee, agent, Affiliate or controlling Person of such indemnified party and shall survive the transfer of the Warrant or Warrant Shares. If the indemnification provided under this Article 8 from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and

expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made (or not made, in the case of an omission) by, or relates to information supplied (or not supplied, in the case of an omission) by or on behalf of, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the other limitations set forth in this Article 8, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this Article 8 from any Person who was not guilty of such fraudulent misrepresentation. Any contribution pursuant to this Article 8 by any seller of Warrant Shares shall be limited in amount to the amount of net proceeds received by such seller from the sale of such Warrant Shares pursuant to the Registration Statement. Notwithstanding anything to the contrary herein, in no event will any party be liable for consequential, special, exemplary or punitive damages in connection with this Warrant.

9. **Representations and Warranties of Holder.** Holder hereby represents and warrants to, acknowledges to and agrees with the Company as of the date hereof:

- (a) **Organization, Existence and Qualification.** Holder is an entity that has been duly organized and is validly existing and in good standing under the Laws of its jurisdiction of organization.
- (b) **Authorization and Enforceability.** Holder has the requisite power and authority to execute and deliver this Warrant and to consummate the transactions contemplated hereby. The execution, delivery and performance by Holder of this Warrant have been duly and validly authorized by all necessary requisite action on the part of Holder. This Warrant has been duly executed and delivered by Holder and constitutes a valid and binding obligation of Holder, enforceable against Holder in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy or other similar Laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (c) **No Violation.** The execution, delivery and performance by Holder of this Warrant do not and will not, with or without notice or the passage of time or both: (i) violate any provision of the organizational documents of Holder; (ii) conflict with or violate or breach the terms of, result in a default under, result in the creation of any lien under or give rise to any right of termination, cancellation, forfeiture, suspension, adverse modification, or acceleration under any note, bond, mortgage, indenture, credit agreement or other contract to which Holder is a party or by which it is bound; (iii) violate any judgment, order, ruling, regulation or decree applicable to Holder as a party in interest; or (iv) violate any Law applicable to Holder or any of its assets, except any matters described in clauses (ii), (iii) and (iv) above which would not have a material adverse effect on the ability of Holder to consummate the transactions contemplated hereby.
- (d) **Consents, Approvals or Waivers.** All consents, approvals, authorizations or waivers from, and any registrations or filings with or notifications to, any Governmental Authority required on the part of Holder in connection with Holder's execution, delivery or performance of this Warrant and the consummation of the transactions contemplated hereby have been obtained and are effective as of the date hereof.
- (e) **Investment Intent.** Holder understands that this Warrant and the Warrant Shares, as applicable, are "restricted securities" and as of the date hereof, have not been registered under the Securities Act or any applicable federal and state securities laws. Holder is

acquiring this Warrant and, upon exercise of this Warrant, the Warrant Shares, as principal for its own account for investment purposes only and not with a view to or for distributing or reselling such Warrant or Warrant Shares, as applicable, has no present intention of distributing any of such Warrant or Warrant Shares, as applicable, and has no arrangement or understanding with any other Persons regarding the distribution of such Warrant or Warrant Shares, as applicable, in any transaction in violation of the applicable federal and state securities laws in the United States (this representation and warranty not limiting Holder's right to sell or otherwise dispose of this Warrant or the Warrant Shares, as applicable, in compliance with applicable federal and state securities laws in the United States and in compliance with other agreed restrictions). Holder does not have any agreement or understanding, directly or indirectly, with any Person to distribute any part of this Warrant or the Warrant Shares, as applicable. Holder understands and acknowledges that this Warrant and the Warrant Shares, as applicable, may be subject to certain resale restrictions under applicable securities laws. Holder also acknowledges that it has been advised to consult its own legal counsel with respect to applicable resale restrictions and that it is solely responsible for complying with such restrictions (and that, without limiting the representations and warranties made by the Company in this Warrant, the Company is not in any manner responsible for ensuring compliance by Holder with such restrictions).

- (f) Holder Status. Holder is an "accredited investor" as defined in Rule 501(a) under the Securities Act.
- (g) Legends. Holder understands that the Warrant Shares will bear a restrictive legend at such time as set forth in Section 3.2.
- (h) Experience of Holder. Holder, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in this Warrant and the Warrant Shares, as applicable, and has so evaluated the merits and risks of such investment. Holder is able to bear the economic risk of an investment in this Warrant and the Warrant Shares, as applicable, and, at the present time, is able to afford a complete loss of such investment.
- (i) Access to Information. Holder acknowledges that it has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of this Warrant and the Warrant Shares and the merits and risks of investing in this Warrant and the Warrant Shares; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to this Warrant and the purchase of the Warrant Shares; and (iv) the opportunity to ask questions of management. Holder has sought such accounting, legal and tax advice as it has considered necessary to make an informed decision with respect to its acquisition of this Warrant and the Warrant Shares, as applicable. Notwithstanding anything contained herein to the contrary, Holder acknowledges that the Company and its representatives may possess Non-Public Information not known to Holder that may be material to a reasonable investor, such as Holder, when making investment decisions, including the decision to enter into this Warrant or exercise this Warrant, and Holder's decision to enter into this Warrant or exercise this Warrant, as applicable, is being made with full recognition and acknowledgment that the Company is privy to Non-Public Information, irrespective of whether such Non-Public Information has been provided to Holder. This Section 9(i) is not intended to, and shall not, limit the representations and warranties made by the Company in this Warrant.

- (j) Independent Investment Decision. Holder has independently evaluated the merits of its decision to enter into this Warrant and purchase the Warrant Shares, as applicable, and Holder confirms that it has not relied on the advice of any other Person's business and/or legal counsel in making such decision. Holder understands that nothing in this Warrant or any other materials presented by or on behalf of the Company to such Holder in connection with this Warrant or the purchase of the Warrant Shares, as applicable, constitutes legal, tax or investment advice. Holder has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with this Warrant and its purchase of the Warrant Shares, as applicable. This Section 9(j) is not intended to, and shall not, limit the representations and warranties made by the Company in this Warrant.
- (k) No Reliance. Holder has not relied on any representation or warranty in connection with this Warrant or purchase of the Warrant Shares, as applicable, other than those contained in this Warrant.

10. **Representations and Warranties of the Company**. The Company hereby represents and warrants to Holder as follows as of the date of this Warrant:

- (a) Organization; Existence and Qualification. The Company is duly incorporated and is validly existing and in good standing under the Laws of the state of its formation, is duly qualified to do business and is in good standing in each jurisdiction in which it is required to qualify in order to conduct its business, except where the failure to so qualify would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.
- (b) Authorization and Enforceability.
 - i. The Company has the requisite power and authority to execute and deliver this Warrant and to consummate the transactions contemplated hereby. The execution, delivery and performance by the Company of this Warrant and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Company.
 - ii. (A) This Warrant has been duly executed and delivered by the Company and (B) this Warrant constitutes the valid and binding obligations of the Company, enforceable against the Company in accordance with its terms, except, in the case of clause (B) above, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the rights and remedies of creditors generally as well as to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (c) No Violation. The execution, delivery and performance by the Company of this Warrant do not, and the consummation of the transactions contemplated hereby will not, with or without notice or the passage of time or both: (i) violate any provision of the organizational documents of the Company; (ii) violate or breach the terms of, result in a default under, result in the creation of any lien, or give rise to any right of termination, cancellation, forfeiture, suspension, adverse modification, or acceleration under (x) any note, bond, mortgage, indenture or credit agreement to which the Company is a party and (y) any other contract to which the Company is a party or by which it is bound or to which any of its assets are subject; (iii) violate any judgment, order, ruling, regulation or decree applicable to the Company or any of its properties or assets; or (iv) violate any Law applicable to the Company or any of its properties or assets, except for matters described in clauses (ii), (iii) or (iv) above which would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

- (d) Consents, Approvals or Waivers. The execution, delivery and performance by the Company of this Warrant (including the authorization, issuance and delivery of the Warrant Shares) will not be subject to or require any consent, approval, authorization, or waiver from, or any registration or filing with or notification to, any Person, except for (i) filings required by federal and state securities laws, (ii) the approval for listing on the Nasdaq of the Warrant Shares; and (iii) such consents as have been obtained or where the failure of the Company to obtain or make any such consent, approval, authorization, order, filing or registration would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

11. **No Rights as Shareholder until Exercise.** This Warrant does not entitle Holder to any voting rights or other rights as a shareholder of the Company prior to the exercise hereof.

12. **Certain Notice Requirements.**

12.1 Holder's Right to Receive Notice. If at any time prior to the earlier to occur of the Expiration Time or the exercise of this Warrant in full, any of the events described in Section 12.2 shall occur, then, in one or more of said events, the Company shall give written notice of such event at least five (5) Business Days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders entitled to such dividend, distribution, conversion or exchange of securities or subscription rights, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of the closing of the transfer books, as the case may be. Without limiting the foregoing, the Company shall deliver to Holder a copy of each notice given to any of the other shareholders of the Company at the same time and in the same manner that any such notice is given to the shareholders.

12.2 Events Requiring Notice. The Company shall be required to give the notice described in this Article 12 upon one or more of the following events: (a) if the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive any dividend or other distribution, (b) the Company shall offer to all or substantially all of the holders of its Common Stock any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor, or (c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or share reconstruction or amalgamation) or a sale of all or substantially all of its property, assets and business shall be proposed. In addition to and not in limitation of the foregoing, the Company shall be required to give the notice described in this Article 12 prior to consummating any transaction set forth in clauses (a) through (e) of the definition of Extraordinary Transaction, irrespective of whether such transaction entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets (including cash) with respect to or in exchange for shares of Common Stock; provided, however, that in no event shall the Company be required to give such notice prior to such transaction being publicly disclosed.

12.3 Notice of Change in Exercise Price. The Company shall, promptly after an event requiring an adjustment pursuant to Article 6, send notice to Holder, which shall describe such event causing the change and the method of calculating same.

12.4 Transmittal of Notices. All notices that are required or may be given pursuant to this Warrant shall be sufficient in all respects if given in writing. Any such notice shall be deemed given (a) when made, if made by hand delivery, and upon confirmation of receipt, if made by electronic mail transmission, (b) one (1) Business Day after being deposited with a next-day courier, postage prepaid or (c) three (3) Business Days after being sent certified or registered mail, return receipt requested, postage prepaid, in each case addressed as follows:

If to Holder:
[•]
Attention: [•]
Email: [•]

With a copy (which shall not constitute notice) to:

[•]

If to the Company:

KLX Energy Services Holdings, Inc.
3040 Post Oak Boulevard, 15th Floor
Houston, TX 77056
Attention: Max L. Bouthillette
Email: maxb@klx.com

with a copy (which shall not constitute notice) to:

Vinson & Elkins L.L.P.
845 Texas Ave, Suite 4700
Houston, TX 77002
Attention: Sarah K. Morgan; Katherine Terrell Frank
Email: smorgan@velaw.com; kfrank@velaw.com

13. **Tax Treatment of Warrant.** The Company and the Holder intend to treat this Warrant as Common Stock and the exercise of this Warrant for Common Stock as a nonevent for U.S. federal and applicable state and local income tax purposes.

14. **Miscellaneous.**

14.1 **Amendments.** The terms of this Warrant may be amended only with the written consent of the Company and Holder.

14.2 **Headings.** The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Warrant.

14.3 **Entire Agreement.** This Warrant (together with the other agreements and documents being delivered pursuant to or in connection with this Warrant) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof.

14.4 **Binding Effect.** This Warrant shall inure solely to the benefit of, and shall be binding upon, Holder and the Company and their permitted assignees, respective successors, legal representatives and assigns, and no other Person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Warrant or any provisions herein contained.

14.5 **Applicable Law.** This Warrant and any claim, controversy or dispute arising under or related to this Warrant shall be governed by, and construed in accordance with the Laws of, the State of New York without regard to its principles regarding conflicts of law.

14.6 **Jurisdiction.** Each party hereto hereby irrevocably and unconditionally submits to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in the Borough of Manhattan in the State of New York and in the federal courts in the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Warrant, or for recognition or enforcement of any judgment in connection therewith, and each party hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts, to the fullest extent permitted by applicable Law.

14.7 **Waiver of Venue.** Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Warrant in any court referred to in Section 14.6. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

14.8 **Service of Process.** Each party hereto irrevocably consents to service of process in any action or proceeding arising out of or relating to this Warrant in the manner provided for notices in Section 12.4. Nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by applicable Law.

14.9 **Waiver of Jury Trial.** TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTY HEREBY IRREVOCABLY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING IN WHOLE OR IN PART UNDER, RELATED TO, BASED ON, OR IN CONNECTION WITH, THIS WARRANT OR THE SUBJECT MATTER HEREOF, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 14.9 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

14.10 **Waiver, etc.** The failure of the Company or Holder to at any time enforce any of the provisions of this Warrant shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Warrant or any provision hereof or the right of the Company or Holder to thereafter enforce each and every provision of this Warrant. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Warrant shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

15. **Defined Terms.** As used herein:

“**Affiliate**” means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person.

“**Business Day**” means any day other than a Saturday, a Sunday or a day on which the banks are authorized or required by applicable Law to close in the City of New York, New York.

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Common Stock**” means the common stock of the Company, par value \$0.01 per share.

“**Control**” (including the terms “**Controlled by**” and “**under common Control with**”) with respect to any Person means the possession, directly or indirectly, of the power to exercise or determine the voting of more than fifty percent (50%) of the voting rights in a corporation, and, in the case of any

other type of entity, the right to exercise or determine the voting of more than fifty percent (50%) of the equity interests having voting rights, or otherwise to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Extraordinary Transaction**” means, whether through one transaction or a series of related transactions, any (a) recapitalization of the Company, (b) reclassification of the capital stock of the Company (other than (i) a change in par value, from par value to no par value, from no par value to par value or (ii) as a result of a stock dividend or subdivision, split up or combination of shares of Common Stock to which Section 6.1 applies), (c) consolidation or merger of the Company with and into another Person or of another Person with and into the Company (whether or not the Company is the surviving entity of such consolidation or merger), (d) sale or lease of all or substantially all of the Company’s assets (on a consolidated basis) or capital stock to another Person or (e) other similar transaction, in each case, that entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or assets (including cash) with respect to or in exchange for shares of Common Stock.

“**Governmental Authority**” means any federal, state, local or foreign government and/or any political subdivision thereof, including departments, courts, arbitrators, commissions, boards, bureaus, ministries, agencies or other instrumentalities.

“**Laws**” means all laws, statutes, constitutions, rules, regulations, ordinances, orders, decrees, requirements, judgments and codes of Governmental Authorities.

“**Material Adverse Effect**” means any material adverse effect on (a) the condition, financial or otherwise, or in the earnings, business or operations, whether or not arising from transactions in the ordinary course of business, of the Company and its subsidiaries, considered as one entity or (b) the Company’s ability to consummate the transactions contemplated hereby.

“**Nasdaq**” means the Nasdaq Global Select Market.

“**Per Share Price**” means: (a) if the Company’s Common Stock is traded on a securities exchange, the Per Share Price shall be deemed to be the closing price of Company’s Common Stock as quoted on any exchange for the trading day immediately prior to the applicable Exercise Date, as reported by Bloomberg; (b) if the Company’s Common Stock is actively traded over-the-counter, the Per Share Price shall be deemed to be the closing bid or sales price, whichever is applicable, of the Company’s Common Stock for the trading day immediately prior to the applicable Exercise Date, as reported by Bloomberg; or (c) if neither clause (a) nor (b) above is applicable, the Per Share Price shall be determined in good faith by the Board based on relevant facts and circumstances at the time of the cashless exercise under Section 2.2, including in the case of a change of control of the Company the consideration receivable by the holders of the Common Stock in such change of control, in each case of clauses (a) through (c) above, as may be adjusted pursuant to Article 6.

“**Person**” (including the term “**Persons**”) means any individual, partnership, firm, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Transfer Agent**” means Computershare Trust Company, N.A., or such other entity as the Company may designate to act as the transfer agent for its Common Stock from time to time.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Warrant to be duly executed as of the date hereof.

KLX ENERGY SERVICES HOLDINGS, INC.

By:

Name: Max L. Bouthillette

Title: Executive Vice President, General Counsel, Chief Compliance Officer and Secretary

[Signature Page to Warrant Agreement - KLX Energy Services Holdings, Inc.]

[•]

By:
Name:
Title:

[Signature Page to Warrant Agreement - Holder]

NOTICE OF EXERCISE

Date: _____, 20__

The undersigned hereby elects irrevocably to exercise the Warrant to Purchase Common Stock (the "**Warrant**") attached hereto for surrender and cancellation for _____ shares of common stock, par value \$0.01 per share (the "**Warrant Shares**"), of KLX Energy Services Holdings, Inc., a Delaware corporation (the "**Company**"), and hereby [*check one*]:

makes payment of \$_____ (at the rate of \$____ per Warrant Share) in payment of the Exercise Price pursuant thereto; or

elects to exercise the Warrant on a cashless basis and to convert its right to purchase _____ Warrant Shares under the Warrant for _____ Warrant Shares, in accordance with the following formula:

$$15.1 \quad X = \frac{Y(A-B)}{A}$$

15.2 Where X = the number of Warrant Shares to be issued to Holder by the Company

15.3 Y = the number of Warrant Shares that Holder elects to purchase under the Warrant (as of the date of such calculation)

15.4 A = the Per Share Price which is equal to \$_____.

15.5 B = the Exercise Price which is equal to \$_____ per Warrant Share.

Please issue the Warrant Shares as to which the Warrant is exercised and, if applicable, a new warrant of like tenor representing the number of Warrant Shares for which the Warrant has not been exercised.

Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Warrant.

[HOLDER]

By: _____

Name:

Title:

NOTICE OF TRANSFER

FOR VALUE RECEIVED, _____ does hereby sell, assign and transfer unto _____ the right to purchase _____ shares of common stock, par value \$0.01 per share, of KLX Energy Services Holdings, Inc., a Delaware corporation (the "**Company**"), evidenced by the Warrant to Purchase Common Stock attached hereto for surrender and cancellation and does hereby authorize the Company to transfer such right on the books of the Company.

Dated: _____, 20__

[HOLDER]

By: _____

Name:

Title:

[Signature Page to Warrant Agreement - Holder]

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Christopher J. Baker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 of KLX Energy Services Holdings, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 13, 2026

/s/ Christopher J. Baker

Christopher J. Baker

President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Geoffrey C. Stanford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 of KLX Energy Services Holdings, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 13, 2026

/s/ Geoffrey C. Stanford

Geoffrey C. Stanford
Senior Vice President, Interim Chief Financial Officer and Chief
Accounting Officer

**CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the Quarterly Report of KLX Energy Services Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Christopher J. Baker, as President and Chief Executive Officer of the Company, hereby certify that:

- (1) the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2026

/s/ Christopher J. Baker

Christopher J. Baker
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with the Quarterly Report of KLX Energy Services Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Geoffrey C. Stanford, as Interim Chief Financial Officer of the Company, hereby certify that:

- (1) the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2026

/s/ Geoffrey C. Stanford

Geoffrey C. Stanford
Senior Vice President, Interim Chief Financial Officer and Chief
Accounting Officer
(Principal Financial Officer)