

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2024

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-41732

**Kodiak Gas Services, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

83-3013440  
(I.R.S. Employer  
Identification No.)

9950 Woodloch Forest Drive, Suite 1900, The Woodlands, Texas  
(Address of principal executive offices)

77380  
(Zip Code)

Registrant's telephone number, including area code: (936) 539-3300

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, par value \$0.01 per share	KGS	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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 checked="" type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input checked="" 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant on June 28, 2024 based on the closing price of \$27.26 for shares of the Registrant's common stock as reported by the New York Stock Exchange, was approximately \$675.5 million. Shares of common stock beneficially owned by each executive officer, director, and holder of more than 10% of our common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The registrant had outstanding 87,934,696 shares of common stock as of March 3, 2025.

**Documents incorporated by reference.** Part III incorporates information by reference to the registrant's definitive proxy statement, to be filed with the Securities and Exchange Commission within 120 days after the close of the fiscal year ended December 31, 2024.

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## Commonly Used Defined Terms

As used in this Annual Report on Form 10-K (this “Annual Report”), unless the context indicates or otherwise requires, the terms listed below have the following meanings:

- “ABL Credit Agreement” means that certain Fourth Amended and Restated Credit Agreement, dated as of March 22, 2023, among Frontier Intermediate Holding, LLC, Kodiak Gas Services, LLC, the other obligors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent, as amended by the First Amendment thereto, the Second Amendment thereto and the Third Amendment thereto;
- “ABL Facility” means our senior secured asset-based revolving credit facility provided under and governed by the ABL Credit Agreement;
- “Annual Financial Statements” means the audited consolidated financial statements for the years ended December 31, 2024, 2023 and 2022;
- “Company,” “Kodiak,” “we,” “our,” or “us” means Kodiak Gas Services, Inc. and its consolidated subsidiaries;
- “CSI Compressco” means CSI Compressco LP, a Delaware limited partnership, which the Company acquired on April 1, 2024 pursuant to the Merger Agreement;
- “EQT” or “EQT AB Group” means, as the context may require, EQT AB or EQT AB and its direct and indirect subsidiaries including, for the avoidance of doubt, investment vehicles managed and/or operated by affiliates of EQT AB and their respective portfolio companies;
- “EQT AB” means EQT AB (publ), a Swedish public limited liability company registered with the Swedish Companies Registration Office (Reg. No. 556849-4180) and whose ordinary shares are listed on Nasdaq Stockholm stock exchange;
- “Indenture” means certain indenture, dated February 2, 2024, by and among Kodiak Services (as defined below), Kodiak, certain other subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee, governing the senior notes due 2029 issued by Kodiak Gas Services, Inc.;
- “IPO” means the initial public offering of Kodiak Gas Services, Inc., completed on July 3, 2023;
- “Kodiak Common Stock” means the common stock of Kodiak Gas Services, Inc.;
- “Kodiak Services” means Kodiak Gas Services, LLC, our wholly-owned subsidiary;
- “Kodiak Holdings” means Frontier TopCo Partnership, L.P., an affiliate of EQT AB and holder of record of Kodiak Gas Services, Inc. common stock;
- “Kodiak Holdings Term Loan” means the Term Loan after the Term Loan Transaction;
- “Mechanical availability” means the percentage of time each month that our Contract Services equipment is mechanically available to compress gas under the design and operating conditions set forth in the applicable contracts governing each piece of Contract Services equipment.
- “Merger Agreement” means the agreement and plan of merger, dated as of December 19, 2023, by and among Kodiak Gas Services, Inc., Kodiak Gas Services, LLC, certain of our other indirect subsidiaries, CSI Compressco LP and CSI Compressco GP LLC;
- “Merger” means the merger consummated by the Merger Agreement;
- “Term Loan” means the term loan facility governed by the Term Loan Credit Agreement;
- “Term Loan Credit Agreement” means that certain Amended and Restated Credit Agreement, dated as of May 19, 2022, as amended by that certain First Amendment, dated March 31, 2023, among Kodiak Gas Services, LLC, Frontier Intermediate Holding, LLC, Wells Fargo Bank, N.A. as Administrative Agent, and the lenders party thereto;
- “Term Loan Derivative Settlement” means the termination of the Company’s interest rate swaps and collars attributable to the Term Loan in connection with the Term Loan Transaction;

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- “Term Loan Transaction” means the assumption of all of the Company’s and its subsidiaries’ remaining obligations under the Term Loan (after the application of the proceeds of the IPO) by a parent entity of Kodiak Holdings, and pursuant to which the Company’s obligations thereunder were terminated. Following the consummation of the Term Loan Transaction, the Company is no longer a borrower or guarantor under, nor otherwise obligated with respect to the debt outstanding under the Term Loan; and
- “Third Amendment” that certain Third Amendment to the ABL Credit Agreement, dated January 22, 2024, by and among Kodiak Gas Services, Inc. (as successor borrower to Frontier Intermediate Holding, LLC), Kodiak Gas Services, LLC, the other obligors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.

## DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding:

- Expected operating results, such as revenue growth and earnings, including upon the continued integration of CSI Compressco into our operations, and our ability to service our indebtedness;
- Anticipated levels of capital expenditures and uses of capital;
- Current or future volatility in the credit markets and future market conditions;
- Potential or pending acquisition transactions or other strategic transactions, the timing thereof, the receipt of necessary approvals to close such acquisitions, our ability to finance such acquisitions, and our ability to achieve the intended operational, financial, and strategic benefits from any such transactions;
- Expected synergies and efficiencies to be achieved as a result of the CSI Acquisition (as defined herein);
- Expectations regarding the leverage and dividend profile as a result of the CSI Acquisition, including the amount and timing of future dividend payments;
- Expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities and governmental and regulatory investigations and proceedings;
- Production and capacity forecasts for the natural gas and oil industry;
- Strategy for customer retention, growth, fleet maintenance, market position and financial results;
- Our interest rate hedges; and
- Strategy for risk management.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not place undue reliance on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- A reduction in the demand for natural gas and oil;
- The loss of, or the deterioration of the financial condition of, any of our key customers;
- Nonpayment and nonperformance by our customers, suppliers or vendors;
- Competitive pressures that may cause us to lose market share;
- The structure of our contract services ("Contract Services") contracts and the failure of our customers to continue to contract for services after expiration of the primary term;
- Our ability to successfully integrate any acquired businesses, including CSI Compressco, and realize the expected benefits thereof in the expected timeframe or at all;
- Incurring significant transaction and other costs in connection with the CSI Acquisition in excess of those anticipated;
- Our ability to fund purchases of additional compression equipment;
- Our ability to successfully implement our share repurchase program;

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- A deterioration in general economic, business, geopolitical or industry conditions, including as a result of the conflict between Russia and Ukraine and the Israel-Hamas war, inflation, and slow economic growth in the United States;
- A downturn in the economic environment, as well as continued inflationary pressures;
- International operations and related mobilization and demobilization of compression units, operational interruptions, delays, upgrades, refurbishment and repair of compression assets and any related delays and cost overruns or reduced payment of contracted rates;
- Tax legislation and administrative initiatives or challenges to our tax positions;
- The loss of key management, operational personnel or qualified technical personnel;
- Our dependence on a limited number of suppliers;
- The cost of compliance with existing and new governmental regulations, including climate change legislation, and associated uncertainty given the new administration as a result of the outcome of the 2024 election cycle;
- Changes in trade policies and regulations, including the potential for increases or changes in duties, current and potentially new tariffs or quotas, including the new and rapidly evolving tariffs enacted in February 2025;
- The cost of compliance with regulatory initiatives and stakeholders' pressures, including sustainability and corporate responsibility;
- The inherent risks associated with our operations, such as equipment defects and malfunctions;
- Our reliance on third-party components for use in our information technology ("IT") systems;
- Legal and reputational risks and expenses relating to the privacy, use and security of employee and client information;
- Threats of cyber-attacks or terrorism;
- Agreements that govern our debt contain features that may limit our ability to operate our business and fund future growth and also increase our exposure to risk during adverse economic conditions;
- Volatile and/or elevated interest rates and associated central bank policy actions;
- Our ability to access the capital and credit markets or borrow on affordable terms (or at all) to obtain additional capital that we may require;
- Major natural disasters, severe weather events or other similar events that could disrupt operations;
- Unionization of our labor force, labor interruptions and new or amended labor regulations;
- Renewal of insurance;
- The effectiveness of our disclosure controls and procedures; and
- Such other factors as discussed throughout the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this Annual Report.

Any forward-looking statement made by us in this Annual Report is based only on information currently available to us and speaks only as of the date on which it is made. Except as may be required by applicable law, we undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise.

## SUMMARY RISK FACTORS

### *Risks Related to Our Business and Our Industry*

- A long-term reduction in the demand for, or production of, natural gas or oil could adversely affect the demand for Kodiak's business and services or the prices Kodiak charges for Kodiak's business and services, which could result in a decrease in Kodiak's revenues.
- The loss of one or more of Kodiak's key customers and/or the deterioration of the financial condition of any of its customers would result in a decrease in Kodiak's revenues and could adversely affect its financial results and may have a material adverse effect on Kodiak's financial condition.
- Kodiak faces significant competition that may cause it to lose market share and may have a material adverse effect on its financial condition.
- Kodiak's customers may choose to vertically integrate their operations by purchasing and operating their own compression fleet, increasing the number of compression units they currently own, or using alternative technologies for enhancing oil production, which may have a material adverse effect on Kodiak's business.
- After the primary term of Kodiak's contracts, such contracts are cancellable on 30 to 90 days' notice, and Kodiak cannot be sure that such contracts will be extended or renewed after the end of the initial contractual term, which could adversely impact Kodiak's financial results.
- The majority of Kodiak's operations are located in the Permian Basin and Eagle Ford Shale, making Kodiak vulnerable to risks associated with operating in limited geographic areas, which could have an impact on its revenues.
- Kodiak may be unable to access the capital and credit markets or borrow on affordable terms to obtain additional capital that Kodiak may require, which could have a material adverse effect on its business, results of operations and financial conditions.
- Kodiak's fleet may require additional operating or capital expenses to maintain over time, which could adversely impact its financial results.
- Impairment in the carrying value of long-lived assets, including impairment of goodwill and other intangible assets, could reduce Kodiak's earnings.
- Kodiak has in the past been, and may in the future be, subject to sales tax audits in jurisdictions where Kodiak operates. As a result, Kodiak may incur material unanticipated sales tax liabilities.
- Kodiak might be unable to employ or retain qualified technical personnel, which could hamper its present operations, limit its ability to grow or increase its costs.
- Kodiak depends on a limited number of suppliers, and particularly as a result of supply-chain and logistics disruptions resulting from geopolitical disruptions and the resulting inflationary environment, is vulnerable to product shortages, long lead times and price increases, which could have a negative impact on Kodiak's results of operations.
- Kodiak's operations entail inherent risks that may result in interruption of Kodiak's operations and/or substantial liability. Kodiak does not insure against all potential losses and could be seriously harmed by unexpected liabilities.

### *Risks Related to Regulatory Matters*

- Kodiak's operations are subject to stringent environmental, health and safety regulations and changing expectations of other stakeholders with respect to sustainability practices, and changes in these regulations and/or expectations could increase Kodiak's costs or liabilities.
- Kodiak's financial results could be significantly impacted by uncertainty in U.S. trade policy, including uncertainty surrounding changes in tariffs, trade agreements or other trade restrictions imposed by the U.S. or other governments.
- Kodiak may be involved in legal proceedings that could result in substantial liabilities.



*Risks Related to Intellectual Property, Information Technology and Cybersecurity*

- Kodiak faces risks with respect to third parties, both related to legal actions related to their intellectual property or proprietary rights and to their components Kodiak uses in its IT systems that could delay or disrupt its business.
- Kodiak is subject to significant legal and reputational risks and expenses relating to the privacy, use and security of employee and customer information, which could negatively affect Kodiak's business, financial condition or results of operations.
- Kodiak has experienced cybersecurity incidents or IT system disruptions in the past, and cybersecurity breaches or IT system disruptions may adversely affect Kodiak's business in the future.
- Kodiak's ability to manage its business and monitor its results is highly dependent upon information and communication systems, and a failure of these systems or its enterprise resource planning ("ERP") system could disrupt its business and any intended benefits related to ERP system projects may be negligible or nonexistent.

*Risks Related to Kodiak's Relationship with EQT*

- EQT controls a significant percentage of Kodiak's voting power, and it is subject to contractual restrictions that may affect Kodiak Holdings' exercise of its rights to approve corporate actions.
- EQT may have interests that conflict with the interests of Kodiak's other stockholders, including EQT's in relation to corporate opportunities that may otherwise be available to Kodiak, and the resolution of these conflicts of interest may not be in Kodiak's or your best interests.

*Risks Related to Kodiak's Indebtedness*

- Kodiak's substantial indebtedness could adversely affect its financial condition and impair Kodiak's ability to operate its business, and may result in an inability to generate cash sufficient to service all of its indebtedness.
- The terms of the ABL Credit Agreement and the Indenture will restrict Kodiak's current and future operations, particularly Kodiak's ability to respond to changes or to take certain actions.
- Kodiak's variable rate indebtedness subjects it to interest rate risk, which could cause its debt service obligations to increase significantly.

*Risks Related to Owning Kodiak Common Stock*

- The Kodiak Charter and Kodiak Bylaws contain provisions that could delay, discourage or prevent a takeover attempt even if a takeover might be beneficial to Kodiak's stockholders, and such provisions may adversely affect the market price of Kodiak Common Stock.
- Kodiak cannot assure you that it will be able to pay dividends on the Kodiak Common Stock.
- The U.S. federal income tax treatment of distributions on common stock to a U.S. holder will depend upon Kodiak's tax attributes and the U.S. holder's tax basis in the common stock, which are not necessarily predictable and can change over time.
- Taking advantage of the reduced disclosure requirements applicable to "emerging growth companies" may make Kodiak Common Stock less attractive to investors.

## Part I

### Item 1. Business

#### Overview

We are a leading provider and operator of large horsepower contract compression infrastructure in the U.S. Our wholly-owned subsidiary Kodiak Services was formed in 2011, and we have been operating compression infrastructure since that time. On July 3, 2023, we completed our IPO and our common stock is currently trading on the New York Stock Exchange ("NYSE") under the ticker symbol "KGS."

On April 1, 2024, we completed the acquisition of CSI Compressco, pursuant to the terms of the Merger Agreement. CSI Compressco unitholders received 0.086 shares of common stock for each CSI Compressco common unit owned. CSI Compressco unitholders that met certain criteria and that so elected (the "Electing Unitholders") received 0.086 limited liability company common units ("OpCo Units") representing economic interests in Kodiak Services (along with an equal number of shares of non-economic voting preferred stock of Kodiak) for each CSI Compressco common unit they held. At the option of the holder, each such OpCo Unit is redeemable for one share of our common stock (along with cancellation of a corresponding share of preferred stock of Kodiak), following a 180 day post-closing lock-up period and subject to certain conditions.

In connection with the CSI Acquisition, we re-evaluated our reportable segments. Our determination of reportable segments was made on the basis of our strategic priorities within each segment and corresponds to the manner in which our chief operating decision maker reviews and evaluates operating performance to make decisions about resources to be allocated to the segment. As a result, our business is managed through the following two operating segments: Contract Services and Other Services. The results of operations of CSI Compressco are reflected in our accompanying consolidated financial statements from the closing date of the acquisition through December 31, 2024. Results for the periods prior to April 1, 2024 do not include the financial and operating results of CSI Compressco. As such, our historical results of operations are not comparable from period to period and may not be comparable to our financial results of operations in future periods.

Our Contract Services and related services are critical to our customers' ability to reliably produce, gather and transport natural gas and oil. We are a market leader in the Permian Basin, which is the largest producing natural gas and oil basin in the U.S. We operate our large horsepower compression units under fixed-revenue term contracts with many upstream and midstream customers. We believe large horsepower compression units serve more stable applications, receive longer initial contracts, are more likely to be renewed, and produce higher margins, ultimately generating recurring cash flow and return on invested capital. When properly maintained, our compression assets have long useful lives, consistent with the expected production lives of the key regions where we operate. We believe our customer-centric business model positions us as the preferred contract compression operator for our customers and creates long-standing relationships. We strategically invest in the training, development, and retention of our highly skilled and dedicated employees and believe their expertise and commitment to excellence enhances and differentiates our business model. Furthermore, we maintain an intense focus on being one of the most sustainable and responsible operators of contract compression infrastructure.

Our other services ("Other Services") consist of a broad range of services to support the needs of our customers, including station construction, customer-owned compression maintenance and overhaul, freight and crane charges, parts sales and other ancillary time and material-based offerings. Our Other Services offerings are often cross-sold with Contract Services, bolstering cash flow generation with no associated capital expenditures.

We focus on and are an industry leader in large horsepower compression. Approximately 78% of our 4.4 million overall fleet horsepower is categorized as large horsepower, which we define as horsepower in an amount greater than 1,000 arising from a single unit. Due to lower initial reservoir pressures, production from unconventional resources such as the Permian Basin and Eagle Ford Shale requires significantly more compression horsepower than from conventional production. This need for additional horsepower in those regions supports our large horsepower strategy. Additionally, increased demand for large horsepower infrastructure is driven by multi-well pad drilling, overall well density, and large-scale gathering systems.

We believe the quality of our relationships with our customers, the historical reliability of our Contract Services and the structure of our contracts produce stable, recurring cash flow. The combination of the reliability and critical nature of our assets, the strong capabilities of our work force, the strength of our customer relationships and contract structures, and our market leadership in the prolific Permian Basin have resulted in a historically high fleet utilization for our company. We

are focused on being a resilient and sustainable enterprise and we seek to be a responsible operator that provides safe, reliable and efficient energy solutions. We will continue to innovate processes and technologies to assist our customers in meeting their emission reduction goals, while striving to provide a safe, inclusive and supportive environment for our employees and the communities where we operate. Finally, we operate our business with integrity and ethics and maintain a corporate governance structure that includes appropriate oversight and transparency in all aspects of our operations.

### Our Operations

Our business model is focused on large horsepower Contract Services, which we believe is central to our customers' efforts to meet the expected growing natural gas and oil demand from the Permian Basin and other regions in the U.S. Large horsepower Contract Services tend to garner longer-term contracts than small horsepower Contract Services and, as a result, we believe large horsepower Contract Services provide us with better predictability of revenues and cash flows. We believe our focus on customer service in top-tier regions, and the critical nature of our assets results in long-term customer relationships and enhanced financial stability for our business.

Our preventative and predictive maintenance and overhaul programs are designed to maximize mechanical availability and extend the useful lives of our assets over multiple decades. Our highly standardized fleet also enables streamlined and systematic training and on-site maintenance, which contributes to increased equipment reliability and mechanical availability. We continue to implement advanced systems to proactively analyze and monitor the operating conditions of our equipment, with a focus on maximizing uptime.

We believe our customers will continue to outsource all or a portion of their compression infrastructure needs, allowing them to limit their capital investments in compression equipment and increase their free cash flow or deploy capital on projects directly related to their core businesses. By outsourcing compression infrastructure, customers can efficiently address their changing compression requirements over time. Additionally, our customers benefit from the technical skills of our specialized personnel, and our focus on reliability and emissions reduction helps them advance their sustainability goals.

### Business Segments

Our business is organized into two reportable segments: Contract Services and Other Services. Contract Services consists of operating Company-owned and customer-owned compression and gas treating and cooling infrastructure to enable the production, gathering, processing and transportation of natural gas and oil. Other Services consists of a broad range of services to support the needs of our customers, including station construction, customer-owned compression maintenance and overhaul, freight and crane charges, parts sales and other ancillary time and material-based offerings. Our Other Services offerings are often cross-sold with Contract Services, bolstering cash flow generation with no associated capital expenditures.

### Our Assets

Our compression asset base includes both high-quality, large and medium & small horsepower units. These assets serve as essential infrastructure in high-volume gas gathering systems, processing facilities, multi-well gas lift applications, and natural gas transmission systems. The horsepower our fleet provides is characterized by a focus on large horsepower compression units, which aligns with the evolving industry demand for such units. Large compression units enable multi-well pad development, reduce downtime, improve overall unit economics and provide lower emissions per horsepower relative to small horsepower compression units. Fleet standardization and continued geographic concentration allow us to lower our cost of operations and improve margins through economies of scale.

Below is a tabular overview of our fleet by horsepower as of December 31, 2024:

	<b>Fleet Horsepower</b>	<b>Percent of Total Horsepower</b>	<b>Number of Units</b>	<b>Percent of Units</b>
Large horsepower >1,000 horsepower	3,428,062	78%	2,100	41%
Medium & small horsepower <1,000 horsepower	974,685	22%	2,969	59%
<b>Total</b>	<b>4,402,747</b>	<b>100%</b>	<b>5,069</b>	<b>100%</b>

We have standardized our fleet and operational processes, creating an effective fleet maintenance program and spare parts inventory, and efficient and resilient supply chain. Additionally, our assets are designed to serve a wide variety of large horsepower applications, such as gathering, processing and transportation of natural gas and centralized gas lift of oil.

## **Our Key Areas of Operation**

We strategically focus on deploying our compression assets in leading onshore U.S. regions with superior hydrocarbon well and long production horizons. We believe partnering with top-tier customers in regions with multi-decade resource life will support continued strong utilization and recontracting of our assets through energy industry and broader macroeconomic cycles.

As of December 31, 2024, approximately 82% of our compression assets were deployed in the Permian Basin and Eagle Ford Shale, which the United States Energy Information Administration (“EIA”) expects to maintain significant production volumes through at least 2050. We believe these two regions have some of the largest and lowest-cost unconventional resources in the U.S. Additionally, there are significant liquefied natural gas (“LNG”) export projects in development, and overall U.S. LNG export capacity is expected to double by 2030, according to the EIA. We expect this to translate into continued Permian Basin and Eagle Ford Shale natural gas production growth, requiring substantial additional compression horsepower. We believe the U.S. will play an increasingly important role in global energy security, as the world continues to require reliable and growing natural gas and oil production to support increasing global energy demand. In addition to the Permian Basin and Eagle Ford Shale, we have assets located in the Powder River Basin, Mid-Continent Region, DJ Basin, Appalachian Basin, Barnett Shale / East Texas Region and Black Warrior Basin.

## **Customers**

We have developed long-term commercial relationships with premier upstream and midstream customers in our key areas of operations. We believe alignment with our customers’ goals is a key differentiator to our business, and we have built a reputation backed by our mechanical availability to earn and strengthen customer loyalty. We believe mechanical availability is a critical consideration for a customer in making its contract compression decisions. We prioritize maintaining a high level of mechanical availability, which maximizes total customer operational uptime and revenue stability. We believe these factors make us a leading choice for our customers.

We have developed a systematic and selective customer evaluation methodology, based on key criteria that include customers' credit rating, size, and geological asset quality. For the years ended December 31, 2024, 2023 and 2022, our four largest customers accounted for approximately 32%, 33%, and 36%, respectively, of our total revenues. Each of these customers is a S&P 500 constituent and investment grade-rated upstream or midstream company active in the Permian Basin. There was one customer accounting for more than 10% of total revenues in each of 2024, 2023 and 2022.

## **Our Sustainability Leadership**

The energy industry is in a pivotal time as the world moves toward ambitious emissions reduction targets while maintaining affordable and reliable sources of energy. We maintain an intense focus on being one of the most sustainable and responsible operators of contract compression infrastructure. Furthermore, we strive to provide a safe, inclusive and supportive environment for the communities in which we live and the customers and employees with whom we work. We seek to continuously improve our operations, relationships with our stakeholders and ultimately maintain our position as a sustainable and responsible operator of contract compression infrastructure.

Part of our strategy includes owning a lower-emissions fleet capable of operating in regions with the most stringent U.S. regulatory requirements (emissions of 0.5g NOx or less). We believe it is imperative that we continue to develop and implement innovative strategies and technologies that further reduce emissions intensity and improve the operational reliability of our business. Many of our upstream and midstream customers have significantly increased their commitments to reduce emissions and rely on us to help them achieve their reduction goals.

Electric motor driven compression is also part of our long-term strategy to reduce emissions intensity across our fleet. We have begun deploying electric motor driven compression with select customers and have additional assets that we will deploy in the near future under long-term fixed-revenue contracts. In addition, in select geographic areas where electric infrastructure exists, we assist our customers in building out their electric compression infrastructure.

Our people are vital to the success of our business. As a result, we have developed a robust safety culture that permeates all aspects of our business. Our comprehensive training program emphasizes safety, improving technical skills and professional development for employees across functional areas. This program is further bolstered through a virtual training program to better prepare our employees to safely address situations in the field. We created the Kodiak Cares Foundation to support employees and charitable causes in the communities in which we live and operate. We are also committed to supporting veterans and do so through our recruiting and hiring efforts, as well as supporting several causes that assist veterans and active-duty military.

## **Compression Industry**

Compression is a mechanical process whereby natural gas is compressed to a smaller volume resulting in higher pressures. This process is critical for the production, gathering, and transportation of natural gas is a core component of one of the leading artificial lift technologies utilized in oil production. Without the increased pressure, gas cannot flow from the wellhead to end-markets. With the development of unconventional natural gas and oil resources, compression infrastructure becomes even more critical for the following reasons:

- In unconventional resources, natural gas tends to be produced at lower pressures due to the geological nature of the resources, requiring compression infrastructure immediately upon initial production and throughout most of the life of the well.
- Advancements in drilling, completion and production technologies have resulted in an increase in density of well locations and adoption of multi-well pads, allowing operators to achieve economies of scale with centralization of stations with more compression units and more horsepower per unit.

Given the essential nature of their operations, compression infrastructure providers benefit from stable cash flows and fixed-revenue contracts. Furthermore, large horsepower compression infrastructure is costly to install and move, and, therefore, many operators choose to outsource all or a portion of their compression infrastructure requirements so that they may deploy capital into their core business. By outsourcing, operators can more efficiently address their changing compression needs over time and are able to benefit from the specialized personnel and technical skills that compression infrastructure providers offer.

We believe U.S. compression infrastructure industry growth will be supported by the following factors:

- Continued, growing demand for U.S. natural gas driven principally by domestic natural gas consumption in the power sector, and exports of U.S.-produced natural gas and LNG.
- Replacement of production from maturing and aging conventional basins with production from unconventional sources, which tend to require more compression infrastructure, to accommodate the increase in natural gas demand while offsetting declining production.
- A continued emphasis by federal, state and local regulatory agencies as well as oil and gas producers on reducing the volume of natural gas that is flared during the production of crude oil, which will result in the need for additional field infrastructure to transport natural gas, which in turn will result in increased demand for compression infrastructure.
- The prevalence of U.S. oil and gas producers in key unconventional basins like the Permian Basin and the Eagle Ford Shale to rely on centralized gas lift as one of the more effective and efficient artificial lift technologies for the production of crude oil.

## **General Contract Services Contract Structures**

The following discussion describes the material terms generally common to our Contract Services contracts allocated to our Contract Services reporting unit. We maintain a general gas compression agreement with each of our customers and separate addenda for each compression unit.

### *Term and Termination*

Our contracts typically have a primary term length between one and seven years, depending on the customer, application, location, and size of the compression unit, with large horsepower typically contracted for a primary term of three or more years. After the expiration of the primary term, our contracts continue on a month-to-month basis until renewed or until the contract is terminated by us or our customer, upon written notice. As of December 31, 2024, approximately 11.3% of our revenue-generating horsepower was on a month-to-month contract term.

### *Mechanical Availability Guarantee and Operations Standards and Specifications*

All of our contracts provide a guarantee of specified mechanical availability. Our Contract Services equipment is typically mechanically available during instances of downtime attributable to events of force majeure or acts or failures to act by the customer (i.e., production-related downtime). Our Contract Services equipment is typically not mechanically available during all other instances of downtime including, without limitation, our scheduled and unscheduled maintenance.

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We provide Kodiak-owned Contract Services under contracts that typically provide that we will supply all compression equipment, tools, parts and field service support to meet our customers' requirements. Our contracts typically do not specify the compression equipment we will use; instead, the contracts typically specify required operating conditions and, in consultation with the customer, we determine what equipment is necessary to meet our contractual commitments.

### *Fees, Taxes and Expenses*

Our customers typically pay a fixed monthly fee for our Contract Services similar to midstream "take-or-pay contracts." The majority of our contracts include an annual inflation adjustment. Generally, we bill for our Contract Services on the 15th day of a month for the following month's Contract Services (i.e., pre-billed) or at the beginning of the month for which our Contract Services are to be provided. Payments are generally due within 30 days of the invoice date. We are generally responsible for the costs and expenses associated with operation and maintenance of our equipment, although certain fees and expenses are the responsibility of our customers under the terms of our contracts. For example, fuel gas necessary to operate our compression equipment is provided by our customers without cost to us. Further, ad valorem or business personal property taxes assessed on our compression equipment are generally reimbursed by our customers, as well as any sales tax related to our Contract Services. Additionally, our customers are typically responsible for any damage to our compression equipment caused by contaminants or liquid carryover in the compressed gas stream or inferior fuel gas.

We generally own the compression equipment in our fleet that we use to provide Contract Services, and we typically bear the risk of loss or damage to our equipment and tools and injury or death to our personnel outside the exceptions set forth in the contracts. Additionally, substantially all of our contracts include provisions eliminating our liability for consequential damages (e.g., damage to formations, lost production, damage to production equipment, etc.).

The vast majority of our contracts require our customers to pay for any out-of-pocket expenses associated with the cost of the mobilization and demobilization of our compression equipment to and from their locations.

Our contracts typically provide that both we and our customers are required to carry various types of insurance coverage including, but not limited to, general liability, workers' compensation, employers' liability, property, automobile and excess liability insurance.

### **Marketing and Sales**

Our marketing and customer service functions are performed on a coordinated basis by our sales and operations teams. Sales, fleet and operations personnel analyze and scope new compression applications. Additionally, our salespeople regularly visit our customers to ensure customer satisfaction, to determine a customer's needs related to existing Contract Services being provided and to determine the customer's future compression requirements. This ongoing communication allows us to quickly identify and respond to our customers' compression requirements and gives us significant insight into their activities.

### **Suppliers and Service Providers**

We rely primarily on a small number of key vendors to manufacture, package and assemble our compression equipment. Although we rely primarily on these suppliers, we believe alternative sources for natural gas compression equipment are generally available if needed.

### **Competition**

The contract compression and related services business is competitive. On a regional basis, we experience competition from numerous companies that may be able to adapt to changes more quickly within our industry and changes in economic conditions, more readily take advantage of available opportunities and adopt more aggressive pricing policies. We believe that we compete effectively based on our customer-centric business model, flexibility in meeting customer needs, price, equipment availability, quality and reliability of our Contract Services.

### **Seasonality**

Our results of operations have not historically been materially affected by seasonality, and we do not currently have reason to believe that seasonal fluctuations will have a material impact in the foreseeable future.

## **Operating Risks and Insurance**

We believe that our insurance coverage is customary for the industry and adequate for our business. As is customary in the compression industry, we review our safety equipment and procedures and carry insurance against most, but not all, risks of our business. Losses and liabilities not covered by insurance would increase our costs. The compression business can be hazardous, involving unforeseen circumstances, such as uncontrollable flows of gas or well fluids, fires and explosions or environmental damage. To address the hazards inherent in our business, we maintain insurance coverage that, subject to certain deductibles, includes physical damage coverage, third-party general liability insurance, employer's liability, environmental and pollution and other coverage, although coverage for environmental and pollution related losses is subject to certain limitations. Under the terms of our standard Contract Services contract, we are responsible for maintaining insurance coverage on our compression equipment. No accidents or incidents have occurred that have caused us to experience a material adverse effect.

## **Governmental Regulation**

We are subject to stringent and complex federal, state and local laws and regulations governing the discharge of materials into the environment or otherwise relating to protection of human health, safety and the environment. These regulations include compliance obligations for air emissions, water quality, wastewater discharges and solid and hazardous waste disposal, as well as regulations designed for the protection of human health and safety and protected species. Compliance with these environmental laws and regulations could expose us to significant costs and liabilities and cause us to incur significant capital expenditures in our operations. We are often obligated to assist our customers in obtaining permits or approvals for their operations from various federal, state and local authorities. These permits and approvals can be denied or delayed, which may cause us to lose potential and current customers, interrupt our operations and limit our growth and revenue. Moreover, failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of remedial obligations and other injunctive relief that could delay or prohibit our operations. Private parties may also have the right to pursue legal actions to enforce compliance, as well as to seek damages for non-compliance with environmental laws and regulations or for personal injury or property damage. While we believe that our operations are in substantial compliance with applicable environmental laws and regulations and that continued compliance with current requirements would not have a material adverse effect on us, we cannot predict whether our cost of compliance will materially increase in the future. Any changes in existing environmental laws and regulations or the enforcement thereof, or passage of additional environmental laws and regulations that result in more stringent and costly requirements for pollution control equipment, waste handling, storage, transport, disposal or remediation could have a material adverse effect on our operations and financial position.

See the section titled "Risk Factors—Risks Related to Our Business and Our Industry—Kodiak's operations are subject to stringent environmental, health and safety regulation, and changes in these regulations could increase Kodiak's costs or liabilities" in this Annual Report. The following is a discussion of material environmental and safety laws that relate to our operations.

### *Air Emissions*

The Clean Air Act ("CAA") and comparable state laws regulate emissions of air pollutants from various industrial sources, including natural gas compressors, and impose certain monitoring and reporting requirements. Such emissions are regulated by air emissions permits, which are applied for and obtained through various state or federal regulatory agencies. Our standard natural gas Contract Services contract provides that the customer is responsible for obtaining air emissions permits and assuming the environmental risks related to site operations. In some instances, our customers may be required to aggregate emissions from a number of different sources on the theory that the different sources should be considered a single source. Any such determinations could have the effect of making projects more costly than our customers expected and could require the installation of more costly emissions controls, which could cause some of our customers not to pursue certain projects.

There can be no assurance that future requirements compelling the installation of more costly emission control equipment would not have a material adverse impact on our business, financial condition, results of operations and cash available for distribution. See the section titled “Risk Factors—Risks Related to Our Business and Our Industry—New regulations, proposed regulations and proposed modifications to existing regulations under the CAA, if implemented, could result in increased compliance costs and changes in customers’ demand and desired suppliers” of this Annual Report.

#### *Climate Change*

Climate change and greenhouse gas (“GHG”) emissions reduction initiatives continue to attract considerable public and scientific attention. Methane, a primary component of natural gas, and carbon dioxide, a byproduct of the burning of natural gas, are examples of GHGs. In recent years, the U.S. Congress has considered legislation to restrict or regulate GHG emissions. The \$1 trillion legislative infrastructure package passed by Congress in November 2021 includes a number of climate-focused spending initiatives targeted at climate resilience, enhanced response and preparation for extreme weather events and clean energy and transportation investments. In addition, the Inflation Reduction Act of 2022 (the “Inflation Reduction Act”) also provides significant funding for research and development of low-carbon energy production methods, carbon capture and other programs directed at addressing climate change. A number of states have also begun to address GHG emissions, primarily through the planned development of emissions inventories or regional GHG cap and trade programs. Depending on the particular program, we could be required to control GHG emissions or to purchase and surrender allowances for GHG emissions resulting from our operations. The Inflation Reduction Act also amends the CAA to include a Methane Emissions Waste Reduction Incentive Program for petroleum and natural gas systems, which requires the EPA to impose a “waste emissions charge” on certain oil and gas sources that are already required to report under the EPA’s Greenhouse Gas Reporting Program. In order to implement the program, the Inflation Reduction Act required revisions to GHG reporting regulations for petroleum and natural gas systems (Subpart W) by 2024. In May 2024, the Environmental Protection Agency (“EPA”) finalized a rule to expand the scope of the Greenhouse Gas Reporting Program for petroleum and natural gas facilities, as required by the Inflation Reduction Act. Among other things, the rule expands the emissions events that are subject to reporting requirements to include “other large release events” and applies reporting requirements to certain new sources and sectors. The rule took effect on January 1, 2025 for reporting year 2025 (due March 2026) in certain circumstances, with GHG reporting required for reporting year 2024 (due March 2025) in certain circumstances. In November 2024, the EPA finalized a rule implementing the Inflation Reduction Act’s methane emissions charge. The rule includes methodologies for calculating the amount by which a facility’s reported methane emissions are below or exceed the waste emissions thresholds and addresses certain exemptions created by the Inflation Reduction Act. The methane emissions charge imposed under the Methane Emissions and Waste Reduction Incentive Program for calendar year 2024 is \$900 per ton emitted over annual methane emissions thresholds, and increases to \$1,200 in 2025, and \$1,500 in 2026. However, a proposed resolution has recently been filed in Congress under the Congressional Review Act to disapprove the methane emissions charge rule.

Independent of Congress, the EPA has promulgated regulations controlling GHG emissions under its existing CAA authority. The EPA has adopted rules requiring many facilities, including petroleum and natural gas systems, to inventory and report their GHG emissions (as discussed above). In addition, the EPA rules provide air permitting requirements for certain large sources of GHG emissions. The requirement for certain large sources of GHG emissions to obtain and comply with permits could affect some of our and our customers’ largest new or modified facilities going forward but is not expected to cause us to incur material costs. As noted in the risk factors below (see “Risk Factors—Risks Related to Our Business and Our Industry—New regulations, proposed regulations and proposed modifications to existing regulations under the CAA, if implemented, could result in increased compliance costs and changes in customers’ demand and desired suppliers”). For example, the EPA has undertaken efforts to regulate emissions of methane (considered a GHG) in the natural gas and oil sector, with the adoption of additional, more stringent rules. In 2015, the EPA finalized a performance standard that sets limits for stationary natural gas combustion turbines based on the use of natural gas combined cycle technology. In April 2024, the EPA issued a final rule that revises the limits for new gas-fired combustion turbines, existing coal, oil- and gas-fired steam generating units and certain existing gas-fire combustion turbines.

At the international level, the U.S. joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France (“COP21”), which resulted in an agreement intended to nationally determine the participants’ contributions and set GHG emission reduction goals every five years beginning in 2020 (the “Paris Agreement”). While the Paris Agreement does not impose direct requirements on emitters, national plans to meet its pledge could result in new regulatory requirements or initiatives. However, in January 2025, President Trump withdrew the United States from the Paris Agreement. Consequently, we cannot predict whether these pledges made during these international climate change meetings will result in any particular new regulatory requirements or initiatives or whether such requirements or initiatives will cause us to incur material costs should the U.S.’s participation in the Paris Agreement again change in the future. Various state and local governments have also publicly committed to furthering the goals of the Paris Agreement.



Additionally, in March 2022, the U.S. Securities and Exchange Commission (“SEC”) issued a proposed rule regarding the enhancement and standardization of mandatory climate-related disclosures for investors. The proposed rule would require registrants to include certain climate-related disclosures in their registration statements and periodic reports, including, but not limited to, information about the registrant’s governance of climate-related risks and relevant risk management processes; climate-related risks that are reasonably likely to have a material impact on the registrant’s business, results of operations, or financial condition and their actual and likely climate-related impacts on the registrant’s business strategy, model, and outlook; climate-related targets, goals and transition plan (if any); certain climate-related financial statement metrics in a note to their audited financial statements; Scope 1 and Scope 2 GHG emissions; and Scope 3 GHG emissions and intensity, if material, or if the registrant has set a GHG emissions reduction target, goal or plan that includes Scope 3 GHG emissions. However, in April 2024, the SEC voluntarily stayed the effectiveness of the rule, pending completion of judicial review, and the new administration has requested the court to refrain from proceeding while the rule undergoes review. Thus, the ultimate scope and impact on our business is uncertain, but compliance with the rule, if it takes effect, may result in increased legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly, and place strain on our personnel, systems and resources.

Although it is not currently possible to predict with specificity how any proposed or future GHG legislation, regulation, agreements or initiatives will impact our business, any legislation or regulation of GHG emissions that may be imposed in areas in which we conduct business or on the assets we operate could result in increased compliance or operating costs, additional operating restrictions or reduced demand for our services, and could have a material adverse effect on our business, financial condition and results of operations. See “Risk Factors—Risks Related to Our Business and Our Industry—Kodiak’s business is subject to climate-related transitional risks, including evolving climate change legislation, regulatory initiatives and stakeholder pressures which could result in increased operating expenses and capital costs, financial risks and potential reduction in demand for Kodiak’s services.” Notwithstanding potential risks related to climate change, the International Energy Agency estimates that natural gas and oil will continue to represent a significant share of global energy use through 2040 under some, though not all, future scenarios. However, recent activism directed at shifting funding and/or demand away from companies with fossil fuel-related assets could result in limitations or restrictions on certain sources of funding for the energy sector. See “Risk Factors—Risks Related to Our Business and Our Industry—A climate-related decrease in demand for natural gas and oil could negatively affect Kodiak’s business.”

#### *Water Discharge*

The Clean Water Act (“CWA”) and analogous state laws impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and other substances, into waters of the United States (“WOTUS”). The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. The CWA and regulations implemented thereunder also prohibit the discharge of dredge and fill material into regulated waters, including jurisdictional wetlands, unless authorized by an appropriately issued permit. The CWA also requires the development and implementation of spill prevention, control and countermeasures, including the construction and maintenance of containment berms and similar structures, if required, to help prevent the contamination of navigable waters in the event of a petroleum hydrocarbon tank spill, rupture or leak at such facilities. Additionally, the CWA and analogous state laws require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities. Federal and state regulatory agencies can impose administrative, civil and criminal penalties, as well as other enforcement mechanisms for non-compliance with discharge permits or other requirements of the CWA and analogous state laws and regulations.

The definition of WOTUS and, relatedly, the scope of federal CWA jurisdiction, have been the subject of notable rule making efforts and judicial challenges over several decades, culminating in a recent U.S. Supreme Court decision issued in May 2023. In 2015, the EPA and the U.S. Army Corps of Engineers (“Corps”) issued a rule defining the scope of the EPA’s and the Corps’ jurisdiction over WOTUS under the CWA, which never took effect before being replaced by the Navigable Waters Protection Rule (“NWPR”) in 2020. A coalition of states and cities, environmental groups and agricultural groups challenged the NWPR, which was vacated by a federal district court in August 2021. The EPA and the Corps issued a final rule in January 2023 that based the definition of WOTUS on the pre-2015 definition. Separately, in May 2023, the U.S. Supreme Court’s decision in *Sackett v. EPA* narrowed federal jurisdiction over wetlands to “traditional navigable waters” and wetlands or other waters that have a “continuous surface connection” with or are otherwise indistinguishable from traditional navigable water. In September 2023, EPA and the Corps published a direct-to-final rule that conforms the regulatory definition of WOTUS to the Supreme Court’s May 2023 decision in *Sackett*. However, litigation opposing the September 2023 final rule remains ongoing and substantial uncertainty exists with respect to future implementation of the September 2023 rule and the scope of CWA jurisdiction more generally. In addition, in an April 2020 decision defining the scope of the CWA that was issued days after the NWPR was published, the U.S. Supreme Court held that, in certain cases, discharges from a point source to a WOTUS through groundwater require a permit if the

discharge is the “functional equivalent” of a direct discharge. The Court rejected the EPA and the Corps’ assertion that groundwater should be totally excluded from the CWA. In November 2023, the EPA issued draft guidance describing the functional equivalent analysis and the information that should be used to determine which discharges through groundwater may require a permit. If finalized, the guidance could subject previously unregulated discharges to CWA permit requirements. As a result, future implementation is uncertain at this time. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the CWA and analogous state laws and regulations. Spill prevention, control and countermeasure plan requirements imposed under the CWA require appropriate containment berms and similar structures to help prevent the contamination of navigable waters in the event of a hydrocarbon tank spill, rupture or leak. The CWA and analogous state laws also require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities. The Oil Pollution Act of 1990, as amended (the “OPA”), amends the CWA and establishes strict liability and natural resource damages liability for unauthorized discharges of oil into waters of the U.S. The OPA requires owners or operators of certain onshore facilities to prepare facility response plans for a discharge of oil into waters of the United States.

Our Contract Services do not currently generate process waste waters that are discharged into waters of the United States and we do not foresee this occurring in the future. In any event, our customers assume responsibility under the majority of our standard gas compression agreements for obtaining any permits that may be required under the CWA, whether for discharges or developing property by filling wetlands. Considerable legal uncertainty exists surrounding the standard for what constitutes jurisdictional waters and wetlands subject to the protections and requirements of the CWA.

#### *Safe Drinking Water Act*

A significant portion of our customers’ hydrocarbon production is developed from unconventional sources that require hydraulic fracturing as part of the completion process. Hydraulic fracturing involves the injection of water, sand and chemicals under pressure into the rock formation to stimulate hydrocarbon production. Increased regulation under the Safe Drinking Water Act could lead to greater opposition to, and litigation concerning, natural gas and oil activities utilizing hydraulic fracturing or injection wells for waste disposal, which could indirectly impact our business, financial condition and results of operations.

We cannot predict the future of any such legislation and what additional, if any, regulations, restrictions and permits. Adoption of such new laws and regulations at the federal or state level or the development of new interpretations of those requirements by the agencies that issue the required permits could lead to operational delays, increased operating costs and process prohibitions that could reduce demand for our Contract Services, which would materially adversely affect our revenue and results of operations.

#### *Solid Waste*

The Resource Conservation and Recovery Act (“RCRA”) and comparable state laws control the management and disposal of hazardous and non-hazardous waste. These laws and regulations govern the generation, storage, treatment, transfer and disposal of wastes that we generate including, but not limited to, used oil, antifreeze, filters, sludges, paint, solvents and sandblast materials. The EPA and various state agencies have limited the approved methods of disposal for these types of wastes. Drilling fluids, produced waters and most of the other wastes associated with the exploration, development and production of natural gas, natural gas liquids and oil, if properly handled, are currently exempt from regulation as hazardous waste under RCRA and, instead, are regulated under RCRA’s less stringent non-hazardous waste provisions, state laws or other federal laws. However, it is possible that certain natural gas, natural gas liquids and oil drilling and production wastes now classified as non-hazardous could be classified as hazardous wastes in the future. Any such change could result in an increase in the costs to manage and dispose of wastes, which could increase the costs of our customers’ operations.

#### *Site Remediation*

The Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) and comparable state laws impose strict, joint and several liability without regard to fault or the legality of the original conduct on certain classes of persons that are considered to have contributed to the release of a hazardous substance into the environment. These persons include the owner and operator of a disposal site where a hazardous substance release occurred and any company that transported, disposed of or arranged for the transport or disposal of hazardous substances released at the site. Under CERCLA, such persons may be liable for the costs of remediating the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. Additionally, where contamination may be present, it is not uncommon for the neighboring landowners and other third parties to file claims for personal injury, property damage and recovery of response costs. Although we generate materials in the course of our

operations that may be regulated as hazardous substances, we have not received notification that we may be potentially responsible for cleanup costs under CERCLA at any site.

While we do not currently own or lease any facilities or properties for storage or maintenance of our inactive contract services equipment, we may use third-party properties for such storage and possible maintenance and repair activities. Additionally, our active contract services equipment typically is installed on properties owned or leased by third-party customers and operated by us pursuant to terms set forth in the contracts executed by those customers. Under most of our contracts, our customers must contractually indemnify us for certain damages we might incur as a result of the release into the environment of hazardous and toxic substances. We are not currently responsible for any remedial activities at any properties we use; however, there is always the possibility that our future use of those properties may result in spills or releases of petroleum hydrocarbons, wastes or other regulated substances into the environment that may cause us to become subject to remediation costs and liabilities under CERCLA, RCRA or other environmental laws. We cannot provide any assurance that the costs and liabilities associated with the future imposition of such remedial obligations upon us would not have a material adverse effect on our operations or financial position.

#### *Endangered Species Act and Migratory Birds*

The Endangered Species Act (“ESA”) was established to protect endangered and threatened species. Pursuant to the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species or its habitat. The U.S. Fish and Wildlife Service may designate critical habitat and suitable habitat areas it believes are necessary for survival of a threatened or endangered species. While some of our facilities are in areas that may be designated as a habitat for endangered species, we believe that we are in substantial compliance with the ESA. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act (“MBTA”) and to bald and golden eagles under the Bald and Golden Eagle Protection Act (“BGEPA”). The presence of any protected species or the final designation of previously unprotected species as threatened or endangered in areas where we operate could result in increased costs from species protection measures or could result in limitations, delays, or prohibitions on our customers’ exploration and production activities.

#### *Safety and Health*

The Occupational Safety and Health Act (“OSHA”) and comparable state laws and regulations govern the protection of the health and safety of employees. The OSHA hazard communication standard, the EPA community right-to-know regulations under Title III of CERCLA and similar state statutes and regulations require that we organize and, as necessary, disclose information about hazardous materials used or produced in our operations to various federal, state and local agencies, as well as employees. Other OSHA standards regulate specific worker safety aspects of our operations.

### **Human Capital**

#### *Employees*

As of December 31, 2024, we had approximately 1,300 full-time employees. Some employees in Mexico are subject to collective bargaining agreements.

We offer competitive and comprehensive compensation and benefits packages that include annual bonuses, stock awards, a 401(k) plan with employer contribution, healthcare and insurance benefits, health savings account with employer contribution, dependent care flexible spending account, paid time off, family leave, an employee assistance program and tuition assistance, among many other benefits.

#### *Safety, Health and Wellness*

The success of our business is fundamentally connected to the well-being of our people, and so we are committed to the safety, health and wellness of our employees. Safety is a core value of our Company. We actively promote the highest standards of safety, behavior and environmental awareness and strive to meet or exceed all applicable local and national regulations.

#### *Talent Development*

We invest significant resources to develop the talent needed to provide our industry-leading Contract Services. We work closely with suppliers to develop training programs for our field service technicians. Our field service technicians are supported by a dedicated training team. Additionally, we offer a number of non-technical, targeted skills-based and career-enhancing training programs, including technical orientation for non-technical employees, supervisor coaching,

performance management and conflict resolution. Our talent development programs provide employees with the resources they need to help achieve their career goals, build management skills and lead their organizations.

### **Emerging Growth Company**

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). For as long as we are an emerging growth company, unlike public companies that are not emerging growth companies under the JOBS Act, we will not be required to:

- provide an auditor’s attestation report on management’s assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”);
- comply with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor’s report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;
- provide certain disclosures regarding executive compensation required of larger public companies or hold stockholder advisory votes on executive compensation required by the Dodd-Frank Wall Street Reform and Consumer Protection Act; or
- obtain stockholder approval of any golden parachute payments not previously approved.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the “Securities Act”), for adopting new or revised financial accounting standards. We intend to take advantage of all of the reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under Section 107 of the JOBS Act, until we are no longer an emerging growth company. Our election to use the phase-in periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the longer phase-in periods under Section 107 of the JOBS Act and who will comply with new or revised financial accounting standards. See “Risk Factors—Risks Related to Owning Kodiak Common Stock—Taking advantage of the reduced disclosure requirements applicable to ‘emerging growth companies’ may make our common stock less attractive to investors.” If we were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to Section 107 of the JOBS Act.

We will cease to be an emerging growth company upon the earliest of:

- the last day of the fiscal year in which we have \$1.235 billion or more in annual revenues;
- the date on which we become a “large accelerated filer” (the fiscal year-end on which the total market value of our common equity securities held by non-affiliates is \$700 million or more as of June 30);
- the date on which we issue more than \$1.0 billion of non-convertible debt securities over a three-year period; or
- the last day of the fiscal year following the fifth anniversary of our initial public offering.

### **Recent Developments**

#### ***CSI Acquisition***

On April 1, 2024, we completed the CSI Acquisition, pursuant to the terms of the Merger Agreement. CSI Compressco unitholders received 0.086 shares of common stock for each CSI Compressco common unit owned. The Electing Unitholders received 0.086 OpCo Units representing economic interests in Kodiak Services (along with an equal number of shares of non-economic voting preferred stock of Kodiak) for each CSI Compressco common unit they held. At the option of the holder, each OpCo Unit is redeemable for one share of our common stock (along with cancellation of a corresponding share of preferred stock of Kodiak), following a 180 day post-closing lock-up period and subject to certain conditions.

### ***Offerings and Share Repurchases***

On September 11, 2024, Frontier TopCo Partnership, L.P. (“Kodiak Holdings”), an affiliate of EQT AB and holder of record of Kodiak Gas Services, Inc. common stock, sold 7,000,000 shares of common stock to the public pursuant to an underwritten offering (the “September Secondary Offering”). We did not receive any proceeds from the September Secondary Offering. On September 11, 2024, we also repurchased 1,000,000 shares from Kodiak Holdings in a private transaction (the “September Share Repurchase”). The September Share Repurchase was consummated at a price of \$25.00 per share for an aggregate purchase price of \$25.0 million. The shares of common stock purchased in the September Share Repurchase were recorded as treasury stock.

In November 2024, the Board of Directors at Kodiak (the “Kodiak Board”) approved a share repurchase program to buy up to an aggregate of \$50 million of our outstanding common stock (the “Share Repurchase Program”). The Share Repurchase Program commenced on November 13, 2024 and expires on December 31, 2025. We expect shares to be acquired from time to time in open-market transactions or through privately negotiated transactions at our discretion, subject to market conditions, applicable legal requirements and other relevant factors. We expect any purchases to be funded by cash on hand, cash flow from operations and short-term borrowings. As of December 31, 2024, 434,783 shares have been repurchased under the Share Repurchase Program as further detailed below.

On November 18, 2024, Kodiak Holdings, sold 6,565,217 shares of common stock to the public pursuant to an underwritten offering (the “November Secondary Offering”). We did not receive any proceeds from the November Secondary Offering. On November 18, 2024, we repurchased 434,783 shares from Kodiak Holdings in a private transaction (the “November Share Repurchase”) pursuant to the Share Repurchase Program. The November Share Repurchase was consummated at a price of \$34.50 per share for an aggregate purchase price of \$15.0 million. The shares of common stock purchased in the November Share Repurchase were recorded as treasury stock.

On December 12, 2024, Kodiak Holdings sold 5,500,000 shares of common stock to the public pursuant to an underwritten offering (the “December Secondary Offering”). We did not sell any shares of common stock nor did we receive any proceeds from the December Secondary Offering. The December Secondary Offering closed on December 13, 2024.

### ***Dispositions***

On September 12, 2024, the Company sold certain property, plant and equipment and other assets in the U.S. as well as our legal entity in Canada to a third-party buyer. The majority of the operations were included in the Contract Services segment through the date of sale. At the disposal date, total net assets sold were approximately \$18.0 million, consisting primarily of compression equipment, inventory, and other assets. Upon disposition, we incurred a loss of approximately \$7.0 million included in loss (gain) on sale of assets in our consolidated statements of operations for the year ended December 31, 2024.

On December 9, 2024, we sold certain assets and our legal entity in Argentina. The transaction constituted the sale of a business for accounting purposes. Total assets sold primarily consisted of approximately \$10.8 million in property, plant and equipment, \$2.7 million in accounts receivable, and \$2.2 million in inventory. We recognized a loss of \$13.6 million, which is included in loss (gain) on sale of assets in our consolidated statements of operations for the year ended December 31, 2024.

### ***Dividends***

On February 21, 2025, Kodiak paid a cash dividend of \$0.41 per share to all holders of Kodiak Common Stock as of the close of business on February 14, 2025, resulting in an aggregate payment of approximately \$36.0 million.

### ***Available Information***

We file Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, other reports and amendments to those reports with the SEC. Our website address is <http://www.kodiakgas.com>. We make available, free of charge at the “Investor Relations” section of our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. We also use our website as a means of disclosing additional information, including for complying with our disclosure obligations under the SEC’s Regulation FD (Fair Disclosure). The information contained on our website does not constitute part of this Annual Report. We will provide electronic or paper copies of our filings free of charge upon request.

The SEC maintains a website that contains these reports at <http://www.sec.gov>.

**Item 1A. Risk Factors**

An investment in our common stock involves a high degree of risk. As described in Part I “Disclosure Regarding Forward-Looking Statements,” this Annual Report contains forward-looking statements regarding us, our business, and our industry. The risk factors described below, among others, could cause our actual results to differ materially from the expectations reflected in the forward-looking statements. The occurrence of one or more of the events or circumstances described in the section titled “Risk Factors,” alone or in combination with other events or circumstances, may materially adversely affect our business, financial condition and operating results. In that event, the trading price of our common stock could decline, and you could lose all or part of your investment. Such risks include, but are not limited to:

**Risks Related to Our Business and Our Industry**

***A long-term reduction in the demand for, or production of, natural gas or oil could adversely affect the demand for Kodiak’s business and services or the prices Kodiak charges for Kodiak’s business and services, which could result in a decrease in Kodiak’s revenues.***

The demand for Kodiak’s business and services depends upon the continued demand for, and production of, natural gas and oil. The natural gas and oil industry is historically cyclical with levels of activity that are significantly affected by the levels and volatility of natural gas and oil prices. Kodiak may experience fluctuations in operating results as a result of the reactions of Kodiak’s customers to changes in natural gas and oil prices. Demand may be affected by, among other factors, natural gas prices, oil prices, weather, availability of alternative energy sources, governmental regulation and the overall demand for energy. Any prolonged, substantial, material reduction in the demand for natural gas or oil would likely depress the level of production activity and result in a decline in the demand for Kodiak’s business and services, which could result in a reduction in Kodiak’s revenues.

***The loss of one or more of Kodiak’s key customers and/or the deterioration of the financial condition of any of its customers would result in a decrease in Kodiak’s revenues and could adversely affect its financial results and may have a material adverse effect on Kodiak’s financial condition.***

The loss of one or more of Kodiak’s key customers may have a material adverse effect on its business, results of operations and financial condition. See Part II, Item 7.A, *Concentration Risk*, within this Annual Report for quantification of customer concentration. Further, during times when the natural gas or oil markets weaken, Kodiak’s customers are more likely to experience financial difficulties, including being unable to access debt or equity financing, which could result in a reduction in Kodiak’s customers’ spending for Kodiak’s services. A significant decline in commodity prices may cause certain of Kodiak’s customers to reconsider their near-term capital budgets, which may impact large-scale natural gas infrastructure and oil production activities. Reduced demand for Kodiak’s services could adversely affect its business, results of operations, financial condition and cash flows.

***Kodiak faces significant competition that may cause it to lose market share and have a material adverse effect on its financial condition.***

The compression business is competitive. Kodiak’s ability to renew or replace existing contracts with its customers at rates sufficient to maintain current revenue and cash flows could be adversely affected by the activities of Kodiak’s competitors and Kodiak’s customers. If Kodiak’s competitors substantially increase the resources they devote to the development and marketing of competitive services or substantially decrease the prices at which they offer their services, Kodiak may be unable to compete effectively. Kodiak’s competitors may be able to adapt more quickly to technological changes within the industry and changes in economic and market conditions and more readily take advantage of acquisitions and other opportunities. In addition, Kodiak could face significant competition from new entrants into its industry. Some of these competitors may expand or construct newer, more powerful or more flexible compression fleets, which would create additional competition for Kodiak. All of these competitive pressures could have a material adverse effect on Kodiak’s business, results of operations and financial condition.

***Kodiak’s customers may choose to vertically integrate their operations by purchasing and operating their own compression fleet, increasing the number of compression units they currently own, or using alternative technologies for enhancing oil production, which may have a material adverse effect on Kodiak’s business.***

Kodiak’s customers that are significant producers, processors, gatherers and transporters of natural gas and oil may choose to vertically integrate their operations by purchasing and operating their own compression fleets in lieu of using Kodiak’s business and services for a variety of reasons, including customer reactions to changes in the pricing of our services, failure to meet certain customer safety standards or any other reason. There are many technologies available for the artificial enhancement of oil production, and Kodiak’s customers may elect to use these alternative technologies instead of the gas

lift compression Kodiak provides. Such vertical integration or use of alternative technologies could result in decreased demand for Kodiak's business and services, which may have a material adverse effect on Kodiak's business, results of operations and financial condition, and reduce its cash available for distribution.

***After the primary term of Kodiak's contracts, such contracts are cancellable on 30 to 90 days' notice, and Kodiak cannot be sure that such contracts will be extended or renewed after the end of the initial contractual term. Any such non-renewals, or renewals at reduced rates or the loss of contracts with any significant customer, could adversely impact Kodiak's financial results.***

The length of Kodiak's Contract Services contracts with customers varies based on operating conditions and customer needs. As of December 31, 2024, approximately 11.3% of Kodiak's revenue-generating horsepower was on a month-to-month basis with customers who continue to utilize Kodiak's services following expiration of the primary term of their contracts. These customers can generally terminate their month-to-month Contract Services contracts on 30 to 90 days' notice. Kodiak cannot be sure that a substantial number of these contracts will be extended or renewed by Kodiak's customers or that any of Kodiak's customers will continue to contract with Kodiak. The inability to negotiate extensions or renew a substantial portion of Kodiak's Contract Services contracts, the renewal of such contracts at reduced rates, the inability to contract for additional services with Kodiak's customers, or the loss of all or a significant portion of Kodiak's services contracts with any significant customer, could lead to a reduction in revenue and net income and could require Kodiak to record additional asset impairments. This could have a material adverse effect upon Kodiak's business, results of operations and financial condition.

***The majority of Kodiak's operations are located in the Permian Basin and Eagle Ford Shale, making Kodiak vulnerable to risks associated with operating in limited geographic areas, which could have an impact on its revenues.***

Kodiak's operations are geographically concentrated in the Permian Basin and Eagle Ford Shale. As a result, Kodiak may be disproportionately exposed to the impact of regional supply and demand factors in the Permian Basin or Eagle Ford Shale caused by changed governmental regulations, curtailment of production or interruption of the processing or transportation of natural gas and oil produced from the wells in these geographic areas. In addition, the effect of fluctuations on supply and demand may become more pronounced within specific geographic natural gas and oil producing areas such as the Permian Basin and Eagle Ford Shale, which may cause these conditions to occur with greater frequency or magnify the effects of these conditions. Due to the concentrated nature of Kodiak's operations, Kodiak could experience any of these same conditions at the same time, resulting in a relatively greater impact on its revenues than these conditions might have on other companies that have more geographically diverse operations.

***Kodiak may be unable to access the capital and credit markets or borrow on affordable terms to obtain additional capital that Kodiak may require, which could have a material adverse effect on its business, results of operations and financial conditions.***

Kodiak has financed its operating expenses and capital expenditures with a combination of cash provided by operating and financing activities. However, to the extent Kodiak is unable to finance its operating expenses, capital expenditures, scheduled interest and debt repayments and any future dividends with net cash provided by operating activities and borrowings under the ABL Credit Agreement or future financing arrangements, Kodiak may require additional capital. Periods of instability in the capital and credit markets (both generally and in the natural gas and oil industry in particular) could limit Kodiak's ability to access these markets to raise debt or equity capital on affordable terms, to refinance borrowings under the ABL Credit Agreement or to obtain additional financing. Among other things, Kodiak's lenders may seek to increase interest rates, enact tighter lending standards, refuse to refinance existing debt at maturity at favorable terms or at all, and may reduce or cease to provide funding to Kodiak. If Kodiak is unable to access the capital and credit markets on favorable terms, or if Kodiak is not successful in raising capital within the time period required or at all, Kodiak may not be able to grow or maintain its business, which could have a material adverse effect on its business, results of operations and financial condition.

***Kodiak's fleet may require additional operating or capital expenses to maintain over time, which could adversely impact its financial results.***

Kodiak's fleet may require additional operating expenses or capital expenditures to maintain over time, which could adversely impact its financial results. Such costs may include direct costs, such as labor, parts, materials and any other services that are unique in nature to each individual compression unit. The cost of additions or improvements to Kodiak's fleet could adversely impact its financial results.



***Impairment in the carrying value of long-lived assets, including impairment of goodwill and other intangible assets, could reduce Kodiak's earnings.***

Kodiak has a significant number of long-lived assets on its consolidated balance sheet. Under generally accepted accounting principles ("GAAP"), Kodiak is required to review its long-lived assets, including goodwill and other intangible assets, for impairment when events or circumstances indicate that the carrying value of such assets may not be recoverable or such assets will no longer be utilized in the operating fleet. If business conditions or other factors cause the carrying value of assets to become unrecoverable, Kodiak may be required to record non-cash impairment charges. Events and conditions that could result in impairment in the value of Kodiak's long-lived assets include, long-term extended reduction in demand for natural gas and oil, competition, advances in technology, adverse changes in the regulatory environment or other factors leading to a reduction in Kodiak's expected long-term profitability.

***Kodiak has in the past been, and may in the future be, subject to sales tax audits in jurisdictions where Kodiak operates. As a result, Kodiak may incur material unanticipated sales tax liabilities.***

Taxing authorities in the jurisdictions in which Kodiak operates have in the past, and may in the future, audit Kodiak or otherwise challenge the amount of sales tax Kodiak has collected or paid. As a result, Kodiak may incur material unanticipated sales tax liabilities. From October 2019 through April 2023, Kodiak received notices of audits from the State of Texas Comptroller's office for the periods covering December 2015 through November 2023 (the "Sales Tax Audit"). Based on the information currently available, Kodiak has accrued as of December 31, 2024, a contingent liability of \$70.1 million for the periods set forth in the notices of audit. This accrual may not be sufficient to cover the expenses and liabilities related to a future audit for such period.

If Kodiak is unable to make all payments required by any taxing authority as a result of an audit, settlement or otherwise, Kodiak could face additional interest or penalties, or other punitive actions, up to and including seizure of its assets or forfeiture of its sales tax permit. Payments and penalties related to sales taxes could have a material adverse effect on Kodiak's business, financial condition and results of operations.

***Kodiak might be unable to employ or retain qualified technical personnel, which could hamper its present operations, limit its ability to grow or increase its costs.***

Many of the compression units that Kodiak operates are mechanically complex and operate in harsh conditions. Kodiak believes that its success depends upon its ability to employ and retain a sufficient number of technical personnel who have the ability to utilize, enhance and maintain these compression units. Kodiak's ability to maintain and expand its operations depends in part on its ability to utilize, replace, supplement and increase its skilled labor force. The demand for skilled workers is high, and supply is limited, especially in the Permian Basin. A significant increase in the wages paid by competing employers could result in a reduction of Kodiak's skilled labor force or cause an increase in the wage rates that Kodiak must pay or both. If either of these events were to occur, Kodiak's cost structure could increase, and its operations and growth potential could be impaired. Employee turnover may also lead to lost productivity and decrease employee engagement, which could adversely impact Kodiak's business.

Additionally, Kodiak's ability to hire, train and retain qualified personnel could become more challenging as Kodiak grows and to the extent energy industry market conditions are competitive. When general industry conditions are favorable, the competition for experienced operational and field technicians increases as other energy and manufacturing companies' needs for the same personnel increase. Kodiak's ability to grow or even to continue its current level of service to its current customers could be adversely impacted if Kodiak is unable to successfully hire, train and retain these important personnel. Similarly, Kodiak depends on its ability to hire and retain executive officers, and the departure of any such officers from Kodiak could have a significant effect on its business. In addition, effective succession planning for Kodiak's employees and expansion planning is important to Kodiak's long-term success. Failure to achieve these plans could hinder Kodiak's strategic planning and execution and have a material adverse impact on Kodiak's business, financial condition or results of operations.

***Any unionization efforts or labor regulation changes in certain jurisdictions in which Kodiak operates could divert management's attention and could have a materially adverse effect on Kodiak's operating results or limit Kodiak's operational flexibility.***

Kodiak considers its relationship with its employees to be satisfactory, and certain of Kodiak's employees are represented by a union in collective bargaining with Kodiak. However, efforts could be made by employees and third parties from time to time to unionize portions of Kodiak's workforce. In addition, Kodiak may be subject to strikes or work stoppages and other labor disruptions in the future. Any unionization efforts, collective bargaining agreements or work stoppages could



have a materially adverse effect on Kodiak's operating results or limit its operational flexibility. Further, our response to any union organizing efforts could negatively impact how our brand is perceived by our employees and customers and have material adverse effects on our business and future results.

***Kodiak depends on a limited number of suppliers, and, particularly as a result of supply chain and logistics disruptions resulting from geopolitical disruptions and the resulting inflationary environment, Kodiak is vulnerable to product shortages, long lead times and price increases, which could have a negative impact on Kodiak's results of operations.***

The substantial majority of the components for Kodiak's natural gas compression equipment are supplied by a limited number of key vendors. Kodiak's reliance on these suppliers involves several risks, including price increases and a potential inability to obtain an adequate supply of required components in a timely manner on account of supplier nonperformance or otherwise. Kodiak also relies primarily on a limited number of vendors to package and assemble its compression units. Kodiak does not have long-term contracts with these suppliers or packagers, and a partial or complete loss of any of these sources could have a negative impact on Kodiak's results of operations and could damage its customer relationships. In addition, the preferences of Kodiak's customers with respect to particular vendors may change, which could require Kodiak to find new vendors. Some of these suppliers manufacture the components Kodiak purchases in a single facility, and any damage to that facility could lead to significant delays in delivery of completed compression units to Kodiak.

If Kodiak is unable to purchase compression equipment or components for its compression equipment on a timely basis to meet the demands of its customers, its existing customers may terminate their contractual relationships with Kodiak, or Kodiak may not be able to compete for business from new or existing customers, which, in each case, could have a material adverse effect on Kodiak's business, results of operations and financial condition. Further, supply chain bottlenecks could adversely affect Kodiak's ability to obtain necessary materials, parts or other components used in Kodiak's operations or increase the costs of such items. A significant increase in the price of such equipment, materials and services and the resulting supply chain and logistics disruptions, or otherwise, could have a negative impact on Kodiak's business, results of operations, financial condition and cash flows.

***Kodiak's operations entail inherent risks that may result in interruption of Kodiak's operations and/or substantial liability. Kodiak does not insure against all potential losses and could be seriously harmed by unexpected liabilities.***

Kodiak's operations are subject to inherent risks, such as equipment defects, malfunctions and failures, natural disasters and other incidents that can result in uncontrollable flows of gas or well fluids, fires and explosions. In addition, Kodiak's operations employees spend a significant amount of time driving from location to location, often on busy or statistically dangerous roadways, especially in the Permian Basin, which could lead to an increased risk of vehicular accidents. These risks could cause the interruption of Kodiak's operations and the operations of its customers, and Kodiak may endure significant loss of health and life of employees and third-persons, equipment damage, revenue losses and reputational harm, all of which could have an adverse effect on Kodiak's business, prospects and financial condition. Moreover, such risks could expose Kodiak to substantial liability for personal injury, death, property damage, pollution and other environmental damages. Kodiak's insurance may be inadequate to cover its liabilities or subject to cancellation notices. Further, insurance covering the risks Kodiak faces or in the amounts it desires may not be available in the future or, if available, the premiums may not be commercially justifiable. If Kodiak were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, resulted in cancellation of Kodiak's policy, or if Kodiak were to incur liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be adversely affected.

***If Kodiak does not satisfy its mechanical availability guarantee, a customer has the ability to terminate its contracts.***

Kodiak's gas compression contracts provide a guarantee of specified mechanical availability of 98.0% to 98.5%. The calculation for mechanical availability includes any downtime that is incurred as a result of Kodiak's operations, such as mechanical shutdowns, maintenance events and repairs or overhauls, but does not include any downtime caused by a mechanical failure or shutdown that occurs as a result of improper gas or objectionable liquids or solids in the gas or fuel stream, insufficient gas available for compression or fuel, any shutdown due to the applicable customer's production or processing operations, or downtime not directly caused by Kodiak, including downtime due to "force majeure" events, such as acts of God, acts related to terrorism, strikes, lockouts and/or accidents. A failure to satisfy mechanical availability requirements under a contract for three consecutive months could result in termination of the applicable contract by the customer, which could have an adverse effect on Kodiak's financial results.

*Acts or threats of terrorism, acts of war, social unrest, cyber or physical security attacks, and other malicious acts of individuals or groups seeking to disrupt Kodiak's operations could adversely impact Kodiak's business, financial condition, and results of operations.*

Kodiak's operations are potential targets for terrorist acts and threats, acts of war, social unrest, cyber and physical security attacks, and other disruptive activities of individuals or groups, including by nation states or nation state-sponsored groups. There have been cyber and physical attacks within the energy industry on energy infrastructure in the past and there are likely to be additional attacks in the future. Kodiak and its suppliers and vendors have been subject to, and will likely continue to be subject to, attempts to disrupt operations, any of which could result in a material decrease in revenues and which increase costs to protect, repair, and insure Kodiak's assets and operate its infrastructure, systems, and business.

#### **Risks Related to Regulatory Matters**

*Kodiak's operations are subject to stringent environmental, health and safety regulations and changing expectations of other stakeholders with respect to sustainability practices, and changes in these regulations and/or expectations could increase Kodiak's costs or liabilities.*

Kodiak's operations at customer sites are subject to stringent and complex federal, state and local environmental, health and safety laws and regulations, including laws and regulations governing the discharge of materials into the environment, emissions controls and other environmental protection and occupational health and safety concerns. Environmental laws and regulations, such as CERCLA and comparable state laws, may impose strict, as well as joint and several, liability for environmental contamination, which could render Kodiak potentially liable for remediation costs, natural resource damages, the costs of certain health studies and other damages, regardless of whether Kodiak was responsible for the release or contamination, and even if Kodiak's operations were lawful at the time of the release or if contamination was caused by third parties. In addition, third parties, including neighboring landowners, could file claims for personal injury, property damage and recovery of response costs. Remediation costs and other damages arising as a result of environmental laws and regulations, and costs associated with changes in existing environmental laws and regulations or the adoption of new environmental laws and regulations over time could adversely impact Kodiak's or its customers' financial condition or results of operations. Moreover, failure by Kodiak or its customers to comply with these environmental laws and regulations could result in the imposition of administrative, civil and criminal penalties and the issuance of injunctions delaying or prohibiting operations, which could in turn have an adverse impact on Kodiak's customers and its business.

Kodiak conducts operations in a wide variety of customer locations across the continental U.S. and internationally. Kodiak's customers are required to hold certain U.S. federal, state or local or other jurisdictional environmental permits or other authorizations and may require new or amended facility permits or licenses from time to time with respect to storm water discharges, hydraulic fracturing, waste handling or air emissions relating to equipment operations, including compression units, which subject Kodiak's customers to new or revised permitting conditions that may be onerous or with respect to which compliance may be costly. These permits and authorizations frequently contain numerous compliance requirements, including monitoring and reporting obligations and operational restrictions, such as emissions limits. Given the wide variety of locations in which Kodiak's customers operate, and the number of environmental permits and other authorizations that are applicable to its customers' operations, Kodiak's customers may occasionally identify or be notified of violations of or noncompliance with certain requirements existing under various permits or may be required to obtain additional permits. Although Kodiak does not hold the permits, such noncompliance with required permits or the failure to obtain additional permits by Kodiak's customers could subject its customers to future penalties, operating restrictions, or delays in obtaining new or amended permits which could in turn have a material adverse effect on Kodiak's business, financial condition and results of operations.

Environmental, health and safety laws and regulations are constantly evolving and may become increasingly complex and more stringent over time. In addition to the evolving regulatory environment, Kodiak may also face pressures from stakeholders, many of whom are focused on climate change, to prioritize sustainable energy practices, reduce Kodiak's carbon footprint and promote sustainability while at the same time remaining a successfully operating public company, any or all of which may be difficult for Kodiak to achieve on such stakeholders' desired timeline or at all. Future environmental health and safety laws and regulations (or changes to existing laws and regulations), and potentially future stakeholders' focus on sustainability (or changes to such focus), may additionally negatively impact natural gas and oil exploration, as well as production, gathering and pipeline companies, including Kodiak's customers, which in turn could have a material adverse effect on Kodiak's business, financial condition and results of Kodiak's operations.

***New regulations, proposed regulations and proposed modifications to existing regulations under the CAA, if implemented, could result in increased compliance costs and changes in customers' demand and desired suppliers.***

New regulations or proposed modifications to existing regulations under the CAA may lead to adverse impacts on Kodiak's business, financial condition and results of operations.

In addition, the EPA proposed rules in November 2021 and 2022 intended to reduce methane emissions from natural gas and oil sources. The proposed rules would make the existing regulations in Subpart OOOOa more stringent and create a Subpart OOOOb to expand reduction requirements for new, modified, and reconstructed natural gas and oil sources, including standards focusing on certain source types that have never been regulated under the CAA (including intermittent vent pneumatic controllers, oil well associated gas, and liquids unloading facilities). In addition, the proposed rule would establish "Emissions Guidelines," creating a Subpart OOOOc that would require states to develop plans to reduce methane emissions from existing sources that must be at least as effective as presumptive standards set by the EPA. The EPA announced a final rule in December 2023, which, among other things, requires the phase out of routine flaring of natural gas from new oil wells and routine leak monitoring at all well sites and compressor stations. Notably, the EPA updated the applicability date for Subparts OOOOb and OOOOc to December 6, 2022, meaning that sources constructed prior to that date will be considered existing sources with later compliance dates under state plans. The final rule gives states, along with federal tribes that wish to regulate existing sources, two years to develop and submit their plans for reducing methane from existing sources. The final emissions guidelines under Subpart OOOOc provide three years from the plan submission deadline for existing sources to comply. Kodiak cannot predict how the EPA and states will implement the final rule; however, Subpart OOOO regulation of air emissions from the natural gas and oil sector could result in increased expenditures for pollution control equipment, which could impact Kodiak's customers' operations and negatively impact Kodiak's business.

Additionally, in August 2022, the President of the United States signed into law the Inflation Reduction Act. Among other things, the Inflation Reduction Act includes a methane emissions reduction program that amends the CAA to include a Methane Emissions and Waste Reduction Incentive Program for petroleum and natural gas systems. This program requires the EPA to impose a "waste emissions charge" on certain natural gas and oil sources that are already required to report under the EPA's Greenhouse Gas Reporting Program. In order to implement the program, the Inflation Reduction Act required revisions to GHG reporting regulations for petroleum and natural gas systems (Subpart W) by 2024. In May 2024, the EPA proposed to expand the scope of the Greenhouse Gas Reporting Program for petroleum and natural gas facilities, as required by the Inflation Reduction Act. Among other things, the rule expands the emissions events that are subject to reporting requirements to include "other large release events" and applies reporting requirements to certain new sources and sectors. The rule took effect on January 1, 2025 for reporting year 2025 (due March 2026) in certain circumstances, with the potential to also impact GHG reporting for reporting year 2024 (due March 2025) in certain circumstances. In November 2024, the EPA finalized a rule implementing the Inflation Reduction Act's methane emissions charge. The rule includes methodologies for calculating the amount by which a facility's reported methane emissions are below or exceed the waste emissions thresholds addresses certain exemptions created by the Inflation Reduction Act. The methane emissions charge imposed under the Methane Emissions and Waste Reduction Incentive Program for calendar year 2024 is \$900 per ton emitted over annual methane emissions thresholds, and increased to \$1,200 in 2025, and will increase to \$1,500 in 2026. However, a proposed resolution has recently been filed in Congress under the Congressional Review Act to disapprove the methane emissions charge rule. Implementation of such programs could increase Kodiak's operating costs and accelerate the transition away from fossil fuels, which could in turn have an adverse impact on Kodiak's customers and thus adversely impact Kodiak's business.

***A climate-related decrease in demand for natural gas and oil could negatively affect Kodiak's business.***

Supply and demand for natural gas and oil is dependent upon a variety of factors, many of which are beyond Kodiak's control. These factors include, among others, the potential adoption of new government regulations, including those related to fuel conservation measures and climate change regulations, technological advances in fuel economy, an economy-wide transition to lower GHG energy sources and energy generation devices. For example, legislative, regulatory or executive actions intended to reduce emissions of GHGs could increase the cost of consuming natural gas and oil, thereby potentially causing a reduction in the demand for such products. A broader transition to alternative fuels or energy sources, whether resulting from potential new government regulation, carbon taxes or consumer preferences, could result in decreased demand for natural gas and oil. Any decrease in demand for these products could consequently reduce demand for Kodiak's services and could have a negative effect on Kodiak's business.

Efforts by governments, international bodies, businesses and consumers to reduce GHGs and otherwise mitigate the effects of climate change are ongoing. The nature of these efforts and their effects on Kodiak's business are inherently unpredictable and subject to change. However, any activism directed at shifting funding and/or demand away from

companies with energy-related assets could result in a reduction of funding for the energy sector overall, which could have an adverse effect on Kodiak's ability to obtain external financing, as well as negatively affect the cost of, and terms for, financing to fund capital expenditures or other aspects of Kodiak's business.

***Kodiak's business is subject to climate-related transitional risks, including evolving climate change legislation, regulatory initiatives and stakeholder pressures, which could result in increased operating expenses and capital costs, financial risks and potential reduction in demand for Kodiak's services.***

Combating the effects of climate change continues to attract considerable attention in the United States and internationally, including from regulators, legislators, companies in a variety of industries, financial market participants and other stakeholders. Climate change legislation and regulatory initiatives may arise from a variety of sources, including international, national, regional and state levels of government and associated administrative bodies, seeking to monitor, restrict or regulate existing emissions of GHGs, such as carbon dioxide and methane, as well as to restrict or eliminate future emissions. Accordingly, Kodiak's business and operations, and those of Kodiak's customers, are subject to executive, regulatory, political and financial risks associated with natural gas and the emission of GHGs.

The EPA has promulgated regulations controlling GHG emissions under its existing CAA authority. The EPA has adopted rules requiring many facilities, including petroleum and natural gas systems, to inventory and report their GHG emissions. In April 2024, the EPA also issued a final rule with CAA emission limits for new gas-fired combustion turbines, existing coal, oil- and gas-fired steam generating units and certain existing gas fire combustion turbines. In addition, the EPA rules provide air permitting requirements for certain large sources of GHG emissions. The requirement for certain facilities and large sources of GHG emissions to obtain and comply with permits will affect some of Kodiak's customers' largest new or modified facilities going forward but is not expected to cause Kodiak to incur material costs. The EPA has also developed rules to regulate emissions of methane, considered a GHG, from existing, new, modified and reconstructed sources in the natural gas and oil sector. However, a proposed resolution has recently been filed in Congress under the Congressional Review Act to disapprove the methane emissions charge rule.

At the international level, the U.S. joined the international community at COP21, which resulted in the Paris Agreement. While the Paris Agreement does not impose direct requirements on emitters, national plans to meet its pledge could result in new regulatory requirements. In April 2021, the previous administration announced a new "nationally determined contribution" for U.S. GHG emissions that would achieve emissions reductions of at least 50% relative to 2005 levels by 2030. However, in January 2025, President Trump withdrew the United States from the Paris Agreement. Consequently, Kodiak cannot predict whether these pledges by the previous administration made in connection with the Paris Agreement will result in any particular new regulatory requirements or initiatives or whether such requirements or initiatives will cause Kodiak to incur material costs should the U.S.'s participation in the Paris Agreement again change in the future. Additionally, the SEC issued a proposed rule in March 2022 that would mandate extensive disclosure of climate-related data, risks, and opportunities, including financial impacts, physical and transition risks, related governance and strategy, and GHG emissions, for certain public companies. However, in April 2024, the SEC voluntarily stayed the effectiveness of the rule, pending completion of judicial review, and the new administration has requested the court to refrain from proceeding while it reviews the rule. Thus, the ultimate scope and impact on our business is uncertain, compliance with the rule, if it takes effect, may result in increased legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly, and place strain on our personnel, systems and resources.

Although it is not currently possible to predict how any proposed or future executive orders, GHG or climate change legislation or regulation promulgated by Congress, the states or multi-state regions and their respective regulatory agencies will impact Kodiak's business, any legislation or regulation of GHG emissions that may be imposed in areas in which Kodiak conducts business or on the assets Kodiak operates could result in increased compliance or operating costs, additional operating restrictions or reduced demand for Kodiak's services, and could have a material adverse effect on Kodiak's business, financial condition and results of operations.

Apart from governmental regulation, there are also financial risks for companies in the energy sector as certain stockholders and bondholders currently invested in energy companies may elect to shift some or all of their investments toward non-fossil fuel energy sources. In recent years, sustainability goals and programs, which typically include policies, practices and extralegal targets related to environmental stewardship, social responsibility, and corporate governance, have been a focus of investors and stakeholders across the industry. Institutional lenders who provide financing to energy companies such as Kodiak have been more attentive to sustainable lending practices, and although this trend has waned recently, some may elect not to provide traditional energy producers or companies that support such producers with funding. Limitation of investments in and financings for energy companies could result in the restriction, delay or cancellation of infrastructure projects and energy production activities. This potential for reduced access to the capital and

financial markets, whether impacting Kodiak's customers and/or Kodiak's business, may further adversely affect the demand for and price of Kodiak's securities.

Furthermore, some scientists have concluded that increasing concentrations of GHGs in the earth's atmosphere are changing global climate patterns in a manner that results in significant weather-related effects, such as increased frequency and severity of storms, droughts, floods and other such events, in addition to more chronic changes such as shifting temperature, precipitation, and other meteorological patterns. Energy needs could increase or decrease as a result of extreme weather conditions depending on the duration and magnitude of any such climate changes. Increased energy use due to weather changes may require Kodiak to invest in additional equipment to serve increased demand. A decrease in energy use due to weather changes may negatively affect Kodiak's financial condition through decreased revenues. To the extent the frequency of extreme weather events increases, this could impact Kodiak's operations in various ways, including damage to Kodiak's facilities interruptions in service or supply chain, increased insurance premiums or increases to Kodiak's cost of providing service. Such impacts may be proportionately more severe given the geographical concentration of Kodiak's operations. Demand for Kodiak's operations also depends in part on the volume of products being produced, processed and/or transported by Kodiak's customers, which may also be impacted by similar risks. If any of these results occur, it could have an adverse effect on Kodiak's assets and operations and cause Kodiak to incur costs in preparing for and responding to them.

Litigation risks also are increasing as a number of parties have sought to bring suit against various natural gas and oil companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that the companies have been aware of the adverse effects of climate change for some time but defrauded their investors or customers by failing to adequately disclose those impacts. Should Kodiak be targeted by any such litigation, it may incur liability, which, to the extent that societal pressures or political or other factors are involved, could be imposed without regard to causation or contribution to the asserted damage, or to other mitigating factors. Moreover, any such litigation targeting Kodiak's customers could negatively impact their operation and, in turn, decrease demand for Kodiak's operations.

An unfavorable ruling in any such case could significantly impact Kodiak's operations and could have an adverse impact on its financial condition.

In sum, any legislation, regulatory programs or social pressures related to climate change could increase Kodiak's costs and require substantial capital, compliance, operating and maintenance costs, reduce demand for Kodiak's services and reduce Kodiak's access to financial markets. Current, as well as potential future, laws and regulations that limit emissions of GHGs or that otherwise promote the use of renewable energy over fossil fuel energy sources could increase the cost of Kodiak's services and, thereby, further reduce demand and adversely affect Kodiak's sales volumes, revenues and margins.

***Kodiak's financial results could be significantly impacted by uncertainty in U.S. trade policy, including uncertainty surrounding changes in tariffs, trade agreements or other trade restrictions imposed by the U.S. or other governments.***

Kodiak's ability to conduct business can be significantly impacted by changes in tariffs, changes or repeals of trade agreements, or the imposition of other trade restrictions or retaliatory actions imposed by various governments. For example, the current U.S. presidential administration has proposed to significantly increase tariffs on foreign imports into the U.S. and as of February 2025, new tariffs were enacted and are rapidly evolving. Other effects of these changes, including responsive actions from governments, could also have significant impacts on Kodiak's financial results. Kodiak cannot predict what further action may be taken with respect to tariffs or trade relations between the U.S. and other governments, and any further changes in U.S. or international trade policy could have an adverse impact on Kodiak's business.

***Regulatory initiatives relating to the protection of endangered or threatened species in the United States could have an adverse impact on Kodiak's and its customers' ability to expand operations.***

In the United States, the ESA restricts activities that may affect endangered or threatened species or their habitats. Similar protections are offered to migratory birds under the MBTA and bald and golden eagles under the BGEPA. To the extent species that are listed under the ESA or similar state or international laws, are protected under the MBTA or the BGEPA, or live in the areas where Kodiak or its customers operate, both Kodiak's and Kodiak's customers' abilities to conduct or expand operations and construct facilities could be limited, or Kodiak or Kodiak's customers could be forced to incur material additional costs.

The designation of previously unidentified endangered or threatened species or new critical or suitable habitat designations could indirectly cause Kodiak to incur additional costs, cause Kodiak's or its customers' operations to become subject to

operating restrictions or bans, and limit future development activity by Kodiak or its customers in affected areas. In June and July 2022, the U.S. Fish and Wildlife Service issued final rules rescinding regulations enacted during President Trump's first term concerning the definition of "habitat" and critical habitat exclusions. In June 2023, the U.S. Fish and Wildlife Service issued three proposed rules governing critical habitat designation and expanding protection options for species listed as threatened pursuant to the ESA. As a result of these rules, the potential designation of previously unprotected species as threatened or endangered or new critical or suitable habitat designations in areas where Kodiak or its customers might conduct operations could result in limitations or prohibitions on Kodiak's operations and could adversely impact Kodiak's business. There is also increasing interest in nature-related matters beyond protected species, such as general biodiversity, which may similarly require Kodiak or its customers to incur costs or take other measures which may adversely impact Kodiak's business or operations.

***Our sales to and operations in non-U.S. markets exposes us to additional risks and uncertainties, including with respect to U.S. trade and economic sanctions, export control laws, and the Foreign Corrupt Practices Act ("FCPA"), and similar anti-bribery laws. If we are not in compliance with applicable legal requirements, we may be subject to civil or criminal penalties and other remedial measures that could have a material impact on our business.***

We have operations in Mexico and occasionally have direct sales without services or operations in certain other non-U.S. markets. Non-U.S. operations carry special risks. Our operations in the countries in which we currently operate and those countries in which we may operate in the future, could be adversely affected by:

- government controls and actions, such as expropriation of assets and changes in legal and regulatory environments;
- import and export license requirements;
- political, social, or economic instability;
- trade restrictions;
- changes in tariffs and taxes;
- currency exposure;
- restrictions on repatriating foreign profits back to the United States; and
- the impact of anti-corruption laws.

Sanctions imposed by the U.S. Office of Foreign Assets Control ("OFAC") prohibit our operations in or sales to customers in certain non-U.S. markets. We are also subject to the FCPA, which prohibits U.S. companies and their intermediaries from bribing overseas officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment, and other similar laws governing our foreign operations. The FCPA's non-U.S. counterparts, including the UK Bribery Act, contain similar prohibitions, although varying in both scope and jurisdiction. We operate in parts of the world that have experienced governmental corruption in the past.

We have policies and procedures to maintain our compliance with the FCPA, OFAC sanctions, export controls, and similar laws and regulations. The implementation of such policies and procedures may be time consuming and expensive and could result in the discovery of issues or violations with respect to the foregoing by us or our employees, independent contractors, subcontractors, or agents of which we were previously unaware. If we violate any of these regulations, significant administrative, civil, and criminal penalties could be assessed on us. In addition, foreign governments and agencies often establish permit and regulatory standards different from those in the U.S. If we cannot obtain foreign regulatory approvals or cannot obtain them in a timely manner, our growth and profitability from international operations could be adversely affected.

***Kodiak may be involved in legal proceedings that could result in substantial liabilities.***

Kodiak is, from time to time, involved in various legal and other proceedings in the ordinary course of its business. Such legal proceedings are inherently uncertain and their results cannot be predicted. Regardless of the outcome, such proceedings could have an adverse impact on Kodiak because of legal costs, diversion of management and other personnel and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in liability, penalties or sanctions, as well as judgments, consent decrees or orders requiring a change in Kodiak's business practices, which could materially and adversely affect Kodiak's business, operating results and financial condition. Accruals for such

liability, penalties or sanctions may be insufficient. Judgments and estimates to determine accruals or a range of losses related to legal and other proceedings could change from one period to the next, and such changes could be material.

**Risks Related to Intellectual Property, Information Technology and Cybersecurity**

***Kodiak may be sued by third parties for infringement, misappropriation, dilution or other violation of their intellectual property or proprietary rights, any of which could adversely affect Kodiak's business and results of operations.***

Third parties may in the future assert that Kodiak has infringed, misappropriated or otherwise violated their intellectual property rights (“IPR”). Such claims, administrative proceedings and litigation may involve patent holding companies or other adverse IPR holders who have no relevant product revenue, and therefore Kodiak’s own IPR may provide little or no deterrence to these rights holders in bringing IPR claims against Kodiak. There may be IPR owned by third parties, including issued or pending patents and trademarks, that cover significant aspects of Kodiak’s technologies, content, branding or business methods, and Kodiak cannot assure that it is not infringing, misappropriating or otherwise violating, and has not infringed, misappropriated or otherwise violated, any third-party IPR or that Kodiak will not be held to have done so or be accused of doing so in the future. Kodiak expects that it may receive in the future notices that claim it allegedly has infringed, misappropriated or otherwise violated third parties’ IPR. Kodiak cannot assure you that it will be able to detect potential or actual misappropriation or infringement of its IPR or trade secrets. Even if Kodiak detects misappropriation or infringement by a third-party, it cannot assure you that it will be able to enforce its rights at a reasonable cost, or at all.

Any claim that Kodiak has infringed, misappropriated or otherwise violated IPR of third parties, with or without merit, and whether or not it results in litigation, is settled out of court or is determined in Kodiak’s favor, could be time-consuming and costly to address and resolve, and could divert the time and attention of management and technical personnel from Kodiak’s business. Furthermore, an adverse outcome of a dispute may result in an injunction and could require Kodiak to pay substantial monetary damages, including treble damages and attorneys’ fees, if Kodiak is found to have willfully infringed a third party’s IPR. Any settlement or adverse judgment resulting from such a claim could require Kodiak to enter into a licensing agreement to continue using the technology, content or other IPR that is the subject of the claim; restrict or prohibit Kodiak’s use of such technology, or other IPR; require Kodiak to expend significant resources to redesign Kodiak’s technology or solutions; and require Kodiak to indemnify third parties if they become subject to third-party claims relating to IPR that Kodiak licenses or otherwise provides to them, which could be costly. Royalty or licensing agreements, if required or desirable, may be unavailable on terms acceptable to Kodiak, or at all, and may require significant royalty payments and other expenditures. Kodiak may also be required to develop alternative non-infringing technology, which could require significant time and expense. There also can be no assurance that Kodiak would be able to develop or license suitable alternative technology or other IPR to permit Kodiak to continue offering the affected technology. If Kodiak cannot develop or license technology for any allegedly infringing aspect of its business, Kodiak would be forced to limit its service and may be unable to compete effectively. In addition, Kodiak’s rights to IPR and trade secrets may not prevent independent third-party development and commercialization of competing products or services. Any of these events could materially harm Kodiak’s business, financial condition and results of operations.

Kodiak may find it necessary or appropriate to initiate claims or litigation to enforce its IPR or determine the validity and scope of IPR claimed by others. In any lawsuit Kodiak brings to enforce its IPR, a court may refuse to stop the other party from using the technology at issue on grounds that Kodiak’s IPR do not cover the use or technology in question. Further, in such proceedings, the defendant could counterclaim that Kodiak’s IPR is invalid or unenforceable and the court may agree, in which case Kodiak could lose valuable IPR. Litigation is inherently uncertain and any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect Kodiak’s business and results of operations. If Kodiak fails to obtain, maintain, protect and enforce its intellectual property, its business and results of operations may be harmed.

***Kodiak’s reliance on third-party components for use in its IT systems could result in delays in service or disrupt its business.***

Components of Kodiak’s IT systems include various types of software and services licensed or provided from unaffiliated third parties, most of which Kodiak obtains on Software as a Service basis, without any ongoing support or maintenance obligations. Kodiak’s business would be disrupted if any of the software or services Kodiak obtains from others or functional equivalents thereof were either no longer available to Kodiak or no longer offered on commercially reasonable terms, or if they fail and Kodiak cannot obtain maintenance and support on reasonable terms. In either case, Kodiak could be required to either redesign its IT systems to function with software or services available from other parties or develop these components itself, which could result in increased costs and could result in delays in services. Furthermore, Kodiak might be forced to limit the features available in its IT system due to changes by its third-party software and service



providers, or due to price increases by such vendors. In addition, if Kodiak fails to maintain or renegotiate any of these software or service agreements, Kodiak could face significant delays and diversion of resources in attempting to obtain and integrate functional equivalents.

***Kodiak is subject to significant legal and reputational risks and expenses relating to the privacy, use and security of employee and customer information, which could negatively affect Kodiak's business, financial condition and results of operations.***

Kodiak receives, maintains, and stores the non-public personal information ("PII") of its employees, vendors, suppliers and customers. The sharing, use, disclosure and protection of this information are governed by the privacy and data security policies maintained by Kodiak. Moreover, there are federal and state laws and regulations regarding privacy and the storing, sharing, use, disclosure, and protection of PII and user data. Specifically, PII is increasingly subject to legislation and regulations in numerous jurisdictions, the intent of which is to protect the privacy of personal information that is collected, processed and transmitted in or from the governing jurisdiction. California enacted a privacy law (the "California Consumer Privacy Act" or "CCPA") which limits how covered entities may collect and use PII, and which came into effect on January 1, 2020. In addition, California enacted, effective January 1, 2023, a privacy law, the California Privacy Rights Act (the "CPRA"), which significantly modifies the CCPA, including by expanding consumers' rights with respect to certain PII and creating a new state agency to oversee implementation and enforcement efforts. There are more states considering similar privacy laws. Kodiak could be adversely affected if the CCPA, CPRA and other states' legislation or regulations require changes in Kodiak's business practices or privacy policies, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect Kodiak's business, financial condition and results of operations.

***Kodiak has experienced cybersecurity incidents or IT system disruptions in the past, and cybersecurity breaches or IT system disruptions may adversely affect Kodiak's business in the future.***

Kodiak relies on its IT systems to operate and record a significant portion of its business. This may include confidential information or PII belonging to Kodiak, Kodiak's employees, customers, suppliers, or others. Similar to other companies, Kodiak's systems and networks, and those of third parties with whom Kodiak does business, may be subject to cybersecurity breaches caused by, among other things, illegal hacking, insider threats, computer viruses, phishing, malware, ransomware, or acts of vandalism or terrorism, or those perpetrated by criminals or nation-state actors. Furthermore, Kodiak may also experience increased cybersecurity risk as some of its personnel work remotely. Kodiak has experienced cyber incidents in the past, although none have been material or had a material adverse effect on Kodiak's business or financial condition. Kodiak may experience cybersecurity incidents and security breaches in the future. In addition to Kodiak's own systems and networks, Kodiak uses third-party service providers to process certain data or information on Kodiak's behalf. Due to applicable laws and regulations, Kodiak may be held responsible for cybersecurity incidents attributed to Kodiak's service providers to the extent it relates to information Kodiak shares with them. Although Kodiak seeks service providers that implement and maintain reasonable security measures, Kodiak cannot control third parties and cannot guarantee that a security breach will not occur in their systems or networks.

Despite Kodiak's efforts to continually refine its procedures, educate its employees, and implement tools and security measures to protect against such cybersecurity risks, there can be no assurance that these current or future measures will prevent unauthorized access or detect every type of attempt or attack. Kodiak's potential future upgrades, refinements, tools and measures may not be completely effective or result in the anticipated improvements, if at all, and may cause disruptions in Kodiak's IT systems. In addition, the techniques and sophistication used to conduct cyberattacks frequently change and the deployment of evolving artificial intelligence tools could be used to identify vulnerabilities and create more deceptive phishing attempts. Despite Kodiak's best efforts, a cyberattack or security breach could go undetected for an extended period of time, and the ensuing investigation of the incident would take time to complete. During that period, Kodiak would not necessarily know the impact to its IT systems, or the costs and actions required to fully remediate, and Kodiak's initial remediation efforts may not be successful. Additionally, a cyberattack or security breach could be repeated before they are fully contained and remediated. A breach or failure of Kodiak's systems or networks, critical third-party systems on which Kodiak relies, or those of Kodiak's customers, vendors or suppliers, could result in an interruption in Kodiak's operations, unplanned capital expenditures, unauthorized publication of Kodiak's confidential business or proprietary information, unauthorized release of customer, employee or third-party data, theft or misappropriation of funds, violation of privacy or other laws, and exposure to litigation or indemnity claims including resulting from customer-imposed cybersecurity controls or other related contractual obligations. There could also be increased costs to detect, prevent, respond or recover from cybersecurity incidents that cannot be estimated or predicted and which may not be fully insured by Kodiak's cyber risk insurance policy. For example, the SEC recently adopted rules requiring the disclosure of cybersecurity incidents that we determine to be "material," to be made within four business days of such determination,



which can be complex, requiring a number of assumptions based on several factors. It is possible that the SEC may not agree with Kodiak's determinations, which could result in fines, civil litigation or damage to our reputation. Any breach, or Kodiak's delay or failure to make adequate or timely disclosures to the public, regulatory or law enforcement agencies or affected individuals following such an event, could have a material adverse effect on Kodiak's business, reputation, financial position, results of operations and cash flows and cause reputational damage.

***Kodiak's ability to manage its business and monitor its results is highly dependent upon information and communication systems, and a failure of these systems or its enterprise resource planning ("ERP") system could disrupt its business and any intended benefits related to technology transformation projects may be negligible or nonexistent.***

Kodiak continues to evaluate technology transformation projects and is dependent upon a variety of information and communication systems to operate its business, including its ERP system. Any disruptions, delays or deficiencies in these systems, or in the design or implementation of any new ERP system, could adversely affect Kodiak's ability to effectively operate and manage information. It is possible that Kodiak may not realize the anticipated benefits from these projects. Failure to properly or adequately address these issues could impact Kodiak's ability to perform necessary business operations, which could adversely affect Kodiak's reputation, competitive position, business, results of operations and financial condition.

***Kodiak is subject to risks associated with disruptive technologies, including artificial intelligence.***

Presently, Kodiak employs a limited array of artificial intelligence technology in our business, the use of which introduces us to certain risks including dependency on accurate intelligence performance, potential security breaches, challenges in regulatory compliance, ethical considerations, potential workforce disruption, the risk of intellectual property infringement, and other emerging technology risks. It is conceivable that Kodiak might integrate further artificial intelligence solutions into its information systems in the future, potentially assuming a more critical role in its operations over time. While Kodiak safeguards its assets, including intellectual property and sensitive information, Kodiak cannot ensure that its employees, contractors or other agents would adhere to those policies. Failure or perceived failure by us to address these risks adequately may negatively impact Kodiak's operations, reputation and financial performance. Further, navigating continually evolving legal and regulatory requirements associated with implementing artificial intelligence tools may require significant resources to help ensure compliance with U.S. and international law. Additionally, other unforeseen risks stemming from Kodiak's use and development of artificial intelligence tools and technology may arise in the future that could adversely affect Kodiak's business, financial condition and results of operations.

#### **Risks Related to Kodiak's Relationship with EQT**

***EQT controls a significant percentage of Kodiak's voting power, and it is subject to contractual restrictions that may affect Kodiak Holdings' exercise of its rights to approve corporate actions under the Kodiak Stockholders' Agreement.***

As of December 31, 2024, Kodiak Holdings owns approximately 43.8% of the outstanding Kodiak Common Stock. Frontier Intermediate GP, Inc. is the general partner of Kodiak Holdings. Investment vehicles affiliated with EQT own 100% of the membership interests in Frontier Intermediate GP, Inc., and EQT indirectly has exclusive responsibility for the management and control of such investment vehicles. In addition, certain of Kodiak's directors are currently employed by EQT. Consequently, EQT is able to influence matters that require approval by Kodiak's stockholders, including the election and removal of directors, changes to Kodiak's organizational documents, and approval of acquisition offers and other significant corporate transactions. This concentration of ownership will limit your ability to influence corporate matters, and as a result, actions may be taken that do you not view as beneficial. This concentration of stock ownership may also adversely affect the trading price of Kodiak Common Stock to the extent investors perceive a disadvantage in owning stock of a company with a stockholder that controls a significant percentage of its voting power.

In connection with its IPO, Kodiak entered into the Kodiak Stockholders' Agreement with Kodiak Holdings, which granted Kodiak Holdings rights to approve certain of Kodiak's corporate actions, including, among other things, amendments to Kodiak's organizational documents, equity issuances, occurrence of certain indebtedness, changing the size of the Kodiak Board, dispositions of assets, modifying Kodiak's dividend policy, consummating a change of control transaction or entering into voluntary liquidation or the commencement of bankruptcy proceedings. In connection with the closing of Kodiak's IPO, Kodiak Holdings pledged the shares it owns in Kodiak as collateral under the Kodiak Holdings Term Loan and granted the lenders thereunder certain consent rights over Kodiak Holdings' exercise of its rights under the Kodiak Stockholders' Agreement. The lenders under the Kodiak Holdings Term Loan have different interests than Kodiak's stockholders and may exercise these consent rights in ways that are adverse to the interests of Kodiak's stockholders.

***EQT may have interests that conflict with the interests of Kodiak's other stockholders. Certain of Kodiak's directors may also have conflicts of interest because they are also employees of EQT, investment advisors to EQT managed funds, or directors or officers of EQT. The resolution of these conflicts of interest may not be in Kodiak's or your best interests.***

EQT may have interests that conflict with the interests of Kodiak's other stockholders. In connection with the closing of Kodiak's IPO, EQT pledged its shares in Kodiak as collateral under the Kodiak Holdings Term Loan. The lenders under the Kodiak Holdings Term Loan are funds or accounts managed by (i) the Infrastructure Debt strategy of Ares Management Corporation and (ii) Caisse de dépôt et placement du Québec. Pursuant to the Kodiak Holdings Term Loan, EQT is limited from taking or causing its subsidiaries from approving or taking certain actions without the consent of the lenders, including amending organizational documents, authorizing equity issuances in excess of certain thresholds, incurring indebtedness for borrowed money (other than indebtedness under the ABL Facility provided under and governed by the ABL Credit Agreement, certain working capital and ordinary course financings, and indebtedness otherwise permitted by the ABL Facility (other than certain unsecured debt)), materially modifying Kodiak's dividend policy, entering into certain affiliate transactions or entering into a voluntary liquidation or the commencement of bankruptcy proceedings. These restrictions are consistent with the consent rights held by Kodiak Holdings under the Kodiak Stockholders' Agreement.

In addition, certain of Kodiak's directors may also have conflicts of interest because they are also employees of EQT, investment advisors to EQT managed funds, or directors or officers of EQT. These positions may conflict with such individuals' duties as one of Kodiak's directors or officers regarding business dealings and other matters between EQT and Kodiak. The resolution of these conflicts may not always be in Kodiak's or your best interest.

***EQT is not limited in its ability to compete with Kodiak, and the corporate opportunity provisions in the Kodiak Charter could enable EQT to benefit from corporate opportunities that may otherwise be available to Kodiak.***

EQT may invest in other companies in the future that may compete with Kodiak. Conflicts of interest could arise in the future between Kodiak, on the one hand, and EQT, on the other hand, concerning among other things, potential competitive business activities or business opportunities.

Kodiak's amended and restated certificate of incorporation (the "Kodiak Charter") provides that, to the fullest extent permitted by applicable law, Kodiak renounce any interest or expectancy in any business opportunity that involves any aspect of the energy equipment or services business or industry and that may be from time to time presented to EQT or any of Kodiak's directors or officers who is also an employee, partner, member, manager, officer or director of EQT or any affiliate of EQT, even if the opportunity is one that Kodiak might reasonably have pursued or had the ability or desire to pursue if granted the opportunity to do so. The Kodiak Charter provides that no such person or party shall be liable to Kodiak by reason of the fact that such person pursues any such business opportunity or fails to offer any such business opportunity to Kodiak. As a result, any of Kodiak's directors or officers who is also an employee, partner, member, manager, officer or director of EQT or any affiliate of EQT may become aware, from time to time, of certain business opportunities, such as acquisition opportunities, and may direct such opportunities to other businesses in which they have invested, in which case Kodiak may not become aware of or otherwise have the ability to pursue such opportunity. Further, such businesses may choose to compete with Kodiak for these opportunities. As a result, by renouncing Kodiak's interest and expectancy in any business opportunity that may be from time to time presented to any member of EQT or an affiliate of EQT or any of Kodiak's directors or officers who is also an employee, partner, member, manager, officer or director of EQT or any affiliate of EQT, Kodiak's business or prospects could be adversely affected if attractive business opportunities are procured by such parties for their own benefit rather than for ours. The Kodiak Charter provides that, at any time EQT beneficially owns less than 35% of the shares outstanding of Kodiak Common Stock, any amendment to or adoption of any provision inconsistent with the Kodiak Charter's provisions governing the renouncement of business opportunities must be approved by the holders of at least 66.66% of the voting power of the outstanding stock of the corporation entitled to vote thereon. Any actual or perceived conflicts of interest with respect to the foregoing could have an adverse impact on the trading price of Kodiak Common Stock.

***A significant reduction by Kodiak Holdings of its ownership interests in Kodiak could adversely affect Kodiak.***

Kodiak believes that Kodiak Holdings' substantial ownership interest in Kodiak provides Kodiak Holdings and its affiliates with an economic incentive to assist Kodiak to be successful. Kodiak Holdings is not subject to any obligation to maintain its ownership interest in Kodiak and may elect at any time thereafter to sell all or a substantial portion of or otherwise reduce its ownership interest in Kodiak. If Kodiak Holdings sells all or a substantial portion of its ownership interest in

Kodiak, it may have less incentive to assist in Kodiak's success and its affiliates serving as members of Kodiak's Board may resign.

Furthermore, the shares that Kodiak Holdings owns are subject to a pledge as collateral under the Kodiak Holdings Term Loan. In the event that Kodiak Holdings is subject to a continuing event of default under the Kodiak Holdings Term Loan, after the expiration of any applicable grace period and subject to the exercise of applicable cure rights, the lenders may foreclose on such shares and acquire Kodiak Holdings' interest in Kodiak. In such case, the lenders would assume Kodiak Holdings' rights under the Kodiak Stockholders' Agreement and would thereafter have consent rights over many aspects of Kodiak's business, including any modifications to Kodiak's dividend policy and the ability to nominate directors. The lenders under the Kodiak Holdings Term Loan may have different interests than Kodiak Holdings and may have interests that are different from, or conflict with, those of Kodiak's other stockholders.

Such actions could adversely affect Kodiak's ability to successfully implement its business strategies which could adversely affect its cash flows or results of operations.

#### **Risks Related to Kodiak's Indebtedness**

*Kodiak's substantial indebtedness could adversely affect its financial condition and impair Kodiak's ability to operate its business.*

Kodiak has a significant amount of indebtedness. As of December 31, 2024, Kodiak's total long-term debt was approximately \$2.6 billion in aggregate principal amount, including \$750 million principal amount of senior notes due 2029 which were issued February 2, 2024.

Subject to the limits contained in the ABL Credit Agreement, Kodiak may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, dividends or for other purposes. If Kodiak does so, the risks related to its substantial indebtedness could intensify. Specifically, Kodiak's substantial indebtedness could have important consequences, including the following:

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

In addition, Kodiak's ability to refinance Kodiak's indebtedness prior to maturity is dependent on the condition of the capital and credit markets and Kodiak's financial condition. Kodiak can provide no assurance that it will be able to refinance its indebtedness or that any indebtedness incurred to refinance Kodiak's indebtedness will be on comparable terms. See the section titled "*Risk Factors—Risk Factors Related to Our Business and Our Industry—Kodiak may be unable to access the capital and credit markets or borrow on affordable terms to obtain additional capital that Kodiak may require*" of this Annual Report for more information.

***Kodiak may not be able to generate sufficient cash to service all of its indebtedness and may be forced to take other actions to satisfy its obligations under its indebtedness, which may not be successful. Kodiak's ability to generate cash depends on many factors beyond Kodiak's control.***

Kodiak's ability to make scheduled payments on or refinance its debt obligations depends on its financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. Kodiak may be unable to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness.

If Kodiak's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. Kodiak may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow Kodiak to meet its scheduled debt service obligations. The ABL Credit Agreement and the Indenture restrict Kodiak's ability to dispose of assets and use the proceeds from those dispositions and may also restrict Kodiak's ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. Kodiak may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, Kodiak may in the future conduct its operations through subsidiaries, certain of which may not be guarantors of Kodiak's indebtedness. Accordingly, repayment of Kodiak's indebtedness may be dependent on the generation of cash flow by its subsidiaries and their ability to make such cash available to Kodiak, by dividend, debt repayment or otherwise. Unless they are guarantors of its indebtedness, Kodiak's subsidiaries do not have any obligation to pay amounts due on Kodiak's indebtedness or to make funds available for that purpose. Kodiak's subsidiaries may not be able to, or may not be permitted to, make distributions to enable Kodiak to make payments in respect of Kodiak's indebtedness. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit Kodiak's ability to obtain cash from its subsidiaries. While the ABL Credit Agreement and the Indenture limit the ability of Kodiak's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to Kodiak, these limitations are subject to qualifications and exceptions. In the event that Kodiak does not receive distributions from its subsidiaries, Kodiak may be unable to make required principal and interest payments on its indebtedness.

Kodiak's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect Kodiak's financial position and results of operations and Kodiak's ability to satisfy its obligations under the ABL Facility. Kodiak's ability to generate cash in the future is, to a significant extent, subject to general economic, financial, competitive, legislative, tax, regulatory, environmental and other factors that are beyond Kodiak's control.

If Kodiak cannot make scheduled payments on its debt, Kodiak will be in default and the lenders under the ABL Facility could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings, holders of the notes could declare all outstanding principal and interest to be due and payable and Kodiak could be forced into bankruptcy or liquidation.

***The terms of the ABL Credit Agreement and the Indenture restrict Kodiak's current and future operations, particularly Kodiak's ability to respond to changes or to take certain actions.***

The ABL Credit Agreement and the Indenture contain restrictive covenants (which contain a number of exceptions and qualifications that may be material) that impose significant operating and financial restrictions on Kodiak and may limit Kodiak's ability to engage in acts that may be in Kodiak's long-term best interest, including restrictions on Kodiak's ability to:

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

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- sell, transfer or otherwise dispose of assets;
- incur liens;
- enter into transactions with affiliates;
- enter into agreements restricting Kodiak’s restricted subsidiaries’ ability to pay dividends;
- enter into certain swap agreements;
- amend certain organizational documents;
- create certain subsidiaries;
- enter into sale and leaseback transactions;
- consolidate, merge or sell all or substantially all of Kodiak’s assets; and
- engage in certain other transactions without the prior consent of the lenders.

In addition, the ABL Credit Agreement contains certain operating and financial covenants and requires Kodiak to maintain specified financial ratios and satisfy other financial condition tests. Kodiak’s ability to comply with those covenants and meet those financial ratios and tests can be affected by events beyond Kodiak’s control, and Kodiak may be unable to meet them.

A breach of the covenants or restrictions under the ABL Credit Agreement or the Indenture could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the ABL Credit Agreement would permit the lenders under the ABL Facility to terminate all commitments to extend further credit under that facility. Furthermore, if Kodiak were unable to repay the amounts due and payable under the ABL Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event Kodiak’s lenders or note holders accelerate the repayment of Kodiak’s borrowings, Kodiak and its subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, Kodiak may be:

- limited in how Kodiak conducts its business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect Kodiak’s ability to grow in accordance with Kodiak’s strategy. In addition, Kodiak’s financial results, Kodiak’s substantial indebtedness and Kodiak’s credit ratings could adversely affect the availability and terms of Kodiak’s financing.

***Kodiak’s variable rate indebtedness subjects it to interest rate risk, which could cause its debt service obligations to increase significantly.***

Borrowings under the ABL Credit Agreement are at variable rates of interest and expose Kodiak to interest rate risk. Despite the interest rate reductions from the Federal Reserve’s reduction in the target Fed Funds Rate in the third and fourth quarters of 2024, interest rates could be increased again in the future. If interest rates were to increase, Kodiak’s debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and Kodiak’s net income and cash flows, including cash available for servicing Kodiak’s indebtedness, would correspondingly decrease. Kodiak has in the past entered into, and in the future may enter into, interest rate swaps that involve the exchange of floating for fixed rate interest payments to reduce interest rate volatility. However, Kodiak may not maintain interest rate swaps with respect to all of Kodiak’s variable rate indebtedness, and any swaps it enters into may not fully mitigate Kodiak’s interest rate risk.

***Despite Kodiak’s current level of indebtedness, Kodiak and its subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to Kodiak’s financial condition described above.***

Kodiak and its subsidiaries may be able to incur significant additional indebtedness in the future. Although the ABL Credit Agreement and the Indenture contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions

could be substantial. If Kodiak incurs any additional indebtedness that ranks equally to Kodiak's outstanding debt obligations, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of Kodiak's business. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent Kodiak from incurring obligations that do not constitute indebtedness. In addition, as of December 31, 2024, the ABL Facility provided for unused commitments of \$322.5 million. Because the borrowing capacity under the ABL Facility is determined on the basis of a fluctuating borrowing base comprised predominantly of the appraised value of our compression units, such amounts may not reflect future borrowing capacity. If new debt is added to Kodiak's current debt levels, the related risks that Kodiak and the guarantors now face could intensify.

#### **Risks Related to Owning Kodiak Common Stock**

*If securities or industry analysts do not publish research reports or publish unfavorable research about Kodiak's business, the trading volume of Kodiak Common Stock could be negatively impacted and the price could decline resulting in decreased demand for Kodiak Common Stock by investors.*

The trading market for Kodiak Common Stock depends in part on the research reports that securities or industry analysts publish about Kodiak or its business. If securities or industry analysts suspend or cease coverage of Kodiak, the trading price for Kodiak Common Stock and other securities could be negatively affected. In the event one or more of the analysts who covers Kodiak downgrades Kodiak's securities, the price of Kodiak's securities would likely decline. If one or more of these analysts ceases to cover Kodiak or fails to publish regular reports on Kodiak, interest in the purchase of Kodiak's securities could decrease, which could cause the price of Kodiak Common Stock and other securities and their trading volume to decline.

*The Kodiak Charter and Kodiak Bylaws contain provisions that could delay, discourage or prevent a takeover attempt even if a takeover might be beneficial to Kodiak's stockholders, and such provisions may adversely affect the market price of Kodiak Common Stock.*

Provisions contained in the Kodiak Charter and Kodiak Bylaws could make it more difficult for a third-party to acquire Kodiak. The Kodiak Charter and Kodiak Bylaws also impose various procedural and other requirements, which could make it more difficult for stockholders to effect certain corporate actions. For example, the Kodiak Charter authorizes the Kodiak Board to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock without any vote or action by Kodiak's stockholders. Thus, the Kodiak Board can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of Kodiak's capital stock. These rights may have the effect of delaying or deterring a change of control of Kodiak. Additionally, for example, the Kodiak Bylaws (as defined below) (i) establish limitations on the removal of directors and on the ability of Kodiak's stockholders to call special meetings, (ii) include advance notice requirements for nominations for election to the Kodiak Board and for proposing matters that can be acted upon at stockholder meetings, (iii) provide that the Kodiak Board is expressly authorized to adopt, or to alter or repeal, the Kodiak Bylaws, and (iv) provide for a classified Board, consisting of three classes of approximately equal size, each class serving staggered three-year terms, so that only approximately one-third of Kodiak's directors are elected each year.

*Kodiak cannot assure you that it will be able to pay dividends on the Kodiak Common Stock.*

The Kodiak Board may elect to declare cash dividends on the Kodiak Common Stock, subject to its compliance with applicable law, and depending on, among other things, economic conditions, Kodiak's financial condition, results of operations, projections, liquidity, earnings, legal requirements, and restrictions in the agreements governing Kodiak's indebtedness (as further discussed below). The declaration and amount of any future dividends is subject to the discretion of the Kodiak Board and Kodiak has no obligation to pay any dividends at any time. Kodiak's ability to pay dividends depends on Kodiak's receipt of cash dividends from Kodiak's operating subsidiaries, which may further restrict Kodiak's ability to pay dividends as a result of the laws of their jurisdiction of organization, agreements of Kodiak's subsidiaries or covenants under any existing and future outstanding indebtedness Kodiak or its subsidiaries incur. See Note 11. Debt and Credit Facilities to Kodiak's annual financial statements.

Additionally, Kodiak's ABL Facility contains restrictions on the payment of dividends. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Description of Indebtedness" for more information regarding Kodiak's restrictions under the ABL Facility.

Due to the foregoing, Kodiak cannot assure you that it will be able to pay a dividend in the future or continue to pay a dividend after it commences paying dividends.

***The U.S. federal income tax treatment of distributions on common stock to a U.S. holder will depend upon Kodiak's tax attributes and the U.S. holder's tax basis in the common stock, which are not necessarily predictable and can change over time.***

Distributions of cash or other property on common stock, if any, will constitute dividends for U.S. federal income tax purposes to the extent paid from Kodiak's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed Kodiak's current and accumulated earnings and profits, the distributions will be treated as a non-taxable return of capital to the extent of the U.S. holder's tax basis in its shares of common stock and thereafter as capital gain from the sale or exchange of such shares. Also, if any U.S. holder sells shares of common stock, the U.S. holder will recognize a gain or loss equal to the difference between the amount realized and the U.S. holder's tax basis in such shares.

To the extent that the amount of Kodiak's distributions is treated as a non-taxable return of capital as described above, such distribution will reduce the U.S. holder's tax basis in its shares of common stock. Consequently, such excess distributions will result in a corresponding increase in the amount of gain, or a corresponding decrease in the amount of loss, recognized by the U.S. holder upon the sale of shares of common stock or subsequent distributions with respect to such shares. Additionally, with regard to U.S. corporate holders of common stock, to the extent that a distribution on common stock exceeds both Kodiak's current and accumulated earnings and profits and such U.S. holder's tax basis in such shares, such U.S. holders would be unable to utilize the corporate dividends-received deduction (to the extent it would otherwise be applicable to such U.S. holder) with respect to the gain resulting from such excess distribution.

***Terms of subsequent financings may adversely impact stockholder equity.***

If Kodiak raises more equity capital from the sale of Kodiak Common Stock, such equity could be offered at a price more favorable than the then current market price of Kodiak Common Stock. If Kodiak issues debt securities, the holders of the debt would have a claim to Kodiak's assets that would be prior to the rights of stockholders until the debt is paid. Interest on these debt securities would increase costs and could negatively impact Kodiak's operating results.

In accordance with Delaware law and the provisions of Kodiak's certificate of incorporation and the Kodiak Stockholders' Agreement, Kodiak may issue one or more classes or series of preferred stock that ranks senior in right of dividends, liquidation or voting to Kodiak Common Stock. Preferred stock may have such designations, preferences, limitations and relative rights, including preferences over Kodiak Common Stock respecting dividends and distributions, as the Kodiak Board may determine, and the issuance of preferred stock would dilute the ownership of Kodiak's existing stockholders. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of Kodiak Common Stock. For example, Kodiak might grant holders of preferred stock the right to elect some number of Kodiak's directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences Kodiak might assign to holders of preferred stock could affect the residual value of the common stock. The terms of any series of preferred stock may also reduce or eliminate the amount of cash available for payment of dividends to Kodiak's holders of common stock or subordinate the claims of Kodiak's holders of common stock to Kodiak's assets liquidation. Kodiak Common Stock will not be subject to redemption or sinking fund provisions.

***Taking advantage of the reduced disclosure requirements applicable to "emerging growth companies" may make Kodiak Common Stock less attractive to investors.***

Kodiak qualifies as an "emerging growth company" as defined in the JOBS Act. An emerging growth company may take advantage of certain reduced reporting and other requirements that are otherwise applicable generally to public companies. Pursuant to these reduced disclosure requirements, emerging growth companies are not required to, among other things, comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, provide certain disclosures regarding executive compensation, hold stockholder advisory votes on executive compensation or obtain stockholder approval of any golden parachute payments not previously approved. In addition, emerging growth companies have longer phase-in periods for the adoption of new or revised financial accounting. Kodiak will cease to be an emerging growth company upon the earliest of (i) the last day of the fiscal year in which Kodiak has \$1.235 billion or more in annual revenues; (ii) the date on which Kodiak becomes a "large accelerated filer" (the fiscal year-end on which the total market value of Kodiak's common equity securities held by non-affiliates is \$700 million or more as of June 30); (iii) the date on which Kodiak issues more than \$1.0 billion of non-convertible debt securities over a three-year period; or (iv) the last day of the fiscal year following the fifth anniversary of Kodiak's IPO.

Kodiak intends to take advantage of all of the reduced reporting requirements and exemptions, including the longer phase-in periods for the adoption of new or revised financial accounting standards under Section 107 of the JOBS Act, until



Kodiak is no longer an emerging growth company. If Kodiak were to subsequently elect instead to comply with these public company effective dates, such election would be irrevocable pursuant to Section 107 of the JOBS Act.

Kodiak's election to use the phase-in periods permitted by this election may make it difficult to compare Kodiak's financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the longer phase-in periods under Section 107 of the JOBS Act and who will comply with new or revised financial accounting standards. Kodiak cannot predict if investors will find Kodiak Common Stock less attractive because Kodiak will rely on these exemptions. If some investors find Kodiak Common Stock less attractive as a result, there may be a less active trading market for Kodiak Common Stock and Kodiak Common Stock price may be more volatile. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies.

In addition, if Kodiak ceases to be an emerging growth company, Kodiak will no longer be able to take advantage of certain exemptions from reporting, and absent other exemptions or relief available from the SEC, Kodiak will also be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. Kodiak will incur additional expenses in connection with such compliance and Kodiak's management will need to devote additional time and effort to implement and comply with such requirements.

## **General Risks**

***A financial crisis or deterioration in general economic, business or industry conditions could materially adversely affect Kodiak's results of operations, financial condition and ability to pay dividends on Kodiak Common Stock.***

Concerns over global economic conditions, stock market volatility, energy costs, geopolitical issues, persistent inflationary pressures and uncertain U.S. Federal Reserve interest rate increases, the availability and cost of credit, and slowing of economic growth in the United States and fears of a recession have contributed and may continue to contribute to economic uncertainty and diminished expectations for the global economy.

Concerns about global economic growth can result in a significant adverse impact on global financial markets and commodity prices. In addition, a financial crisis may cause Kodiak to face limitations on its ability to borrow under its debt agreements, service its debt obligations, access the debt and equity capital markets and complete asset purchases or sales, may cause increased counterparty credit risk on its derivative instruments and may lead such counterparties to make Kodiak post collateral guaranteeing Kodiak's performance.

Further, if there is a financial crisis or the economic climate in the United States or abroad deteriorates, worldwide demand for natural gas or oil could materially decrease, which would likely depress the level of production activity and result in a decline in the demand for Kodiak's business and services and ultimately materially adversely impact its results of operations and financial condition. If a material adverse change occurs in Kodiak's business such that an event of default occurs under its debt agreements, the lenders under such agreements may be able to accelerate the maturity of its debt.

***Events outside of Kodiak's control, including an epidemic or outbreak of an infectious disease or the threat thereof, could have a material adverse effect on Kodiak's business, liquidity, financial condition, results of operations, cash flows and ability to pay dividends on Kodiak Common Stock.***

Kodiak faces risks related to pandemics, epidemics, outbreaks or other public health events, or the threat thereof, that are outside of its control, and could significantly disrupt its business and operational plans and adversely affect its liquidity, financial condition, results of operations, cash flows and ability to pay dividends on Kodiak Common Stock.

The nature, scale and scope of the above-described events, combined with the uncertain duration and extent of governmental actions, prevent Kodiak from identifying all potential risks to its business.

***Inflation may adversely affect Kodiak by increasing costs beyond what it can recover through price increases and limit its ability to enter into future traditional debt financing.***

Persistent inflationary pressures have adversely affected Kodiak by increasing costs of critical components, equipment, labor and other services it may rely on, and continued inflationary pressures could prevent Kodiak from operating at capacity, decreasing its revenues or having an adverse effect on its profitability. In addition, inflation is often accompanied by higher interest rates. Such higher interest rates may affect Kodiak's ability to enter into future debt financing, as high inflation may result in an increase in cost to borrow.



***Kodiak’s ability to use net operating losses (“NOLs”) to offset future income may be limited.***

Kodiak’s ability to use any NOLs generated by it could be substantially limited if Kodiak were to experience an “ownership change” as defined under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). In general, an “ownership change” would occur if Kodiak’s “5-percent stockholders,” as defined under Section 382 of the Code, including certain groups of persons treated as “5-percent stockholders,” collectively increased their ownership in Kodiak by more than 50 percentage points over a rolling three-year period. An ownership change can occur as a result of a public offering of Kodiak Common Stock, as well as through secondary market purchases of Kodiak Common Stock and certain types of reorganization transactions. Such a limitation could, for any given year, have the effect of increasing the amount of Kodiak’s U.S. federal income tax liability, which would negatively impact its financial condition and the amount of after-tax cash available for distribution to Kodiak’s stockholders.

***Tax legislation and administrative initiatives or challenges to Kodiak’s tax positions could adversely affect its results of operations and financial condition.***

Kodiak operates in locations throughout the U.S. and, as a result, Kodiak is subject to the tax laws and regulations of U.S. federal, state and local governments. From time to time, various legislative or administrative initiatives may be proposed that could adversely affect Kodiak’s tax positions. There can be no assurance that Kodiak’s tax provision or tax payments will not be adversely affected by these initiatives. In addition, U.S. federal, state and local tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that Kodiak’s tax positions will not be challenged by relevant tax authorities or that it would be successful in any such challenge. Kodiak is also subject to non-US tax laws that are significantly different from Kodiak’s current U.S. tax treatment.

**Item 1B. Unresolved Staff Comments**

None

**Item 1C. Cybersecurity**

***Strategy, Governance and Risk Management***

Kodiak maintains a cyber risk management program designed to identify, assess, manage, mitigate, and respond to cybersecurity threats, including the assessment of cybersecurity risks related to third-party vendors and suppliers. This program is integrated within the Company’s enterprise risk management process to ensure that cybersecurity considerations are an integral part of the Company’s decision-making process and the results of the risk assessment, which occurs at least annually, along with mitigation strategies, are discussed with the Kodiak Board and the Audit & Risk Committee.

The underlying controls of the cyber risk management program are based on recognized best practices and standards for cybersecurity and information technology, including the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework (“CSF”) and the International Organization Standardization (“ISO”) 27001 Information Security Management System Requirements. Kodiak has an annual assessment of the Company’s cyber risk management program against the NIST CSF, which is performed by a third-party.

Cyber vendors serve as partners and are a key part of Kodiak’s cybersecurity infrastructure. Kodiak engages with leading cybersecurity companies and organizations, leveraging third-party technology and expertise. Kodiak engages with these partners to monitor and maintain the performance and effectiveness of products and services that are deployed in Kodiak’s operating environment. As a part of this strategy, Kodiak augments its internal cybersecurity team with an outsourced Cyber Security Operations Center providing monitoring of the cybersecurity environment and to coordinate the investigation and remediation of alerts. In addition, Kodiak has a program for staging incident response drills, which is in place to prepare support teams in the event of a significant incident.

Kodiak maintains a cybersecurity team lead by our Chief Information Officer (the “CIO”). The CIO has managed cyber security programs at multiple private and public companies over the last 20 years, including roles as chief information officer and vice president of systems and technology. The CIO holds a Bachelor of Science degree in computer and information science. The CIO is supported by two internal full-time employees with backgrounds in cybersecurity, risk management and incident response. These individuals are both military veterans versed in forensic analysis and regulatory compliance and combined have 23 years of cybersecurity experience in the private and public sectors. They each have a Master’s degree in cybersecurity, extensive military training and several industry certifications. Kodiak further augments its cybersecurity team with an outsourced Chief Information Security Officer (the “CISO”) who reports to the CIO. The CISO is an information systems security professional with 24 years of cybersecurity leadership. The CIO, CISO and cybersecurity team are responsible for assessing and managing Kodiak’s cyber risk management program, informs senior

management regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents and supervises such efforts. The cybersecurity team has decades of experience selecting, deploying, and operating cybersecurity technologies, initiatives, and processes around the world, and relies on threat intelligence as well as other information obtained from governmental, public or private sources, including external consultants engaged by Kodiak.

Kodiak faces risks from cybersecurity threats that could have a material adverse effect on its business, financial condition, results of operations, cash flows or reputation. Kodiak has experienced, and despite our security measures will continue to experience, cyber incidents in the normal course of its business, some of which may be material. However, as of the date hereof, we do not believe that any prior cybersecurity incidents have had, or that any risks from cybersecurity threats are reasonably likely to have, a material adverse effect on Kodiak's business, financial condition, results of operations, or cash flows. See "Risk Factors – Risks Related to Intellectual Property, Information Technology and Cybersecurity—Kodiak has experienced cybersecurity incidents or IT system disruptions in the past, and cybersecurity breaches or IT system disruptions may adversely affect Kodiak's business in the future."

***Board Oversight***

Given the importance to our business and the heightened risk, the Audit & Risk Committee oversees the process of reviewing Kodiak's cybersecurity risks, including cybersecurity exposures and the steps taken by management to monitor and control such exposures. The Kodiak Board reviews any actions and mitigating strategies regarding any identified cybersecurity risks. The cybersecurity team provides periodic updates to the Audit & Risk Committee on the effectiveness of Kodiak's cyber risk management program. In addition, cybersecurity risks are reviewed by the Kodiak Board and the Audit & Risk Committee, at least annually, as part of the Company's enterprise risk management program.

**Item 2. Properties**

As of December 31, 2024, we own five service facilities in North Dakota and Texas. We lease additional service facilities in Alabama, Colorado, Louisiana, Mississippi, North Dakota, New Mexico, Ohio, Oklahoma, Pennsylvania, Texas, Utah, West Virginia, and Wyoming. We lease our corporate headquarters located at 9950 Woodloch Forest Drive, The Woodlands, Texas 77380. We do not currently own or lease any material facilities or properties for storage or maintenance of our compression units.

**Item 3. Legal Proceedings.**

From time to time, we and our subsidiaries may be involved in various claims and litigation arising in the ordinary course of business. In management's opinion, the resolution of such matters is not expected to have a material adverse effect on our financial position, results of operations or cash flows.

See Note 15. Commitments and Contingencies to the consolidated financial statements included in Part IV, Item 15 of this Annual Report for a description of such proceedings.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Part II**

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

**Market Information**

Our common stock is traded on the New York Stock Exchange under the symbol “KGS”.

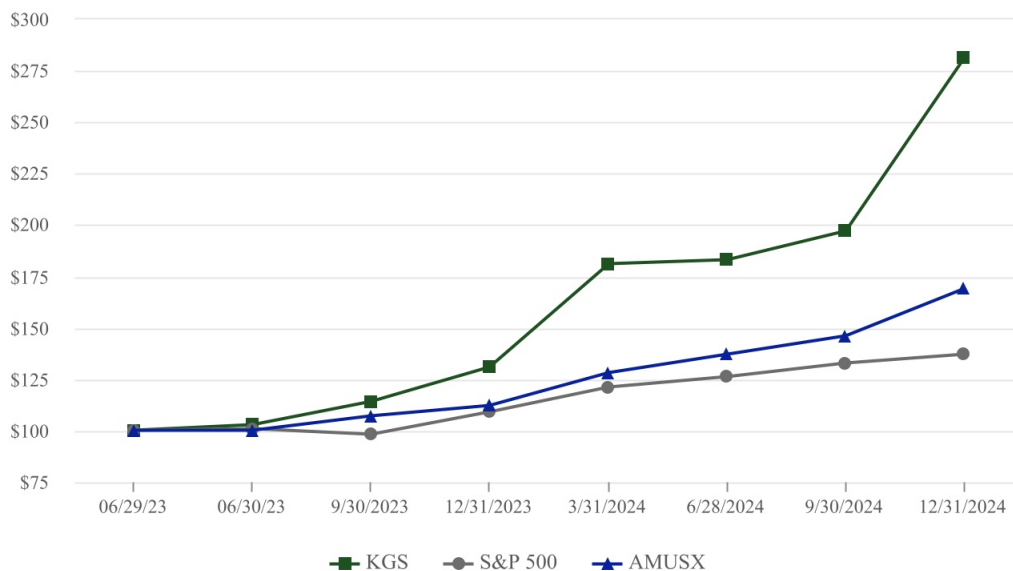
**Holders**

At the close of business on March 3, 2025, based on information received from the transfer agent of our common stock, we had 32 holders of record of our common stock. The number of record holders does not include holders of common units held in “street name” or persons, partnerships, associations, corporations, or other entities identified in security position listings maintained by depositories.

**Dividends**

On February 3, 2025, our Board declared a quarterly dividend of \$0.41 per share of common stock, or approximately \$36.0 million, which was paid on February 21, 2025 to stockholders of record at the close of business on February 14, 2025. The declaration and payment of future dividends will be at the discretion of the Board and will depend on future business conditions, financial conditions, results of operations and other factors. Based on current circumstances, we expect to continue to pay comparable cash dividends in the foreseeable future.

The performance graph below compares total shareholder return on our common stock from the initial public offering date of June 29, 2023 to December 31, 2024, with the Standard & Poor’s 500 ® Index (“S&P 500”) and Alerian US Midstream Energy Index (“AMUSX”) over the same period. The results are based on an investment of \$100 in each of our common stock, the S&P 500, and the AMUSX. The graph assumes reinvestment of dividends and adjusts all closing prices and dividends for stock splits.



*The performance graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under those Acts.*

**Unregistered Sales of Equity Securities**

None.

**Repurchases of Equity Securities by Issuer and Affiliated Purchasers**

The following table contains information about our purchases of our common stock during the three months ended December 31, 2024.

Period	Total Number of Shares Purchased	Average Price Paid Per Share <sup>(1)</sup>	Total Number of Shares Purchased as Part of a Publicly Announced Program <sup>(2)(3)</sup>	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program <sup>(2)</sup> <i>(in thousands)</i>
October 1-31, 2024	—	—	—	—
November 1-30, 2024	434,783	\$ 34.50	434,783	\$ 35,000
December 1-31, 2024	—	—	—	—
Total	434,783	\$ 34.50	434,783	\$ 35,000

(1) Excluding fees, commissions, and expenses associated with the share repurchases.

(2) On November 14, 2024, the Company announced that our Board approved a share repurchase program to buy up to an aggregate of \$50.0 million of our outstanding common stock (the “Share Repurchase Program”). The Share Repurchase Program expires on December 31, 2025.

(3) On November 13, 2024, our Board authorized the repurchase of \$15 million of shares of common stock from Kodiak Holdings. On November 18, 2024, we purchased from Kodiak Holdings in a private transaction pursuant to the Share Repurchase Program 434,783 shares of our common stock at a price per share of \$34.50.

**Item 6. [ Reserved ]**

**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, our consolidated financial statements and related notes hereto included under *Part II, Item 8.—Financial Statements and Supplementary Data* in this Annual Report. The following discussion includes forward-looking statements that involve certain risks and uncertainties. For further information on items that could impact our future operating performance or financial condition, see the sections titled “*Risk Factors*” and “*Disclosure Regarding Forward-Looking Statements*” elsewhere in this Annual Report. We assume no obligation to update any of these forward-looking statements, except as required by law.

*The following discussion includes forward-looking statements that involve certain risks and uncertainties. For further information on items that could impact our future operating performance or financial condition, See Part I “Disclosure Regarding Forward-Looking Statements” and Part I, Item 1A “Risk Factors”. We assume no obligation to update any of these forward-looking statements, except as required by law. Unless otherwise indicated or the context otherwise requires, the historical financial information in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” reflects only the historical financial results of Kodiak Gas Services, Inc. and its consolidated subsidiaries and references to the “Company,” “we,” “our,” or “us” are to Kodiak Gas Services, Inc. and its consolidated subsidiaries.*

*This section primarily discusses 2024 and 2023 items and comparisons between these years. Discussion and analysis of our operating highlights and financial results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022 are included under the headings “Management’s Discussion and Analysis of Financial Condition and Results of Operations 2023 Operational Highlights, Financial Results of Operations, Liquidity and Capital Resources, and Critical Accounting Policies and Estimates” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.*

**Overview**

We are a leading provider and operator of large horsepower contract compression infrastructure in the U.S. Our Contract Services and related services are critical to our customers’ ability to reliably produce, gather and transport natural gas and oil. We are a market leader in the Permian Basin, which is the largest producing natural gas and oil basin in the U.S. We

operate our large horsepower compression units primarily under fixed-revenue contracts with many upstream and midstream customers. Our compression assets have long useful lives consistent with the expected production lives of the key regions where we operate. We believe our customer-centric business model positions us as the preferred contract compression operator for our customers and creates long-standing relationships. We strategically invest in the training, development, and retention of our highly skilled and dedicated employees and believe their expertise and commitment to excellence enhances and differentiates our business model. Furthermore, we maintain an intense focus on being one of the most sustainable and responsible operators of contract compression infrastructure.

We manage our business through two operating segments: Contract Services and Other Services. Contract Services consists of operating Company-owned and customer-owned compression, and gas treating and cooling infrastructure, pursuant to fixed-revenue contracts to enable the production and gathering of natural gas and oil. Other Services consists of a broad range of contract services to support ancillary needs of our customers, including station construction, customer-owned compressor maintenance and overhaul, freight and crane charges and other time and material-based offerings. Our Other Services offerings are often cross-sold with Contract Services.

### **Trends and Outlook**

Within our Contract Services segment, we provide contract compression infrastructure for customers in the oil and gas industry. Our assets are specifically primarily utilized in natural gas compression applications in the Permian Basin, Eagle Ford Shale and other active U.S. hydrocarbon production regions. Our customers are dependent on these applications to produce, process and transport natural gas and oil. Our assets are central to meeting growing global natural gas and oil demand. Furthermore, the long-life nature of our assets and our fixed-revenue contracts help to protect our business from the impact of industry and broader macroeconomic cycles.

Unconventional resources, large-scale centralized gathering systems and multi-well pad operations require more compression horsepower than conventional resources, driving demand for our large horsepower compression units. Upstream and midstream companies have increasingly prioritized capital discipline and return of capital to stockholders. We believe that many customers prefer to outsource their compression infrastructure needs in an effort to reduce capital expenditures outside of their core business and benefit from our technical skill and expertise.

In recent years, the U.S. natural gas and oil industry has faced uncertainties and pressures from regulators and shifting sentiments from investors and other stakeholders, primarily related to broader adoption of emission reduction targets and other sustainability initiatives. Many energy companies, including some of our customers, have announced significant GHG emission reduction initiatives. A number of our customers are implementing electric compression infrastructure and we are well positioned to support them in these strategic initiatives. As stakeholder sentiments and the regulatory environment evolve under the new U.S. presidential administration, the U.S. natural gas and oil industry will continue to face unpredictability.

Approximately 82% of our existing compression assets are strategically deployed in the Permian Basin and Eagle Ford Shale, which are two of the most significant crude oil and associated gas basins in the U.S. We believe these two regions possess some of the largest and lowest-cost unconventional resources bases in the U.S. Additionally, there are significant U.S. LNG export projects in development, and overall LNG export capacity is expected to meaningfully grow over the next decade, in particular along the U.S. Gulf Coast. We expect this growth in Gulf Coast LNG export capacity to translate into continued Permian Basin and Eagle Ford Shale natural gas production growth, requiring substantial additional compression horsepower. We believe the U.S. will play an increasingly important role in global energy security as the world continues to require reliable, affordable and sustainable natural gas and oil production to support increasing global energy demand.

See “Business—Compression Industry” for more information regarding natural gas compression industry trends. Ultimately, the extent to which our business will be impacted by the factors described above, as well as future developments beyond our control, cannot be predicted with reasonable certainty. However, we continue to believe in the long-term demand for our Contract Services given the necessity of compression in gathering, processing and production of natural gas and centralized gas lift of oil.

### **Recent Developments**

#### ***CSI Acquisition***

On April 1, 2024, we completed the CSI Acquisition, pursuant to the terms of the Merger Agreement. CSI Compressco unitholders received 0.086 shares of common stock for each CSI Compressco common unit owned. The Electing Unitholders received 0.086 OpCo Units representing economic interests in Kodiak Services (along with an equal number of shares of non-economic voting preferred stock of Kodiak) for each CSI Compressco common unit they held. At the option of the holder, each OpCo Unit is redeemable for one share of our common stock (along with cancellation of a

corresponding share of preferred stock of Kodiak), following a 180 day post-closing lock-up period and subject to certain conditions.

***Offerings and Share Repurchases***

On September 11, 2024, Frontier TopCo Partnership, L.P. (“Kodiak Holdings”), an affiliate of EQT AB and holder of record of Kodiak Gas Services, Inc. common stock, sold 7,000,000 shares of common stock to the public pursuant to an underwritten offering (the “September Secondary Offering”). We did not receive any proceeds from the September Secondary Offering. On September 11, 2024, we also repurchased 1,000,000 shares from Kodiak Holdings in a private transaction (the “September Share Repurchase”). The September Share Repurchase was consummated at a price of \$25.00 per share for an aggregate purchase price of \$25.0 million. The shares of common stock purchased in the September Share Repurchase were recorded as treasury stock.

In November 2024, the Board of Directors at Kodiak (the “Kodiak Board”) approved a share repurchase program to buy up to an aggregate of \$50 million of our outstanding common stock (the “Share Repurchase Program”). The Share Repurchase Program commenced on November 13, 2024 and expires on December 31, 2025. We expect shares to be acquired from time to time in open-market transactions or through privately negotiated transactions at our discretion, subject to market conditions, applicable legal requirements and other relevant factors. We expect any purchases to be funded by cash on hand, cash flow from operations and short-term borrowings. As of December 31, 2024, 434,783 shares have been repurchased under the Share Repurchase Program as further detailed below.

On November 18, 2024, Kodiak Holdings, sold 6,565,217 shares of common stock to the public pursuant to an underwritten offering (the “November Secondary Offering”). We did not receive any proceeds from the November Secondary Offering. On November 18, 2024, we repurchased 434,783 shares from Kodiak Holdings in a private transaction (the “November Share Repurchase”) pursuant to the Share Repurchase Program. The November Share Repurchase was consummated at a price of \$34.50 per share for an aggregate purchase price of \$15.0 million. The shares of common stock purchased in the November Share Repurchase were recorded as treasury stock.

On December 12, 2024, Kodiak Holdings sold 5,500,000 shares of common stock to the public pursuant to an underwritten offering (the “December Secondary Offering”). We did not sell any shares of common stock nor did we receive any proceeds from the December Secondary Offering. The December Secondary Offering closed on December 13, 2024.

***Dispositions***

On September 12, 2024, the Company sold certain property, plant and equipment and other assets in the U.S as well as our legal entity in Canada to a third-party buyer. The majority of the operations were included in the Contract Services segment through the date of sale. At the disposal date, total net assets sold were approximately \$18.0 million, consisting primarily of compression equipment, inventory, and other assets. Upon disposition, we incurred a loss of approximately \$7.0 million included in loss (gain) on sale of assets in our consolidated statement of operations for the year ended December 31, 2024.

On December 9, 2024, we sold certain assets and our legal entity in Argentina. The transaction constituted the sale of a business for accounting purposes. Total assets sold primarily consisted of approximately \$10.8 million in property, plant and equipment, \$2.7 million in accounts receivable, and \$2.2 million in inventory. We recognized a loss of \$13.6 million, which is included in loss (gain) on sale of assets in our consolidated statements of operations for the year ended December 31, 2024.

## 2024 Operational Highlights

The following table summarizes certain horsepower, unit count and fleet utilization percentages for our fleet for the periods presented.

	As of December 31,		% Change
	2024	2023	
Operating Data:			
Fleet horsepower <sup>(1)</sup>	4,402,747	3,261,661	35.0 %
Revenue-generating horsepower <sup>(2)</sup>	4,250,499	3,258,951	30.4 %
Fleet compression units	5,069	3,078	64.7 %
Revenue-generating compression units	4,592	3,062	50.0 %
Revenue-generating horsepower per revenue-generating compression unit <sup>(3)</sup>	926	1,064	(13.0)%
Fleet utilization <sup>(4)</sup>	96.5 %	99.9 %	(3.4)%

- (1) Fleet horsepower includes (x) revenue-generating horsepower and (y) idle horsepower, which is comprised of compression units that do not have a signed contract or are not subject to a firm commitment from our customer and therefore are not currently generating revenue.
- (2) Revenue-generating horsepower includes compression units that are operating under contract and generating revenue and compression units which are available to be deployed and for which we have a signed contract or are subject to a firm commitment from our customer.
- (3) Calculated as (i) revenue-generating horsepower divided by (ii) revenue-generating compression units at period end.
- (4) Fleet utilization is calculated as (i) revenue-generating horsepower divided by (ii) fleet horsepower.

### ***Horsepower***

The 35.0% and 30.4% increases in fleet horsepower and revenue-generating horsepower, respectively, were primarily attributable to the compression assets acquired in the CSI Acquisition and the purchase and deployment of new compression units. The 13.0% decrease in revenue-generating horsepower per revenue-generating compression unit was due to units acquired as part of the CSI Acquisition having, on average, less horsepower.

## Financial Results of Operations

The following table presents selected financial and operating information for the periods presented (*in thousands*):

	Year Ended December 31,		% Change
	2024	2023	
<b>Revenues:</b>			
Contract Services	\$ 1,034,173	\$ 735,605	40.6 %
Other Services	125,138	114,776	9.0 %
Total revenues	1,159,311	850,381	36.3 %
<b>Operating expenses:</b>			
Cost of operations (exclusive of depreciation and amortization shown below):			
Contract Services	355,016	257,092	38.1 %
Other Services	103,360	93,779	10.2 %
Depreciation and amortization	260,272	182,869	42.3 %
Long-lived asset impairment	9,921	—	100.0 %
Selling, general and administrative	151,680	73,308	106.9 %
Loss (gain) on sale of assets	29,612	(777)	n/m
Total operating expenses	909,861	606,271	50.1 %
Income from operations	249,450	244,110	2.2 %
<b>Other income (expenses):</b>			
Interest expense	(197,144)	(222,514)	(11.4)%
Loss on extinguishment of debt	—	(6,757)	(100.0)%
Gain on derivatives	24,017	20,266	18.5 %
Other (expense) income, net	(415)	31	n/m
Total other expenses	(173,542)	(208,974)	(17.0)%
Income before income taxes	75,908	35,136	116.0 %
Income tax expense	25,574	15,070	69.7 %
Net income	50,334	20,066	150.8 %
Less: Net income attributable to noncontrolling interests	439	—	100.0 %
Net income attributable to common shareholders	\$ 49,895	\$ 20,066	148.7 %

## Revenues and Sources of Income

### Contract Services

Contract Services revenue increased \$298.6 million, or 40.6%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This was primarily due to incremental revenues associated with the CSI Acquisition, which accounted for approximately 22% of consolidated revenue for the year ended December 31, 2024. The remainder of the increase in Contract Services is due to an increase in revenue-generating horsepower and an increase of \$6.5 million related to gas treating and cooling services.

### Other Services

Other Services revenue increased \$10.4 million, or 9.0%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase was primarily due to incremental revenues associated with the CSI Acquisition, increased parts sales, increased freight and crane charges related to mobilization of units, increased maintenance and overhaul services, and increased other field services. These increases were offset by a decrease in revenues from station construction services resulting from reduced scope of station projects during the year ended December 31, 2024.



## **Operating Costs and Other Expenses**

### ***Contract Services***

Contract Services expenses increased \$97.9 million, or 38.1%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase was primarily due to an \$87.3 million increase in direct labor expenses related to increased headcount and salaries, a \$13.0 million increase in lubricant oil and coolant, a \$12.9 million increase in parts used in support of our operations, and a \$2.5 million increase in gas treating expenses. The majority of incremental costs were attributable to the CSI Acquisition. These increases were partially offset by a \$17.2 million decrease in indirect expenses and a \$0.8 million decrease in sales and use tax accrual related to parts purchases.

### ***Other Services***

Other Services expenses increased \$9.6 million, or 10.2%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This increase was primarily due to costs associated with increased parts sales, increased freight and crane charges related to mobilization of units, increased maintenance and overhaul services, and increased other field services. These increases were offset by decreases in station construction service expenses.

### ***Depreciation and Amortization***

Depreciation and amortization increased \$77.4 million, or 42.3%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This was primarily due to an increase in compression equipment and intangible assets acquired through the CSI Acquisition, which resulted in increased depreciation and amortization associated with those assets.

### ***Long-lived Asset Impairment***

Triggering events related to a group of non-operating compression units associated with a certain customer in bankruptcy indicated the carrying value of the assets may not be recoverable. As a result, we recorded an impairment of compression equipment of \$9.9 million for the year ended December 31, 2024. No impairment was recorded for the year ended December 31, 2023.

### ***Selling, General and Administrative***

Selling, general and administrative expenses increased \$78.4 million, or 106.9%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This was primarily due to a \$29.0 million increase in professional fees mainly related to transactions costs associated with the CSI Acquisition, a \$24.8 million increase in labor and benefits, mainly related to increased headcount and salaries, an \$11.7 million increase in stock compensation expense related to equity compensation plans, an \$8.9 million increase in software expense, and a \$6.4 million increase in other overhead expenses, mostly consisting of insurance and facility expenses. These increases were offset by a \$2.4 million decrease in bad debt expense related to expected credit losses.

### ***Loss (Gain) on Sale of Assets***

For the year ended December 31, 2024, we recognized a \$29.6 million net loss on the sale of certain property, plant and equipment and other assets in the U.S. and the sale of our Canada and Argentina entities to third-party buyers. This compared to a \$0.8 million net gain for the year ended December 31, 2023 from the sale of capital assets.

### ***Interest Expense***

Interest expense decreased \$25.4 million, or 11.4%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This decrease was primarily due to lower average borrowings on the ABL Facility and 2029 Senior Notes during the year as compared to the ABL Facility and Term Loan during the year ended December 31, 2023.

### ***Loss on Extinguishment of Debt***

During the year ended December 31, 2023, we recognized a \$6.8 million loss on extinguishment of debt related to the write off of debt issuance costs and other fees as a result of the extinguishment of the Term Loan. No such loss was recognized in the year ended December 31, 2024.

### ***Gain on Derivatives***

Gain on derivatives increased \$3.8 million, or 18.5%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This is primarily related to \$25.3 million in cash received on derivatives offset by a decrease in the fair value of derivatives of \$1.2 million for the year ended December 31, 2024 due to a decrease in the long-term Secured Overnight Financing Rate (“SOFR”) yield curve, as compared to a \$25.8 million settlement on the termination of derivatives attributable to the Term Loan and \$37.4 million in cash received on derivative settlements on our interest rate collars, offset by a decrease in the change in fair value of the derivatives of \$42.9 million for the year ended December 31, 2023 due to a decrease in the long-term SOFR and LIBOR yield curves.

### ***Income Tax Expense***

Income tax expense increased by \$10.5 million, or 69.7%, for the year ended December 31, 2024 compared to the year ended December 31, 2023. This was primarily due to an increase in pre-tax income of \$40.8 million for the year ended December 31, 2024 compared to the year ended December 31, 2023.

### **Liquidity and Capital Resources**

#### ***Overview***

Our ability to fund operations, finance capital expenditures, service our debt, and pay dividends depends on the levels of our operating cash flows and access to the capital and credit markets. Our primary sources of liquidity are cash flows generated from our operations and our borrowing availability under the ABL Facility. Our cash flow is affected by numerous factors including prices and demand for our compression infrastructure assets and services, conditions in the financial markets and various other factors. We believe cash generated by operating activities will be sufficient to service our debt, fund working capital, fund our estimated capital expenditures and, as our Board may determine from time to time in its discretion, pay dividends.

#### ***Cash Requirements***

##### ***Capital Expenditures***

The compression infrastructure business is capital intensive, requiring significant investment to expand, maintain, and upgrade existing operations. Our capital requirements have consisted primarily of, and we anticipate that our capital requirements will continue to consist primarily of, the following:

- ***Growth Capital Expenditures:*** (1) capital expenditures made to expand the operating capacity or operating income capacity of assets by acquisition of additional compression units, (2) capital expenditures made to maintain the operating capacity or operating income capacity of assets by acquisition of replacement compression units, (3) capital expenditures made to expand the operating capacity or operating income capacity of assets for existing compression units and (4) capital expenditures on assets required to operate the business but not including compression units—such as trucks, wash trailers, crane trucks, leasehold improvements, technology hardware and software and related implementation expenditures, furniture and fixtures, and other general items that are typically capitalized and that have a useful life beyond one year. We make capital expenditures not related to our compression units (as described in clause (4) above) if and when necessary to support the operations of our revenue-generating horsepower.
- ***Maintenance Capital Expenditures:*** periodic capital expenditures incurred at predetermined operating intervals to maintain consistent and reliable operating capacity of our assets over the near term. Such maintenance capital expenditures typically involve overhauls of significant components of our compression units, such as the engine and compressor, pistons, rings, heads, and bearings. These maintenance capital expenditures are predictable and the majority of these expenditures are tied to a detailed, unit-by-unit schedule based on hours of operation or age. We utilize a disciplined and systematic asset management program whereby we perform major unit overhauls and engine replacements on a defined schedule based on hours of operation. As a result, our maintenance capital expenditures may vary considerably from year to year based on when such assets were

added to the fleet. Maintenance capital expenditures along with regularly scheduled preventive maintenance expenses are typically sufficient to sustain the operating capacity of our assets over the full expected useful life of the compression units. Maintenance capital expenditures do not include expenditures to replace compression units when they reach the end of their useful lives.

The majority of our growth capital expenditures are related to the acquisition cost of new compression units. Maintenance capital expenditures are related to overhauls of significant components of our compression equipment, such as the engine and compressor, which return the components to a like-new condition, but do not modify the application for which the compression equipment was designed.

For the year ended December 31, 2024, growth capital expenditures were \$286.0 million and maintenance capital expenditures were \$66.2 million. This compares to growth capital expenditures of \$184.5 million and maintenance capital expenditures of \$37.0 million for the year ended December 31, 2023. The increase in growth capital expenditures includes a \$22.0 million non-cash sales tax accrual on compression equipment purchases related to audits we are undergoing with the state of Texas. The remaining amounts were primarily related to a larger amount of new horsepower acquired in 2024, an increase in unit growth capital expenditures to upgrade and revamp a large number of units acquired in the CSI Acquisition, and significant investment in compression support equipment to accommodate a far larger fleet compared to the prior year. The increase in maintenance capital expenditures was primarily due to expenditures on the assets acquired in the CSI Acquisition since closing on April 1, 2024 and an increase in unit overhauls scheduled based on the age and operating hours of such units.

#### *Dividends*

Our Board may elect to declare cash dividends on our common stock, subject to our compliance with applicable law, and depending on, among other things, economic conditions, our financial condition, results of operations, projections, liquidity, earnings, legal requirements, and restrictions in the agreements governing our indebtedness (as further discussed herein). If and to the extent our Board were to declare a cash dividend to our stockholders, we expect the dividend to be paid from our Discretionary Cash Flow.

On February 3, 2025, our Board declared a quarterly dividend of \$0.41 per share of common stock, or approximately \$36.0 million, which was paid on February 21, 2025 to stockholders of record at the close of business on February 14, 2025. The declaration and payment of future dividends will be at the discretion of the Board and will depend on future business conditions, financial conditions, results of operations and other factors. Based on current circumstances, we expect to continue to pay comparable cash dividends in the foreseeable future.

Over the long-term, we expect to fund any dividends and our budgeted growth capital expenditures using our Discretionary Cash Flow. In the event our Discretionary Cash Flow is insufficient for the purpose of funding any such dividends and our budgeted growth capital expenditures for such period, we may fund such shortfall (i) with additional borrowings under our ABL Facility, which as of December 31, 2024 had \$322.5 million available (subject to the requirement that our availability, in the case of dividends, under the ABL Facility (calculated on a pro forma basis after giving effect to such Specified Transaction) is not less than \$125,000,000) or (ii) reduce our growth capital expenditures for such period. Any such additional borrowings under our ABL Facility will result in an increase in our interest expense for such period. Any such reduction in our growth capital expenditures may result in lower growth in our revenue-generating horsepower in future periods.

#### *Contractual Obligations*

Our material contractual obligations as of December 31, 2024 consisted of the following:

- Long-term debt of \$2.6 billion; and
- Purchase commitments of \$168.8 million, all of which are expected to be settled within the next twelve months; primarily consisting of future commitments to purchase new compression units ordered but not received. See Note 15. Commitments and Contingencies to the consolidated financial statements included elsewhere in this Annual Report.

#### *Other Commitments*

As of December 31, 2024, other commitments include future operating and finance lease payments totaling \$89.0 million.

**Sources of Cash**

*Cash Flows*

The following table summarizes our cash flows for the year ended December 31, 2024, and 2023 *(in thousands)*:

	<b>Year Ended December 31,</b>		<b>\$ Variance</b>
	<b>2024</b>	<b>2023</b>	
Net cash provided by operating activities	\$ 327,987	\$ 266,326	\$ 61,661
Net cash used in investing activities	(292,468)	(218,421)	(74,047)
Net cash used in financing activities	(36,331)	(62,774)	26,443
Net decrease in cash and cash equivalents	\$ (812)	\$ (14,869)	\$ 14,057

*Operating Activities*

The \$61.7 million increase in cash provided by operating activities for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a \$124.0 million increase in operating items, namely depreciation and amortization, taxes and equity compensation, and a \$5.3 million increase in income from operations. These increases were offset by a \$55.9 million increase in cash used for working capital, primarily due to an increase in accounts receivable and a \$37.9 million decrease in cash received on derivatives.

*Investing Activities*

The \$74.0 million increase in cash used in investing activities for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a \$117.2 million increase in capital expenditures, net of accrued capital expenditures. This was partially offset by a \$33.6 million increase in proceeds on sale of assets and by cash provided by investing activities related to a \$9.5 million increase in cash acquired related to the CSI Acquisition.

*Financing Activities*

The \$26.4 million decrease in cash used in financing activities for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a \$42.3 million decrease in distributions to parent, a \$16.5 million decrease in payments of debt issuance costs, and a \$8.9 million decrease in cash payments related to offering costs, offset by a \$104.1 million increase in dividends paid to stockholders, a \$40.0 million increase in share repurchases, a \$5.6 million increase in principal payments on other borrowings, a \$5.5 million increase in distributions to noncontrolling interests, and a \$2.8 million increase in cash paid for shares withheld to cover taxes. These uses of cash were offset by a \$390.7 million increase in net borrowings over payments on debt instruments and \$277.8 million decrease in proceeds from the initial public offering.

**Description of Indebtedness**

*ABL Facility*

As of January 1, 2022, Kodiak Services had an ABL Facility with unaffiliated secured lenders and JPMorgan Chase Bank, N.A., as administrative agent. On March 22, 2023, wholly owned subsidiaries of Kodiak entered into the ABL Credit Agreement, whereby the total facility (among other things) was increased to \$2.2 billion and certain changes were made to our financial covenants and maturity date. On May 31, 2023, the ABL Credit Agreement was amended to, among other things, permit distributions of over-allotment proceeds from the IPO and revise the terms related to the payment and prepayment of the Term Loan. On June 27, 2023, the ABL Credit Agreement was further amended to remove the ability to make distributions related to over-allotment proceeds from the IPO and to instead require prepayment of the obligations and cash collateralization of any letter of credit exposure upon the issuance of any equity interests by Kodiak pursuant to the over-allotment in the IPO. In connection with the IPO, the Company became a borrower under the ABL Facility. As of December 31, 2024, there was \$2.4 million of letters of credit outstanding under the ABL Facility. The maturity date of the ABL Facility is March 22, 2028. See Note 11. Debt and Credit Facilities to the consolidated financial statements included elsewhere in this Annual Report. The ABL Credit Agreement requires that we meet certain financial ratios.

Pursuant to the ABL Credit Agreement, the Company must comply with certain restrictive covenants, including a minimum interest coverage ratio of 2.5x and a maximum Leverage Ratio (calculated based on the ratio of Total Indebtedness to EBITDA, each as defined in the ABL Credit Agreement), and beginning for the quarter ended June 30, 2024, a Secured Leverage Ratio (calculated based on the ratio of Senior Secured Debt to EBITDA). The maximum

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Leverage Ratio is (i) 5.75 to 1.00 through the fiscal quarter ending March 31, 2025 and (ii) 5.25 to 1.00 for each fiscal quarter thereafter. The maximum Secured Leverage Ratio is (i) 3.75 to 1.00 through the fiscal quarter ending March 31, 2025 and (ii) 3.25 to 1.00 for each fiscal quarter thereafter.

All obligations under the ABL Facility are collateralized by essentially all the assets of the Company. We were in compliance with all covenants as of December 31, 2024 and December 31, 2023.

The ABL Credit Agreement also restricts the Company's ability to: incur additional indebtedness and guarantee indebtedness; pay dividends or make other distributions or repurchase or redeem equity interests; prepay, redeem or repurchase certain debt; issue certain preferred units or similar equity securities; make loans and investments; sell, transfer or otherwise dispose of assets; incur liens; enter into transactions with affiliates; enter into agreements restricting the Company's restricted subsidiaries' ability to pay dividends; enter into certain swap agreements; amend certain organizational documents; enter into sale and leaseback transactions; and consolidate, merge or sell all or substantially all of the Company's assets.

The applicable interest rate under the ABL Facility is (i) in the case of SOFR-based borrowings, the Term SOFR or Daily Simple SOFR rate then in effect (subject to a floor of 0%) plus 0.10% plus a spread that depends on our Leverage Ratio as of the most recent determination date ranging from 2.00% if our Leverage Ratio is less than or equal to 3.00:1.00 to 3.00% if our Leverage Ratio is greater than 5.50:1.00 and (ii) in the case of prime rate-based borrowings, the prime rate (subject to a floor of 2.5%) plus a spread that depends on our Leverage Ratio as of the most recent determination date ranging from 1.00% if our Leverage Ratio is less than or equal to 3.00:1.00 to 2.00% if our Leverage Ratio is greater than 5.50:1.00.

Depending on the loan type elected by the Company, interest accrues based on variable rates of SOFR plus an applicable rate ranging from 2% to 3% or prime rate plus an applicable rate ranging from 1% to 2% depending on the type of loan and the leverage ratio. The weighted average interest rate as of December 31, 2024 and 2023, was 6.8% and 8.8%, respectively, excluding the effect of interest rate swaps. The Company pays an annualized commitment fee of 0.25% on the unused portion of its ABL Facility if borrowings are greater than 50% of total commitments and 0.50% on the unused portion of the ABL Facility if borrowings are less than 50% of total commitments.

### *Third Amendment to ABL Credit Agreement*

On January 22, 2024, Kodiak, and certain other subsidiaries of Kodiak entered into the Third Amendment, which amends the Existing ABL Credit Agreement. The Third Amendment, among other things, amended certain provisions of the Existing ABL Credit Agreement (i) to accommodate the consummation of the transactions contemplated by the Merger Agreement and (ii) to account for Kodiak's organizational structure after giving effect to the transactions contemplated by the Merger Agreement.

In addition, the Third Amendment amended the ABL Facility to (i) update the maximum secured leverage ratio to (x) 3.75 to 1.00 for the first four fiscal quarters after the Company issues any unsecured indebtedness and (y) 3.25 to 1.00 for each fiscal quarter thereafter, (ii) modify the triggers for commencing a "cash dominion" period (i.e., a period when the administrative agent applies proceeds in the deposit accounts to reduce borrowings under the ABL Credit Agreement)}, such that a "cash dominion" period will commence if availability under the ABL Credit Agreement is less than \$125 million for more than five consecutive business days or if certain types of events of default occur, (iii) include customary provisions relating to the designation of "unrestricted subsidiaries" (i.e., subsidiaries that are not required to become loan parties or be bound by the covenants contained in the ABL Credit Agreement), (iv) provide that only material domestic restricted subsidiaries are required to become guarantors and collateral grantors under the ABL Facility, and (v) permit the Company and its restricted subsidiaries to incur additional indebtedness and liens and to make additional investments, dividends, distributions, redemptions and dispositions.

### *Term Loan*

As of January 1, 2022, a wholly owned subsidiary of Kodiak had a \$400 million Term Loan pursuant to a credit agreement with unaffiliated unsecured lenders and Wells Fargo Bank, N.A., as administrative agent. On May 19, 2022, we entered into the Term Loan Credit Agreement whereby we increased the aggregate commitments under the Term Loan from \$400 million to \$1 billion.

On March 31, 2023, our wholly owned subsidiary entered into the First Amendment to the Term Loan Credit Agreement, which extended the maturity date to September 22, 2028.

On July 3, 2023, we used the net proceeds of our IPO, together with the proceeds resulting from the Term Loan Derivative Settlement and borrowings under our ABL Facility, to repay \$300 million of borrowings outstanding under the Term Loan.

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In connection with the IPO, all of the Company's and its subsidiaries' remaining obligations under the Term Loan were assumed by a parent entity of Kodiak Holdings, and the Company's obligations thereunder were terminated. As a result, the Company is no longer a borrower or guarantor under, nor otherwise obligated with respect to the debt outstanding under the Term Loan.

### *2029 Senior Notes*

On February 2, 2024, Kodiak Services issued \$750 million aggregate principal amount of 7.250% senior notes due 2029 (the "Notes"), pursuant to an indenture, dated February 2, 2024 (the "Indenture"), by and among Kodiak Services, Kodiak Gas Services, Inc., certain other subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee.

At any time prior to February 15, 2026, Kodiak Services may, on any one or more occasions, redeem all or part of the Notes, at a redemption price equal to 100% of the principal amount of the Notes plus a "make-whole" premium plus accrued and unpaid interest, if any, up to, but not including, the redemption date. At any time prior to February 15, 2026, Kodiak Services may also redeem up to 40% of the aggregate principal amount of the Notes with an amount of cash not greater than the net cash proceeds from one or more equity offerings, at a redemption price of 107.250% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, up to, but not including, the redemption date, as long as at least 50% of the aggregate principal amount of the Notes originally issued remains outstanding after each such redemption and the redemption occurs within 180 days after the date of the closing of such equity offering. On or after February 15, 2026, Kodiak Services may, on any one or more occasions, redeem all or part of the Notes at the following redemption prices: 103.625% beginning on February 15, 2026; 101.813% beginning on February 15, 2027; and 100.000% beginning on February 15, 2028. The Indenture contains certain covenants that limit the ability of Kodiak and its restricted subsidiaries, including Kodiak Services, to make distributions on, purchase or redeem Kodiak's equity interests or repurchase or redeem contractually subordinated indebtedness; make certain investments; incur or guarantee additional indebtedness, issue any disqualified stock, or issue other preferred securities (other than non-economic preferred securities); create or incur certain liens to secure indebtedness; sell or otherwise dispose of assets; consolidate with or merge with or into another person; enter into transactions with affiliates; and create unrestricted subsidiaries. If the Notes achieve an investment grade rating from any two of Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") and Fitch Ratings, Inc. ("Fitch") and no default under the Indenture exists, many of the foregoing covenants will terminate. If Kodiak or Kodiak Services experiences certain kinds of changes of control and Moody's, S&P or Fitch decreases their rating of the Notes as a result thereof within 60 days, holders of the Notes will be entitled to require Kodiak Services to repurchase all or any part of that holder's notes at a price of 101% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest, if any, on the notes repurchased to the date of settlement. The Indenture also contains customary events of default.

### *Derivatives and Hedging Activities*

To mitigate a portion of the exposure to fluctuations in the variable interest rate of the ABL Facility and the Term Loan, we have entered into various derivative instruments.

Our interest rate swaps exchange variable interest rates for fixed interest rates. We have not designated any derivative instruments as hedges for accounting purposes and do not enter into such instruments for speculative or trading purposes. See Note 12. Derivative Instruments to the consolidated financial statements included elsewhere in this Annual Report.

### *Parent Entity Distribution*

On June 27, 2023, we made a cash distribution of \$42.3 million to a parent entity of Kodiak Holdings prior to the consummation of the IPO, of which \$11.0 million was funded with cash on hand and \$31.3 million was funded with borrowings under the ABL Facility.

### **Non-GAAP Financial Measures**

Management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability and include the non-GAAP financial measures of adjusted gross margin, adjusted gross margin percentage, adjusted EBITDA, adjusted EBITDA percentage, discretionary cash flow, and free cash flow.

**Adjusted Gross Margin and Adjusted Gross Margin Percentage**

Adjusted gross margin and adjusted gross margin percentage are considered non-GAAP financial measures. We define adjusted gross margin as revenue less cost of operations, exclusive of depreciation and amortization expense. We define adjusted gross margin percentage as adjusted gross margin divided by total revenues. We believe that adjusted gross margin is useful as a supplemental measure of our operating profitability. Adjusted gross margin is impacted primarily by the pricing trends for service operations and cost of operations, including labor rates for service technicians, volume and per compression unit costs for lubricant oils and coolants, quantity and pricing of routine preventative maintenance on compression units and property tax rates on compression units. Adjusted gross margin should not be considered an alternative to, or more meaningful than, gross margin or any other measure of financial performance presented in accordance with GAAP. Moreover, adjusted gross margin as presented may not be comparable to similarly titled measures of other companies. Because we capitalize assets, depreciation and amortization of equipment is a necessary element of our costs. To compensate for the limitations of adjusted gross margin as a measure of our performance, we believe that it is important to consider gross margin determined under GAAP, as well as adjusted gross margin, to evaluate our operating profitability.

**Adjusted Gross Margin**

**Contract Services**

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<i>(in thousands)</i>	
Total revenues	\$ 1,034,173	\$ 735,605
Cost of operations (exclusive of depreciation and amortization)	(355,016)	(257,092)
Depreciation and amortization	(260,272)	(182,869)
Gross margin	\$ 418,885	\$ 295,644
Gross margin percentage	40.5%	40.2%
Depreciation and amortization	260,272	182,869
Adjusted gross margin	\$ 679,157	\$ 478,513
Adjusted gross margin percentage	65.7%	65.1%

**Other Services**

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
	<i>(in thousands)</i>	
Total revenues	\$ 125,138	\$ 114,776
Cost of operations (exclusive of depreciation and amortization)	(103,360)	(93,779)
Depreciation and amortization	—	—
Gross margin	\$ 21,778	\$ 20,997
Gross margin percentage	17.4%	18.3%
Depreciation and amortization	—	—
Adjusted gross margin	\$ 21,778	\$ 20,997
Adjusted gross margin percentage	17.4%	18.3%

*Adjusted EBITDA and Adjusted EBITDA Percentage*

Adjusted EBITDA and adjusted EBITDA percentage are considered non-GAAP measures. We define adjusted EBITDA as net income (loss) before interest expense; income tax expense; and depreciation and amortization; plus (i) loss on extinguishment of debt; (ii) loss (gain) on derivatives; (iii) equity compensation expense; (iv) severance expenses; (v) transaction expenses; (vi) loss (gain) on sale of assets; and (vii) impairment of compression equipment. We define adjusted EBITDA percentage as adjusted EBITDA divided by total revenues. Adjusted EBITDA and adjusted EBITDA percentage are used as supplemental financial measures by our management and external users of our financial statements, such as investors, commercial banks and other financial institutions, to assess:

- the financial performance of our assets without regard to the impact of financing methods, capital structure or historical cost basis of our assets;
- the viability of capital expenditure projects and the overall rates of return on alternative investment opportunities;
- the ability of our assets to generate cash sufficient to make debt payments and pay dividends; and
- our operating performance as compared to those of other companies in our industry without regard to the impact of financing methods and capital structure.

We believe that adjusted EBITDA and adjusted EBITDA percentage provide useful information because, when viewed with our GAAP results and the accompanying reconciliation, they provide a more complete understanding of our performance than GAAP results alone. We also believe that external users of our financial statements benefit from having access to the same financial measures that management uses in evaluating the results of our business.

Adjusted EBITDA and adjusted EBITDA percentage should not be considered as alternatives to, or more meaningful than, revenues, net income, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP as measures of operating performance and liquidity. Moreover, our adjusted EBITDA and adjusted EBITDA percentage as presented may not be comparable to similarly titled measures of other companies.

Given we are a capital intensive business, depreciation, impairment of compression equipment and the interest cost of acquiring compression equipment are necessary elements of our costs. To compensate for these items, we believe that it is important to consider both net income and net cash provided by operating activities determined under GAAP, as well as adjusted EBITDA and adjusted EBITDA percentage, to evaluate our financial performance and our liquidity. Our adjusted EBITDA and adjusted EBITDA percentage exclude some, but not all, items that affect net income and net cash provided by operating activities, and these measures may vary among companies. Management compensates for the limitations of adjusted EBITDA and adjusted EBITDA percentage as an analytical tool by reviewing the comparable GAAP measures, understanding the differences between the measures and incorporating this knowledge into management's decision-making processes.



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The following table reconciles adjusted EBITDA to net income, the most directly comparable GAAP financial measure, for each of the periods presented(*in thousands*):

	Year Ended December 31,	
	2024	2023
Net income	\$ 50,334	\$ 20,066
Interest expense	197,144	222,514
Income tax expense	25,574	15,070
Depreciation and amortization	260,272	182,869
Long-lived asset impairment	9,921	—
Loss on extinguishment of debt	—	6,757
Gain on derivatives	(24,017)	(20,266)
Equity compensation expense	17,658	5,914
Severance expense <sup>(1)</sup>	10,500	—
Transaction expenses <sup>(2)</sup>	32,552	6,001
Loss (gain) on sale of assets	29,612	(777)
Adjusted EBITDA	<u>\$ 609,550</u>	<u>\$ 438,148</u>
Net income percentage	4.3 %	2.4 %
Adjusted EBITDA percentage	52.6 %	51.5 %

For detailed footnote descriptions, refer to the annotations beneath the following table.

The following table reconciles adjusted EBITDA to net cash provided by operating activities for each of the periods presented(*in thousands*):

	Year Ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 327,987	\$ 266,326
Interest expense	197,144	222,514
Income tax expense	25,574	15,070
Deferred tax provision	(15,429)	(7,863)
Cash received on derivatives	(25,251)	(63,156)
Loss on extinguishment of debt	—	2,398
Severance expense <sup>(1)</sup>	10,500	—
Transaction expenses <sup>(2)</sup>	32,552	6,001
Other <sup>(3)</sup>	(21,922)	(25,622)
Change in operating assets and liabilities	78,395	22,480
Adjusted EBITDA	<u>\$ 609,550</u>	<u>\$ 438,148</u>

(1) Represents severance expense related to the CSI acquisition for the year ended December 31, 2024. There were no such expenses for the year ended December 31, 2023.

(2) Represents certain costs associated with non-recurring professional services and other costs, primarily related to the CSI Acquisition, for the year ended December 31, 2024.

(3) Includes amortization of debt issuance costs, non-cash lease expense, provision for credit losses and inventory reserve.

### Discretionary Cash Flow

Discretionary cash flow is considered a non-GAAP measure. We define discretionary cash flow as net cash provided by operating activities less (i) maintenance capital expenditures; (ii) certain changes in operating assets and liabilities; and (iii) certain other expenses; plus (w) cash loss on extinguishment of debt; (x) severance expenses; and (y) transaction expenses. We believe discretionary cash flow is a useful liquidity and performance measure and supplemental financial measure for

us in assessing our ability to pay cash dividends to our stockholders, make growth capital expenditures and assess our operating performance. Our ability to pay dividends is subject to limitations due to restrictions contained in our ABL Credit Agreement as further described elsewhere herein. Discretionary cash flow is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP, such as revenues, net income, operating income (loss) or cash flows from operating activities. Discretionary cash flow as presented may not be comparable to similarly titled measures of other companies.

**Free Cash Flow**

Free cash flow is considered a non-GAAP measure. We define free cash flow as net cash provided by operating activities less (i) maintenance capital expenditures; (ii) certain changes in operating assets and liabilities; (iii) certain other expenses; and (iv) growth capital expenditures; plus (w) cash loss on extinguishment of debt; (x) severance expenses; (y) transaction expenses; and (z) proceeds from sale of assets. We believe free cash flow is a liquidity measure and useful supplemental financial measure for us in assessing our ability to pursue business opportunities and investments to grow our business and to service our debt. Free cash flow is presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP, such as revenues, net income, operating income (loss) or cash flows from operating activities. Free Cash Flow as presented may not be comparable to similarly titled measures of other companies.

The following table reconciles net cash provided by operating activities to discretionary cash flow, and free cash flow for each of the periods presented *(in thousands)*:

	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Net cash provided by operating activities	\$ 327,987	\$ 266,326
Maintenance capital expenditures <sup>(1)</sup>	(66,200)	(36,990)
Loss on extinguishment of debt	—	2,398
Severance expense <sup>(2)</sup>	10,500	—
Transaction expenses <sup>(3)</sup>	32,552	6,001
Change in operating assets and liabilities	78,395	22,480
Other <sup>(4)</sup>	(9,953)	(12,066)
<b>Discretionary cash flow</b>	<b>\$ 373,281</b>	<b>\$ 248,149</b>
Growth capital expenditures <sup>(5)(6)</sup>	(285,992)	(184,487)
Proceeds from sale of assets	35,030	1,449
<b>Free cash flow</b>	<b>\$ 122,319</b>	<b>\$ 65,111</b>

For detailed footnote descriptions, refer to the annotations beneath the following table.

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The following table reconciles net income to discretionary cash flow and free cash flow for each of the periods presented (in thousands):

	Year Ended December 31,	
	2024	2023
Net income	\$ 50,334	\$ 20,066
Depreciation and amortization	260,272	182,869
Long-lived asset impairment	9,921	—
Change in fair value of derivatives	1,234	42,890
Loss on extinguishment of debt	—	6,757
Deferred tax provision	15,429	7,863
Amortization of debt issuance costs	11,969	13,556
Equity compensation expense	17,658	5,914
Severance expense <sup>(2)</sup>	10,500	—
Transaction expenses <sup>(3)</sup>	32,552	6,001
(Gain) loss on sale of assets	29,612	(777)
Maintenance capital expenditures <sup>(1)</sup>	(66,200)	(36,990)
<b>Discretionary cash flow</b>	<b>\$ 373,281</b>	<b>\$ 248,149</b>
Growth capital expenditures <sup>(5)(6)</sup>	(285,992)	(184,487)
Proceeds from sale of assets	35,030	1,449
<b>Free cash flow</b>	<b>\$ 122,319</b>	<b>\$ 65,111</b>

(1) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations —Liquidity and Capital Resources —Cash Requirements —Capital Expenditures” for information regarding amounts designated as maintenance capital expenditures.

(2) Represents severance expense related to the CSI acquisition for the year ended December 31, 2024. There were no such expenses for the year ended December 31, 2023.

(3) Represents certain costs associated with non-recurring professional services and other costs, primarily related to the CSI Acquisition, for the year ended December 31, 2024.

(4) Includes non-cash lease expense, provision for credit losses and inventory reserve.

(5) Growth capital expenditures includes an \$8.1 million increase and a \$1.7 million increase in accrued capital expenditures for the years ended December 31, 2024 and 2023, respectively.

(6) Growth capital expenditures includes a non-cash increase in the sales tax accrual on compression equipment purchases of \$22.0 million and \$1.0 million for the years ended December 31, 2024 and 2023, respectively. These accrual amounts are estimated based on the best-known information as it relates to open audit periods with the state of Texas. See Note 15. Commitments and Contingencies to our consolidated financial statements for additional details.

## Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations is based upon certain financial estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented. We base our estimates on historical experience, available information and various other assumptions we believe to be reasonable under the circumstances. On an ongoing basis, we evaluate our estimates; however, actual results may differ from these estimates under different assumptions or conditions. The accounting estimates that we believe require management’s most difficult, subjective or complex judgments and are the most critical to its reporting of results of operations and financial position are as follows:

### Business Combination

We account for acquisitions of businesses using the purchase method, which requires the allocation of the purchase price based on the fair values of the identifiable assets and liabilities acquired. We estimate the fair values of the assets and liabilities acquired using accepted valuation methods, and, in many cases, such estimates are based on our judgments as to the future operating cash flows expected to be generated from the acquired assets throughout their estimated useful lives. We will account for the various assets (including intangible assets) acquired and liabilities assumed with the CSI Acquisition based on our estimate of fair values. Goodwill represents the excess of acquisition purchase price over the estimated fair values of the net assets acquired. The assumptions and inputs incorporated within the fair value estimates are

subject to considerable management judgement and are based on industry, market, and economic conditions prevalent at the time of the acquisition. Actual results may differ from the projected results used to determine fair value.

***Revenue Recognition over Time***

The Company enters into contracts to provide compressor station construction services to customers under its Other Services segment. Construction service contracts consist of a highly integrated set of tasks and components and accordingly are accounted for as a single performance obligation. Because the Company's performance creates and enhances assets that are controlled by customers, the Company recognizes construction services revenue over time.

The measure of progress used to recognize construction services revenue is a cost-to-cost measure of progress because it most faithfully depicts the Company's performance on the contract. Under the cost-to-cost measure of progress, the percentage of completion of each contract is measured based on the transaction price and the ratio of actual costs incurred to total estimated costs expected for the construction services. This input method requires management to estimate total future costs to complete a construction project, such as labor, raw materials, and subcontract costs.

Estimates are based on conditions and information available at the time the estimate is made, as well as the knowledge and experience of the Company's engineers, project managers, and financial professionals. Factors that must be considered in estimating the total costs to be incurred under a construction services contract include labor productivity and availability, the nature and complexity of work to be performed, the impact of change orders, availability of raw materials and the impact of delayed performance. Events or changes in circumstances can cause management's estimates to be revised, which may result in significant adjustments to revenue amounts previously recognized. If changes to the scope of services or estimates of total cost occur, an adjustment to the transaction price or total estimated cost is recognized in the period of change.

Approximately 5% of the Company's revenue in 2024, 12% in 2023, and 7% in 2022, was recognized under this method.

***Goodwill - Impairment Assessments***

We evaluate goodwill for impairment annually and whenever events or changes indicate that it is more likely than not that the fair value at the reporting unit level could be less than its carrying value (including goodwill). We estimate the fair value based on a number of factors, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and Company specific events. Estimating projected cash flows requires us to make certain assumptions as it relates to future operating performance.

Application of the goodwill impairment test requires judgments, including a qualitative assessment to determine whether there are any impairment indicators, and determining the fair value of the reporting unit. A number of significant assumptions and estimates are involved in the application of the income approach to forecast future cash flows, including revenue and operating income growth rates, discount rates and other factors. The assumptions and inputs incorporated within the fair value estimates are subject to considerable management judgement and are based on industry, market, and economic conditions prevalent at the time of the acquisition. Actual results may differ from the projected results used to determine fair value.

No events or circumstances occurred that indicated that the fair value of the entity may be below its carrying amount; therefore, no goodwill impairment was recorded for the years ended December 31, 2024, 2023 and 2022.

***Impairment of Long-Lived Assets***

Long-lived assets, including property, plant, and equipment, and other finite-lived identifiable intangible assets, are reviewed for impairment whenever events or changes in circumstances, including the removal of compressors units from the active fleet, indicate that the carrying amount of an asset may not be recoverable. Such events may include significant changes in performance relative to expected operating results, significant changes in asset use, significant negative industry or economic trends, and changes in the Company's business strategy, among others. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to estimated future undiscounted net cash flows expected to be generated by the asset. Impairment losses are recognized in the period in which the impairment occurs and represent the excess of the asset carrying value over its fair value estimated using future discounted net cash flows.

For the year ended December 31, 2024, we determined that certain events occurred related to a group of non-operating compression units associated with a certain customer in bankruptcy that indicated the carrying value of assets may not be recoverable. As a result, we recorded an impairment of compression equipment of \$9.9 million for the year ended

December 31, 2024. No impairment was recorded, and no triggering events were identified, for the years ended December 31, 2023 and 2022.

***Estimated Useful Lives of Property, Plant and Equipment***

Property, plant and equipment is carried at cost. Depreciation is computed on a straight-line basis using useful lives that are estimated based on assumptions and judgments that reflect both historical experience and expectations regarding future use of our assets. The use of different assumptions and judgments in the calculation of depreciation, especially those involving useful lives, would result in significantly different net book values of our assets and results of operations.

***Commitments and Contingencies***

From time to time, we may be involved in various claims and litigation arising in the ordinary course of business. Additionally, our compliance with state and local sales tax regulations is subject to audit by various taxing authorities. Certain taxing authorities have either claimed or issued an assessment that specific operational processes, which we and others in our industry regularly conduct, result in transactions that are subject to state sales taxes. We and others in our industry have disputed these claims and assessments based on either existing tax statutes or published guidance by the taxing authorities.

We utilize both internal and external counsel in evaluating our potential exposure to adverse outcomes from orders, judgments or settlements. While we are unable to predict the ultimate outcome of these actions, the accounting standard for contingencies requires management to make judgments about future events that are inherently uncertain. We are required to record a loss during any period in which we believe a contingency is probable and can be reasonably estimated. To the extent that actual outcomes differ from our estimates, or additional facts and circumstances cause us to revise our estimates, our earnings will be affected. We record legal costs as incurred, and all recorded legal liabilities are revised, as required, as better information becomes available to us.

As of December 31, 2024 and 2023, based on the information currently available, we accrued a contingent liability of approximately \$70.1 million and \$28.8 million, respectively, relating to the Sales Tax Audit for the periods currently under audit classified in accrued liabilities on the consolidated balance sheets.

As of December 31, 2024 and 2023, there are no other legal matters for which resolution could have a material adverse effect on the consolidated financial statements.

***Fair Value of Derivative Instruments***

We use any of three valuation approaches to measure fair value: the market approach, the income approach, and the cost approach in determining the appropriate valuation methodologies based on the nature of the asset or liability being measured and the reliability of the inputs used in arriving at fair value.

We record derivative instruments at fair value using Level 2 inputs of the fair value hierarchy. The interest rate swaps are valued using a discounted cash flow analysis on the expected cash flows of each derivative using observable inputs from actively quoted public markets, including interest rate curves and credit spreads.

As of December 31, 2024 and 2023, the fair value of derivative instruments were \$21.2 million and \$22.5 million, respectively.

***Recently Adopted Accounting Pronouncement***

See Note 2. Summary of Significant Accounting Policies to our consolidated financial statements included elsewhere in this Annual Report.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

***Interest Rate Risk***

Our primary exposure to interest rate risk results from outstanding borrowings under the ABL Facility, which has a floating interest rate component. We use interest rate derivative instruments to manage our exposure to fluctuations in these variable interest rate components.

As of December 31, 2024 and 2023, we had \$1.9 billion and \$1.8 billion, respectively, outstanding under the ABL Facility and \$1.4 billion and \$1.2 billion, respectively, outstanding and effective notional amounts of floating to fixed interest rate

swaps which we attribute to our borrowings under our ABL Facility. Excluding the effect of interest rate swaps, the average annualized interest rate incurred on the ABL Facility for borrowings during the year ended December 31, 2024 was approximately 6.77% and we estimate that a 1.0% increase in the applicable average interest rates for the year ended December 31, 2024 would have resulted in an estimated \$16.7 million increase in ABL-related interest expense.

***Counterparty Risk***

Our credit exposure generally relates to receivables for services provided and a counterparty's failure to meet its obligations under a derivatives contract with the Company. If any significant customer of ours should have credit or financial problems resulting in a delay or failure to pay the amount it owes us, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, if any significant vendor of ours should have financial problems or operational delays, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. For the years ended December 31, 2024, 2023 and 2022, the Company recorded credit loss of \$4.7 million, \$7.1 million and \$0.1 million, respectively related to the collectability of outstanding receivables.

The Company uses credit and other financial criteria to evaluate the credit standing of, and to select, counterparties to its derivative instruments. Although the Company does not obtain collateral or otherwise secure the fair value of its derivative instruments, associated credit risk is mitigated by the Company's risk management policies and procedures.

***Concentration Risk***

For the years ended December 31, 2024, 2023 and 2022, our four largest customers accounted for approximately 32%, 33%, and 36%, respectively, of our total revenues. One customer accounted for 13.4%, 11.7% and 12.4% of total revenues in 2024, 2023 and 2022, respectively. If any significant customer of ours should discontinue their relationship with us, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Commodity Price Risk***

Market risk is the risk of loss arising from adverse changes in market rates and prices. We do not take title to any natural gas or oil in connection with our services and, accordingly, have no direct exposure to fluctuating commodity prices. However, the demand for our Contract Services depends upon the continued demand for, and production of, natural gas and oil. Sustained low natural gas or oil prices over the long term could result in a decline in the production of natural gas or oil, which could result in reduced demand for our Contract Services.

**Item 8. Financial Statements and Supplementary Data.**

The financial statements and supplementary information specified by this Item 8 are presented in Part IV, Item 15 “Exhibits and Financial Statement Schedules”.

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures**

None.

**Item 9A. Controls and Procedures.**

***Evaluation of Disclosure Controls and Procedures***

As of December 31, 2024, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

***Management's Annual Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2024.

As disclosed in Note 3. Acquisitions and Divestitures to the consolidated financial statements included elsewhere in this Annual Report, Kodiak acquired CSI Compressco on April 1, 2024. Following the close of the CSI Acquisition, we integrated a portion of CSI Compressco into our existing systems and internal control over financial reporting and related processes. Consistent with interpretive guidance issued by the Staff of the SEC for newly acquired businesses, management has excluded a portion of CSI Compressco from our assessment of internal control over financial reporting as of December 31, 2024. In accordance with such guidance, an assessment of recent business combinations may be omitted from management's assessment of internal control over financial reporting for one year following the acquisition. The excluded elements represent controls over approximately 22% of consolidated assets and approximately 22% of consolidated revenues as shown on our consolidated financial statements as of and for the year ended December 31, 2024.

***Inherent Limitations on Effectiveness of Controls***

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all control issues or misstatements. Accordingly, our controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our control system are met. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Changes in Internal Control over Financial Reporting***

On April 1, 2024, we completed the CSI Acquisition. As part of the ongoing integration, we are in the process of incorporating the controls and related procedures of CSI Compressco. Other than incorporating CSI Compressco's controls there have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



**Item 9B. Other Information.**

*Securities Trading Plans of Directors and Executive Officers*

During the three months ended December 31, 2024, none of our directors or “officers” (as such term is defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as each term is defined in Item 408(a) of Regulation S-K).

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**Part III**

**Item 10. Directors, Executive Officers and Corporate Governance**

The information required by Item 10 is incorporated herein by reference from our definitive proxy statement, which will be filed no later than 120 days after December 31, 2024.

**Item 11. Executive Compensation**

The information required by Item 11 is incorporated herein by reference from our definitive proxy statement, which will be filed no later than 120 days after December 31, 2024.

**Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters**

*Equity Compensation Plan Information as of December 31, 2024*

Our equity compensation plans approved by our shareholders provide for the issuance of common stock to officers, employees, directors and consultants. The following table sets forth information regarding outstanding RSUs and PSUs, and shares available for future issuance under these plans as of December 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a) <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants, and rights (b) <sup>(2)</sup>	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) <sup>(3)</sup>
Equity compensation plans approved by security holders	1,945,134	\$ —	5,703,962
Equity compensation plans not approved by security holders	—	—	—
Total	1,945,134	\$ —	5,703,962

(1) This column reflects all shares of common stock subject to outstanding RSUs and PSUs, in each case, granted under the Omnibus Plan. The PSUs included in this column represent the number of shares that may be issued upon vesting if the target performance goal is achieved during the three-year performance period. See Note 14. Stockholders' Equity to our consolidated financial statements for further details of our Omnibus Plan. Because the number of shares of common stock to be issued upon settlement of outstanding PSUs is subject to performance conditions, the number of shares of common stock actually issued may be substantially more or less than the number reflected in this column.

(2) Only RSUs and PSUs are reflected in column (a); there is no weighted-average exercise price associated with these awards.

(3) This column reflects the total number of shares of common stock remaining available for issuance under the Omnibus Plan as of December 31, 2024, excluding shares subject to outstanding awards reflected in column (a).

The additional information required by this Item 12 will be incorporated herein by reference from our definitive proxy statement, which will be filed no later than 120 days after December 31, 2024.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by Item 13 is incorporated herein by reference from our definitive proxy statement, which will be filed no later than 120 days after December 31, 2024.

**Item 14. Principal Accounting Fees and Services**

Our independent registered public accounting firm is BDO USA, P.C. (PCAOB ID No.243).

The information required by Item 14 is incorporated herein by reference from our definitive proxy statement, which will be filed no later than 120 days after December 31, 2024.

**Part IV**

**Item 15. Exhibits and Financial Statement Schedules**

(a) Documents filed as a part of this report.

1. Financial Statements. See “Index to Consolidated Financial Statements” set forth on Page F-1.

2. Financial Statement Schedule

All financial statement schedules are omitted because they are not applicable or the information is set forth in the consolidated financial statements or notes thereto within Item 8 “Financial Statements and Supplementary Data.”

3. Exhibits

The following documents are filed as exhibits to this Annual Report:

<b>Exhibit Number</b>	<b>Description</b>
2.1	<a href="#">Agreement and Plan of Merger, dated as of December 19, 2023, by and among Kodiak Gas Services, Inc., Kick Stock Merger Sub, LLC, Kick LP Merger Sub, LLC, Kick GP Merger Sub, LLC, CSI Compressco LP and CSI Compressco GP (incorporated by reference to Exhibit 2.1 to the Registrant’s Current Report on Form 8-K filed with the SEC on December 19, 2023).</a>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Kodiak Gas Services, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K filed with the SEC on July 5, 2023).</a>
3.2	<a href="#">Certificate of Designations of Series A Preferred Stock of Kodiak Gas Services, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K filed with the SEC on April 1, 2024).</a>
3.3*	<a href="#">Second Amended and Restated Bylaws of Kodiak Gas Services, Inc.</a>
4.1	<a href="#">Registration Rights Agreement, dated as of July 3, 2023, by and among Kodiak Gas Services, Inc., Frontier TopCo Partnership, L.P. and each of the other signatories from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed with the SEC on July 5, 2023).</a>
4.2	<a href="#">Stockholders’ Agreement, dated as of July 3, 2023, by and among Kodiak Gas Services, Inc. and Frontier TopCo Partnership, L.P. (incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K filed with the SEC on July 5, 2023).</a>
4.3	<a href="#">Indenture, dated as of February 2, 2024, by and among Kodiak Gas Services, LLC, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee (including Form of Note (incorporated by reference to the Registrant’s Current Report on Form 8-K filed with the SEC on February 2, 2024).</a>
4.4*	<a href="#">Description of Capital Stock of Kodiak Gas Services, Inc.</a>
10.1†	<a href="#">Kodiak Gas Services, Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the Registrant’s Current Report on Form 8-K filed with the SEC on July 5, 2023).</a>
10.2†	<a href="#">Form of Restricted Stock Unit Grant Notice for Executives (incorporated by reference to Exhibit 10.2 to the Registrant’s Registration Statement on Form S-8 (File No. 333-273118) filed with the SEC on July 5, 2023).</a>
10.3†	<a href="#">Form of Restricted Stock Unit Grant Notice for Non-Employee Directors (incorporated by reference to Exhibit 10.3 to the Registrant’s Registration Statement on Form S-8 (File No. 333-273118) filed with the SEC on July 5, 2023).</a>
10.4†	<a href="#">Form of Performance Stock Unit Grant Notice for Executives (incorporated by reference to Exhibit 10.4 to the Registrant’s Registration Statement on Form S-8 (File No. 333-273118) filed with the SEC on July 5, 2023).</a>

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10.5	<a href="#"><u>Novation, Assignment and Assumption Agreement, dated as of July 3, 2023, by and among Kodiak Gas Services, LLC, Frontier Intermediate Holding, LLC, Frontier TopCo Partnership, L.P., as the new borrower the other parties thereto, and Wells Fargo Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on July 5, 2023).</u></a>
10.6	<a href="#"><u>Fourth Amended and Restated ABL Credit Agreement, dated as of March 22, 2023, among Frontier Intermediate Holding, LLC, Kodiak Gas Services, LLC, the other obligors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-271050) filed with the SEC on June 20, 2023).</u></a>
10.7	<a href="#"><u>First Amendment to Fourth Amended and Restated ABL Credit Agreement, dated as of May 31, 2023, among Frontier Intermediate Holding, LLC, Kodiak Gas Services, LLC, the other obligors party thereto, the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-271050) filed with the SEC on June 20, 2023).</u></a>
10.8	<a href="#"><u>Second Amendment to Fourth Amended and Restated ABL Credit Agreement, dated as of June 27, 2023, among Frontier Intermediate Holding, LLC, Kodiak Gas Services, LLC, the other obligors party thereto, the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-41732) filed with the SEC on August 10, 2023).</u></a>
10.9	<a href="#"><u>Third Amendment to Fourth Amended and Restated ABL Credit Agreement, dated as of January 22, 2024 among Frontier Intermediate Holding, LLC, Kodiak Gas Services, LLC, the other obligors party thereto, the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 23, 2024).</u></a>
10.10†	<a href="#"><u>Form of Indemnification Agreement between Kodiak Gas Services, Inc. and each of the directors and officers thereof (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1 (File No. 333-271050) filed with the SEC on March 31, 2023).</u></a>
10.11†	<a href="#"><u>Executive Severance Plan of Kodiak Gas Services, Inc. (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 7, 2024).</u></a>
10.12†	<a href="#"><u>Form of Executive Severance Plan Participation Agreement of Kodiak Gas Services, Inc. (incorporated by reference to Exhibit 10.18 to the Registrant's Current Report on Form 8-K filed with the SEC on July 5, 2023).</u></a>
10.13	<a href="#"><u>Assumption, Ratification and Confirmation Agreement, dated as of June 29, 2023, by and among Kodiak Gas Services, Inc., Frontier Intermediate Holding, LLC, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.12 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 9, 2023).</u></a>
10.14	<a href="#"><u>Registration Rights Agreement, dated as of April 1, 2024 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 1, 2024).</u></a>
10.15	<a href="#"><u>Sixth Amended and Restated Limited Liability Company Agreement of Kodiak Gas Services, LLC, dated as of April 1, 2024 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on April 1, 2024).</u></a>
14.1	<a href="#"><u>Code of Business Conduct, as amended May 2024 (incorporated by reference to Exhibit 14.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on May 9, 2024).</u></a>
19.1*	<a href="#"><u>Kodiak Gas Services, Inc. Insider Trading Policy</u></a>
21.1*	<a href="#"><u>List of Subsidiaries</u></a>
23.1*	<a href="#"><u>Consent of BDO USA, P.C.</u></a>
31.1*	<a href="#"><u>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.</u></a>

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31.2*	<a href="#"><u>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.</u></a>
32.1**	<a href="#"><u>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.</u></a>
32.2**	<a href="#"><u>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.</u></a>
97.1	<a href="#"><u>Clawback Policy of Kodiak Gas Services, Inc. (incorporated by reference to Exhibit 99.7 to the Registrant’s Annual Report on Form 10-K filed with the SEC on March 7, 2024).</u></a>
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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\* Filed herewith.

\*\* Furnished herewith.

† Management compensatory plan or contract.

**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.

**Kodiak Gas Services, Inc.**

Date: March 6, 2025

By: /s/ Robert M. McKee  
Robert M. McKee  
President, Chief Executive Officer and Director  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 6, 2025.

<u>Signature</u>	<u>Title</u>
<u>/s/ Robert M. McKee</u> Robert M. McKee	President, Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ John B. Griggs</u> John B. Griggs	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/s/ Ewan W. Hamilton</u> Ewan W. Hamilton	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Alex Darden</u> Alex Darden	Director
<u>/s/ Christopher Drumgoole</u> Christopher Drumgoole	Director
<u>/s/ Gretchen Holloway</u> Gretchen Holloway	Director
<u>/s/ Jon-Al Duplantier</u> Jon-Al Duplantier	Director
<u>/s/ Margaret C. Montana</u> Margaret C. Montana	Director
<u>/s/ Nirav Shah</u> Nirav Shah	Director
<u>/s/ Randall Hogan</u> Randall Hogan	Director
<u>/s/ Terry Bonno</u> Terry Bonno	Director

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**Report of Independent Registered Public Accounting Firm**

Stockholders and Board of Directors

Kodiak Gas Services, Inc.

The Woodlands, Texas

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of Kodiak Gas Services, Inc. (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of operations, stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, P.C.

We have served as the Company's auditor since 2020.

Houston, Texas

March 6, 2025



**KODIAK GAS SERVICES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(in thousands, except share and per share data)*

	As of December 31,	
	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 4,750	\$ 5,562
Accounts receivable, net of allowance of \$12,629 and \$8,050, respectively	253,637	113,192
Inventories, net	103,341	76,238
Fair value of derivative instruments	3,672	8,194
Contract assets	7,575	17,424
Prepaid expenses and other current assets	10,686	10,353
<b>Total current assets</b>	<b>383,661</b>	<b>230,963</b>
Property, plant and equipment, net	3,395,022	2,536,091
Operating lease right-of-use assets, net	53,754	33,716
Finance lease right-of-use assets, net	5,696	—
Goodwill	415,213	305,553
Identifiable intangible assets, net	162,747	122,888
Fair value of derivative instruments	17,544	14,256
Other assets	1,486	639
<b>Total assets</b>	<b>\$ 4,435,123</b>	<b>\$ 3,244,106</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 57,562	\$ 49,842
Accrued liabilities	188,732	97,078
Contract liabilities	73,075	63,709
<b>Total current liabilities</b>	<b>319,369</b>	<b>210,629</b>
Long-term debt, net of unamortized debt issuance cost	2,581,909	1,791,460
Operating lease liabilities	49,748	34,468
Finance lease liabilities	3,514	—
Deferred tax liabilities	103,826	62,748
Other liabilities	3,150	2,148
<b>Total liabilities</b>	<b>3,061,516</b>	<b>2,101,453</b>
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, (50.0 million authorized, \$0.01 par value) 0.8 million and zero shares issued and outstanding as of December 31, 2024 and 2023, respectively	9	—
Common stock, (750.0 million shares authorized, \$0.01 par value) 89.2 million and 77.4 million issued and 87.8 million and 77.4 million outstanding as of December 31, 2024 and 2023, respectively	892	774
Additional paid-in capital	1,305,375	963,760
Treasury stock, at cost (1.4 million and zero shares held as of December 31, 2024 and 2023, respectively)	(40,000)	—
Noncontrolling interest	13,694	—
Retained earnings	93,637	178,119
<b>Total stockholders' equity</b>	<b>1,373,607</b>	<b>1,142,653</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,435,123</b>	<b>\$ 3,244,106</b>

*See accompanying notes to the consolidated financial statements.*

**KODIAK GAS SERVICES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(in thousands, except per share data)*

	Year Ended December 31,		
	2024	2023	2022
<b>Revenues:</b>			
Contract Services	\$ 1,034,173	\$ 735,605	\$ 654,957
Other Services	125,138	114,776	52,956
<b>Total revenues</b>	<b>1,159,311</b>	<b>850,381</b>	<b>707,913</b>
<b>Operating expenses:</b>			
Cost of operations (exclusive of depreciation and amortization shown below):			
Contract Services	355,016	257,092	225,715
Other Services	103,360	93,779	41,636
Depreciation and amortization	260,272	182,869	174,463
Selling, general and administrative	151,680	73,308	44,882
Long-lived asset impairment	9,921	—	—
Loss (gain) on sale of assets	29,612	(777)	(874)
<b>Total operating expenses</b>	<b>909,861</b>	<b>606,271</b>	<b>485,822</b>
Income from operations	249,450	244,110	222,091
<b>Other income (expenses):</b>			
Interest expense	(197,144)	(222,514)	(165,867)
Loss on extinguishment of debt	—	(6,757)	—
Gain on derivatives	24,017	20,266	83,116
Other (expense) income, net	(415)	31	17
<b>Total other expenses</b>	<b>(173,542)</b>	<b>(208,974)</b>	<b>(82,734)</b>
Income before income taxes	75,908	35,136	139,357
Income tax expense	25,574	15,070	33,092
Net income	50,334	20,066	106,265
Less: Net income attributable to noncontrolling interests	439	—	—
<b>Net income attributable to common shareholders</b>	<b>\$ 49,895</b>	<b>\$ 20,066</b>	<b>\$ 106,265</b>
<b>Earnings per share:</b>			
Basic earnings per share	\$ 0.58	\$ 0.29	\$ 1.80
Diluted earnings per share	\$ 0.56	\$ 0.29	\$ 1.80
Basic weighted average shares of common stock outstanding	83,094	68,059	59,000
Diluted weighted average shares of common stock outstanding	85,170	68,327	59,000

*See accompanying notes to the consolidated financial statements.*

**KODIAK GAS SERVICES, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
*(in thousands)*

	Common Shares		Preferred Shares		Additional Paid- In Capital	Treasury Shares		Noncontrolling Interest	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount		Shares	Amount			
<b>Balance, January 1, 2022</b>	59,000	\$ 590	—	\$ —	\$ 871,403	—	\$ —	\$ —	\$ 88,078	\$ 960,071
Equity compensation - profits interests	—	—	—	—	(214)	—	—	—	971	757
Distribution to parent	—	—	—	—	(838,000)	—	—	—	—	(838,000)
Net income	—	—	—	—	—	—	—	—	106,265	106,265
<b>Balance, December 31, 2022</b>	<u>59,000</u>	<u>\$ 590</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 33,189</u>	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 195,314</u>	<u>\$ 229,093</u>
Distribution to parent	—	—	—	—	(33,189)	—	—	—	(9,111)	(42,300)
Proceeds from initial public offering, net of underwriter discounts	18,400	184	—	—	277,656	—	—	—	—	277,840
Offering costs	—	—	—	—	(10,848)	—	—	—	—	(10,848)
Debt novation	—	—	—	—	692,099	—	—	—	—	692,099
Equity compensation	—	—	—	—	4,271	—	—	—	1,643	5,914
Incentive award conversion	—	—	—	—	582	—	—	—	—	582
Dividends paid to stockholders	—	—	—	—	—	—	—	—	(29,793)	(29,793)
Net income	—	—	—	—	—	—	—	—	20,066	20,066
<b>Balance, December 31, 2023</b>	<u>77,400</u>	<u>\$ 774</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 963,760</u>	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 178,119</u>	<u>\$ 1,142,653</u>
Issuance of common shares for business acquisition	6,786	68	—	—	188,099	—	—	—	—	188,167
Issuance of preferred shares and noncontrolling interest for business acquisition	—	—	5,562	56	(124)	—	—	154,186	—	154,118
Preferred shares and noncontrolling interest converted to common shares	4,730	47	(4,730)	(47)	136,088	—	—	(136,088)	—	—
Equity compensation	—	—	—	—	17,008	—	—	650	—	17,658
Offering costs	—	—	—	—	(1,162)	—	—	—	—	(1,162)
Dividends and dividends equivalents paid to stockholders	—	—	—	—	—	—	—	—	(134,803)	(134,803)
Restricted stock units vested under the Omnibus Plan, net of 107 shares withheld for taxes	324	3	—	—	(2,769)	—	—	—	—	(2,766)
Taxes withheld on issuance of stock-based awards and conversion of preferred shares	—	—	—	—	4,540	—	—	—	—	4,540
Repurchase of common shares	—	—	—	—	—	1,435	(40,000)	—	—	(40,000)
Distributions to noncontrolling interest	—	—	—	—	—	—	—	(5,529)	—	(5,529)
Net income	—	—	—	—	—	—	—	439	49,895	50,334
Other	—	—	—	—	(65)	—	—	36	426	397
<b>Balance, December 31, 2024</b>	<u>89,240</u>	<u>\$ 892</u>	<u>832</u>	<u>\$ 9</u>	<u>\$ 1,305,375</u>	<u>1,435</u>	<u>\$ (40,000)</u>	<u>\$ 13,694</u>	<u>\$ 93,637</u>	<u>\$ 1,373,607</u>

*See accompanying notes to the consolidated financial statements.*

**KODIAK GAS SERVICES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(in thousands)*

	For the Year Ended December 31,		
	2024	2023	2022
<b>Cash flows from operating activities:</b>			
Net income	\$ 50,334	\$ 20,066	\$ 106,265
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	260,272	182,869	174,463
Long-lived asset impairment	9,921	—	—
Equity compensation expense	17,658	5,914	971
Amortization of debt issuance costs	11,969	13,556	13,727
Non-cash lease expense	4,730	4,465	2,817
Provision for credit losses	4,664	7,101	86
Inventory reserve	559	500	500
Loss (gain) on sale of assets	29,612	(777)	(874)
Change in fair value of derivatives	1,234	42,890	(87,363)
Deferred tax provision	15,429	7,863	27,301
Loss on extinguishment of debt	—	4,359	—
Changes in operating assets and liabilities, exclusive of effects of business acquisition:			
Accounts receivable	(102,887)	(22,742)	(16,887)
Inventories	(1,336)	(4,583)	(24,302)
Contract assets	9,849	(13,869)	(3,555)
Prepaid expenses and other current assets	4,434	(833)	(3,269)
Accounts payable	4,967	10,166	(1,518)
Accrued and other liabilities	(2,097)	2,781	25,579
Contract liabilities	9,366	6,600	5,905
Other assets	(691)	—	—
Net cash provided by operating activities	327,987	266,326	219,846
<b>Cash flows from investing activities:</b>			
Net cash acquired in acquisition of CSI Compressco LP	9,458	—	—
Purchase of property, plant and equipment	(336,956)	(219,795)	(259,349)
Proceeds from sale of assets	35,030	1,449	8,082
Other	—	(75)	(115)
Net cash used in investing activities	(292,468)	(218,421)	(251,382)
<b>Cash flows from financing activities:</b>			
Borrowings on debt instruments	2,642,370	1,020,102	1,613,886
Payments on debt instruments	(2,475,572)	(1,243,981)	(724,895)
Principal payments on other borrowings	(5,634)	—	—
Payment of debt issuance cost	(16,271)	(32,768)	(27,819)
Principal payments on finance leases	(2,421)	—	—
Proceeds from initial public offering, net of underwriter discounts	—	277,840	—
Offering costs	(1,162)	(10,039)	—
Loss on extinguishment of debt	—	(1,835)	—
Dividends paid to stockholders	(133,886)	(29,793)	—
Repurchase of common shares	(40,000)	—	—
Cash paid for shares withheld to cover taxes	(2,766)	—	—
Taxes withheld on issuance of stock-based awards and conversion of preferred shares	4,540	—	—
Distribution to parent	—	(42,300)	(838,000)
Distribution to noncontrolling interest	(5,529)	—	—
Net cash (used in) provided by financing activities	(36,331)	(62,774)	23,172
Net decrease in cash and cash equivalents	(812)	(14,869)	(8,364)
Cash and cash equivalents - beginning of period	5,562	20,431	28,795
Cash and cash equivalents - end of period	\$ 4,750	\$ 5,562	\$ 20,431
<b>Supplemental cash disclosures:</b>			
Cash paid for interest	\$ 147,144	\$ 216,648	\$ 143,441
Cash paid for taxes	\$ 14,662	\$ 9,762	\$ 2,177
<b>Supplemental disclosure of non-cash investing activities:</b>			
Increase in accrued capital expenditures	\$ (8,125)	\$ (1,682)	\$ (1,918)
Purchase of property, plant and equipment through exchange of lease ROU asset	\$ —	\$ 3,227	\$ —
<b>Supplemental disclosure of non-cash financing activities:</b>			
Dividends equivalent	\$ (917)	\$ —	\$ —
Non-cash debt novation	\$ —	\$ (689,829)	\$ —

*See accompanying notes to the consolidated financial statements.*



**KODIAK GAS SERVICES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Organization and Description of Business**

Kodiak Gas Services, Inc. (the “Company” or “Kodiak”) is an operator of contract compression infrastructure and related services primarily in the U.S. The Company operates compression units under fixed-revenue contracts with upstream and midstream customers.

Kodiak operates its business and the majority of the Company’s assets and liabilities under its subsidiary Kodiak Gas Services, LLC (“Kodiak Services”). Kodiak is the primary beneficiary of Kodiak Services, which is a variable interest entity, since the Company has the power to direct the activities that most significantly impact Kodiak Services’ economic performance and the Company has the right (and obligation) to receive benefits (and absorb losses) of Kodiak Services that could be potentially significant to the Company.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation and Consolidation***

The accompanying consolidated financial statements of the Company have been prepared on the accrual basis using accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the SEC. These consolidated financial statements include the accounts of Kodiak and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated upon consolidation.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions used in preparing the accompanying consolidated financial statements. Significant estimates and assumptions that impact these consolidated financial statements relate to, among other things, fair value of derivative instruments, estimates of cost to complete on revenue contracts with customers, grant date fair value for the share-based equity awards, forecasting of our income tax (provision) benefit and the valuation of deferred taxes, useful lives of and salvage value of property, plant and equipment, fair value of assets acquired and liabilities assumed in business combinations, and sales tax liabilities.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

***Revenue Recognition***

The Company recognizes revenue when obligations under the terms of a contract with the customer are satisfied. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or providing services to our customers. See Note 4. Revenue Recognition for more detailed information about revenue recognition.

***Accounts Receivable and Allowance for Credit Losses***

Accounts receivables are recorded at their outstanding balances, net of any allowances for credit losses, if determined necessary. Accounts deemed uncollectible are applied against the allowance for credit losses. Recoveries of accounts receivable previously written off are recorded when received.

We utilize an aging schedule to determine our allowance for credit losses, and measure expected credit losses on a collective (pool) basis when similar risk characteristics exist. The risk characteristics are assessed based on the financial strength of the customer and overall business climate in which customer operates. If a customer does not share similar risk characteristics with other customers, we evaluate the customer’s outstanding trade receivables for expected credit losses on an individual basis. Each reporting period, we reassess our customers’ risk profiles and determine the appropriate asset pool classification, or perform individual assessments of expected credit losses, based on the customers’ risk characteristics at the reporting date.

***Inventories***

Inventories consist of (i) non-serialized spare parts, fluids and other supplies consumed in the performance of revenue-generating services and parts and supplies inventory for the repair and maintenance of the Company's equipment fleet; and (ii) serialized parts consisting of components inventory to support the Company's equipment fleet. Inventories are measured at the lower of cost or net realizable value. Non-serialized inventories' cost is determined using weighted-average cost. Serialized inventories' cost is determined using the specific-identification cost method. The Company recognizes decreases in inventory values through reductions of carrying values to lower of cost or net realizable value on an as needed basis. Periodically, obsolescence reviews are performed on slow-moving inventories and reserves are established based on estimated shrinkage between physical inventory counts, changes in customer demand, technological developments, or other economic factors.

***Property, Plant and Equipment, net***

Property, plant and equipment acquired in connection with business combinations are recorded at fair value as of the date of acquisition. All other additions of property, plant and equipment, which primarily consist of compression equipment, are recorded at cost. The Company depreciates the cost of property, plant and equipment using the straight-line method over their estimated useful lives. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss are reflected in the accompanying consolidated statements of operations for the period. The cost of additions and improvements that extend the useful lives of property, plant and equipment beyond its original life are capitalized. Routine maintenance and repair items are charged to current operations.

The Company uses estimates to capitalize installation costs associated with the transport, installation, and commissioning of each compressor unit. Costs associated with these estimates include all direct costs required to get the unit in service for its intended use such as labor, parts, materials, and any other services that are unique in nature to each individual compressor unit. Capitalized installation costs are depreciated over the life of the agreement with the customer.

***Impairment of Long-Lived Assets***

Long-lived assets, including property, plant, and equipment, and other finite-lived identifiable intangible assets, are reviewed for impairment whenever events or changes in circumstances, including the removal of compressors from the active fleet, indicate that the carrying amount of an asset may not be recoverable. Such events may include significant changes in performance relative to expected operating results, significant changes in asset use, significant negative industry or economic trends, and changes in the Company's business strategy, among others. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to estimated future undiscounted net cash flows expected to be generated by the asset. Impairment losses are recognized in the period in which the impairment occurs and represent the excess of the asset carrying value over its estimated future discounted cash flows.

***Leases***

The Company determines if an arrangement is a lease at commencement date and the leases are included in either operating or financing lease right-of-use assets ("ROU"), and operating or finance lease liabilities in the Company's consolidated balance sheets.

ROU lease assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses the incremental borrowing rate based on the information available on the commencement date in determining the present value of lease payments. ROU lease assets also include any lease payments made and exclude lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Short-term leases (those with an initial term of twelve months or less upon commencement) are not recorded on our consolidated balance sheet. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Variable costs such as the Company's proportionate share of actual costs for utilities, common area maintenance, property taxes and insurance are not included in the lease liability and are recognized in the period in which they are incurred. For finance leases, we amortize our right-of-use assets on a straight-line basis over the shorter of the asset's useful life or the lease term. Additionally, interest expense is recognized each period related to the accretion of our lease liabilities over their respective lease terms.

***Identifiable Intangible Assets, net***

Identifiable intangible assets acquired in connection with business combinations are recorded at fair value as of the date of acquisition. The cost of identifiable intangible assets with finite lives are amortized using the straight-line method over their estimated useful lives, generally ranging from 5 to 20 years, which is the period over which the assets are expected to contribute directly or indirectly to future cash flows. The Company's identifiable intangible assets consist of trade name and customer relationships.

***Goodwill***

Goodwill represents the excess of acquisition consideration paid over the fair value of net assets and liabilities acquired. Goodwill is not amortized, but rather is reviewed for impairment on an annual basis (or more frequently if impairment indicators exist). The Company tests goodwill at the reporting unit level, which is the level for which there are distinct cash flows, products, capabilities and available financial information by first performing a qualitative assessment to determine if it is more likely than not that the carrying value of the entity exceeds its fair value. As of December 31, 2024 and 2023, the Company had two reporting units; however, the entire goodwill balance was allocated to the Company's Contract Services reporting unit.

The Company conducts an annual impairment test during the fourth quarter or more frequently if there are indicators that goodwill may be impaired. The Company first performs a qualitative assessment, and, if based on this assessment, it may be more likely than not that goodwill may be impaired then the Company must determine the fair value of the reporting unit and compare it to the reporting unit's carrying value. Factors utilized in the qualitative assessment include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and Company specific events. Fair value of the reporting unit is determined based on the present value of estimated cash flows using available information regarding expected cash flows of each reporting unit, discount rates and the expected long-term cash flow growth rates. If the fair value of the reporting unit exceeds the carrying value, goodwill is not impaired, and no further testing is performed. The Company records impairment when the carrying value exceeds the fair value and to the extent there is remaining goodwill in the reporting unit.

The Company performed a qualitative test during its fourth quarter and concluded that there were no events or circumstances that occurred indicating it was more likely than not that the fair value of the Contract Services reporting unit was below its carrying amount. No goodwill impairment was recorded for the years ended December 31, 2024, 2023, or 2022.

Application of the goodwill impairment test requires judgments, including a qualitative assessment to determine whether there are any impairment indicators, and determining the fair value of the reporting unit if an impairment indicator is present. A number of significant assumptions and estimates are involved in the application of the income approach to forecast future cash flows, including revenue and operating income growth rates, discount rates and other factors. While we believe that our estimates of current fair value are reasonable, if actual results differ from the estimates and judgments used including such items as future cash flows and the volatility inherent in markets which we serve, impairment charges against the carrying value of those assets could be required in the future.

***Stock-based Compensation***

Stock-based compensation expense is measured at the grant date of the share-based awards based on their fair value. Stock-based compensation expense is recognized on a straight-line basis over the vesting period and is included in selling, general and administrative expenses in the consolidated statements of operations. We do not estimate expected forfeitures, but recognize them as they occur. See Note 14. Stockholders' Equity for additional information related to stock-based compensation.

***Earnings Per Share***

Basic earnings per share is computed by dividing net income attributable to common shareholders by the weighted-average number of shares of common stock outstanding. Diluted earnings per share is computed by dividing net income attributable to common stockholders by the Basic Weighted Average Shares Outstanding plus all potential dilutive common shares outstanding during the period. See Note 21. Earnings Per Share of Common Stock for additional information related to earnings per share.



***Debt Issuance Costs***

Costs incurred related to debt issuance are deferred and amortized over the term of the related debt using a method that approximates the effective interest rate method. Unamortized debt issuance costs are recorded as a direct deduction from the carrying amount of the related loans on the consolidated balance sheets.

***Derivative Instruments***

The Company recognizes derivative instruments on the consolidated balance sheets at fair value and classifies them as current or long-term depending on the maturity of the derivative instrument and whether the net carrying value is in a net liability position. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and whether the Company has elected to designate the derivative as being in a hedging relationship. Currently, the Company's interest rate swaps are intended to economically hedge certain risks ("economic hedges"). The Company has elected not to apply hedge accounting to these instruments and does not enter into such instruments for speculative purposes; accordingly, all realized and unrealized gains and losses on derivative instruments have been recognized in the accompanying consolidated statements of operations as gain on derivatives.

***Income Taxes***

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and deferred tax liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and deferred tax liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and deferred tax liabilities is recognized in income in the period that includes the enactment date. Management is not aware of any changes in tax laws or rates that would have a material impact on our financial position, results of operations or cash flows.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future, in excess of their net recorded amount, we would make an adjustment to the valuation allowance against deferred tax assets, which would reduce the provision for income taxes.

The Company applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% percent likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Company has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities. The Company believes that there are no tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within the next twelve months. The Company will recognize interest and penalties related to uncertain tax positions in income tax expense. None of the Company's federal or state tax income tax returns are currently under examination by the Internal Revenue Service ("IRS") or state authorities. However, fiscal years 2020 and later remain subject to examination by the IRS and respective states in the U.S.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was enacted into law. The IRA contains significant tax law changes, including a corporate alternative minimum tax ("CAMT") of 15% on adjusted financial statement income for applicable corporations, and a 1% excise tax on stock repurchases after December 31, 2022. The IRA also extends certain federal tax credits and creates new tax credits to promote sustainability initiatives. The Company examined the IRA and determined that it does not have a material impact on the consolidated financial statements. The Company will continue to monitor this legislation as additional guidance is issued by the U.S. Treasury Department.

In December 2021, the Organization for Economic Co-operation and Development ("OECD") published Model Global Anti-Base Erosion rules under Pillar Two. The model rules seek to ensure that multinational corporations pay tax at a minimum rate of 15% in each jurisdiction in which they do business. Various countries in which we operate have implemented Pillar Two rules which became effective starting in 2024. The Company analyzed the enacted legislation and determined that it did not have a material impact on our financial statements. The Company will continue to evaluate Pillar Two legislation as it is enacted to determine its impact on the tax provision.

### ***Fair Value Measurements***

The Company records certain financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These fair value measurements incorporate nonperformance risk (i.e., the risk that an obligation will not be fulfilled) and credit risk. In the absence of active markets for identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs.

The three levels of the valuation hierarchy are defined as follows:

- Level 1 – Observable inputs such as quoted prices in active markets at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Other inputs that are observable directly or indirectly such as quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 – Unobservable inputs for which there is little or no market data and which the Company makes its own assumptions about how market participants would price the assets and liabilities.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

See Note 13. Fair Value Measurements for more details.

### ***Concentrations of Credit Risk***

The Company's assets that are potentially subject to concentrations of credit risk are cash and cash equivalents, trade accounts receivable and contract assets. Cash balances are maintained in financial institutions which at times exceed federally insured limits. The Company monitors the financial condition of the financial institutions in which accounts are maintained and has not experienced any losses in such accounts. The accounts receivable and contract assets of the Company are spread over a number of customers, a majority of which are operators and suppliers to the natural gas and oil industries.

Major customers are defined as those individually comprising more than 10% of our revenues or accounts receivable, net balance. For the year ended December 31, 2024, one customer comprised approximately 13% of total revenues. For each of the years ended December 31, 2023 and 2022, one customer comprised approximately 12% of total revenues. All of these revenues were related to the Contract Services segment.

As of December 31, 2024 and 2023, one customer comprised 12% and 14%, respectively, of the Company's accounts receivable, net balance.

### ***Recently Issued Accounting Pronouncements***

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendment requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. The guidance is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted, and should be applied on a prospective basis, with a retrospective option. We are currently evaluating the impact of this standard on our disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Disaggregation of Income Statement Expenses (DISE)*, which requires the disaggregated disclosure of specific expense categories, including purchases of inventory, employee compensation, depreciation, and amortization, within relevant income statement captions and the total amount of selling expenses. This guidance is effective for annual periods beginning after December 15, 2026, and interim periods within

fiscal years beginning after December 15, 2027, with early adoption permitted. We are currently evaluating the impact of this standard on our disclosures.

#### ***Recently Adopted Accounting Pronouncements***

In November 2023, FASB issued ASU 2023-07, *Segment Reporting: Improvements to Reportable Segment Disclosures*, which requires a public business entity to disclose its significant segment expense categories and amounts for each reportable segment. A significant segment expense is an expense that is significant to the segment, regularly provided to or easily computed from information regularly provided to the chief operating decision maker ("CODM"), and included in the reported measure of segment profit or loss. The guidance is effective for annual periods beginning after December 15, 2023, and interim periods within annual periods beginning after December 15, 2024. The adoption of this ASU did not have a material effect on our consolidated financial statements, other than the newly required disclosures. See Note 20. Segments for the inclusion of the new required disclosures.

### **3. Acquisitions and Divestitures**

#### ***Merger with CSI Compressco***

On April 1, 2024, the Company completed the acquisition of 100% of the issued and outstanding partnership interests of CSI Compressco pursuant to the terms of the Merger Agreement, dated December 19, 2023 (the "Merger Agreement"), for total consideration of \$342.3 million, consisting of the issuance of the equity shares in the CSI Acquisition. CSI Compressco provides contract services related to the exploration and production of oil and natural gas, including natural gas compression services and treating services, aftermarket services, and the sale of compressor package parts and components manufactured by third-party suppliers. Strategically, the CSI Acquisition is expected to afford us the opportunity to capture significant synergies associated with our product and service offerings, further penetrate new and existing markets, and achieve administrative efficiencies and other strategic benefits.

Under the Merger Agreement, CSI Compressco unitholders received 0.086 shares of common stock, par value \$0.01 per share, of Kodiak ("common stock") for each CSI Compressco common unit owned, and certain CSI Compressco unitholders meeting specified requirements (the "Electing Unitholders") elected to receive limited liability company units ("OpCo Units") representing economic interests in Kodiak Services (along with an equal number of shares of Kodiak's non-economic voting preferred stock), for each CSI Compressco common unit they held. Each OpCo Unit is redeemable at the option of the holder for (i) one share of common stock (along with cancellation of a corresponding share of preferred stock) or (ii) cash at Kodiak Services' election, following a 180 days post-closing lock-up and subject to certain conditions. On or after April 1, 2029, Kodiak shall have the right to effect redemption of such OpCo Units. The OpCo Units represent and will be accounted for as noncontrolling interests in Kodiak Services. Each share of preferred stock entitles the holder to one vote per share, voting proportionally with holders of common stock. The preferred stock lacks economic benefits beyond its par value of \$0.01 per share (with a maximum value of \$50,000), as it does not participate in earnings or cash dividends of Kodiak. Rather, it solely represents a voting share. Pursuant to the Merger Agreement, the Company issued 6,785,712 shares of common stock and 5,562,273 shares of preferred stock (with an equal number of OpCo Units) with an estimated fair value of \$342.3 million based on the Company's stock price on April 1, 2024 of \$27.72.

Additionally, subsequent to the close of the CSI Acquisition, the Company used additional draws on the ABL Facility of \$651.8 million to repay, terminate and/or redeem all of CSI Compressco's existing outstanding indebtedness, except for certain equipment financing obligations, and pay fees and expenses related to the 2029 Senior Notes offering and the CSI Acquisition. See Note 11. Debt and Credit Facilities for further description.

Our preliminary allocation of the purchase price to the estimated fair value of the CSI Compressco net assets is as follows *(in thousands)*:

<b>Fair value of consideration transferred</b>	\$	342,285
<b>Recognized amounts of identifiable assets acquired and liabilities assumed</b>		
Cash and cash equivalents	\$	9,458
Receivables		48,890
Inventory		40,738
Prepaid expenses & other current assets		8,638
Intangible assets <sup>(1)</sup>		47,503
Property, plant and equipment		813,783
Right of use assets		26,044
Deferred tax assets		17
Other non-current assets		3,110
<b>Total assets acquired</b>		<u>998,181</u>
Deferred tax liabilities		29,695
Long term debt		627,953
Other current liabilities		86,267
Other non-current liabilities		21,870
<b>Total liabilities assumed</b>		<u>765,785</u>
<b>Total identifiable assets acquired less liabilities assumed</b>	\$	<u>232,396</u>
<b>Goodwill acquired</b>	\$	<u>109,889</u>

- (1) Identifiable intangibles acquired include customer relationships and trade names with a fair value of \$ 41.1 million and \$6.4 million, respectively. Estimated useful lives are 15 and 5 years, respectively. The weighted average amortization period for identifiable intangible assets recognized is 13.2 years.

The purchase price was allocated to the assets acquired and liabilities assumed based on our estimates of fair value estimated as of the acquisition date. The methodologies used, and key assumptions made, were based on a combination of the income approach, market approach, and cost approach. The assumptions and inputs incorporated within the fair value estimates are subject to considerable management judgement and are based on industry, market, and economic conditions prevalent at the time of the acquisition. As of December 31, 2024, we have substantially completed the allocation of the consideration. The primary areas in which the preliminary purchase price allocation is not yet finalized relate to the deferred income taxes and residual goodwill. We will complete the purchase price allocation and valuation during the first quarter of 2025.

During the year ended December 31, 2024, we recognized measurement period adjustments of \$2.1 million, primarily related to updated valuations of property, plant and equipment, intangible assets, and deferred tax liabilities. The measurement period adjustment increased goodwill acquired from \$97.8 million to \$109.9 million.

The fair value of the assets acquired and liabilities assumed are categorized in the following levels:

Level 1 - Cash and cash equivalents; based on observable inputs such as quoted prices in active markets at the measurement date for identical assets or liabilities.

Level 2 - Receivables, inventory, right of use assets, prepaid expenses and other current assets, other non-current assets, long term debt and other current and non-current liabilities; based on inputs that are observable such as quoted prices in markets that are not active (e.g. quoted pricing on CSI Compressco's debt), or inputs which are observable, for substantially the full term of the asset or liability.

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Level 3 - Intangible assets, property, plant and equipment, and sales tax liability; based on unobservable inputs for which there is little or no market data and which assumption are made about how market participants would price the assets or liabilities. The Company used a combination of the income, cost and market approaches based on various assumptions and inputs.

Goodwill of \$109.9 million arising from the CSI Acquisition is supported by the strategic benefits and expected synergies to be generated from the CSI Acquisition. Goodwill is not deductible for tax purposes and has been allocated to our Contract Services reportable segment. The acquired property, plant and equipment is stated at fair value, and depreciation on the acquired property, plant and equipment is computed using the straight-line method over the estimated remaining useful lives of each asset in line with the Company's policies.

It is impracticable to determine the revenue and earnings recorded in the consolidated statements of operations for the year ended December 31, 2024 as we initiated the integration of a substantial portion of CSI Compresco into our ongoing operations following the close of the CSI Acquisition. In addition, acquisition-related costs of approximately \$26.3 million were incurred during the year ended December 31, 2024 related to external legal fees, transaction consulting fees, and due diligence costs. These costs have been recognized in selling, general and administrative expenses in the consolidated statements of operations.

### **Unaudited Supplemental Pro Forma Financial Information**

The following unaudited supplemental pro forma information has been prepared as though the CSI Acquisition had occurred on January 1, 2023. The pro forma information is presented for illustrative purposes only and is based on estimates and assumptions we deemed appropriate. The following pro forma information is not necessarily indicative of the historical results that would have been achieved if the acquisition had occurred in the past, and our operating results may have been different from those reflected in the pro forma information below. Therefore, the pro forma information should not be relied upon as an indication of the operating results that we would have achieved if the transaction had occurred on January 1, 2023 or the future results that we will achieve after the transactions. The pro forma results include certain adjustments, primarily due to increases in interest expense due to additional borrowings incurred to finance the acquisition and amortization of debt issuance costs and depreciation and amortization expense. Non-recurring acquisition related costs including transaction costs, such as legal, accounting, valuation and other professional services as well as integration costs such as severance are included within the pro forma revenue and net income below.

	Year Ended December 31,	
	2024	2023
Revenue	\$ 1,256,421	\$ 1,236,509
Net income	\$ 59,945	\$ 17,968

### **Sale of Assets**

On September 12, 2024, the Company sold certain property, plant and equipment and other assets in the U.S. as well as our legal entity in Canada to a third-party buyer. The majority of the operations were included in the Contract Services segment through the date of sale. Total net assets sold were approximately \$18.0 million, consisting primarily of compression equipment, inventory, and other assets. Upon disposition, we incurred a loss of approximately \$7.0 million included in loss (gain) on sale of assets in our consolidated statements of operations for the year ended December 31, 2024.

On December 9, 2024, we sold certain assets and our legal entity in Argentina. The majority of the operations were included in the Contract Services segment through the date of sale. The transaction constituted the sale of a business for accounting purposes. Total assets sold primarily consisted of approximately \$10.8 million in property, plant and equipment, \$2.7 million in accounts receivable, and \$2.2 million in inventory. We recognized a loss of \$13.6 million, which is included in loss (gain) on sale of assets in our consolidated statements of operations for the year ended December 31, 2024.

#### 4. Revenue Recognition

The following table disaggregates the Company's revenue by type and timing of provision of services or transfer of goods (*in thousands*):

	Year Ended December 31,		
	2024	2023	2022
<b>Services provided over time:</b>			
Contract Services	\$ 1,032,493	\$ 728,032	\$ 646,281
Other Services	56,512	89,402	46,971
<b>Total services provided over time</b>	<b>1,089,005</b>	<b>817,434</b>	<b>693,252</b>
<b>Services provided or goods transferred at a point in time:</b>			
Contract Services	1,680	7,573	8,676
Other Services	68,626	25,374	5,985
<b>Total services provided or goods transferred at a point in time</b>	<b>70,306</b>	<b>32,947</b>	<b>14,661</b>
<b>Total revenues</b>	<b>\$ 1,159,311</b>	<b>\$ 850,381</b>	<b>\$ 707,913</b>

The Company derives its revenue from contracts with customers, which comprise the following revenue streams:

##### **Contract Services**

Contract Services consists of operating Company-owned compression, customer-owned compression and gas treating and cooling infrastructure for the Company's customers, pursuant to primarily fixed-revenue contracts enabling the production, gathering and transportation of natural gas and oil.

Contract Services for Kodiak-owned compressors, customer-owned compressors, as well as gas treating equipment, are generally satisfied over time, as services are rendered for selected customer locations on a monthly basis and based upon specific performance criteria set forth in the applicable contract. Terms are typically one to seven years and at the end of the term, transition to a month-to-month term if not cancelled by either party. The monthly service for each location is substantially the same service month to month and is promised consecutively over the contract term. The progress and performance of the service are measured consistently using a straight-line, time-based method; the performance obligations are satisfied evenly over the contract term as the customer simultaneously receives and consumes the benefits provided by the service. Consistent with the Company's satisfaction of its performance obligations, the customer renders payment for services over time in accordance with the terms of the contract.

If variable consideration exists, it is allocated to the distinct monthly service within the series to which such variable consideration relates. The Company has elected to apply the right to invoice practical expedient to recognize revenue for such variable consideration, as the invoice corresponds to the value transferred to the customer based on the Company's performance completed to date.

There are typically no material obligations for returns, refunds, or warranties. The Company's standard contracts do not usually include non-cash consideration.

##### **Other Services**

Other Services consists of a full range of services to support any ancillary needs of customers, including station construction, customer-owned compression maintenance and overhaul, freight and crane charges, and other time and material-based offerings.

For most of the Company's station construction contracts, the customer contracts with the Company to provide a service of integrating a significant set of tasks and components into a single contract. Hence, the entire contract is accounted for as one performance obligation. The Company recognizes revenue over time as the Company's performance creates or enhances an asset that the customer, in turn, controls. For construction contracts, revenue is recognized using an input method. Measure of the progress towards satisfaction of the performance obligation is based on the actual amount of labor and material costs incurred. The amount of the transaction price recognized as revenue each reporting period is determined by multiplying the transaction price by the ratio of actual costs incurred to date to total estimated costs expected for the construction services. Payment terms and conditions vary by contract, but contract terms generally include a requirement of payment upon completion of a milestone. Judgment is involved in the estimation of the progress to completion. Any

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adjustments to the measure of the progress to completion is accounted for on a prospective basis. Changes to the scope of service are recognized as an adjustment to the transaction price in the period in which the change order is agreed upon and executed. Losses on construction contracts, if any, are recognized in the period when the estimated loss is determined. There have been no losses recognized in the years ended December 31, 2024, 2023 and 2022, respectively.

Services provided based on time spent, parts and/or materials are generally short-term in nature and labor rates and parts pricing are agreed upon prior to commencing the service. Since revenue is recognized when time is incurred, this revenue is recognized at a point in time when the service is rendered.

Service revenue earned primarily on freight and crane charges that are directly reimbursable by our customers are recognized at the point in time the service is provided and control is transferred to the customer. At such time, the customer has the ability to direct the use of the benefits of such service after the performance obligation is satisfied. The amount of consideration we receive and revenue we recognize is based upon the invoice amount.

### **Contract Assets and Liabilities**

The Company recognizes a contract asset when the Company has the right to consideration in exchange for goods or services transferred to a customer. Contract assets are transferred to trade receivables when the Company has the right to bill. The Company had contract assets of \$7.6 million and \$17.4 million as of December 31, 2024 and 2023, respectively.

The Company records contract liabilities when cash payments are received or due in advance of performance. The Company's contract liabilities were \$73.1 million as of December 31, 2024. As of January 1, 2024 and 2023, the beginning balances for contract liabilities were \$63.7 million and \$57.1 million, respectively, all of which was recognized as revenue in the years ended December 31, 2024 and 2023, respectively.

### **Performance Obligations**

As of December 31, 2024, the aggregate amount of transaction price allocated to unsatisfied performance obligations related to the Company's revenue for the Contract Services segment is \$1.5 billion.

The Company expects to recognize these remaining performance obligations as follows (*in thousands*):

	2025	2026	2027	2028	2029 and thereafter	Total
Remaining performance obligations	\$ 763,965	\$ 431,133	\$ 198,932	\$ 53,116	\$ 26,180	\$ 1,473,326

As of December 31, 2024, the aggregate amount of transaction price allocated to unsatisfied performance obligations related to the Company's revenue for the Other Services segment is \$10.2 million, all of which is expected to be recognized by December 31, 2025.

### **5. Accounts Receivable, net**

The allowance for credit losses were \$12.6 million and \$8.0 million as of December 31, 2024 and 2023, respectively, which represents our best estimate of the amount of probable credit losses included within our existing accounts receivable balance.

The changes in our allowance for credit losses are as follows (*in thousands*):

	Allowances for Credit Losses
<b>Balance at January 1, 2022</b>	\$ 959
Write-offs charged against allowance	(10)
<b>Balance at December 31, 2022</b>	949
Current-period provision for expected credit losses	7,101
<b>Balance at December 31, 2023</b>	8,050
Current-period provision for expected credit losses	4,664
Write-offs charged against allowance	(85)
<b>Balance at December 31, 2024</b>	\$ 12,629

**6. Inventories, net**

Inventories, net consisted of the following (*in thousands*):

	As of December 31,	
	2024	2023
Non-serialized parts	\$ 93,060	\$ 62,784
Serialized parts	12,167	13,454
Inventory reserve	(1,886)	—
<b>Inventories, net</b>	<b>\$ 103,341</b>	<b>\$ 76,238</b>

**7. Property, Plant and Equipment, net**

Property, plant and equipment, net consisted of the following (*in thousands*):

	As of December 31,	
	2024	2023
Compression equipment	\$ 4,175,804	\$ 3,166,214
Field equipment	92,077	19,286
Buildings and shipping containers	13,656	11,942
Technology hardware and software	14,960	11,161
Trailers and vehicles	13,506	9,885
Leasehold improvements	11,942	8,093
Furniture and fixtures	2,650	2,053
Land	1,000	743
Other	—	374
Total property, plant and equipment, gross	4,325,595	3,229,751
Less: accumulated depreciation	(930,573)	(693,660)
<b>Property, plant and equipment, net</b>	<b>\$ 3,395,022</b>	<b>\$ 2,536,091</b>

Depreciation expense was \$245.8 million, \$173.4 million, and \$165.0 million for the years ended December 31, 2024, 2023 and 2022, respectively, and is recorded within depreciation and amortization on the accompanying consolidated statements of operations.

The estimated useful lives of assets are as follows:

	Estimated Useful Life
Compression equipment	4-25 years
Field equipment	1-5 years
Buildings	25-40 years
Shipping containers	4 years
Technology hardware and software	3 years
Trailers and vehicles	5 years
Leasehold improvements	Remaining lease term, no less than 1 year
Furniture and fixtures	7 years
Other	Estimated useful life or 1 year



## 8. Goodwill and Identifiable Intangible Assets, net

### Goodwill

The carrying amount of goodwill, including changes therein is shown below *(in thousands)*:

	<b>Goodwill</b>	
<b>Balance as of December 31, 2023</b>	\$	305,553
Acquisition of CSI Compressco		97,837
Measurement period adjustment <sup>(1)</sup>		12,052
Allocated to disposal group <sup>(2)</sup>		(229)
<b>Balance as of December 31, 2024</b>	<b>\$</b>	<b>415,213</b>

(1) See Note 3. Acquisitions and Divestitures for additional information related to the CSI acquisition.

(2) See Note 3. Acquisitions and Divestitures for additional information related to the sale of assets.

### Intangible Assets

The Company's identifiable intangible assets were as follows *(in thousands)*:

	<b>As of December 31, 2024</b>			<b>As of December 31, 2023</b>		
	<b>Original Cost</b>	<b>Accumulated Amortization</b>	<b>Net Amount</b>	<b>Original Cost</b>	<b>Accumulated Amortization</b>	<b>Net Amount</b>
Trade name	\$ 19,400	\$ (4,791)	\$ 14,609	\$ 13,000	\$ (3,181)	\$ 9,819
Customer relationships	191,100	(47,809)	143,291	150,000	(36,931)	113,069
Internal use software	4,847	—	4,847	—	—	—
<b>Total identifiable intangible assets</b>	<b>\$ 215,347</b>	<b>\$ (52,600)</b>	<b>\$ 162,747</b>	<b>\$ 163,000</b>	<b>\$ (40,112)</b>	<b>\$ 122,888</b>

Amortization expense was \$12.5 million, \$9.5 million and \$9.5 million for the years ended December 31, 2024, 2023 and 2022, respectively, and is recorded within depreciation and amortization on the consolidated statements of operations. As of December 31, 2024 and 2023, the remaining weighted average amortization period for identifiable intangible assets recognized is 12.4 and 13.0 years, respectively.

Estimated future amortization expense related to intangible assets as of December 31, 2024, is as follows *(in thousands)*:

<b>Years ending December 31,</b>	<b>Amount</b>
2025	\$ 13,561
2026	13,494
2027	13,494
2028	13,494
2029	12,534
Thereafter	91,323

## 9. Leases

The Company maintains operating and finance leases that grant us the right to use compression equipment, office spaces and certain corporate equipment. The Company's leases have remaining lease terms of up to 15 years, some of which include options that permit renewals for additional periods. We are not, however, reasonably certain to exercise any

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renewal options and accordingly have not included those renewal periods in the remaining lease terms. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Leases are presented in our consolidated balance sheet as follows (*in thousands*):

	Classification	As of December 31,	
		2024	2023
<b>Right-of-use Assets:</b>			
Operating leases	Operating lease right-of-use assets, net	\$ 53,754	\$ 33,716
Finance leases	Finance lease right-of-use assets, net	\$ 5,696	\$ —
<b>Lease liabilities:</b>			
<b>Operating lease liabilities:</b>			
Current	Accrued liabilities	\$ 9,930	\$ —
Noncurrent	Operating lease liabilities	49,748	34,468
<b>Total operating lease liabilities</b>		<b>\$ 59,678</b>	<b>\$ 34,468</b>
<b>Finance lease liabilities:</b>			
Current	Accrued liabilities	\$ 1,928	\$ —
Noncurrent	Finance lease liabilities	3,514	—
<b>Total finance lease liabilities</b>		<b>\$ 5,442</b>	<b>\$ —</b>

The components of total lease cost were as follows (*in thousands*):

	For the Year Ended December 31,		
	2024	2023	2022
<b>Operating lease expense:</b>			
Operating lease expense	\$ 14,993	\$ 6,536	\$ 3,349
Short-term lease expense	4,287	1,132	337
<b>Total operating lease expense</b>	<b>19,280</b>	<b>7,668</b>	<b>3,686</b>
<b>Finance lease expense:</b>			
Amortization of leased assets	1,421	—	—
Interest on lease liabilities	202	—	—
<b>Total finance lease expense</b>	<b>1,623</b>	<b>—</b>	<b>—</b>
<b>Total lease expense</b>	<b>\$ 20,903</b>	<b>\$ 7,668</b>	<b>\$ 3,686</b>

The short-term lease cost disclosed above reasonably reflects the Company's ongoing short-term lease commitments. These lease costs are primarily recorded within cost of operations.

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Supplemental information related to the Company's operating and finance leases were as follows:

<i>(in thousands, except years and percentages)</i>	<b>For the Year Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Other supplemental information:</b>			
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>			
Operating cash flows - operating leases	\$ 16,879	\$ 5,800	\$ 3,332
Operating cash flows - finance leases	\$ 319	\$ —	\$ —
<b>Right-of-use assets obtained in exchange for lease obligations:</b>			
Operating leases	\$ 12,894	\$ 28,353	\$ 1,203
Finance leases	\$ 7,111	\$ —	\$ —
<b>Weighted-average remaining lease term:</b>			
Operating leases	6.56 years	7.50 years	3.55 years
Finance leases	3.07 years	—	—
<b>Weighted-average discount rate:</b>			
Operating leases	9.5 %	9.5 %	5.3 %
Finance leases	6.1 %	— %	— %

Future minimum lease payments, under non-cancelable operating and finance leases with terms in excess of one year, as of December 31, 2024 are as follows *(in thousands)*:

<b>Year ended December 31,</b>	<b>Operating leases</b>		<b>Finance leases</b>	
	\$	\$	\$	\$
2025	14,999	14,999	1,853	1,853
2026	13,833	13,833	1,975	1,975
2027	10,737	10,737	1,704	1,704
2028	9,157	9,157	491	491
2029	8,754	8,754	—	—
Thereafter	25,472	25,472	—	—
Total lease payments	82,952	82,952	6,023	6,023
Less: imputed interest	(23,274)	(23,274)	(581)	(581)
<b>Total lease liabilities</b>	<b>\$ 59,678</b>	<b>\$ 59,678</b>	<b>\$ 5,442</b>	<b>\$ 5,442</b>

As of December 31, 2024, we had an additional operating lease that has not yet commenced for office space with lease obligations of \$ 1 million. The operating lease will commence starting in 2029 with a lease term of approximately 7 years.

**10. Long-Lived and Other Asset Impairment**

For the year ended December 31, 2024, we determined that certain events occurred to a group of non-operating compression units associated with a certain customer in bankruptcy that indicated the carrying value of assets may not be recoverable. As a result, we recorded an impairment of compression equipment of \$9.9 million. No impairment was recorded, and no triggering events were identified for the years ended December 31, 2023 and 2022.

## 11. Debt and Credit Facilities

Long-term debt consisted of the following (*in thousands*):

	As of December 31,	
	2024	2023
ABL Facility	\$ 1,875,097	\$ 1,830,346
2029 Senior Notes	750,000	—
<b>Total debt outstanding</b>	<b>2,625,097</b>	<b>1,830,346</b>
Less: unamortized debt issuance costs	(43,188)	(38,886)
<b>Long-term debt, net of unamortized debt issuance cost</b>	<b>2,581,909</b>	<b>1,791,460</b>
Other borrowings	5,739	—
<b>Total long-term debt and other borrowings</b>	<b>\$ 2,587,648</b>	<b>\$ 1,791,460</b>

### *ABL Facility*

Kodiak and its subsidiary, Kodiak Services, are borrowers under a revolving asset-based loan credit facility (the “ABL Facility”) with unaffiliated secured lenders and JPMorgan Chase Bank, N.A., as administrative agent.

On March 22, 2023, Kodiak and Kodiak Services entered into the Fourth Amended and Restated Credit Agreement with the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (as amended or restated from time to time, the “ABL Credit Agreement”) which mainly served to extend the maturity date to March 2028. The total commitments under the facility are \$2.2 billion. As of December 31, 2024, there was \$2.4 million in letters of credit outstanding under the ABL Facility.

Pursuant to the ABL Credit Agreement, the Company must comply with certain restrictive covenants, including a minimum interest coverage ratio of 2.5x and a maximum Leverage Ratio (calculated based on the ratio of Total Indebtedness to EBITDA, each as defined in the ABL Credit Agreement), and beginning for the quarter ended June 30, 2024, a Secured Leverage Ratio (calculated based on the ratio of Senior Secured Debt to EBITDA). The maximum Leverage Ratio is (i) 5.75 to 1.00 through the fiscal quarter ending March 31, 2025 and (ii) 5.25 to 1.00 for each fiscal quarter thereafter. The maximum Secured Leverage Ratio is (i) 3.75 to 1.00 through the fiscal quarter ending March 31, 2025 and (ii) 3.25 to 1.00 for each fiscal quarter thereafter.

The ABL Credit Agreement also restricts the Company’s ability to: incur additional indebtedness and guarantee indebtedness; pay certain dividends or make other distributions or repurchase or redeem equity interests; prepay, redeem or repurchase certain debt; issue certain preferred units or similar equity securities; make loans and investments; sell, transfer or otherwise dispose of assets; incur liens; enter into transactions with affiliates; enter into agreements restricting the Company’s restricted subsidiaries’ ability to pay dividends; enter into certain swap agreements; amend certain organizational documents; enter into sale and leaseback transactions; and consolidate, merge or sell all or substantially all of the Company’s assets.

The ABL Facility is a “revolving credit facility” that includes a lockbox arrangement whereby, under certain events, remittances from customers are forwarded to a bank account controlled by the administrative agent and are applied to reduce borrowings under the facility. One such event occurs if availability under the ABL Credit Agreement falls below a specified threshold (i.e., \$125 million for five (5) consecutive days until such time availability is greater than \$125 million for twenty (20) consecutive days). As of December 31, 2024 and 2023, availability under the ABL Facility was in excess of the specified threshold and as such the entire balance was classified as long-term in accordance with its maturity.

### *Third Amendment to Fourth Amended and Restated Credit Agreement*

On January 22, 2024, Kodiak entered into the Third Amendment to the ABL Credit Agreement (the “Third Amendment”). The Third Amendment, among other things, amended certain provisions of the ABL Facility (i) to accommodate the consummation of the transactions contemplated by the Merger Agreement (see Note 3. Acquisitions and Divestitures) and (ii) to account for the Company’s organizational structure after giving effect to the transactions contemplated by the Merger Agreement. Lender fees and costs totaling \$2.9 million were incurred related to the Third Amendment and will be amortized over the life of the ABL Credit Agreement to interest expense.

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In addition, the Third Amendment amended the ABL Facility to (i) update the maximum secured leverage ratio to (x) 3.75 to 1.00 for the first four fiscal quarters after the Company issues any unsecured indebtedness and (y) 3.25 to 1.00 for each fiscal quarter thereafter, (ii) modify the triggers for commencing a “cash dominion” period (i.e., a period when the administrative agent applies proceeds in the deposit accounts to reduce borrowings under the ABL Credit Agreement) (iii) include customary provisions relating to the designation of “unrestricted subsidiaries” (i.e., subsidiaries that are not required to become loan parties or be bound by the covenants contained in the ABL Credit Agreement), (iv) provide that only material domestic restricted subsidiaries are required to become guarantors and collateral grantors under the ABL Facility, and (v) permit the Company and its restricted subsidiaries to incur additional indebtedness and liens and to make additional investments, dividends, distributions, redemptions and dispositions.

Interest is payable monthly. Depending on the loan type elected by the Company, interest accrues based on variable rates of SOFR plus an applicable rate ranging from 2% to 3% or prime rate plus an applicable rate ranging from 1% to 2% depending on the type of loan and the leverage ratio. The weighted average interest rate as of December 31, 2024 and 2023, was 6.8% and 8.8%, respectively, excluding the effect of interest rate swaps. The Company pays an annualized commitment fee of 0.25% on the unused portion of its ABL Facility if borrowings are greater than 50% of total commitments and 0.50% on the unused portion of the ABL Facility if borrowings are less than 50% of total commitments.

All obligations under the ABL Facility are collateralized by essentially all the assets of the Company. We were in compliance with all covenants as of December 31, 2024 and 2023.

### **2029 Senior Notes**

On February 2, 2024, Kodiak Services issued \$750.0 million aggregate principal amount of 7.25% senior notes due 2029 (the “2029 Senior Notes”), pursuant to an indenture, by and among the Company as guarantor and certain other subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. Prior to February 15, 2026, the Company may redeem all or part of the 2029 Senior Notes at a redemption price equal to 100% of the principal amount of the 2029 Senior Notes plus a make-whole premium, plus accrued and unpaid interest. This make-whole premium is determined as the excess, if any, of (a) the present value at such time of (i) the redemption price of the 2029 Senior Notes at February 15, 2026 plus (ii) any required interest payments due through February 15, 2026, computed using a discount rate equal to the applicable treasury rate plus 0.50%, discounted to the redemption date on a semi-annual basis, over (b) the principal amount of the 2029 Senior Notes. Prior to February 15, 2026, the Company may also redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes, limited to the net cash proceeds of one or more equity offerings, at a redemption price of 107.25% of the principal amount of the 2029 Senior Notes to be redeemed, plus any accrued and unpaid interest, as long as at least 50% of the aggregate principal amount of the 2029 Senior Notes originally issued remains outstanding after each such redemption and the redemption occurs within 180 days after the date of the closing of such equity offering. On and after February 15, 2026, the Company may redeem all or a portion of the 2029 Senior Notes, along with accrued and unpaid interest at the redemption prices (expressed as percentages of principal amount) as follows, if redeemed during the twelve-month period beginning on February 15 of the years indicated below:

	<b>Percentage</b>
2026	103.625%
2027	101.813%
2028 and thereafter	100.000%

If the Company or Kodiak Services experiences certain kinds of changes of control and Moody’s Investors Service, Inc. (“Moody’s”), S&P Global Ratings (“S&P”) or Fitch Ratings, Inc. (“Fitch”) decreases their rating of the 2029 Senior Notes as a result thereof within 60 days, holders of the 2029 Senior Notes will be entitled to require Kodiak Services to repurchase all or any part of that holder’s notes at a price of 101% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest, if any, on the notes repurchased to the date of settlement.

The Indenture contains certain covenants that limit the ability of the Company and its restricted subsidiaries, including Kodiak Services, to make distributions on, purchase or redeem the Company’s equity interests or repurchase or redeem contractually subordinated indebtedness; make certain investments; incur or guarantee additional indebtedness, issue any disqualified stock, or issue other preferred securities (other than non-economic preferred securities); create or incur certain liens to secure indebtedness; sell or otherwise dispose of assets; consolidate with or merge with or into another person; enter into transactions with affiliates; and create unrestricted subsidiaries. If the 2029 Senior Notes achieve an investment grade rating from any two of Moody’s, S&P and Fitch and no default under the Indenture exists, many of the foregoing covenants will terminate. The Indenture also contains customary events of default.

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Fees and costs totaling \$13.4 million were incurred related to the 2029 Senior Notes and will be amortized over the life of the 2029 Senior Notes to interest expense.

The proceeds from the 2029 Senior Notes were used to repay a portion of the outstanding indebtedness under the ABL Facility and to pay related fees and expenses in connection with the 2029 Senior Notes offering. In connection with the close of the CSI Acquisition on April 1, 2024, the Company used proceeds from additional draws on the ABL Facility to repay, terminate and/or redeem all of CSI Compressco's existing outstanding indebtedness, except for certain equipment financing obligations, and pay fees and expenses related to the notes offering and the CSI Acquisition.

### **Term Loan**

A wholly owned subsidiary of Kodiak had a term loan (the "Term Loan"), pursuant to a credit agreement with unaffiliated unsecured lenders and Wells Fargo Bank, N.A., as administrative agent.

On June 29, 2023, the Company terminated all interest rate swaps and collars attributable to the Term Loan and recognized a gain on derivatives and received cash of \$25.8 million (the "Term Loan Derivative Settlement"). On July 3, 2023, in connection with the initial public offering ("IPO"), the Company used the net proceeds from the IPO, together with the proceeds resulting from the Term Loan Derivative Settlement and borrowings under the ABL Facility, to repay \$300 million of borrowings outstanding under the Term Loan. Additionally, a subsidiary of Kodiak entered into a Novation, Assignment, and Assumption Agreement ("Novation Agreement") with Frontier TopCo Partnership, L.P. ("Kodiak Holdings"), an affiliate of EQT and holder of record of Kodiak Gas Services, Inc. common stock, pursuant to which all of the Company's remaining obligations under the Term Loan were assumed by Kodiak Holdings, and the Company's obligations thereunder were terminated. The Company is no longer a borrower or guarantor and is not otherwise obligated with respect to the debt outstanding under the Term Loan. As part of the \$300 million repayment of the Term Loan, unamortized debt issuance costs of \$4.4 million and fees of \$2.4 million were recorded to loss on extinguishment for the year ended December 31, 2023. The carrying value of the Term Loan novated under the Novation Agreement of \$689.8 million (comprised of \$700.0 million of principal balance less \$10.2 million of unamortized debt issuance costs) was considered an equity transaction with the parent and recorded to additional paid-in capital in the consolidated statement of stockholder's equity.

As of December 31, 2024, the scheduled maturities, without consideration of potential mandatory prepayments, of the Company's long-term debt were as follows *(in thousands)*:

	<b>Amount</b>	
<b>Year ended December 31,</b>		
2025	\$	5,344
2026		395
2027		—
2028		1,875,097
2029		750,000
Thereafter		—
<b>Total</b>	<b>\$</b>	<b>2,630,836</b>

### **Debt Issuance Costs**

The total remaining unamortized debt issuance costs of \$43.2 million, as of December 31, 2024, are being amortized over the respective terms of the ABL Facility and 2029 Senior Notes. As of December 31, 2023, debt issuance costs of \$38.9 million were being amortized over the term of the ABL Facility. Amortization expense related to these costs of \$12.0 million, \$13.6 million and \$13.7 million for year ended December 31, 2024, 2023 and 2022, respectively, are included in interest expense in the accompanying consolidated statements of operations.

### **Other Borrowings**

Upon the completion of the CSI Acquisition, the Company has finance agreements with a third-party in the amount of \$1.4 million to finance certain compression equipment. The notes were payable in monthly installments totaling \$0.7 million for 36 months. As of December 31, 2024, amounts due under the finance agreements totaled \$5.7 million. The current portion of this amount, \$5.3 million, is classified in accrued liabilities and the long-term portion, \$0.4 million, is classified in other long-term liabilities on the accompanying consolidated balance sheet.

## 12. Derivative Instruments

The Company has entered into interest rate swaps exchanging variable interest rates for fixed interest rates. In prior periods, the Company entered into interest rate collars that fixed interest rates within a range through the simultaneous purchase of an interest rate cap and sale of an interest rate floor. The Company has not designated any derivative instruments as hedges for accounting purposes and does not enter into such instruments for speculative or trading purposes. The Company's derivative instruments are recognized on the consolidated balance sheets at fair value and classified as current or long-term depending on the maturity date of the derivative instrument and whether the net carrying value is in a net asset or net liability position. Realized and unrealized gains and losses associated with the derivative instruments are recognized in gain on derivatives within the consolidated statements of operations.

On June 29, 2023, the Company terminated \$750 million of notional amounts related to interest rate swaps and collars attributable to the Term Loan and recognized a gain on derivatives of \$25.8 million during the year ended December 31, 2023.

The table below summarizes information related to the notional amount and maturity dates for interest rate swaps at December 31, 2024:

	Notional Amount	Effective Date	Maturity Date
\$	200,000,000	6/16/2022	6/14/2025
\$	125,000,000	5/2/2024	9/2/2025
\$	125,000,000	12/6/2024	12/6/2025
\$	75,000,000	6/15/2022	6/14/2026
\$	125,000,000	6/22/2022	6/22/2026
\$	125,000,000	12/1/2024	12/6/2026
\$	100,000,000	5/2/2024	3/2/2027
\$	75,000,000	6/14/2022	5/18/2027
\$	100,000,000	6/21/2022	5/19/2027
\$	200,000,000	7/8/2022	5/29/2027
\$	125,000,000	12/1/2024	12/6/2027

The following table summarizes the effects of the Company's derivative instruments in the consolidated statements of operations (*in thousands*):

	Location	December 31,		
		2024	2023	2022
Interest rate collars	Gain on derivatives	\$ —	\$ —	\$ 59,591
Interest rate swaps	Gain on derivatives	24,017	20,266	23,525
<b>Total gain on derivatives</b>		<b>\$ 24,017</b>	<b>\$ 20,266</b>	<b>\$ 83,116</b>

## 13. Fair Value Measurements

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, derivative instruments and long-term debt. The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable are representative of their respective Level 1 fair values due to the short-term maturity of these instruments.

The Company's ABL Facility applies floating interest rates to outstanding amounts; therefore, the carrying amount of the ABL Facility approximates its Level 3 fair value. The fair value of the 2029 Senior Notes is determined using Level 2 inputs, relying on quoted prices in less active markets.

The Company records derivative instruments at fair value using Level 2 inputs of the fair value hierarchy. The interest rate swaps are valued using a discounted cash flow analysis based on available market data on the expected cash flows of each derivative using observable inputs, including interest rate curves and credit spreads. See Note 12. Derivative Instruments for more details.

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The contingent consideration liability from a prior year acquisition is measured at fair value each reporting period, using Level 3 unobservable inputs (such as probability assessments of future cash flows), and changes in estimates of fair value are recognized in earnings.

We consider the inputs for our long-lived asset impairment calculations to be Level 3 inputs in the fair value hierarchy. See Note 10. Long-Lived and Other Asset Impairment for additional information.

The following table summarizes the fair value of the Company's interest rate swaps, contingent consideration, the ABL Facility, and the 2029 Senior Notes (*in thousands*):

	Carrying Value	As of December 31, 2024			
		Level 1	Level 2	Level 3	Total
Interest rate swap- current	\$ 3,672	\$ —	\$ 3,672	\$ —	\$ 3,672
Interest rate swap- non-current	17,544	—	17,544	—	17,544
Contingent consideration	3,651	—	—	3,651	3,651
2029 Senior Notes	750,000	—	765,483	—	765,483
ABL Facility	1,875,097	—	—	1,875,097	1,875,097

	Carrying Value	As of December 31, 2023			
		Level 1	Level 2	Level 3	Total
Interest rate swap- current	\$ 8,194	\$ —	\$ 8,194	\$ —	\$ 8,194
Interest rate swap- non-current	14,256	—	14,256	—	14,256
Contingent consideration	3,673	—	—	3,673	3,673
ABL Facility	1,830,346	—	—	1,830,346	1,830,346

**14. Stockholders' Equity**

On July 3, 2023, 16.0 million shares of common stock were issued and sold as part of the closing of the IPO, resulting in net proceeds of \$30.8 million, after deducting expenses and underwriting discounts and commissions payable by us. On July 13, 2023, the underwriters exercised in full their option to purchase additional shares of common stock pursuant to the underwriting agreement relating to the IPO. On July 13, 2023, the Company issued and sold an additional 2.4 million shares of common stock at a price to the public of \$16.00 per share. The Company received net proceeds of approximately \$36.2 million, after deducting underwriting discounts and commissions payable. The net proceeds were used for repayment of existing indebtedness and general corporate purposes. After giving effect to these transactions, Kodiak had 77.4 million shares of common stock issued and outstanding as of December 31, 2023. On April 1, 2024, 6.8 million shares of common stock and 5.6 million of preferred shares were issued in connection with the CSI Acquisition.

**Share Repurchases**

On September 11, 2024, the Company repurchased 1.0 million shares of common stock from Kodiak Holdings in a private transaction at a price of \$25.00 per share for an aggregate purchase price of \$25.0 million.

In November 2024, the Kodiak's board of directors ("Board") approved a share repurchase program to buy up to an aggregate of \$50.0 million of our outstanding common stock (the "Share Repurchase Program"), which expires on December 31, 2025. On November 14, the Company repurchased shares of common stock from Kodiak Holdings in a private transaction, pursuant to the Share Repurchase Program, at an average price of \$34.50 for an aggregate purchase price of \$15.0 million. As of December 31, 2024, \$35.0 million remains available for repurchase.

The following table summarizes repurchases of our common stock for the year ended December 31, 2024:

<i>(in thousands, except per share amounts)</i>	Year ended December 31, 2024	
Total cost of shares repurchased	\$	40,000
Average price per share	\$	27.88
Total number of shares repurchased		1,435



The above shares are currently held in treasury stock. Treasury stock purchases are accounted for under the cost method whereby the cost of the acquired stock is recorded as treasury stock. Gains and losses on the subsequent reissuance of shares are credited or charged to additional paid-in capital using the average-cost method.

***Preferred stock***

Holders of the Company's preferred stock are entitled to one vote for each share, voting proportionally with holders of common stock. The preferred stock lacks economic benefits beyond its par value of \$0.01 per share (with a maximum value of \$50,000), as it does not participate in earnings or cash dividends of Kodiak. Rather, it solely represents a voting share. Each preferred stock holds an equal number of OpCo Units, representing economic interests in Kodiak's subsidiary, Kodiak Services. Each OpCo Unit is redeemable at the option of the holder for (i) one share of common stock (along with cancellation of a corresponding share of preferred stock) or (ii) cash at Kodiak Services' election, following a 180 days post-closing lock-up and subject to certain conditions. On or after April 1, 2029, Kodiak shall have the right to effect redemption of such OpCo Units (along with corresponding share of preferred stock). The OpCo Units represent and will be accounted for as noncontrolling interests in Kodiak Services. As of December 31, 2024, a total of 4.7 million shares of preferred stock and OpCo Units had been converted into an equivalent number of common stock shares. No such conversions had occurred as of December 31, 2023.

***2023 Omnibus Incentive Plan***

On June 20, 2023, Kodiak's Board authorized and adopted the Kodiak Gas Services, Inc. Omnibus Incentive Plan (the "Omnibus Plan") for employees, consultants and directors. The Omnibus Plan enables Kodiak's Board (or a committee authorized by Kodiak's Board) to award incentive and non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards and substitute awards intended to align the interests of service providers, including the Company's named executive officers, with those of the Company's stockholders. A total of 6.4 million shares of common stock have been reserved for issuance pursuant to awards under the Omnibus Plan.

***Restricted Stock Units***

Restricted stock units ("RSUs") are time-based units that vest ratably over a three-year period, subject to continuous service through each vesting date. Stock-based compensation for RSUs is recognized on a straight-line basis over the requisite service period.

***Performance Stock Units***

Performance stock units ("PSUs") cliff vest at the end of a three-year performance period, with the ultimate number of shares earned and issued ranging from 0 - 190% of the number of shares subject to the PSU award based on the Company's achievement of certain predefined internal targets and the Company's performance relative to its peers as described in the underlying performance share unit agreement, subject to continuous service through the end of the performance period. With respect to each PSU, each PSU holder is granted associated dividend equivalents rights. In the event that the Company declares and pays a regular cash dividend, on the record date for such dividend, the Company will accrue a dividend equivalent based on the number of PSUs expected to vest. The fair value of the market condition within the PSUs is determined using a Monte Carlo valuation model. Stock-based compensation for PSUs is recognized on a straight-line basis over the vesting period based on the probable performance outcome. The Company reassesses the probability of achieving the performance targets each reporting period and adjusts compensation expense accordingly.

***CSI Compressco Long Term Incentive Plan***

In connection with the CSI Acquisition, we assumed the CSI Compressco LP Third Amended and Restated 2011 Long Term Incentive Plan ("2011 Plan") and outstanding unvested RSU awards originally granted by CSI Compressco under 2011 Plan that were held by former CSI Compressco employees continuing their employment with Kodiak post-acquisition. These assumed awards were converted into 145,302 RSU awards under the Omnibus Plan and will vest in accordance with their original terms, generally over 3 years. Awards cancelled or forfeited, and shares withheld to satisfy tax withholding obligations, become available for future issuance.

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The following table summarizes award activity under the Omnibus Plan for the years ended December 31, 2024 and 2023:

	RSUs		PSUs	
	Number of RSUs	Weighted-Average Price	Number of PSUs	Weighted-Average Price
<b>Outstanding at December 31, 2023</b>	1,079,082	\$ 16.30	311,875	\$ 16.99
Granted	513,659	25.29	261,767	28.88
Converted awards <sup>(1)</sup>	145,302	20.40	—	—
Vested or exercised	(317,766)	18.50	(6,285)	18.70
Forfeited	(231,168)	17.74	(18,522)	19.51
Performance adjustment <sup>(2)</sup>	—	—	207,190	21.11
<b>Outstanding at December 31, 2024</b>	1,189,109	\$ 19.81	756,025	\$ 22.16
Stock awards expected to vest	1,189,109	\$ 19.81	756,025	\$ 22.16

(1) Represents awards originally granted under CSI Compressco's 2011 Plan, which were subsequently converted into RSU awards under the Omnibus Plan.

(2) Represents additional shares expected to vest based on the probability of the performance conditions exceeding the target level.

As of December 31, 2024, the total future compensation cost related to non-vested equity awards was approximately \$6.2 million assuming the performance-based restricted stock units vest at 138% per the terms of the applicable award. During the years ended December 31, 2024 and 2023, approximately \$7.7 million and \$5.9 million in stock compensation expense was recognized in selling, general and administrative expenses, respectively. There was no such expense under the Omnibus Plan recorded for the year ended December 31, 2022. The total tax benefit related to stock-based compensation recorded as deferred tax assets was \$3.3 million, \$0.9 million and zero for the years ended December 31, 2024, 2023 and 2022, respectively.

### Dividends

The following table summarizes dividends declared and paid in each of the quarterly periods shown of 2024 and 2023:

	Dividends per Common Share		Dividends Paid	
			<i>(in thousands)</i>	
<b>2024</b>				
Q1	\$	0.38	\$	29,815
Q2	\$	0.38	\$	32,578
Q3	\$	0.41	\$	35,113
Q4	\$	0.41	\$	36,380
<b>2023</b>				
Q4	\$	0.38	\$	29,793

On February 3, 2025, the Company's Board declared a cash dividend of \$0.41 per share for the quarterly period ended December 31, 2024, which is payable on February 21, 2025, to shareholders of record as of the close of business on February 14, 2025 (the "Common Stock Dividend") and, in conjunction with the Common Stock Dividend, Kodiak Services declared a distribution on its units of \$0.41 per unit payable on February 21, 2025 to all unitholders of record of Kodiak Services as of the close of business on February 14, 2025.

### 15. Commitments and Contingencies

#### Accrued Capital Expenditures

As of December 31, 2024, 2023 and 2022, the Company has accrued capital expenditures of \$2.5 million, \$30.5 million and \$28.8 million, respectively. These amounts were included in accounts payable or accrued liabilities on the consolidated balance sheets.

### **Purchase Commitments**

Purchase commitments primarily consist of future commitments to purchase new compression units ordered but not received. The commitments as of December 31, 2024, were \$168.8 million, all of which is expected to be settled within the next twelve months.

### **Contingent Consideration**

The Company agreed to pay, as contingent consideration in a prior year acquisition, up to \$3.7 million of certain past due accounts receivable acquired in connection with a prior acquisition in 2019, if collected, to the seller. The Company records contingent consideration at the acquisition and end of reporting periods at fair value in accrued liabilities. As of December 31, 2024 and December 31, 2023, none of the outstanding receivables had been collected.

### **Sales Tax Contingency**

Between October 2019 and April 2023, the Company received notices from the Texas Comptroller's office in regards to audits for periods ranging from December 2015 through November 2023. The audits pertain to whether the Company may owe sales and use tax on certain of its compression equipment and parts that it had purchased and used during that time period. During the year ended December 31, 2023, the Company accrued a total amount of \$28.8 million. During the year ended December 31, 2024, based on current information Company accrued an additional \$42.1 million and as of December 31, 2024, of which \$15.0 million is related to fair value adjustments associated with purchase price allocation of the CSI Acquisition. As of December 31, 2024, the Company had accrued a total of \$70.9 million included as accrued liabilities on the consolidated balance sheet for all compression equipment and parts purchased and used as of the balance sheet date.

### **Legal Matters**

From time to time, the Company may become involved in various legal matters. Management believes that there are no legal matters as of December 31, 2024 whose resolution could have a material adverse effect on the consolidated financial statements.

### **Letters of Credit**

As of December 31, 2024, there was \$2.4 million of letters of credit outstanding under the ABL Facility mainly to support the Company's obligations to construct a gas compression station on behalf of a customer.

## **16. Accrued Liabilities**

Accrued liabilities consisted of the following (*in thousands*):

	As of December 31,	
	2024	2023
Sales tax liability	\$ 70,927	\$ 28,847
Accrued interest	48,561	8,313
Accrued compensation	22,403	16,580
Lease liabilities - current portion	11,858	—
Station project accrual	9,385	7,797
Equipment financing - current portion	5,344	—
Accrued accounts payable	1,104	15,506
Other	19,150	20,035
<b>Total accrued liabilities</b>	<b>\$ 188,732</b>	<b>\$ 97,078</b>

**17. Income Taxes**

Income before income taxes consists of the following (*in thousands*):

	Year Ended December 31,		
	2024	2023	2022
<b>Income before income taxes:</b>			
United States	\$ 74,650	\$ 35,136	\$ 139,357
Foreign	1,258	—	—
<b>Total income before income taxes</b>	<b>\$ 75,908</b>	<b>\$ 35,136</b>	<b>\$ 139,357</b>

Income tax expense consisted of the following (*in thousands*):

	Year Ended December 31,		
	2024	2023	2022
<b>Current income taxes:</b>			
Federal	\$ 4,482	\$ 4,668	\$ 2,746
State and local	4,085	2,539	3,045
Foreign	1,578	—	—
Total current tax	10,145	7,207	5,791
<b>Deferred income taxes:</b>			
Federal	14,344	1,980	25,704
State and local	1,499	5,883	1,597
Foreign	(414)	—	—
Total deferred tax	15,429	7,863	27,301
<b>Income tax expense</b>	<b>\$ 25,574</b>	<b>\$ 15,070</b>	<b>\$ 33,092</b>

The effective tax rates on continuing operations for the years ended December 31, 2024, 2023 and 2022 were 33.7%, 42.9%, and 23.8%, respectively. The table below reconciles these effective tax rates with the U.S. federal statutory income tax rate as follows (*in thousands*):

	Year Ended December 31,		
	2024	2023	2022
Income before income taxes	\$ 75,908	\$ 35,136	\$ 139,357
Tax at federal statutory rate	\$ 15,944	\$ 7,379	\$ 29,265
State, net of federal benefit	5,135	—	—
Nondeductible expenses	2,251	6,135	3,664
Stock based compensation windfall	(896)	—	—
Nondeductible loss on sale of receivables	2,979	925	163
Valuation allowance	546	519	—
Impact of operating in foreign jurisdictions	1,749	—	—
Tax related to basis difference in investment in subsidiaries	(2,658)	—	—
Other	524	112	—
<b>Income tax expense</b>	<b>\$ 25,574</b>	<b>\$ 15,070</b>	<b>\$ 33,092</b>

The Company's effective tax rate for the year ended December 31, 2024 differs from the statutory rate primarily due to state tax expense, a non-deductible loss on the sale of receivables related to the disposition of our Argentina business and deferred tax recorded on the Company's investment in Kodiak Services. During the year ended December 31, 2023, the

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Company's effective tax rate differs from the statutory rate primarily due to state tax expense which increased in part due to the revaluation of deferred taxes due to increased investment in various states.

The Company's deferred tax position reflects the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting.

Significant components of the deferred tax assets and liabilities are as follows (*in thousands*):

	Year Ended December 31,	
	2024	2023
<b>Deferred tax assets:</b>		
Net operating losses	\$ 392,585	\$ 410,734
Interest expense carryforward	87,039	66,547
Deferred compensation	2,169	—
Other assets	2,869	971
Total gross deferred tax assets	484,662	478,252
Valuation allowance	(745)	(519)
Total deferred tax assets, net of valuation allowance	483,917	477,733
<b>Deferred tax liabilities:</b>		
Investment in subsidiaries	(549,819)	(540,481)
Property, plant and equipment	(34,157)	—
Other liabilities	(3,767)	—
Total gross deferred tax liabilities	(587,743)	(540,481)
<b>Net deferred tax liabilities</b>	<b>\$ (103,826)</b>	<b>\$ (62,748)</b>

### *Deferred Tax Assets and Liabilities*

The Company regularly reviews its deferred tax assets, including net operating loss carryovers, for recoverability, and a valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset may not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences are deductible. In assessing the need for a valuation allowance, the Company makes estimates and assumptions regarding projected future taxable income, its ability to carry back operating losses to prior periods, the reversal of deferred tax liabilities and the implementation of tax planning strategies. As the Company reassesses these assumptions in the future, changes in forecasted taxable income may alter this expectation and may result in an increase to the valuation allowance and an increase in the effective tax rate.

The Company's ability to utilize its net operating loss carryforwards and other tax attributes to reduce future taxable income is subject to potential annual limitations under Internal Revenue Code Section 382 and Section 383 and similar state provisions. These limitations are applicable to the extent certain ownership changes by 5% shareholders and stock issuances by the Company during any three-year period result in a cumulative change of more than 50% in the beneficial ownership of the Company. The Company has assessed the provisions of Section 382 and Section 383 and determined there to be no impact to the expected realization of Company's federal deferred tax balances. As of December 31, 2024 and 2023 a valuation allowance of \$0.7 million and \$0.5 million, respectively, has been placed on state tax deferred tax assets that have a limited life and may not be used due to limitations on annual use.

### *Federal and State Net Operating Losses*

As of December 31, 2024, we have gross federal tax net operating loss carryforwards of \$ .8 billion and IRC Section 163(j) interest carryforwards of \$376.0 million which have an indefinite useful life. We have gross post-apportionment state net operating loss carryforwards of \$437.0 million which have various useful lives.

### *Uncertain Tax Benefits*

The Company evaluates its tax positions and recognizes only tax benefits that, more likely than not, will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax position is measured at the largest amount of benefit that has a greater than 50% likelihood of being realized upon settlement. The Company did not have any uncertain tax benefits as of December 31, 2024 and 2023. As of

December 31, 2024 and 2023, the Company had no accrued interest or penalties related to uncertain tax positions and no amounts had been recognized in the consolidated statements of operations.

As of December 31, 2024, tax years 2021 and forward are subject to examination by the tax authorities in the U.S. No income tax returns are currently under examination.

#### **18. Defined Contribution Plan**

The Company maintains a defined contribution savings plan for its employees. The Company contributed \$4.5 million, \$3.0 million, and \$2.9 million to the plan for the years ended December 31, 2024, 2023 and 2022, respectively.

#### **19. Long-Term Incentive Plan**

In prior years, the Company contributed to a plan that was established to offer added cash basis incentives for the retention of key employees established under the Company's 2020 Long-Term Incentive Plan (the "LTIP Plan"). On December 8, 2023, the Company provided employees who were eligible to receive these cash payments of long-term incentive awards granted in January 2023 the opportunity to make an election to receive a grant of RSUs that vest ratably over a three-year period in lieu of cash payments. Upon exercising the employees' elections to convert the cash payments into RSUs, 138,430 RSUs were granted. As a result of the conversion, the Company had no obligations related to the LTIP Plan and no non-current liability as of December 31, 2024. Based on an expected probability of future payments, the Company's obligations related to the LTIP Plan totaled \$4.4 million as of December 31, 2023. The non-current liability was \$2.1 million as of December 31, 2023.

#### **20. Segments**

The Company manages its business through two operating segments: Contract Services and Other Services. Contract Services consists of operating Company-owned and customer-owned compression, and gas treating and cooling infrastructure, pursuant to primarily fixed-revenue contracts to enable the production and gathering of natural gas and oil. Other Services consists of a full range of contract services to support ancillary needs of customers, including station construction, maintenance and overhaul, freight and crane charges and other time and material-based offerings.

Our Chief Executive Officer, also our CODM, assesses the performance of each segment based on adjusted gross margin. This metric is calculated by subtracting specific costs of service, such as cost of operations, from revenues directly attributable to the segment. Adjusted gross margin is a key tool used by the CODM for annual budgeting, monthly forecasting, and determining how to allocate capital and resources across the segments.

Revenue includes only sales to external customers.

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The following table represents financial metrics by segment (*n thousands*):

	Contract Services	Other Services	Total
<b>Year Ended December 31, 2024</b>			
Revenues	\$ 1,034,173	\$ 125,138	\$ 1,159,311
Cost of operations (exclusive of depreciation and amortization)	355,016	103,360	458,376
Adjusted gross margin	679,157	21,778	700,935
Total assets	4,398,127	36,996	4,435,123
Capital expenditures	336,956	—	336,956
<b>Year Ended December 31, 2023</b>			
Revenues	\$ 735,605	\$ 114,776	\$ 850,381
Cost of operations (exclusive of depreciation and amortization)	257,092	93,779	350,871
Adjusted gross margin	478,513	20,997	499,510
Total assets	3,211,801	32,305	3,244,106
Capital expenditures	219,795	—	219,795
<b>Year Ended December 31, 2022</b>			
Revenues	\$ 654,957	\$ 52,956	\$ 707,913
Cost of operations (exclusive of depreciation and amortization)	225,715	41,636	267,351
Adjusted gross margin	429,242	11,320	440,562
Total assets	3,184,286	21,254	3,205,540
Capital expenditures	259,349	—	259,349

The following table reconciles adjusted gross margin to income before income taxes (*n thousands*):

	Year Ended December 31,		
	2024	2023	2022
Adjusted gross margin:			
Contract Services	\$ 679,157	\$ 478,513	\$ 429,242
Other Services	21,778	20,997	11,320
Depreciation and amortization <sup>(1)</sup>	(260,272)	(182,869)	(174,463)
Long-lived asset impairment	(9,921)	—	—
Selling, general and administrative expenses	(151,680)	(73,308)	(44,882)
(Loss) gain on sale of assets	(29,612)	777	874
Interest expense	(197,144)	(222,514)	(165,867)
Loss on extinguishment of debt	—	(6,757)	—
Gain on derivatives	24,017	20,266	83,116
Other income (expense)	(415)	31	17
<b>Income before income taxes</b>	<b>\$ 75,908</b>	<b>\$ 35,136</b>	<b>\$ 139,357</b>

(1) All depreciation and amortization is related to the Contract Services segment.

## 21. Earnings Per Share of Common Stock

Basic earnings per share is computed using the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share of common stock is computed by using the weighted average shares of common stock outstanding, including the dilutive effect of restricted stock units and performance stock units based on an average

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share price during the period. For the purpose of calculating basic and diluted earnings per share, net income attributed to noncontrolling interest and the corresponding preferred shares outstanding are excluded from the calculations. For the year ended December 31, 2024, 98.0 thousand unvested PSUs were excluded from the calculation of the potential dilutive common shares because their inclusion would be anti-dilutive. For the year ended December 31, 2023, and 2022 there were no anti-dilutive shares, respectively.

The computations of basic and diluted earnings per share were as follows:

	Year Ended December 31,		
	2024	2023	2022
<i>(in thousands, except per share data)</i>			
Net income attributable to common shareholders	\$ 49,895	\$ 20,066	\$ 106,265
Less: expense attributable to non-forfeitable RSUs	(1,812)	—	—
Net income used in basic and diluted earnings per share	\$ 48,083	\$ 20,066	\$ 106,265
Basic weighted average shares of common stock	83,094	68,059	59,000
Effect of dilutive securities <sup>(1)</sup>	2,076	268	—
Diluted weighted average shares of common stock	85,170	68,327	59,000
Basic earnings per share	\$ 0.58	\$ 0.29	\$ 1.80
Diluted earnings per share	\$ 0.56	\$ 0.29	\$ 1.80

(1) For the year ended December 31, 2024, the effect of dilutive securities includes 0.9 million, 0.3 million and 0.8 million RSUs, PSUs and OpCo Units held by noncontrolling interest, respectively. For the year ended December 31, 2023, the effect of dilutive securities includes 0.2 million and 21.0 thousand of RSUs and PSUs, respectively.

## 22. Related Party Transactions

During March 2022, the Company entered into a master services agreement with IFS North America, Inc., a related party controlled by EQT AB, for a system license subscription and accompanying cloud hosting service to facilitate the implementation of the Company's enterprise resource planning system. Subsequent to closing the CSI Acquisition, the Company terminated the initial contract and entered into a new master services agreement for the combined company. As of December 31, 2024, total purchases under this agreement since inception were approximately \$9.4 million, inclusive of contract termination costs. Total cost during the years ended December 31, 2024 and 2023 were approximately \$7.4 million and \$1.2 million, respectively. A portion of these costs were capitalized as internal-use software within intangible asset in the consolidated balance sheets, see Note 8. Goodwill and Identifiable Intangible Assets, net. The remaining costs incurred were recognized in selling, general and administrative expenses in the consolidated statements of operations.

Additionally, the Company incurred a cost of operations expense related to Contract Services of \$0.1 million during the year ended December 31, 2023.



**SECOND AMENDED AND RESTATED  
BYLAWS  
OF  
KODIAK GAS SERVICES, INC.**

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## **ARTICLE I OFFICES**

**Section 1.01 Registered Office.** The registered office and registered agent of Kodiak Gas Services, Inc. (the “Corporation”) in the State of Delaware shall be as set forth in the Amended and Restated Certificate of Incorporation (as defined below). The Corporation may also have offices in such other places in the United States or elsewhere (and may change the Corporation’s registered agent) as the Board of Directors of the Corporation (the “Board”) may, from time to time, determine or as the business of the Corporation may require as determined by any officer of the Corporation.

## **ARTICLE II MEETINGS OF STOCKHOLDERS**

**Section 2.01 Annual Meetings.** Annual meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board shall determine and state in the notice of meeting. The Board may, in its sole discretion, determine that annual meetings of stockholders shall not be held at any place, but may in addition to or instead be held solely by means of remote communication (including virtually) as described in Section 2.11 in accordance with Section 211(a)(2) of the General Corporation Law of the State of Delaware (the “DGCL”). The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board.

**Section 2.02 Special Meetings.** Special meetings of the stockholders may only be called in the manner provided in the Corporation’s certificate of incorporation as then in effect (as the same may be amended and/or restated from time to time, the “Amended and Restated Certificate of Incorporation”) and may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board or the Chair of the Board or the Chief Executive Officer of the Corporation (the “Chief Executive Officer”) shall determine and state in the notice of such meeting. The Board may, in its sole discretion, determine that special meetings of the stockholders shall not be held at any place, but may in addition to or instead be held solely by means of remote communication (including virtually) as described in Section 2.11 of these Amended and Restated Bylaws (these “Bylaws”) in accordance with Section 211(a)(2) of the DGCL. The Board may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board or the Chair of the Board or the Chief Executive Officer; provided, however, that with respect to any special meeting of stockholders previously scheduled by the Board or the Chair of the Board at the request of EQT (as defined in the Amended and Restated Certificate of Incorporation), the Board shall not postpone, reschedule or cancel such special meeting without the prior written consent of EQT.

**Section 2.03 Notice of Stockholder Business and Nominations.**

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(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board and the proposal of business other than nominations to be considered by the stockholders may be made at an annual meeting of stockholders only: (a) as provided in the Stockholders' Agreement, dated on or about the date hereof, by and among the Corporation and certain stockholders of the Corporation from time to time party thereto (the "*Stockholders' Agreement*") (with respect to nominations of persons for election to the Board only), (b) pursuant to the Corporation's notice of meeting (or any supplement thereto); (c) by or at the direction of the Board or any duly authorized committee of the Board; or (d) by any stockholder of the Corporation who is entitled to vote at the meeting, who complied with the notice procedures set forth in paragraphs (A)(2) and (A)(3) of this Section 2.03 and who was a stockholder of record at the time such notice is delivered to the Secretary of the Corporation, at the time of the record date of the annual meeting and at the time of the annual meeting; this Section 2.03(A)(1) shall be the exclusive means for a stockholder to make nominations (other than pursuant to clause (a) of this Section 2.03(A)(1)) or submit other business before an annual meeting of stockholders (other than pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*")).

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder of record pursuant to clause (c) of paragraph (A)(1) of this Section 2.03, the stockholder of record bringing the notice (the "*Noticing Stockholder*") must have delivered timely notice thereof in proper written form to the Secretary of the Corporation and any such proposed business other than nominations of persons for election to the Board must constitute a proper matter for stockholder action or must be otherwise appropriate for stockholder action under the provisions of the laws of the State of Delaware. To be timely, the Noticing Stockholder's notice must be delivered to the Secretary of the Corporation not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the date of the Corporation's proxy statement released to stockholders for the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock (as defined in the Amended and Restated Certificate of Incorporation) are first publicly traded, be deemed to have occurred on June 29, 2023); provided, however, that if the date of the meeting is advanced by more than thirty (30) days, or delayed by more than seventy (70) days from such anniversary date, such notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which the public announcement (as defined below) of the date of such meeting is first made by the Corporation. An adjournment, recess, rescheduling or postponement of an annual meeting (or the public announcement of an adjournment, recess, rescheduling or postponement thereof) shall not commence a new time period (or extend any time period) for the giving of a Noticing Stockholder's notice. For the avoidance of doubt, a Noticing Stockholder shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in these Bylaws. Notwithstanding anything in this paragraph (A)(2) of this Section 2.03 to the contrary, in the event that the number of directors to be elected to the Board is increased and there is no public announcement by the Corporation naming all of the nominees

for director proposed by the Board or specifying the size of the increased Board at least ten days prior to the last day a Noticing Stockholder may deliver a notice of nominations in accordance with the second sentence of this paragraph (A)(2) of this Section 2.03, a Noticing Stockholder's notice required by this Section 2.03(A) shall also be considered timely, but only with respect to proposed nominees for any new positions created by such increase, if it shall be delivered to the Secretary not later than the close of business on the tenth day following the day on which a public announcement of such increase in the number of directors to be elected is first made by the Corporation.

(3) To be in proper written form, such Noticing Stockholder's notice delivered to the Secretary pursuant to this Section 2.03(A) shall set forth:

(a) as to each person whom the Noticing Stockholder proposes to nominate for election or re-election as a director: (i) the name, age and address (business and residential) of such person, (ii) a complete biography and statement of such person's qualifications, including the principal occupation or employment of such person (at present and for the past five years), (iii) the Specified Information (as defined below) for such person and any member of the immediate family of such person, or any Affiliate or Associate (as such terms are defined below) of such person, (iv) a complete and accurate description of all agreements, arrangements and understandings between each Holder and any Stockholder Associated Person (as such terms are defined below), on the one hand, and such person, on the other hand, (at present and for the past three years) including, without limitation, a complete and accurate description of all direct and indirect compensation and other monetary agreements, arrangements and understandings at present and for the past three (3) years between the person and such parties (including all biographical, related party transaction and other information that would be required to be disclosed pursuant to the federal and state securities laws, including Rule 404 promulgated under Regulation S-K ("*Regulation S-K*") under the Securities Act of 1933, as amended (the "*Securities Act*") (or any successor provision), if any Holder or any Stockholder Associated Person were the "registrant" for purposes of such rule and such person were a director or executive officer of such registrant), (v) whether such person has (A) notified the Board of each publicly listed company at which such person serves as an officer, executive officer or director with respect to such person's proposed nomination for election to the Board, and, (B) as applicable, received all necessary consents to serve on the Board if so nominated and elected or otherwise appointed (or, if any such consents have not been received, how such person intends to address such failure to receive such necessary consents), (vi) whether such person's nomination, election or appointment, as applicable, would violate or contravene a corporate governance policy, including, without limitation, a conflicts of interest or "overboarding" policy of any publicly listed company at which such person serves as an officer, executive officer or director, and, if so, a description of how such person intends to address such violation or contravention, (vii) the first date of contact between any Holder and/or Stockholder Associated Person, on the one hand, and such person, on the other hand, with respect to the Corporation, (viii) the amount and nature of any direct or indirect economic or financial interest, if any, of such person, or of any immediate family member of such person, in any funds or vehicles managed by, under common management with, or affiliated with any Holder or any Stockholder Associated Person, (ix) any other information relating to such person that would be required to be disclosed in a

proxy statement or any other filings required to be made in connection with solicitation of proxies for the election of directors in a contested election or that is otherwise required pursuant to and in accordance with Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder (including such person's written consent to being named in proxy statements as a proposed nominee of the Noticing Stockholder and to serving as a director if elected), and (x) a completed and signed questionnaire, representation and agreement and any and all other information required by paragraph (A)(3)(e) of this Section 2.03;

(b) as to any other business that the Noticing Stockholder proposes to bring before the meeting: (i) a brief description of the business desired to be brought before the meeting, (ii) the reasons for conducting such business at the meeting, (iii) any material interest of each Holder and each Stockholder Associated Person, if any, in such business, (iv) the text of the proposal or business (including the specific text of any resolutions or actions proposed for consideration and if such business includes a proposal to amend the Certificate of Incorporation or these Bylaws, the specific language of the proposed amendment), and (v) a description of all agreements, arrangements and understandings between each Holder and any Stockholder Associated Person and any other person or persons (including their names) in connection with the proposal of such business by the Noticing Stockholder;

(c) as to the Noticing Stockholder and the beneficial owner, if any, on whose behalf the nomination is made or the other business is being proposed (collectively with the Noticing Stockholder, the "*Holder*s" and each a "*Holder*"): (i) the name and address of each Holder, as the name and address appear on the Corporation's books, and the name and address of each Stockholder Associated Person, if any, (ii) as of the date of the notice (which information, for the avoidance of doubt, shall be updated and supplemented pursuant to paragraph (D)(3) of this Section 2.03), (A) the class or series and number of shares of capital stock of the Corporation which are, directly or indirectly, held of record or owned beneficially by each Holder and any Stockholder Associated Person (provided that, for the purposes of this Section 2.03(A), any such person shall in all events be deemed to beneficially own any shares of stock of the Corporation as to which such person has a right to acquire beneficial ownership at any time in the future (whether such right is exercisable immediately or only after the passage of time or the fulfillment of a condition or both)), (B) any short position, profits interest, option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the Holder and any Stockholder Associated Person may have entered into transactions

that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (any of the foregoing, a “*Derivative Instrument*”) directly or indirectly owned or held, including beneficially, by each Holder and any Stockholder Associated Person and any Short Interest held by each Holder or any Stockholder Associated Person within the last twelve months in any class or series of the shares or other securities of the Corporation, (C) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which each Holder and any Stockholder Associated Person has any right to vote or has granted a right to vote any shares of stock or any other security of the Corporation, (D) any rights to dividends or payments in lieu of dividends on the shares of the Corporation owned beneficially by each Holder or any Stockholder Associated Person that are separated or separable from the underlying shares of stock or other security of the Corporation, (E) any proportionate interest in shares of stock or other securities of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership or limited liability company or other entity in which any Holder or any Stockholder Associated Person is a general partner or directly or indirectly beneficially owns an interest in a general partner, is the manager, managing member or directly or indirectly beneficially owns an interest in the manager or managing member of a limited liability company or other entity, (F) any direct or indirect legal, economic or financial interest (including Short Interest) of each Holder and each Stockholder Associated Person, if any, in the outcome of any (x) vote to be taken at any annual or special meeting of stockholders of the Corporation or (y) any meeting of stockholders of any other entity with respect to any matter that is related, directly or indirectly, to any nomination or business proposed by any Holder under these Bylaws.; and (G) any material pending or threatened action, suit or proceeding (whether civil, criminal, investigative, administrative or otherwise) in which any Holder or any Stockholder Associated Person is, or is reasonably expected to be made, a party or material participant involving the Corporation or any of its officers, directors or employees, or any Affiliate of the Corporation, or any officer, director or employee of such Affiliate (the information required by this subclause (ii) shall be referred to as the “*Specified Information*”), (iii) a representation by the Noticing Stockholder that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting on the matter proposed, that the Noticing Stockholder will continue to be a stockholder of record of the Corporation entitled to vote at such meeting on the matter proposed through the date of such meeting and that such Noticing Stockholder intends to appear in person or by proxy at such meeting to propose such nomination or other business, (iv) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) or an amendment pursuant to Rule 13d-2(a) if such a statement were required to be filed under the Exchange Act and the rules and regulations promulgated thereunder by each Holder and each Stockholder Associated Person, if any, (v) any other information relating to each Holder and each Stockholder Associated Person, if any, that would be required to be disclosed in a proxy statement and form of proxy or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (vi) a representation by the Noticing Stockholder as to whether any Holder and/or any Stockholder Associated Person intends or is part of a group which intends: (A) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation’s outstanding capital

stock required to elect the proposed nominee or approve or adopt the other business being proposed and/or (B) otherwise to solicit proxies from stockholders in support of such nomination or other business, (vii) a certification by the Noticing Stockholder that each Holder and any Stockholder Associated Person has complied with all applicable federal, state and other legal requirements in connection with its acquisition of shares of capital stock or other securities of the Corporation and/or such person's acts or omissions as a stockholder of the Corporation, (viii) the information and statement required by Rule 14a-19(b) of the Exchange Act (or any successor provision) (viii) the names and addresses of other stockholders (including beneficial owners) known by any Holder or Stockholder Associated Person to provide financial or otherwise material support with respect to such proposal(s) or nomination(s) (it being understood that delivery of a revocable proxy with respect to such proposal or nomination shall not in itself require disclosure under this clause (viii)), and to the extent known the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s), and (ix) a representation by the Noticing Stockholder as to the accuracy of the information set forth in the notice. In addition, any Noticing Stockholder who submits a notice pursuant to this paragraph (A)(3) of this Section 2.03 is required to update and supplement the information disclosed in such notice in accordance with paragraph (D)(3) of this Section 2.03.

(d) The Corporation may also, as a condition to any such nomination or business being deemed properly brought before an annual meeting of stockholders, require any Holder or any proposed nominee to deliver to the Secretary, within five Business Days of any such request, such other information as may reasonably be requested by the Corporation, including (i) such other information as may be reasonably required by the Board, in its sole discretion, to determine (x) the eligibility of such proposed nominee to serve as a director of the Corporation, and (y) whether such proposed nominee qualifies as an "independent director" or "audit committee financial expert" under applicable law, securities exchange rule or regulation, or any publicly disclosed corporate governance guideline or committee charter of the Corporation and (ii) such other information that the Board determines, in its sole discretion, could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(e) In addition to the other requirements of this Section 2.03(A), each person who a Noticing Stockholder proposes to nominate for election or re-election as a director of the Corporation must deliver in writing (in accordance with the time periods prescribed for delivery of notice under this Section 2.03(A)) to the Secretary at the principal executive offices of the Corporation (i) a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request of any stockholder of record identified by name within five Business Days of such written request) and (ii) a written representation and agreement (in the form provided by the Secretary upon written request of any stockholder of record identified by name within five Business Days of such written request) that such person (A) is not and will not become a party to (x) any agreement, arrangement or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such

person, if elected as a director of the Corporation, will act or vote on any issue or question (a “*Voting Commitment*”) that has not been disclosed to the Corporation or (y) any Voting Commitment that could limit or interfere with such person’s ability to comply, if elected as a director of the Corporation, with such person’s fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, (C) in such person’s individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable rules of the exchanges upon which the securities of the Corporation are listed and all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation, and (D) in such person’s individual capacity and on behalf of any Holder on whose behalf the nomination is being made, intends to serve a full term if elected as a director of the Corporation.

(B) **Special Meetings of Stockholders.** Only such business (including the election of specific individuals to fill vacancies or newly created directorships on the Board of Directors) shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation’s notice of meeting. At any time that stockholders are not prohibited from filling vacancies or newly created directorships on the Board of Directors, nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation’s notice of meeting only: (1) as provided in the Stockholders’ Agreement, (2) by or at the direction of the Board or any duly authorized committee of the Board; or (2) provided that the Board (or EQT pursuant to Section 8.2 of Article VIII of the Amended and Restated Certificate of Incorporation) has determined that directors shall be elected at such special meeting, by any stockholder of the Corporation who (a) is entitled to vote at the meeting, (b) complies with the notice procedures set forth in this Section 2.03 and (c) is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation, at the time of the record date of the special meeting of stockholders and at the time of the special meeting of stockholders. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any Noticing Stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation’s notice of meeting, if the Noticing Stockholder’s notice as required by paragraphs (A)(2) and (A)(3) of this Section 2.03 shall be delivered to the Secretary of the Corporation in proper written form not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made by the Corporation of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the adjournment, recess, rescheduling or postponement of a special meeting (or the public announcement of an adjournment, recess, rescheduling or postponement thereof) commence a new time period (or extend any time period) for the giving of a Noticing Stockholder’s notice as described above.



(C) **General.**

(1) Except for directors who are appointed by the Board pursuant to these Bylaws, only such persons who are nominated in accordance and compliance with the procedures set forth in this Section 2.03 or the Stockholders' Agreement shall be eligible for election to serve as directors at a meeting of stockholders and only such other business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.03. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the Board or Chair of the meeting shall, in addition to making any other determination that may be appropriate for the conduct of the meeting of the Board shall have the power and duty to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws (including whether the Noticing Stockholder or other Holder, if any, on whose behalf the nomination is made or other business is being proposed solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such Noticing Stockholder's nominee or other business in compliance with such stockholder's representation as required by clause (c)(vi) of paragraph (A)(3) of this Section 2.03). If any proposed nomination or other business was not made or proposed in compliance with these Bylaws, the chair of the meeting of stockholders shall have the power and duty to declare to the meeting that any such nomination or other business was not properly brought before the meeting and in accordance with the provisions of these Bylaws, and that such nomination or other business not properly brought before the meeting shall be disregarded and/or shall not be transacted. Notwithstanding anything to the contrary in these Bylaws, if the Noticing Stockholder (or a qualified representative of the Noticing Stockholder) does not appear at the annual or special meeting, as applicable, to present a nomination or other business, such nomination shall be disregarded and such other business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.03, to be considered a "qualified representative" of the Noticing Stockholder, a person must be authorized by a document authorizing another person or persons to act for such stockholder as proxy at the meeting of stockholders and such person must produce the document or a reliable reproduction of such document at the meeting of stockholders. A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such transmission must either set forth or be submitted with information from which it can be determined that the transmission was authorized by the stockholder. If it is determined that such transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information upon which such inspectors or such persons relied.

(2) **Exchange Act Compliance.** Notwithstanding the foregoing provisions of this Section 2.03, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.03; provided, however, that any references in

these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.03. Nothing in these Bylaws shall be deemed to affect any rights (a) of the holders of any class or series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation to elect directors under specified circumstances, or (b) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or any other applicable federal or state securities law with respect to that stockholder's request to include proposals in the Corporation's proxy statement.

(3) **Updates and Supplements.** In addition, to be considered timely, a Noticing Stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting of stockholders and as of the date that is ten Business Days prior to the meeting of stockholders or any adjournment, recess, rescheduling or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five Business Days after the record date for the meeting of stockholders in the case of the update and supplement required to be made as of the record date, and not later than eight Business Days prior to the date for the meeting of stockholders or any adjournment, recess, rescheduling or postponement thereof in the case of the update and supplement required to be made as of ten Business Days prior to the meeting of stockholders or any adjournment, recess, rescheduling or postponement thereof. In addition, if the Noticing Stockholder has delivered to the Corporation a notice relating to the nomination of directors, the Noticing Stockholder shall deliver to the Corporation not later than eight Business Days prior to the date of the meeting or any adjournment, recess, rescheduling or postponement thereof (or, if not practicable, on the first practicable date prior to the date to which the annual meeting has been adjourned or postponed) reasonable evidence that it has complied with the requirements of Rule 14a-19 of the Exchange Act (or any successor provision). For the avoidance of doubt, the obligation to update and supplement set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and/or resolutions proposed to be brought before a meeting of the stockholders.

(D) **Certain Definitions; Interpretations.** For purposes of these Bylaws,

(1) "Affiliate" shall have the meaning attributed to such term in Rule 12b-2 under the Exchange Act;

(2) "Associate" shall have the meaning attributed to such term in Rule 12b-2 under the Exchange Act;

(3) "Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, NY are authorized or obligated by law or executive order to close;

(4) “close of business” on a particular day shall mean 5:00 p.m. local time at the principal executive offices of the Corporation, and if an applicable deadline falls on the close of business on a day that is not a Business Day, then the applicable deadline shall be deemed to be the close of business on the immediately preceding Business Day;

(5) “delivery” of any notice or materials by a stockholder as required to be “delivered” shall mean, both (a) hand delivery, overnight courier service, or by certified or registered mail, return receipt requested, in each case to the Secretary at the principal executive offices of the Corporation, and (b) electronic mail to the Secretary;

(6) “public announcement” shall mean disclosure: (a) in a press release released by the Corporation, provided such press release is released by the Corporation following its customary procedures, as reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or a comparable news service, or is generally available on internet news sites, or (b) in a document publicly filed by the Corporation with the SEC pursuant to Sections 13, 14 or 15(d) of the Exchange Act;

(7) “Short Interest” shall mean any agreement, arrangement, understanding relationship or otherwise, including any repurchase or similar so-called “stock borrowing” agreement or arrangement, involving any Holder or any Stockholder Associated Person, on the one hand, and any person, on the other hand, directly or indirectly, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) or any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Holder or any Stockholder Associated Person with respect to any class or series of the shares or other securities of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares or other securities of the Corporation; and

(8) “Stockholder Associated Person” shall mean, as to any Holder, (a) any Affiliate or Associate of such Holder, (b) any person who is a member of a “group” (as such term is used in Rule 13d-5 under the Exchange Act (or any successor provision)) with such Holder, and (c) any member of the immediate family of such Holder.

(9) For purposes of these Bylaws, the words “include,” “includes” or “including” shall be deemed to be followed by the words “without limitation.” Where a reference in these Bylaws is made to any statute or regulation, such reference shall be to (1) the statute or regulation as amended from time to time (except as context may otherwise require) and (2) any rules or regulations promulgated thereunder.

(E) Notwithstanding anything to the contrary contained in this Section 2.03, for as long as the Stockholders’ Agreement remains in effect with respect to EQT, EQT (to the extent then subject to the Stockholders’ Agreement) shall not be subject to the notice procedures set forth in paragraph (A)(2), paragraph (A)(3) or paragraph (B) of this Section 2.03 with respect to any annual or special meeting of stockholders.

**Section 2.04 Notice of Meetings.** Whenever stockholders are required or permitted to take any action at a meeting, a timely notice in writing or by electronic transmission, in the manner provided in Section 232 of the DGCL, of the meeting, which shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purposes for which the meeting is called, shall be mailed to or transmitted electronically by the Secretary of the Corporation to each stockholder of record entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting. Unless otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

**Section 2.05 Quorum.** Unless otherwise required by law, the Amended and Restated Certificate of Incorporation or the rules of any stock exchange upon which the Corporation's securities are listed, the holders of record of a majority of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, a majority in voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on that matter. Once a quorum is present to organize a meeting, it shall not be broken by the subsequent withdrawal of any stockholders.

**Section 2.06 Voting.** Except as otherwise provided by or pursuant to the provisions of the Amended and Restated Certificate of Incorporation, each stockholder entitled to vote at any meeting of the stockholders shall be entitled to one vote for each share of stock held by such stockholder that has voting power upon the matters in question. Each stockholder entitled to vote at a meeting of the stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy in any manner provided under Section 212(c) of the DGCL or as otherwise provided under applicable law, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Unless required by the Amended and Restated Certificate of Incorporation or applicable law, or determined by the Chair of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by such stockholder's proxy, if there be such proxy. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the voting power of the shares of stock present in person or represented by proxy and entitled to

vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which, by express provision of applicable law, of the rules or regulations of any stock exchange applicable to the Corporation, of any regulation applicable to the Corporation or its securities, of the Amended and Restated Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing sentence and subject to the Amended and Restated Certificate of Incorporation, all elections of directors shall be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

**Section 2.07 Chair of Meetings.** The Chair of the Board, if one is elected, or, in his or her absence or disability, the President and Chief Executive Officer of the Corporation, or in the absence of the Chair of the Board and the President and Chief Executive Officer, a person designated by the Board shall be the Chair of the meeting and, as such, preside at all meetings of the stockholders.

**Section 2.08 Secretary of Meetings.** The Secretary of the Corporation shall act as secretary at all meetings of the stockholders. In the absence or disability of the Secretary, the Chair of the Board or the President and Chief Executive Officer shall appoint a person to act as Secretary at such meetings.

**Section 2.09 Consent of Stockholders in Lieu of Meeting.** Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote only to the extent permitted by and in the manner provided in the Amended and Restated Certificate of Incorporation and in accordance with applicable law.

**Section 2.10 Adjournment.** At any meeting of stockholders of the Corporation, if less than a quorum be present, the Chair of the meeting or stockholders holding a majority in voting power of the shares of stock of the Corporation, present in person or by proxy and entitled to vote thereat, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. Any business may be transacted at the adjourned meeting that might have been transacted at the meeting originally noticed. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting.

**Section 2.11 Remote Communication.** If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(A) participate in a meeting of stockholders; and

(B) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication; provided that:

(1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder;

(2) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and

(3) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

**Section 2.12 Inspectors of Election.** The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the Chair of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

### **ARTICLE III BOARD OF DIRECTORS**

**Section 3.01 Powers.** Except as otherwise provided by the Amended and Restated Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of its Board. The Board may exercise all such authority and

powers of the Corporation and do all such lawful acts and things as are not by the DGCL or the Amended and Restated Certificate of Incorporation directed or required to be exercised or done by the stockholders.

**Section 3.02 Number and Term; Chair.** The number of directors shall be determined as set forth in Article VI, Section 6.1(A) of the Amended and Restated Certificate of Incorporation. Directors shall be elected by the stockholders at their annual meeting, and the term of each director shall be as set forth in the Amended and Restated Certificate of Incorporation. Directors need not be stockholders. The Board shall elect from its ranks a Chair of the Board, who shall have the powers and perform such duties as provided in these Bylaws and as the Board may from time to time prescribe. The Chair of the Board shall preside at all meetings of the Board at which he or she is present. If the Chair of the Board is not present at a meeting of the Board, the President and Chief Executive Officer (if the President and Chief Executive Officer is a director and is not also the Chair of the Board) shall preside at such meeting, and, if the President and Chief Executive Officer is not present at such meeting or is not a director, a majority of the directors present at such meeting shall elect one (1) of their members to preside over such meeting.

**Section 3.03 Resignations.** Any director may resign at any time upon notice given in writing or by electronic transmission to the Board, the Chair of the Board, the President and Chief Executive Officer or the Secretary of the Corporation. The resignation shall take effect at the time or upon the happening of any event specified therein, and if no specification is so made, at the time of its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise expressly provided in the resignation.

**Section 3.04 Removal.** Directors of the Corporation may be removed in the manner provided in the Amended and Restated Certificate of Incorporation and applicable law.

**Section 3.05 Vacancies and Newly Created Directorships.** Except as otherwise provided by law and subject to the Stockholders' Agreement, vacancies occurring in any directorship (whether by death, resignation, retirement, disqualification, removal or other cause) and newly created directorships resulting from any increase in the number of directors shall be filled in accordance with the Amended and Restated Certificate of Incorporation. Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

**Section 3.06 Meetings.** Regular meetings of the Board may be held at such places and times as shall be determined from time to time by the Board. Special meetings of the Board may be called by the President and Chief Executive Officer of the Corporation or the Chair of the Board, and shall be called by the President and Chief Executive Officer or the Secretary of the Corporation if directed by a majority of the Board and shall be at such places and times as they or he or she shall fix. Notice need not be given of regular meetings of the Board. At least twenty-four (24) hours before each special meeting of the Board, either written notice, notice by electronic transmission or oral notice (either in person or by telephone) notice of the time, date and place of the meeting shall be given to each director; provided, however, that if written notice

is given only by United States mail, such notice be deposited in the United States mail, postage prepaid at least five (5) days before such special meeting of the Board. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

**Section 3.07 Quorum, Voting and Adjournment.** Unless otherwise provided by the Amended and Restated Certificate of Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business. Unless otherwise provided in the Amended and Restated Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of such adjourned meeting need not be given if the time and place of such adjourned meeting are announced at the meeting so adjourned.

**Section 3.08 Committees; Committee Rules.** The Board may designate one or more committees, including but not limited to an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee, each such committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board establishing such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; provided that no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing these Bylaws. Each committee of the Board may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present at a meeting of the committee at which a quorum is present. Unless otherwise provided in such a resolution, in the event that a member and that member's alternate, if alternates are designated by the Board, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.

**Section 3.09 Action Without a Meeting.** Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or any committee thereof, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be



filed in the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form or shall be in electronic form if the minutes are maintained in electronic form.

**Section 3.10 Remote Meeting.** Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, members of the Board, or any committee designated by the Board, may participate in a meeting by means of conference telephone or other communications equipment in which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone or other communications equipment shall constitute presence in person at such meeting.

**Section 3.11 Compensation.** The Board shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

**Section 3.12 Reliance on Books and Records.** A member of the Board, or a member of any committee designated by the Board shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

#### **ARTICLE IV OFFICERS**

**Section 4.01 Number.** The officers of the Corporation shall include a President and Chief Executive Officer and a Secretary, each of whom shall be elected by the Board and who shall hold office for such terms as shall be determined by the Board and until their successors are elected and qualify or until their earlier resignation or removal. In addition, the Board may elect one or more Vice Presidents, including one or more Executive Vice Presidents, Senior Vice Presidents, a Treasurer and one or more Assistant Treasurers and one or more Assistant Secretaries, who shall hold their office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same person.

**Section 4.02 Other Officers and Agents.** The Board may appoint such other officers and agents as it deems advisable, who shall hold their office for such terms and shall exercise and perform such powers and duties as shall be determined from time to time by the Board.

**Section 4.03 President and Chief Executive Officer.** The Chief Executive Officer, who shall also be the President, subject to the determination of the Board, shall have general executive charge, management, and control of the properties and operations of the Corporation in the ordinary course of its business, with all such powers with respect to such properties and operations as may be reasonably incident to such responsibilities. If the Board has not elected a Chair of the Board or in the absence or inability to act as the Chair of the Board, the President and Chief Executive Officer shall exercise all of the powers and discharge all of the duties of the

Chair of the Board, but only if the President and Chief Executive Officer is a director of the Corporation.

**Section 4.04 Vice Presidents.** Each Vice President, if any are elected, of whom one or more may be designated an Executive Vice President or Senior Vice President, shall have such powers and shall perform such duties as shall be assigned to him or her by the President and Chief Executive Officer or the Board.

**Section 4.05 Treasurer.**

(A) The Treasurer shall have custody of the corporate funds, securities, evidences of indebtedness and other valuables of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board or its designees selected for such purposes. The Treasurer shall disburse the funds of the Corporation, taking proper vouchers therefor. The Treasurer shall render to the President and Chief Executive Officer and the Board, upon their request, a report of the financial condition of the Corporation. If required by the Board, the Treasurer shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board shall prescribe.

(B) In addition, the Treasurer shall have such further powers and perform such other duties incident to the office of Treasurer as from time to time are assigned to him or her by the President and Chief Executive Officer or the Board.

**Section 4.06 Secretary.** The Secretary shall: (A) cause minutes of all meetings of the stockholders and directors to be recorded and kept properly; (B) cause all notices required by these Bylaws or otherwise to be given properly; (C) see that the minute books, stock books, and other nonfinancial books, records and papers of the Corporation are kept properly; and (D) cause all reports, statements, returns, certificates and other documents to be prepared and filed when and as required. The Secretary shall have such further powers and perform such other duties as prescribed from time to time by the President and Chief Executive Officer or the Board.

**Section 4.07 Assistant Treasurers and Assistant Secretaries.** Each Assistant Treasurer and each Assistant Secretary, if any are elected, shall be vested with all the powers and shall perform all the duties of the Treasurer and Secretary, respectively, in the absence or disability of such officer, unless or until the President and Chief Executive Officer or the Board shall otherwise determine. In addition, Assistant Treasurers and Assistant Secretaries shall have such powers and shall perform such duties as shall be assigned to them by the President and Chief Executive Officer or the Board.

**Section 4.08 Corporate Funds and Checks.** The funds of the Corporation shall be kept in such depositories as shall from time to time be prescribed by the Board or its designees selected for such purposes. All checks or other orders for the payment of money shall be signed by the President and Chief Executive Officer, a Vice President, the Treasurer or the Secretary or such other person or agent as may from time to time be authorized and with such countersignature, if any, as may be required by the Board.

**Section 4.09 Contracts and Other Documents.** The President and Chief Executive Officer and the Secretary, or such other officer or officers as may from time to time be authorized by the Board or any other committee given specific authority in the premises by the Board during the intervals between the meetings of the Board, shall have power to sign and execute on behalf of the Corporation deeds, conveyances and contracts, and any and all other documents requiring execution by the Corporation.

**Section 4.10 Ownership of Equity Interests or other Securities of Another Entity.** Unless otherwise directed by the Board, the President and Chief Executive Officer, a Vice President, the Treasurer or the Secretary, or such other officer or agent as shall be authorized by the Board, shall have the power and authority, on behalf of the Corporation, to attend and to vote at any meeting of securityholders of any entity in which the Corporation holds securities or equity interests and may exercise, on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such securities or equity interests at any such meeting, including the authority to execute and deliver proxies and consents on behalf of the Corporation.

**Section 4.11 Delegation of Duties.** In the absence, disability or refusal of any officer to exercise and perform his or her duties, the Board may delegate to another officer such powers or duties.

**Section 4.12 Resignation and Removal.** Any officer of the Corporation may be removed from office for or without cause at any time by the Board. Any officer may resign at any time in the same manner prescribed under Section 3.03 of these Bylaws.

**Section 4.13 Vacancies.** The Board shall have the power to fill vacancies occurring in any office.

## **ARTICLE V STOCK**

**Section 5.01 Certificated Shares.** The shares of stock of the Corporation shall be represented by certificates; provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by any two authorized officers of the Corporation (it being understood that each of the Chair of the Board or the Vice Chair of the Board, or the President and Chief Executive Officer or a Vice President, and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation shall be an authorized officer for such purpose), certifying the number and class of shares of stock of the Corporation owned by such holder. Any or all of the signatures on the certificate may be a facsimile. The Board shall have the power to appoint one or more transfer agents and/or registrars for the transfer or registration of certificates of stock of any class, and may require stock certificates to be countersigned or registered by one or more of such transfer agents and/or registrars.

**Section 5.02 Uncertificated Shares.** If the Board chooses to issue uncertificated shares, the Corporation, if required by the DGCL, shall, within a reasonable time after the issue or transfer of uncertificated shares, send the stockholder a written statement of the information required by the DGCL shall be sent by or on behalf of the Corporation to stockholders entitled to such uncertificated shares. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates; provided that the use of such system by the Corporation is permitted by applicable law.

**Section 5.03 Transfer of Shares.** Shares of stock of the Corporation represented by certificates shall be transferable upon its books by the holders thereof, in person or by their duly authorized attorneys or legal representatives, upon surrender to the Corporation by delivery thereof (to the extent evidenced by a physical stock certificate) to the person in charge of the stock and transfer books and ledgers. Certificates representing such shares, if any, shall be cancelled and new certificates, if the shares are to be certificated, shall thereupon be issued. Shares of capital stock of the Corporation that are not represented by a certificate shall be transferred in accordance with any procedures adopted by the Corporation or its agents and applicable law. A record shall be made of each transfer. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares requested to be transferred, both the transferor and transferee request the Corporation do so. The Corporation shall have power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of certificates representing shares of stock of the Corporation and uncertificated shares.

**Section 5.04 Lost, Stolen, Destroyed or Mutilated Certificates.** A new certificate of stock or uncertificated shares may be issued in the place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed, and the Corporation may, in its discretion, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond, in such sum as the Corporation may direct, in order to indemnify the Corporation against any claims that may be made against it in connection therewith. A new certificate or uncertificated shares of stock may be issued in the place of any certificate previously issued by the Corporation that has become mutilated upon the surrender by such owner of such mutilated certificate and, if required by the Corporation, the posting of a bond by such owner in an amount sufficient to indemnify the Corporation against any claim that may be made against it in connection therewith.

**Section 5.05 List of Stockholders Entitled to Vote.** The Corporation shall prepare, no later than the tenth day before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of ten days ending on the day before the meeting date (A) on a reasonably accessible electronic network, provided that the

information required to gain access to such list is provided with the notice of the meeting or (B) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 5.05 or to vote in person or by proxy at any meeting of stockholders.

**Section 5.06 Fixing Date for Determination of Stockholders of Record.**

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(C) Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, in order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board, (i) when no prior action of the Board is required by law, the

record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (ii) if prior action by the Board is required by law, the record date for such purpose shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

**Section 5.07 Registered Stockholders.** Prior to the surrender to the Corporation of the certificate or certificates for a share or shares of stock or notification to the Corporation of the transfer of uncertificated shares with a request to record the transfer of such share or shares, the Corporation may treat the registered owner of such share or shares as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner of such share or shares. To the fullest extent permitted by law, the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

## **ARTICLE VI NOTICE AND WAIVER OF NOTICE**

**Section 6.01 Notice.** If mailed, notice to stockholders shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation, and if given by any other form, including any form of electronic transmission permitted by the DGCL shall be deemed given as provided in the DGCL. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

**Section 6.02 Waiver of Notice.** A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting (in person or by remote communication) shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

**ARTICLE VII  
INDEMNIFICATION**

**Section 7.01 Right to Indemnification.** Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an “indemnatee”), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys’ fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnatee in connection therewith; provided, however, that, except as provided in Section 7.03 with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnatee, the Corporation shall indemnify any such indemnatee in connection with a proceeding (or part thereof) initiated by such indemnatee only if such proceeding (or part thereof) was authorized by the Board.

**Section 7.02 Right to Advancement of Expenses.** In addition to the right to indemnification conferred in Section 7.01, an indemnatee shall also have the right to be paid by the Corporation the expenses (including attorney’s fees) incurred in appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article VII (which shall be governed by Section 7.03 (hereinafter an “advancement of expenses”)); provided, however, that, if the DGCL requires or in the case of an advance made in a proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by an indemnatee in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such indemnatee, including, without limitation, service to an employee benefit plan) shall be made solely upon delivery to the Corporation of an undertaking (hereinafter an “undertaking”), by or on behalf of such indemnatee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a “final adjudication”) that such indemnatee is not entitled to be indemnified or entitled to advancement of expenses under Section 7.01 and Section 7.02 or otherwise.

**Section 7.03 Right of Indemnatee to Bring Suit.** If a claim under Section 7.01 or Section 7.02 is not paid in full by the Corporation within (i) sixty (60) days after a written claim for indemnification has been received by the Corporation or (ii) twenty (20) days after a claim for an advancement of expenses has been received by the Corporation, the indemnatee may at

any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if the indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

**Section 7.04 Indemnification Not Exclusive.**

(A) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article VII, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article VII, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(1) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of expenses in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article VII, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Under no circumstance shall the Corporation be entitled to any right of subrogation or contribution by the indemnitee-related entities and no right of advancement or recovery the indemnitee may have from the indemnitee-



related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation hereunder. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation, and the indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 7.04(A), entitled to enforce this Section 7.04(A).

(2) For purposes of this Section 7.04(A), the following terms shall have the following meanings:

(a) The term “*indemnitee-related entities*” means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnitee has agreed, on behalf of the Corporation or at the Corporation’s request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation.

(b) The term “*jointly indemnifiable claims*” shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnitee shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to applicable law, any agreement, certificate of incorporation, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.

**Section 7.05 Nature of Rights.** The rights conferred upon indemnitees in this Article VII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee’s heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

**Section 7.06 Insurance.** The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense,

liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

**Section 7.07 Indemnification of Employees and Agents of the Corporation.** The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

## **ARTICLE VIII MISCELLANEOUS**

**Section 8.01 Electronic Transmission.** For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

**Section 8.02 Corporate Seal.** The Board may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

**Section 8.03 Fiscal Year.** The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

**Section 8.04 Section Headings.** Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

**Section 8.05 Inconsistent Provisions.** In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Amended and Restated Certificate of Incorporation, the DGCL or any other applicable law, such provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

## **ARTICLE IX AMENDMENTS**

**Section 9.01 Amendments.** The Board is authorized to make, repeal, alter, amend and rescind, in whole or in part, these Bylaws without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or the Amended and Restated Certificate of Incorporation. Notwithstanding any other provisions of these Bylaws or any provision of law that might otherwise permit a lesser vote of the stockholders, at any time when EQT beneficially owns, in the aggregate, less than thirty five percent (35%) in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required by the

Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock (as defined in the Amended and Restated Certificate of Incorporation), these Bylaws or applicable law, the affirmative vote of the holders of at least 66 2/3% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of these Bylaws (including, without limitation, this Section 9.01) or to adopt any provision inconsistent herewith.

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**DESCRIPTION OF CAPITAL STOCK**

The following description of the Company's capital stock is not complete and may not contain all the information you should consider before investing in the Company's capital stock. This description is summarized from, and qualified in its entirety by reference to, the provisions of applicable law and to our Amended and Restated Certificate of Incorporation (the "Charter") and our Second Amended and Restated Bylaws (the "Bylaws"), each of which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.4 is a part. We encourage you to read our Charter, our Bylaws and the applicable provisions of the Delaware General Corporation Law (as amended, the "DGCL") for additional information.

**Authorized Capitalization**

The Charter provides that the Company is authorized to issue 800,000,000 shares of capital stock, divided into two classes consisting of (a) 750,000,000 shares of Common Stock and (b) 50,000,000 shares of Preferred Stock, 6,000,000 of which are currently designated as Series A Preferred Stock, par value of \$0.01 per share (the "Series A Preferred Stock").

**Common Stock**

*Voting Rights*

Each holder of Common Stock, as such, is entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote. Notwithstanding the foregoing, to the fullest extent permitted by law, holders of Common Stock, as such, have no voting power with respect to, and are not entitled to vote on, any amendment to the Charter (including any Certificate of Designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Charter (including any Certificate of Designation relating to any series of Preferred Stock) or pursuant to the Delaware General Corporation Law (the "DGCL"). Except as otherwise provided in the Charter or required by applicable law, the holders of Common Stock shall vote together as a single class (or, if the holders of one or more series of Preferred Stock (such as the Series A Preferred Stock) are entitled to vote together with the holders of Common Stock, as a single class with the holders of such other series of Preferred Stock) on all matters submitted to a vote of the stockholders generally.

*Exchange Rights*

Subject to certain limitations, each common unit ("OpCo Unit") of Kodiak Gas Services, LLC ("Kodiak Services") held by an electing unitholder ("Electing Unitholder") is redeemable

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for either, at Kodiak Services' election, (i) one share of Common Stock (together with the cancellation of one share of Series A Preferred Stock), subject to conversion rate adjustments for stock splits, stock dividends, reclassification and other similar transactions, or (ii) an equivalent amount of cash, pursuant to the terms of the Sixth Amended and Restated Limited Liability Company Agreement of Kodiak Services (the "OpCo LLC Agreement").

### ***Dividends and Liquidation***

Subject to the rights and preferences of any Preferred Stock that the Company may issue in the future (including, with respect to distributions in liquidation, the Series A Preferred Stock), the holders of Common Stock are entitled to receive:

- dividends as may be declared by the board of directors of the Company (the "Board"); and
- all of the Company's assets available for distribution to stockholders in liquidation, pro rata, based on the number of shares held.

No redemption or sinking fund provisions is applicable to the Common Stock. All outstanding shares of Common Stock are fully paid and non-assessable.

### **Preferred Stock**

Authorized and unissued shares of Preferred Stock may be issued from time to time in one or more additional series as the Board, by resolution or resolutions, may from time to time determine, each of said series to be distinctively designated. The voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, if any, of each such series of Preferred Stock may differ from those of any and all other series of Preferred Stock (including the Series A Preferred Stock) at any time outstanding, and, subject to certain exceptions set forth in the Charter, and applicable law, the Board may fix or alter, by resolution or resolutions, the designation, number, voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, of each series of Preferred Stock.

### ***Series A Preferred Stock***

#### *Dividends*

Except with respect to dividends in connection with the adoption of a "poison pill" or similar shareholders rights plan, the holders of Series A Preferred Stock will not be entitled to receive any dividends (including cash, stock or property) in respect of their Series A Preferred Stock. However, in the event of a dividend to holders of shares of Common Stock in the form of shares of Common Stock or rights to acquire shares of Common Stock, the holders of Series A Preferred Stock will be entitled to simultaneously receive a dividend of Series A Preferred Stock or rights to acquire Series A Preferred Stock, in each case in the same proportion and manner.

#### *Liquidation Preference*

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Any shares of Series A Preferred Stock offered hereby will be fully paid and nonassessable. In addition, in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, each holder of Series A Preferred Stock will be entitled to receive out of the assets of the Company available for distribution to the Company's stockholders, before any distribution of assets is made on shares of Common Stock, an amount equal to \$0.01 per share of Series A Preferred Stock. Neither the voluntary sale, conveyance, exchange or transfer, for cash, shares of stock, securities or other consideration, of all or substantially all of the Company's property or assets, nor the merger or consolidation of the Company with or into any corporation or other entity or the merger or consolidation of any corporation or other entity with or into the Company will be deemed to be a voluntary or involuntary liquidation, dissolution or winding-up of the Company.

#### *Voting Rights*

Each holder of Series A Preferred Stock will be entitled to one vote for each share of Series A Preferred Stock on all matters submitted to a vote of the holders of Common Stock, as adjusted to account for any subdivision or combination of shares of Common Stock. Except as otherwise provided in the Charter or required by applicable law, the holders of the Series A Preferred Stock will vote together as a single class with the holders of Common Stock on all matters submitted to a vote of the Company's stockholders generally.

#### *Merger or Consolidation*

In the event of a merger or consolidation of the Company with or into another entity (whether or not the Company is the surviving entity) or any other transaction in which shares of Common Stock are exchanged for or converted into other stock or securities, or the right to receive cash and/or any other property, the holders of Series A Preferred Stock will not be entitled to receive any economic consideration in respect of the Series A Preferred Stock.

#### *Transfer Restrictions*

To the extent that any OpCo Units of Kodiak Services are transferred to the Company or Kodiak Services pursuant to a redemption in accordance with the OpCo LLC Agreement, then simultaneous with that transfer, an equal number of shares of Series A Preferred Stock registered in the name of the transferor will automatically and without further action on the part of the Company or that transferor be transferred to the Company and will no longer be outstanding. Subject to the foregoing and certain exceptions, the transfer of any OpCo Units pursuant to the terms of the OpCo LLC Agreement will result in the automatic transfer of an equal number of shares of Series A Preferred Stock from the same transferor to the same transferee.

#### **Anti-Takeover Provisions**

Notwithstanding the opt out from Section 203 of the DGCL, some provisions of the Charter and the Bylaws could make certain change of control transactions more difficult, including acquisitions of the Company by means of a tender offer, a proxy contest or otherwise. These provisions may also have the effect of preventing changes in the Board. It is possible that

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these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in the Company's best interests, including transactions that might result in a premium over the market price for our Common Stock. Therefore, these provisions could adversely affect the price of our Common Stock.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Company believes that the benefits of increased protection and the Company's potential ability to negotiate with the proponent of an unsolicited proposal to acquire or restructure the Company arising from such provisions outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

### **Opt Out of Section 203 of the DGCL**

In the Charter, the Company elected not to be subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. In general, those provisions, if applicable, would prohibit a Delaware corporation, including those whose securities are listed for trading on the NYSE, from engaging in any business combination with any interested stockholder for a period of three years following the time that the stockholder became an interested stockholder, unless:

- the transaction that resulted in the stockholder becoming an interested stockholder, or the business combination, is approved by the board of directors before the time the interested stockholder attained that status;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- on or after the date the interested stockholder attained that status, the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

### **Our Charter and Bylaws**

Among other things, our Charter and Bylaws:

- establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or business to be brought before meetings of the Company's stockholders. These procedures provide that notice of stockholder proposals must be timely delivered to the Company's corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely in connection with an annual meeting, notice must be delivered to the Company's corporate secretary not less than 90 days nor more than 120 days prior to the first anniversary of the date of the Company's proxy statement released to the stockholders for the preceding year's annual meeting. The Bylaws specify the requirements as to form and content of such stockholders' notices. These
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requirements may deter stockholders from bringing matters before the stockholders at an annual or special meeting;

- authorize the Board to issue undesignated Preferred Stock. This ability makes it possible for the Board to issue, without stockholder approval, Preferred Stock with voting or other rights or preferences that could impede the success of any attempt to change control of the Company. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of the Company;
  - provide that, subject to the rights of any holders of Preferred Stock the authorized number of directors may be changed only by resolution of the Board;
  - provide that, if EQT AB (publ), a Swedish public limited liability company, and its affiliates, subsidiaries, successors and assigns (“EQT”), beneficially owns, in the aggregate, less than 35% of the voting power of the stock of the Company entitled to vote generally in the election of directors, any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders, subject to the rights of the holders of any series of Preferred Stock with respect to such series;
  - provide that, subject to the Stockholders’ Agreement, all vacancies, including newly created directorships, shall, except as otherwise required with regards to rights granted to holders of Preferred Stock, except as otherwise required by law or, if applicable, the rights of holders of a series of Preferred Stock, be filled by the affirmative vote of a majority of the directors then in office, even if less than a quorum, a sole remaining director, or the stockholders and that, at any time when EQT beneficially owns, in the aggregate, less than 35% in voting power of the stock of the Company entitled to vote generally in the election of directors, all vacancies, including newly created directorships, occurring in the Board shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director (and not by stockholders);
  - provide that, except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders may be called only by or at the direction of the Board or the Chairman of the Board; provided, however, that at any time when EQT beneficially owns, in the aggregate, at least 35% in voting power of the stock of the Company entitled to vote generally in the election of directors, special meetings may also be called by or at the direction of the Board or the Chairman of the Board at the request of EQT;
  - provide that, the Board shall be divided into three classes of directors, with each class as nearly equal in number as possible, serving staggered three-year terms, other than directors which may be elected by holders of Preferred Stock, if any and that, at any time when EQT beneficially owns, in the aggregate, less than 35% in voting power of the stock of the Company entitled to vote generally in the election of directors, directors may be removed only for cause and only by the affirmative vote of the holders of at least two thirds in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class. This system of electing and remaining directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of the Company because it generally makes it more difficult for stockholders to replace a majority of the directors;
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- provide that, the Company generally renounces any interest or expectancy in any business opportunity (existing and future) that might be a corporate opportunity, including one that involves any aspect of the energy business or industry and that may be from time to time presented to EQT or certain other persons, and that such persons have no obligation to offer the Company those investments or opportunities;
- provide that, if EQT beneficially owns, in the aggregate, less than 35% in voting power of the stock of the Company entitled to vote generally in the election of directors, the Bylaws may be amended by stockholders, and certain provisions of the Charter may be amended, only with the affirmative vote of the holders of at least two-thirds in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon.

### **Forum Selection**

The Charter provides that unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for:

- any derivative action or proceeding brought on the Company's behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of the Company's directors, officers, or employees to the Company or the Company's stockholders;
- any action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the DGCL, the Charter or the Bylaws; or
- any action asserting a claim governed by the internal affairs doctrine.

The Charter further provides that, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

The Charter also provides that, to the fullest extent permitted by law, any person purchasing or otherwise acquiring any interest in shares of the Company's capital stock will be deemed to have notice of, and to have consented to, these forum selection provisions. Although the Company believes these provisions benefit the Company by providing increased consistency in the application of law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against the Company's directors, officers, and employees. The enforceability of similar exclusive forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in the Charter is inapplicable or unenforceable.

### **Stockholders' Agreement**

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The Stockholders' Agreement, dated as of July 3, 2023, by and among the Company, Kodiak Holdings and the other parties thereto (the "Stockholders' Agreement"), provides that, subject to compliance with applicable law and stock exchange rules, for so long as Kodiak Holdings and its affiliates beneficially own at least 35% of the Company's Common Stock then outstanding, it shall be entitled to designate two directors to the Board; and for so long as Kodiak Holdings and its affiliates beneficially own at least 10% of the Company's Common Stock then outstanding, it shall be entitled to designate at least one director. So long as Kodiak Holdings has the right to designate directors to the Board, it will also have the right to appoint the same number of the Board observers, who will be entitled to attend all meetings of the Board in a non-voting, observer capacity.

For so long as Kodiak Holdings beneficially owns at least 35% of outstanding Common Stock, the Company and its subsidiaries may not, without the approval of Kodiak Holdings, take any of the following actions:

- change the size of the Board;
- amend, restate, modify or waive the Charter or Bylaws;
- enter into voluntary liquidation or dissolution, commence bankruptcy or insolvency proceedings, adopt a plan with respect to any of the foregoing or decide not to oppose any similar proceeding commenced by a third party;
- consummate a transaction that would result in a change of control of the Company or a sale of all or substantially all of the Company's assets;
- incur debt for borrowed money (or liens securing such debt) in excess of \$50 million, including incremental incurrences under existing debt facilities;
- authorize, create (by way of reclassification, merger, consolidation or otherwise) or issue in excess of \$25 million of any equity securities of any kind (other than pursuant to any equity compensation plan approved by the compensation committee or intra-company issuances among the Company and its subsidiaries), including any designation of the rights (including special voting rights) of one or more classes of Preferred Stock;
- modify the Company's dividend policy; and
- sell, transfer or otherwise dispose of the Company's assets not in the ordinary course of business in a transaction or series of transactions with a fair market value in excess of \$100 million.

#### **Limitation of Liability and Indemnification of Officers and Directors**

As permitted by Section 145 of the DGCL, the Bylaws provide that:

- the Company shall indemnify the Company's directors and executive officers to the fullest extent permitted by the DGCL, subject to limited exceptions, and that the Company may indemnify other officers, employees or other agents;
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- the Company shall advance expenses to the Company’s directors and executive officers in connection with a legal proceeding to the fullest extent permitted by the DGCL, subject to limited exceptions; and
- the rights provided in the Bylaws are not exclusive.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors or officers of corporations, then the personal liability of the Company’s directors and officers will be further limited to the fullest extent permitted by the DGCL.

#### **Transfer Agent and Registrar**

The transfer agent and registrar for the shares of our capital stock is Computershare.

#### **Listing**

The shares of our Common Stock trade on the NYSE under the symbol “KGS.”

## INSIDER TRADING POLICY

### 1. PURPOSE

This Insider Trading Policy (the “Policy”) provides guidelines with respect to transactions in the securities of Kodiak Gas Services, Inc., a Delaware corporation (individually, and together with its subsidiaries, the “Company”), and the handling of confidential information about the Company and the companies with which the Company does business. The Company’s board of directors (the “Board”) has adopted this Policy to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) trading in securities of that company; or (ii) providing material nonpublic information to other persons who may trade on the basis of that information. Regulators have adopted sophisticated surveillance techniques to identify insider trading transactions, and it is important to the Company to avoid even the appearance of impropriety.

### 2. APPLICABILITY

This Policy applies to all directors, officers and employees of the Company and its subsidiaries. The Company may also determine that other persons should be subject to this Policy, such as contractors or consultants who have access to material nonpublic information. This Policy also applies to family members, other members of a person’s household and entities controlled by a person covered by this Policy, as described below.

### 3. TRANSACTIONS SUBJECT TO THE POLICY

This Policy applies to transactions in the Company’s securities (collectively referred to in this Policy as “Company Securities”), including the Company’s common stock, options to purchase common stock, or any other type of securities that the Company may issue, including (but not limited to) preferred stock, convertible debentures and warrants, as well as derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to Company Securities.

### 4. INDIVIDUAL RESPONSIBILITY

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in Company Securities while in possession of material nonpublic information. Each individual is responsible for making sure that he or she complies with this Policy, and that any family member, household member or entity whose transactions are subject to this Policy, as discussed below, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company, the Chief Legal Officer or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws, as described below in more detail under the heading “Consequences of Violations.”

### 5. STATEMENT OF POLICY

It is the policy of the Company that no director, officer or other employee of the Company (or any other person designated by this Policy or by the Chief Legal Officer as subject to this Policy) who is aware of material nonpublic information relating to the Company may, directly, or indirectly through family members or other persons or entities:

1. Engage in transactions in Company Securities, except as otherwise specified in this Policy under the headings “Transactions Under Company Plans,” “Transactions Not Involving a Purchase or Sale,” “Pre-Clearance & Blackouts” and “Rule 10b5-1 Plans;”
2. Recommend the purchase or sale of any Company Securities;
3. Disclose material nonpublic information to persons within the Company whose jobs do not require them to have that information, or outside of the Company to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms (“tipping”), unless any such disclosure is made in accordance with the Company’s policies regarding the protection or authorized external disclosure of information regarding the Company; or
4. Assist anyone engaged in the above activities. In addition, it is the policy of the Company that no director, officer or other employee of the Company (or any other person designated as subject to this Policy) who, in the course of working for the Company, learns of material nonpublic information about a company (i) with which the Company does business, including a customer, supplier, vendor or other business partners of the Company or (ii) that is involved in a potential transaction or business relationship with the Company, may trade in that company’s securities until the information becomes public or is no longer material. For example, in the instance where a person may learn of material nonpublic information involved in a transaction in which the Company expects to enter into (or terminate) a substantial business relationship with another company, or acquire another company, buy a substantial amount of its stock or enter into a joint venture with the company, even though the size of the transaction may be immaterial to the Company, it may be material to the other company. This Policy prohibits you from engaging in any of the above activities with respect to the securities of that company, or any other company that may be directly or indirectly impacted by such transaction, while aware of this non-public information or from tipping others regarding the information.

There are no exceptions to this Policy, except as specifically noted herein. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company’s reputation for adhering to the highest standards of conduct.

## **6. DEFINITION OF MATERIAL NONPUBLIC INFORMATION**

Material Information: Information is considered “material” if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could be expected to affect a company’s stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- Projections of future earnings or losses, or other earnings guidance;
- Changes to previously announced earnings guidance, or the decision to suspend earnings guidance;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset;
- A pending or proposed joint venture;
- A Company restructuring;
- Significant related party transactions;
- A change in dividend policy, the declaration of a stock split, an offering of additional securities, or other events regarding the Company’s securities;
- Bank borrowings or other financing transactions out of the ordinary course;
- Changes to the Company’s credit rating;
- The establishment, reauthorization, modification or termination of a repurchase program for Company Securities;
- A change in the Company’s pricing or cost structure;
- Major marketing changes;
- A change in management;
- A change in auditors or notification that the auditor’s reports may no longer be relied upon;
- Development of a significant new product, process, or service;
- Pending or threatened significant litigation, governmental investigations or proceedings, or the resolution of such litigation, governmental investigations or proceedings;
- Impending bankruptcy or the existence of severe liquidity problems;
- The gain or loss of a significant customer or supplier;

- Significant events concerning the Company’s physical assets or a significant disruption in the Company’s operations;
- Fund performance or other significant changes to the Company’s investment portfolio or investment strategy;
- Regulatory approvals or changes in regulation and any analysis of how they affect the Company;
- Significant cybersecurity incidents;
- The imposition of a ban on trading in Company Securities or the securities of another company; and
- Any other events that require the Company to file a Current Report on Form 8-K with the U.S. Securities and Exchange Commission (the “SEC”).

If you are unsure whether information is material, you should either consult the Chief Legal Officer before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates or assume that the information is material.

When Information is Considered Public: Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through the Dow Jones “broad tape,” newswire services, a broadcast on widely- available radio or television programs, publication in a widely-available newspaper, magazine or news website, or public disclosure documents filed with the SEC that are available on the SEC’s website. By contrast, information would likely not be considered widely disseminated if it is available only to the Company’s employees, or if it is only available to a select group of analysts, brokers and institutional investors.

Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until after the second business day after the day on which the information is released. If, for example, the Company were to make an announcement on a Monday, you should not trade in Company Securities until Thursday. Depending on the particular circumstances, the Company may determine that a longer period should apply to the release of specific material nonpublic information depending on the type of information released, the market expectations relating to the subject matter of the release, the market’s reaction after the information is released or any other factors.

## **7. TRANSACTIONS BY FAMILY MEMBERS AND OTHERS**

This Policy applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company Securities (collectively referred to as “Family Members”). You are responsible for the transactions of these other persons and therefore should make them aware of the need

to confer with you before they trade in Company Securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or your Family Members.

#### **8. TRANSACTIONS BY ENTITIES THAT YOU INFLUENCE OR CONTROL**

This Policy applies to any entities that you influence or control, including any corporations, partnerships or trusts (collectively referred to as “Controlled Entities”), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

#### **9. TRANSACTIONS UNDER COMPANY PLANS**

This Policy does not apply in the case of the following transactions, except as specifically noted:

1. Stock Option Exercises: This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company’s plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.
2. Restricted Stock Awards: This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. The Policy does apply, however, to any market sale of restricted stock.
3. 401(k) Plan: This Policy does not apply to purchases of Company Securities in the Company’s 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. This Policy does apply, however, to certain elections you may make under the 401(k) plan, including: (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund; (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund; (c) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance; and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.
4. Employee Stock Purchase Plan: This Policy does not apply to purchases of Company Securities in the employee stock purchase plan resulting from your periodic or lump sum contribution of money to the plan pursuant to the election you made at the time of your enrollment in the plan. This Policy does apply, however, to your initial election to participate in the plan, changes to your election to participate in the plan for any enrollment period, and to your sales of Company Securities purchased pursuant to the plan.
5. Dividend Reinvestment Plan: This Policy does not apply to purchases of Company Securities under the Company’s dividend reinvestment plan resulting from your reinvestment of dividends paid on Company Securities. This Policy does apply, however, to voluntary purchases of Company Securities resulting from



additional contributions you choose to make to the dividend reinvestment plan, and to your election to participate in the plan or increase your level of participation in the plan. This Policy also applies to your sale of any Company Securities purchased pursuant to the plan.

#### **10. TRANSACTIONS NOT INVOLVING A PURCHASE OR SALE**

Mutual funds have many investments (including potentially hundreds of individual stocks) in a single fund, and their forms include index funds (e.g., S&P 500) and exchange-traded funds (“ETFs”). Mutual funds can be passively managed or actively managed. The Company’s securities are included in many such funds, but only as a very small percentage of each fund’s overall holdings. SEC rules do not require individual reporting of ownership of any such shares. As a result, transactions in mutual funds that are invested in Company Securities are not transactions subject to this Policy; provided, that any such funds are broad-based and not focused on the natural gas compression sector.

#### **11. SPECIAL AND PROHIBITED TRANSACTIONS**

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It therefore is the Company’s policy that any persons covered by this Policy may not engage in any of the following transactions, or should otherwise consider the Company’s preferences as described below:

Short-Term Trading: Short-term trading of Company Securities may be distracting to the person and may unduly focus the person on the Company’s short-term stock market performance instead of the Company’s long-term business objectives. For these reasons, any Covered Senior Person (as defined below) who purchases Company Securities in the open market may not sell any Company Securities of the same class during the six months following the purchase (or vice versa).

Short Sales: Short sales of Company Securities (*i.e.*, the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company’s prospects. In addition, short sales may reduce a seller’s incentive to seek to improve the Company’s performance. For these reasons, short sales of Company Securities are prohibited. In addition, Section 16(c) of the Exchange Act prohibits officers and directors from engaging in short sales. (Short sales arising from certain types of hedging transactions are governed by the paragraph below captioned “Hedging Transactions.”)

Publicly-Traded Options: Given the relatively short term of publicly-traded options, transactions in options in Company Securities may create the appearance that a director, officer or employee is trading based on material nonpublic information and focus a director’s, officer’s or other employee’s attention on short-term performance at the expense of the Company’s long-term objectives. Accordingly, transactions in put options, call options or other derivative securities involving the Company’s Securities, on an exchange or in any other organized market, are prohibited by this Policy. (Option positions arising from certain types of hedging transactions are governed by the next paragraph below.)

Hedging Transactions: Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit a director, officer or employee to

continue to own Company Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objectives as the Company's other shareholders. Therefore, the Company prohibits you from engaging in such transactions. Any person wishing to enter into such an arrangement must first submit the proposed transaction for approval by the Chief Legal Officer. Any request for pre-clearance of a hedging or similar arrangement must be submitted to the Chief Legal Officer at least two weeks prior to the proposed execution of documents evidencing the proposed transaction and must set forth a justification for the proposed transaction.

Gifts Subject to the Same Restrictions and Pre-Clearance Procedures as All Other Trades : Persons subject to this Policy may not give or make any other transfer of Company Securities without consideration (e.g., a gift) during any period when the person is not permitted to trade.

Margin Accounts and Pledged Securities: Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledger is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities, directors, officers and other employees are prohibited from holding Company Securities in a margin account or otherwise pledging Company Securities as collateral for a loan. (Pledges of Company Securities arising from certain types of hedging transactions are governed by the paragraph above captioned "Hedging Transactions.")

Standing and Limit Orders: Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described below) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a director, officer or other employee is in possession of material nonpublic information. The Company therefore discourages placing standing or limit orders on Company Securities. If a person subject to this Policy determines that they must use a standing order or limit order, the order should be limited to short duration and should otherwise comply with the restrictions and procedures outlined below under the heading "Pre-Clearance and Blackouts."

Shadow Trading: Recent SEC policy statements, enforcement actions, and related court decisions suggest that trading in securities of any company that is economically-linked to the Company (e.g. any competitor of the Company) or other company whose stock pricing may be influenced by the Company or subject to a market connection to the Company (so-called "shadow trading") might constitute a violation of the securities laws under certain circumstances. "Shadow trading" is an emerging theory under the federal laws. The SEC recently alleged that an employee of one company misappropriated material, nonpublic information concerning its employer and then committed insider trading by purchasing options in a competitor of the employer. Although the material, nonpublic information did not relate to the competitor, the employee allegedly anticipated that the competitor's stock price would materially increase on the news of its employer's acquisition and that the material, nonpublic information was material to the competitor. Thus, the SEC believes that confidential information about one company can be material to other companies, and insider trading liability might attach even when such information is not directly related to the individual's employer. Accordingly, so called shadow trading is prohibited by this Policy.

## **12. PRE-CLEARANCE & BLACKOUTS**

The Company has established additional procedures in order to assist the Company in the administration of this Policy, to facilitate compliance with laws prohibiting insider trading while in possession of material nonpublic information, and to avoid the appearance of any impropriety. These additional procedures are applicable only to those individuals described below.

Pre-Clearance Procedures: Directors, officers, accounting employees with the title of senior vice president or higher, investor relations employees that assist with earnings releases, legal department employees that assist with preparing SEC filings, any employees on the Company's disclosure committee, and any persons designated by the Chief Legal Officer as being subject to these procedures, as well as the Family Members and Controlled Entities of such persons ("Covered Senior Persons"), may not engage in any transaction in Company Securities (including gifts) without first obtaining pre-clearance of the transaction from the Chief Legal Officer. A request for pre-clearance should be submitted to the Chief Legal Officer at least two business days in advance of the proposed transaction. The Chief Legal Officer is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. If a person seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Company Securities, and should not inform any other person of the restriction.

When a request for pre-clearance is made, the requestor should carefully consider whether he or she may be aware of any material nonpublic information about the Company, and should describe fully those circumstances to the Chief Legal Officer. The requestor should also indicate whether he or she has effected any non-exempt "opposite-way" transactions within the past six months, and should be prepared to report the proposed transaction on an appropriate Form 4 or Form 5. The requestor should also be prepared to comply with SEC Rule 144 and file Form 144, if necessary, at the time of any sale.

If a person seeks pre-clearance and permission to engage in the transaction is granted, then such trade must be effected within five business days of receipt of pre-clearance unless an exception is granted. Such person must promptly notify the Chief Legal Officer following the completion of the transaction. A person who has not effected a transaction within the time limit may not engage in such transaction without again obtaining pre-clearance of the transaction from the Chief Legal Officer.

Quarterly Blackout Periods: Covered Senior Persons may not conduct any transactions involving the Company's Securities, during a "Blackout Period" beginning after close of trading on the fourteenth calendar day prior to the last calendar day of each fiscal quarter (or, if such fourteenth calendar day is not a trading day, the Blackout Period will begin after the close of trading on the immediately preceding trading day) and ending after the close of trading on the second full trading day following the date of the public release of the Company's earnings results for that fiscal quarter. In other words, these persons may only conduct transactions in Company Securities during any of the established four "Open Trading Windows" beginning after the close of trading on the second full trading day following the public release of the Company's quarterly earnings and ending after close of trading on the fourteenth calendar day prior to the last calendar day of each fiscal quarter (or, if such fourteenth day is not a trading day, the Open Trading Window will end after the close of trading on the immediately preceding trading day), except as otherwise may be permitted by this Policy. Below is a table illustrating each of the four Open Trading Windows during the Company's fiscal year:

**OPEN TRADING WINDOWS**

**(Unless an Event-Specific Blackout Period is in effect)**

Fiscal Quarter	Beginning:	Ending After Close of Trading On <sup>1</sup> :
Q1 = January 1 through March 31	After the close of trading on the second full trading day following the public release of the Company's quarterly earnings	June 16
Q2 = April 1 through June 30		September 16
Q3 = July 1 through September 30		December 17
Q4 = October 1 through December 31		March 17

***Examples of a Trading Window for Reference:*** If the release of quarterly or annual earnings is disclosed at:

- 3:05 p.m., Central Time, on a Wednesday, then trading may commence when markets open at 8:30 a.m., Central Time on Monday
- 8:00 a.m., Central Time, on a Monday, then trading may commence after markets open at 8:30 a.m., Central Time, on Wednesday
- 10:00 a.m., Central Time, on a Monday, then trading may commence after markets open at 8:30 a.m., Central Time, on Thursday

This is because you must wait TWO FULL TRADING DAYS after the release of earnings to commence trading.

<sup>1</sup> If such date is not on a trading day, the open trading window will close after the close of trading on the immediately preceding trading day.

Event-Specific Blackout Periods: From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees, such as a cybersecurity incident. So long as the event remains material and nonpublic, the persons designated by the Chief Legal Officer may not trade Company Securities. In addition, the Company's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Chief Legal Officer, designated persons should refrain from trading in Company Securities even sooner than the typical Blackout Period described above. In that situation, the Chief Legal Officer may notify these persons that they should not trade in the Company's Securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period or extension of a Blackout Period will not be announced to the Company as a whole, and should not be communicated to any other person. Even if the Chief Legal Officer has not designated you as a person who should not trade due to an event-specific restriction, you should not trade while aware of material nonpublic information.

Exceptions. The quarterly trading restrictions and event-driven trading restrictions do not apply to those transactions to which this Policy does not apply, as described above under the headings "Transactions Under Company Plans" and "Transactions Not Involving a Purchase or Sale." Further, the requirement for pre-clearance, the quarterly trading restrictions and event-driven trading restrictions do not apply to transactions conducted pursuant to approved Rule 10b5-1 plans, described under the heading "Rule 10b5-1 Plans."

### **13. RULE 10B5-1 PLANS**

Rule 10b5-1 under the Exchange Act provides an affirmative defense to insider trading allegations under federal law. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Company Securities that meets certain conditions specified in Rule 10b5-1 (a "Rule 10b5-1 Plan"). If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold without regard to certain insider trading restrictions described in this Policy. To comply with the Policy, a Rule 10b5-1 Plan must be approved by the Chief Legal Officer and meet the requirements of Rule 10b5-1. In general, a Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information about the Company or Company Securities. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Any Rule 10b5-1 Plan must be submitted to the Chief Legal Officer for approval five days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.

### **14. POST-TERMINATION TRANSACTIONS**

This Policy continues to apply to transactions in Company Securities even after termination of service to the Company. If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not trade in Company Securities until that information has become public or is no longer material. The pre-clearance procedures specified under the heading "Pre-Clearance and Blackouts" above,

however, will cease to apply to transactions in Company Securities upon the expiration of any Blackout Period or other Company-imposed trading restrictions applicable at the time of the termination of service.

#### **15. COMPANY REPURCHASES OF SHARES**

From time to time, the Company may engage in transactions in its own securities. It is the Company's policy to comply with all applicable securities and state laws (including obtaining appropriate approvals by the Board or appropriate committee(s), if required) and this Policy when engaging in transactions in the Company's securities.

#### **16. CONSEQUENCES OF VIOLATIONS**

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in the Company's Securities, is prohibited by federal and state laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities as well as the laws of foreign jurisdictions.

Punishment for insider trading violations is severe, and could include significant fines and imprisonment. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, an individual's failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, whether or not the employee's failure to comply results in a violation of law. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish a person's reputation and irreparably damage a career.

#### **17. QUESTIONS ABOUT THE POLICY**

The trading restrictions of this Policy may also be subject to various additional restrictions pursuant to contractual obligations or federal and state securities laws and regulations. If you have any questions relating to this Policy or whether other restrictions apply, please contact the Chief Legal Officer and/or the Chief Compliance Officer.

#### **18. REPORTING POLICY VIOLATIONS**

To report potential violations of this Policy, immediately notify the Chief Legal Officer and/or Chief Compliance Officer or anonymously to the Company's compliance hotline at:

1-844-989-1482

or

<http://kodiakgas.ethicspoint.com>

**SUBSIDIARIES OF KODIAK GAS SERVICES, INC.**

**Company Listing as of December 31, 2024**

<b>Company</b>	<b>Ownership</b>	<b>Incorporation</b>
Kodiak Gas Services, LLC	Wholly owned	Delaware
CSI Compressco Sub Inc.	Wholly owned	Delaware
Spartan Energy Services LLC	Wholly owned	Delaware

**Consent of Independent Registered Public Accounting Firm**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3ASR (No. 333-280737 and Form S-8 (No. 333-273118) of Kodiak Gas Services, Inc. of our report dated March 6, 2025, relating to the consolidated financial statements, which appears in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.

Houston, Texas

March 6, 2025

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



**CERTIFICATION  
PURSUANT TO RULE 13a-14 AND 15d-14  
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Robert M. McKee, certify that:

1. I have reviewed this annual report on Form 10-K of Kodiak Gas Services, Inc.;
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 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)), 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. 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
  - c. 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 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: March 6, 2025

/s/ Robert M. McKee

Name: Robert M. McKee

Title: President and Chief Executive Officer

**CERTIFICATION  
PURSUANT TO RULE 13a-14 AND 15d-14  
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, John B. Griggs, certify that:

1. I have reviewed this annual report on Form 10-K of Kodiak Gas Services, Inc.;
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 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)), 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. 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
  - c. 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 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: March 6, 2025

/s/ John B. Griggs

Name: John B. Griggs

Title: Executive Vice President and Chief Financial Officer

**CERTIFICATION  
PURSUANT TO 18 U.S.C. 1350  
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

I, Robert M. McKee, President, Chief Executive Officer, and Director of Kodiak Gas Services, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 6, 2025

/s/ Robert M. McKee

Name: Robert M. McKee  
Title: President and Chief Executive Officer

**CERTIFICATION  
PURSUANT TO 18 U.S.C. 1350  
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

I, John B. Griggs, Executive Vice President and Chief Financial Officer of Kodiak Gas Services, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 6, 2025

/s/ John B. Griggs

Name: John B. Griggs  
Title: Executive Vice President and Chief Financial Officer