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

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

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

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

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

8 Date of action	9 Classification and description
September 29, 2026	See attached

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See attached	N/A	KLXE	N/A

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

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

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

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

Part II Organizational Action *(continued)*

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

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

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

Sign Here

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

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

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

Paid Preparer Use Only

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

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

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

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code")[1], and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Backstop Exchange (defined below) on certain securities. The information discussed in Form 8937 and this attachment does not constitute tax advice. This information does not take into account the specific circumstances of any Backstop Party (as defined herein) (including any Backstop Party that may be subject to special tax rules or that held the relevant 2030 Notes (as defined herein) as other than a capital asset). Backstop Parties should consult their own tax advisors regarding the U.S. federal income tax consequences of the Backstop Exchange.

Part I

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

Classification and Description (Line 9)	CUSIP Number (Line 10)
2030 Notes (defined below)	Rule 144A Notes: 48253LAD8 Regulation S Notes: U4949EAC6 IAI Notes: 48253LAE6

Part II

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

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

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

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

The Rights Offering was backstopped by the existing holders (the "Backstop Parties") of the Company's Senior Secured Floating Rate Cash / PIK Notes due 2030 (the "2030 Notes") in an aggregate backstop commitment (the "Backstop Commitment") amount of $94.0 million pursuant to that certain Rights Offering Backstop Agreement, dated August 6, 2026, by and among the Company and the Backstop Parties (the "Backstop Agreement"), which was reduced to the extent the cash proceeds from the Rights Offering, together with aggregate Backstop Commitments, exceeded $125.0 million. Pursuant to the Backstop Agreement, the Backstop Parties committed to purchase their respective Backstop Commitment amounts through an exchange of their 2030 Notes (at 100% of the principal amount thereof plus accrued and unpaid interest) for shares of common stock at the Subscription Price (the "Backstop Exchange"), subject to an ownership limitation described therein.

Pursuant to the Backstop Agreement, on September 29, 2026 (the "Closing Date"), the Backstop Parties exchanged $87,787,249, plus accrued and unpaid interest of $530,211, of 2030 Notes for 59,273,445 shares of common stock of the Company.

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

For U.S. federal income tax purposes, the Company intends to take the position that the 2030 Notes are securities and that the Backstop Exchange qualifies as a "recapitalization" within the meaning of Section 368(a)(1)(E) of the Code (a "Recapitalization"). Assuming that the Backstop Exchange is treated as a Recapitalization, a Backstop Party should not recognize gain or loss in respect of the Backstop Exchange.[3] A Backstop Party's tax basis in its shares of common stock received in the Backstop Exchange is expected to equal its tax basis in the portion of the 2030 Notes exchange therefor.

Alternatively, if the Backstop Exchange is not treated as a Recapitalization (or other tax-deferred transaction), the Backstop Exchange would be treated as a taxable exchange pursuant to Section

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

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

[3] This Form 8937 does not address the receipt by the Backstop Parties of shares of common stock attributable to accrued but unpaid interest on the 2030 Notes exchanged in the Backstop Exchange. The Backstop Parties should consult their tax advisors regarding such U.S. federal income tax treatment and their initial tax basis in such shares of common stock attributable to accrued but unpaid interest.

1001 of the Code. Under this assumption, gain or loss would be realized by a Backstop Party in respect of the Backstop Exchange, and a Backstop Party's basis in its shares of common stock received would equal its fair market value.

The remainder of this discussion assumes the Backstop Exchange is treated as a Recapitalization.

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

As discussed in Line 15 above, the Company intends to take the position the Backstop Exchange qualifies as a Recapitalization. As a result, a Backstop Party's initial tax basis in its shares of common stock received in the Backstop Exchange is expected to equal its adjusted tax basis in the portion of the 2030 Notes exchange therefor.

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

Sections 354, 356, 358 and 368.

Line 18: Can any resulting loss be recognized?

As discussed in Line 15 above, the Company intends to take the position the Backstop Exchange qualifies as a Recapitalization. As a result, no loss may be recognized by a Backstop Party on such exchange.

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

The adjustments to basis would be taken into account in the Backstop Party's taxable year during which the Closing Date occurred (i.e., September 29, 2026).