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 001-13439

INNOVEX INTERNATIONAL, INC.

(Exact name of Registrant as specified in its Charter)

Delaware	**74-2162088**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
19120 Kenswick Dr	
Humble, Texas	**77338**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (346) 398-0000

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common stock, par value $0.01 per share	INVX	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 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, 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 Exchange Act). Yes ☐ No ☒

The aggregate market value of the common stock of the registrant held by non-affiliates of the registrant, based on the closing price of such stock on June 30, 2024, was $624.2 million.

The number of shares of Registrant's Common Stock outstanding as of February 26, 2025 was 69,261,035.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for its 2025 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A are incorporated by reference in Part III of this Form 10-K.

Table of Contents

		Page
PART I		
Item 1.	Business	5
Item 1A.	Risk Factors	15
Item 1B.	Unresolved Staff Comments	40
Item 1C.	Cybersecurity	40
Item 2.	Properties	40
Item 3.	Legal Proceedings	42
Item 4.	Mine Safety Disclosures	42
PART II		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	43
Item 6.	[Reserved]	44
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	45
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	59
Item 8.	Financial Statements and Supplementary Data	59
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	59
Item 9A.	Controls and Procedures	59
Item 9B.	Other Information	61
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	62
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	63
Item 11.	Executive Compensation	63
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	63
Item 13.	Certain Relationships and Related Transactions, and Director Independence	63
Item 14.	Principal Accounting Fees and Services	63
PART IV		
Item 15.	Exhibits, Financial Statement Schedules	64
Item 16.	Form 10-K Summary	67

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K (this "Annual Report") includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements contained in all parts of this Annual Report that are not historical facts are forward-looking statements that involve risks and uncertainties that are beyond the control of Innovex International, Inc. ("Innovex", the "Company" or "we"). You can identify the Company's forward-looking statements by the words "anticipate," "estimate," "expect," "may," "project," "believe" and similar expressions, or by the Company's discussion of strategies or trends. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct. These forward-looking statements include the following types of information and statements as they relate to the Company:

- risks related to the Merger (as defined herein) and the acquisition of DWS (as defined herein), including the ultimate outcome and results of integrating operations; the effects of the Merger and the acquisition of DWS, including the Company's future financial condition, results of operations, strategy and plans; potential adverse reactions or changes to business relationships resulting from the completion of the Merger and the acquisition of DWS; expected benefits from the Merger and the acquisition of DWS and the ability of the Company to realize those benefits; the significant costs required to integrate operations; whether Merger or acquisition related litigation will occur and, if so, the results of any litigation, settlements and investigations;
- the impact of general economic conditions, including inflationary pressures and interest rates, a general economic slowdown or recession or instability in financial institutions, on economic activity and on our operations;
- future operating results and cash flow;
- scheduled, budgeted and other future capital expenditures;
- planned or estimated cost savings;
- working capital requirements;
- the need for and the availability of expected sources of liquidity;
- the Company's ability to comply with restrictions contained in its debt agreements;
- the Company's ability to generate sufficient cash to service its indebtedness, fund its capital requirements and generate future profits;
- the market for the Company's existing and future products;
- the Company's ability to develop new applications for its technologies;
- introduction of new drilling or completion techniques, or services using new technologies subject to patent or other intellectual property protections and the availability and enforceability of such intellectual property protections;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- acts of terrorism, war or political or civil unrest in the United States or elsewhere;
- loss or corruption of our information or a cyberattack on our computer systems;
- the price and availability of alternative fuels and energy sources;
- the exploration, development and production activities of the Company's customers;
- actions taken by our customers, competitors and third-party operators;

- effects of pending or future legal proceedings;
- the effects of existing and future laws and governmental regulations (or the interpretation thereof) on us and our customers;
- changes in customers' future product and service requirements that may not be cost effective or within the Company's capabilities; and
- future operations, financial results, business plans and cash needs.

These statements are based on assumptions and analysis in light of the Company's experience and perception of historical trends, current conditions, expected future developments and other factors the Company believes were appropriate in the circumstances when the statements were made. Forward-looking statements by their nature involve substantial risks and uncertainties that could significantly impact expected results, and actual future results could differ materially from those described in such statements. While it is not possible to identify all factors, the Company continues to face many risks and uncertainties. Among the factors that could cause actual future results to differ materially are the risks and uncertainties discussed under "Item 1A. Risk Factors" in this Annual Report and in other filings made by us from time to time with the Securities and Exchange Commission ("SEC"). Many of such factors are beyond the Company's ability to control or predict. Any of the factors, or a combination of these factors, could materially affect the Company's future results of operations and the ultimate accuracy of the forward-looking statements. Management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels. Every forward-looking statement speaks only as of the date of the particular statement, and the Company undertakes no obligation to publicly update or revise any forward-looking statement except as may be required by law.

Summary of Risk Factors

Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information included in this Annual Report.

- Risks Related to Our Business
  - Our business and financial performance depends primarily upon the general level of activity in the oil and natural gas industry, including the number of drilling rigs in operation, the number of oil and natural gas wells being drilled, the volume of production, the number of well completions and the level of well remediation activity and the corresponding capital expenditures by oil and natural gas companies within North America, the Middle East, Latin America and Europe, among other global markets. A decline in prices for oil and natural gas may have an adverse effect on our revenue, cash flows, profitability and growth.
  - The cyclical nature of the oil and natural gas industry may cause our operating results to fluctuate.
  - We are subject to risks relating to existing international operations and expansion into new geographical markets.
  - We must comply with export and import controls, economic sanctions, embargoes, anti-boycott, and other international trade laws and any failure to comply with such laws could subject us to liability and have a material adverse impact on our business, financial condition and results of operations.
  - The scope of our international operations subjects us to risks from currency fluctuations that could adversely affect our liquidity, financial position and results of operations.
  - Changes in U.S. and international tax rules and regulations, or interpretations thereof, may materially and adversely affect our cash flows, results of operations and financial condition.
  - Our customers' industries are undergoing continuing consolidation that may impact our results of operations.
  - We could lose customers or generate lower revenue, operating profits and cash flows if there are significant increases in the cost of raw materials or if we are unable to obtain raw materials.
  - Equipment failures or production curtailments or shutdowns at our manufacturing and production facilities could adversely affect our manufacturing capability.
  - A negative shift in investor sentiment of the oil and natural gas industry has had and could in the future have adverse effects on our customers' operations, our business and on our access to investors and financing.
  - The failure to integrate successfully the businesses of Dril-Quip, DWS, and Legacy Innovex could adversely affect the Company's future results.
  - Our indebtedness and liquidity needs could restrict our operations and make us more vulnerable to adverse economic conditions.
- Risks Related to Environmental and Regulatory Matter
  - Our and the operations of our customers are subject to environmental, health and safety laws and regulations, and future compliance, claims, and liabilities relating to such matters may have a material adverse effect on our results of operations, financial position or cash flows.
  - Our operations, and those of our customers, are subject to compliance with governmental regulations related to climate change.
  - Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing as well as governmental reviews and investment practices for such activities may serve to limit future oil and natural gas exploration and production activities and could have a material adverse effect on our results of operations and business.
  - Additional restrictions on drilling activities intended to protect certain species of wildlife may adversely affect our ability to conduct completion activities.
- Risks Related to Technology Advancement

- To compete in our industry, we must continue to develop new technologies and products to support our operations, secure and maintain patents related to our current and new technologies and products and protect and enforce our intellectual property rights.
- Our failure to protect our proprietary information and any successful intellectual property challenges against us could materially and adversely affect our competitive position.
- We may be adversely affected by disputes regarding intellectual property rights of third parties.

- Risks Related to Ownership of Our Common Stock
  - The market price of our common stock may be volatile.
  - A significant reduction by Amberjack of its ownership interests in us could adversely affect us.
  - Amberjack and its affiliates have the ability to exercise significant influence over certain corporate actions.

PART I

Item 1. Business.

General

Innovex designs, manufactures, sells and rents mission critical engineered products to the global oil and natural gas industry. Our vision has been to create a global leader in well-centric products and technologies through organic, customer-linked innovations and disciplined acquisitions to drive leading returns for our investors.

On September 6, 2024, the transactions contemplated in the Merger Agreement (as defined in "*Recent Developments*" within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations") between Innovex Downhole Solutions, Inc. ("Legacy Innovex") and Dril-Quip, Inc. ("Dril-Quip") (the "Merger") were consummated. Following the Merger, Legacy Innovex became a wholly owned subsidiary of Dril-Quip, and the name "Dril-Quip, Inc." was changed to "Innovex International, Inc.". In connection with the consummation of the Merger, the outstanding shares of common stock, par value $0.01 per share, of Legacy Innovex (the "Legacy Innovex Common Stock") were converted into the right to receive 32,183,966 shares of common stock, par value $0.01 per share, of the Company (the "Company Common Stock"). The number of shares of Company Common Stock received for each share of Legacy Innovex Common Stock by the Legacy Innovex shareholders was equal to 2.0125.

On November 29, 2024, Innovex acquired 80% of the issued and outstanding equity securities of Downhole Well Solutions, LLC ("DWS"). The acquisition was completed simultaneously with the signing of the Equity Purchase Agreement on November 29, 2024. The aggregate purchase price for the acquisition consisted of $75.1 million in cash, subject to post-closing adjustments, and 1,918,558 shares of Company Common Stock. The remaining 20% of the issued and outstanding equity securities of DWS were previously owned by Legacy Innovex, a wholly owned subsidiary of the Company.

For information with respect to the Merger and DWS acquisition, see *Note 3. Mergers and Acquisitions* to our Consolidated Financial Statements included elsewhere in this Annual Report.

Our products are used across the lifecycle of the well (during the construction, completion, production and intervention phases) and are typically utilized downhole and consumable in nature. Our products perform a critical well function, and we believe they are chosen due to their reliability and capacity to save our customers time and lower costs during the well lifecycle. We believe that our products have a significant impact on a well's performance and economic profile relative to the price we charge, creating a *"Big Impact, Small Ticket"* value proposition. Prior to the Merger, we believe our total addressable market (or "TAM") in 2023 was $4.5 billion, consisting of a $2.1 billion addressable market in NAM (as defined herein) and a $2.4 billion market in our International & Offshore regions. Following the Merger, we were able to grow our addressable market both in our NAM and International and Offshore markets by expanding our product portfolio and gaining access to additional international markets. Pro forma for the Merger, we estimate that our TAM for our applicable products in 2024 was $8.3 billion, consisting of a $3.6 billion TAM for NAM and a $4.7 billion TAM for our applicable products across International & Offshore regions. Please see "Business—Market Share Capture" for an explanation of how we calculate our TAM. Many of our products can be used in a significant portion of our customers' wells globally, with our most advanced products providing mission critical solutions for some of the most challenging and complex wells in the world. We have a track record of developing proprietary products to address our customers' evolving needs, and we maintain an active pipeline of potential new products across various stages of development. Our business is high margin and capital-light, enabling us to generate strong returns on invested capital. We have a disciplined history of successfully sourcing and integrating strategic acquisitions.

The U.S. and Canadian onshore ("NAM") market made up approximately 55% of our 2024 revenue, while the international and offshore ("International and Offshore") markets constituted 45%. Within the NAM market, we have a strong presence in the United States and a growing presence in Canada. Revenue is based on the location where services are provided and products are sold.

The Company makes available, free of charge on its website, its Annual Report on Form 10-K and quarterly reports on Form 10-Q (in both HTML and iXBRL formats), current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practical after it electronically files such reports with, or furnishes them to, the SEC. The Company's website address is www.innovex-inc.com. Documents and information on the Company's website, or on any other website, are not incorporated by reference into this Annual Report. The SEC maintains a website (www.sec.gov) that contains reports the Company has filed with the SEC.

The Company also makes available free of charge on its website (https://investors.innovex-inc.com/governance/governance-documents/default.aspx) its Code of Business Conduct and Ethical Practices, Corporate Governance Guidelines, Audit Committee Charter, Nominating and Governance Committee Charter, and Compensation Committee Charter. Changes in or waivers to the Company's Code of Business Conduct and Ethical Practices involving directors and executive officers of the Company will be posted on its website.

Overview and Industry Outlook

The NAM market is core to us, and we maintain a robust sales and distribution infrastructure across the region. Our products have broad applicability in this market, particularly for horizontal or unconventional wells that have become prevalent methods of oil and natural gas development across the region. We are focused on significantly increasing our revenue in the International and Offshore markets as these regions are typically subject to long-cycle investment horizons and exhibit relatively less cyclicality than the NAM market. The Middle East, and in particular Saudi Arabia, has been a key source of growth for the Company. We also operate across Asia, Latin America, Europe and the Gulf of Mexico, among other regions. To enhance our global reach, we have complemented our locations across these markets with a network of strategic distribution, sales and manufacturing partners.

We are an innovator and have a development process and culture focused on creating proprietary products for our customers. We seek to work with our customers to solve their operational challenges. We believe that these collaborations have been a source of growth as they have allowed us to develop new products with anchor customers that have served as an initial revenue base from which to scale. We have a unique culture that we view as having been critical to our success in the commercialization of new products. We define our culture as "*No Barriers*." Our goal is to remove internal barriers that slow the pace of innovation and empower our employees to be responsive to our customers' needs, while maintaining a focus on returns for the Company. As a result of our culture and our commitment to customer responsiveness, we believe that we are more agile and able to innovate faster than our larger competitors.

Based on our TAM estimates, we believe that we are uniquely positioned to grow market share within larger addressable markets after the Merger with Dril-Quip. On a pro forma basis, including both the revenue and additional market share relating to the Merger and the DWS acquisition, we estimate that our NAM market share in 2024 was 13% and that our International and Offshore market share was 12%. We estimate that Innovex has grown market share since inception and believe we are well positioned to continue to capture market share across our geographic markets. In particular, we view the International and Offshore markets as a significant growth opportunity.

Our organic growth has been complemented by a disciplined acquisition strategy. We view acquisitions as a core competency and have identified a rich opportunity set of acquisition targets that we believe are seeking to transact. We aim to execute a disciplined acquisition strategy for high-quality opportunities that meet our stringent investment criteria, as evidenced by the Merger with Dril-Quip and our acquisition of DWS.

We have a broad customer base, ranging from the largest international oil companies ("IOCs"), national oil companies ("NOCs") and exploration and production ("E&P") companies to multinational and regional oilfield service companies. Once a new product has been commercialized or acquired, our global sales and distribution infrastructure enables us to scale and drive customer adoption quickly.

We believe that we can create value for our stockholders across the industry cycle and view our through-cycle playbook as having helped us outperform in all market environments. We prioritize protecting the long-term health of the Company through investments in research and development ("R&D") and sustaining engineering in our existing portfolio in all market environments. We seek to maintain a conservative balance sheet to preserve operational and financial flexibility through the industry cycle.

We generate our revenue from three primary sources: sales of products and other associated revenues with product sales, such as freight; rentals of tools that are used to deploy our consumable products or to provide a critical well function; and services that are typically connected to the well-site deployment of our engineered products.

Of our 2024 revenue, approximately 80% was generated from product sales, approximately 8% was generated from rental tools and approximately 12% was generated from services.

We believe that demand for our products is primarily activity-driven (i.e., correlated with global spending on exploration and production of oil and natural gas and with general industry activity), and we are not exposed to the highly cyclical capital equipment build cycle for the oil and natural gas industry. Global spending on oil and natural gas can be measured by the number of wells drilled and oil and natural gas production volumes. According to the global energy consulting firm Rystad Energy, global E&P capital spending (excluding Iran, Venezuela, Cuba, Russia and China) is expected to remain consistent in 2025 relative to 2024. We believe that our diverse product portfolio, operating track record and global footprint position us well to continue gaining market share.

In the NAM market, Rystad Energy is forecasting a slight decline in E&P capital spending of 2% from 2024 through 2025. NAM unconventional resources have emerged as a flexible, short-cycle source of oil and natural gas production for E&P operators and a critical component of the global hydrocarbon supply mix. This is a core market for us as our products have broad applicability and we maintain a robust sales presence as well as service and distribution infrastructure across the region. We view the NAM market as relatively service intensive and believe E&P operators are prone to adopt the latest technologies.

In the International and Offshore markets, Rystad Energy is forecasting E&P capital spending to slightly grow by 2% from 2024 through 2025, excluding Iran, Venezuela, Cuba, Russia and China. We are focused on continually increasing our market presence in these regions as they are typically subject to long-cycle investment horizons and exhibit relatively less cyclicality than the NAM market. In addition, we believe that we can benefit from higher barriers to entry that exist for product and service companies that support the primary end users in our International and Offshore markets, IOCs and NOCs, relative to the NAM market.

We continue to monitor the current global economic environment, specifically including inflationary pressures, the ability and/or desire of OPEC+ and other producing nations to set and maintain production levels and prices, and the macroeconomic impact of the conflicts in Ukraine and the Gaza Strip, and any resulting impacts on our financial position and results of operations. Refer to “Item 1A. Risk Factors” for additional information.

Market Share Capture

We believe that we are well positioned to capture market share across our applicable markets.

We calculate TAM by multiplying the number of applicable wells (as provided by Rystad Energy) for each market where we expect it would be reasonable for Innovex to seek to sell products by an illustrative price per applicable product by geography. In markets where well data is unavailable, we provide an estimated market size for each such geography.

We estimate that our TAM for our applicable products across the NAM market in 2024, including the impact of the Merger and the DWS acquisition, was approximately $3.6 billion and on a pro forma basis we generated approximately $491 million in revenue during 2024, implying a market share of 13%. Our addressable market grew substantially year over year, but market share declined largely due to the addition of the US Land Wellhead market in which we have a de minimis market share to but are focused on expanding. Over time our dedicated sales force, innovative engineering organization and responsive service culture have enabled us to capture more of our customers’ spend on their oil and natural gas well development, defined as “wallet share,” as well as gain new customers.

We believe we are well positioned to continue to capture more of our growing TAM and increase our implied market share. Across both the United States and Canada, we believe that there are many opportunities to cross sell our products throughout our diverse customer base and enhance our presence in select oil and natural gas basins.

Within the International and Offshore markets, we have well established sales and distribution channels across our geographic markets, such as the Middle East, Asia, Latin America, Europe, Africa, the Gulf of Mexico and throughout other global regions. We estimate that the TAM on a pro forma basis for our applicable products across these regions in 2024, including the impact of the Merger and the DWS acquisition, was approximately $4.7 billion and on a pro forma basis we generated approximately $548 million in revenue, implying a market share of approximately 12%. In addition to benefiting from the Merger, we believe that we were able to grow our market share by utilizing our sales and distribution channels to capture wallet share and push further into geographies where we were underrepresented.

Our Technology Development Process and Product Portfolio

We view our new technology development and ongoing product advancement initiatives as key to our strategy and believe that we have a repeatable process to drive organic product innovation to meet our customers’ well design needs. We maintain an engineering team that is focused on R&D as well as ongoing product enhancements. The engineering team is based in Houston, Texas

and has representatives that sit across our global offices. Having a presence near our customers enables us to better understand their challenges, which helps identify and prioritize our market opportunities and maximizes the value of our engineering resources. Our products are used across the lifecycle of our customers' wells. We believe that we are not dependent on any single technology. We are a single point of contact for many of our customers' needs. Our product offerings position us to support our customers in solving a range of well-site challenges and diversify our revenue base.

New product development is a key part of our organic growth strategy. We seek to expand our addressable market by introducing new products to our portfolio. Once a new product has been commercialized, we believe that our global sales and distribution infrastructure enable us to scale and drive customer adoption quickly. We have an active pipeline of new initiatives across various stages of development.

Across the NAM market, we are pursuing various initiatives related to new product development, including specialty, high-margin products that complement our existing product families, among others. These products have applicability across various International and Offshore markets, and we will seek to leverage our global infrastructure and customer relationships to drive sales outside of the NAM market once full commercialization has been achieved.

Within the International and Offshore markets, we are in active conversations with IOCs and NOCs regarding several newly developed products for the global deepwater and offshore markets. Historically, our customer collaborations have been a source of growth as they have allowed us to develop new products to meet customer needs and have provided us with an initial revenue base from which to scale market adoption.

We believe that we have curated a portfolio of product families and brands that in aggregate has created brand equity in Innovex.

Intellectual Property and Trade Secrets

Our success depends in part upon our ability to maintain and protect our proprietary technology and conduct our business without infringing the proprietary rights of others. We rely on a combination of patents, licensing agreements, trade secrets protections, trademarks, copyrights and contractual restrictions on disclosure to protect our intellectual property rights. We undertake a strategic intellectual property effort focused on building a leading and defensible portfolio.

We have created a large portfolio of patent properties. As of December 31, 2024, we had approximately 829 U.S. and international patents. Our patent properties cover our inventions related to our products and other technologies.

We complement our intellectual property portfolio with trade secrets. We are focused on solving our customers' challenges through direct interface and customized solutions. This process is enhanced by our team's deep experience in the markets in which they operate as well as their extensive knowledge base of product designs, run history and configurations.

We do not know whether our current patent portfolio, or any future patent applications that we may file, will result in a patent being issued with the scope of the claims we seek, or at all, or whether any patents we may receive will be challenged or invalidated. Even if additional patents are issued, our patents might not provide sufficiently broad coverage to protect our proprietary rights or to avoid a third-party claim against one or more of our products or technologies. Refer to "Item 1A. Risk Factors—Risks Related to Technology Advancement" for additional information regarding these and other risks related to our intellectual property portfolio and their potential effect on us.

The term of individual patents depends on the legal term for patents in the countries in which they are granted. In most countries, including the United States, the patent term is generally 20 years from the earliest claimed filing date of a nonprovisional patent application in the applicable country. Once a patent expires, the protection ends, and the claimed invention enters the public domain; that is, anyone can commercially exploit the invention without infringing the patent.

We also rely upon trademarks to build and maintain the integrity of our brand. We have trademarks registered in the U.S. and foreign jurisdictions.

We protect our proprietary rights through a variety of methods, including confidentiality and assignment agreements with suppliers, employees, consultants and others who may have access to our proprietary information. We routinely require our employees, customers, suppliers, consultants, advisors and potential business partners to enter into confidentiality and non-disclosure agreements before we disclose to them any sensitive or proprietary information regarding our products, technology or business plans.

We require employees, while employed with us, to assign to us all inventions, original works of authorship, mask works, developments, discoveries, concepts, improvements, designs, discoveries, ideas, trademarks, trade secrets and other intellectual property they conceive, discover, create, develop or reduce to practice.

Marketing and Sales

We principally sell or market directly to the ultimate end user of our products, the E&P operator. As of December 31, 2024 and December 31, 2023, we had 1,376 and 1,485, respectively, unique customers that have made at least one purchase in the preceding 12-month period, or active customers. In 2024, our top ten accounts constituted 35% of revenue. Our top ten customer list includes: NOCs such as Saudi Aramco (our largest end-user in 2024); IOCs such as Exxon, Chevron, BP and ConocoPhillips; leading independent E&P operators such as Occidental Petroleum, Hess Corporation and EOG Resources; and multinational oilfield service companies such as Schlumberger and Baker Hughes. When we sell to service companies, it is typically to fill a gap in their product portfolio or because they have been directed by the E&P operator to utilize our products. Our goal is to develop products that exhibit clear value creation upside for our customers, including the ultimate end user of our products, typically by saving time and costs during the well lifecycle, while also reducing operational risks. We operate an integrated business model, whereby we design, engineer, manufacture, sell, rent and supervise the onsite deployment of our products.

Suppliers and Raw Materials

We acquire component parts, services and raw materials from various suppliers, including machining service providers. The prices we pay for our raw materials may be affected by, among other things, energy, steel and other commodity prices, tariffs and duties on imported materials and foreign currency exchange rates. Most of the raw materials we use in our manufacturing operations, such as steel in various forms, magnesium and composite materials/elastomers, are available from many sources. Although our relationships with our existing vendors are important to us, we do not believe that we are substantially dependent on any individual vendor to supply our required materials or services. The materials and services essential to our business are normally readily available and, where we use one or a few vendors as a source of any particular materials or services, we believe that we can within a reasonable period of time make satisfactory alternative arrangements in the event of an interruption of supply from any vendor. We believe that our materials and services vendors have the capacity to meet additional demand, should we require it.

Manufacturing

To support our global operations, we operate a flexible manufacturing and supply chain model that balances responsiveness with cost and efficiency. We maintain internal manufacturing and production facilities in Humble, Texas; Houston, Texas; Mineral Wells, Texas; Amelia, Louisiana; Aberdeen, Scotland; Singapore; Macae, Brazil; Edmonton, Canada, Bac Ninh, Vietnam (acquired in February of 2025) and Dammam, Saudi Arabia. These facilities are co-located with our engineering teams, where deemed appropriate, to enable rapid prototyping, testing and designing iterations of new products and enhancing our existing products. We supplement our internal manufacturing with a responsive network of third-party machining resources in the United States to enhance our capital efficiency. We also maintain strategic relationships with multiple, low-cost manufacturing partners in Asia, and in particular Vietnam, to support our highest volume products.

These relationships allow us to achieve a competitive cost structure, while preserving high levels of product quality and customer responsiveness. Going forward, we envision increasing our spend with our low-cost international vendors with an aim of improving our margins and enhancing our competitiveness.

Competition

The markets in which we operate are highly competitive. To be successful, we must provide services and products that meet the specific needs of our customers at competitive prices. We compete in all areas of our operations with a number of companies, some of which have financial and other resources greater than or comparable to ours. Our major competitors across our product lines include Baker Hughes, Halliburton, Schlumberger, TechnipFMC, Weatherford International, Aker Solutions, and NOV.

We believe that the most significant factors influencing our customers' decision to utilize our products and services are our technology, service quality, safety track record and price. While we must be competitive in our pricing, we believe our customers select our products and services based on the technical attributes of our products and equipment, the level of technical and operational service we provide before, during and after the job and the know-how derived from our extensive operational track record.

Cyclicality

We are substantially dependent on conditions in the oil and natural gas industry, including the level of exploration, development and production activity of, and the corresponding capital spending by, E&P operators. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile.

Declines, as well as anticipated declines, in oil and natural gas prices could negatively affect the level of these activities and capital spending, which could adversely affect demand for our products and services and, in certain instances, result in the cancellation, modification or rescheduling of existing and expected orders and the ability of our customers to pay us for our products and services. These factors could have an adverse effect on our revenue and profitability.

Human Capital Management

Our employees are a critical asset which are key to our innovative culture and overall success. We are focused on our high-performance culture through attracting, engaging, developing, retaining and rewarding top talent. We strive to enhance the economic and social well-being of our employees and the communities in which we operate. We are committed to providing a welcoming, inclusive environment for our workforce. As a global company, we seek to hire locally and employ a workforce that is representative of the end markets in which we operate. We believe that we have been successful in part due to our *No Barriers* culture as we believe our culture attracts and retains top industry talent and has been a key ingredient in the success we have achieved. We promote a culture of innovation and seek to incentivize our employees to create value for our organization. We believe that our culture is unique for the oil and natural gas industry, and we will seek to remain an employer of choice for top talent.

As of December 31, 2024, we had a total of 2,683 employees. Substantially all of the Company's employees are not covered by collective bargaining agreements, and the Company considers its employee relations to be good.

The health, safety, and well-being of our employees is of the utmost importance. We are one of the leaders in our industry with a strong track record in safety.

We provide employees the option to participate in health and welfare plans, including medical, dental, life, accidental death and dismemberment and short-term and long-term disability insurance plans.

Environmental, Health and Safety Regulation

Our operations and those of our customers are subject to domestic (including U.S. federal, state and local) and international laws and regulations with regard to air, land and water quality and other environmental matters. Numerous federal, state and local governmental agencies, such as the U.S. Environmental Protection Agency ("EPA"), issue laws and regulations that often require difficult and costly compliance measures that carry substantial administrative, civil and criminal penalties and may result in injunctive obligations for non-compliance. These laws and regulations may require the acquisition of a permit before commencing operations, restrict the types, quantities and concentrations of various substances that can be released into the environment in connection with our operations, limit or prohibit construction or drilling activities on certain lands lying within wilderness, wetlands, ecologically or seismically sensitive areas and other protected areas, require action to prevent or remediate pollution from current or former operations, result in the suspension or revocation of necessary permits, licenses and authorizations, require that additional pollution controls be installed and impose substantial liabilities for pollution resulting from our operations or related to our owned or operated facilities. Liability under such laws and regulations is often strict (i.e., no showing of "fault" is required) and can be joint and several. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances, hydrocarbons or other waste products into the environment. Changes in environmental laws and regulations occur frequently, and any changes that result in more stringent and costly pollution control or waste handling, storage, transport, disposal or cleanup requirements could materially adversely affect our operations and financial position, as well as those of our customers and the oil and natural gas industry in general. We have not experienced any material adverse effect from compliance with these requirements. This trend, however, may not continue in the future. Changes in standards of enforcement of existing laws and regulations, as well as the enactment and enforcement of new legislation, may require us and our customers to modify, supplement or replace equipment or facilities or to change or discontinue present methods of operation. Our environmental compliance expenditures, our capital costs for environmental control equipment and the market for our products may change accordingly.

Hazardous Substances and Waste Handling. The Resource Conservation and Recovery Act ("RCRA") and comparable state statutes, regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. We are required to manage the transportation, storage and disposal of hazardous and non-hazardous wastes generated by our operations in compliance with applicable laws, including RCRA.

The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), also known as the Superfund law, imposes joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the current and former owner or operator of the site where the release occurred, and anyone who disposed of or arranged for the disposal of a hazardous substance released at the site. We currently own, lease, or operate numerous properties used for manufacturing and other operations. In the event of a release from these properties, under CERCLA, RCRA and analogous state laws, we could be required to remove substances and wastes, remediate contaminated property, or perform remedial operations to prevent future contamination, even if the releases are not from our operations. In addition, neighboring landowners and other third parties may also file claims for personal injury and property damage allegedly caused by releases into the environment. Any obligations to undertake remedial operations in the future may increase our cost of doing business and may have a material adverse effect on our financial condition and results of operations.

Water Discharges. The Federal Water Pollution Control Act (the "Clean Water Act") and analogous state laws restrict and control the discharge of pollutants into "Waters of the United States." Discharges to water associated with our operations require appropriate permits from state agencies and may add material costs to our operations. The adoption of more stringent criteria in the future may also increase our costs of operation. The Clean Water Act and analogous state laws provide administrative, civil and criminal penalties for unauthorized discharges and, together with the Oil Pollution Act of 1990, impose rigorous requirements for spill prevention and response planning, as well as substantial potential liability for the costs of removal, remediation, and damages in connection with any unauthorized discharges. The scope of waters regulated under the Clean Water Act has fluctuated in recent years. In January 2023, the EPA and U.S. Army Corps of Engineers finalized a rule that expanded the scope of waters subject to Clean Water Act jurisdiction. In May 2023, the U.S. Supreme Court narrowed the EPA's regulation of wetlands under the Clean Water Act and, in September 2023, the EPA and the U.S. Army Corps of Engineers published a final rule conforming their regulations to the decision. However, to the extent the EPA or the U.S. Army Corps of Engineers broadly interpret their jurisdiction, a more expansive approach to the range of properties subject to the Clean Water Act's jurisdiction may cause a material adverse effect on the operation costs of customers, thereby potentially reducing demand for our products.

Air Emissions. The federal Clean Air Act ("CAA"), as amended, and comparable state laws and regulations, regulate emissions of various air pollutants through the issuance of permits and the imposition of other requirements. The EPA has developed, and continues to develop, stringent regulations governing emissions of air pollutants at specified sources. New facilities may be required to obtain permits before work can begin, and existing facilities may be required to obtain additional permits and incur capital costs in order to remain in compliance. These laws and regulations may increase the costs of compliance for some facilities we own or operate, and federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with air permits or other requirements of the federal CAA and associated state laws and regulations. We believe that we are in substantial compliance with all applicable air emissions regulations and that we hold all necessary and valid construction and operating permits for our operations.

Employee Health and Safety. We are subject to a number of federal and state laws and regulations, including OSHA and comparable state statutes, establishing requirements to protect the health and safety of workers. In addition, the OSHA hazard communication standard, the EPA community right-to-know regulations under Title III of the federal Superfund Amendment and Reauthorization Act and comparable state statutes require that information be maintained concerning hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and the public. Substantial fines and penalties can be imposed and orders or injunctions limiting or prohibiting certain operations may be issued in connection with any failure to comply with laws and regulations relating to worker health and safety. As of December 31, 2024, we were in compliance with laws and regulations relating to worker health and safety.

Climate Change. International, national and state governments and agencies are currently evaluating and/or promulgating legislation and regulations that are focused on restricting GHG emissions. These regulatory measures include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Consideration of further legislation or regulation may be impacted by the Paris Agreement, which was announced by the parties to the United Nations Framework Convention on Climate Change in December 2015 and which calls on signatories to set progressive GHG emission reduction goals. Although the United States withdrew from the Paris Agreement effective November 4, 2020, President Biden issued an Executive Order on January 20, 2021 to rejoin the Paris Agreement, which went into effect on February 19, 2021. On April 21, 2021, the United States announced that it was setting an economy-wide target of reducing its GHG emissions by 50-52% below 2005 levels in 2030. In November 2021, in connection with the 26th Conference of the Parties in

Glasgow, Scotland, the United States and other world leaders made further commitments to reduce GHG emissions, including reducing global methane emissions by at least 30% by 2030 from 2020 levels. More than 150 countries have now signed on to this pledge. Recently, at the 28th Conference of the Parties in the United Arab Emirates, world leaders agreed to transition away from fossil fuels in a just, orderly and equitable manner and to triple renewables and double energy efficiency globally by 2030. Additionally, the Biden Administration announced a new climate target for the United States on December 19, 2024, which includes a 61-66% reduction in economy-wide net GHG emissions by 2035, as compared to 2005 levels. Furthermore, many state and local leaders have stated their intent to intensify efforts to support the international climate commitments. Though President Trump issued an executive order on January 20, 2025, directing the United States Ambassador to the United Nations to immediately withdraw from the Paris Agreement, these commitments could further reduce demand and prices for fossil fuels.

In 2021 and 2022, President Biden signed the Infrastructure Investment and Jobs Act and the Inflation Reduction Act (the "IRA"), which contain billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles, investments in advanced biofuels and supporting infrastructure and carbon capture and sequestration, among other provisions. Also, in March 2024, the EPA finalized ambitious rules to reduce harmful air pollutant emissions, including greenhouse gases, from light-, medium-, and heavy-duty vehicles beginning in model year 2027. These incentives and regulations could accelerate the transition of the economy away from the use of fossil fuels towards lower- or zero-carbon emissions alternatives, which could decrease demand for, and, in turn, the prices of, the oil and natural gas, which could have a material and adverse impact on demand for our products. In addition, the IRA imposes the first ever federal fee on the emission of GHGs through a methane emissions charge. The IRA amends the Clean Air Act to impose a fee on the emission of methane that exceeds an applicable waste emissions threshold from sources required to report their greenhouse gas emissions to the EPA, including those sources in the offshore and onshore petroleum and natural gas production and gathering and boosting source categories. On November 18, 2024, the EPA published final regulations to facilitate compliance with the methane emissions charge. The methane emissions charge must be paid no later than August 31 of the year following the reporting period and starts at $900 per ton of methane in 2024, increases to $1,200 in 2025, and will be set at $1,500 for 2026 and each year after. Calculation of the fee is based on certain thresholds established in the IRA. The methane emissions charge could increase our customers' operating costs, which could adversely impact our business. However, on January 20, 2025, President Trump signed multiple executive orders seeking to reverse many of these climate rules and incentives, including pausing the disbursement of funds under the IRA and eliminating the "electric vehicle mandate." Despite this shift, numerous proposals have been made and are likely to continue to be made at the international, regional and state levels of government that are intended to limit GHG emissions by enforceable requirements and voluntary measures.

The EPA has also finalized a series of GHG monitoring, reporting, and emissions control rules for the oil and natural gas industry, and almost one-half of U.S. states have taken measures to reduce emissions of GHGs, primarily through the development of GHG emission inventories and/or regional GHG cap-and-trade programs. In addition, states have imposed increasingly stringent requirements related to the venting or flaring of gas during oil and natural gas operations.

In general, these regulatory changes do not appear to affect us in any material respect that is different, or to any materially greater or lesser extent, than other companies that are our competitors. However, to the extent our customers are subject to these or other similar proposed or newly enacted laws and regulations, the additional costs incurred by our customers to comply with such laws and regulations could impact their ability or desire to continue to operate at current or anticipated levels, which would negatively impact their demand for our products and services. In addition, any new laws or regulations establishing cap-and-trade or that favor the increased use of non-fossil fuels—such as the IRA—may dampen demand for oil and natural gas production and lead to lower spending by our customers for our products and services. Similarly, to the extent we are or become subject to any of these or other similar proposed or newly enacted laws and regulations, we expect that our efforts to monitor, report and comply with such laws and regulations, and any related taxes imposed on companies by such programs, will increase our cost of doing business and may have a material adverse effect on our financial condition and results of operations. Moreover, any such regulations could ultimately restrict the exploration and production of fossil fuels, which could adversely affect demand for our products.

In addition, there have also been efforts in recent years to influence the investment community, including investment advisors and certain sovereign wealth, pension and endowment funds promoting divestment of fossil fuel equities and pressuring lenders to limit funding to companies engaged in the extraction of fossil fuel reserves. Such environmental activism and initiatives aimed at limiting climate change and reducing air pollution could interfere with our business activities, operations and ability to access capital. Furthermore, claims have been made against certain energy companies alleging that GHG emissions from oil and natural gas operations constitute a public nuisance under federal and/or state common law. As a result, private individuals or public entities may seek to enforce environmental laws and regulations against certain energy companies and could allege personal injury, property damages or other liabilities. While our business is not a party to any such litigation, we could be named in actions making similar allegations. An unfavorable ruling in any such case could significantly impact our operations and could have an adverse impact on our financial condition.

Hydraulic Fracturing. Many of our customers utilize hydraulic fracturing in their operations. Environmental concerns have been raised regarding the potential impact of hydraulic fracturing on underground water supplies. These concerns have led to several regulatory and governmental initiatives in the United States to restrict the hydraulic fracturing process, which could have an adverse impact on our customers' completion or production activities. For example, in December 2016, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources, concluding that "water cycle" activities associated with hydraulic fracturing may impact drinking water resources "under some circumstances," including water withdrawals for fracturing in times or areas of low water availability; surface spills during the management of fracturing fluids, chemicals or produced water; injection of fracturing fluids into wells with inadequate mechanical integrity; injection of fracturing fluids directly into groundwater resources; discharge of inadequately treated fracturing wastewater to surface waters; and disposal or storage of fracturing wastewater in unlined pits. The EPA has also issued regulations under the U.S. Clean Air Act governing performance standards, including standards for the capture of air emissions released during hydraulic fracturing, and published on June 28, 2016 a final rule prohibiting the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. In some instances, states and local governments have enacted more stringent hydraulic fracturing restrictions or bans on hydraulic fracturing activities. These and other similar state and foreign regulatory initiatives, if adopted, would establish additional levels of regulation for our customers that could make it more difficult for our customers to complete natural gas and oil wells and could adversely affect the demand for our equipment and services, which, in turn, could adversely affect our financial condition, results of operations or cash flows.

State and federal regulatory agencies have also recently focused on a possible connection between the operation of injection wells used for oil and natural gas wastewater disposal and seismic activity. Similar concerns have been raised that hydraulic fracturing may also contribute to seismic activity. When caused by human activity, such events are called induced seismicity. Developing research suggests that the link between seismic activity and wastewater disposal may vary by region. In March 2016, the U.S. Geological Survey identified six states with the most significant hazards from induced seismicity, including Oklahoma, Kansas, Texas, Colorado, New Mexico, and Arkansas. In light of these concerns, some state regulatory agencies have modified their regulations or issued orders to address induced seismicity, and regulators in some states are seeking to impose additional requirements related to underground injection activities. For example, the Oklahoma Corporations Commission has implemented a variety of measures, including the adoption of the National Academy of Science's "traffic light system," pursuant to which the agency reviews new disposal well applications and may restrict operations at existing wells. The Texas Railroad Commission has also implemented measures to assess the potential for seismic activity in the vicinity of disposal wells, and it has restricted and indefinitely suspended disposal well activities in some cases.

Increased regulation and attention given to induced seismicity could lead to greater opposition to, and litigation concerning, oil and natural gas activities utilizing hydraulic fracturing or injection wells for waste disposal, which could indirectly impact our business, financial condition and results of operations. In addition, these concerns may give rise to private tort suits from individuals who claim they are adversely impacted by seismic activity they allege was induced. Such claims or actions could result in liability for property damage, exposure to waste and other hazardous materials, nuisance or personal injuries, and require our customers to expend additional resources or incur substantial costs or losses. This could, in turn, adversely affect the demand for our products.

Although we do not conduct hydraulic fracturing, increased regulation and attention given to the hydraulic fracturing process could lead to greater opposition to oil and natural gas production activities using hydraulic fracturing techniques. In addition, the adoption of new laws or regulations at the federal, state, local or foreign level imposing reporting obligations on, or otherwise limiting, delaying or banning, the hydraulic fracturing process or other processes on which hydraulic fracturing relies, such as water disposal,could make it more difficult to complete oil and natural gas wells, increase our customers' costs of compliance and doing business, and otherwise adversely affect the hydraulic fracturing services they perform, which could negatively impact demand for our products.

Offshore Drilling. Various new regulations intended to improve offshore safety systems and environmental protection have been issued since 2010 that have increased the complexity of the drilling permit process and may limit the opportunity for some operators to continue deepwater drilling in the Gulf of Mexico, which could have an adverse impact on our customers' activities. For example, on August 23, 2023, the Bureau of Safety and Environmental Enforcement ("BSEE") published a final blowout preventer system sand well control rule that strengthens testing and performance requirements for blowout preventers and other well control equipment. Additionally, on April 24, 2024, the Bureau of Ocean Energy Management ("BOEM") published a final rule to modify the financial assurance requirements for offshore leaseholders. BOEM estimates that a total of $6.9 billion in new supplemental financial assurance will be required from lessees and grant holders under this final rule to cover potential costs of decommissioning activities. As such, these new financial assurance requirements may increase our customers' operating costs and impact our customers' ability to obtain leases, thereby, reducing demand for our products. Additionally, on January 6, 2025, President Biden issued two Presidential Memoranda to ban new offshore oil and gas drilling in most U.S. coastal waters. Biden's actions would have withdrawn more than 625 million acres of the U.S. ocean, including the entirety of U.S. East coast, the eastern Gulf of Mexico, the Pacific off the coasts of Washington, Oregon, and California, and additional portions of the Northern Bering Sea in Alaska, from

future oil and gas leasing, though President Trump reversed the plan with his own executive order on January 20, 2025. Third-party challenges to industry operations in the Gulf of Mexico may also serve to further delay or restrict activities. For example, in August 2022, the District of Columbia Circuit Court of Appeals found two oil leases in the Gulf of Mexico were unlawful for failure to properly analyze risk under the National Environmental Policy Act. If the new regulations, policies, operating procedures and possibility of increased legal liability are viewed by our current or future customers as a significant impairment to expected profitability on projects or an unjustifiable increase in risk, they could discontinue or curtail their offshore operations, thereby adversely affecting the demand for our equipment and services, which, in turn, could adversely affect our financial condition, results of operation, or cash flows.

Insurance and Risk Management

We provide products and systems to customers involved in oil and natural gas exploration, development and production. We also provide parts, repair services and field services associated with installation at all of our facilities and service centers throughout North America, Latin America, Europe, the Middle East and Asia, as well as at customer sites. Our operations are subject to hazards inherent in the oil and natural gas industry, including accidents, blowouts, explosions, cratering, fires, oil spills and hazardous materials spills. These conditions can cause personal injury or loss of life, damage to or destruction of property, equipment, the environment and wildlife, and interruption or suspension of operations, among other adverse effects. In addition, claims for loss of oil and natural gas production and damage to formations can occur. If a serious accident were to occur at a location where our equipment and services are being used, it could result in our being named as a defendant to lawsuits asserting significant claims.

Despite our efforts to maintain safety standards, we have suffered accidents in the past, and we anticipate that we could experience accidents in the future. In addition to the property and personal losses from these accidents, the frequency and severity of these incidents affect our operating costs and insurability, as well as our relationships with customers, employees and regulatory agencies. Any significant increase in the frequency or severity of these incidents, or the general level of compensation awards, could adversely affect the cost of, or our ability to obtain, workers' compensation and other forms of insurance and could have other adverse effects on our financial condition and results of operations.

We rely on customer indemnifications and third-party insurance as part of our risk mitigation strategy. However, our customers may be unable to satisfy indemnification claims against them. In addition, we indemnify our customers against certain claims and liabilities resulting or arising from our provision of goods or services to them. Our insurance may not be sufficient to cover any particular loss or may not cover all losses. We carry a variety of insurance coverages for our operations, and we are partially self-insured for certain claims, in amounts that we believe to be customary and reasonable. Historically, insurance rates have been subject to various market fluctuations that may result in less coverage, increased premium costs, or higher deductibles or self-insured retentions.

Facilities

Our corporate headquarters are located in Humble, Texas. Please refer to "Item 2—Properties" for information with respect to our other facilities. We believe that our facilities are adequate for our current operations.

Item 1A. Risk Factors.

Risks Related to Our Business

Our business and financial performance depends primarily upon the general level of activity in the oil and natural gas industry, including the number of drilling rigs in operation, the number of oil and natural gas wells being drilled, the volume of production, the number of well completions and the level of well remediation activity and the corresponding capital expenditures by oil and natural gas companies within North America, the Middle East, Latin America and Europe, among other global markets. A decline in prices for oil and natural gas may have an adverse effect on our revenue, cash flows, profitability and growth.

Demand for most of our products and services depends primarily on the level of activity in the oil and natural gas industry in North America, the Middle East, Latin America and Europe, among other global markets. As a result, our operations are dependent on the levels of activity and capital spending in oil and natural gas exploration, development and production. A prolonged reduction in oil and natural gas prices would generally depress the level of oil and natural gas exploration, development, production, and well completion activity and would result in a corresponding decline in the demand for the products and services that we provide. The significant decline in oil and natural gas prices that occurred in 2020 caused a reduction in our customers' spending and associated drilling and completion activities, which had an adverse effect on our revenue. While oil and natural gas prices have since increased, should prices again decline, similar declines in our customers' spending would have an adverse effect on our revenue. In addition, a worsening of these conditions may result in a material adverse impact on certain of our customers' liquidity and financial position resulting in further spending reductions, delays in the collection of amounts owing to us and other similar impacts.

Many factors over which we have no control affect the supply of and demand for, and our customers' willingness to explore, develop and produce oil and natural gas, and therefore, influence the volumes we can sell and the prices we can charge for our products and services, including:

- the global supply of, and demand for, oil and natural gas;
- the level of prices, and expectations about future prices, of oil and natural gas;
- the level of global oil and natural gas exploration and production;
- the cost of exploring for, developing, producing and delivering oil and natural gas;
- the supply of and demand for our products and services;
- global or national health concerns, including health epidemics such as the COVID-19 pandemic;
- the expected decline rates of current production;
- inability to acquire or maintain necessary permits or mining or water rights;
- the price and quantity of foreign imports;
- political and economic conditions in oil and natural gas producing countries and regions, including the United States, the Middle East, Africa, Europe, Latin America and Russia;
- actions by the members of OPEC+ and other oil-producing countries with respect to oil production levels and announcements of potential changes in such levels;
- speculative trading in crude oil and natural gas derivative contracts;
- the level of consumer product demand;
- the discovery rates of new oil and natural gas reserves;
- contractions in the credit market;
- the strength or weakness of the U.S. dollar;
- available pipeline and other transportation capacity;
- the levels of oil and natural gas storage;
- the proximity and capacity of oil and natural gas pipelines and other transportation facilities;
- adverse weather conditions and other natural disasters;

- U.S. and non-U.S. tax policy;
- U.S. and non-U.S. governmental approvals and regulatory requirements and conditions;
- the continued threat of terrorism and the impact of military and other action, including military action in the Middle East and the Russia-Ukraine war;
- technical advances affecting energy consumption;
- the price and availability of alternative fuels and energy sources;
- uncertainty in commodities markets and the ability of oil and natural gas producers to raise equity capital and debt financing;
- acquisition and divestiture activity among oil and natural gas producers;
- cyclical/seasonal business and dependence upon spending of our customers;
- competition among oilfield service and equipment providers;
- changes in transportation regulations that result in increased costs or administrative burdens; and
- overall domestic and global economic conditions.

These factors and the volatility of the energy markets make it extremely difficult to predict future oil and natural gas price movements with any certainty. A decline in oil and natural gas prices may have a material adverse effect on our business, results of operations and financial condition.

The cyclical nature of the oil and natural gas industry may cause our operating results to fluctuate.

We derive our revenues from companies in the oil and natural gas exploration and production and oilfield services industry, a historically cyclical industry with levels of activity that are significantly affected by the levels and volatility of oil and natural gas prices. We have experienced, and may in the future experience, significant fluctuations in operating results as a result of the reactions of our customers to changes in oil and natural gas prices. For example, prolonged low commodity prices experienced by the oil and natural gas industry during 2015, 2016 and in 2020, combined with adverse changes in the capital and credit markets, caused many exploration and production companies to reduce their capital budgets and drilling activity. This resulted in a significant decline in demand for oilfield services and products and adversely impacted the volume of products and services oilfield services companies could sell, and the prices oilfield services companies could charge for their products and services. In addition, a majority of the revenue we earn is based upon product sales at market pricing. By selling our products at market pricing, we are exposed to the risks of a rapid reduction in prices and resulting volatility in our revenues.

We are subject to risks relating to existing international operations and expansion into new geographical markets.

We continue to focus on expanding sales globally as part of our overall growth strategy and expect sales from outside the United States to continue to represent a significant and growing portion of our revenue. Our international operations and global expansion strategy are subject to general risks related to such operations, including:

- political, social and economic instability and disruptions;
- terrorist threats or acts, war and civil disturbances;
- export controls, economic sanctions, embargoes, import controls, duties and tariffs, and other trade restrictions;
- the imposition of duties and tariffs and other trade barriers;
- limitations on ownership and on repatriation or dividend of earnings;
- transportation delays and interruptions;
- labor unrest and current and changing regulatory environments;
- foreign taxation, including changes in laws or differing interpretations of existing laws;
- foreign and domestic monetary policies;
- increased compliance costs, including costs associated with disclosure requirements and related due diligence;

- difficulties in staffing and managing multi-national operations;
- limitations on our ability to enforce legal rights and remedies;
- access to or control of networks and confidential information due to local government controls and vulnerability of local networks to cyber risks; and
- fluctuations in foreign currency exchange rates.

If we are unable to successfully manage the risks associated with expanding our global business or adequately manage operational risks of our existing international operations, these risks could have a material adverse effect on our growth strategy into new geographical markets,our reputation, our business, results of operations, financial condition and cash flows.

We often sell and rent products to IOCs and NOCs. Many IOCs and NOCs require products to undergo extensive registration and qualification processes before such product can be purchased or rented. This process can take several years to complete. We will seek to undergo these registration and qualification processes for our current and future products, and there is no guarantee our products will successfully complete these processes, or if they do, that such IOCs or NOCs will purchase or rent such products in the future.

We must comply with export and import controls, economic sanctions and embargoes, anti-boycott, and other international trade laws and any failure to comply with such laws could subject us to liability and have a material adverse impact on our business, financial condition and results of operations.

We conduct business globally, and our business activities and services are subject to import and export controls, as well as economic sanctions, embargoes, anti-boycott, and other international trade laws of the United States and other countries. We must comply with U.S. and other applicable export and import controls, economic sanctions, embargoes, anti-boycott, and other international trade laws, including the U.S. Commerce Department's Export Administration Regulations and economic sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control and the U.S. Department of State. In addition, the movement of goods, services and technology subjects us to complex legal regimes governing international trade. Our import activities are governed by unique tariff and customs laws in each of the countries where we import. Further, we must comply with controls on the export or reexport of certain goods, services and technology, as well as economic sanctions that prohibit or restrict business activities in, with or involving certain persons, entities or countries. Although we have instituted policies and procedures designed to promote compliance with such controls and laws, violations of import or export controls, economic sanctions, embargoes, anti-boycott, or other international trade laws could result in negative consequences to us, including government investigations, sanctions, criminal or civil fines or penalties, more onerous compliance requirements, loss of authorizations or licenses needed to conduct aspects of our business, default under debt, reputational harm and other adverse consequences. Moreover, if any of our counterparties or jurisdictions where we do business becomes the target of economic sanctions or other trade restrictions, we may face an array of issues, including, but not limited to, having to abandon the related project or business, being unable to recoup prior invested time and capital or being subject to lawsuits, investigations or regulatory proceedings that could be time consuming and expensive to respond to, and which could lead to sanctions, criminal or civil fines or penalties, loss of authorizations or licenses needed to conduct aspects of our business, default under debt, reputational harm and other adverse consequences. Furthermore, the laws concerning import and export controls, including record keeping and reporting, economic sanctions, embargoes, anti-boycott, and other international trade laws are complex and constantly changing and we cannot predict how these laws or their interpretation, administration and enforcement will change over time. Moreover, they may be adopted, enacted, amended, enforced or interpreted in a manner that could materially impact our operations.

Our business, financial condition and results of operations may be affected by economic sanctions and export controls, including those targeting Russia.

In response to Russia's military action in Ukraine in 2022, the United States, the European Union and the United Kingdom, among others, have imposed significant economic sanctions and export control measures on Russia and others supporting Russia's military and political actions in Ukraine, including, blocking or "asset freezing" sanctions on designated entities and individuals; restrictions on the Russian energy and financial sectors; blocking economic activity in certain areas of Ukraine not controlled by the Ukrainian government; prohibitions in relation to investment in Russia; prohibitions and restrictions relating to Russian origin oil and oil products; and export controls limiting the export of a wide range of goods and technical assistance to Russia. In response, Russia has implemented counter-sanctions, including restrictions on the divestment from Russian assets by foreign investors and restrictions on the payments of dividends and transfers of funds out of Russia by foreign investors. Although we have minimal operational exposure in Russia with no revenue for the year ended December 31, 2024, and we do not intend to commit further capital towards

projects in Russia, the full impact of the invasion of Ukraine, including economic sanctions and export controls or additional war or military conflict, as well as potential responses to them by Russia, is currently unknown and they could adversely affect oil and gas companies, including many of which are our customers, as well as the global supply chain.

Our operations outside the United States must comply with a number of U.S. and other anti-corruption laws, violations of which could have a material adverse effect on our business, results of operations, and financial condition.

We must comply with the U.S. Foreign Corrupt Practices Act ("FCPA") and similar laws in other countries that generally prohibit companies and their agents and employees from providing anything of value to a foreign official or other person for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. We do business and have operations in a number of developing countries that have relatively underdeveloped legal and regulatory systems compared to more developed countries. Several of these countries are generally perceived as presenting a higher than normal risk of corruption, or as having a culture in which requests for improper payments are not discouraged. As a result, we may be subject to risks under the FCPA, the United Kingdom's Bribery Act of 2010 and similar laws in other countries. Our activities create the risk of unauthorized payments or offers of payments by our employees or agents that could be in violation of anti-corruption laws, even though some of these parties are not subject to our control. We have internal control policies and procedures, including our Code of Business Conduct and Ethical Practices, and have implemented training and compliance programs for our employees and agents to promote and achieve compliance with the FCPA and other similar laws. However, we cannot assure that our compliance policies, and procedures, and programs are or will be sufficient or that our directors, officers, employees, representatives, consultants and agents have not engaged and will not engage in conduct for which we may be held responsible. We are also subject to the risks that our employees and agents outside of the United States may act or fail to act in violation of such laws or our compliance policies. Violations of anti-corruption laws may result in severe criminal or civil fines, penalties or sanctions, such as fines, imprisonment, sanctions, debarment from government contracts, seizure of shipments, loss of import and export privileges, and we may be subject to other liabilities, more onerous compliance requirements, default under debt, reputational harm and other adverse consequences, which could have a material adverse effect on our business, results of operations and financial condition. In addition, actual or alleged violations of such laws could be expensive and consume significant time and attention of senior management to investigate and resolve, as well as damage our reputation and ability to do business, including our ability to win future business and maintain existing customer and supplier relationships, any of which could have a material adverse effect on our business and our results of operations, financial position and cash flows.

The scope of our international operations subjects us to risks from currency fluctuations that could adversely affect our liquidity, financial position and results of operations.

Our non-U.S. operations generate significant revenues and earnings. Fluctuations in foreign currency exchange rates may affect product demand and may adversely affect the profitability in U.S. dollars of the products we provide in international markets where payment for our products is made in the local currency. We have significant operations in several key International and Offshore markets, including the Middle East, Latin America and Europe, among others, where we earned approximately 45% of our revenues in 2024. Although not all revenue is priced in local currency, our financial results are affected by currency fluctuations, and the impact of those currency fluctuations on the underlying economies. We generally do not use financial instruments that expose us to significant risk involving foreign currency transactions; however, the relative size of our non-U.S. activities has a significant impact on reported operating results and our net assets. Therefore, as exchange rates change, our results can be materially affected.

In addition, our foreign subsidiaries also hold significant amounts of cash that may be subject to both U.S. income taxes (subject to adjustment for foreign tax credits) and withholding taxes of the applicable foreign country if we repatriate that cash to the United States.

Also, we have a diverse supply chain that utilizes international vendors to provide certain services, including machining services, and source raw materials, component parts and finished products from countries other than that of the intended sale. This practice can give rise to foreign exchange risk.

Policy changes affecting international trade and investments could adversely impact our supply chain, the demand for our products and our competitive position.

Changes in government policies on international trade and investment can affect the demand for our products and services, impact the competitive position of our products and services or prevent us from being able to sell or purchase products and services in or from certain countries. Our business benefits from free trade agreements, and efforts to withdraw from, or substantially modify such agreements, in addition to the implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs,

import or export licensing requirements, economic sanctions, anti-boycott laws, exchange controls or new barriers to entry, could have a material adverse effect on our results of operations, financial condition or cash flows. For example, we are experiencing and/or may experience in the future increased tariffs on certain of our products and product components from China, Mexico and Canada. We have planned and begun to implement various efforts in conjunction with our supply chain and end market partners to mitigate the impact of the increased tariffs, but we cannot predict how the tariffs and trade policies may change over time.

We are subject to taxation in many jurisdictions and there are inherent uncertainties in the final determination of our tax liabilities.

As a result of our U.S. and international operations, we are subject to taxation in many jurisdictions. Accordingly, our effective income tax rate and other tax obligations in the future could be adversely affected by a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates, the mix of business executed in deemed profit regimes compared to book income regimes, changes in the valuation of deferred tax assets and liabilities, disagreements with taxing authorities with respect to the interpretation of tax laws and regulations and changes in tax laws. In particular, foreign income tax returns of foreign subsidiaries and related entities are routinely examined by foreign tax authorities, and these tax examinations may result in assessments of additional taxes, interest or penalties. We regularly assess all of these matters to determine the adequacy of our tax provision, which is subject to discretion. If our assessments are incorrect, it could have an adverse effect on our business and financial condition.

Moreover, the United States Congress, the Organization for Economic Co-operation and Development and other government agencies in the other jurisdictions where we and our subsidiaries do business have had an extended focus on issues related to the taxation of multinational corporations. One example is in the area of "base erosion and profit shifting," where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in the United States and other countries in which we and our subsidiaries do business could change on a prospective or retroactive basis, and such changes could adversely affect us.

A change of control could limit our use of net operating losses.

Section 382 of the Internal Revenue Code of 1986, as amended ("Section 382") generally imposes an annual limitation on the amount of net operating losses ("NOLs") that may be used to offset taxable income when a corporation has undergone an "ownership change" (as determined under Section 382). An ownership change generally occurs if one or more stockholders (or groups of stockholders) who are each deemed to own at least 5% of such corporation's stock has increased their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. In the event that an ownership change occurs, utilization of the relevant corporation's NOLs would be subject to an annual limitation under Section 382, generally determined, subject to certain adjustments, by multiplying (i) the fair market value of such corporation's stock outstanding at the time of the ownership change by (ii) a percentage approximately equivalent to the yield on long-term tax-exempt bonds during the month in which the ownership change occurs. Any unused annual limitation may be carried over to later years.

As of December 31, 2024, we had an NOL carryforward of approximately $298.8 million, principally consisting of tax attributes acquired from Dril-Quip and Rubicon. The Rubicon NOLs are subject to a significant limitation, however, we do not believe the Merger resulted in an ownership change under Section 382, so the $149.5 million of NOLs acquired from Dril-Quip are not limited.

Future changes in our stock ownership, however, could result in an additional ownership change under Section 382. Any such ownership change may substantially limit our ability to offset taxable income arising after such an ownership change with NOLs or other tax attributes generated prior to such an ownership change.

We face significant competition that may cause us to lose market share.

The oilfield services industry is highly competitive. The principal competitive factors impacting sales of our products are technology, service quality, safety track record and price. The market is also fragmented and includes numerous small companies capable of competing effectively in our markets on a local basis, as well as several large companies that possess substantially greater financial and other resources than we do. Our larger competitors' greater resources could allow those competitors to compete more effectively than we can. For instance, our larger competitors may offer products at below-market prices or bundle ancillary products and services at no additional cost to our customers. We compete with large national and multi-national companies that have longer operating histories, greater financial, technical and other resources and greater name recognition than we do. Several of our competitors provide a broader array of products and services and have a stronger presence in more geographic markets.

Some jobs are awarded on a bid basis, which further increases competition based on price. Pricing is one of the primary factors in determining which qualified contractor is awarded a job. The competitive environment may be further intensified by mergers and acquisitions among oil and natural gas companies or other events that have the effect of reducing the number of available customers. If competition remains the same or increases as a result of future industry downturns, we may be required to lower our prices, which would adversely affect our results of operations. In the future, we may lose market share or be unable to maintain or increase prices for our present products or to acquire additional business opportunities, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our competitors may be able to respond more quickly to new or emerging technologies and services and changes in customer requirements. The amount of equipment available may exceed demand, which could result in active price competition.

In addition, competition among oilfield equipment providers is affected by each provider's reputation for safety and quality. We cannot assure that we will be able to maintain our competitive position.

We are subject to the risk of supplier concentration for certain product lines.

Certain of our product lines, including frac plugs and well intervention tools, depend on a limited number of third-party suppliers and vendors, including for supplies of certain raw materials. As a result of this concentration in some of our supply chains, our business and operations could be negatively affected if our key suppliers were to experience significant disruptions affecting the price, quality, availability or timely delivery of their products. The partial or complete loss of any one of our key suppliers, or a significant adverse change in the relationship with any of these suppliers, through consolidation or otherwise, would limit our ability to manufacture or sell certain of our products, or require us to depend on costly alternatives, which may impact financial performance.

Our customers' industries are undergoing continuing consolidation that may impact our results of operations.

The oil and gas industry is rapidly consolidating and, as a result, some of our largest customers have consolidated and are using their size and purchasing power to seek economies of scale and pricing concessions. This consolidation may result in reduced capital spending by some of our customers or the acquisition of one or more of our primary customers, which may lead to decreased demand for our products and services. We cannot assure you that we will be able to maintain our level of sales to a customer that has consolidated or replace that revenue with increased business activity with other customers. As a result, the acquisition of one or more of our primary customers may have a significant negative impact on our results of operations, financial position or cash flows. We are unable to predict what effect consolidations in the industry may have on price, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers.

We could lose customers or generate lower revenue, operating profits and cash flows if there are significant increases in the cost of raw materials or if we are unable to obtain raw materials.

We purchase raw materials, sub-assemblies and components for use in manufacturing operations, which exposes us to volatility in prices for certain commodities. Significant price increases for these commodities could adversely affect our operating profits. Even if we have multiple suppliers of a particular raw material, there are occasionally shortages which lead to price increases. Any significant disruption in supply could affect our ability to obtain raw materials or satisfactory substitutes or could increase the cost of such raw materials or substitutes, which could have a material adverse effect on our liquidity, financial position and results of operations. Should our current suppliers be unable or unwilling to provide the necessary parts, raw materials or equipment or otherwise fail to deliver the products timely and in the quantities required, any resulting delays in the provision of our products could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Additionally, like others in our industry, we continue to face inflation in raw materials cost. In addition to general inflationary pressures, adverse weather may also result in raw materials supply chain disruptions, that can lead to short-term raw material cost inflation. International conflicts or other geopolitical events, such as the continuing Russia-Ukraine war, may also cause upward pressure on raw materials costs due to transportation disruptions, higher manufacturing costs, disruptions in supply chains and availability of raw materials, interruptions in manufacturing operation, and heightened inflation. While we will generally attempt to mitigate the impact of increased raw material prices by endeavoring to make strategic purchasing decisions, broadening our supplier base and passing along increased costs to customers, there may be a time delay between the increased raw material prices and the ability to increase the prices of our products. For example, one of our product families depends on alloying elements such as magnesium, with China providing the majority of the world supply. Prices for alloying elements like magnesium are subject to

constant volatility and may increase significantly from time to time. The inability to obtain necessary raw materials on acceptable terms could affect our ability to meet customer commitments and satisfy demand for certain products. Public health threats, such as the COVID-19 pandemic, severe influenza and other highly communicable viruses or diseases, in addition to international conflicts or other geopolitical events or extreme weather events could limit access to vendors and their facilities, or the ability to transport raw materials from our vendors, which would adversely affect our ability to obtain necessary raw materials for certain of our products or increase the costs of such materials. A significant price increase in or the unavailability of raw materials may result in a loss of customers and adversely impact our business, results of operations, financial condition and cash flows, and could result in asset impairments, including an impairment of the carrying value of our goodwill.

We are exposed to counterparty credit risk. Nonpayment and nonperformance by our customers, suppliers or vendors could adversely impact our operations, cash flows and financial condition.

Weak economic conditions, volatility in the banking sector and/or widespread financial distress could reduce the liquidity of our customers, suppliers or vendors making it more difficult for them to meet their obligations to us. Severe financial problems encountered by our customers, suppliers and vendors could limit our ability to collect amounts owed to us or to enforce the performance of obligations owed to us under contractual arrangements and/or limit our ability to enter into future contractual arrangements with such customers, suppliers or vendors. Certain of our customers finance their activities through cash flow from operations, the incurrence of debt or the issuance of equity. In an economic downturn, commodity prices typically decline, and the credit markets and availability of credit can be expected to be constrained. Additionally, certain of our customers' equity values could decline. The combination of lower cash flow due to commodity prices, a reduction in borrowing bases under reserve-based credit facilities and the lack of available debt or equity financing may result in a significant reduction in our customers' liquidity and ability to pay or otherwise perform on their obligations to us. Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks, which increases the risk that they may default on their obligations to us. Any increase in the nonpayment and nonperformance by our customers could have an adverse impact on our operating results and could adversely affect our liquidity.In the event that any of our customers was to enter into bankruptcy, we could lose all or a portion of the amounts owed to us by such customer, and we may be forced to cancel all or a portion of our contracts with such customer at significant expense to us.

In addition, nonperformance by suppliers or vendors who have committed to provide us with critical products or services could raise our costs or interfere with our ability to successfully conduct our business. These factors, combined with volatile prices of oil and natural gas, may precipitate a continued economic slowdown and/or a recession.

We may not be able to satisfy technical requirements, testing requirements or other specifications under contracts and contract tenders.

Our products are used primarily in deepwater, harsh environment and severe service applications. Our contracts with customers and customer requests for bids typically set forth detailed specifications or technical requirements for our products and services, which may also include extensive testing requirements. We anticipate that such testing requirements will become more common in our contracts. In addition, scrutiny of the drilling industry has resulted in more stringent technical specifications for our products and more comprehensive testing requirements for our products to maintain compliance with such specifications. We cannot assure you that our products will be able to satisfy the specifications or that we will be able to perform the full-scale testing necessary to prove that the product specifications are satisfied in future contract bids or under existing contracts, or that the costs of modifications to our products to satisfy the specifications and testing will not adversely affect our results of operations. If our products are unable to satisfy such requirements, or we are unable to perform any required full-scale testing, our customers may cancel their contracts and/or seek new suppliers, and our business, results of operations, cash flows or financial position may be adversely affected.

Growth in drilling and completion activity, and our ability to benefit from such growth, could be adversely affected by any significant constraints in equipment, labor or takeaway capacity in the regions in which we operate.

Growth in drilling and completion activity may be impacted by, among other things, the availability and cost of oil country tubular goods, pipeline capacity, and material and labor shortages. Should significant growth in activity occur there could be concerns over availability of the equipment, materials and labor required to drill and complete a well, together with the ability to move the produced oil and natural gas to market. Should significant constraints develop that materially impact the efficiency and economics of oil and natural gas producers, growth in drilling and completion activity could be adversely affected. This would have an adverse impact on the demand for our products, which could have a material adverse effect on our business, results of operations and cash flows.

Equipment failures or production curtailments or shutdowns at our manufacturing and production facilities could adversely affect our manufacturing capability.

Our manufacturing capacity is subject to equipment failures and the risk of catastrophic loss due to unanticipated events, such as fires, explosions and adverse weather conditions. Our manufacturing processes depend on critical pieces of equipment. Such equipment may, on occasion, be out of service as a result of unanticipated failures, which could require us to close part or all of the relevant manufacturing and production facility or cause us to reduce production on one or more of our product lines. Any interruption in manufacturing capability may require us to make significant and unanticipated capital expenditures to effect repairs,which could have a negative effect on our profitability and cash flows. We carry extra expense coverage; however, recoveries under insurance coverage that we currently maintain or may obtain in the future may not be sufficient to completely offset the lost revenues or increased costs resulting from a disruption of our operations. A sustained disruption to our business could also result in delays to or cancellations of customer orders and contractual penalties, which may also negatively impact our reputation among our customers. Any or all of these occurrences could have a material adverse effect on our business, results of operations, financial condition and prospects.

We rely on a few key employees whose absence or loss could adversely affect our business.

Many key responsibilities within our business have been assigned to a small number of employees. We depend on our current senior management for the implementation of our strategy and the supervision of our day-to-day activities. However, there can be no assurance that these individuals will continue to make their services available to us in the future. The loss of their services could adversely affect our business. In particular, the loss of the services of one or more members of our senior management team could disrupt our operations. The loss or diminution of the services of our senior management or an inability to attract and retain additional senior management personnel could have a material adverse effect on our business, financial condition, results of operations and prospects. Further, competition in our industry for personnel with relevant expertise is intense due to the relatively small number of qualified individuals, and this competition could affect our ability to retain our existing senior management and attract additional suitably qualified senior management personnel. As a result, the departure of key managers could have a material adverse effect on our business, financial condition, results of operations and prospects. We do not maintain “key person” life insurance policies on any of our employees. As a result, we are not insured against any losses resulting from the death of our key employees.

If we are unable to employ a sufficient number of skilled and qualified workers, our capacity and profitability could be diminished and our growth potential could be impaired.

Many of our products are mechanically complex and often must perform in extremely challenging conditions. The design and delivery of our products requires skilled and qualified technical personnel with specialized skills and experience, and our ability to be productive and profitable will depend upon our ability to employ and retain skilled workers. In addition, our ability to expand our operations depends in part on our ability to increase the size of our skilled labor force. The demand for skilled workers is high, and the supply is limited. As a result, competition for experienced personnel is intense, and we face significant challenges in competing for crews and management with large and well- established competitors. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If either of these events were to occur, our capacity and profitability could be diminished and our growth potential could be impaired.

A negative shift in investor sentiment of the oil and natural gas industry has had and could in the future have adverse effects on our customers’ operations, our business and on our access to investors and financing.

Certain segments of the investor community have developed negative sentiment towards investing in our industry. Equity returns over the last decade in the sector versus other industry sectors have led to lower oil and natural gas and related services representation in certain key equity market indices. Investors and lenders may factor historical returns into future investment and financing decisions. In addition, some investors, including investment advisors and certain sovereign wealth funds, pension funds, university endowments and family foundations, have stated policies to disinvest in the oil and natural gas sector based on their social and environmental considerations. Certain other stakeholders have also pressured commercial and investment banks and other lenders and investors to stop financing oil and natural gas production and related infrastructure projects, which adversely affects our customers. Such developments, including environmental activism and initiatives aimed at limiting climate change and reducing air pollution, could result in downward pressure on the stock prices of oilfield service companies, including ours. While a substantial number of banks and financing sources remain active in investments related to the oil and natural gas and oilfield services industries, it is possible that the investment avoidance or limitation theme could expand in the future and restrict access to capital for our customers and for companies like us.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to environmental, social and governance matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable environmental, social and governance ratings and recent activism directed at shifting funding away from companies with fossil fuel-related assets could lead to increased negative investor sentiment toward our customers and us and to the diversion of investment to other industries, which could have a negative impact on our business and both our and our customers' access to and cost of capital. Also, institutional lenders may decide not to provide funding for fossil fuel energy companies based on climate change-related concerns, which could affect our or our customers' access to capital for potential growth projects. Reputational value is based in large part on perceptions of subjective qualities, and even isolated incidents may erode trust and confidence and have adverse effects on our business and financial results, particularly if they result in adverse publicity or widespread reaction on social media.

Our ability to access capital and credit markets or borrow on affordable terms to obtain additional capital could be limited.

From time to time, we may need to access capital or credit markets to obtain financing. Our ability to access capital or credit markets for financing could be limited by oil and natural gas prices, our capital structure, our credit ratings, the state of the economy, the health or market perceptions of the oil and natural gas industry, the liquidity or instability of the capital markets, regional banks or other lending institutions and environmental, social and governance considerations and other factors. Many of the factors that affect our ability to access capital and credit markets are outside of our control. Among other things, our 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 us. While we seek to diversify, and evaluate the risk exposure of, the financial institutions with which we do business, we cannot guarantee that any such institution will not be placed into receivership or otherwise be negatively impacted by the current volatility in the banking sector. No assurance can be given that we will be able to access capital or credit markets on terms acceptable to us when required to do so, which could have a material adverse impact on our business, financial condition and results of operations.

The growth of our business through recently completed acquisitions and potential future acquisitions may expose us to various risks, including those relating to difficulties in identifying suitable, accretive acquisition opportunities and integrating businesses, assets and personnel, as well as difficulties in obtaining financing for targeted acquisitions and the potential for increased leverage or debt service requirements.

We have pursued and intend to continue to pursue selected, accretive acquisitions of complementary assets and businesses, such as the Merger and the acquisition of DWS. Acquisitions involve numerous risks, including:

- unanticipated costs and exposure to liabilities assumed in connection with the acquired business or assets, including, but not limited to, environmental liabilities and title issues;
- difficulties in integrating the operations and assets of the acquired business and the acquired personnel;
- complexities associated with managing a larger, more complex, integrated business;
- limitations on our ability to properly assess and maintain an effective internal control environment over an acquired business;
- potential losses of key employees, customers and business partners of the acquired business;
- performance shortfalls at one or both of the companies as a result of the diversion of management's attention from their day-to-day responsibilities caused by completing an acquisition and integrating an acquired business into the combined company;
- risks of entering markets in which we have limited prior experience; and
- increases in our expenses and working capital requirements.

The process of integrating an acquired business may involve unforeseen costs and delays or other operational, technical and financial difficulties, and may require a significant amount of time and resources. We may experience difficulties in integrating a future acquired business's operations into our business and in realizing expected benefits and synergies from a future acquisition. The integration process may involve unforeseen difficulties and may require a disproportionate amount of our managerial and financial resources. If we are unable to successfully integrate the operations of future acquired businesses with our business, we may be unable to achieve consolidation savings and may incur unanticipated costs and liabilities.

Our failure to incorporate acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our business, liquidity position, financial condition, prospects and results of operations.

Furthermore, competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions.

In addition, we may not have sufficient capital resources to complete any additional acquisitions. Historically, we have financed our acquisitions primarily with funding from our equity investors, commercial borrowings and cash generated by operations, as well as equity consideration and debt financing arrangements. We may incur substantial indebtedness to finance future acquisitions and also may issue equity, debt or convertible securities in connection with such acquisitions. Debt service requirements could represent a significant burden on our results of operations and financial condition, and the issuance of additional equity or convertible securities could be dilutive to our existing stockholders. Furthermore, we may not be able to obtain additional financing as needed or on satisfactory terms.

Our ability to continue to grow through acquisitions and manage growth will require us to continue to invest in operational, financial and management information systems and to attract, retain, motivate and effectively manage our employees. The inability to effectively manage the integration of acquisitions could reduce our focus on current operations, which, in turn, could negatively impact our earnings and growth. Our financial position and results of operations may fluctuate significantly from period to period, based on whether or not significant acquisitions are completed in particular periods.

The failure to integrate successfully the businesses of Dril-Quip and Legacy Innovex could adversely affect the Company's future results.

The Merger involves the integration of two companies that prior to September 6, 2024, operated independently. The success of the Merger will depend – in large part – on the ability of the Company to realize the anticipated benefits, including cost savings, among others, from combining the businesses of Dril-Quip and Legacy Innovex. To realize these anticipated benefits, the businesses of Dril-Quip and Legacy Innovex must be successfully integrated. This integration will be complex and time-consuming. The failure to integrate successfully and to manage successfully the challenges presented by the integration process may result in the Company not achieving the anticipated benefits of the Merger.

Company management believes that the Merger will provide operational and financial scale, increasing free cash flow and enhancing the Company's corporate returns on invested capital. However, achieving these goals requires, among other things, realization of the targeted cost synergies expected from the Merger. The anticipated benefits of the Merger and actual operating, technological, strategic and revenue opportunities may not be realized fully or at all, or may take longer to realize than expected. If the Company is not able to achieve these objectives and realize the anticipated benefits and synergies expected from the Merger within the anticipated timing or at all, the Company's business, financial condition and operating results may be adversely affected.

The Company has also incurred and will continue to incur significant integration-related costs and there is potential for unknown liabilities, unforeseen expenses, delays associated with post-Merger integration activities and performance shortfalls of the Company as a result of the diversion of management's attention caused by completing the Merger and integrating the companies' operations. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Additionally, there are a large number of processes, policies, procedures, operations, technologies and systems that must be integrated, including accounting and finance, asset management, benefits, billing, health, safety and environmental, human resources, maintenance, marketing, payroll and purchasing. The expenses of integrating these systems could, particularly in the near term, exceed the savings that the Company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings.

Inflation could adversely impact our operating results and the global economy.

Inflation affects the costs of goods and services that we use, including raw materials to manufacture our products, as well as transportation and logistical costs and other external costs and services, Inflation also affects labor costs, which are a significant element of our overall cost structure. If these costs cannot be passed on to customers, our margins could be reduced.

Inflation also leads to increased interest rates as country monetary policies combat inflation. This can result in reduced economic growth and recessionary conditions, as well as higher borrowing costs.

Global inflation significantly increased in 2022 and 2021 related to the COVID-19 economic recovery and associated disruptions in global demand, supply chains/logistics, and labor markets, as well as the war in Ukraine and related significant increase

in energy costs. While the global inflation rate began to ease in 2023 and 2024 as a result of central bank policy tightening, core inflation has proved persistent as a result of the preceding factors, in addition to others such as the escalating number of significant geopolitical conflicts throughout the world.

These inflationary conditions could have a greater impact on our operating results in future years. The pace of inflationary changes can also occur more quickly than our ability to respond with corresponding price increases and cost optimization or reduction measures. In addition, there may be differences in inflation rates between countries where we incur the major portion of our costs and other countries where we sell products, which may limit our ability to recover increased costs. The competitive environment in which we operate may also limit our ability to recover higher costs through increased selling prices.

Disruptions in our supply chain for materials and components and the resulting increase in equipment and logistics costs could adversely affect our financial performance.

We are subject to risk from fluctuating manufacturing costs of our products based on surging consumer demand. Prices of these manufacturing costs, including the components and materials of our products, may be affected by supply restrictions or other market factors from time to time. We cannot predict whether the countries in which the components and materials are sourced, or may be sourced in the future, will be subject to new or additional trade restrictions, including the likelihood, type or effect of any such restrictions. Trade restrictions, including embargoes, safeguards and customs restrictions against certain components and materials, as well as labor strikes and work stoppages or boycotts, could increase the cost or reduce or delay the supply of components and materials available to us and our vendors, which could delay or adversely affect the scope of our projects under develop mentor construction and adversely affect our business, financial condition or results of operations.

We have identified and may in the future identify additional material weaknesses in internal controls over financial reporting, which may not be remedied in a timely manner and could affect the reliability of our financial statements and have other adverse consequences.

As more fully disclosed in "Item 9A. Controls and Procedures" of this Annual Report, Legacy Innovex previously identified two material weaknesses as Legacy Innovex did not design and maintain effective controls related to the accounting for income taxes at a sufficient level of precision or rigor and failed to employ personnel with adequate expertise to identify and evaluate complex income tax accounting matters. In addition, Dril-Quip identified a material weakness wherein Dril-Quip did not design and maintain effective controls over the financial statement classification of inventory write-downs related to restructurings.

As of December 31, 2024, management concluded that the material weakness previously reported by Dril-Quip had been remediated. Our management has implemented remediation steps related to the material weaknesses for Legacy Innovex but as of December 31, 2024, these Legacy Innovex material weaknesses have not been remediated. We continue to seek improvements to enhance our control environment and to strengthen our internal controls to provide reasonable assurance that our financial statements continue to be fairly stated in all material respects.

Effective internal controls are necessary for the us to provide reliable financial reports, prevent fraud and operate successfully. We cannot assure that we will not in the future have additional material weaknesses. Should new material weaknesses arise or be discovered in the future, material misstatements could occur and go undetected in our interim or annual consolidated financial statements. If we fail to remediate any future material weaknesses or maintain proper and effective internal control over financial reporting in the future, we may be required to restate our financial statements, experience delays in satisfying our reporting obligations or fail to comply with SEC rules and regulations, which could result in investigations and sanctions by regulatory authorities. Any of these results could adversely affect our business and the value of our common stock.

Our indebtedness and liquidity needs could restrict our operations and make us more vulnerable to adverse economic conditions.

Our existing and future indebtedness, whether incurred in connection with acquisitions, operations or otherwise, and limited access to liquidity may adversely affect our operations and limit our growth, and we may have difficulty making debt service payments on such indebtedness as payments become due. Our level of indebtedness may affect our operations in several ways, including the following:

- increasing our vulnerability to general adverse economic and industry conditions;
- the covenants that are contained in the agreements governing our indebtedness could limit our ability to borrow funds, dispose of assets, pay dividends and make certain investments;

- our debt covenants could also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry;
- any failure to comply with the financial or other debt covenants, including covenants that impose requirements to maintain certain financial ratios, could result in an event of default, which could result in some or all of our indebtedness becoming immediately due and payable;
- our level of debt could impair our ability to obtain additional financing, or obtain additional financing on favorable terms, in the future for working capital, capital expenditures, acquisitions or other general corporate purposes; and
- our business may not generate sufficient cash flow from operations to enable us to meet our obligations under our indebtedness.

Restrictions in our debt agreements and any future financing agreements may limit our ability to finance future operations, meet capital needs or capitalize on potential acquisitions and other business opportunities.

The operating and financial restrictions and covenants in existing and future debt agreements could restrict our ability to finance future operations, meet capital needs or expand or pursue our business activities. For example, our debt agreements restrict or limit our ability to:

- grant liens;
- incur additional indebtedness;
- engage in a merger, consolidation or dissolution;
- enter into transactions with affiliates;
- sell or otherwise dispose of assets, businesses and operations;
- substantially change the nature of our business; and
- make acquisitions, capital expenditures or other investments and make dividends or repurchase our stock.

Furthermore, our debt agreements contain certain other operating and financial covenants, including the obligation to satisfy a certain fixed charge coverage ratio, a leverage ratio and a liquidity requirement. Our ability to comply with the covenants and restrictions contained in our debt agreements may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we violate any of the restrictions, covenants, ratios or tests in our debt agreements, all or a significant portion of our indebtedness may become immediately due and payable, and our lenders' commitment to make further loans to us may terminate. We might not have, or be able to obtain, sufficient funds to make these accelerated payments. Our Credit Facility (as defined herein) is secured by liens on substantially all of our assets and certain of our future subsidiaries and guarantees from certain of our future subsidiaries, and any acceleration of our debt obligations could result in a foreclosure on the collateral securing such debt. Our debt agreements also require us to make mandatory prepayments in certain circumstances, including a requirement to make a prepayment of the term loans with a certain percentage of our excess cash flow each year. This excess cash flow payment, and other future required prepayments, will reduce our cash available for investment in our business. Any subsequent replacement of our debt agreements or any new indebtedness could have similar or greater restrictions. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Agreement."

An increase in interest rates would increase the cost of servicing our indebtedness and could reduce our profitability, decrease our liquidity and impact our solvency.

A number of our existing debt agreements provide for, and our future debt agreements may provide for, debt incurred thereunder to bear interest at variable rates. As a result, increases in interest rates could increase the cost of servicing such indebtedness and materially reduce our profitability and cash flows.

Our and our customers' operations are subject to unforeseen interruptions and hazards inherent in the oil and natural gas industry, for which we or our customers may not be adequately insured and which could cause us to lose customers and substantial revenue.

Our and our customers' operations are exposed to the risks inherent to our industry, such as equipment defects, vehicle accidents, fires, explosions, blowouts, surface cratering, uncontrollable flows of gas or well fluids, pipe or pipeline failures,

abnormally pressured formations and various environmental hazards, such as oil spills and releases of, and exposure to, hazardous substances. In addition, our and our customers' operations are exposed to potential natural disasters, including blizzards, tornadoes, storms, floods, other adverse weather conditions and earthquakes. The occurrence of any of these events could result in substantial losses to us or our customers due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigations and penalties or other damage resulting in curtailment or suspension of our operations or our customers' operations. The cost of managing such risks may be significant. The frequency and severity of such incidents may affect operating costs, insurability and relationships with customers, employees and regulators. Our customers may elect not to purchase our products and services if they view our environmental or safety record as unacceptable, which could cause us to lose customers and substantial revenues.

Our insurance may not be adequate to cover all losses or liabilities we may suffer. Furthermore, we may be unable to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies have increased and could escalate further. In addition, sub-limits have been imposed for certain risks. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we are not fully insured, it could have a material adverse effect on our business, results of operations and financial condition. In addition, we may not be able to secure additional insurance or bonding that might be required by new governmental regulations. This may cause us to restrict our operations, which might severely impact our financial position.

We attempt to further limit our liability through contractual indemnification provisions with our customers. Due to competitive market pressures, we may not be able to successfully obtain favorable contractual provisions, and a failure to do so may increase our risks and costs, which could materially impact our results of operations. In addition, we cannot assure you that any party that is contractually obligated to indemnify us will be financially able to do so or that a court will enforce all such indemnities.

A terrorist attack or armed conflict could harm our business.

Terrorist activities, anti-terrorist efforts and other armed conflicts involving the United States could adversely affect the U.S. and global economies and could prevent us from meeting financial and other obligations. We could experience loss of business, delays or defaults in payments from payors or disruptions of fuel supplies and markets if pipelines, production facilities, processing plants, refineries or transportation facilities are direct targets or indirect casualties of an act of terror or war. Such activities could reduce the overall demand for oil and natural gas, which, in turn, could also reduce the demand for our products. Terrorist activities and the threat of potential terrorist activities and any resulting economic downturn could adversely affect our results of operations, impair our ability to raise capital or otherwise adversely impact our ability to realize certain business strategies.

We design, manufacture, sell, rent and install products that are used in oil and natural gas exploration, development and production activities, which may subject us to liability, including claims for personal injury, property damage, environmental contamination and other regulatory fines and penalties should such equipment fail to perform to specifications.

We provide products and systems to customers involved in oil and natural gas exploration, development and production. Some of our equipment is designed to operate in high-temperature and/ or high-pressure environments, and some equipment is designed for use in hydraulic fracturing operations. Because of applications to which our products are exposed, particularly those involving high pressure environments, a failure of such equipment, or a failure of our customers or their contractors to maintain or operate the equipment properly, could cause damage to the equipment, damage to the property of customers and others, personal injury and environmental contamination and could negatively impact customer relationships, which could subsequently have an adverse effect on our business, results of operations and cash flows.

Our customers typically assume responsibility for, including control and removal of, all pollution or contamination which may occur during operations, including that which may result from seepage or any other uncontrolled flow of drilling fluids. Losses due to catastrophic events, such as blowouts, are generally the responsibility of the customer. However, we may have liability in such cases if we are negligent or commit willful acts. In addition,we typically have mutual indemnification agreements with customers on a "knock-for-knock" basis, which generally means that we and our customers assume liability for our respective personnel, subcontractors and property. As a result of this allocation of risk, we may be liable for certain losses, which could be substantial. Furthermore, despite the general allocation of risk whereby our customers have agreed to assume responsibility for or indemnify us against certain liabilities, we might not succeed in enforcing such contractual allocation or might incur an unforeseen liability falling outside the scope of such allocation. Litigation arising from a catastrophic occurrence at a location where our products and equipment are being used may result in our being named as a defendant in lawsuits asserting large claims. In addition, our customers may be

unable to satisfy indemnification claims against them. As a result, we may incur substantial losses which could materially and adversely affect our financial condition and results of operations.

In addition, we rely on third-party insurance as part of our risk mitigation strategy. However, our insurance may not be adequate to cover our liabilities. Further, insurance companies may refuse to honor their policies, or insurance may not generally be available in the future, or if available, premiums may not be commercially justifiable. We could incur substantial liabilities and damages that are either not covered by insurance or that are in excess of policy limits, or incur liability at a time when we are not able to obtain liability insurance. Such potential liabilities could have a material adverse effect on our business, results of operations and cash flows.

Oilfield anti-indemnity provisions enacted by many U.S. states may restrict or prohibit a party's indemnification of us.

We typically enter into agreements with our customers governing the provision of our services, which usually include certain indemnification provisions for losses resulting from operations. Such agreements may require each party to indemnify the other against certain claims regardless of the negligence or other fault of the indemnified party; however, many states place limitations on contractual indemnity agreements, particularly agreements that indemnify a party against the consequences of its own negligence. Furthermore, certain states, including Louisiana, New Mexico, Texas and Wyoming, have enacted statutes generally referred to as "oilfield anti-indemnity acts" expressly prohibiting certain indemnity agreements contained in or related to oilfield services agreements. Such oilfield anti-indemnity acts may restrict or void a party's indemnification of us, which could have a material adverse effect on our business, results of operations and cash flows.

Seasonal weather conditions, natural disasters, public health crises, and other catastrophic events outside of our control could severely disrupt normal operations and harm our business.

Our operations are located in different regions of the United States and around the world. Some of these areas are adversely affected by seasonal weather conditions, primarily in the winter and spring. Weather-related hazards can exist in almost all the areas where we operate. During periods of heavy snow, ice or rain, we may be unable to obtain adequate supplies of raw material or fuel or receive products shipped by a third party, and our employees may be unable to travel to supervise and manage implementation of our products and services, thereby reducing our ability to provide our products and technologies and generate revenues. The exploration activities of our customers may also be affected during such periods of adverse weather conditions. Additionally, extended drought conditions in our operating regions could impact our ability or our customers' ability to source sufficient water or increase the cost for such water. As a result, a natural disaster or inclement weather conditions could severely disrupt the normal operation of our business and adversely impact our financial condition and results of operations. Climate change may exacerbate the likelihood or intensity of such natural disasters or inclement weather conditions. Furthermore, if the area in which we operate or the market demand for oil and natural gas is affected by a public health crisis, or other similar catastrophic event outside of our control, our business and results of operations could suffer.

Global climate change may in the future increase the frequency and severity of weather events and the losses resulting therefrom, which could have a material adverse effect on the economies in the markets in which we operate or plan to operate in the future and therefore on our business.

Our business could be negatively affected by climate-change related physical changes or changes in weather patterns. Severe weather events affecting platforms or structures may result in a suspension of our customer's exploration and production activities. In addition, impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall and hurricane-strength winds may damage our facilities or those of our customers. An increase in severe weather patterns could result in damages to or loss of our equipment, impact our ability to conduct our operations and/or result in a disruption of our customers' operations which could be material to our results of operations, financial position and cash flows.

Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate.

Even if our TAM estimates are accurate or the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates, if at all. Market estimates and growth forecasts, including those of Rystad Energy and our management, are uncertain and based on assumptions and estimates that may be inaccurate. The size of our TAM depends on a number of factors, including changes in the competitive landscape, technological changes, customer budgetary constraints, changes in business practices, changes in the regulatory environment, changes in economic conditions and the price we can charge for our products and services. Even if the markets in which we compete meet the size estimates and growth rates we estimate or forecast, our business could fail to grow at similar rates, if at all, which could cause the trading price of our common stock to decline or be volatile.

Impairment in the carrying value of long-lived assets, inventory and intangible assets could negatively affect our operating results.

We evaluate our property and equipment for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable, and we could incur additional impairment charges related to the carrying value of our long-lived assets.

Long-lived assets, including property, plant and equipment and definite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We evaluate our property and equipment and definite-lived intangible assets for impairment whenever changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Should the review indicate that the carrying value is not fully recoverable, the amount of the impairment loss is determined by comparing the carrying value to the estimated fair value. We assess recoverability based on undiscounted future net cash flows. Estimating future net cash flows requires us to make judgments regarding long-term forecasts of future revenues and costs related to the assets subject to review. These forecasts are uncertain in that they require assumptions about our revenue growth, operating margins, capital expenditures, future market conditions and technological developments. If changes in these assumptions occur, our expectations regarding future net cash flows may change such that a material impairment could result. We incurred long-lived asset write-downs of approximately $3.5 million during the year ended December 31, 2024. These charges are reflected as “Impairment of long-lived assets” in our Consolidated Statements of Operations and Comprehensive Loss.

During 2024, Brent crude oil prices fluctuated, with a high of $93.12 per barrel, a low of $70.31 per barrel. According to the January 2025 release of the Short-Term Energy Outlook published by the Energy Information Administration (EIA) of the U.S. Department of Energy, Brent crude oil prices averaged approximately $81 per barrel in 2024, and the price is forecasted to average $74 per barrel in 2025 and $66 per barrel in 2026. Crude oil prices have fluctuated considerably in recent years, in large part due to the ongoing conflict between Russia and Ukraine. The conflict between Israel and Hamas may also have an impact on energy and commodity prices. We are unable to predict the impact that future supply and demand balances, weather events or conflicts may have on the global economy, our industry or our business, financial condition, results of operations or cash flows. Further, continued volatility in market conditions may further deteriorate the financial performance or future prospects of our operations from current levels, which may result in an impairment of long-lived assets or inventory and negatively impact our financial results in the period of impairment.

We may be required to recognize a charge against current earnings because of over time method of accounting.

Revenues and profits on long-term project contracts are recognized on an over time basis. We calculate the percent complete and apply the percentage to determine revenues earned and the appropriate portion of total estimated costs. Accordingly, purchase order price and cost estimates are reviewed periodically as the work progresses, and adjustments proportionate to the percentage complete are reflected in the period when such estimates are revised. To the extent that these adjustments result in a reduction or elimination of previously reported profits, we would have to recognize a charge against current earnings, which could be significant depending on the size of the project or the adjustment.

Risks Related to Environmental and Regulatory Matters

Our operations and the operations of our customers are subject to environmental, health and safety laws and regulations, and future compliance, claims, and liabilities relating to such matters may have a material adverse effect on our results of operations, financial position or cash flows.

The nature of our customers’ operations, including the sourcing, handling, transporting and disposing of a variety of fluids and substances, including hydraulic fracturing fluids, such as produced water, and other regulated substances, air emissions, and wastewater discharges exposes our customers to some risk of environmental liability, including the release of pollutants from oil and natural gas wells and associated equipment to the environment. Failure of our customers to properly handle, transport or dispose of these materials or otherwise conduct their operations in accordance with environmental, health and safety laws could expose such customers to substantial liability for administrative, civil and criminal penalties, cleanup and site restoration costs and liability associated with the release of such materials, damages to natural resources and other damages, which could have an adverse effect on our business, results of operations and cash flows. We are also subject to laws and regulations associated with equipment manufacturing operations, including the processing, and the related storage, handling, transportation and disposal of raw materials, products and wastes. The cost of compliance with these laws can be significant. We are required to invest financial and managerial resources to comply with such laws and regulations and anticipate that we will continue to be required to do so in the future.

Additionally, environmental, health and safety laws and regulations have changed in the past, and they may change in the future and become more stringent. Current and future claims and liabilities with respect to environmental, health and safety laws may have a material adverse effect on both us and our customers because of potential adverse outcomes, defense costs, diversion of management resources, unavailability of insurance coverage and other factors. If existing environmental, health and safety requirements or enforcement policies change, we may be required to make significant unanticipated operating expenditures. For more information, see "Business—Environmental, Health and Safety Regulation."

Our operations, and those of our customers, are subject to compliance with governmental regulations related to climate change.

Climate change continues to attract considerable public and scientific attention. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of carbon dioxide, methane and other greenhouse gases ("GHGs"). These efforts have included consideration of cap-and-trade programs, carbon taxes, GHG reporting and tracking programs and regulations that directly limit GHG emissions from certain sources.

In the United States, no comprehensive climate change legislation has been implemented at the federal level. However, President Biden established addressing climate change as a priority of his administration and issued several executive orders addressing climate change. Additionally, in 2021 and 2022, President Biden signed into law the IRA, which contains billions of dollars in incentives and other provisions to advance the investment, development, and deployment of alternative energy sources and technologies. Moreover, the EPA has adopted regulations that, among other things, establish construction and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, and together with the Department of Transportation, set GHG emissions and fuel economy standards for vehicles in the United States. The regulation of methane from oil and natural gas facilities has been subject to uncertainty in recent years. The EPA previously had promulgated new source performance standards ("NSPS") imposing limitations on methane emissions from sources in the oil and natural gas sector. Subsequently, in September 2020, the Trump Administration rescinded those methane standards and removed the transmission and storage segments from the oil and natural gas source category under the CAA's NSPS. However, in June 2021, President Biden signed a resolution passed by the U.S. Congress under the Congressional Review Act nullifying the September 2020 rule, effectively reinstating the prior standards. In March 2024, the EPA published new final regulations to expand NSPS requirements for oil and natural gas sector sources and establish comprehensive standards of performance and emission guidelines for methane and volatile organic compound emissions from existing operations in the oil and natural gas sector, including the exploration and production, transmission, processing, and storage segments. These new standards could result in increased costs for our customers and consequently adversely affect demand for our products. However, on January 20, 2025, President Trump signed multiple executive orders seeking to reverse these climate incentives, including pausing the disbursement of funds under the IRA. The same day, President Trump also issued executive orders to encourage fossil fuel production and exploration on federal lands and waters, while moving away from renewable energy and electric vehicles.

Separately, various states and groups of states have adopted or are considering adopting legislation, regulation or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. For example, several states, including Pennsylvania and New Mexico, have adopted regulations restricting the emission of methane from exploration and production activities. At the international level, in December 2015, the United States participated in the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France. The resulting "Paris Agreement" calls for the parties to undertake "ambitious efforts" to limit the average global temperature and requires member states to submit non-binding, individually determined reduction goals known as "Nationally Determined Contributions" every five years after 2020. In April 2021, President Biden announced a goal of reducing the U.S.'s emissions by 50-52% below 2005 levels by 2030. In November 2021, in connection with the 26th Conference of the Parties in Glasgow, Scotland the United States and other world leaders made further commitments to reduce GHG emissions, including reducing global methane emissions by at least 30% by 2030 from 2020 levels. More than 150 countries have now signed on to this pledge. At the 28th Conference of the Parties in the United Arab Emirates, world leaders agreed to transition away from fossil fuels in a just, orderly and equitable manner and to triple renewables and double energy efficiency globally by 2030. Additionally, the Biden Administration announced a new climate target for the United States on December 19, 2024, which includes a 61-66% reduction in economy-wide net GHG emissions by 2035, as compared to 2005 levels. Though President Trump issued an executive order on January 20, 2025, directing the United States Ambassador to the United Nations to immediately withdraw from the Paris Agreement, international, regional, and state actions to limit GHG emissions could reduce the demand for our products.

Litigation risks are also increasing as a number of entities have sought to bring suit against various oil and natural gas 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.

There are also increasing financial risks for fossil fuel producers as stockholders currently invested in fossil fuel energy companies may elect in the future to shift some or all of their investments into non-fossil fuel related sectors. Institutional lenders who provide financing to fossil fuel energy companies also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil fuel energy companies. There is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. Limitation of investments in and financing for fossil fuel energy companies could result in the restriction, delay or cancellation of drilling programs or development or production activities. Additionally, the SEC published final rules on March 28, 2024 relating to the disclosure of a range of climate-related risks. Several lawsuits have been filed challenging the rules. In April 2024, the SEC agreed to pause the rules to facilitate an orderly judicial resolution. We are currently assessing this rule but at this time we cannot predict the costs of implementation or any potential adverse impacts resulting from the rule. To the extent the rules are implemented, we or our customers could incur increased costs related to the assessment and disclosure of climate-related risks. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon intensive sectors.

The adoption and implementation of new or more stringent international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent standards for GHG emissions from the oil and natural gas sector or otherwise restrict the areas in which this sector may produce oil and natural gas or generate the GHG emissions could result in increased costs of compliance or costs of consuming, and thereby reduce demand for oil and natural gas, which could reduce demand for our products. Additionally, political, litigation and financial risks may result in our customers restricting or canceling production activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing their ability to continue to operate in an economic manner, which also could reduce the demand for our products. One or more of these developments could have a material adverse effect on our business, financial condition and results of operations.

Finally, many scientists have concluded that increasing concentrations of GHG in the atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climate events that could have an adverse effect on our and our customers' operations.

Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing as well as governmental reviews and investment practices for such activities may serve to limit future oil and natural gas exploration and production activities and could have a material adverse effect on our results of operations and business.

Various federal, state and local legislative and regulatory initiatives have been, or could be undertaken which could result in additional requirements or restrictions being imposed on hydraulic fracturing operations. Currently, hydraulic fracturing is generally exempt from federal regulation under the Safe Drinking Water Act Underground Injection Control (the "SDWA UIC") program and is typically regulated by state oil and natural gas commissions or similar agencies. However, certain federal agencies have increased scrutiny and regulation. For example, in late 2016, the EPA released a final report on the potential impacts of hydraulic fracturing on drinking water resources, concluding that "water cycle" activities associated with hydraulic fracturing may impact drinking water resources under certain limited circumstances. Additionally, the EPA has asserted regulatory authority pursuant to the SDWA UIC program over hydraulic fracturing activities involving the use of diesel fuel in the fracturing fluid and issued guidance of such activities. Furthermore, the U.S. Bureau of Land Management (the "BLM") published a final rule in 2015 that established stringent standards relating to hydraulic fracturing on federal and Native American lands. The rule was rescinded by the BLM under the Trump Administration in 2017, but the rescission is currently on appeal to the U.S. Court of Appeals for the Ninth Circuit and new or more stringent regulations may be promulgated. Similarly, the EPA has adopted rules on the capture of methane and other emissions released during hydraulic fracturing. In addition to federal regulatory actions, legislation has been introduced, but not enacted, in U.S. Congress to provide for federal regulation of hydraulic fracturing and to require disclosure of the chemicals used in the hydraulic fracturing process.

Separately, many states and local governments have also adopted regulations that impose more stringent permitting, disclosure, disposal and well-construction requirements on hydraulic fracturing operations, including states where we or our customers operate, such as Texas, Colorado and North Dakota. States could also elect to place prohibitions on hydraulic fracturing, as several states have already done. In addition, some states have adopted broader sets of requirements related to oil and natural gas development more generally that could impact hydraulic fracturing activities. Separately, state and federal regulatory agencies have at times focused on a possible connection between hydraulic fracturing related activities, including the underground injection of wastewater into disposal wells,and the increased occurrence of seismic activity. Regulators in some states have imposed, or are considering

imposing, additional requirements in the permitting of produced water disposal wells or otherwise to assess any relationship between seismicity and the use of such wells. To the extent any new regulations are adopted to restrict hydraulic fracturing activities or the disposal of fluids associated with such activities, it may adversely affect our customers and, as a result, demand for our products.

Increased regulation and attention given to the hydraulic fracturing process could lead to greater opposition to, and litigation concerning, oil and natural gas production activities using hydraulic fracturing techniques. Additional legislation or regulation could also lead to operational delays for our customers or increased operating costs in the production of oil and natural gas, including from the developing shale plays, or could make it more difficult for our customers to perform hydraulic fracturing. The adoption of any additional laws or regulations regarding hydraulic fracturing or further restrictions on the availability of capital for hydraulic fracturing could potentially cause a decrease in the completion of new oil and natural gas wells, increased compliance costs and time and an associated decrease in demand for our products. Such a decrease could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition. Moreover, the increased competitiveness of alternative energy sources (such as wind, solar, geothermal, nuclear, tidal and biofuels) or increased focus on reducing the use of combustion engines in transportation (such as governmental mandates that ban the sale of new gasoline-powered automobiles) could reduce demand for hydrocarbons and therefore for our products, which would lead to a reduction in our revenues and adversely affect our financial performance.

Conservation measures, commercial development and technological advances could reduce demand for oil and natural gas and our products.

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy generation devices could reduce demand for oil and natural gas, resulting in reduced demand for oilfield services. The impact of the changing demand for oil and natural gas services and products may have a material adverse effect on our business, financial condition, results of operations and cash flows.

The commercial development of economically viable alternative energy sources and related products (such as electric vehicles, wind, solar, geothermal, nuclear, tidal, fuel cells and biofuels) could have a similar effect. In addition, certain U.S. federal income tax deductions currently available with respect to oil and natural gas exploration and development, including the allowance of percentage depletion for oil and natural gas properties, may be eliminated as a result of proposed legislation. Any future decreases in the rate at which oil and natural gas reserves are discovered or developed, whether due to the passage of legislation, increased governmental regulation leading to limitations, or prohibitions on exploration and drilling activity, including hydraulic fracturing, or other factors, could have a material adverse effect on our business and financial condition, even in a stronger oil and natural gas price environment.

Additional restrictions on drilling activities intended to protect certain species of wildlife may adversely affect our ability to conduct completion activities.

In the United States, the Endangered Species Act (the "ESA") restricts activities that may affect endangered or threatened species or their habitats. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act (the"MBTA"). To the extent species that are listed under the ESA or similar state laws, or are protected under the MBTA, inhabit the areas where our customers operate, the operations of our customers could be adversely impacted. Moreover, drilling activities may be delayed, restricted or precluded in protected habitat areas or during certain seasons, such as breeding and nesting seasons. The listing of new species under the ESA in the areas where our customers operate similarly has the potential to adversely impact our operations and demand for our products as a result of restrictions on oil and natural gas activities. The U.S. Fish and Wildlife Service and similar state agencies may also designate critical or suitable habitat areas that they believe are necessary for the survival of threatened or endangered species. The designation of previously unidentified endangered or threatened species or their habitat could cause the operations of our customers to become subject to operating restrictions or bans, and limit future development activity in affected areas.

Demand for our products and services could be reduced by existing and future legislation, regulations and public sentiment related to the transition away from fossil fuel energy sources.

Regulatory agencies and environmental advocacy groups in the European Union, the United States and other regions or countries have been focusing considerable attention on the emissions of carbon dioxide, methane and other greenhouse gases and their role in climate change. There is also increased focus, including by governments and our customers, investors and other stakeholders, on these and other sustainability and energy transition matters. Existing or future legislation and regulations related to greenhouse gas emissions and climate change, as well as initiatives by governments, nongovernmental organizations, and companies to conserve energy or promote the use of alternative energy sources, and negative attitudes toward or perceptions of fossil fuel products and their

relationship to the environment, may significantly curtail demand for and production of oil and gas in areas of the world where our customers operate, and thus reduce future demand for our products and services. This may, in turn, adversely affect our financial condition, results of operations and cash flows. Our business, reputation and demand for our stock could be negatively affected if we do not (or are perceived to not) act responsibly with respect to sustainability matters.

Risks Related to Technology Advancement

To compete in our industry, we must continue to develop new technologies and products to support our operations, secure and maintain patents related to our current and new technologies and products and protect and enforce our intellectual property rights.

The markets for our products are characterized by continual technological developments. We may face competition in the future from companies using new technologies and new systems. If we cannot continue to develop and market innovative technologies to meet customers' requirements, our business may not expand and grow as planned. For us to keep pace with technological changes and remain competitive, we will need to continue to make significant investments in new technologies and research and development, including to design and launch new products and services. New technologies may also be protected by third party patents or other intellectual property rights and therefore may not be available for our use or protection. Further, alternative products and services may be developed which may compete with or displace our products. We may not be able to successfully differentiate our products from those of our competitors. Our clients may not consider our proposed products to be of value to them; or if the proposed products are of a competitive nature, our clients may not view them as superior to our competitors' products. If we are not able to develop commercially competitive products in a timely manner in response, our ability to service our customers' demands may be adversely affected. Our future ability to develop new products and technologies in order to support our operations depends on our ability to design and produce products that allow us to meet the needs of our customers and third parties on an integrated basis and obtain and maintain patent protection.

We may encounter resource constraints, technical barriers, or other difficulties that would delay introduction of new products in the future. Our competitors may introduce new products or obtain patents before we do and achieve a competitive advantage. Additionally, the time and expense invested in product development may not result in commercial applications. In addition, continuing development or acquisition of new products inherently carries the risk of inventory obsolescence with respect to our older products.

While we believe that we are not dependent on any one patent to protect our material technology, obtaining patent protection for our products is an important component of our overall competitive business strategy. We currently hold, as of December 31, 2024, approximately 829 U.S. and international patent properties, which give the owner of a patent the right to exclude third parties from making, using, selling, and offering for sale the inventions claimed in the patents in the applicable country. Patent rights do not necessarily grant the owner of a patent the right to practice the invention claimed in a patent, but merely the right to exclude others from practicing the invention claimed in the patent. Patent laws and their implementation vary throughout the world. Some foreign countries do not protect intellectual property rights to the same extent as U.S. laws. Further, policing the unauthorized use of our intellectual property in foreign jurisdictions may be difficult. Therefore, our intellectual property rights may not be as strong or as easily enforced outside of the United States. It may also be possible for a third party to design around our patents. Furthermore, patent rights have territorial limits. Some of our work will be conducted in international waters and would, therefore, not fall within the scope of any country's patent jurisdiction. We may not be able to enforce our patents against infringement occurring in international waters and other "non-covered" territories. Also, we do not have patents in every jurisdiction in which we conduct business and our patent portfolio will not protect all aspects of our business and may relate to obsolete or unusual methods, which would not prevent third parties from entering the same market.

We attempt to limit access to and distribution of our technology and trade secrets by customarily entering into confidentiality agreements with our employees, customers and potential customers and suppliers. However, our rights in our confidential information, trade secrets, and confidential know-how will not prevent third parties from independently developing similar information. Publicly available information (for example, information in expired issued patents, published patent applications, and scientific literature) can also be used by third parties to independently develop technology. We cannot provide assurance that this independently developed technology will not be equivalent or superior to our proprietary technology.

In addition, we may become involved in legal proceedings from time to time to protect and enforce our intellectual property rights. Further, our intellectual property rights may not have the value that management believes them to have and such value may change over time as we and others develop new product designs and improvements.

If we are unable to obtain patents, licenses and other intellectual property rights covering our products, our operating results may be adversely affected.

Our success depends, in part, on our ability to obtain patents, licenses and other intellectual property rights covering our products. To that end, we have obtained certain patents and intend to continue to seek patents on some of our inventions, technologies and products. While we have patented some of our key technologies, we do not patent all of our proprietary technology, even when regarded as patentable. The process of seeking patent protection can be long and expensive. Further, there can be no assurance that patents will be issued from currently pending or future applications or that, if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to us. In addition, effective copyright and trade secret protection may be unavailable or limited in certain countries. Litigation, which could demand significant financial and management resources, may be necessary to enforce our patents or other intellectual property rights. Also, there can be no assurance that we can obtain licenses or other rights to necessary intellectual property on acceptable terms. Failure to secure adequate protection for our intellectual property rights could result in our competitors offering similar services and products, potentially resulting in the loss of some of our competitive advantage, which could adversely affect our business, prospects, financial condition and operating results.

Patent terms may be inadequate to protect our competitive position for an adequate amount of time.

Patents have a limited lifespan, and the protection patents afford is limited. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Even if patents covering our product are obtained, once the patent life has expired for patents covering a product, we may be subject to competition from competitive products and services. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Technology disputes could negatively impact our operations or increase our costs.

Our products use proprietary technology and equipment, which can involve potential infringement of a third party's rights, or a third party's infringement of our rights, including patent rights. The majority of the intellectual property rights relating to our products are owned by us. However, in the event that we or one of our customers becomes involved in a dispute over infringement of intellectual property rights relating to equipment or technology owned or used by us, services performed by us or products provided by us, we may lose access to important equipment or technology or our ability to provide our products, or we could be required to cease use of some equipment or technology or forced to modify our equipment, technology or products. We could also be required to pay license fees or royalties for the use of equipment or technology or products. In addition, we may lose a competitive advantage in the event we are unsuccessful in enforcing our rights against third parties. Regardless of the merits, any such claims may result in significant legal and other costs, including reputational harm, and may strain our resources. Some of our competitors and current and potential vendors have a substantial amount of intellectual property related to new equipment and technologies. We cannot guarantee that our equipment, technology or products will not be determined to infringe currently issued or future issued patents or other intellectual property rights belonging to others, including, without limitation, situations in which our equipment, technology or products may be covered by patent applications filed by other parties. Technology disputes involving us or our customers or supplying vendors could have a material adverse impact on our business, financial condition, cash flows and results of operations.

Our failure to protect our proprietary information and any successful intellectual property challenges against us could materially and adversely affect our competitive position.

The protection of our intellectual property rights is essential to maintaining our competitive position and recognizing the value of our investments in technology and intellectual property in our existing and future products. We rely on patent and trade secret protection for certain aspects of our technology, in part through confidentiality and other written agreements with our employees, consultants and third parties. Through these and other written agreements, we attempt to control access to and distribution of our intellectual property documentation and other proprietary technology information. Despite our efforts to protect our proprietary rights, former employees, consultants or third parties may, in an unauthorized manner, attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop a product with the same functionality as our technology. Policing unauthorized use of our intellectual property rights is difficult, and nearly impossible on a worldwide basis. Therefore, we cannot be certain that the steps we have taken or will take in the future will prevent misappropriation of our technology or intellectual property rights.

We also actively pursue patent protection for our proprietary technology and intellectual property. The process of seeking patent protection can be long and expensive and we cannot be certain that any currently pending or future applications will actually result in issued patents, or that, even if patents are issued, they will be respected by third parties. In addition,our competitors may be

able to develop technology independently that is similar to ours without infringing on our patents or gaining access to our trade secrets, and this could have a similar effect on our competitive position.

Intellectual property litigation and threats of litigation are becoming more common in the oilfield services industry. We may in the future be involved in litigation, in the United States or abroad, to enforce our patents or other intellectual property rights or to protect our trade secrets and know-how. These actions can require multiple years to come to resolution or settlement, and even if we ultimately prevail, we may be unable to realize adequate protection of our competitive position. In addition, these actions commonly result in counteractions by the affected third parties to attack the validity of our patents. While we intend to prosecute these actions vigorously, there is no guarantee of success, and such effort takes significant financial and management resources from the Company. In the event that one or more of our patents are challenged, a court or the USPTO may invalidate the patent(s) or determine that the patent(s) is not enforceable, which could harm our competitive position. If our patents are invalidated, or if the scope of the claims in any of these patents is limited by a court or USPTO decision, we could be prevented from pursuing certain litigation matters or licensing the invalidated or limited portion of such patents. Such adverse decisions could negatively impact our future, expected revenue. Patent litigation, if necessary or when instituted against us, could result in substantial costs and divert our management's attention and resources.

We may be subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.

Many of our employees and consultants are currently or were previously employed at other companies in our field, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties or defend claims that they may bring against us to determine the ownership of what we regard as our intellectual property. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be adversely affected by disputes regarding intellectual property rights of third parties.

Third parties from time to time may initiate litigation against us by asserting that the conduct of our business infringes, misappropriates or otherwise violates intellectual property rights. We may not prevail in any such legal proceedings related to such claims, and our products and services may be found to infringe, impair, misappropriate, dilute or otherwise violate the intellectual property rights of others. If we are sued for infringement and lose, we could be required to pay substantial damages and/ or be enjoined from using or selling the infringing products or technology. Any legal proceeding concerning intellectual property could be protracted and costly regardless of the merits of any claim and is inherently unpredictable and could have a material adverse effect on our financial condition, regardless of its outcome.

If we were to discover that our technologies or products infringe valid intellectual property rights of third parties, we may need to obtain licenses from these parties or substantially re-engineer our products in order to avoid infringement. We may not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to re-engineer our products successfully. If our inability to obtain required licenses for our technologies or products prevents us from selling our products, that could adversely impact our financial condition and results of operations.

Additionally, we currently license certain third-party intellectual property in connection with our business, and the loss of any such license could adversely impact our financial condition and results of operations.

If we are not able to design, develop, and produce commercially competitive products, our business and consolidated results of operations and the value of our intellectual property could be materially and adversely affected.

The market for our products is characterized by continual technological developments to provide better and more reliable performance and enhanced product offerings. If we are not able to design, develop, and produce commercially competitive products in a timely manner in response to changes in the market, customer requirements, competitive pressures, and technology trends, our business and consolidated results of operations and the value of our intellectual property could be materially and adversely affected. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, our business may no longer be competitive, and our consolidated results of operations could be materially and adversely affected.

We are subject to cyber security risks. A cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss.

The oil and natural gas industry has become increasingly dependent on digital technologies to conduct certain processing activities. At the same time, cyber incidents, including deliberate attacks or unintentional events, have increased. The U.S. government has issued public warnings that indicate that energy assets might be specific targets of cyber security threats. Our technologies, systems and networks, and those of our customers, vendors, suppliers and other business partners, may become the target of cyber attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of our business operations. In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. Our systems for protecting against cyber security risks may not be sufficient. As cyber incidents continue to evolve, we may be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents.

We have experienced IT system disruptions and cyber attacks in the past, and a failure of our IT infrastructure and cyber attacks could adversely impact us in the future.

We depend on our IT systems for the efficient operation of our business. Accordingly, we rely upon the capacity, reliability and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to our changing needs. Despite our implementation of security measures, our systems are vulnerable to damage from computer viruses, natural disasters, incursions by intruders or hackers, failures in hardware or software, power fluctuations, cyber terrorists and other similar disruptions. Additionally, we rely on third parties to support the operation of our IT hardware and software infrastructure, and in certain instances, utilize web-based applications. We routinely monitor our systems for IT disruptions and cyber attacks and have processes in place to detect and remediate vulnerabilities. Nevertheless, we have experienced occasional IT disruptions, cyber attacks and attempted breaches, including attacks resulting from phishing emails. We responded to and mitigated the impact of these incidents. The failure of our IT systems or those of our vendors to perform as anticipated for any reason or any significant breach of security could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, reputational harm, increased overhead costs, loss of important information, theft or misappropriation of funds, violation of privacy or other laws, and exposure to litigation or indemnity claims, including resulting from customer-imposed cyber security controls or other related contractual obligations, which could have a material adverse effect on our business and results of operations. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

Unauthorized access to or modification of, or actions disabling our ability to obtain authorized access to, our customers' data, other external data, personal data, or our own data, as a result of a cyber incident, attack or exploitation of a security vulnerability, or loss of control of our clients' operations could result in significant damage to our reputation or disruption of the services we provide to our customers or of our customers' businesses. In addition, allegations, reports, or concerns regarding vulnerabilities affecting our digital products or services could damage our reputation. This could lead to fewer customers using our digital products and services, which could have a material adverse impact on our financial condition, results of operations, cash flows, and future prospects. In addition, if our systems or third-party products, services, and network systems for protecting against cybersecurity risks prove to be insufficient, we could be adversely affected by, among other things, loss of or damage to our intellectual property, proprietary or confidential information; loss of customer, supplier, or our employee data; breach of personal data; interruption of our business operations; disruption of our customers' businesses; increased legal and regulatory exposure, including fines and remediation costs; and increased costs required to prevent, respond to, or mitigate cybersecurity attacks. These risks could harm our reputation and our relationships with our employees, our customers, our suppliers, our alliance partners and other third parties, and may result in claims against us.

Our business is subject to complex and evolving U.S. and foreign laws and regulations regarding privacy and data protection.

The regulatory environment surrounding data privacy and protection is constantly evolving and can be subject to significant change. New laws and regulations governing data privacy and the unauthorized disclosure of confidential information, including the European Union General Data Protection Regulation and recent California legislation, pose increasingly complex compliance challenges and potentially elevate our costs. Any failure, or perceived failure, by us to comply with applicable data protection laws could result in proceedings or actions against us by governmental entities or others, subject us to significant fines, penalties, judgments and negative publicity, require us to change our business practices, increase the costs and complexity of compliance, and adversely affect our business. As noted above, we are also subject to the possibility of cyber incidents or attacks, which themselves may result in a violation of these laws. Additionally, if we acquire a company that has violated or is not in compliance with applicable data protection laws, we may incur significant liabilities and penalties as a result.

Risks Related to Ownership of our Common Stock

The market price of our common stock may be volatile.

The trading price of our common stock and the price at which we may sell common stock in the future are subject to large fluctuations in response to any of the following:

- limited trading volume in our common stock;
- quarterly variations in operating results;
- general financial market conditions;
- the prices of natural gas and oil;
- announcements by us and our competitors;
- our liquidity;
- changes in government regulations;
- our ability to raise additional funds;
- our involvement in litigation; and
- other events.

A significant reduction by Amberjack of its ownership interests in us could adversely affect us.

We believe that Amberjack Capital Partners, L.P.'s ("Amberjack") substantial ownership interest in us provides it with an economic incentive to assist us to be successful. Upon the expiration of the lock-up restrictions on transfers or sales of our securities set forth in the stockholders' agreement entered into in connection with the Merger (the "Stockholders Agreement"), Amberjack and its affiliates will not be subject to any obligation to maintain their ownership interest in us and may elect at any time to sell all or a substantial portion of or otherwise reduce their ownership interest in us. If Amberjack sells all or a substantial portion of its ownership interests in us, Amberjack may have less incentive to assist in our success and directors associated with Amberjack may choose to resign from their positions as members of our board of directors. Such actions could adversely affect our ability to successfully implement our business strategies which could adversely affect our cash flows or results of operations.

Amberjack and its affiliates have the ability to exercise significant influence over certain corporate actions.

Amberjack and its affiliates currently own approximately 42% of our outstanding common stock. As a result, these stockholders could have significant influence over the outcome of matters requiring a stockholder vote, including the election of directors, the adoption of any amendment to our bylaws and the approval of mergers and other significant corporate transactions. Their influence over us may have the effect of delaying or preventing a change of control or may adversely affect the voting and other rights of other stockholders. In addition, pursuant to the Stockholders Agreement, subject to certain exceptions, Amberjack and its affiliates have the right to designate four nominees for election to our board of directors. Finally, if these stockholders were in the future to sell all or a material number of shares of common stock, the market price of our common stock could be negatively impacted.

Provisions in our certificate of incorporation and bylaws and under Delaware law could make an acquisition of the Company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our certificate of incorporation and our bylaws may discourage, delay or prevent a merger, acquisition or other change in control of the Company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions include those establishing:

- provisions relating to the classification, nomination and removal of our directors;
- provisions regulating the ability of our stockholders to bring matters for action at annual meetings of our stockholders;
- provisions requiring the approval of the holders of at least 80% of our voting stock for a broad range of business combination transactions with related persons; and
- the authorization given to our board of directors to issue and set the terms of preferred stock.

In addition, Section 203 of the General Corporation Law of the State of Delaware (the "DGCL") prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, unless the business combination is approved in a prescribed manner. An interested stockholder includes a person, individually or together with any other interested stockholder, who within the last three years has owned 15% of our voting stock.

Amberjack is not limited in its ability to compete with us. Pursuant to the terms of the Stockholders Agreement, Amberjack and its affiliates are not required to communicate or offer corporate opportunities to us, and our directors and officers may be permitted to offer certain corporate opportunities to Amberjack or its affiliates before us.

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

Our board of directors includes persons who are also directors and/or officers of members of Amberjack or its affiliates. The Stockholders Agreement provides that to the fullest extent permitted by the DGCL and subject to applicable legal requirements and any express agreement, the Company has agreed that Amberjack and its affiliates and each Amberjack designee to our board of directors that is also a director, officer, employee or other representative of Amberjack (collectively, the "Covered Persons") may, and have no duty not to, (i) invest in, carry on and conduct any business of any kind, nature or description, whether or not such business is competitive with or in the same or similar lines of business as the Company or any of its subsidiaries, (ii) do business with any client, customer, vendor or lessor of any of the Company or its affiliates, and/or (iii) make investments in any kind of property in which the Company or its subsidiaries may make investments. To the fullest extent permitted by the DGCL or any other applicable law, the Company renounces any interest or expectancy to participate in any business, business opportunity, transaction, investment or other matter of any Covered Person as currently conducted or as may be conducted in the future, and waives any claim against a Covered Person and shall indemnify a Covered Person against any claim that such Covered Person is liable to the Company or its stockholders for breach of any fiduciary duty or otherwise solely by reason of such Covered Person's participation in, or failure to offer or communicate to the Company, its subsidiaries or any controlled affiliates any information regarding, any such business opportunity.

Our bylaws provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States are the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our bylaws provide that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have, or declines to accept, jurisdiction, another state court or a federal court located within the State of Delaware) is the exclusive forum for any claims, including claims in the right of the Company: (a) that are based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity, or (b) as to which the DGCL confers jurisdiction upon the Court of Chancery. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. The bylaws further provide that the sole and exclusive forum for any complaint asserting a cause of action arising under the Securities Act, to the fullest extent permitted by

law, shall be the federal district courts of the United States. The enforceability of similar exclusive federal forum provisions in other companies' organizational documents has been challenged in legal proceedings, and while the Delaware Supreme Court has ruled that this type of exclusive federal forum provision is facially valid under Delaware law, there is uncertainty as to whether other courts would enforce such provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers, and other employees. Alternatively, if a court were to find either exclusive forum provision in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition, and results of operations.

We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future, and our existing debt agreements place certain restrictions on our ability to do so.

We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. We currently intend to retain all future earnings, if any, to finance the growth and development of our business, and the payment of future dividends will be at the discretion of our board of directors and will depend upon then-existing conditions, including our results of operations, financial condition, capital requirements, investment opportunities, statutory restrictions on our ability to pay dividends and other factors our board of directors may deem relevant. In addition, our existing debt agreements place, and we expect our future debt agreements will place, certain restrictions on our ability to pay cash dividends. Consequently, unless we revise our dividend policy, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates. There is no guarantee that the price of our common stock that will prevail in the market will ever exceed the price that you pay in this offering.

We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock.

Our amended and restated certificate of incorporation will authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our 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 we might assign to holders of preferred stock could affect the residual value of the common stock.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Innovex maintains a cyber risk management program designed to identify, assess, manage, mitigate, and respond to cybersecurity threats. 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") and the Cybersecurity Framework. Innovex has an annual assessment, performed by a third party, of the Company's cyber risk management program against the NIST Cybersecurity Framework. Innovex contracts a Cyber Security Operations Center operating in three locations to provide 24/7 monitoring of its global cybersecurity environment and to coordinate the investigation and remediation of alerts. An annual incident response drill is in place to prepare support teams in the event of a significant incident. Cyber partners are a key part of Innovex's cybersecurity infrastructure. Innovex partners with leading cybersecurity companies and organizations, leveraging third-party technology and expertise. Innovex engages with these partners to monitor and maintain the performance and effectiveness of products and services that are deployed in Innovex's environment.

Innovex's VP of IT reports to Innovex's Chief Financial Officer and is the head of the Company's cybersecurity team. The VP of IT is responsible for assessing and managing Innovex'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 Innovex. The Audit Committee of the board of directors oversees Innovex's cybersecurity risk exposures and the steps taken by management to monitor and mitigate cybersecurity risks. The IT department briefs the Audit Committee on the effectiveness of Innovex's cyber risk management program, typically on a semiannual basis. In addition, cybersecurity risks are reviewed by the Innovex board of directors, at least annually, as part of the Company's corporate risk mapping exercise. Innovex faces risks from cybersecurity threats that could have a material adverse effect on its business, financial condition, results of operations, cash flows or reputation. Innovex has experienced, and will continue to experience, cyber incidents in the normal course of its business. However, prior cybersecurity incidents have not had a material adverse effect on Innovex's business, financial condition, results of operations, or cash flows. See "Item 1A. Risk Factors—Risks Related to Technology Advancement—We are subject to cyber security risks. A cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss" and "Item 1A. Risk Factors—Risks Related to Technology Advancement—We have experienced IT system disruptions and cyber attacks in the past, and a failure of our IT infrastructure and cyber attacks could adversely impact us in the future."

Item 2. Properties.

Below is a list of active properties which we owned or leased as of December 31, 2024. Our facilities located in Andrews, Texas; Houston, Texas; Mineral Wells, Texas and Odessa, Texas secure our obligations under the Credit Facility. In addition to the below properties, we also have several non-material properties which may be idle, sub-leased or undeveloped.

Location	Description / Use	Owned /Leased	Size (sqft)
North America			
Alice, TX	Field District	Leased	17,125
Amelia, LA	Field District / Manufacturing	Leased	41,992
Andrews, TX	Field District	Leased	6,480
Andrews, TX	Field District	Leased	10,000
Andrews, TX	Field District	Owned	5,652
Broussard, LA	Field District	Leased	10,000
Conroe, TX	Field District	Leased	28,345
Corpus Christi, TX	Field District	Leased	3,000
Denver, CO	Sales Office	Leased	2,178
Gilette, WY	Field District	Leased	2,000
Grove City, PA	Field District	Leased	12,400
Houston, TX	Office	Leased	20,212
Houston, TX	Manufacturing	Leased	20,925
Houston, TX	Manufacturing	Leased	56,660
Houston, TX	Manufacturing	Owned	131,980
Houston, TX	HQ / Manufacturing	Owned	1,490,516
Humble, TX	Corporate HQ	Leased	175,000
Johnstown, CO	Field District	Leased	9,050
Longview, TX	Field District	Leased	10,200
Midland, TX	Field District	Leased	15,000
Midland, TX	Field District	Leased	15,000
Midland, TX	Field District	Leased	15,000
Midland, TX	Field District	Leased	14,580
Midland, TX	Field District	Leased	5,000
Midland, TX	Field District	Leased	87,113
Mineral Wells, TX	Manufacturing	Owned	131,688
Odessa, TX	Field District	Leased	15,000
Odessa, TX	Field District	Leased	8,100
Oklahoma City, OK	Field District	Leased	11,850
Pleasanton, TX	Field District	Leased	9,000
Tulsa, OK	Field District	Leased	79,536
Tuttle, OK	Field District	Leased	9,200
Vernal (now Naples), UT	Field District	Leased	9,000
Weston, WV	Field District	Leased	10,000
Williston, ND	Field District	Leased	49,620
Edmonton, Canada	Idle	Leased	130,944
Edmonton, Canada	Field District	Leased	58,000
Red Deer, Alberta, Canada	Field District	Leased	18,360
Red Deer, Alberta, Canada	Field District	Leased	12,800
Lloydminister, Alberta, Canada	Field District	Leased	4,800
Kindersley, SK	Field District	Leased	10,080
Clairmont, Alberta, Canada	Field District	Leased	38,700
Edmonton, Alberta, Canada	Field District	Leased	11,710
Edmonton, Alberta, Canada	Field District	Leased	14,024
Edmonton, Alberta, Canada	Field District	Leased	72,088
Bonnyville, Alberta, Canada	Field District	Leased	11,200
Swift Current, SK	Field District	Leased	7,000
Calgary, Canada	Field District	Leased	3,565
Duchess, AB	Field District	Leased	8,800
International			
Aberdeen, Scotland	Regional Office	Leased	27,242
Aberdeen, UK	Manufacturing	Owned	215,500
Abu Dhabi, UAE	Field District	Leased	9,074
Alexandria, Egypt	Warehouse	Leased	2,153
Bogotá, Colombia	Sales Office	Leased	2,045
Bogotá, Colombia	Field District	Leased	14,128
Cipolletti, Argentina	Sales Office	Leased	1,313
Coca, Ecuador	Camping Site	Leased	116,981
Cote d'Ivoire, Ivory Coast	Field District	Leased	5,221

Dammam, Saudi Arabia	Field District	Leased	24,200
Dammam, Saudi Arabia	Manufacturing	Owned	54,000
Denmark	Storage	Leased	20,516
Dhara, Saudi Arabia	Warehouse	Leased	10,764
Dubai, UAE	Regional Office	Leased	4,000
Esbjerg, Denmark	Warehouse	Leased	12,600
Macaé, Rio de Janeiro, Brazil	Warehouse, Regional Office	Owned	454,452
Macaé, Rio de Janeiro, Brazil	Warehouse	Leased	11,000
Macaé, Rio de Janeiro, Brazil	Field District	Leased	15,285
Malaysia	Storage	Leased	2,153
Mexico City, Mexico	House Staff	Leased	2,260
Muscat, Oman	Field District	Leased	8,880
Neuquén, Argentina	Field District	Leased	11,302
Perth, Australia	Sales Office	Leased	1,615
Quito, Ecuador	Warehouse	Leased	4,100
Quito, Ecuador	Sales Office	Leased	2,691
Shenzhen, China	Field District	Leased	14,746
Shushufindi, Ecuador	Field District	Leased	50,478
Singapore, Singapore	Field District / Manufacturing	Leased	115,666
Stavanger, Norway	Field District / Manufacturing	Owned	42,216
Takoradi, Ghana	Warehouse	Leased	2,306
Villahermosa, Mexico	Sales Office	Leased	1,300
Villahermosa, Mexico	Regional Office	Leased	15,332
Villahermosa, Mexico	House Staff	Leased	1,399
Villahermosa, Mexico	Field District	Leased	27,274
Villahermosa, Mexico	Sales office and field district	Leased	124,574
Welshpool, Australia	Warehouse	Leased	34,445
Welshpool, WA	Warehouse	Leased	28,000

Item 3. Legal Proceedings.

From time to time, we are a party to ongoing legal proceedings in the ordinary course of business. We do not believe the results of currently pending proceedings, individually or in the aggregate, will have a material adverse effect on our business, financial condition, results of operations or liquidity.

See *Note 16. Commitments and Contingencies* to our Consolidated Financial Statements included elsewhere in this Annual Report for additional information regarding litigation, claims and other legal 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

The principal market for Innovex's common stock is the New York Stock Exchange ("NYSE"), where it is traded under the symbol "INVX."

There were approximately 258 stockholders of record of Company Common Stock as of February 26, 2025. This number includes the Company's employees and directors that hold shares but does not include the number of security holders for whom shares are held in a "nominee" or "street" name.

Dividend Policy

The Company has not paid regular dividends in the past and does not currently anticipate paying any dividends in the foreseeable future. The Company intends to reinvest any retained earnings for the future operation and development of its business, or to use for potential stock repurchases or acquisition opportunities. The Board of Directors will review this policy on a regular basis in light of the Company's earnings, financial position and market opportunities.

Recent Sales of Unregistered Securities

We did not have any sales of unregistered equity securities during the year ended December 31, 2024, other than as previously disclosed in filings by the Company with the SEC.

Issuer Purchases of Equity Securities

For the three months ended December 31, 2024, the Company did not purchase any shares under the share repurchase plans. The following table summarizes the repurchase and cancellation of our common stock during the three months ended December 31, 2024.

Three months ended December 31, 2024			
Total Number of Shares Purchased	**Average Price paid per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)**	**Maximum Dollar Value (in millions) of Shares that May Yet be Purchased Under the Plans or Programs**
-	$ -	-	$ 103.50
-	$ -	-	$ 103.50

(1) In conjunction with the Merger, effective as of the Closing Date, the Company maintained the share repurchase plans authorized by the Dril-Quip board of directors. Under the share repurchase plans, we were authorized to repurchase up to an aggregate $200 million of our common stock. The repurchase plans had no set expiration date and any repurchased shares were expected to be cancelled. For the three months ended December 31, 2024, the Company did not purchase any shares under the share repurchase plans. On February 25, 2025, our board of directors approved a new share repurchase program that authorizes repurchases of up to an aggregate of $100 million of our outstanding common stock and terminated all share repurchase plans previously authorized by the Dril-Quip board of directors. See *Note 19. Subsequent Events* to our Consolidated Financial Statements included elsewhere in this Annual Report for more details.

Equity Compensation Plan Information

The following table summarizes information for equity compensation plans in effect as of December 31, 2024:

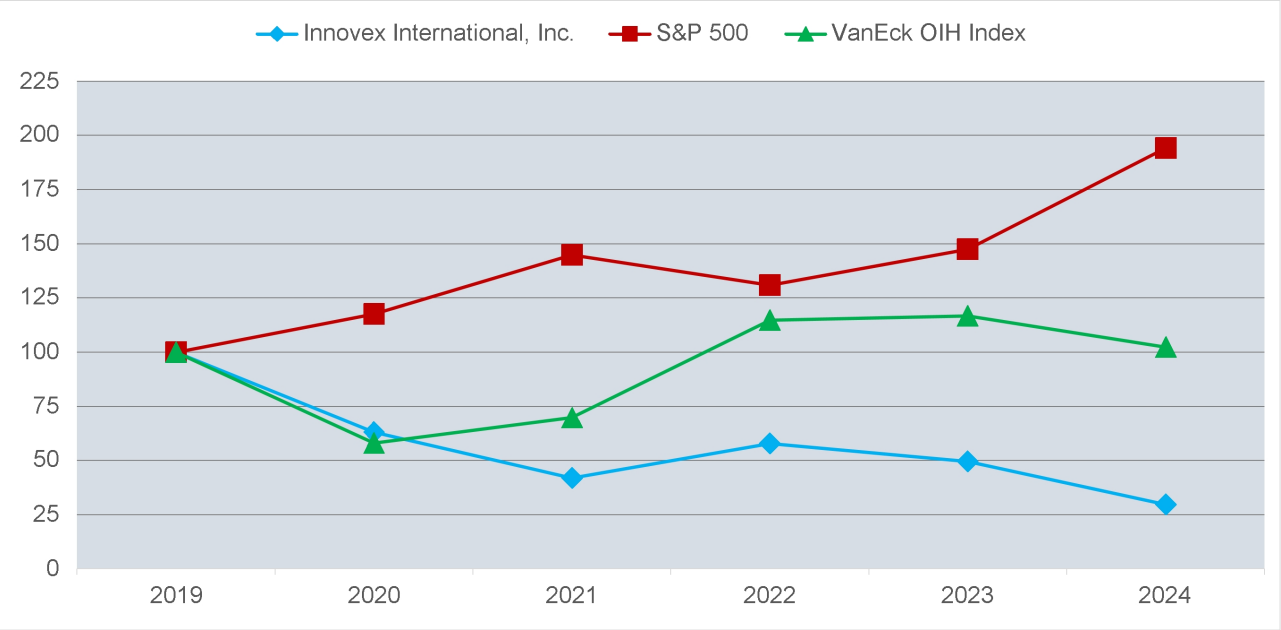
Plan category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Equity compensation plans approved by security holders	887,794	$ 17.77	535,697
Total	887,794	$ 17.77	535,697

Information concerning securities authorized for issuance under equity compensation plans is included in *Note 14. Stock-Based Compensation* to our Consolidated Financial Statements included elsewhere in this Annual Report.

Performance Graph

The following graph compares the cumulative total shareholder return on our common stock to the cumulative total shareholder return on the Standard & Poor's 500 Stock Index, a broad stock index, and the VanEck Oil Services ETF Index ("OIH"), an index of oil and natural gas related companies that represents an industry composite of peers. This graph covers the period from December 31, 2019 through December 31, 2024 and assume the investment of $100 on December 31, 2019 and the reinvestment of all dividends, if any. The shareholder return set forth is not necessarily indicative of future performance.

COMPARISON OF 5 YEARS
CUMULATIVE TOTAL RETURN
Among Innovex International, Inc., the S&P 500 Index
and the VanEck Oil Services ETF Index (OIH)



The performance graph above is furnished and not filed for purposes of Section 18 of the Exchange Act and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), unless specifically identified therein as being incorporated therein by reference. The performance graph is not soliciting material subject to Regulation 14A.

Item 6. [Reserved]

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

The following is management's discussion and analysis of certain significant factors that have affected aspects of the Company's financial position, results of operations, comprehensive income (loss) and cash flows during the periods included in the accompanying consolidated financial statements. This discussion should be read in conjunction with the Company's consolidated financial statements and notes thereto presented elsewhere in this Annual Report. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. We caution that assumptions, expectations, projections, intentions or beliefs about future events may, and often do, vary from actual results and the differences can be material. Please see "Cautionary Statement Regarding Forward-Looking Statements" and "Part I, Item 1A. Risk Factors."

Overview

Innovex designs, manufactures, sells and rents mission critical engineered products to the global oil and natural gas industry. Our vision has been to create a global leader in well-centric products and technologies through organic, customer-linked innovations and disciplined acquisitions to drive leading returns for our investors. Our products are used across the life cycle of the well (during the construction, completion, production and intervention phases) and are typically utilized downhole and consumable in nature. Our products perform a critical well function, and we believe they are chosen due to their reliability and capacity to save our customers time and lower costs during the well lifecycle. We believe that our products have a significant impact on a well's performance and economic profile relative to the price we charge, creating a *"Big Impact, Small Ticket"* value proposition. Many of our products can be used in a significant portion of our customers' wells globally, with our most advanced products providing mission critical solutions for some of the most challenging and complex wells in the world. We have a track record of developing proprietary products to address our customers' evolving needs, and we maintain an active pipeline of potential new products across various stages of development.

We are a global company, and for the year ended December 31, 2024, the NAM market made up approximately 55% of our revenue while the International and Offshore markets constituted 45%. Within the NAM market, we have a strong presence in both the United States and Canada. The NAM market is core to us, and we maintain a robust sales and distribution infrastructure across the region. Our products have broad applicability in this market, particularly for horizontal or unconventional wells that have become prevalent methods of oil and natural gas development across the region. We are focused on significantly increasing our revenue from the International and Offshore markets, as these regions are typically subject to long-cycle investment horizons and exhibit relatively less cyclicality than the NAM market. The Middle East, and in particular Saudi Arabia, has been a key source of growth for Innovex. We also operate across Asia, Latin America, Europe and the Gulf of Mexico, among other regions. To enhance our global reach, we have complemented our locations across these markets with a network of strategic distribution, sales and manufacturing partners.

We are an innovator and have a development process and culture focused on creating proprietary products for our customers. We seek to work with our customers to solve their operational challenges. We believe that these collaborations have been a source of growth as they have allowed us to develop new products with anchor customers that have served as an initial revenue base from which to scale. We have a unique culture that we view as having been critical to our success in the commercialization of new products. We define our culture as "*No Barriers*." Our goal is to remove internal barriers that slow the pace of innovation and empower our employees to be responsive to our customers' needs, while maintaining a focus on returns for the Company. As a result of our culture and our commitment to customer responsiveness, we believe that we are more agile and able to innovate faster than our larger competitors.

Based on our TAM estimates, we believe that we are uniquely positioned to grow market share within larger addressable markets after the Merger with Dril-Quip. On a pro forma basis, excluding the impact of revenue generated by Great North prior to their acquisition by Dril-Quip on July 31, 2023 but including both the revenue and additional market share relating to the Merger and the DWS acquisition, we estimate that our NAM market share in 2024 was 13% and that our International and Offshore market share was 12%. We estimate Innovex has grown market share since inception and believe we are well positioned to continue to capture market share across our geographic markets. In particular, we view the International and Offshore markets as a significant growth opportunity.

Our organic growth has been complemented by a disciplined and contrarian acquisition strategy. We view acquisitions as a core competency and have identified a rich opportunity set of acquisition targets that we believe are seeking to transact. We aim to execute a disciplined acquisition strategy for high-quality opportunities that meet our stringent investment criteria.

We have a broad customer base, ranging from the largest IOCs, NOCs, and E&P companies as well as multinational and regional oilfield service companies. Once a new product has been commercialized or acquired, our global sales and distribution infrastructure enables us to scale and drive customer adoption quickly.

Our business has produced strong returns on invested capital. Please see "Non-GAAP Financial Measures" within this section for Return on Capital Employed, which is how we assess the effectiveness of our capital allocation over time. For the year ended December 31, 2024, our net income, income from operations and Adjusted EBITDA were equivalent to approximately 21%, 7% and 21% of revenue, respectively. Over the same period, capital expenditures accounted for 2% of revenue, and we earned approximately $49.1 million in income from operations. For the year ended December 31, 2023, our net income, income from operations, and Adjusted EBITDA were equivalent to approximately 13%, 18% and 24% of revenue, respectively. Over the same period, capital expenditures accounted for only 3% of revenue, and we earned approximately $97.3 million in income from operations. We believe that our global sales and distribution network, as well as our manufacturing capacity and vendor network, position us well to drive revenue growth and margin expansion. Please see "How We Evaluate our Results of Operations" within this section for the definitions of Adjusted EBITDA, Adjusted EBITDA Margin, and Return on Capital Employed, and see "Non-GAAP Financial Measures" within this section for a reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin, and Return on Capital Employed to our most directly comparable financial measures calculated and presented in accordance with GAAP.

We believe that we can create value for our stockholders across the industry cycle and view our "through-cycle playbook" as providing a plan for us to outperform in all market environments. We prioritize protecting the long-term health of the Company through investments in R&D and sustaining engineering in our existing portfolio in all market environments. We seek to maintain a conservative balance sheet to preserve operational and financial flexibility through the industry cycle.

Recent Developments

On March 18, 2024, the Company (formerly known as Dril-Quip, Inc.) entered into an Agreement and Plan of Merger (the "Merger Agreement") with Legacy Innovex, Ironman Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Dril-Quip, and DQ Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company. Following the Merger, Legacy Innovex became a wholly owned subsidiary of the Company, the name of the Company was changed to Innovex International, Inc., and its common stock remained listed on the NYSE. The Merger closed on September 6, 2024 and was accounted for using the acquisition method of accounting with Legacy Innovex being identified as the accounting acquirer. The consolidated financial statements of the Company reflect the financial position, results of operations and cash flows of only Legacy Innovex for all periods prior to the Merger and of the combined company (including activities of Dril-Quip) for all periods subsequent to the Merger.

Pursuant to the Merger Agreement, as of the effective time of the Merger, each outstanding share of common stock, par value $0.01 per share, of Legacy Innovex was converted into the right to receive 2.0125 shares of Company Common Stock. The number of shares of Company Common Stock received by the Legacy Innovex stockholders was equal to 32,183,966. On September 9, 2024, the first trading day following the closing of the Merger, the Company Common Stock began trading on NYSE under the new ticker symbol "INVX".

On November 29, 2024, Innovex acquired 80% of the issued and outstanding equity securities of DWS. The acquisition was completed simultaneously with the signing of the Equity Purchase Agreement on November 29, 2024. The aggregate purchase price for the acquisition consisted of $75.1 million in cash, subject to post-closing adjustments, and 1,918,558 shares of Company Common Stock. The remaining 20% of the issued and outstanding equity securities of DWS were previously owned by Legacy Innovex, a wholly owned subsidiary of the Company.

For information with respect to the Merger and DWS acquisition, see *Note 3. Mergers and Acquisitions* to our Consolidated Financial Statements included elsewhere in this Annual Report.

On February 27, 2025, we entered into the Third Amended and Restated Revolving Credit, Guaranty and Security Agreement, dated as of February 27, 2025, among the Company, and each party joined thereto from time to time as a guarantor, as guarantors, the financial institutions from time to time party thereto, as lenders, and PNC Bank, National Association, as the agent for lenders (the "New Credit Agreement") to replace the Credit Agreement (as defined herein). The New Credit Agreement provides for a $200 million senior secured revolving credit facility, subject to a borrowing base. The New Credit Agreement matures on February 27, 2030. The New Credit Agreement, among other things, (i) extended the maturity of the agreement from June 2026 to February 2030, (ii) increased the maximum revolving amount from $110 million to $200 million, which may, subject to certain conditions, be increased to $250 million, (iii) eliminated the term loan commitment and (iv) provided for an applicable margin for interest on the loans to be based on availability, effective as of April 1, 2025. The applicable margin under the New Credit Agreement will range from 0.50% to 1.00% for swing loans and alternate base rate revolving loans and 1.50% to 2.00% for term SOFR revolving loans.

Market Factors and Trends

Our business is driven by the number of oil and natural gas wells drilled worldwide, which, in turn, is tied to the level of global spending of the oil and natural gas E&P industry. Rystad Energy expects the Brent oil price to gradually decrease to $69 per barrel by

2026, and break the downward trend in 2027 with an average level of $74 per barrel. Consequently, global E&P capital spending, excluding Iran, Venezuela, Cuba, Russia and China, is expected to stay relatively flat through 2025. Rystad Energy also estimates that the annual number of global wells drilled, excluding Iran, Venezuela, Cuba, Russia and China, will decrease 4% from approximately 34,000 in 2023 to approximately 32,600 in 2027. The pace of development activity is driven by expected well profitability and returns, which, in turn, are influenced by several factors, including current global oil and natural gas supply and demand balances, current and expected future prices for oil and natural gas and the perceived stability and sustainability of these commodity prices over time.

The oil and natural gas industry has historically been characterized by volatility in commodity prices and in the level of drilling and production activity, which are driven by a variety of market forces, including geopolitical instability, climate related initiatives, OPEC+ actions, among others. The global demand for oil and natural gas has consistently increased historically, and we believe that multiple years of under investment in oil and natural gas development has left the industry with a limited amount of spare production capacity. Additionally, public E&P operators have adopted a more conservative approach to capital spending in response to stockholders' desire for increased return of capital. We believe that these factors have laid a foundation to support oil and natural gas prices and will lead to a sustained spending cycle and stable activity levels by our customers in the near and medium-term.

Description of Certain Components of Financial Data

Revenues

We generate our revenue from three primary sources: sales of products and other associated revenues with product sales, such as freight; rentals of tools that are used to deploy our products or to provide a critical well function; and services that are typically connected to the well-site deployment of our engineered products. We have global operations, with sales generated within both our NAM market operations and our International and Offshore markets.

The Company accounts for more complex, customer specific projects that have relatively longer manufacturing time frames on an over-time basis. For the year ended December 31, 2024, there were 6 projects representing approximately 0.2% of the Company's total revenues and approximately 0.2% of its product revenues that were accounted for using over-time accounting, compared to zero projects for the year ended December 31, 2023. Revenues accounted for in this manner are generally recognized based upon a calculation of the percentage complete, which is used to determine the revenue earned and the appropriate portion of total estimated cost of revenues to be recognized. Accordingly, price and cost estimates are reviewed periodically as the work progresses, and adjustments, proportionate to the percentage complete, are reflected in the period when such estimates are revised. Losses, if any, are recorded in full in the period they become known. Amounts received from customers in excess of revenues recognized are classified as a current liability.

Cost of revenues

Our cost of revenues consists of expenses relating to the manufacture and procurement of our products in addition to the costs of our support services. Cost of revenues related to manufacturing and procurement of our products includes the cost of components sourced from third-party suppliers and direct and indirect costs to manufacture and supply products, including labor, materials, machine time, lease expense related to our manufacturing facilities, freight and other variable manufacturing costs, such as shrinkage, obsolescence variances and revaluation or scrap related to our existing inventory. Our support services costs include personnel expenses for our field service organization, lease expense related to our operations facilities, threading charges, vehicle expenses and freight.

Selling, general and administrative expenses

Selling, general and administrative expense consists of costs such as sales and marketing, engineering and R&D expenses, general corporate overhead, compensation expense, IT expenses, safety and environmental expenses, insurance costs, legal expenses and other related administrative functions.

Gain/loss on sale of assets

Gain/loss on sale of assets represents profit recognized on the sale of property and equipment, net.

Depreciation and amortization

Depreciation and amortization expense consists of depreciation related to our tangible assets, including investments in property and equipment, and amortization of intangible assets, including identified intangible assets related to acquisition purchase price accounting.

Impairment of long-lived assets

Impairment of long-lived assets consists of the write down of the carrying value of our long-lived assets to fair value when, as part of our periodic impairment evaluation performed in accordance with *Accounting Standards Codification 360 Property, Plant, and Equipment*, we determine that the carrying value of the asset or asset group is not recoverable and exceeds its fair value.

Acquisition costs

Acquisition costs consist of legal, accounting, advisory fees, and other integration costs incurred in connection with the acquisition and integration of a business.

Interest expense

Interest expense, net primarily consists of interest expense associated with the Term Loan and the Credit Facility (each as defined herein).

Other expense/income, net

Other expense/income, net consists of foreign exchange transaction gains or losses resulting from a change in exchange rates between the functional currency and the currency in which a foreign currency transaction is denominated and other non-operating items.

Equity method earnings

Equity method earnings consist of our proportional share of the earnings of our previous equity method investee, DWS, along with the associated amortization of our proportional share of the step up in fair value of the intangible assets acquired. The minority interest requiring equity method accounting treatment was acquired on May 1, 2023. On November 29, 2024, we purchased the remaining equity interest in DWS and therefore, the earnings of DWS after November 29, 2024 are fully consolidated as part of the Company. See "Gain on consolidation of equity method investment**"** below**.**

Gain on consolidation of equity method investment

As noted in "Equity method earnings" above, on November 29, 2024, we purchased the remaining equity interest in DWS and therefore, the earnings of DWS after November 29, 2024 are fully consolidated as part of the Company. The Company previously accounted for our ownership interest in DWS as an equity method investment. Upon increasing our ownership to 100% on the acquisition date, the Company obtained a controlling financial interest and consolidated the operations of DWS. The purchase of the remaining equity interest in DWS was considered to be an acquisition achieved in stages, whereby the previously held equity interest was remeasured as of the acquisition date. Based on this analysis, the Company recognized a non-taxable gain on the remeasurement of the previously held equity method investment within this financial statement line.

Gain on bargain purchase

The Merger resulted in a gain on bargain purchase recognized on the Company's Consolidated Statement of Operations and Comprehensive Income due to the estimated fair value of the identifiable net assets acquired exceeding the purchase consideration transferred. Upon completion of its preliminary assessment, the Company concluded that all of the assets acquired and liabilities assumed have been identified and recognized, including any additional assets and liabilities not previously identified or recognized in the acquisition accounting, and that recording a gain on bargain purchase was appropriate and required under U.S. GAAP.

Income tax expense

We are subject to income taxes in both the United States and foreign jurisdictions in which we operate. Differences between our effective tax rate and the U.S. federal income tax rate are primarily due to state taxes, foreign jurisdiction rate differences, permanent differences between book and tax income, and changes in the valuation allowance.

How We Evaluate our Results of Operations

We use a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our results of operations and profitability and include:

- ***Revenues.*** Our revenues are generated from product sales, renting tools and from providing services related to the utilization of our products. One of our measures of financial performance is the amount of revenue generated quarterly and annually as revenue is an indicator of overall business growth for the Company.

- ***Operating Income.*** We track operating income on an absolute dollar basis and as a percentage of revenue. One of our measures of financial performance is the amount of operating income generated quarterly and annually, as operating income is an indicator of profit derived from our core business operations.

- ***Net Income.*** We track net income on an absolute dollar basis and as a percentage of revenue. One of our measures of financial performance is the amount of net income generated quarterly and annually as net income is an indicator of overall profitability of the Company.

- ***Adjusted EBITDA.*** Management uses Adjusted EBITDA (a non-GAAP measure) to assess the profitability of our business operations and to compare our operating performance to our competitors without regard to the impact of financing methods and capital structure and excluding costs that management believes do not reflect our ongoing operating performance, and for this reason we believe this measure will provide useful information to investors.

  We track Adjusted EBITDA on an absolute dollar basis and as a percentage of revenue, which we refer to as Adjusted EBITDA Margin. We define Adjusted EBITDA as net income before interest expense, income tax expense, depreciation and amortization, (gain) loss on sale of assets, impairment of long-lived assets, and other expense (income), net, further adjusted to exclude certain items which we believe are not reflective of our ongoing performance or which are non-cash in nature. For a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable GAAP measure, see "—Non-GAAP Financial Measures" below.

- ***Free Cash Flow.*** We utilize Free Cash Flow (a non-GAAP measure) to evaluate the cash generated by our operations and results of operations. We define Free Cash Flow as net cash provided by (or used by) operating activities less capital expenditures, as presented in our Consolidated Statements of Cash Flows. Management believes Free Cash Flow is useful because it demonstrates the cash that was available in the period that was in excess of our needs to fund our capital expenditures. Free Cash Flow does not represent our residual cash flow available for discretionary expenditures, as we have non-discretionary expenditures, including, but not limited to, principal payments required under the terms of our Credit Facility, which are not deducted in calculating Free Cash Flow. For a reconciliation of Free Cash Flow to net cash provided by operating activities, the most directly comparable GAAP measure, see "Non-GAAP Financial Measures" below.

- ***Return on Capital Employed.*** We utilize Return on Capital Employed ("ROCE") (a non-GAAP measure) to assess the effectiveness of our capital allocation over time and to compare our capital efficiency to our competitors, and for this reason we believe this measure will provide useful information to investors. We define ROCE as income from operations, before acquisition costs and after tax (resulting in adjusted income from operations, after tax) divided by average capital employed. Capital employed is defined as the combined values of debt and stockholders' equity. For a reconciliation of ROCE to income from operations, the most directly comparable GAAP measure, see "Non-GAAP Financial Measures" below.

Adjusted EBITDA, Free Cash Flow and ROCE do not represent and should not be considered alternatives to, or more meaningful than, net income, income from operations, net cash provided by operating activities or any other measure of financial performance presented in accordance with GAAP as measures of our financial performance. Our computation of Adjusted EBITDA, Free Cash Flow and ROCE may differ from computations of similarly titled measures of other companies. For a reconciliation of these non-GAAP measures to the most directly comparable GAAP measure, see "Non-GAAP Financial Measures" below.

Factors Affecting the Comparability of Our Results of Operations

Our historical financial condition and results of operations for the periods presented may not be comparable, either from period to period or going forward, due to recent and future acquisitions. One way in which we have grown, and will continue to grow, our operations and financial results is through strategic acquisitions. In August 2022, Legacy Innovex acquired Pride, a company that complemented our well production and intervention product group. In May 2023, Legacy Innovex acquired 20% of DWS, a company that manufactures and rents engineered downhole tools designed to improve the performance of directional and horizontal drilling operations. In March of 2024, Legacy Innovex entered into the Merger Agreement with Dril-Quip, and the Merger was consummated on September 6, 2024. In November of 2024, we acquired the remaining 80% equity interest in DWS. As a general matter, following an acquisition, our results of operations are affected by the results of the newly acquired business or operations, the purchase accounting

for the acquisition, any debt incurred in connection with the acquisition and expenditures made to integrate the newly acquired business or operations. As a result of our acquisitions and the consolidation of our operating subsidiaries' into the Company's financial results, the periods presented in our historical financial statements may not be comparable to one another and our future results of operations and financial results may differ. Additionally, as a result of the Merger, we expect to incur recurring administrative expenses related to being a publicly traded corporation that are not reflected in the historical Legacy Innovex's financial statements.

Results of Operations

In Item 7, we discuss fiscal 2024 and 2023 results and comparisons of fiscal 2024 results to fiscal 2023 results. Discussions of fiscal 2022 results and comparisons of fiscal 2023 results to fiscal 2022 results can be found can be found in Amendment No. 2 to our Registration Statement on Form S-4, filed with the SEC on August 5, 2024.

The following table presents summary consolidated operating results for the periods presented:

	Year Ended December 31,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Revenues	$ 660,803	$ 555,539	$ 105,264	19%
Cost of revenues	428,172	360,102	68,070	19%
Selling, general and administrative expenses	116,181	72,797	43,384	60%
(Gain) loss on sale of assets	(654)	106	(760)	(717)%
Depreciation and amortization	31,207	22,659	8,548	38%
Impairment of long-lived assets	3,522	266	3,256	1224%
Acquisition costs	33,300	2,327	30,973	1331%
Total costs and expenses	$ 611,728	$ 458,257	$ 153,471	33%
Income from operations	49,075	97,282	(48,207)	(50)%
Interest expense	2,430	5,506	(3,076)	(56)%
Other expense, net	298	385	(87)	(23)%
Equity method earnings	(2,616)	(2,975)	359	(12)%
Gain on bargain purchase	(85,812)	-	(85,812)	N/A
Gain on consolidation of equity method investment	(8,037)	-	(8,037)	N/A
Income before income taxes	142,812	94,366	48,446	51%
Income tax expense, net	2,487	20,440	(17,953)	(88)%
Net income	$ 140,325	$ 73,926	$ 66,399	90%

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenues. The Company generates revenue from product sales, rental of tools and services. Product sales revenue for the year ended December 31, 2024 was $527.4 million, an increase of $66.6 million from $460.8 million for the year ended December 31, 2023. Rental tools revenue for the year ended December 31, 2024 was $50.3 million, an increase of $19.0 million from $31.3 million for the year ended December 31, 2023. Service revenue for the year ended December 31, 2024 was $83.1 million, an increase of $19.7 million from $63.4 million for the year ended December 31, 2023.

Our NAM market revenue for the year ended December 31, 2024 was $361.1 million, a decrease of $5.0 million from $366.1 million for the year ended December 31, 2023, primarily driven by an increase in market share and incremental business operations due to the Merger and DWS acquisition. This was offset by a reduction in drilling activity in North America due to a decline in the North America land rig count during the comparative periods. Our International and Offshore market revenue for the year ended December 31, 2024 was $299.7 million, an increase of $110.3 million from $189.4 million for the year ended December 31, 2023, primarily attributable to increased business operations as a result of the Merger and DWS acquisition.

Cost of revenues. Total cost of revenues for the year ended December 31, 2024 was $428.2 million, an increase of $68.1 million from $360.1 million for the year ended December 31, 2023. The change was primarily attributable to a $46.6 million increase in product cost of goods sold, and a $29.4 million increase in personnel expenses due to the Merger and DWS acquisition. This change was offset by a decrease of a net $11.2 million in variance, scrap and absorption expense due to reduced costing in lower cost geographies along with increased inventory absorption costs due to the Merger. The remaining difference is attributable to increases in facilities expense, general manufacturing expenses, and other miscellaneous costs.

Selling, general and administrative expenses. Selling, general and administrative expense for the year ended December 31, 2024 was $116.2 million, an increase of $43.4 million from $72.8 million for the year ended December 31, 2023. The change was primarily attributable to a $21.2 million increase in salaries, wages and other payroll costs caused by increased headcounts due to the Merger, a $14.1 million increase in Employee Benefits costs primarily due to the payout of vested shares due to the closing of the Merger, offset by a decrease in bad debt expenses of $8.5 million primarily due to the recovery of previously reserved trade receivables, with the remaining change due to increases in professional services costs, business insurance, IT and other changes in selling, general and administrative expenses.

(Gain) loss on sale of assets. (Gain) loss on sale of assets for the years ended December 31, 2024 and December 31, 2023 was ($0.7) million and $0.1 million, respectively. The change during the two periods was due normal variations in property and equipment sales activity.

Depreciation and amortization. Total depreciation and amortization expense for the year ended December 31, 2024 was $31.2 million, an increase of $8.5 million from $22.7 million for the year ended December 31, 2023. The change in depreciation and amortization was primarily due to additional depreciation for assets acquired related to the Merger, along with a $2.0 million increase in amortization for right of use finance leases due to an increase in our leases that are classified as finance leases during the comparative periods.

Impairment of long-lived assets. Long-lived asset impairment expense for the year ended December 31, 2024 was $3.5 million, an increase of $3.2 million from $0.3 million for the year ended December 31, 2023. The change in long-lived asset impairment expense was due to a significant decrease in the market price of a right of use asset related to a building lease and a company owned building, which ultimately resulted in an impairment expense of $3.5 million for the combined assets in 2024.

Acquisition costs. Acquisition costs for the year ended December 31, 2024 was $33.3 million, an increase of $31.0 million from $2.3 million for the year ended December 31, 2023. The change in acquisition costs was primarily due to the costs incurred in connection with the Merger and the acquisition of DWS.

Interest expense. Total interest expense for the year ended December 31, 2024 was $2.4 million, a decrease of $3.1 million from $5.5 million for the year ended December 31, 2023. The change was primarily due to higher average debt balances outstanding during 2023 as compared to 2024 due to a continual paydown of our debt through the generation of operational cash flows throughout 2023 and 2024.

Other expense (income), net. Total other expense (income), net for the year ended December 31, 2024 was $0.3 million, a decrease of $0.1 million from $0.4 million for the year ended December 31, 2023, with the change primarily being due to the net change in our foreign currency exchange gains (losses).

Equity method earnings. Equity method earnings consist of the net earnings in DWS, along with the amortization of our proportional ownership interest in the step up of the fair value of the intangible assets acquired, during the period that DWS was accounted for as an equity method investee. Total equity method earnings, excluding the amortization of the step up in fair value, for the year ended December 31, 2024 and 2023 was $3.9 million and $3.9 million, respectively. The amortization of the step up in the fair value of the intangible assets acquired for the year ended December 31, 2024 and 2023 was $1.3 million and $1.0 million, respectively.

Gain on consolidation of equity method investment. Gain on consolidation of equity method investment for the year ended December 31, 2024 and 2023 was $8.0 million and zero, respectively. The gain on consolidation of equity method investment for the year ended December 31, 2024 was related to the step acquisition of DWS. See the description for the gain on consolidation of equity method investment within section titled "Description of Certain Components of Financial Data" for further details.

Gain on bargain purchase. Gain on bargain purchase for the year ended December 31, 2024 and 2023 was $85.8 million and zero, respectively. The gain on bargain purchase for the year ended December 31, 2024 was related to the Merger. See the description for the gain on bargain purchase within section titled "Description of Certain Components of Financial Data" for further details.

Income tax expense. Our operations are subject to U.S. federal income tax at an entity level, as well as various state and franchise taxes. In addition, our operations located in international jurisdictions are subject to local country income taxes. Income tax expense for the year ended December 31, 2024 was $2.5 million, a decrease of $17.9 million from $20.4 million for the year ended December 31, 2023. The change was primarily driven by changes in mix of income before income taxes by geography and tax jurisdiction, discrete items recorded in the year, and other non-deductible expenses. For the year ended December 31, 2024, income before taxes was $142.8 million, an increase of $48.4 million from $94.4 million for the year ended December 31, 2023, primarily due to the effect of the Gain on bargain purchase and the Gain on Consolidation of equity method investment discussed above, which are treated as permanent discrete adjustments for purposes of calculating income tax expense.

Net income. Net income for the year ended December 31, 2024 was $140.3 million, an increase of $66.4 million, from net income of $73.9 million for the year ended December 31, 2023, primarily as a result of the factors discussed above.

Non-GAAP Financial Measures

See the section "How We Evaluate our Results of Operations" above for a definition of our non-GAAP financial measures.

Adjusted EBITDA and Adjusted EBITDA Margin

The following table presents a reconciliation of the GAAP financial measure of net income (loss) and net income (loss) as a percentage of revenue to Adjusted EBITDA and Adjusted EBITDA Margin, respectively, for each of the periods indicated:

	Year Ended December 31,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Net income	$ 140,325	$ 73,926	66,399	90%
Interest expense	2,430	5,506	(3,076)	(56)%
Income tax expense, net	2,487	20,440	(17,953)	(88)%
Depreciation and amortization	31,207	22,659	8,548	38%
EBITDA	$ 176,449	$ 122,531	53,918	44%
Other non-operating expense, net [(1)]	298	385	(87)	(23)%
(Gain) loss on sale of assets	(654)	106	(760)	(717)%
Impairment of long-lived assets	3,522	266	3,256	1224%
Acquisition costs [(2)]	33,300	2,327	30,973	1331%
Equity method investment adjustment [(3)]	3,202	1,735	1,467	85%
Gain on bargain purchase	(85,812)	-	(85,812)	N/A
Gain on consolidation of equity method investment	(8,037)	-	(8,037)	N/A
Stock-based compensation	13,248	1,962	11,286	575%
IPO preparation expenses [(4)]	2,985	2,442	543	22%
Adjusted EBITDA	$ 138,501	$ 131,754	6,747	5%
Net income as a % of revenue	21%	13%	-	-
Adjusted EBITDA Margin	21%	24%	-	-

(1) Primarily represents foreign currency exchange gain/loss, gain/loss on lease terminations, and other non-operating items.

(2) For the year ended December 31, 2024, acquisition costs consisted of legal, accounting, advisory fees, and other integration costs associated with the Merger and the acquisition of the remaining equity interest in DWS. For the year ended December 31, 2023, acquisition costs consisted of legal, accounting, and advisory fees associated with the acquisition of our prior minority ownership interest in DWS along with other integration related expenses. These acquisition costs are one-time in nature and represent expenses that we do not view as normal operating expenses necessary to operate our business.

(3) Reflects the elimination of our percentage of interest expense, depreciation, amortization and other non-recurring expenses included within equity method earnings relating to our previously unconsolidated investment in DWS.

(4) Reflects legal, consulting and accounting fees and expenses related to the preparation of Legacy Innovex's initial public offering.

Adjusted EBITDA for the year ended December 31, 2024 was $138.5 million, an increase of $6.7 million from $131.8 million for the year ended December 31, 2023. The primary reason for the change was higher net income primarily attributable to the impact of acquisitions, increased demand for our products and services and improved operating leverage.

ROCE

The following table presents a reconciliation of the GAAP financial measure of income from operations to adjusted income from operations, after tax to ROCE for each of the periods indicated:

	Year Ended December 31,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Income from operations	$ 49,075	$ 97,282	$ (48,207)	(50)%
Plus: Acquisition costs	33,300	2,327	30,973	1331%
Less: Income tax expense	(2,487)	(20,440)	17,953	(88)%
Adjusted income from operations, after tax	$ 79,888	$ 79,169	$ 719	1%
Beginning debt	50,390	89,119	(38,729)	(43)%
Beginning equity	328,921	251,280	77,641	31%
Ending debt	35,368	50,390	(15,022)	(30)%
Ending equity	958,156	328,921	629,235	191%
Average capital employed	$ 686,418	$ 359,855	$ 326,563	91%
ROCE	12%	22%	-	-

ROCE for the year ended December 31, 2024 was 12%, a decrease from 22% for the year ended December 31, 2023. The primary reason for the decrease was an increase in average capital employed of $326.6 million for the year ended December 31, 2024 as compared to the year ended December 31, 2023, driven by an increase in average equity of $353.4 million primarily due to the effect of the Merger and the acquisition of DWS, and increased net income of the Company into retained earnings.

Free Cash Flow

The following table presents a reconciliation of the GAAP financial measure of net cash provided by operating activities to Free Cash Flow for each of the periods indicated:

	Year Ended December 31,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Net cash provided by operating activities	$ 93,439	$ 75,864	$ 17,575	23%
Capital expenditures	(13,594)	(15,487)	1,893	(12)%
Free cash flow	$ 79,845	$ 60,377	$ 19,468	32%

Free Cash Flow for the year ended December 31, 2024 was $79.8 million, an increase of $19.5 million, from $60.4 million for the year ended December 31, 2023. The change was driven by an $17.6 million increase in cash provided by operating activities as described under "Cash Flows" below, and a $1.9 million decrease in capital expenditures necessary to support the growth of the business as described above.

Liquidity and Capital Resources

Our primary sources of liquidity are our existing cash, cash provided by operating activities, and borrowings under the Credit Facility. As of December 31, 2024, we had cash and restricted cash of $73.3 million and availability under the Revolver (as defined herein) of $77.6 million. Our total indebtedness was $35.4 million as of December 31, 2024.

Our principal liquidity needs have been, and are expected to continue to be, working capital, capital expenditures, debt service and potential mergers and acquisitions. Historically, capital expenditures have been relatively modest, with working capital being the predominant use of cash for the Company during periods of growth. We continuously evaluate our capital expenditures, and the amount we ultimately spend will depend on a number of factors, including, among other things, prevailing economic conditions, market conditions in the oil and natural gas industry, customers' forecasts, demand volatility and company initiatives.

We have certain obligations related to debt maturities, finance leases and operating leases. As of December 31, 2024, we had $19.7 million of minimum non-cancelable lease obligations during 2025, comprised of $6.0 million of finance lease maturities and $13.7 million of non-cancelable operating lease obligations. For the periods after 2025, we have an additional $61.3 million of minimum

non-cancelable lease obligations comprised of $5.2 million of finance lease maturities and $56.1 million of non-cancelable operating lease obligations. As of December 31, 2024, interest rates on our lease obligations ranged from 2.08% to 13.09%. See *Note 11. Leases* to our Consolidated Financial Statements included elsewhere in this Annual Report for the years ended December 31, 2024 and 2023 for additional information. In addition, as of December 31, 2024, we had $5.0 million of debt maturities during 2025 comprised of $5.0 million of required amortization payments on our Term Loan (as defined herein). For the periods after 2025, for our Term Loan, we have an additional $6.4 million of debt maturities representing the remaining balance. Any outstanding balances under our Revolver (as defined herein) would become due and payable during 2026. Our effective interest rate on the Term Loan and Revolver for the year ended December 31, 2024 were 8.77% and 9.34%, respectively. See *Note 9. Debt* to our Consolidated Financial Statements included elsewhere in this Annual Report for additional information.

We believe that our existing cash on hand, cash generated from operations and available capacity under the Revolver will be sufficient to meet our liquidity needs in the short and long-term. However, if work activity increases, we expect further working capital investment will be required. Our ability to satisfy our liquidity requirements depends on our future operating performance, which is affected by prevailing economic conditions, market conditions in the oil and natural gas industry, availability and cost of raw materials, and other factors, many of which are beyond our control.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,			
(in thousands)	**2024**	**2023**	**$ Change**	**% Change**
Net cash provided by operating activities	$ 93,439	$ 75,864	$ 17,575	23 %
Net cash provided by (used in) investing activities	$ 78,444	$ (32,427)	$ 110,871	(342)%
Net cash used in financing activities	$ (103,072)	$ (44,565)	$ (58,507)	131 %

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Net cash provided by operating activities for the year ended December 31, 2024 was $93.4 million, an increase of $17.6 million from $75.9 million for the year ended December 31, 2023. The change in cash provided by operations was primarily driven by the following:

- an increase in net income of $66.4 million;
- changes in non-cash adjustments to net income from the comparative period as a result of a $11.3 million increase in stock compensation expense primarily due to the accelerated vesting of equity based awards, offset by a $85.8 million gain on bargain purchase as a result of the Merger, which was a non-cash equity based transaction, gain on consolidation on equity method investment, which was a non-cash fair value adjustment, along with other non-cash adjustments; and
- changes in operating assets and liabilities, net of assets acquired as part of the Merger and the acquisition of DWS, totaled $17.4 million, the primary drivers for the change, net of assets acquired as part of the Merger and the acquisition of DWS were a decrease in inventories of $12.4 million, a decrease in accounts payable of $12.7 million, offset by other changes in operating assets and liabilities acquired.

Net cash provided by (used in) investing activities for the year ended December 31, 2024 was $78.4 million, an increase of $110.9 million from ($32.4) million for the year ended December 31, 2023. The change in cash provided by (used in) investing activities was primarily due to $154.3 million of cash acquired from the Merger, offset by a $65.5 million payment for the acquisition of DWS during the fourth quarter of 2024.

Net cash used in financing activities for the year ended December 31, 2024 was ($103.1) million, an increase in cash used of $58.5 million from ($44.6) million for the year ended December 31, 2023. The change in cash used in financing activities is primarily related to the payment of $75.0 million in dividends, offset by a decrease of $14.6 million in net repayments on the Revolver, despite its continued pay down, and the payment of $10.2 million of taxes related to net share settlement of equity awards during the third quarter of 2024.

Credit Agreement

Legacy Innovex, Tercel Oilfield Products USA L.L.C., Top-Co Inc. and Pride (collectively, the "Original Borrowers") entered into the Second Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement in June 2022 (as amended in November 2022, April 2023, December 2023, and June 2024, the "Credit Agreement"), with PNC Bank, National Association, as agent (the "Agent"), and the lenders party thereto. On September 6, 2024, the Company and TIW Corporation (collectively and together with the Original Borrowers, the "Borrowers") joined the Credit Agreement as borrowers thereunder. The Credit Agreement provides for (i) a term loan tranche in a principal amount of the lesser of $25.0 million and a certain amount determined based, in part, on appraised values of certain assets of Legacy Innovex and certain of its subsidiaries (the "Term Loan") and (ii) a revolving credit facility of up to $110.0 million with a $5.0 million sublimit for letters of credit and a $11.0 million swing loan (collectively, the "Revolver" and, together with the Term Loan, the "Credit Facility").

As of December 31, 2024, the Credit Facility had a maturity date of June 10, 2026. The Term Loan is amortized in an amount equal to $1.25 million each quarter. Amounts borrowed under the Credit Facility are subject to an interest rate per annum equal to, at the Company's option, either (a) an alternate base rate determined as the highest of (i) the base commercial lending rate of PNC Bank, National Association, (ii) the overnight federal funds rate (subject to a 0% floor) plus 0.5% and (iii) Daily Simple SOFR (as defined in the Credit Agreement) plus 1% (such base rate to be subject to a 0% floor) or (b) the forward-looking term rate based on the secured overnight financing rate ("SOFR") for the applicable interest period two business days before such interest period divided by a number equal to 1.00 minus any SOFR reserve percentage (such term rate to be subject to a 0% floor), plus, in each case of clauses (a) and (b) above, an applicable margin of 0.75% for swing loans and alternate base rate revolving loans, 1.75% for term SOFR revolving loans, 1.00% for alternate base rate term loans and 2.00% for term SOFR term loans. Interest is payable monthly for alternate base rate loans and at the end of the applicable interest period for term SOFR loans (or quarterly if the applicable interest period is longer than three months).

In addition to paying interest on outstanding borrowings under the Credit Facility, the Company is required to pay a quarterly commitment fee to the lenders under the Credit Agreement equal to 0.25% per annum on the amount by which $110.0 million exceeds the daily unpaid balance of the Revolver plus any swing loans plus any undrawn amount of outstanding letters of credit under the Credit Agreement on any day.

The Credit Facility is secured by liens on substantially all of the assets of the Borrowers and certain future subsidiaries of Innovex and guarantees from certain future subsidiaries of Innovex. The Credit Facility requires the Borrowers to make mandatory prepayments on the outstanding amount of (i) the Term Loan in an amount equal to 25% of excess cash flow for each fiscal year, (ii) the Credit Facility if Borrowers issue debt other than certain permitted debt or, subject to certain exceptions, sell assets and (iii) the Term Loan and/or the Revolver if the Borrowers issue equity interests the proceeds of which are not used for certain purposes.

The Credit Agreement contains restrictive covenants that may limit our ability to, among other things, incur additional indebtedness, guarantee obligations, incur liens, make investments, loans or capital expenditures, sell or dispose of assets, enter into mergers or consolidations, enter into transactions with affiliates, or make or declare dividends. The Credit Agreement also requires the Borrowers to maintain as of the last day of each fiscal quarter, a total leverage ratio of not more than 2.50 to 1.00 for the four-quarter period then ending as long as the Term Loan is outstanding. In addition, the Credit Facility contains a springing covenant that requires the Borrowers to maintain, as of the last day of each fiscal quarter, a fixed charge coverage ratio of not less than 1.10 to 1.00 for the four quarter period then ending if (i) an event of default occurs and is continuing or (ii) the lesser of (x) the undrawn availability of the Revolver and (y) a certain amount determined based, in part, on appraised values of certain assets of Innovex and certain of its subsidiaries, is less than 20% of $110.0 million plus any increases to the maximum principal amount of the Revolver in accordance with the terms of the Credit Agreement. As of December 31, 2024, we were in compliance with all covenants under the Credit Facility.

If an event of default exists under the Credit Agreement, the lenders will be able to accelerate the maturity of the Credit Facility and exercise other rights and remedies. An event of default includes, among other things, the nonpayment of principal, interest, fees or other amounts, the failure of any representation or warranty to be correct when made or deemed made in all material respects, the failure to perform or observe covenants in the Credit Agreement or other loan documents, subject, in limited circumstances, to certain grace periods, a cross-default to certain other indebtedness if the effect of such default is to cause, or permit the holders of such indebtedness to cause, the acceleration of such indebtedness, the occurrence of bankruptcy or insolvency events, the rendering of material monetary judgments, the invalidity of any guaranty, security agreement or pledge agreement and the occurrence of a Change of Control (as defined in the Credit Agreement).

As of December 31, 2024 and December 31, 2023, we had $11.4 million and $17.7 million, respectively, of borrowings outstanding under the Term Loan, and $14.0 million and $23.2 million, respectively, of borrowings under the Revolver.

The consummation of the transactions contemplated by the Merger Agreement constituted a Change of Control (as defined in the Credit Agreement). In June 2024, Legacy Innovex, the other Original Borrowers, the Agent and the lenders party thereto entered into the Fourth Amendment to the Second A&R Credit Agreement, which permitted the change in control event, the payment of the cash dividend contemplated by the Merger Agreement, and the acquisition of 80% of the issued and outstanding equity securities of DWS not then owned by Legacy Innovex.

On February 27, 2025, we entered into the New Credit Agreement to replace the Credit Agreement. See *Note 19. Subsequent Events* to our Consolidated Financial Statements included elsewhere in this Annual Report for more details.

Repurchase of Equity Securities

In conjunction with the Merger, effective as of the Closing Date, the Company maintained the share repurchase plans authorized by the Dril-Quip board of directors. Under the share repurchase plans, we were authorized to repurchase up to an aggregate $200 million of our common stock. The repurchase plans had no set expiration date and any repurchased shares were expected to be cancelled. Repurchases under the program were to be made through open market purchases, privately negotiated transactions or plans, instructions or contracts established under Rule 10b5-1 under the Exchange Act. The manner, timing and amount of any purchase were to be determined by management based on an evaluation of market conditions, stock price, liquidity and other factors. The program did not obligate the Company to acquire any particular amount of common stock and may be modified or superseded at any time at the Company's discretion.

For the year ended December 31, 2024, the Company did not purchase any shares under the share repurchase plans. Refer to Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities for further discussion.

On February 25, 2025, our board of directors approved a new share repurchase program that authorizes repurchases of up to an aggregate of $100 million of our outstanding common stock and terminated all share repurchase plans previously authorized by the Dril-Quip board of directors. See *Note 19. Subsequent Events* to our Consolidated Financial Statements included elsewhere in this Annual Report for more details.

Off-Balance Sheet Arrangements

Currently, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on the company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements or capital resources.

Business Segments

The Company operates in one reportable segment as our chief operating decision maker ("CODM") assesses performance and allocates resources based on financial information presented at a consolidated level.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations is derived from the review of our consolidated financial statements prepared in accordance with GAAP, which includes our interpretation of accounting guidance and application through accounting policies. The preparation of financial statements requires the use of judgments and estimates. Our critical accounting estimates are described below to provide a better understanding of how we develop our assumptions and judgments about future events and related estimates and how they can impact our financial statements. A critical accounting estimate is one that requires our most difficult, subjective or complex judgments and assessments and is fundamental to our results of operations.

We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to the current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe the following are the critical accounting estimates used in the preparation of our consolidated financial statements, as well as the significant estimates and judgments affecting the application of these policies. This discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report.

Income Taxes

Deferred taxes are recorded using the asset and liability method, whereby tax assets and liabilities are determined based on the differences between the carrying amount and tax basis of assets and liabilities using enacted tax laws and rates expected to apply to taxable income in the year in which the differences are expected to reverse. We regularly evaluate the valuation allowances established for deferred tax assets for which future realization is uncertain. In assessing the realizability of deferred tax assets, we consider both positive and negative evidence, including scheduled reversals of deferred tax assets and liabilities, projected future taxable income, tax planning strategies and results of recent operations. If, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized, a valuation allowance is recorded. As of December 31, 2024, the valuation allowance for deferred tax assets was $53.3 million. The Company recognizes a tax benefit in our financial statements for an uncertain tax position only if management's assessment is that the position is "more likely than not" (i.e., a likelihood greater than 50 percent) to be allowed by the tax jurisdiction based solely on the technical merits of the position.

The term "tax position" in the accounting standards for income taxes refers to a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. Our financial statements could be materially affected if: (i) our actual results differ significantly from our forecast estimates; (ii) there are future changes in enacted tax laws with retroactive application; or (iii) tax authorities do not agree with our application of the tax law to our circumstances and the matter is not ultimately resolved in our favor.

Business Combinations and Goodwill

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Goodwill represents the excess of purchase price paid by the Company over the fair market value of the net assets acquired. A bargain purchase occurs when the fair market value of net assets acquired is higher than the purchase price paid. Certain assumptions and estimates are employed in evaluating the fair value of assets acquired and liabilities assumed. These estimates may be affected by factors such as changing market conditions, technological advances in the oil and natural gas industry or changes in regulations governing that industry. The most significant assumptions requiring judgment involve identifying and estimating the fair value of inventory, fixed assets and intangible assets. To finalize purchase accounting for significant acquisitions, we utilize the services of independent valuation specialists to assist in the determination of the fair value of acquired assets.

Impairments

We evaluate our property and equipment and identifiable intangible assets for impairment whenever changes in circumstances indicate that the carrying amount of an asset group may not be recoverable or if there are potential indicators of impairment. We also perform an annual impairment analysis of goodwill as of December 31st, or whenever there is a triggering event that indicates an impairment loss may have been incurred. Estimating future net cash flows requires us to make judgments regarding long-term forecasts of future revenues and costs related to the assets subject to review. These forecasts are uncertain in that they require assumptions about our revenue growth, operating margins, capital expenditures, future market conditions and technological developments. In addition, if we are required to determine the fair value of our reporting units to test goodwill for impairment, we must apply estimates, assumptions, and judgment regarding revenue growth, operating margins, capital expenditures, future market conditions, weighted average costs of capital and terminal growth rate, and we must evaluate the metrics of a deemed set of comparable companies and market earnings multiples. Actual results may not align with these assumptions, and our expectations regarding future net cash flows may change such that a material impairment could result.

In the second quarter of 2024, Legacy Innovex identified a significant decrease in the fair values of a right of use asset related to a building lease and a company owned building for which the carrying values are held in *Right of use assets - operating* and *Property and equipment, net*, respectively, in the Consolidated Balance Sheets. Legacy Innovex received third-party quoted market prices for both assets; based on this market information, Legacy Innovex determined that the carrying value of both assets was not recoverable and exceeded their fair values. Legacy Innovex then measured the impairment losses by comparing the carrying values with the current third-party quoted market prices resulting in a total impairment of $3.0 million and $0.5 million for the operating lease right of use asset and the company owned building, respectively.

We believe that the estimates and assumptions used in our impairment assessments are reasonable. However, if market conditions change dramatically, the impact on our forecasts and projections may be significant which could result in future impairments for our reportable units with long-term assets including goodwill.

Recent Accounting Pronouncements

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.

Our financial position is exposed to a variety of risks, including commodity price risk, foreign currency exchange rate risk, and interest rate risk. The Company does not engage in any material hedging transactions, forward contracts or currency trading which could mitigate the market risks inherent in such transactions.

Commodity Price Risk

The market for our products and services is indirectly exposed to fluctuations in the prices of oil and natural gas to the extent such fluctuations impact drilling and completion activity levels and thus impact the activity levels of our customers in the exploration and production industry. Additionally, because we do not sell our products under long-term contracts, we believe that we are particularly exposed to short-term fluctuations in the prices of oil and natural gas.

Foreign Currency Exchange Rate Risk

A portion of our revenues are derived internationally and, accordingly, our competitiveness and financial results may be impacted by foreign currency fluctuations where revenues and costs are denominated in local currencies rather than U.S. dollars. See "Item 1A. Risk Factors—Risks Related to our Business" in this Annual Report for further details on our foreign currency exchange risk.

Interest Rate Risk

We are primarily exposed to interest rate risk through the Revolver and Term Loan. As of December 31, 2024, we had variable rate debt outstanding consisting of $11.4 million under the Term Loan and $14.0 million under the Revolver which bear interest at an adjusted SOFR rate plus an applicable margin or at the alternate base rate plus an applicable margin.

Item 8. Financial Statements and Supplementary Data.

The information required hereunder is included in this Annual Report beginning on page F-1.

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

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of December 31, 2024. Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act 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.

As further discussed below in "Management's Report on Internal Control Over Financial Reporting", management excluded (1) Legacy Innovex and (2) DWS from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In light of the overlap between a company's disclosure controls and procedures and its internal control over financial reporting, our evaluation of disclosure controls and procedures excludes an assessment of those disclosure controls and procedures of Legacy Innovex and DWS that are subsumed by internal control over financial reporting. Dril-Quip's total assets and revenues included in management's assessment represent approximately 40% and 22%, respectively, of the related financial statement amounts as of and for the year ended December 31, 2024. DWS's total assets and revenues excluded from management's assessment represent 12% and 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2024. See also "Material Weaknesses Previously Identified Related to Legacy Innovex".

Based on the evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2024.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed by or under the supervision of our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

On September 6, 2024, Dril-Quip and Legacy Innovex completed the Merger. Dril-Quip was the legal acquirer in the Merger; Legacy Innovex was the accounting acquirer in the Merger under U.S. GAAP. Prior to the Merger, Legacy Innovex was a privately-held company and was not subject to the rules and regulations of the SEC regarding compliance with Section 404 of the Sarbanes-Oxley Act ("Section 404 of SOX"), while Dril-Quip was a publicly traded company subject to Section 404 of SOX. For all filings under the Exchange Act after the Merger, the historical financial statements of the Company for the periods prior to the Merger are and will be those of Legacy Innovex. The activities of Dril-Quip are and will be included in the Company's financial statements for all periods subsequent to the Merger.

As the Merger occurred during the third quarter of 2024, and Legacy Innovex was not previously subject to Section 404 of SOX, management concluded there was insufficient time for management to complete its assessment of the internal control over financial reporting related to Legacy Innovex, and, therefore, the Legacy Innovex internal control over financial reporting was excluded from management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. Dril-Quip's total assets and revenues represent approximately 40% and 22%, respectively, of the related financial statement amounts as of and for the year ended December 31, 2024.

Additionally, management has excluded DWS from its assessment of internal control over financial reporting as of December 31, 2024 as the Company purchased the remaining 80% of the entity in a step acquisition in November 2024. DWS is a wholly-owned subsidiary whose total assets and revenues represent 12% and 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2024.

Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting based on the criteria set forth by the *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management concluded that the Company's internal control over financial reporting was effective as of December 31, 2024. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, 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.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included elsewhere in this Annual Report.

Material Weaknesses Previously Identified Related to Legacy Innovex

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. As described above, Legacy Innovex was excluded from management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2024. However, prior to the Merger, Legacy Innovex management identified the following material weaknesses in its internal control over financial reporting, which management of the Company concluded continued to exist as of December 31, 2024: (1) Legacy Innovex did not design and maintain effective controls related to the accounting for income taxes at a sufficient level of precision or rigor; and (2) Legacy Innovex failed to employ personnel with adequate expertise to identify and evaluate complex income tax accounting matters. These material weaknesses resulted in audit adjustments to Legacy Innovex's consolidated financial statements as of and for the year ended December 31, 2023 for deferred tax assets and liabilities, the income tax valuation allowance and related disclosures. Additionally, these material weaknesses could result in misstatements of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Management's Plan to Remediate the Legacy Innovex Material Weaknesses

Our management is implementing remediation steps to improve our internal control over financial reporting. Specifically, we are implementing the following steps to remediate the material weaknesses:

- We have hired additional tax personnel with adequate expertise to identify and evaluate complex income tax accounting matters.
- We have engaged an accounting advisory firm to assist with the documentation, evaluation, remediation, and testing of the relevant internal controls related to the accounting for income taxes.
- We are in the process of designing, implementing, and operating sufficiently precise controls to ensure timely and accurate preparation, review, and reporting of the income tax provision and the income tax disclosures in our consolidated financial statements.

Remediation of Previously Identified Dril-Quip Material Weakness

In addition to Legacy Innovex's material weaknesses discussed above that continue to exist, Dril-Quip previously identified a material weakness wherein we did not design and maintain effective controls over the financial statement classification of inventory write-downs related to restructurings. As of December 31, 2024, management has concluded that this previously identified material weakness has been remediated through the operation of the necessary previously designed and implemented Legacy Innovex controls to ensure appropriate financial statement classification in the event of a significant and unusual transaction, such as a restructuring.

Changes in Internal Control Over Financial Reporting

As described above, the Merger was completed on September 6, 2024, which represented a change in internal control over financial reporting. During the quarter ended December 31, 2024, following becoming a public company as a result of the reverse merger, we began integrating our financial reporting processes of the business with Dril-Quip's processes and are implementing additional closing procedures to enable our financial reporting process. The processes and controls for significant areas including business combinations, income taxes, treasury, consolidations and the preparation of financial statements and related disclosures, and entity level controls have been substantially impacted by the ongoing integration activities. The primary changes in these areas are related to the consolidation of process owner leadership and control owners, and where required, the modification of inputs, processes and associated systems. For all areas of change noted, management believes the control design and implementation thereof are being appropriately modified to address underlying risks. Other than such changes, there were no other changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act 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.

New Credit Agreement

Because we are filing this Annual Report within four business days after the triggering event, we are making the following disclosure under this "Item 9B. Other Information" instead of filing a Current Report on Form 8-K under Item 1.01, Entry into a Material Definitive Agreement, and Item 2.03, Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On February 27, 2025, we entered into the New Credit Agreement to replace the Credit Agreement. The New Credit Agreement matures on February 27, 2030. The New Credit Agreement, among other things, (i) extended the maturity of the agreement from June 2026 to February 2030, (ii) increased the maximum revolving amount from $110 million to $200 million, which may, subject to certain conditions, be increased to $250 million, (iii) eliminated the term loan commitment and (iv) provided for an applicable margin for interest on the loans to be based on availability, effective as of April 1, 2025. The applicable margin under the New Credit Agreement will range from 0.50% to 1.00% for swing loans and alternate base rate revolving loans and 1.50% to 2.00% for term SOFR revolving loans.

The foregoing description of the New Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the New Credit Agreement, which is filed as Exhibit 10.17 to this Annual Report and is incorporated herein by reference.

New Share Repurchase Program

Because we are filing this Annual Report within four business days after the triggering event, we are making the following disclosure under this "Item 9B. Other Information" instead of filing a Current Report on Form 8-K under Item 8.01 Other Events.

On February 25, 2025, our board of directors approved a new share repurchase program (the "New Share Repurchase Program") that authorizes repurchases of up to an aggregate of $100 million of our outstanding common stock. In connection the New Share Repurchase Program, all share repurchase plans previously authorized by the Dril-Quip board of directors have been terminated. The New Share Repurchase Program does not require us to repurchase a specific number of shares or have an expiration date. The New Share Repurchase Program may be suspended or discontinued by our board of directors at any time without prior notice. The authorized repurchases will be made from time to time in the open market, through block trades or in privately negotiated transactions. The timing, volume and nature of share repurchases will be at the discretion of our management and dependent on market conditions, applicable securities laws and other factors, and may be suspended or discontinued at any time. The cost of the shares that are repurchased will be funded from any funds of the Company legally available therefore. Any shares repurchased under the program will be cancelled.

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

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required under this item is incorporated herein by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of the Company's fiscal year ended December 31, 2024.

Item 11. Executive Compensation.

The information required under this item is incorporated herein by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of the Company's fiscal year ended December 31, 2024.

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

The information required under this item is incorporated herein by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of the Company's fiscal year ended December 31, 2024.

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

The information required under this item is incorporated herein by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of the Company's fiscal year ended December 31, 2024.

Item 14. Principal Accounting Fees and Services.

The information required under this item is incorporated herein by reference to the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of the Company's fiscal year ended December 31, 2024.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(1) For a list of the financial statements included herein, see Index to the Consolidated Financial Statements on page F-1 of this Annual Report on Form 10-K, incorporated into this Item by reference.

(2) Financial statement schedules have been omitted because they are either not required or not applicable or the information is included in the consolidated financial statements or the notes thereto.

(3) Exhibits:

Exhibit Number	Description
2.1^	Agreement and Plan of Merger, dated as of March 18, 2024, by and among Dril-Quip, Inc., Ironman Merger Sub, Inc., DQ Merger Sub, LLC and Innovex Downhole Solutions, Inc. (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 18, 2024, File No. 001-13439).
2.2^	Equity Purchase Agreement, dated as of November 29, 2024, by and among Innovex International, Inc., Downhole Well Solutions, LLC and the Sellers party thereto (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 2, 2024, File No. 001-13439).
3.1	Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, File No. 001-13439).
3.2	Certificate of Elimination of Series A Junior Participating Preferred Stock of the Company (incorporated herein by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, File No. 001-13439).
3.3	Certificate of Amendment to the Restated Certificate of Incorporation of Innovex International, Inc., dated September 6, 2024 (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on September 6, 2024, File No. 001-13439).
3.4	Amended and Restated Bylaws of the Company (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 18, 2023, File No. 001-13439).
3.5	Amendment to the Amended and Restated Bylaws, dated September 6, 2024 (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K on September 6, 2024, File No. 001-13439).
4.1	Form of certificate representing Common Stock (incorporated herein by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, File No. 001-13439).
4.2*	Description of securities.
4.3	Registration Rights Agreement, dated as of September 6, 2024, by and among Innovex International, Inc., Intervale Capital Fund II, L.P., Intervale Capital Fund III, L.P., Amberjack Capital Fund II, L.P., Innovex Co-Invest Fund, L.P., Innovex Co-Invest Fund II, L.P. and Intervale Capital Fund II-A, L.P. (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 6, 2024, File No. 001-13439).
4.4	Stockholders Agreement, dated as of September 6, 2024, by and among Innovex International, Inc., Amberjack Capital Partners, L.P., Intervale Capital Fund II, L.P., Intervale Capital Fund III, L.P., Amberjack Capital Fund II, L.P., Innovex Co-Invest Fund, L.P., Innovex Co-Invest Fund II, L.P. and Intervale Capital Fund II-A, L.P. (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K filed on September 6, 2024, File No. 001-13439).
10.1+	Innovex Downhole Solutions, Inc. 2016 Long-Term Incentive Plan (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8, File No. 333-282180).
10.2+	2017 Omnibus Incentive Plan of Dril-Quip, Inc. (incorporated herein by reference to Exhibit A to the Company's Proxy Statement filed on March 31, 2017, File No. 001-13439).
10.3+	Amendment No. 1 to 2017 Omnibus Incentive Plan of Dril-Quip Inc. (incorporated herein by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, File No. 001-13439).
10.4+	Form of Restricted Stock Award Agreement under 2017 Omnibus Incentive Plan of Dril-Quip, Inc. (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed on May 20, 2019, File No. 001-13439).
10.5+	2017 Performance Unit Award Agreement under 2017 Omnibus Incentive Plan of Dril-Quip, Inc. (incorporated herein by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017, File No. 001-13439).
10.6+	Form of Director Restricted Stock Award Agreement under 2017 Omnibus Incentive Plan of Dril-Quip, Inc. (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, File No. 001-13439).
10.7+	Form of Restricted Stock Award Agreement for senior management under 2017 Omnibus Incentive Plan of Dril-Quip, Inc. (incorporated herein by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, File No. 001-13439).
10.8+	2020 Performance Unit Award Agreement under 2017 Omnibus Incentive Plan of Dril-Quip, Inc. (incorporated herein by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021, File No. 001-13439).
10.9+	2022 Performance Unit Award Agreement under 2017 Omnibus Incentive Plan of Dril-Quip, Inc. (incorporated herein by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, File No. 001-13439).

10.10+	2022 Amended and Restated Stock Compensation Program for Directors under 2017 Omnibus Incentive Plan of Dril-Quip, Inc. (incorporated herein by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021, File No. 001-13439).
10.11^	Second Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement, dated as of June 10, 2022, among Innovex Downhole Solutions, Inc., Tercel Oilfield Products USA L.L.C., Top-Co Inc. and each party joined thereto from time to time as a borrower, as borrowers, each person joined thereto from time to time as a guarantor, as guarantors, the financial institutions from time to time party thereto, as lenders, and PNC Bank, National Association, as the agent for lenders (incorporated herein by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-4 declared effective on August 6, 2024, File No. 333-279048).
10.12^	First Amendment to Second Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement, dated November 28, 2022, among Innovex Downhole Solutions, Inc., Tercel Oilfield Products USA L.L.C., Top-Co Inc., Pride Energy Services, LLC and each person joined to the Credit Agreement as a borrower from time to time, as borrowers, each person joined to the Credit Agreement as guarantors, the financial institutions party to the Credit Agreement, as lenders, and PNC Bank, National Association, as the agent (incorporated herein by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-4 declared effective on August 6, 2024, File No. 333-279048).
10.13^	Second Amendment to Second Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement and Limited Waiver, dated as of April 3, 2023, among Innovex Downhole Solutions, Inc., Tercel Oilfield Products USA L.L.C., Top-Co Inc., Pride Energy Services, LLC and each person joined to the Credit Agreement as a borrower from time to time, as borrowers, each person joined to the Credit Agreement as a guarantor from time to time, the financial institutions from time to time party to the Credit Agreement as lenders and PNC Bank, National Association, as agent for lenders (incorporated herein by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-4 declared effective on August 6, 2024, File No. 333-279048).
10.14^	Third Amendment to Second Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement and Limited Waiver, dated as of December 15, 2023, among Innovex Downhole Solutions, Inc., Tercel Oilfield Products USA L.L.C., Top-Co Inc., Pride Energy Services, LLC and each person joined to the Credit Agreement as a borrower from time to time, as borrowers, each person joined to the Credit Agreement as a guarantor from time to time, the financial institutions from time to time party to the Credit Agreement as lenders and PNC Bank, National Association, as agent for lenders (incorporated herein by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-4 declared effective on August 6, 2024, File No. 333-279048).
10.15^	Fourth Amendment to Second Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement and Limited Waiver, dated as of June 28, 2024, among Innovex Downhole Solutions, Inc., Tercel Oilfield Products USA L.L.C., Top-Co Inc., Pride Energy Services, LLC and each person joined to the Credit Agreement as a borrower from time to time, as borrowers, each person joined to the Credit Agreement as a guarantor from time to time, the financial institutions from time to time party to the Credit Agreement as lenders and PNC Bank, National Association, as agent for lenders (incorporated herein by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-4 declared effective on August 6, 2024, File No. 333-279048).
10.16	Joinder Agreement, dated as of September 6, 2024, by and among Innovex Downhole Solutions, Inc., Tercel Oilfield Products USA L.L.C., Top-Co Inc., Pride Energy Services, LLC, Dril-Quip, Inc., TIW Corporation, Innovex Downhole Solutions, LLC and PNC Bank, National Association (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K on September 6, 2024, File No. 001-13439).
10.17*^	Third Amended and Restated Revolving Credit, Guaranty and Security Agreement, dated as of February 27, 2025, among Innovex International, Inc., and each party joined thereto from time to time as a guarantor, as guarantors, the financial institutions from time to time party thereto, as lenders, and PNC Bank, National Association, as the agent for lenders.
10.18	Form of Indemnification Agreement. (incorporated herein by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K on September 6, 2024, File No. 001-13439).
10.19+	Employment Agreement, dated as of December 2, 2021, between the Company and Mr. Webster (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on December 3, 2021, File No. 001-13439).
10.20+	Employment Agreement, dated as of December 2, 2021, between the Company and Mr. Bird (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A filed on December 3, 2021, File No. 001-13439).
10.21+	Employment Agreement, dated as of December 2, 2021, between the Company and Mr. McClure (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 3, 2021, File No. 001-13439).

10.22+	Employment Agreement, dated as of October 25, 2022, between the Company and Mr. Underwood (incorporated herein by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022, File No. 001-13439).
10.23+	Separation Agreement and General Release of Claims, dated September 6, 2024, by and between Dril-Quip, Inc. and Jeffrey J. Bird (incorporated herein by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K on September 6, 2024, File No. 001-13439).
10.24+	Separation Agreement and General Release of Claims, dated September 6, 2024, by and between Dril-Quip, Inc. and Kyle F. McClure (incorporated herein by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K on September 6, 2024, File No. 001-13439).
10.25+	Separation Agreement and General Release of Claims, dated September 6, 2024, by and between Dril-Quip, Inc. and James C. Webster (incorporated herein by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K on September 6, 2024, File No. 001-13439).
10.26+	Separation Agreement and General Release of Claims, dated September 6, 2024, by and between Dril-Quip, Inc. and Donald M. Underwood (incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K on September 6, 2024, File No. 001-13439).
10.27+	Letter Agreement between Innovex International, Inc. and Kyle McClure, dated as of September 8, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K on September 12, 2024, File No. 001-13439).
10.28+	Contract Extension Agreement between Innovex International, Inc. and Kyle McClure, effective as of October 8, 2024. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K on October 15, 2024, File No. 001-13439).
10.29	Waiver Agreement, dated as of August 25, 2024, by and between Dril-Quip, Inc. and Innovex Downhole Solutions, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K on August 26, 2024, File No. 001-13439).
19.1*	Innovex International, Inc. Insider Trading Policy
21.1*	Subsidiaries of the Company.
23.1*	Consent of PricewaterhouseCoopers LLP.
23.2*	Consent of Grant Thornton LLP
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1*	Innovex International, Inc. Clawback Policy
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)

* Filed herewith.

** Furnished herewith.

+ Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report.

^ Certain exhibits and schedules have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish supplementally a copy of any omitted schedule upon the request of the SEC.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on March 3, 2025**.**

INNOVEX INTERNATIONAL, INC.

By: /s/ Adam Anderson
Adam Anderson
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Adam Anderson **Adam Anderson**	Chief Executive Officer and Director (Principal Executive Officer)	March 3, 2025
/s/ Kendal Reed **Kendal Reed**	Chief Financial Officer (Principal Financial and Accounting Officer)	March 3, 2025
/s/ John Lovoi **John Lovoi**	Director	March 3, 2025
/s/ Terence Jupp **Terence Jupp**	Director	March 3, 2025
/s/ Carri Lockhart **Carri Lockhart**	Director	March 3, 2025
/s/ Jason Turowsky **Jason Turowsky**	Director	March 3, 2025
/s/ Angie Sedita **Angie Sedita**	Director	March 3, 2025
/s/ Bonnie S. Black **Bonnie S. Black**	Director	March 3, 2025
/s/ Benjamin M. Fink **Benjamin M. Fink**	Director	March 3, 2025

Innovex International, Inc.
Index to Consolidated Financial Statements

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID Number 238)	F-2
Report of Independent Registered Public Accounting Firm (PCAOB ID Number 248)	F-5
Consolidated Balance Sheets	F-6
Consolidated Statements of Operations and Comprehensive Income	F-7
Consolidated Statements of Changes in Stockholders' Equity	F-8
Consolidated Statements of Cash Flows	F-9
Notes to Consolidated Financial Statements	F-10

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Innovex International, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Innovex International, Inc. and its subsidiaries (the "Company") as of December 31, 2024, and the related consolidated statements of operations and comprehensive income, of changes in stockholders' equity and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audit. 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 audit 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, and whether effective internal control over financial reporting was maintained in all material respects.

Our audit of the consolidated financial statements 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 audit 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded (1) Innovex Downhole Solutions, Inc. ("Legacy Innovex") and (2) Downhole Well Solutions, LLC ("DWS") from its assessment of internal control over financial reporting as of December 31, 2024, because Legacy Innovex was acquired by Dril-Quip, Inc. in 2024 and DWS was acquired by the Company in a step acquisition in 2024. We have also excluded Legacy Innovex and DWS from our audit of internal control over financial reporting. Dril-Quip's total assets and revenues included in management's assessment and our audit of internal control over financial reporting represent 40% and 22%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2024. DWS's total assets and revenues excluded from management's assessment and our audit of internal control over financial reporting represent 12% and 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2024.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, 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.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Reverse Acquisition of Dril-Quip – Valuation of Property, Plant & Equipment

As described in Notes 1, 2 and 3 to the consolidated financial statements, on September 6, 2024, Legacy Innovex merged with and into Dril-Quip. The total purchase consideration was $537 million. Of the acquired assets, $134 million of property, plant & equipment ("PP&E") was recorded. The fair value of PP&E is estimated using either the market approach (vehicle assets and land) or cost approach (buildings and personal property). Under the market approach, the value reflects the price at which comparable assets are purchased under similar circumstances, and the significant judgment and assumption used was defining comparable sales information based on the age and type of assets being valued. Under the cost approach, the value is based on the cost of a market participant to reconstruct a substitute asset of comparable utility, adjusted for any obsolescence, and the key judgment and assumptions used include the replacement cost and physical deterioration factors, including economic useful life and effective age.

The principal considerations for our determination that performing procedures relating to the valuation of PP&E acquired in the reverse acquisition of Dril-Quip is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the PP&E acquired; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to (a) comparable sales for vehicle assets and land used in the market approach and (b) replacement cost and physical deterioration of buildings and replacement cost of personal property used in the cost approach; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) reading the merger agreement; (ii) testing management's process for developing the fair value estimate of the PP&E acquired; (iii) evaluating the appropriateness of the market and cost approaches used by management; (iv) testing the completeness and accuracy of the underlying data used in the market and cost approaches; and (v) evaluating the reasonableness of significant assumptions used by management related to (a) comparable sales for vehicle assets and land used in the market approach and (b) replacement cost and physical deterioration of buildings and replacement cost of personal property used in the cost approach. Evaluating management's assumptions related to comparable sales for vehicle assets and land used in the market approach and replacement cost and physical deterioration of buildings and replacement cost of personal property used in the cost approach involved considering (i) the consistency with external market and industry data and (ii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the market and cost approaches and (ii) the reasonableness of the comparable sales, replacement cost and physical deterioration assumptions.

Acquisition of Downhole Well Solutions, LLC – Valuation of Customer Relationships

As described in Notes 1, 2 and 3 to the consolidated financial statements, on November 29, 2024, the Company acquired Downhole Well Solutions, LLC ("DWS"). The total purchase consideration was $137.8 million. Of the acquired intangible assets, $67.8 million of customer relationships were recorded. The fair value of customer relationships was estimated using a multi-period excess earnings method. Under this method, the value is derived from cash flow projections, which includes significant judgments and assumptions relating to baseline revenue and revenue growth rates, EBITDA margins, contributory asset charges, customer attrition rate, and discount rate.

The principal considerations for our determination that performing procedures relating to the valuation of customer relationships acquired in the acquisition of DWS is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the customer relationships acquired; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to revenue growth rates, customer attrition rate and discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others (i) reading the purchase agreement; (ii) testing management's process for developing the fair value estimate of the customer relationships acquired; (iii) evaluating the appropriateness of the multi-period excess earnings method used by management; (iv) testing the completeness and accuracy of the underlying data used in the multi-period excess earnings method; and (v) evaluating the reasonableness of the significant assumptions used by management related to revenue growth rates, customer attrition rate and discount rate. Evaluating management's assumptions related to revenue growth rates involved considering (i) the current and past performance of the DWS business; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the multi-period excess earnings method and (ii) the reasonableness of the discount rate assumption

/s/ PricewaterhouseCoopers LLP

Houston, Texas

March 3, 2025

We have served as the Company's auditor since 2024.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders

Innovex International, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheet of Innovex International, Inc. (formerly known as Innovex Downhole Solutions, Inc.) (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2023, the related consolidated statements of operations and comprehensive income, changes in stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2023, 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 as of December 31, 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, 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 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 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We served as the Company's auditor from 2022 to 2024.

Houston, Texas
April 2, 2024 (except for Note 1 as it relates to the common stock conversion and the effects thereof, and Note 2, *Segment Information*, as to which the date is March 3, 2025)

Innovex International, Inc.
Consolidated Balance Sheets

(in thousands, except share and par value amounts)	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and restricted cash	$ 73,278	$ 7,406
Trade receivables, net of allowance of $63,875 and $5,015 at December 31, 2024 and 2023, respectively	239,506	118,360
Contract assets	5,062	—
Inventories	271,173	141,188
Assets held for sale	4,749	—
Prepaid expenses and other current assets	47,623	21,318
Total current assets	641,391	288,272
Noncurrent assets		
Property and equipment, net	190,786	52,424
Right of use assets – operating	54,873	32,673
Goodwill	60,176	23,932
Intangibles, net	108,363	41,808
Deferred tax asset, net	134,540	14,017
Equity method investment	—	20,025
Other long-term assets	7,354	2,149
Total noncurrent assets	556,092	187,028
Total assets	**$ 1,197,483**	**$ 475,300**
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 65,201	$ 32,035
Operating lease liabilities	10,547	7,358
Accrued expenses	60,593	28,736
Contract liabilities	13,463	—
Current portion of long-term debt and finance lease obligations	10,467	9,824
Other current liabilities	2,387	670
Total current liabilities	162,658	78,623
Noncurrent liabilities		
Long-term debt and finance lease obligations	24,901	40,566
Operating lease liabilities	45,153	27,159
Deferred income taxes	624	—
Other long-term liabilities	5,991	31
Total noncurrent liabilities	76,669	67,756
Total liabilities	**$ 239,327**	**$ 146,379**
Commitments and contingencies (Note 16)		
Stockholders' equity		
Preferred stock: 10,000,000 shares authorized at $0.01 par value (none issued)	$ —	$ —
Common stock:		
$0.01 par value, 100,000,000 and 40,249,394 shares authorized at December 31, 2024 and 2023, respectively; 69,178,262 and 30,928,647 shares issued and outstanding at December 31, 2024 and 2023, respectively	692	309
Additional paid-in capital	755,077	180,633
Accumulated other comprehensive income	(8,863)	2,071
Retained earnings	211,250	145,908
Total stockholders' equity	**$ 958,156**	**$ 328,921**
Total liabilities and stockholders' equity	**$ 1,197,483**	**$ 475,300**

The accompanying notes are an integral part of these consolidated financial statements.

Innovex International, Inc.

Consolidated Statements of Operations and Comprehensive Income

(in thousands, except share and per share amounts)	Year Ended December 31, 2024	2023	2022
Revenues			
Products	$ 527,394	$ 460,802	$ 402,019
Services	83,127	63,391	33,519
Rental	50,282	31,346	31,651
Total revenues	660,803	555,539	467,189
Cost of revenues[(a)]			
Products	332,372	295,293	267,956
Services	82,109	55,730	29,252
Rental	13,691	9,079	11,864
Total cost of revenues	428,172	360,102	309,072
Selling, general and administrative expenses	116,181	72,797	59,194
(Gain) loss on sale of assets	(654)	106	709
Depreciation and amortization	31,207	22,659	18,468
Impairment of long-lived assets	3,522	266	964
Acquisition costs	33,300	2,327	2,939
Income from operations	49,075	97,282	75,843
Interest expense	2,430	5,506	4,034
Other expense (income), net	298	385	(1,120)
Equity method earnings	(2,616)	(2,975)	—
Gain on bargain purchase	(85,812)	—	—
Gain on consolidation of equity method investment	(8,037)	—	—
Income before income taxes	142,812	94,366	72,929
Income tax expense, net	2,487	20,440	9,651
Net income	140,325	73,926	63,278
Foreign currency translation adjustment	(10,969)	(1,753)	463
Comprehensive income	$ 129,356	$ 72,173	$ 63,741
Earnings per common share			
Basic	$ 2.82	$ 2.39	$ 2.07
Diluted	$ 2.77	$ 2.29	$ 2.01
Weighted average common shares outstanding			
Basic	49,727,093	30,928,647	30,540,417
Diluted	50,627,004	32,338,518	31,443,084

[(a)] Cost of revenues excludes depreciation and amortization.

The accompanying notes are an integral part of these consolidated financial statements.

Innovex International, Inc.

Consolidated Statements of Changes in Stockholders' Equity

(in thousands, except share amounts)	Common Stock Shares	Common Stock $ Amount	Additional Paid-in Capital	Retained Earnings/ (Deficit)	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance at December 31, 2021	30,366,522	$ 304	$ 169,062	$ 8,704	$ 2,481	$ 180,551
Stock-based compensation	—	—	907	—	—	907
Foreign currency translation adjustment	—	—	—	—	463	463
Net income	—	—	—	63,278	—	63,278
Issuance of common stock - Pride	645,641	6	9,994	—	—	10,000
Employee stock re-purchase	(83,515)	(1)	(1,292)	—	—	(1,293)
Release of cumulative translation adjustment due to entity closure	—	—	—	—	(2,626)	(2,626)
Balance at December 31, 2022	30,928,648	$ 309	$ 178,671	$ 71,982	$ 318	$ 251,280
Stock-based compensation	—	—	1,962	—	—	1,962
Foreign currency translation adjustment	—	—	—	—	1,753	1,753
Net income	—	—	—	73,926	—	73,926
Balance at December 31, 2023	30,928,648	$ 309	$ 180,633	$ 145,908	$ 2,071	$ 328,921
Stock-based compensation	—	—	13,248	—	—	13,248
Foreign currency translation adjustment	—	—	—	—	(10,969)	(10,969)
Net income	—	—	—	140,325	—	140,325
Dividend payment	—	—	—	(74,983)	—	(74,983)
Issuance of common stock for Merger	35,134,652	351	536,922	—	—	537,273
Issuance of common stock - DWS	1,918,558	19	31,196	—	—	31,215
Stock options exercised	1,418,531	14	3,312	—	—	3,326
Equity award vestings	465,921	5	(5)	—	—	—
Shares withheld related to net settlement of equity awards	(688,047)	(6)	(10,229)	—	—	(10,235)
Release of cumulative translation adjustment due to entity closure	—	—	—	—	35	35
Balance at December 31, 2024	69,178,263	$ 692	$ 755,077	$ 211,250	$ (8,863)	$ 958,156

The accompanying notes are an integral part of these consolidated financial statements.

Innovex International, Inc.
Consolidated Statements of Cash Flows

(in thousands)	Year Ended December 31, 2024	2023	2022
Cash flows from operating activities			
Net income	$ 140,325	$ 73,926	$ 63,278
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	31,207	22,659	18,468
Deferred financing fees amortization	409	332	312
Amortization of operating lease ROU asset	8,317	7,400	6,492
Impairment of long-lived assets	3,522	266	964
Bargain purchase gain	(85,812)	—	—
Gain on consolidation of equity method investment	(8,037)	—	—
Stock-based compensation expense	13,248	1,962	907
(Gains)/losses on sale of property, equipment and lease terminations	(939)	533	(771)
Deferred tax, net	(4,595)	(7,406)	(6,711)
Equity method earnings, net of dividends	495	(1,675)	—
Release of CTA gain	—	—	(2,626)
Changes in operating assets and liabilities, net of amounts related to acquisitions:			
Accounts receivable, net	13,221	5,271	(37,565)
Inventories	7,872	(4,533)	(44,207)
Prepaid expenses and other current assets	(7,775)	(7,752)	(2,804)
Other long-term assets	(2,017)	1,330	(1,540)
Accounts payable	(22,344)	(9,615)	2,405
Accrued expenses and other current liabilities	651	792	2,523
Other operating assets and liabilities, net	5,691	(7,626)	(4,936)
Net cash provided by (used in) operating activities	93,439	75,864	(5,811)
Cash flows from investing activities			
Payments on acquisitions, net of cash acquired	(65,521)	—	(28,914)
Capital expenditures	(13,594)	(15,487)	(9,575)
Proceeds from sale of property and equipment	3,247	1,410	967
Equity method investment	—	(18,350)	—
Cash acquired in stock-based business combination	154,312	—	—
Net cash provided by (used in) investing activities	78,444	(32,427)	(37,522)
Cash flows from financing activities			
Deferred debt issuance cost	—	393	(719)
Revolving credit facility borrowings	187,300	254,500	132,006
Revolving credit facility payments	(196,500)	(278,300)	(101,506)
Term loan borrowings	—	—	19,479
Term loan payments	(6,282)	(5,400)	(3,250)
Subordinated note payments	—	(11,893)	—
Payments on finance leases	(5,698)	(3,865)	(2,432)
Common stock and options repurchase net of sales	—	—	(1,293)
Dividend payment	(74,983)	—	—
Proceeds from exercise of options	3,326	—	—
Taxes paid related to net share settlement of equity awards	(10,235)	—	—
Net cash provided by (used in) financing activities	(103,072)	(44,565)	42,285
Effect of exchange rate changes	(2,939)	118	(272)
Net change in cash and restricted cash	65,872	(1,010)	(1,320)
Cash and restricted cash beginning of period	7,406	8,416	9,736
Cash and restricted cash end of period	$ 73,278	$ 7,406	$ 8,416
Supplemental cash flow information:			
Cash paid for interest	$ 1,991	$ 5,747	$ 3,148
Cash paid for income taxes	$ 5,600	$ 28,388	$ 14,980

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1. SUMMARY OF BUSINESS

Description of Business

Innovex International, Inc. ("Innovex", the "Company", the "Combined Company", or "we") designs, manufactures, sells and rents a broad suite of well-centric, engineered products to the global oil and natural gas industry. Our products are sold and rented to international oil companies, national oil companies, independent exploration and production companies and multinational service companies. The products we provide have applications across the well lifecycle for both onshore and offshore oil and natural gas wells, including well construction, well completion, and well production and intervention applications. The Company's corporate office is located in Humble, Texas.

On March 18, 2024, Innovex Downhole Solutions, Inc., a Delaware corporation ("Legacy Innovex"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Dril-Quip, Inc., a Delaware corporation ("Dril-Quip"), Ironman Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Dril-Quip, and DQ Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of Dril-Quip. On September 6, 2024 (the "Closing Date"), the transactions contemplated in the Merger Agreement (the "Merger") were consummated. Following the Merger, Legacy Innovex became a wholly owned subsidiary of Dril-Quip, and the name "Dril-Quip, Inc." was changed to "Innovex International, Inc.". The Company's stock remained listed on the New York Stock Exchange, and its symbol was changed to "INVX". Except as otherwise indicated, references herein to "Dril-Quip" are to Dril-Quip, Inc. prior to the completion of the Merger.

The Merger was accounted for using the acquisition method of accounting with Legacy Innovex being identified as the accounting acquirer. The Consolidated Financial Statements of the Company reflect the financial position, results of operations and cash flows of only Legacy Innovex for all periods prior to the Merger and of the Combined Company for all periods subsequent to the Merger.

In connection with the consummation of the Merger, the outstanding shares of common stock, par value $0.01 per share, of Legacy Innovex (the "Legacy Innovex Common Stock") were converted into the right to receive 32,183,966 shares of common stock, par value $0.01 per share, of the Company (the "Company Common Stock"). The number of shares of Company Common Stock received for each share of Legacy Innovex Common Stock by the Legacy Innovex shareholders was equal to 2.0125 (the "Exchange Ratio").

On November 29, 2024, the Company acquired the remaining 80% of the issued and outstanding equity securities of Downhole Well Solutions, LLC ("DWS") for a mixture of cash and equity consideration, resulting in DWS becoming a wholly owned subsidiary of Innovex. Refer to *Note 3. Mergers and Acquisitions* for further details.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP"). The Consolidated Financial Statements include the accounts of our subsidiaries where we have control over operating and financial policies. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates and Assumptions

The preparation of Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amount we report in our Consolidated Financial Statements and accompanying notes. Such estimates include but are not limited to estimated losses on accounts receivables, estimated realizable value on excess and obsolete inventories, estimates of the fair values of the assets and liabilities acquired through business acquisitions, estimates related to the fair value of the reporting unit for purposes of assessing possible goodwill impairment, expected future cash flows from long lived assets to support impairment tests, stock-based compensation, amounts of deferred taxes and income tax contingencies. Refer to individual accounting policies of each related account below for further details. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could materially differ from those estimates and variances could materially affect our financial condition and results of operations in future periods.

Cash and Restricted Cash

Cash consists of cash on deposit and cash on hand. The Company considers all highly liquid investments with an original maturity date of less than three months to be cash equivalents. These investments are carried at cost, which approximates fair value. Throughout the year ended December 31, 2024, we maintained cash balances that were in excess of Federal Deposit Insurance Corporation ("FDIC") insured limits. The majority of our international cash balances are deposited with large international, well capitalized and reputable banks. We closely monitor our international and domestic cash accounts for any default risks, noting none as of December 31, 2024 and 2023, and believe that we are not exposed to any significant credit risk on these amounts.

As of December 31, 2024 and 2023, the Company had a restricted cash balance of $3.6 million and $0.3 million, respectively. This balance at December 31, 2024 primarily consists of a cash collateral account with JPMorgan Chase Bank, N.A., to facilitate the Company's existing letters of credit. The Company is required to maintain a balance equal to the outstanding letters of credit plus 5% at all times which is considered restricted cash and is included in *Cash and restricted cash* in our Consolidated Balance Sheet at December 31, 2024. Withdrawals from this cash collateral account are only allowed when a given letter of credit has expired or has been cancelled.

Concentration of Credit Risk

Financial instruments that potentially subject us to credit risk are cash, restricted cash and trade receivables. Substantially all our sales are to customers whose activities are directly or indirectly related to the oil and natural gas industry. This concentration of customers may impact our overall exposure to credit risk, either positively or negatively, in that our customers may be similarly affected by changes in economic or other conditions. We generally extend credit to these customers and, therefore, collectability of receivables is affected by market conditions in the oil and natural gas industry. We perform ongoing credit evaluations as to the financial condition of our customers with respect to trade receivables. Generally, no collateral is required as a condition of sale. No single customer individually accounted for 10% or more of our consolidated revenue or trade receivables, net as of December 31, 2024 or 2023.

Trade Receivables and Allowance for Credit Losses

Trade receivables are stated at the historical carrying amount, net of allowances for credit losses. These receivables are generally uncollateralized, and accounts outstanding longer than the payment terms are considered past due.

We evaluate our global trade receivables through a continuous process of assessing our portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts and financial condition of our customers. Based on our review of these factors, we establish or adjust allowances for specific customers. Past due balances are written-off against allowance for credit losses when the accounts are deemed no longer to be collectible. This process involves judgment and estimation; therefore, our results of operations could be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts.

Trade receivables as of December 31, 2024 and 2023 are as follows:

	December 31,	
(in thousands)	**2024**	**2023**
Trade accounts receivable	$ 275,106	$ 107,218
Unbilled revenue	28,275	16,157
Allowance for credit losses	(63,875)	(5,015)
Trade receivables, net	$ 239,506	$ 118,360

The changes in allowance for credit losses during the years ended December 31, 2024, 2023 and 2022 were as follows:

	December 31,		
(in thousands)	**2024**	**2023**	**2022**
Balance at January 1	$ 5,015	$ 3,136	$ 4,962
Allowance pertaining to the receivables acquired as part of the Merger	72,685	—	—
Provision for (recovery of) credit losses	(5,049)	3,611	1,131
Write-offs charged against allowance	(8,776)	(1,732)	(2,957)
Balance at December 31	$ 63,875	$ 5,015	$ 3,136

Inventory

Inventory is stated at the lower of cost or net realizable value. The Company determines the costs of all raw materials, work-in-process and finished goods inventories by the average cost method. Cost components of inventories include direct labor, applicable production overhead, and amounts paid to suppliers for materials and products as well as freight costs and, when applicable, duty costs to import the materials and products.

The Company evaluates the realizability of inventory on a product-by-product basis in consideration of historical and anticipated sales demand, technological changes, product life cycle and component cost trends. As a result of the realizability analysis, inventories have been reduced to the lower of cost or net realizable value. If actual circumstances are less favorable than those projected by management in its evaluation of the net realizable value of inventories, additional write-downs may be required.

Property and Equipment

Property and equipment are stated at acquired cost and depreciated over their estimated useful life utilizing the straight-line method. Expenditures for property and equipment and for items which substantially increase the useful lives of existing assets are capitalized, while routine expenditures for repairs and maintenance are expensed as incurred. The assets and liabilities under finance leases are recorded at the lower of present value of the minimum lease payments or the fair value of the assets. Leasehold improvements and property under finance leases are amortized over the shorter of the remaining lease term or useful life of the related asset. The cost and related accumulated depreciation of assets retired or otherwise disposed of are eliminated from the accounts, and any resulting gains or losses are recognized in the year of disposal in *(Gain)/loss on sale of assets* in the Consolidated Statements of Operations and Comprehensive Income.

The table below summarizes the estimated useful lives of assets by category:

	Years
Buildings, building improvements and leasehold improvements	Lease term - 30
Manufacturing machinery and equipment	3 - 7
Rental tools	3
Office equipment and computer software	3 - 7
Vehicles	3 - 5
Right of use leases – finance	Lease term

Leases

At inception of a contract, we determine if the contract contains a lease. When a lease is identified, we recognize a right of use ("ROU") lease asset and a corresponding lease liability based on the present value of the lease payments over the lease term, discounted using the incremental borrowing rate. The incremental borrowing rate is calculated using an industry-specific yield curve adjusted for the Company's credit rating. The Company elected a short-term lease accounting policy that allows it to forgo applying the balance sheet recognition requirements to short-term leases. Accordingly, no ROU asset or lease liability is recognized for leases with an initial term of twelve months or less, unless a renewal option is reasonably certain to be exercised, extending the lease beyond a twelve month term. Lease payments include fixed and variable lease components derived from usage or market-based indices. Variable lease payments may fluctuate for a variety of reasons including usage, output, insurance or taxes. These variable amounts are expensed as incurred and not included in the lease assets or lease liabilities. Options to extend or terminate a lease are reflected in the lease payments and lease term when it is reasonably certain that we will exercise those options. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the Consolidated Statements of Operations and Comprehensive Income. Finance lease assets are included in *Property and equipment, net*, and finance lease liabilities are included in *Current portion of long-term debt and finance lease obligations* and *Long-term debt and finance lease obligations* on the Consolidated Balance Sheets. Operating leases are presented as *Right of use assets - operating* and *Operating lease liabilities* on the Consolidated Balance Sheets. Refer to *Note 11. Leases* for further details.

Impairment of Long-lived Assets

The Company performs reviews for impairment of long-lived assets, including property and equipment, intangible assets with definite lives and operating lease right of use assets, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Long-lived assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The carrying value of an asset group is not recoverable if it exceeds the sum of

the undiscounted cash flows expected to result from the use and eventual disposition of the asset. When an impairment is identified, the carrying amount of the asset is reduced to its estimated fair value.

In 2022, Legacy Innovex abandoned a building and determined the carrying value of the building was not recoverable and exceeded its fair value. Legacy Innovex measured the impairment loss by comparing the book value with the then current third-party quoted market price, resulting in a $1.0 million impairment loss for the year ended December 31, 2022. In 2023, Legacy Innovex received an updated third-party quoted market price for the abandoned building, resulting in an additional $0.3 million impairment loss for the year ended December 31, 2023. In the second quarter of 2024, Legacy Innovex obtained an updated third-party quoted market price for the abandoned building for less than the carrying value, resulting in an additional $0.5 million impairment loss recorded for the year ended December 31, 2024. The building was subsequently sold in the third quarter of 2024.

In the second quarter of 2024, Legacy Innovex identified a significant decrease in the market price of a right of use asset related to a building lease. Legacy Innovex determined the carrying value was not recoverable and exceeded the fair value. Legacy Innovex then measured the impairment loss by comparing the book value with a current third-party quoted market price, resulting in an impairment of $3.0 million.

Impairment losses recorded are presented as *Impairment of long-lived assets* in the Consolidated Statements of Operations and Comprehensive Income.

Goodwill

Goodwill is tested for impairment annually as of the year-end balance sheet date, or whenever events or circumstances change indicating that the fair value of a reporting unit with goodwill could be below its carrying amount. We first assess qualitative factors to determine whether it is more likely than not that the fair value of the Company's reporting unit is less than its carrying value. If the qualitative assessment indicates that it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value, a quantitative test is required. If the carrying value of the reporting unit including goodwill exceeds its fair value, an impairment charge equal to the excess would be recognized up to a maximum amount of goodwill allocated to that reporting unit. For the years ended December 31, 2024, 2023 and 2022, the Company recognized no goodwill impairments.

Intangible Assets

Intangible assets, comprised of trade names, customer relationships, non-compete agreements and patents, are amortized using the straight-line method over the assets' estimated useful lives. The estimated useful lives of intangible assets are based on an evaluation of the circumstances surrounding each asset. The table below summarizes the estimated useful lives of intangible assets by category:

	Years
Customer relationships	3 - 12
Non-compete agreements	7
Trade name	3 - 10
Technology, patents and other	5 - 14

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may be impaired. The carrying values are compared to the undiscounted anticipated future cash flows related to those assets. If the carrying value of an intangible asset exceeds the future undiscounted cash flow, an impairment charge is recorded in the period in which such review is performed, to the extent that the carrying value exceeds fair value. The Company determined that no impairment indicators existed at December 31, 2024, 2023 and 2022.

Business Combinations

We recognize and measure the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Goodwill is recorded when there is excess of purchase price paid by the Company over the fair market value of the net assets acquired. A gain on bargain purchase is recorded when the fair market value of the net assets acquired exceeds the purchase price paid by the Company. Certain assumptions and estimates are employed in evaluating the fair value of assets acquired and liabilities assumed. These estimates may be affected by factors such as changing market conditions, technological advances in the oil and natural gas industry or changes in regulations governing that industry.

The fair value of inventory is estimated using the comparative sales approach. The fair value of property and equipment is estimated using either the market approach (vehicle assets and land) or cost approach (buildings and personal property). Under the

market approach, the value reflects the price at which comparable assets are purchased under similar circumstances and the significant judgment and assumption used was defining our comparable sales information based on the age and type of assets being valued. Under the cost approach, the value is based on the cost of a market participant to reconstruct a substitute asset of comparable utility, adjusted for any obsolescence, and the key judgment and assumptions used include the replacement cost new and physical deterioration factors including economic useful life and effective age. The fair value of customer relationships and backlog are estimated using a multi-period excess earnings method. Under this method, used to estimate the fair value of customer relationships, the value is derived from cash flow projections for the customer relationships acquired, which includes significant judgments and assumptions relating to baseline revenue and revenue growth rates, EBITDA margins, contributory asset charges, customer attrition rate, and discount rate. To estimate the fair value of backlog, under the multi-period excess earnings method, the value is derived from cash flow projections for the previously sold contracts acquired, which includes significant judgments and assumptions relating to EBITDA margins, contributory asset charges, and discount rate.

The valuation of an acquired business is based on available information at the acquisition date and assumptions that are believed to be reasonable. However, a change in facts and circumstances as of the acquisition date can result in subsequent adjustments during the measurement period, but no later than one year from the acquisition date. To finalize purchase accounting for significant acquisitions, we utilize the services of independent valuation specialists to assist in the determination of fair value. Acquisition related costs are expensed as incurred. Refer to *Note 3. Mergers and Acquisitions* for further details.

Equity Method Investment

We utilize the equity method to account for investments when we possess the ability to exercise significant influence, but not control, over the operating and financial policies of the investee. In applying the equity method, we record the investment at cost and subsequently increase or decrease the carrying amount of the investment by our proportionate share of the net earnings or losses of the investee. We record dividends or other equity distributions as reductions in the carrying value of the investment. We classify distributions received from equity method investees using the cumulative earnings approach in our Consolidated Statements of Cash Flows. Under the cumulative earnings approach, distributions received from the unconsolidated entity are presumed to be a return on the investment unless the distributions received exceed cumulative equity in earnings recognized. In 2024, all distributions received before the acquisition of the remaining equity interest in DWS were deemed returns on investment and were therefore classified as *Cash flows from operating activities*. Subsequent to our acquisition of the remaining equity interest in DWS on November 29, 2024, we no longer hold ownership in a business accounted for using the equity method. Refer to *Note 3. Mergers and Acquisitions* for additional information about our previously held equity method investment.

Fair Value Measurements

Fair value is 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. An established hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used, when available. Observable inputs are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect our assumptions about the factors that market participants would use in valuing the asset or liability. The valuation hierarchy contains three levels:

Level 1:	Inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.
Level 2:	Inputs are based on quoted prices for similar instruments in active markets, quoted prices for similar or identical instruments in inactive markets and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets and liabilities.
Level 3:	One or more significant inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar valuation techniques.

The carrying amounts we have reported for financial instruments, including cash and restricted cash, trade receivables, accounts payable and accrued expenses, approximate their fair values due to the short maturity of those instruments, and are considered Level 1. Short-term and long-term debts are recorded at carrying value, which approximates the fair value due to a variable interest rate and the Company’s ability to repay at any time, and are considered Level 2.

The Company accounts for all stock-based payments to employees, including grants of employee stock options and restricted stock units, based upon their fair values at grant date or the date of later modification over the requisite service period, and these fair

value determinations are considered Level 3 for Legacy Innovex stock-based payment awards granted before the Merger and Level 1 for stock-based payment awards after the Merger. Refer to *Note 14. Stock-Based Compensation* for further details.

Revenue Recognition

Product and Service Revenue. The Company recognizes revenue under *Accounting Standards Codification Topic 606 Revenue from Contracts with Customers* ("ASC 606") using two methods: over time method and point in time method. Revenues from the sale of standard inventory products, not accounted for under the over time method, are recorded at the point in time when customers obtain control of promised goods or services. The revenue recognized is the amount of consideration which we expect to receive in exchange for those goods or services. Our contracts with customers generally contain only one performance obligation for the related product or service ordered. The transaction price is determined using a fixed unit price as specified in the sales contract times the quantity of products or services sold. The transaction price for service arrangements is determined based on hours incurred multiplied by contractually agreed upon rates. In addition, to determine the transaction price at the time when revenue is recognized, we evaluate whether the price is subject to adjustments, such as for discounts or volume rebates, which are stated in the customer contract, to determine the net consideration to which we expect to be entitled. Taxes collected on sales to customers are excluded from the transaction price.

Revenue from product sales is recognized at the point in time when control transfers to the customer, which is dependent on the associated terms and conditions within our contractual arrangements. Typically, the performance obligations are satisfied upon shipment, and this is when control transfers to the customer. The Company has elected to treat shipping and handling costs as fulfillment costs (i.e., not a promised good or service). As such, shipping and handling costs are expensed in the period incurred and included in *Cost of revenues* in our Consolidated Statements of Operations and Comprehensive Income.

Revenue from services is recognized as hours are incurred. The Company recognizes revenue as the services are performed over time. The Company's payment terms generally range from 30 to 60 days; as such, there is no significant financing component associated with the contract.

The Company uses the over time method on long-term project contracts that have the following characteristics:

- the contracts call for products which are designed to customer specifications;
- the structural designs are unique and require significant engineering and manufacturing efforts;
- product requirements cannot be filled directly from the Company's standard inventory; and
- the Company has an enforceable right to payment for any work completed to date and the enforceable payment includes a reasonable profit margin.

For each project in which revenue is recognized under the over time method, which is typically consistent of product sales of our subsea trees, the Company prepares a detailed analysis of estimated costs, profit margin, completion date and risk factors, which include availability of material, production efficiencies and other factors that may impact the project. On a quarterly basis, management reviews the progress of each project, which may result in revisions of previous estimates, including revenue recognition. The Company calculates the percentage complete and applies the percentage to determine the revenues earned and the appropriate portion of total estimated costs to be recognized. Losses, if any, are recorded in full in the period they become known.

Under the over time method, billings may not correlate directly to the revenue recognized. Based upon the terms of the specific contract, billings may be in excess of the revenue recognized, in which case the amounts are included in *Contract liabilities* as a liability in our Consolidated Balance Sheets. Likewise, revenue recognized may exceed customer billings, in which case the amounts are reported in *Contract assets* in our Consolidated Balance Sheets. At December 31, 2024, contract assets totaled $5.1 million related to products accounted for using the over time method of accounting. For the year ended December 31, 2024, there were 6 projects representing approximately 0.2% of the Company's total revenues and approximately 0.2% of its product revenues, which were accounted for using the over time method of accounting.

Rental Revenue. The Company supplies rental equipment to customers through operating leases on a short-term basis, with most equipment on a customer site for three months or less with no variable payment terms. Customers are required to return assets in the same condition as received, less any reasonable wear and tear; otherwise, additional charges will be applied. The Company's contracts convey the right to control the use of the identified equipment for a period of time in exchange for consideration; as such, these contracts are considered leases according to *Accounting Standards Codification Topic 842 Leases* ("ASC 842"). Rental revenue is

accounted for under the lease guidance according to ASC 842 and recognized ratably over the term of the lease. Customers have the option to extend rental equipment leases for short-term periods, but the options to exercise renewals are not reasonably certain. As such, no assumed lease renewals are included in lease term assessments. Lease contracts do not contain purchase options. No other significant judgments or assumptions were made to determine whether a contract contains a lease.

Refer to *Note 4. Revenue* for information regarding the Company's revenue.

Contingencies

In the ordinary course of business, we are subject to various claims, lawsuits and complaints. We vigorously defend ourselves and prosecute these matters as appropriate. We, in consultation with external legal advisors, will provide for a contingent loss in the Consolidated Financial Statements if, at the date of the Consolidated Financial Statements, it is probable that a liability has been incurred and the amount can be reasonably estimated. Based on a consideration of all relevant facts and circumstances, we do not believe that the ultimate outcome of any currently pending lawsuit against us will have a material adverse effect upon our operations, financial condition or Consolidated Financial Statements. Legal costs are expensed as incurred.

Income Taxes

Innovex is a corporation and is subject to U.S. federal as well as state income tax. Additionally, our operations in foreign jurisdictions are subject to local country income taxes. Deferred taxes are recorded using the asset and liability method, whereby tax assets and liabilities are determined based on the differences between the carrying amount and tax basis of assets and liabilities using enacted tax laws and rates expected to apply to taxable income in the year in which the differences are expected to reverse. We regularly evaluate the valuation allowances established for deferred tax assets for which future realization is uncertain. In assessing the realizability of deferred tax assets, we consider both positive and negative evidence, including scheduled reversals of deferred tax assets and liabilities, projected future taxable income, tax planning strategies and results of recent operations. If, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized, a valuation allowance is recorded. The Company's policy is to recognize interest and penalties on uncertain tax positions within the provision for income taxes in income tax expense. Refer to *Note 12. Income Taxes* for additional information.

Stock-Based Compensation

The Company accounts for stock-based compensation expense in accordance with *Accounting Standards Codification Topic 718 Compensation—Stock Compensation* ("ASC 718"). Equity instruments are measured at fair value on the grant date consistent with the terms of the award. We use an option pricing model to determine the fair value of stock options on the grant date. The Company has elected to account for forfeitures as they occur. Compensation expense is recorded on a straight-line basis over the requisite service period in *Selling, general and administrative expenses* in the Consolidated Statements of Operations and Comprehensive Income. Refer to *Note 14. Stock-Based Compensation* for additional discussion.

Foreign Currency Transactions

Transactions included in the financial information of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") and then translated to the U.S. dollar ("the reporting currency") as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at the average exchange rates occurring during the year-to-date period;
- the effect of exchange rate changes on cash are reported in each cash flow statement presented; and
- all resulting exchange differences are recognized as a separate component within *Accumulated Other Comprehensive Income* on the Consolidated Balance Sheets.

Research and Development Costs

Research and development costs, including the development costs of new products to be marketed by the Company, are expensed as incurred and included in *Selling, general and administrative expenses* on the Consolidated Statements of Operations and

Comprehensive Income. Research and development costs were approximately $3.7 million, $3.0 million and $2.5 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Segment Information

The Company operates in one reportable segment. Our chief operating decision maker ("CODM") is our Chief Executive Officer. Our CODM assesses performance and allocates resources based on financial information presented at a consolidated level. The types of products and services from which we derive our revenues is disclosed under "Revenue Recognition" in this footnote. The Company derives revenue globally, and our manufacturing and engineering capabilities exist in multiple locations, but these costs are managed centrally as manufactured parts and engineering capabilities are used to support the global company. The CODM assesses performance for the single reportable segment, which represents the consolidated global entity, based on net income which is reported in the Consolidated Statements of Operations and Comprehensive Income. The measure of segment assets is reported on the Consolidated Balance Sheets as total consolidated assets.

The CODM uses net income to evaluate the profitability of our business operations, evaluate our return on capital, and to compare our operating performance to our competitors. Net income is also used in deciding whether to reinvest profits into the existing business or to use in other ways, such as for acquisitions.

The Company has adopted ASU 2023-07, "Segment Reporting (Topic 280)", effective retrospectively for the fiscal year ended December 31, 2024. See "Recent Accounting Pronouncements" in this footnote for further discussion around the requirements of this ASU.

Reclassifications

In conjunction with the Merger, the Company made the following reclassification in the prior year presentation to conform to the current year presentation:

- The Company reclassified $2.3 million and $2.9 million for the years ended December 31, 2023 and 2022, respectively, to *Acquisition costs*, which were previously presented within *Selling, general and administrative expenses* on the Consolidated Statements of Operations and Comprehensive Income.

Recent Accounting Pronouncements

Segment Reporting (Topic 280). In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Segment Reporting —Improvements to Reportable Segment Disclosures (Topic 280). The amendments in this update require a public entity to report, for each reportable segment, a measure of the segment's profit or loss that its CODM uses to assess segment performance and make decisions about resource allocation. The ASU requires public entities to provide investors with additional, more detailed information about a reportable segment's expenses and is intended to improve the disclosures about a public entity's reportable segments. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments are required to be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company adopted ASU 2023-07 for the year ended December 31, 2024, as disclosed under "Segment Information" within this footnote.

Income Tax Disclosures (Topic 740). In December 2023, the FASB issued ASU 2023-09 which updated accounting guidance related to income tax disclosures. The updated accounting guidance, among other things, requires additional disclosures primarily related to the tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The Company is currently assessing the impact of ASU 2023-09 on its disclosures.

Expense Disaggregation Disclosures (Subtopic 220-40). In November 2024, the FASB issued ASU 2024-03 which requires additional disclosures of specific income statement expense line items in the notes to the financial statements on both an interim and annual basis. ASU 2024-03 is effective for annual periods beginning after December 15, 2026. The Company is currently assessing the impact of ASU 2024-03 on its disclosures.

NOTE 3. MERGERS AND ACQUISITIONS

The Company's acquisition of business and equity method investments consisted of the following transactions during the years ended December 31, 2024, 2023 and 2022. Acquisition costs within the Condensed Consolidated Statements of Operations and Comprehensive Income consist of legal, accounting, advisory fees, and other integration costs related to the Merger, the acquisition of Pride Energy Services, LLC, the acquisition of Rubicon Oilfield International, LLC in March of 2021, and the step acquisitions of DWS.

Legacy Innovex and Dril-Quip Merger

As discussed in *Note 1. Summary of Business*, on the Closing Date, the Merger was consummated. Following the Merger, Legacy Innovex became a wholly owned subsidiary of Dril-Quip, and the name "Dril-Quip, Inc." was changed to "Innovex International, Inc." As provided for in the Merger Agreement, Legacy Innovex paid a cash dividend of $75.0 million, or $2.39 per share, to the holders of Legacy Innovex Common Stock on September 6, 2024. The Merger was pursued given the enhanced global scale, footprint, and financial flexibility of combining the two companies. The Merger is accounted for as a reverse acquisition under ASC 805, Business Combinations ("ASC 805"), where Legacy Innovex, the legal acquiree, is determined to be the accounting acquirer of Dril-Quip based upon an evaluation of the following primary factors:

- Although the pre-combination stockholders of Legacy Innovex held approximately 48% of the Combined Company, the largest pre-combination stockholder of Legacy Innovex, Amberjack Capital Partners, L.P. ("Amberjack"), held the largest minority voting interest of approximately 44% in the Company after the Merger closed, whereas Dril-Quip's pre-combination ownership was widely dispersed among stockholders.

- Legacy Innovex surpassed Dril-Quip in size as measured in key performance metrics including Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") and Adjusted EBITDA for the year ended December 31, 2023.

- The Company's board consists of nine directors, including:

  - four continuing directors of the pre-combination Dril-Quip board of directors;

  - four directors, each a member of the pre-combination Legacy Innovex board of directors; and

  - the Chief Executive Officer of Legacy Innovex as of immediately prior to the Closing Date.

- Legacy Innovex's pre-combination senior management team constitutes the majority of the senior management of the Company, including the Chief Executive Officer, Chief Financial Officer, and the President of North America.

- Upon consummation of the Merger, the Company's headquarters are located at Legacy Innovex's headquarters, the Company's name has been changed to Innovex International, Inc., and the ticker symbol of the Company has been changed to "INVX."

Purchase Price Consideration

The accounting acquiree Dril-Quip's stock price was used to measure the consideration transferred in the reverse acquisition, as Dril-Quip's stock price was more reliably measurable than the value of the equity interest of the accounting acquirer Legacy Innovex, which was a privately held entity. The following table summarizes the consideration for the Merger (in thousands, except stock price and shares):

Fair value of shares transferred to Dril-Quip shareholders [(1)]	$	530,909
Fair value of replacement Dril-Quip stock-based payment awards attributable to the purchase price		6,364
Total purchase price consideration	**$**	**537,273**

[(1)] The fair value of shares transferred to Dril-Quip stockholders is based on 34,452,230 shares of Dril-Quip common stock outstanding and the closing stock price of Dril-Quip common stock of $15.41 on the Closing Date.

Preliminary Purchase Price Allocation

In accordance with ASC 805, identifiable assets acquired and liabilities assumed from Dril-Quip were recorded at their estimated fair values on the Closing Date. The allocation of the purchase price included in the current period balance sheet is based on the best estimate of management and is preliminary and subject to change. We will continue to obtain information to assist in determining the fair value of net assets acquired during the measurement period. The Company expects to finalize these amounts as soon as possible but no later than one year from the Closing Date.

The Merger resulted in a gain on bargain purchase recognized on the Company's Consolidated Statement of Operations and Comprehensive Income due to the estimated fair value of the identifiable net assets acquired exceeding the purchase consideration transferred. Upon completion of its preliminary assessment, the Company concluded that all of the assets acquired and liabilities assumed have been identified and recognized, including any additional assets and liabilities not previously identified or recognized in the acquisition accounting, and that recording a gain on bargain purchase was appropriate and required under U.S. GAAP. The bargain purchase gain was due to the decrease in the share price of legacy Dril-Quip stock from the date the Merger Agreement was signed to the Closing Date, while the agreed upon ratio of the Legacy Innovex stockholders' ownership of the Combined Company, as stipulated in the Merger Agreement, remained the same.

The table below presents the preliminary allocation to the estimated fair value of identifiable assets acquired and liabilities assumed, and the resulting gain on bargain purchase as of the Closing Date. Measurement period adjustments were based upon information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the measurement of the amounts recognized at that date. We have adjusted our deferred tax asset as a result of measurement period adjustments due to a refinement of our estimated deferred tax positions by jurisdictions.

(in thousands)		**Preliminary Purchase Price Allocation**	**Measurement Period Adjustments**	**Preliminary Purchase Price Allocation (as Adjusted)**
Cash and restricted cash	$	154,312	-	154,312
Trade receivables		125,155	-	125,155
Contract assets		8,675	-	8,675
Inventories		148,958	-	148,958
Assets held for sale		1,535	-	1,535
Prepaid expenses and other current assets		20,023	-	20,023
Property and equipment, net		133,690	-	133,690
Right of use assets – operating		21,358	-	21,358
Deferred tax asset, net		124,634	(6,847)	117,787
Other long-term assets		5,461	-	5,461
Total assets		743,801	(6,847)	736,954
Accounts payable		48,887	-	48,887
Accrued expenses		28,906	-	28,906
Contract liabilities		14,332	-	14,332
Operating lease liabilities - current		2,080	-	2,080
Current portion of long-term debt and finance lease obligations		595	-	595
Other current liabilities		213	-	213
Long-term debt and finance lease obligations		1,645	-	1,645
Operating lease liabilities - noncurrent		15,397	-	15,397
Other long-term liabilities		1,814	-	1,814
Total liabilities		113,869	-	113,869
Net assets acquired		**629,932**	**(6,847)**	**623,085**
Gain on bargain purchase		(92,659)	6,847	(85,812)
Total purchase consideration	**$**	**537,273**	**-**	**537,273**

The Company incurred transaction costs in connection with the Merger in the amount of $32.2 million for the year ended December 31, 2024. The costs have been expensed as incurred and recognized in *Acquisition costs* in the Company's Consolidated Statement of Operations and Comprehensive Income.

Revenue and Earnings

For the period from September 7, 2024 to December 31, 2024, we have included $148.4 million of revenues contributed by the business acquired in the Merger. Due to the integration of operations since the Closing Date, it was impracticable to present stand-alone earnings since the date of the Merger.

Downhole Well Solutions, LLC ("DWS") Acquisition

On May 1, 2023, Legacy Innovex acquired a 20% equity interest in DWS, via purchasing stock units of DWS, for the purchase price of $17.6 million in cash consideration. On November 29, 2024, the Company acquired the remaining 80% of the issued and outstanding equity securities of DWS, resulting in DWS becoming a wholly owned subsidiary of Innovex. DWS rents drilling equipment and related technology which is complimentary to the Company's existing product lines.

Prior to the acquisition of the remaining 80% ownership interest in 2024, Legacy Innovex obtained significant influence over DWS through a 20% ownership and one board seat out of three total board seats of representation on the board of directors of DWS. The acquisition was accounted for as an equity method investment under *Accounting Standards Codification 323, Investments—Equity Method and Joint Ventures* ("ASC 323"). The cost of the investment was $15.0 million more than the acquired underlying equity in DWS net assets. The difference was attributable to intangible assets of $13.0 million and equity method goodwill of $2.0 million. The difference pertaining to intangible assets was being amortized to equity method earnings over the remaining useful life of the related asset. Transaction costs recognized in connection with the acquisition were $0.7 million and were capitalized as part of the equity investment. For the period from January 1, 2024 to November 29, 2024, the Company recorded its proportionate share of DWS's net income of $3.9 million, adjusted for $1.3 million amortization attributed to intangible assets, and DWS distributed $3.1 million of dividends to the Company, which was recorded as a reduction of the carrying value of the equity investment. For the year ended December 31, 2023, the Company recorded its proportionate share of DWS's net income of $3.9 million, adjusted for $1.0 million amortization attributed to intangible assets, and DWS distributed $1.3 million of dividends to the Company, which was recorded as a reduction of the carrying value of the equity investment.

As noted above, on November 29, 2024, the Company acquired the remaining 80% of the issued and outstanding equity securities of DWS. The purchase price for the acquisition consisted of $75.1 million in cash, subject to post-closing adjustments, and 1,918,558 shares of Company Common Stock. An additional $4.0 million of the purchase price (the "Impulse Litigation Holdback Amount") was retained by the Company for purposes of funding any post-closing expenses and liabilities related to a patent infringement-related litigation matter to which DWS is a party. Refer to *Note 16. Commitments and Contingencies* for further details.

Because Innovex acquired control of DWS in the 2024 purchase, the acquisition was accounted for as a step acquisition in accordance with ASC 805. The Company remeasured its previously held 20% equity interest at its acquisition-date fair value of $27.6 million, which was determined using the implied enterprise value based on the purchase price. The resulting gain of $8.0 million was reflected within *Gain on consolidation of equity method investment* on the Condensed Consolidated Statements of Operations and Comprehensive Income.

The following table summarizes the consideration for the acquisition (in thousands, except stock price and shares):

Cash consideration	$	75,051
Impulse litigation holdback		4,000
Fair value of equity consideration [(1)]		31,215
Previously held interest		27,567
Total purchase price consideration	**$**	**137,833**

[(1)] The fair value of equity consideration is based on 1,918,558 shares transferred and the closing stock price of Company Common Stock of $16.27 on the date of acquisition.

In accordance with ASC 805, identifiable assets acquired and liabilities assumed were recorded at their estimated fair values on the date of acquisition. The allocation of the purchase price included in the current period balance sheet is based on the best estimate of management and is preliminary and subject to change. We will continue to obtain information to assist in determining the fair value of net assets acquired during the measurement period. The Company expects to finalize these amounts as soon as possible but no later than one year from the Closing Date.

The table below presents the preliminary allocation to the estimated fair value of identifiable assets acquired and liabilities assumed and the resulting goodwill as of November 29, 2024. Goodwill is primarily attributable to the anticipated synergies expected from the integration of DWS. Based on the current tax treatment, $26.1 million of goodwill is expected to be deductible for income tax purposes over a 15-year period, while the remaining portion is not expected to be deductible for income tax purposes.

(in thousands)		Preliminary Purchase Price Allocation
Cash and restricted cash	$	9,530
Trade receivables		9,864
Property and equipment, net		16,426
Right of use assets – operating		2,392
Intangibles, net		75,100
Total assets		113,312
Accounts payable		3,682
Accrued expenses		1,656
Operating lease liabilities - current		423
Current portion of long-term debt and finance lease obligations		237
Long-term debt and finance lease obligations		588
Operating lease liabilities - noncurrent		1,969
Deferred income taxes		3,168
Total liabilities		11,723
Net assets acquired		**101,589**
Goodwill		36,244
Total purchase consideration	**$**	**137,833**

The Company incurred transaction costs in connection with the acquisition in the amount of $0.6 million for the year ended December 31, 2024. The costs have been expensed as incurred and recognized in *Acquisition costs* in the Company's Consolidated Statement of Operations and Comprehensive Income.

The table below represents the detail of the intangible assets acquired and the respective amortization periods (amounts in thousands):

Intangible Type	**Weighted Average Amortization Period**		**Value**
Customer relationships	12.0 Years	$	67,800
Trade names	10.0 Years		7,300
Total intangibles acquired	11.8 Years	$	75,100

For the period from November 30, 2024 to December 31, 2024, we have included $5.6 million of revenues and $2.0 million of earnings contributed by DWS.

Refer to *Note 7. Intangible Assets and Goodwill* for further discussion of accounting treatment for goodwill and other intangible assets recognized from these acquisitions.

Pride Energy Services, LLC ("Pride") Acquisition

On August 23, 2022, Legacy Innovex acquired Pride by purchasing all of Pride's outstanding voting stock. Pride is a leading provider of spooling services and artificial lift logistics in the Permian and Delaware Basins of Texas and New Mexico, the Bakken in North Dakota, and the North Slope of Alaska, expanding the Company's offerings with complimentary services. The acquisition was accounted for as a business combination under ASC 805, with identifiable assets acquired and liabilities assumed recorded at their estimated fair values on the acquisition date. Legacy Innovex issued 320,820 shares of Legacy Innovex Common Stock and paid $30.0 million in cash as consideration for the acquisition of Pride stock, with an acquisition date fair value of $40.0 million. The total purchase price was allocated to the Company's acquired net tangible and intangible assets based on their fair values established as of August 23, 2022. The excess of the consideration transferred over the fair value of the net assets acquired was recorded as goodwill of $7.3 million. Transaction costs recognized in connection with the acquisition were immaterial. Goodwill is primarily attributable to the anticipated synergies expected from the integration of Pride. All Pride goodwill is deductible for tax purposes.

Unaudited Supplemental Pro Forma Financial Information

The unaudited supplemental pro forma information presented below has been prepared for the Company as if the Merger and the acquisition of DWS had occurred on January 1, 2023.

	Year Ended December 31,	
(in thousands)	**2024**	**2023**
Revenues	$ 1,043,946	$ 1,051,429
Net income	$ 86,138	$ 111,479

The unaudited supplemental pro forma financial information uses estimates and assumptions based on information available at the time. The Company believes the estimates and assumptions to be reasonable; however, the unaudited pro forma information is not necessarily indicative of what the Combined Company's results would have been had the Merger and acquisition of DWS been completed as of the beginning of the periods as indicated, nor does it purport to project the Company's future results. The unaudited pro forma information does not reflect any synergy savings that might have been achieved from combining the operations.

Pro forma information includes, among others, (i) incremental depreciation and amortization resulting from the property and equipment, lease right-of-use assets and intangible assets acquired, (ii) accounting policy alignment, (iii) adjustments to reflect non-recurring acquisition related costs incurred directly in connection with the transactions as if it had occurred January 1, 2023, (iv) adjustments to reflect the bargain purchase gain as if the Merger occurred on January 1, 2023, (v) elimination of the previous equity method investment in DWS, and (vi) the tax-related effects as though the transactions had occurred on January 1, 2023.

NOTE 4. REVENUE

Revenue is recognized as, or when, the performance obligations are satisfied. The Company generates revenue primarily from three revenue streams: (i) product revenues, (ii) service revenues; and (iii) rental revenues. We sell or rent our products and provide services primarily in onshore U.S. and Canadian ("NAM") markets and in international and offshore ("International and Offshore") markets. We attribute rental and service revenue to the country in which the rental or service was performed, while we attribute product sales revenue to the country to which the product was shipped. The Company has elected the practical expedient to expense commissions as the amortization period associated with the asset that would have been recognized for each order is one year or less. Rental revenue as presented in the table below is accounted for under the lease guidance according to ASC 842 and recognized ratably over the term of the lease.

From time to time, we may enter into contracts that contain multiple performance obligations, such as work orders containing a combination of product sales, equipment rentals and contract labor services. For these arrangements, we allocate the transaction price to each performance obligation identified in the contract based on relative standalone selling prices and recognize the related revenue as control of each individual product or service is transferred to the customer, in satisfaction of the corresponding performance obligations.

The following table presents our revenues disaggregated by category and by geography:

	Year Ended December 31, 2024			Year Ended December 31, 2023			Year Ended December 31, 2022		
(in thousands)	**NAM**	**INTL & Offshore**	**Total**	**NAM**	**INTL & Offshore**	**Total**	**NAM**	**INTL & Offshore**	**Total**
Product revenues	$ 286,802	$ 240,592	$ 527,394	$ 297,176	$ 163,626	$ 460,802	$ 285,722	$ 116,297	$ 402,019
Service revenues	54,952	28,175	83,127	58,100	5,291	63,391	31,653	1,866	33,519
Rental revenues	19,305	30,977	50,282	10,839	20,507	31,346	12,372	19,279	31,651
Total revenues	$ 361,059	$ 299,744	$ 660,803	$ 366,115	$ 189,424	$ 555,539	$ 329,747	$ 137,442	$ 467,189

Contract Balances

Based upon the terms of the specific contract, billings may be in excess of the revenue recognized, in which case the amounts are included in contract liabilities as a liability on the Consolidated Balance Sheets. Likewise, revenue recognized may exceed customer billings, in which case the amounts are reported in contract assets.

Contract assets are recognized for revenue related to products accounted for using the over time method of accounting and are earned on completion of the performance obligations, for which consideration to be received is conditional on something other than the passage of time. The amounts recognized as contract assets are reclassified to trade receivables upon billing, as at that point, consideration is conditional only upon the passage of time. Contract liabilities represent the Company's obligations to transfer goods or services to customers for which the Company has received consideration, in full or part, from the customer.

Balances related to contracts with customers consisted of the following:

Contract Assets (amounts shown in thousands)

Contract assets at December 31, 2023	$ -
Additions	9,003
Transfers to trade receivables, net	(3,941)
Contract assets at December 31, 2024	$ 5,062

Contract Liabilities (amounts shown in thousands)

Contract liabilities at December 31, 2023	$ -
Additions	19,621
Revenue recognized	(6,158)
Contract liabilities at December 31, 2024	$ 13,463

Obligations for returns and refunds were considered immaterial as of December 31, 2024 and 2023.

Remaining Performance Obligations

The aggregate amount of the transaction price allocated to remaining performance obligations from our over time product lines was $1.4 million as of December 31, 2024. The Company expects to recognize revenue on 100.0% of the remaining performance obligations over the next twelve months.

The Company applies the practical expedient available under ASC 606, which permits us not to disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTE 5. INVENTORY

Inventories as of December 31, 2024 and 2023 is as follows:

(in thousands)	December 31, 2024	December 31, 2023
Raw materials	$ 53,586	$ 4,329
Work in progress	24,080	4,368
Finished goods	193,507	132,491
Inventory, net	$ 271,173	$ 141,188

All amounts in the table above are reported net of obsolescence reserves of $169.5 million and $21.8 million as of December 31, 2024 and 2023.

NOTE 6. PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31, 2024 and 2023 is as follows:

(in thousands)	December 31, 2024	December 31, 2023
Land	$ 25,075	$ 1,832
Buildings, building improvements and leasehold improvements	75,689	19,481
Manufacturing machinery and equipment	64,088	35,669
Rental tools	54,456	24,444
Office equipment and computer software	4,516	1,653
Vehicles	19,638	13,451
Right of use leases – finance	20,689	16,588
Total Property and equipment	264,151	113,118
Less: Accumulated depreciation and amortization	(73,365)	(60,694)
Net Property and equipment	**$ 190,786**	**$ 52,424**

The amortization expense for the right of use finance lease assets is $6.1 million, $4.1 million and $2.1 million for the years ended December 31, 2024, 2023 and 2022, respectively. Refer to *Note 11. Leases* for further details.

Depreciation expense related to property and equipment was $16.6 million, $10.5 million, and $9.8 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The following tables present the Company's assets by geographic region:

(in thousands)	December 31, 2024	December 31, 2023
North America	$ 472,279	$ 176,421
Latin America	24,298	4,206
Middle East & Asia Pacific	34,042	4,237
Europe & Africa	25,473	2,164
Eliminations	—	—
Total noncurrent assets	**$ 556,092**	**$ 187,028**

(in thousands)	December 31, 2024	December 31, 2023
North America	$ 609,900	$ 430,651
Latin America	66,895	23,871
Middle East & Asia Pacific	21,780	20,362
Europe & Africa	504,579	10,716
Eliminations	(5,671)	(10,300)
Total assets	**$ 1,197,483**	**$ 475,300**

NOTE 7. INTANGIBLE ASSETS AND GOODWILL

Intangible Assets. Intangible assets include customer relationships, non-compete agreements, trade names, technology, patents, and other intangibles associated with various business and asset acquisitions. These acquired intangible assets were recorded at fair value determined as of the date of acquisition and are being amortized over the period we expect to benefit from the assets.

A summary of intangible assets as of December 31, 2024 and 2023 is as follows.

	December 31, 2024		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 145,966	$ (46,693)	$ 99,273
Non-compete agreements	500	(393)	107
Trade names	18,280	(9,297)	8,983
Technology, patents and other	26,133	(26,133)	—
Total	$ 190,879	$ (82,516)	$ 108,363

	December 31, 2023		
(in thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 78,166	$ (38,511)	$ 39,655
Non-compete agreements	500	(321)	179
Trade names	10,980	(9,006)	1,974
Technology, patents and other	26,133	(26,133)	—
Total	$ 115,779	$ (73,971)	$ 41,808

Amortization expense on intangible assets for the years ended December 31, 2024, 2023 and 2022 was $8.5 million, $8.0 million and $6.6 million, respectively.

See below for estimated future amortization expenses:

Year	*(in thousands)*
2025	$ 14,423
2026	12,932
2027	11,363
2028	11,363
2029	10,292
Thereafter	47,990

Goodwill. The following table presents a roll-forward of goodwill for the years ended December 31, 2024 and 2023:

(in thousands)	Goodwill, Gross	Accumulated Impairment	Goodwill, Net
Balance at December 31, 2022	$ 94,436	$ (70,504)	$ 23,932
Additions	—	—	—
Balance at December 31, 2023	$ 94,436	$ (70,504)	$ 23,932
Additions - DWS Acquisition	36,244	—	36,244
Balance at December 31, 2024	$ 130,680	$ (70,504)	$ 60,176

Impairment. We analyzed definite lived intangible assets for impairment as of December 31, 2024, 2023 and 2022 in accordance with *Accounting Standards Codification 360 Property, Plant, and Equipment,* noting no impairment indicators were present. We analyzed goodwill for impairment as of December 31, 2024, 2023 and 2022, in accordance with *Accounting Standards Codification 350 Intangibles—Goodwill and Other,* noting no impairment indicators were present. For our annual goodwill impairment test as of December 31, 2024, 2023 and 2022, we performed a qualitative assessment to determine if it was more likely than not (that is, a likelihood of more than 50 percent) that the fair value of our reporting unit was less than its carrying value as of the test date. We evaluated events and circumstances since the date of our last quantitative or qualitative assessment, including macroeconomic conditions, industry and market conditions, and our overall financial performance, and it was determined that the reporting unit fair value was, more likely than not, greater than the carrying amount. Therefore, no impairment charges were recorded related to goodwill for the years ended December 31, 2024, 2023 and 2022. We will continue to evaluate our goodwill and definite lived assets for potential triggering events as conditions warrant.

NOTE 8. PREPAIDS AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following as of December 31, 2024 and 2023:

(in thousands)	December 31, 2024	December 31, 2023
Prepaid expenses	$ 8,400	$ 3,065
Current deposits	12,316	9,521
Tax receivables	21,775	3,781
Other current assets	5,132	4,951
Total	$ 47,623	$ 21,318

NOTE 9. DEBT

Current and long-term debt obligations consisted of the following as of December 31, 2024 and 2023:

(in thousands)	December 31, 2024	December 31, 2023
Current portion of long-term debt and finance lease obligations:		
Term loan	$ 5,000	$ 5,000
Finance lease obligations	5,467	4,824
Total current portion of long-term debt and finance lease obligations	10,467	9,824
Long-term debt and finance lease obligations:		
Term loan	6,429	12,711
Revolving credit facility	14,000	23,200
Finance lease obligations	4,878	5,319
Total long-term debt and finance lease obligations	25,307	41,230
Less: debt issuance costs, net	(406)	(664)
Total long-term portion of debt and finance lease obligations, net	24,901	40,566
Total debt and finance lease obligations, net	$ 35,368	$ 50,390

Term Loan and Revolving Credit Facility

The Company's Second Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement (as amended, the "Second A&R Credit Agreement") dated June 10, 2022, governs separate debt facilities referred to as the Term Loan and the Revolving Credit Facility. The Second A&R Credit Agreement also includes additional borrowing capacities, including swing loans and letters of credit, which the Company has not utilized. The Second A&R Credit Agreement defines the Company as the borrower and PNC Bank, National Association ("PNC") as the agent. The Term Loan and the Revolving Credit Facility are secured by substantially all of the assets of the Company and certain of its subsidiaries, subject to certain customary exclusions. As of December 31, 2024, the Company had $14.0 million outstanding on the Revolving Credit Facility, and borrowing capacity available on the Revolving Credit Facility was $77.6 million.

Debt Modifications. The original Amended and Restated Revolving Credit Facility, Term Loan and Guaranty and Security Agreement (as amended prior to the Second A&R Credit Agreement, the "A&R Credit Agreement") was dated June 10, 2019. In November 2020, the Company entered into the Fourth Amendment to the A&R Credit Agreement (the "Fourth Amendment"), which became effective in March 2021. The Fourth Amendment included modifications to require quarterly principal payments on the Term Loan, followed by a final payment of all unpaid principal and accrued and unpaid interest on the then-maturity date of June 10, 2022.

The Second A&R Credit Agreement includes modifications to the definition of EBITDA and the applicable interest rate and an extension of the maturity date to June 10, 2026. The Second A&R Credit Agreement was composed of a $90.0 million Revolving Credit Facility, $20.0 million uncommitted accordion feature on the Revolving Credit Facility and $24.4 million Term Loan. The Second A&R Credit Agreement requires the Company to make quarterly principal payments on the Term Loan of $1.25 million on the first day of each quarter, followed by a final payment of all unpaid principal and accrued and unpaid interest on the maturity date.

In November 2022, the Second A&R Credit Agreement was amended to permit the Pride acquisition in August of 2022.

In April 2023, the Second A&R Credit Agreement was amended to permit the DWS acquisition in May of 2023. Refer to *Note 3. Mergers and Acquisitions* for discussion of the Pride and DWS acquisitions. The April 2023 amendment also increased borrowing availability of the Revolving Credit Facility to $110.0 million, increased borrowing availability of the Term Loan to $25.0 million and included a requirement to maintain $15.0 million of Revolving Credit Facility availability at closing of the DWS transaction.

In December 2023, the Second A&R Credit Agreement was amended to permit the repayment in full of the Subordinated Notes (as defined below) prior to the maturity date.

In June 2024, the Second A&R Credit Agreement was amended to permit the change in control event, the payment of the cash dividend contemplated by the Merger Agreement and the acquisition of the 80% issued and outstanding equity securities of DWS not then owned by the Company. Refer to *Note 3. Mergers and Acquisitions* for discussion of the Merger.

On February 27, 2025, we entered into a new credit agreement to replace the Second A&R Credit Agreement. Refer to *Note 19. Subsequent Events* for more details.

We performed a debt modification analysis in accordance with ASC 470 and concluded that the modifications align with modification accounting. There is no gain or loss resulting from the Second A&R Credit Agreement. We were in compliance with our debt covenants at December 31, 2024 and 2023.

Interest Expense. Interest expense for the A&R Credit Agreement and the Second A&R Credit Agreement is calculated based on fixed and floating rate components, displayed below:

Agreement Version:	A&R Credit Agreement	Second A&R Credit Agreement
Credit Facility	LIBOR* + 3.00%	Term SOFR** + 1.75%
Term Loan	LIBOR* + 3.25%	Term SOFR** + 2.00%

(Note: *London Interbank Offered Rate; ** Forward-looking rate based on the Secured Overnight Financing Rate.)

For the years ended December 31, 2024, 2023 and 2022, the Company's effective interest rate on the term loan was approximately 8.77%, 7.61% and 4.79%, respectively, and the effective interest rate on the revolving line of credit was approximately 9.34%, 9.56% and 7.28%, respectively. The Company has no capitalized interest for the years ended December 31, 2024, 2023 and 2022.

Subordinated Debt

On June 10, 2019, in conjunction with multiple acquisitions, Legacy Innovex issued subordinated notes totaling approximately $11.9 million (collectively, the "Subordinated Notes") payable to the sellers as part of the consideration paid by Legacy Innovex for the acquired assets. In connection with the December 2023 amendment to the Second A&R Credit Agreement, the lenders consented and agreed to the repayment in full of the Subordinated Notes prior to the maturity date notwithstanding anything to the contrary in the Subordination Agreements, and each such Subordinated Note was repaid in full in December 2023.

Maturities of Debt

Future contractual maturities of long-term debt, excluding finance leases, are as follows:

(in thousands)	
2025	$ 5,000
2026	19,000
2027	1,429
2028	—
2029	—
Total	$ 25,429

NOTE 10. ACCRUED EXPENSES

A summary of other accrued liabilities as of December 31, 2024 and 2023 is as follows:

(in thousands)	December 31, 2024	December 31, 2023
Payroll and other compensation expenses	$ 31,670	$ 17,748
Property, sales and other non-income related taxes	11,393	5,772
Accrued commission	1,137	759
Income taxes	2,340	1,982
Accrued interest	340	380
Other accrued liabilities	13,713	2,095
Total	$ 60,593	$ 28,736

NOTE 11. LEASES

The Company leases vehicles, office space, warehouse space, and manufacturing equipment under operating and finance leases expiring in various years. In addition, the Company has generated sublease income for when the Company acts as lessor. Total lease expense was $18.1 million, $14.9 million and $10.6 million for the years ended December 31, 2024, 2023 and 2022 respectively.

The Company's components of net lease cost for the years ended December 31, 2024, 2023 and 2022 is as follows:

	For the Twelve Months Ended December 31,		
(in thousands)	2024	2023	2022
Finance lease – amortization of right of use assets	$ 6,072	$ 4,116	$ 2,110
Finance lease – interest on lease liabilities	678	453	170
Operating lease cost	10,464	9,003	7,333
Variable lease cost	806	1,781	1,778
Short-term lease cost	120	100	52
Sublease income	—	(529)	(874)
Total	$ 18,140	$ 14,924	$ 10,569

Supplemental balance sheet information related to leases as of December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
Weighted average remaining lease term:		
Operating leases	6.50 years	6.27 years
Finance leases	2.12 years	2.24 years
Weighted average discount rate:		
Operating leases	6.59%	5.27%
Finance leases	7.23%	6.20%

Supplemental cash flow information related to leases for the years ended December 31, 2024, 2023 and 2022 is as follows:

	For the Twelve Months Ended December 31,		
(in thousands)	2024	2023	2022
Lease liabilities arising from obtaining right-of-use assets			
Operating leases	$ 31,563	$ 13,138	$ 6,431
Finance leases	6,373	6,369	6,003
Cash payments on leases			
Operating cash flows from operating leases	$ 10,615	$ 8,251	$ 8,088
Operating cash flows from finance leases	489	413	160
Financing cash flows from finance leases	5,698	3,865	2,272

Future minimum non-cancelable operating and finance leases mature as follows:

	Leases		
(in thousands)	Finance	Operating	Total
2025	$ 5,998	$ 13,660	$ 19,658
2026	3,706	11,885	15,591
2027	1,143	10,266	11,409
2028	330	8,615	8,945
2029	9	7,176	7,185
Thereafter	—	18,184	18,184
Subtotal	11,186	69,786	80,972
Less: amounts representing interest*	(841)	(14,086)	(14,927)
Present value of payments	$ 10,345	$ 55,700	$ 66,045

* Interest rates range from 2.08% - 13.09%.

The Company acts as a lessor where it leases rental tools to customers on a short-term basis. Rental tools are included within *Property and equipment, net* on the Consolidated Balance Sheets. Refer to *Note 6. Property and Equipment* for additional details. We recognize revenue from rental payments. Refer to *Note 2. Summary of Significant Accounting Policies* and *Note 4. Revenue* for additional details.

NOTE 12. INCOME TAXES

The components of income (loss) before income taxes are as follows:

	Years Ended December 31,		
(in thousands)	2024	2023	2022
U.S. Federal & State	$ (563,863)	$ 93,357	$ 65,899
Foreign	706,675	1,009	7,030
Income (loss) before taxes	$ 142,812	$ 94,366	$ 72,929

The components of income tax expense (benefit) are as follows:

	Years Ended December 31,		
(in thousands)	2024	2023	2022
Current tax expense			
U.S. Federal & State	$ 1,551	$ 25,975	$ 13,730
Foreign	5,531	1,871	2,632
Total current	$ 7,082	$ 27,846	$ 16,362
Deferred tax expense (benefit)			
U.S Federal & State	$ 9,724	$ (7,941)	$ (6,711)
Foreign	(14,319)	535	—
Total deferred	$ (4,595)	$ (7,406)	$ (6,711)
Total income taxes	$ 2,487	$ 20,440	$ 9,651

The reconciliation of income tax expense (benefit) computed using the US statutory income tax rate of 21% to the actual income tax expense and resulting effective tax rate is as follows:

(in thousands)	Years Ended December 31, 2024	2023	2022
U.S. statutory income tax rate	$ 29,991	$ 19,817	$ 15,295
Increase (decrease) in income taxes resulting from:			
Nondeductible expenses	(547)	258	160
Global intangible low-taxed income and foreign derived intangible income	(1,093)	(1,420)	(109)
Dividends received deduction	(6,413)	(1,570)	(2,115)
Bargain Purchase Gain	(18,021)	—	—
Equity Method Investment Gain	(1,688)	—	—
Transaction Costs	3,552	—	—
Research & development credit	(283)	(407)	(329)
Valuation allowance	(11,298)	(1,495)	(8,459)
State taxes	1,589	2,650	1,458
Prior year true up	(213)	853	1,690
Foreign rate differential	5,296	1,990	1,198
Foreign withholding tax	1,647	(236)	816
Uncertain Tax Positions	(33)	—	—
Other	1	—	46
Effective income tax expense	$ 2,487	$ 20,440	$ 9,651
Effective income tax rate	1.7%	21.7%	13.2%

We recorded a tax expense of $2.5 million, $20.4 million and $9.7 million for the years ended December 31, 2024, 2023 and 2022, respectively. For the years ended December 31, 2024, 2023 and 2022, our effective tax rate was 1.7%, 21.7% and 13.2%, respectively.

As of December 31, 2024, the Company had federal net operating losses of $298.8 million, of which $149.2 million are limited under Section 382 of the Internal Revenue Code. Of the federal net operating losses, $76.9 million are set to begin expiring in 2030 if unused, and $221.9 million are available to be carried forward indefinitely. The Company also had $64.3 million of foreign net operating losses generally expiring within 10 or 20 years from the year of generation and state net operating loss carryforwards of $22.7 million beginning to expire in 2025, of which $22.6 million are limited by Section 382 of the Internal Revenue Code.

(in thousands)	Year Ended December 31, 2024	2023
Deferred income tax assets:		
Impairment and excess amortization of intangible assets	$ 9,657	$ 4,768
Uniform capitalization of inventory	3,113	4,283
Inventory reserves	32,678	4,796
Net operating loss carryforward	79,500	49,208
Lease liability	13,851	7,733
Deferred revenue	7,103	—
Allowance for doubtful accounts	13,876	—
Capitalized R&D costs	7,310	—
Income tax credit carryforward	29,677	—
Property and equipment	4,590	—
Other	4,122	5,774
Total deferred income tax assets	$ 205,477	$ 76,562
Valuation allowance	(53,268)	(46,886)
Total deferred tax assets, net	$ 152,209	$ 29,676
Deferred tax liability:		
Property and equipment	—	(4,607)
Withholding tax	(3,192)	(726)
GAAP to STAT Deferred	(1,601)	(2,903)
Right of use asset	(13,500)	(7,423)
Total deferred tax liabilities	$ (18,293)	$ (15,659)
Net deferred income tax asset (liability)	$ 133,916	$ 14,017

As of each reporting date, the Company considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of December 31, 2024, it was determined that there is sufficient positive evidence to conclude that it is more likely than not that $133.9 million of deferred taxes are realizable. The valuation allowance was $53.3 million and $46.9 million at December 31, 2024 and December 31, 2023 respectively. The change in valuation allowance of $6.4 million primarily included $18.1 million established as part of the Merger offset with a $13.2 million release in foreign jurisdictions where we now believe we can use our deferred tax assets.

The changes in valuation allowance during the years ended December 31, 2024, 2023 and 2022 were as follows:

(in thousands)	Years Ended December 31, 2024	2023	2022
Balance at January 1	$ 46,886	$ 46,466	$ 54,925
Adjustments pertaining to deferred tax assets acquired as part of the Merger [(1)]	18,084	-	-
Charges to costs and expenses [(2)]	1,398	2,359	-
Reversals [(3)]	(13,192)	(1,179)	(7,934)
Adjustments [(4)]	92	(760)	(525)
Balance at December 31	**$ 53,268**	**$ 46,886**	**$ 46,466**

(1) The Company has adjusted certain valuation allowances as a result of the Merger and purchase price accounting.

(2) The Company has recorded valuation allowances on deferred tax assets attributable to net operating losses and tax credits in certain jurisdictions due to uncertainty of its ability to utilize these assets in future periods. During 2024, the Company recorded valuation allowances of $0.4 million and $1.0 million related to domestic deferred tax assets and foreign deferred tax assets, respectively.

(3) The Company reverses valuation allowances on deferred tax assets in the period in which, based on the weight of available evidence, it is more-likely-than-not that the deferred tax asset will be realized. In 2024, reversals were primarily driven by release in foreign jurisdictions where we now believe we will utilize deferred tax assets.

(4) The Company has adjusted certain valuation allowances as a result of changes in tax rates in certain jurisdictions, the expiration of carryforward periods for net operating loss carryforwards, and foreign exchange rate movements.

As of December 31, 2024, the 2023, 2022, and 2021 federal income tax returns remain open for examination. The foreign and state statute of limitations vary per jurisdiction but are generally open after 2019.

The Company has $20.7 million of excess foreign tax credits of which $17.8 million will expire in years ending 2024 to 2032 while $2.9 million are carried forward indefinitely. The Company has $9.0 million of general business credits which expire in tax years ending 2037 to 2043.

The Company has recorded $0.2 million in uncertain tax positions in 2024 primarily related to uncertain tax positions acquired in the merger with Dril-Quip.

	Year Ended December 31,	
(in thousands)	**2024**	**2023**
Uncertain tax positions:		
Balance at beginning of year	$ -	$ -
Additions for tax positions related to current year	273	-
Reduction for tax positions related to the prior year	(33)	-
Balance at end of year	$ 240	$ -

The amounts above exclude accrued interest and penalties of $0.1 million at December 31, 2024. The Company classifies interest and penalties relating to uncertain tax positions within *Income tax expense, net* in the Consolidated Statements of Operations and Comprehensive Income.

The Company no longer asserts permanent reinvestment. We maintain a deferred foreign tax liability, which had a balance of $3.2 million as of December 31, 2024. It is primarily related to estimated foreign withholding tax associated with repatriating non-U.S. earnings back to the United States.

The Inflation Reduction Act (“IRA”) was signed into law in August 2022. The Company has evaluated the provisions of the IRA and does not expect any material impact to its consolidated provision for income taxes.

The Organization for Economic Co-operation and Development (“OECD”) recently enacted model rules for a new global minimum tax framework, also known as Pillar Two, and certain governments globally have enacted, or are in the process of enacting, legislation considering these model rules. We have considered the possible implication of the legislation passed or in consideration of being passed, and we do not believe these rules will have a material impact on our taxes in the near future.

NOTE 13. EARNINGS PER SHARE

Basic earnings per share of Company Common Stock is calculated by dividing the net income attributable to the Company during the period by the weighted average number of shares of Company Common Stock outstanding during the same period. Diluted earnings per share, if dilutive, includes the incremental effect of issuable shares from stock awards, as determined using the treasury stock method.

As a result of the Merger, as discussed in Note 1, *Summary of Business*, all historical per share data, number of shares and number of issuable shares from stock awards were retroactively adjusted by applying the Exchange Ratio to the Legacy Innovex basic and diluted weighted average number of shares. The following table summarizes the basic and diluted earnings per share calculations:

	Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net income (in thousands)	$ 140,325	$ 73,926	$ 63,278
Denominator:			
Basic weighted average number of shares outstanding	49,727,093	30,928,647	30,540,417
Dilutive effect of equity awards	899,911	1,409,871	902,667
Diluted weighted average number of shares	50,627,004	32,338,518	31,443,084
Income per share:			
Basic	$ 2.82	$ 2.39	$ 2.07
Diluted	$ 2.77	$ 2.29	$ 2.01
Potentially dilutive shares excluded as anti-dilutive	64,147	1,441,068	1,639,074

NOTE 14. STOCK-BASED COMPENSATION

Equity Incentive Plans

In conjunction with the Merger, effective as of the Closing Date, the 2017 Omnibus Incentive Plan of Dril-Quip, Inc. (the "2017 Plan"), as amended, was maintained as the Company's continuing equity incentive plan for the benefit of employees of the Company or any of its subsidiaries and members of the board of directors. The 2017 Plan provides for awards of stock options, stock appreciation rights ("SARs"), stock awards, restricted stock, restricted stock units, cash awards and performance awards. The 2017 Plan is administered by the Compensation Committee, which is composed entirely of independent directors, for all employee awards and by the board of directors for all director awards. Up to 3,400,000 shares of common stock may be issued, either made available from authorized but unissued shares or from treasury shares that have been issued but reacquired by us. The total number of shares available for future issuance under the 2017 Plan is 535,697 shares as of December 31, 2024.

As described below, certain amounts of restricted stock awards ("RSAs"), restricted stock units ("Dril-Quip RSUs"), performance unit awards ("Performance Units") and director stock compensation awards ("DSAs") awarded by Dril-Quip under the 2017 Plan in the pre-combination period vested upon the Merger, and certain amounts of the RSAs, Dril-Quip RSUs, and Performance Units awarded under the 2017 Plan remained outstanding. All such stock-based payments awards are considered modified upon occurrence of the Merger. Compensation expense associated with those awards that have a requisite service period remaining as of the Closing Date will be recognized on a straight-line basis over the remaining requisite service period based on the Closing Date fair value.

Prior to the Merger, Legacy Innovex maintained a single equity incentive plan, the 2016 Equity Incentive Plan (the "2016 Legacy Innovex Plan"). The 2016 Legacy Innovex Plan provided for awards of stock options, restricted stock awards, restricted stock units, bonus stock, and other awards. The outstanding awards under the 2016 Legacy Innovex Plan were converted to RSUs of the Combined Company and adjusted for the Exchange Ratio. Modification accounting is not required for Legacy Innovex stock-based payment awards as the fair value of the modified awards does not exceed the fair value of the original award immediately before the original award was modified, and the vesting conditions and classification of the modified awards are the same as the original award immediately before the original award was modified. As a result, there is no incremental compensation cost resulting from the modifications related to Legacy Innovex stock-based payment awards.

Stock-based compensation expense recorded was $13.2 million, $2.0 million, and $0.9 million for the years ended December 31, 2024, 2023 and 2022, respectively. Total stock-based compensation expense by award type is as follows:

(in thousands)	Year Ended December 31, 2024	2023	2022
Restricted stock awards	$ 2,944	$ -	$ -
Restricted stock units - Dril-Quip	279	-	-
Restricted stock units - Legacy Innovex	6,853	1,205	-
Performance unit awards	2,155	-	-
Director stock compensation awards	46	-	-
Stock options	971	757	907
Total stock-based compensation expense	$ 13,248	$ 1,962	$ 907

For the year ended December 31, 2024, the income tax benefit recognized in net income for stock-based payment awards was $8.1 million. No income tax benefit was recognized in net income for stock-based payment awards for the years ended December 31, 2023 and 2022.

Restricted Stock Awards

Under the 2017 Plan, Dril-Quip awarded officers, directors, and key employees RSAs, which is an award of common stock subject to time vesting. These RSAs provide immediate ownership rights but are restricted as to transference, sale, and other disposition. The RSAs vest ratably over a three-year period.

As per the grant agreement, RSAs granted in 2021 become fully vested upon a change-in-control event, and the Merger qualified as a change-in-control event. As such, all 60,717 RSAs granted in 2021 outstanding at the Closing Date became fully vested as of the date of the Merger and were included in the purchase price consideration based on the fair value on the Closing Date.

RSAs granted in 2022 and 2023 remained outstanding and, to the extent earned, will be settled in shares of Company Common Stock, subject to appropriate adjustments to the number of shares related to each award. As of September 6, 2024, 493,048 shares of Company Common Stock subject to RSAs were outstanding under the 2017 Plan; $4.9 million of their fair value is attributable to post-Merger services and will be recognized as equity-based compensation expense in the post-combination period to the extent earned. The fair value of RSAs settled in shares during the year ended December 31, 2024 was $5.4 million.

Activity related to RSAs is as follows:

	Number of Restricted Stock Awards	Weighted-Average Grant Date Fair Value per Stock Unit
Unvested, December 31, 2023	-	$ -
Exchanged in conjunction with Merger	493,048	$ 22.89
Granted	-	$ -
Vested	(350,198)	$ 22.84
Forfeited	(3,108)	$ 22.98
Unvested, December 31, 2024	139,742	$ 23.02

As of December 31, 2024, we expect $1.9 million of unrecognized compensation cost related to RSA grants to be recognized over the weighted–average period of 1.4 years.

Restricted Stock Units

Dril-Quip RSUs. Under the 2017 Plan, Dril-Quip awarded certain employees with key roles related to a prior acquisition Dril-Quip RSUs, which is an unfunded and unsecured promise to deliver common stock subject to time vesting. Dril-Quip RSUs do not provide ownership rights until settlement occurs (i.e., delivery of the underlying shares of common stock). These Dril-Quip RSUs are restricted as to transference, sale, and other disposition, and vest ratably over a two-year period.

Dril-Quip RSUs granted in 2023 and 2024 remained outstanding at the Closing Date of the Merger and, to the extent earned, will be settled in shares of Company Common Stock, subject to appropriate adjustments to the number of shares related to each award. As of September 6, 2024, 103,014 shares of common stock subject to Dril-Quip RSUs remained outstanding under the 2017

Plan; $1.6 million of their fair value is attributable to post-Merger services and will be recognized as equity-based compensation expense in the post-combination period to the extent earned. The fair value of RSUs settled in shares during the year ended December 31, 2024 was $0.1 million.

Activity related to Dril-Quip RSUs is as follows:

	Number of Dril-Quip Restricted Stock Units		Weighted-Average Grant Date Fair Value per Stock Unit
Unvested, December 31, 2023	-	$	-
Exchanged in conjunction with Merger	103,014	$	15.91
Granted	-	$	-
Vested	(4,522)	$	22.78
Forfeited	-	$	-
Unvested, December 31, 2024	98,492	$	15.59

As of December 31, 2024, we expect $1.3 million of unrecognized compensation cost related to Dril-Quip RSU grants to be recognized over the weighted–average period of 1.7 years.

Legacy Innovex RSUs. Under the 2016 Legacy Innovex Plan, Legacy Innovex previously granted RSUs subject to vesting and forfeiture conditions during applicable restriction periods, as set forth in an applicable Award Agreements.

During the twelve months ended December 31, 2024 and 2023, after adjustment for the Exchange Ratio, Legacy Innovex granted 617,246 and 315,169 equity-classified RSUs, respectively, with a weighted average grant date fair value of $17.39 and $15.49, respectively. The fair value of RSUs settled in shares during the year ended December 31, 2024 was $4.8 million. No RSUs were settled in shares during the year ended December 31, 2023. No RSUs were granted or vested during the year ended December 31, 2022.

When RSUs are originally granted to employees or non-employee directors, they are valued at fair value on the date of grant. The Company recognizes stock-based compensation expense on a straight-line basis over the requisite service period for awards expected to ultimately vest. The RSUs granted in 2024 have two different vesting schedules. Immediately upon close of the Merger, 224,541 RSUs vested; as a result, the Company recorded $3.9 million of compensation expense related to these RSUs on the Closing Date. The remaining RSUs granted in 2024 will vest over two years beginning from the date of the Merger. RSUs granted in 2023 vest ratably over a three or four year period.

Activity related to Legacy Innovex RSUs is as follows:

	Number of Legacy Innovex Restricted Stock Units		Weighted-Average Grant Date Fair Value per Stock Unit
Unvested, December 31, 2023	315,169	$	15.49
Granted	617,246	$	17.39
Vested	(303,837)	$	16.89
Forfeited	(20,676)	$	17.39
Unvested, December 31, 2024	607,902	$	16.65

As of December 31, 2024, we expect $7.2 million of unrecognized compensation cost related to Legacy Innovex RSU grants to be recognized over the weighted–average period of 1.8 years.

Performance Unit Awards

Under the 2017 Plan, Dril-Quip awarded Performance Units to officers and key employees. Under the terms of the Performance Units, participants may earn from 0% to 200% of their target award based upon the Company's relative total share return (TSR) in comparison to the 15 component companies of the Philadelphia Oil Service Index and the S&P 500 Index. Starting with the 2022 grants, the Philadelphia Oil Service Index was replaced by the VanEck Oil Services ETF Index.

As per the grant agreement, Performance Units granted in 2021 become fully vested upon a change-in-control event, and the Merger qualified as a change-in-control event. As such, all 74,871 Performance Units granted in 2021 outstanding at the Closing Date

became fully vested as of the date of the Merger and were included in the purchase price consideration based on the fair value on the Closing Date.

Performance Units granted in 2022 and 2023 remained outstanding and, to the extent earned, will be settled in shares of Company Common Stock, subject to appropriate adjustments to the number of shares related to each award. As of September 6, 2024, 303,827 shares of Company Common Stock subject to Performance Units were outstanding under the 2017 Plan; $2.4 million of their fair value is attributable to post-Merger services and will be recognized as equity-based compensation expense in the post-combination period to the extent earned. The fair value of Performance Units settled in shares during the year ended December 31, 2024 was $4.3 million.

The Performance Units have a three-year performance period calculated from October 1, 2023 and 2022 to September 30, 2026 and 2025 for the 2023 and 2022 grants, respectively.

Activity related to Performance Units is as follows:

	Number of Performance Units	Weighted-Average Grant Date Fair Value per Stock Unit
Unvested, December 31, 2023	-	$ -
Exchanged in conjunction with Merger	303,827	$ 22.63
Granted	-	$ -
Vested	(277,773)	$ 22.59
Forfeited	-	$ -
Unvested, December 31, 2024	26,054	$ 23.03

As of December 31, 2024, we expect $0.2 million of unrecognized compensation cost related to Performance Unit awards to be recognized over the weighted–average period of 1.3 years.

Director Stock Compensation Awards

Under the 2017 Plan, a stock compensation program for the directors is authorized whereby the directors may elect to receive all or a portion of their fees in the form of restricted stock awards (DSAs) in an amount equal to 125% of the fees in lieu of cash. The awards are made quarterly on the first business day after the end of each calendar quarter and vest on January 1 of the second year after the grant date.

As per the grant agreement, DSAs become fully vested upon a change-in-control event, and the Merger qualified as a change-in-control event. As such, all 75,537 DSAs outstanding at the Closing Date became fully vested as of the date of the Merger and were included in the purchase price consideration.

For the year ended December 31, 2024, the Company granted 15,604 DSAs with a weighted average grant date fair value of $14.68. Activity related to DSAs is as follows:

	Number of Director Stock Compensation Awards	Weighted-Average Grant Date Fair Value per Stock Unit
Unvested, December 31, 2023	-	$ -
Exchanged in conjunction with Merger	-	$ -
Granted	15,604	$ 14.68
Vested	-	$ -
Unvested, December 31, 2024	15,604	$ 14.68

As of December 31, 2024, we expect $0.2 million of unrecognized compensation cost related to DSA grants to be recognized over the weighted–average period of 1.0 years.

Stock Options

Under the 2016 Legacy Innovex Plan, Legacy Innovex previously granted stock options which generally vested in equal increments over four years and had a ten-year term.

Pursuant to the Merger Agreement, each stock option became fully vested and settled immediately prior to the effective time of the Merger. Due to the accelerated vesting, the Company recognized all remaining unamortized compensation expense of $0.6 million upon close of the Merger.

Determining fair market value. Legacy Innovex estimated the fair value of each option grant using the Black-Scholes option-pricing model. The Black-Scholes option pricing model requires estimates of key assumptions based on both historical information and management judgment regarding market factors and trends. Determining the appropriate fair value model and calculating the fair value of options requires the input of highly subjective assumptions, including the expected volatility of the price of Legacy Innovex Common Stock, the risk-free rate, the expected term of the options and the expected dividend yield of Legacy Innovex Common Stock. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, stock-based compensation expense could be materially different in the future.

- *Expected volatility: 60%*—Legacy Innovex estimated expected volatility by using the historical volatilities of a peer group of public companies.
- *Risk-free interest rate:* The risk-free interest rates for options granted was based on the constant maturity Treasury bond rates whose term was consistent with the expected life of an option from the date of grant.
- *Expected term: 4 Years*—Legacy Innovex based expected term for awards issued to employees on the vesting period for the option.
- *Expected dividend yield: 0%*—Legacy Innovex did not anticipate paying cash dividends on shares of Legacy Innovex Common Stock; therefore, the expected dividend yield was assumed to be zero.
- *Weighted average estimated fair value per award:* Using the Black-Scholes option-pricing model the estimated fair value for the awards granted in 2023 and 2022, after adjustment for the Exchange Ratio, were $5.95 and $5.05, respectively. No options were granted in 2024.

During the years ended December 31, 2023 and 2022, after adjustment for the Exchange Ratio, a total of 835,175 and 121,754 options were granted with a total grant date fair value of $5.0 million and $0.6 million, respectively.

The intrinsic value of options exercised in the year ended December 31, 2024 was $19.8 million. No options were exercised in 2023 or 2022.

As of December 31, 2024, the Company had no unrecognized stock-based compensation expense attributable to stock options. Future grants will result in additional compensation expense.

The following table summarizes stock option activity during the year ended December 31, 2024:

	Shares Under Option	Weighted Average Exercise Price
Outstanding, December 31, 2023	2,535,768	$ 8.15
Granted	-	$ -
Exercised	(2,504,496)	$ 8.10
Forfeited	(31,272)	$ 12.67
Expired	-	$ -
Outstanding, December 31, 2024	-	$ -
Expected to vest	-	$ -
Exercisable, December 31, 2024	-	$ -

NOTE 15. RELATED PARTY TRANSACTIONS

Related parties include key management personnel and their close family members having authority and responsibility for planning, directing, and monitoring the activities of the Company directly or indirectly. In the normal course of business, the Company from time to time receives services and products from, or sells products, services and rentals to, related parties, in transactions that are either not material or approved in accordance with the Company's Related Party Transaction Approval Policy. Such transactions are

considered related party purchases or related party revenue only during the period of time in which the customer or vendor had a related party relationship with the entity.

The total of purchases from vendors that were related parties were $2.2 million, $1.7 million and $0.6 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Total revenue earned from customers that were related parties were $9.3 million, $3.8 million and $0.1 million for the years ended December 31, 2024, 2023 and 2022, respectively. In October 2023, we added a new member to Legacy Innovex's board of directors who was an executive of Pioneer Natural Resources, Inc. ("Pioneer"), an established customer of Legacy Innovex. Effective June 2024, this director no longer works for Pioneer and therefore is no longer considered a related party. Of the $9.3 million of revenue earned from related parties for the year ended December 31, 2024, $5.7 million related to Pioneer. Of the $3.8 million of revenue earned from related parties for the year ended December 31, 2023, $3.0 million related to Pioneer. The outstanding net trade receivables due from customers that are related parties at December 31, 2024 and 2023 was $0.2 million and $1.8 million, respectively.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

On July 1, 2022, Legacy Innovex entered into a supply agreement (the "Supply Agreement") with SCF Machining Corporation, a manufacturing company in Vietnam. Under the Supply Agreement, subject to certain terms and conditions, Legacy Innovex agreed to a minimum twelve month purchase commitment of $10 million for the manufacturing and machining of oilfield parts for three years starting on the date of first purchase, which was in January of 2023. The Company's total remaining purchase commitment as of December 31, 2024 under the Supply Agreement is approximately $12.8 million. On February 7, 2025, we acquired SCF Machining Corporation. Refer to *Note 19. Subsequent Events* for further details.

Litigation

The Company is party to various legal proceedings from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. Management believes that the probability of a material loss with respect to any currently pending legal proceeding is remote or cannot be reasonably estimated. As such, the Company did not record a reserve for litigation as of December 31, 2024, 2023 or 2022.

Impulse Litigation

In conjunction with the DWS acquisition, $4.0 million of the purchase price (the "Impulse Litigation Holdback Amount") was retained by the Company for purposes of funding any post-closing expenses and liabilities related to a patent infringement-related litigation matter to which DWS is a party, captioned Impulse Downhole Solutions Ltd., and Impulse Downhole Tools USA Ltd, v. Downhole Well Solutions, LLC, Civil Action No. 4:23-cv-02954, in the United States District Court for the Southern District of Texas Houston Division (the "Impulse Litigation"). The Company is entitled to a claw back of 80% of any post-closing expenses and liabilities related to the Impulse Litigation up to the Impulse Litigation Holdback Amount and will be responsible for any expenses and liabilities related to the Impulse Litigation that exceed the Impulse Litigation Holdback Amount. Upon the conclusion of the Impulse Litigation, the remaining balance of the Impulse Litigation Holdback Amount, if any, will be payable to the sellers in the DWS acquisition. We determined that at December 31, 2024, a loss associated with this litigation cannot be reasonably estimated, primarily due to the early stages of the case.

Steamfitters Complaint

On March 21, 2024, Plaintiff Steamfitters Local 449 Pension Fund ("Plaintiff") filed a putative class action complaint (the "Steamfitters Complaint") captioned Steamfitters Local 449 Pension Fund v. Dril-Quip, Inc., et al., C.A. No. 2024-0284-LWW (Del. Ch.) (the "Action"). The Action challenged the following provisions of a Stockholders Agreement that Amberjack Capital Partners, L.P. ("Amberjack"), Legacy Innovex's largest equity holder, had agreed to enter into with the Company in connection with the Merger (the "Stockholders Agreement"): (i) a provision requiring Amberjack to vote in favor of the board of director's nominees at the Company's 2025 annual meeting of stockholders (the "Voting Requirement") and (ii) a provision prohibiting certain transfers from Amberjack directly to an "Activist Investor" (as defined in the Stockholders Agreement) not through public market sales so long as Amberjack owned at least 10% of the Company's outstanding common stock (the "Activist Transfer Restriction"). On May 8, 2024, the Company filed with the U.S. Securities and Exchange Commission a Current Report on Form 8-K disclosing that the Company and Amberjack had agreed to amend the Stockholders Agreement to eliminate the Voting Requirement and the Activist Transfer Restriction. On May 21, 2024, the Court entered a stipulated Order dismissing the Action as moot and retaining jurisdiction to determine Plaintiff's counsel's application for an award of attorneys' fees and expenses (the "Dismissal Order"). The Dismissal Order was entered by the Court without a finding of wrongdoing by the Company, its directors, or anyone else.

Following entry of the Dismissal Order, the parties engaged in arm's-length negotiations, pursuant to which the Company and/or its insurer(s) have agreed to pay Plaintiff's counsel, on behalf of all defendants in the Action, $540,000 in attorneys' fees (inclusive of expenses) (the "Mootness Fee") in full settlement for any claim by Plaintiff or Plaintiff's counsel for an award of fees, costs, and expenses in connection with this Action. The Court has not and will not pass judgment on the Mootness Fee.

Contingent Purchase Consideration

The acquisition of 1185641 B.C. LTD (d/b/a Great North Wellhead and Frac, "Great North") by Dril-Quip in the third quarter of 2023 included a contingent consideration arrangement that requires additional consideration to be paid by the Company to the sellers of Great North based on the future revenues of Great North for fiscal years 2024 and 2025. The revenue targets were not met for fiscal year 2024, and no payout was made. At December 31, 2024, the remaining undiscounted amounts Innovex could pay under the contingent consideration agreement ranges between zero and $10.4 million. Based on management's estimate of revenue for fiscal year 2025, the probability of successfully achieving the minimum earn-out target is less than probable. As such, the Company did not record a liability for the contingent purchase consideration as of December 31, 2024.

NOTE 17. ASSETS HELD FOR SALE

In accordance with the applicable accounting guidance, FASB ASC 360-10-45-9, the Company identified $1.6 million of land and buildings, determined to be held for sale in the preliminary purchase price allocation for the Merger. In the fourth quarter of 2024, the Company identified $3.1 million of machinery determined to be held for sale and reclassified the amount from property and equipment, net. The assets' net carrying amount are classified as *Assets held for sale* on our Consolidated Balance Sheet at December 31, 2024.

NOTE 18. STOCK REPURCHASE PLAN

In conjunction with the Merger, effective as of the Closing Date, the Company maintained the share repurchase plans authorized by the Dril-Quip board of directors. Under the share repurchase plans, we were authorized to repurchase up to an aggregate $200 million of our common stock. The repurchase plans had no set expiration date and any repurchased shares were expected to be cancelled. For the year ended December 31, 2024, the Company did not purchase any shares under the share repurchase plans.

On February 25, 2025, the board of directors approved a new share repurchase program. Refer to *Note 19. Subsequent Events* for more details.

NOTE 19. SUBSEQUENT EVENTS

SCF Machining Corporation ("SCF") Acquisition

On February 7, 2025, the Company acquired SCF in exchange for $17.8 million of cash, subject to closing and post-closing adjustments. SCF is a Canadian-domiciled entity and parent company to SCF Machining Corporation Vietnam Company Limited, a Vietnam-based company that was established to grow Innovex's low-cost country supply chain by establishing an exclusive manufacturing vendor to provide Innovex with high quality, low price machined goods. We believe this acquisition will enhance our supply chain flexibility and provide greater optionality for solutions of our product portfolio. The acquisition qualifies as a business combination and will be accounted for using the acquisition method of accounting. We are currently in the process of finalizing the accounting for this transaction and expect to complete our preliminary allocation of the purchase consideration to the assets acquired and liabilities assumed by the end of the first quarter of 2025.

New Credit Agreement

On February 27, 2025, the Company entered into the Third Amended and Restated Revolving Credit, Guaranty and Security Agreement, dated as of February 27, 2025, among the Company, and each party joined thereto from time to time as a guarantor, as guarantors, the financial institutions from time to time party thereto, as lenders, and PNC Bank, National Association, as the agent for lenders (the "New Credit Agreement") to replace the Second A&R Credit Agreement. The New Credit Agreement matures on February 27, 2030. The New Credit Agreement, among other things, (i) extended the maturity of the agreement from June 2026 to February 2030, (ii) increased the maximum revolving amount from $110 million to $200 million, which may, subject to certain conditions, be increased to $250 million, (iii) eliminated the term loan commitment and (iv) provided for an applicable margin for interest on the loans to be based on availability, effective as of April 1, 2025. The applicable margin under the New Credit Agreement will range from 0.50% to 1.00% for swing loans and alternate base rate revolving loans and 1.50% to 2.00% for term SOFR revolving loans.

New Share Repurchase Program

On February 25, 2025, the Company's board of directors approved a new share repurchase program (the "New Share Repurchase Program") that authorizes repurchases of up to an aggregate of $100 million of our outstanding common stock. In connection the New Share Repurchase Program, all share repurchase plans previously authorized by the Dril-Quip board of directors have been terminated. The New Share Repurchase Program does not require us to repurchase a specific number of shares or have an expiration date. The New Share Repurchase Program may be suspended or discontinued by the Company's board of directors at any time without prior notice. The authorized repurchases will be made from time to time in the open market, through block trades or in privately negotiated transactions. The timing, volume and nature of share repurchases will be at the discretion of the Company's management and dependent on market conditions, applicable securities laws and other factors, and may be suspended or discontinued at any time. The cost of the shares that are repurchased will be funded from any funds of the Company legally available therefore. Any shares repurchased under the program will be cancelled.

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following discussion is a summary of the terms of the common stock of Innovex International, Inc. (the "Company," "we," "us" or "our"), which is the only class of our securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as contained in our restated certificate of incorporation, as amended by that certain certificate of amendment dated as of September 6, 2024 (our "certificate of incorporation"), and our amended and restated bylaws, as amended by that certain amendment dated as of September 6, 2024 (our "bylaws"), and does not purport to be complete and is qualified in its entirety by reference to the provisions of applicable law, to our certificate of incorporation and to our bylaws, which are filed as exhibits 3.1, 3.2, 3.3 and 3.4 to our Annual Report on Form 10-K.

Our authorized capital stock consists of 100,000,000 shares of common stock, par value $0.01 per share, and 10,000,000 shares of preferred stock, par value $0.01 per share.

Common Stock

Each share of common stock entitles the holder to one vote on all matters on which holders are permitted to vote, including the election of directors. There are no cumulative voting rights. Accordingly, holders of a majority of the total votes entitled to vote in an election of directors will be able to elect all of the directors standing for election. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of the common stock will share equally on a per share basis any dividends when, as and if declared by the board of directors out of funds legally available for that purpose. If we are liquidated, dissolved or wound up, the holders of our common stock will be entitled to a ratable share of any distribution to stockholders, after satisfaction of all of our liabilities and of the prior rights of any outstanding class of our preferred stock. Our common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of our common stock are fully paid and nonassessable.

Preferred Stock

Under the terms of our certificate of incorporation, our board of directors has the authority, without stockholder approval, to issue shares of preferred stock from time to time in one or more series, and to fix the number of shares and terms of each such series. The board may determine the designation and other terms of each series, including the following:

- dividend rates;
- whether dividends will be cumulative or non-cumulative;
- redemption rights;
- liquidation rights;
- sinking fund provisions;
- conversion or exchange rights; and
- voting rights.

The issuance of preferred stock, while providing us with flexibility in connection with possible acquisitions and other transactions, could adversely affect the voting power of holders of our common stock. It could also affect the likelihood that holders of our common stock will receive dividend payments and payments upon liquidation.

The issuance of shares of preferred stock, or the issuance of rights to purchase shares of preferred stock, could be used to discourage an attempt to obtain control of our company. For example, if, in the exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal was not in the best interest of our stockholders, the board could authorize the issuance of a series of preferred stock containing class voting rights that would enable the holder or holders of this series to prevent a change of control transaction or make it more difficult. Alternatively, a change of control transaction deemed by the board to be in the best interest of our stockholders could be facilitated by issuing a series of preferred stock having sufficient voting rights to provide a required percentage vote of the stockholders.

Anti-Takeover Effects of Provisions of Our Certificate of Incorporation and Our Bylaws

Certain provisions of our certificate of incorporation and our bylaws, as described below, could have the effect of delaying, deterring or preventing another party from acquiring or seeking to acquire control of us. These provisions are intended to discourage certain types of coercive takeover practices and inadequate takeover bids and to encourage anyone seeking to acquire control of us to negotiate first with our board of directors. However, these provisions may also delay, deter or prevent a change in control or other takeover of us that our stockholders might consider to be in their best interests, including transactions that might result in a premium being paid over the market price of our common stock and also may limit the price that investors are willing to pay in the future for our common stock. These provisions may also have the effect of preventing changes in our management. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us, and that the benefits of this increased protection outweigh the disadvantages of discouraging those proposals, because negotiation of those proposals could result in an improvement of their terms.

Election and Removal of Directors

Our board of directors must consist of between three and 12 directors. The exact number of directors is fixed from time to time by a majority of the directors then in office. Our board of directors is divided into three classes serving staggered three-year terms, with only one class being elected each year by our stockholders. At each annual meeting of stockholders, directors will be elected to succeed the class of directors whose terms have expired. This system of electing and removing directors may discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of the directors. In addition, no director may be removed except for cause, and directors may be removed for cause only by the affirmative vote of shares representing a majority of the shares then entitled to vote at an election of directors.

Any vacancy occurring on the board of directors and any newly created directorship may only be filled by the affirmative vote of a majority of the remaining directors in office.

Stockholder Meetings

Our certificate of incorporation and our bylaws provide that special meetings of our stockholders may be called only by the chairman of our board of directors, the chief executive officer, the president or the board pursuant to a resolution approved by the affirmative vote of a majority of the entire board of directors.

Stockholder Action by Written Consent

Our certificate of incorporation provides that any action required or permitted to be taken by the stockholders of our company must be effected at an annual or special meeting of stockholders and may not be effected by any consent in writing by such stockholders.

Amendment of Bylaws

Our bylaws may generally be altered, amended or repealed, and new bylaws may be adopted, by:

- the board, subject to the right of stockholders to amend or repeal such bylaws; or

- the affirmative vote of holders of at least two-thirds of the combined voting power of the outstanding shares of all classes of our stock entitled to vote generally in the election of directors, voting together as a single class, at any annual meeting, or at any special meeting if notice of the proposed amendment is contained in the notice of the special meeting.

Other Limitations on Stockholder Actions

Our bylaws also impose some procedural requirements on stockholders who wish to:

- make nominations in the election of directors;
- propose that a director be removed;
- propose any repeal or change in our bylaws; or
- propose any other business to be brought before an annual or special meeting of stockholders.

Under these procedural requirements, in order to bring a proposal before a meeting of stockholders, a stockholder must deliver timely notice of a proposal pertaining to a proper subject for presentation at the meeting to our corporate secretary along with the information required under our bylaws, including the following:

- a description of the business or nomination to be brought before the meeting and the reasons for conducting such business at the meeting, together with the text of the proposal (including the text of any resolution proposed for consideration);
- the names and addresses of any other stockholder known by such stockholder to be supporting the proposal;
- any Disclosable Interests (as defined in our bylaws) of such stockholder or such beneficial owner, if any, or any proposed nominee;
- any financial interest or other material interest of such stockholder and beneficial owner, if any, in the proposal;
- a representation that such stockholder intends to appear in person or by proxy at the meeting to bring the proposed business before the meeting; and
- a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with such proposal by such stockholder.

A stockholder providing notice of business proposed to be brought before a meeting shall further update and supplement such notice, 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 and as of the date that is ten business days prior to the meeting or any adjournment or postponement thereof.

To be timely, a stockholder's notice must generally be delivered to, or mailed and received at, our principal executive offices:

- in connection with an annual meeting of stockholders, not later than the close of the business on the 90th day prior to the first anniversary of the preceding year's annual meeting; provided

however, that in the event that the date of such annual meeting is more than 30 days before or more than 60 days after such anniversary date, a stockholder notice will be timely if received by us not later than the close of business on the later of (1) the 90th day prior to the annual meeting and (2) the 10th day following the day on which we first publicly announce the date of the annual meeting; or

- in connection with the election of a director at a special meeting of stockholders, not later than the close of business on the 10th day following the day on which notice of the date of the special meeting was mailed to the stockholders or public disclosure of the date of the special meeting was made, whichever occurs first.

In order to submit a nomination for our board of directors, a stockholder must also submit any information with respect to the nominee that we would be required to include in a proxy statement, as well as some other information. If a stockholder fails to follow the required procedures, the stockholder's proposal or nominee will be ineligible and will not be voted on by our stockholders.

Limitation on Liability of Directors

Our certificate of incorporation provides that no director will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duties as a director, except as required by applicable law, as in effect from time to time. Currently, Delaware law requires that liability be imposed for the following:

- any breach of the director's duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law (the "DGCL"); and
- any transaction from which the director derived an improper personal benefit.

Our bylaws provide that, to the fullest extent permitted by the DGCL, we will indemnify any of our officers and directors against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes, penalties and amounts paid in settlement) reasonably incurred or suffered arising out of the fact that the person is or was our director or officer, or served any other enterprise at our request as a director, officer, employee, agent or fiduciary. We will advance the expenses, including attorneys' fees, incurred by a person indemnified by this provision when we receive an undertaking to repay such amounts if it is ultimately determined that the person is not entitled to be indemnified by us.

Transactions and Corporate Opportunities

In order to approve certain transactions involving related persons, our certificate of incorporation requires the affirmative vote of the holders of (1) not less than 80% of the then outstanding voting stock held by stockholders voting together as a single class and (2) not less than 66 2/3% of the then outstanding voting stock not beneficially owned, directly or indirectly, by the related person. These transactions include:

- any merger, consolidation or share exchange of us or any of our subsidiaries with (1) any related person or (2) any other person who is, or after such merger, consolidation, or share exchange would be, directly or indirectly an affiliate of the related person;
- any sale, lease, exchange, mortgage, pledge, transfer or other disposition by us or any of our subsidiaries to any related person or an affiliate of a related person or by any related person or an

affiliate of a related person to us or any of our subsidiaries, of any assets or properties having an aggregate fair market value of $10,000,000 or more;

- any issuance or transfer by us or any of our subsidiaries of any of our securities or any of our subsidiaries' securities to any related person or an affiliate of a related person (subject to certain exceptions);
- any dissolution voluntarily caused or proposed by or on behalf of a related person or an affiliate of a related person;
- any reclassification of securities or recapitalization of us, or any merger, consolidation or share exchange of us with any of our subsidiaries or any other transaction that has the effect, either directly or indirectly, of increasing by more than 1% the proportionate share of the outstanding stock of any class or series or the securities convertible into stock of any class or series of us or any of our subsidiaries that is directly or indirectly owned by any related person or an affiliate of a related person or otherwise increasing the voting power of the outstanding stock of us or any of our subsidiaries that is held by any such related person or affiliate;
- any series or combination of transactions having, directly or indirectly, the same effect as any of the foregoing; or
- any agreement, contract, or other arrangement providing, directly or indirectly, for any of the foregoing transactions mentioned above.

A related person is a person or entity who or which (1) is the beneficial owner of 10% or more of the aggregate voting power of all of our outstanding stock; (2) is one of our affiliates and at any time within the two-year period immediately prior to the date in question was the beneficial owner of 10% or more of the aggregate voting power of all of our outstanding stock; or (3) is an assignee of or has otherwise succeeded to any shares of our stock that were at any time within the two-year period immediately prior to the date in question beneficially owned by any related person, if such assignment or succession shall have occurred in the course of a privately negotiated transaction rather than an open market transaction.

These voting requirements do not apply, however, to a business combination if:

- the cash, property, securities or other consideration to be received per share by holders of each and every outstanding class or series of our shares in the business combination meets certain requirements; or
- a majority of the continuing directors shall have approved the business combination.

Pursuant to the Stockholders' Agreement, dated as of September 6, 2024, by and among the Company and certain entities affiliated with Amberjack Capital Partners, L.P. ("Amberjack") (collectively, the "Amberjack Funds"), we have agreed, to the fullest extent permitted by the DGCL and subject to applicable legal requirements and any express agreement, that the Amberjack Funds and their respective affiliates and each Amberjack board designee that is also a director, officer, employee or other representative of Amberjack (collectively, the "Covered Persons") may, and has no duty not to, (i) invest in, carry on and conduct any business of any kind, nature or description, whether or not such business is competitive with or in the same or similar lines of business as us or any of our subsidiaries, (ii) do business with any client, customer, vendor or lessor of any of us or our affiliates, and/or (iii) make investments in any kind of property in which we or our subsidiaries may make investments. In addition, to the fullest extent permitted by the DGCL or any other applicable law, we have renounce any interest or expectancy to participate in any business, business opportunity, transaction, investment or other matter of any Covered Person as currently conducted or as may be conducted in the future, and waives any claim against a Covered Person and shall indemnify a Covered Person against any claim that such Covered Person is liable to us or our stockholders for

breach of any fiduciary duty or otherwise solely by reason of such Covered Person's participation in, or failure to offer or communicate to us, its subsidiaries or any controlled affiliates any information regarding, any such business opportunity.

Anti-Takeover Effects of Delaware Law

We are a Delaware corporation and are subject to Section 203 of the DGCL. Section 203 provides that we may not engage in a broad range of "business combinations" with any "interested stockholder" for a three-year period following the time that the person became an interested stockholder unless:

- prior to the time that person became an interested stockholder, our board of directors had approved either the business combination or the transaction that resulted in the person becoming an interested stockholder;
- upon consummation of the transaction that resulted in the person becoming an interested stockholder, that person owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and also officers and shares owned in employee stock plans in which participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time that person became an interested stockholder, the business combination is approved by our board of directors and by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, consolidation, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an interested stockholder is a person who, together with that person's affiliates and associates, owns, or within the previous three years owned, 15% or more of our voting stock. Under Section 203, the restrictions described above also do not apply to specific business combinations proposed by an interested stockholder following the announcement or notification of designated extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors, if such extraordinary transaction is approved or not opposed by a majority of the directors who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

Section 203 could prohibit or delay mergers or other takeover or change in control attempts with respect to us and, accordingly, may discourage attempts to acquire us.

Exclusive Forum Provision

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (4) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have subject matter jurisdiction thereof, the federal district court for the District of Delaware). Our bylaws also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. This provision will not apply to any claims seeking to enforce any duty or liability created by the Exchange Act. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of our capital stock is deemed to have notice of and consented to the these

provisions of our bylaws. These provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees.

Transfer Agent and Registrar

Computershare Shareowner Services LLC is the transfer agent and registrar for our common stock.

Deal CUSIP Number: 45782YAA2
Revolver CUSIP Number: 45782YAB0

THIRD AMENDED AND RESTATED REVOLVING CREDIT, GUARANTY AND SECURITY AGREEMENT

AMONG

INNOVEX INTERNATIONAL, INC.

(AS BORROWER),

EACH PERSON PARTY HERETO FROM TIME TO TIME AS A GUARANTOR

(AS GUARANTORS),

PNC BANK, NATIONAL ASSOCIATION
(AS LENDER AND AS AGENT),

WITH

PNC CAPITAL MARKETS, LLC
(AS LEAD ARRANGER AND BOOKRUNNER)

AND

THE FINANCIAL INSTITUTIONS
FROM TIME TO TIME PARTY HERETO
(AS LENDERS)

PNC BANK CAPITAL MARKETS LLC
(AS SYNDICATION AGENT)

February 27, 2025

TABLE OF CONTENTS

Page

1. DEFINITIONS....2
   1.1 Accounting Terms....2
   1.2 General Terms....2
   1.3 Uniform Commercial Code Terms....50
   1.4 Certain Matters of Construction....51
   1.5 Term SOFR Notification....51
   1.6 Conforming Changes Relating to the Term SOFR Rate....52

2. ADVANCES, PAYMENTS....52
   2.1 Revolving Advances....52
   2.2 Procedures for Requesting Revolving Advances; Procedures for Selection of Applicable Interest Rates for All Advances....53
   2.3 Swing Loans....56
   2.4 Disbursement of Advance Proceeds....57
   2.5 Making and Settlement of Advances....57
   2.6 Maximum Advances....59
   2.7 Manner and Repayment of Advances....59
   2.8 Repayment of Excess Advances....60
   2.9 Statement of Account....60
   2.10 Letters of Credit....61
   2.11 Issuance of Letters of Credit....61
   2.12 Requirements For Issuance of Letters of Credit....62
   2.13 Disbursements, Reimbursement....62
   2.14 Repayment of Participation Advances....64
   2.15 Documentation....64
   2.16 Determination to Honor Drawing Request....65
   2.17 Nature of Participation and Reimbursement Obligations....65
   2.18 Liability for Acts and Omissions....66
   2.19 Mandatory Prepayments....67
   2.20 Use of Proceeds....68
   2.21 Defaulting Lender....68
   2.22 Payment of Obligations....71
   2.23 Increase in Maximum Revolving Advance Amount....71

3. INTEREST AND FEES....74
   3.1 Interest....74
   3.2 Letter of Credit Fees....74
   3.3 Facility Fee....76
   3.4 Fee Letter....76
   3.5 Computation of Interest and Fees....76
   3.6 Maximum Charges....76
   3.7 Increased Costs....76
   3.8 Alternate Rate of Interest....77

3.9 Capital Adequacy....82
3.10 Taxes....83
3.11 Replacement of Lenders....86

4. COLLATERAL: GENERAL TERMS....87
4.1 Security Interest in the Collateral....87
4.2 Perfection of Security Interest....87
4.3 Preservation of Collateral....88
4.4 Ownership and Location of Collateral....88
4.5 Defense of Agent's and Lenders' Interests....89
4.6 Inspection of Premises....89
4.7 Appraisals....89
4.8 Receivables; Deposit Accounts and Securities Accounts....90
4.9 Inventory....93
4.10 Maintenance of Equipment....93
4.12 Financing Statements....93
4.13 Vehicles and Equipment....94

5. REPRESENTATIONS AND WARRANTIES....94
5.1 Authority....94
5.2 Formation and Qualification....94
5.3 Tax Returns....95
5.4 Financial Statements....95
5.5 Entity Names....96
5.6 OSHA; Environmental Compliance; Flood Insurance....96
5.7 Solvency; No Litigation, Violation, Indebtedness or Default; ERISA Compliance....97
5.8 Patents, Trademarks, Copyrights and Licenses....98
5.9 Licenses and Permits....98
5.10 Default of Indebtedness....98
5.11 No Burdensome Restrictions....99
5.12 No Labor Disputes....99
5.13 Margin Regulations....99
5.14 Investment Company Act....99
5.15 Disclosure....99
5.16 Certificate of Beneficial Ownership....100
5.17 Swaps....100
5.18 Business and Property of Loan Parties....100
5.19 Ineligible Securities....100
5.20 Commercial Tort Claims....100
5.21 Letter of Credit Rights....100
5.22 Material Contracts....100
5.23 Application of Certain Laws and Regulations....101
5.24 Sanctions and International Trade Laws....101
5.25 Anti-Corruption Laws....101

6. AFFIRMATIVE COVENANTS....101
6.1 Compliance with Laws....101

6.2 Conduct of Business and Maintenance of Existence and Assets.....102
6.3 Books and Records.....102
6.4 Payment of Taxes.....102
6.5 Financial Covenant.....103
6.7 Payment of Indebtedness and Leasehold Obligations.....104
6.9 Standards of Financial Statements.....105
6.10 Execution of Supplemental Instruments.....105
6.11 Exercise of Rights.....105
6.12 Government Receivables.....105
6.13 Certificate of Beneficial Ownership and Other Additional Information105
6.14 Keepwell.....105
6.15 Post-Closing Obligations.....106
6.16 Anti-Corruption Laws; Anti-Money Laundering Laws, International Trade Laws and Sanctions.....106

7. NEGATIVE COVENANTS.....106
7.1 Merger, Consolidation, Acquisition and Sale of Assets.....106
7.2 Creation of Liens.....108
7.3 Guarantees.....108
7.4 Investments.....108
7.5 Loans.....108
7.6 Dividends.....108
7.7 Indebtedness.....108
7.8 Nature of Business.....108
7.9 Transactions with Affiliates.....108
7.10 Inventory Locations.....109
7.11 Subsidiaries.....109
7.12 Fiscal Year and Accounting Changes.....109
7.13 Pledge of Credit.....109
7.14 Amendment of Organizational Documents.....109
7.15 Compliance with ERISA.....109
7.16 Prepayment of Indebtedness.....110
7.17 [Reserved].....110
7.18 Other Agreements.....110
7.19 Membership / Partnership Interests.....110
7.20 Anti-Corruption Laws; Anti-Money Laundering Laws; International Trade Laws and Sanctions.....110
7.21 Negative Pledge on Owned Real Property.....110
7.22 Distribution of Proceeds of Advances.....111

8. CONDITIONS PRECEDENT.....111
8.1 Conditions to Initial Advances.....111
8.2 Conditions to Each Advance.....114

9. INFORMATION AS TO LOAN PARTIES.....114
9.1 Disclosure of Material Matters.....115
9.2 Schedules.....115

9.3 Environmental Reports....115
9.4 Litigation....116
9.5 Material Occurrences....116
9.6 Government Receivables....117
9.7 Annual Financial Statements....117
9.8 Quarterly Financial Statements....117
9.9 Monthly Financial Statements....117
9.10 Other Reports....118
9.11 Additional Information....118
9.12 Projected Operating Budget....118
9.13 Variances From Operating Budget....118
9.14 Notice of Suits, Adverse Events....118
9.15 ERISA Notices and Requests....119
9.16 Additional Documents....119
9.17 Updates to Certain Schedules....119
9.18 Appraisals....120
9.19 Updates to Schedules Based on Permitted Acquisitions....120

10. EVENTS OF DEFAULT....120
10.1 Nonpayment....120
10.2 Breach of Representation....120
10.3 Financial Information....121
10.4 Judicial Actions....121
10.5 Noncompliance....121
10.6 Judgments....121
10.7 Bankruptcy....121
10.8 [Reserved]....122
10.9 Lien Priority....122
10.10 [Reserved]....122
10.11 Cross Default....122
10.12 Breach of Guaranty, Guarantor Security Agreement or Pledge Agreement....122
10.13 Change of Control....122
10.14 Invalidity....122
10.15 Seizures....122
10.16 Operations....123
10.17 Pension Plans....123
10.18 Anti-Corruption Law, Anti-Money Laundering Law, International Trade Law and Sanction Compliance....123

11. LENDERS' RIGHTS AND REMEDIES AFTER DEFAULT....123
11.1 Rights and Remedies....123
11.2 Agent's Discretion....125
11.3 Setoff....125
11.4 Rights and Remedies not Exclusive....125
11.5 Allocation of Payments After Event of Default....125

12. WAIVERS AND JUDICIAL PROCEEDINGS....127

12.1 Waiver of Notice....127
12.2 Delay....127
12.3 Jury Waiver....127

13. EFFECTIVE DATE AND TERMINATION....128
13.1 Term....128

14. REGARDING AGENT....128
14.1 Appointment....128
14.2 Nature of Duties....129
14.3 Lack of Reliance on Agent....129
14.4 Resignation of Agent; Successor Agent....129
14.5 Certain Rights of Agent....130
14.6 Reliance....130
14.7 Notice of Default....130
14.8 Indemnification....131
14.9 Agent in its Individual Capacity....131
14.10 Delivery of Documents....131
14.11 Loan Parties' Undertaking to Agent....131
14.12 No Reliance on Agent's Customer Identification Program....131
14.13 Other Agreements....132
14.14 Authority to Release Collateral and Liens....132
14.15 Erroneous Payments....132
14.16 Certain ERISA Matters....134

15. GUARANTY....136
15.1 Unconditional Guaranty....136
15.2 Continuing Guarantee....136
15.3 Waivers....136
15.4 No Defense....136
15.5 Guaranty of Payment....136
15.6 Liabilities Absolute....137
15.7 Waiver of Notice....138
15.8 Agent's Discretion....138
15.9 Reinstatement....138
15.10 Lien Subordination; Remedies Standstill....139
15.11 Statute of Limitations....139
15.12 Interest....140
15.13 Currency Conversion....140
15.14 Acknowledgement....140

16. MISCELLANEOUS....140
16.1 Governing Law....140
16.2 Entire Understanding....141
16.3 Successors and Assigns; Participations; New Lenders....144
16.4 Application of Payments....147
16.5 Indemnity....147

16.6 Notice.....149
16.7 Survival.....151
16.8 Severability.....151
16.9 Expenses.....151
16.11 Consequential Damages.....152
16.12 Captions.....152
16.13 Counterparts; Facsimile Signatures.....152
16.14 Construction.....152
16.15 Confidentiality; Sharing Information.....152
16.16 Publicity.....153
16.17 Certifications From Banks and Participants; USA PATRIOT Act.....153
16.18 [Reserved].
16.19 Amendment and Restatement.....153

LIST OF EXHIBITS AND SCHEDULES

Exhibits

Exhibit 1.2 Borrowing Base Certificate
Exhibit 1.2(a) Compliance Certificate
Exhibit 2.1(a) Revolving Credit Note
Exhibit 2.3(a) Swing Loan Note
Exhibit 5.4(b) Financial Projections
Exhibit 8.1(d) Financial Condition Certificate
Exhibit 16.3 Revolving Commitment Transfer Supplement

Schedules

Schedule 1.2 Legacy Dril-Quip Deposit Accounts
Schedule 1.2(a) Permitted Encumbrances
Schedule 1.2(b) Revolving Commitment Amounts and Revolving Commitment Percentages
Schedule 4.4(b)(i) Locations of Equipment
Schedule 4.4(b)(ii) Inventory Warehouse Locations
Schedule 4.4(b)(iii) Places of Business and Chief Executive Offices
Schedule 4.8(i) Deposit and Investment Accounts
Schedule 4.12 Financing Statements
Schedule 5.1 Consents
Schedule 5.2(a) States of Qualification and Good Standing
Schedule 5.2(b) Subsidiaries
Schedule 5.5 Prior Names
Schedule 5.6 Environmental
Schedule 5.7(b)(i) Litigation
Schedule 5.7(b)(ii) Indebtedness
Schedule 5.7(d) Plans
Schedule 5.8 Intellectual Property
Schedule 5.9 Licenses and Permits
Schedule 5.12 Labor Disputes
Schedule 5.20 Commercial Tort Claims
Schedule 5.21 Letter of Credit Rights
Schedule 5.22 Material Contracts
Schedule 6.15 Post-Closing Obligations
Schedule 7.3 Guarantees

THIRD AMENDED AND RESTATED

REVOLVING CREDIT, GUARANTY

AND

SECURITY AGREEMENT

The Third Amended and Restated Revolving Credit, Guaranty and Security Agreement dated as of February 27, 2025 among Innovex International, Inc., a corporation formed under the laws of the State of Delaware ("Innovex"), each Person identified on the signature pages hereto as a guarantor, each Person joined hereto as a guarantor from time to time, the financial institutions which are now or which hereafter become a party hereto (collectively, the "Lenders" and each individually a "Lender") and PNC Bank, National Association ("PNC"), as agent for Lenders (PNC, in such capacity, together with its successors and assigns in such capacity, the "Agent")

RECITALS

WHEREAS, among others, Innovex, certain Affiliates of Innovex, Agent and certain financial institutions party thereto as lenders are parties to that certain Second Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement, dated June 10, 2022 (the "Second A&R Closing Date"), as amended, modified or supplemented prior to the Closing Date (as so amended, modified or supplemented prior to the date hereof, the "Second A&R Credit Agreement"), which amended and restated in its entirety that certain Amended and Restated Revolving Credit, Term Loan, Guaranty and Security Agreement (as amended, modified or supplemented prior to the Second A&R Closing Date, the "A&R Credit Agreement"), dated June 10, 2019 (the "A&R Closing Date"), among, among others, certain Affiliates of Innovex, Agent and certain financial institutions party thereto as lenders;

WHEREAS, the Loan Parties have requested that the Second A&R Credit Agreement be amended and restated to, among other things, (i) restructure and increase the Advances (as defined in the A&R Credit Agreement) thereunder, including, without limitation for the purpose of repaying in full all Obligations (as defined in the Second A&R Credit Agreement) in respect of the Term Loans (as defined in the Second A&R Credit Agreement) and (ii) make such other amendments as set forth herein;

WHEREAS, Agent and the Lenders have agreed to amend and restate the Second A&R Credit Agreement to, among other things, (i) restructure and increase the Advances (as defined in the A&R Credit Agreement) thereunder and (ii) make such other amendments as set forth herein;

WHEREAS, it is the intention of the parties hereto that the Advances (as defined in the Second A&R Credit Agreement but excluding the Term Loans) outstanding under the Second A&R Credit Agreement prior to the Closing Date shall continue and remain outstanding and shall not be repaid on the Closing Date but constitute outstanding Advances hereunder and accordingly, the Advances made hereunder are not an extinguishment or novation of the Advances (as defined in the Second A&R Credit Agreement) other than the Term Loans made pursuant to the Second A&R Credit Agreement (as herein amended and restated by this Agreement).

NOW THEREFORE, in consideration of the mutual covenants and undertakings herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Loan Parties, Innovex Canada ULC, an Alberta unlimited liability company f/k/a Top-Co Inc. ("Innovex Canada"), Lenders and Agent hereby amend and restate the Second A&R Credit Agreement and agree as follows:

1. DEFINITIONS.

1.1 Accounting Terms. As used in this Agreement, the Other Documents or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1.2 or elsewhere in this Agreement and accounting terms partly defined in Section 1.2 to the extent not defined shall have the respective meanings given to them under GAAP. If there occurs after the Closing Date any change in GAAP that affects in any respect the calculation of any covenant contained in this Agreement or the definition of any term defined under GAAP used in such calculations, Agent, Lenders and Borrower shall negotiate in good faith to amend the provisions of this Agreement that relate to the calculation of such covenants with the intent of having the respective positions of Agent, Lenders and Borrower after such change in GAAP conform as nearly as possible to their respective positions as of the Closing Date; provided, that, until any such amendments have been agreed upon, the covenants in this Agreement shall be calculated as if no such change in GAAP had occurred and Borrower shall provide additional financial statements or supplements thereto, attachments to Compliance Certificates and/or calculations regarding the financial covenant set forth in Section 6.5(a) as Agent may reasonably require in order to provide the appropriate financial information required hereunder with respect to Borrower both reflecting any applicable changes in GAAP and as necessary to demonstrate compliance with the financial covenant set forth in Section 6.5(a) before giving effect to the applicable changes in GAAP. Notwithstanding anything to the contrary herein, the calculation of Adjusted EBITDA, EBITDA, Fixed Charge Coverage Ratio and Leverage Ratio (and of any component definition of such terms) shall be determined by reference to the Loan Parties on a Consolidated Basis.

1.2 General Terms. For purposes of this Agreement the following terms shall have the following meanings:

"A&R Closing Date" shall have the meaning set forth in the Recitals.

"A&R Credit Agreement" shall have the meaning set forth in the Recitals.

"Accountants" shall have the meaning set forth in Section 9.7.

"Acquired Indebtedness" shall mean Indebtedness of a Person whose assets or Equity Interests are acquired by the Loan Parties or any of their respective Subsidiaries in a Permitted Acquisition; provided, that such Indebtedness (a) is either purchase money Indebtedness or mortgage financing, (b) was in existence prior to the date of such Permitted Acquisition, and (c) was not incurred in connection with, or in contemplation of, such Permitted Acquisition.

"Adjusted EBITDA" shall mean, for any period, the sum of EBITDA for such period plus, (a) legal, consulting, investment banking and other advisory fees, expenses, costs and other charges related to or incurred in connection with (i) this Agreement to the extent paid prior to or within

ninety (90) days after the Closing Date in an aggregate amount not to exceed $1,500,000, (ii) the DWS Permitted Acquisition to the extent paid prior to or within ninety (90) days after the date that the DWS Permitted Acquisition is consummated in an aggregate amount not to exceed $500,000, (iii) the SCF Permitted Acquisition to the extent paid prior to or within ninety (90) days after the date that the SCF Permitted Acquisition is consummated in an aggregate amount not to exceed $500,000 and (iv) the Dril-Quip Merger to the extent paid prior to or within ninety (90) days after the date that the Dril-Quip Merger is consummated in an aggregate amount not to exceed $25,000,000, plus (b) [reserved], plus (c) indemnifications paid under the Management Agreement, plus (d) reasonable out-of-pocket expenses paid to any independent board members of any of the Loan Parties in an aggregate amount not to exceed $500,000 in any fiscal year, plus (e) expenses that have been reimbursed by a third party pursuant to an indemnity, guaranty or other contractual requirement in favor of one or more of the Loan Parties, plus (f) solely for the purposes of testing the financial covenant in accordance with Section 6.5(a), the amount of any equity contributions made by any Sponsor pursuant to Section 6.5(b), plus (g) severance expenses not to exceed $2,000,000 for such period, plus (h) costs, expenses and reserves incurred or established in connection with completed and potential settlements or litigation up to $2,000,000 in the aggregate in any fiscal year with respect to any dispute or matter, plus (h) non-cash lease acceleration cost, solely to the extent that any accrued lease cost is captured as debt service as lease payments are actually made, plus (i) any other fees, expenses, costs and other charges as may be approved in the Agent's Permitted Discretion.

"Administrative Questionnaire" shall mean an administrative questionnaire in a form supplied by the Agent.

"Advance Rates" shall have the meaning set forth in Section 2.1(a)(y)(iii).

"Advances" shall mean and include the Revolving Advances, Letters of Credit, and the Swing Loans.

"Affected Lender" shall have the meaning set forth in Section 3.11.

"Affiliate" of any Person shall mean (a) any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director, manager, member, managing member, general partner or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (x) to vote fifteen percent (15.00%) or more of the Equity Interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for any such Person, or (y) to direct or cause the direction of the management and policies of such Person whether by ownership of Equity Interests, contract or otherwise.

"Agent" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

"Agreement" shall mean this Third Amended and Restated Revolving Credit, Guaranty and Security Agreement, as the same may be amended, amended and restated, replaced and restated, extended, supplemented and/or otherwise modified from time to time.

"Alternate Base Rate" shall mean, for any day, a rate per annum equal to the highest of (a) the Base Rate in effect on such day, (b) the sum of the Overnight Bank Funding Rate in effect on such day plus one half of one percent (0.5%), and (c) the sum of Daily Simple SOFR in effect on such day plus one percent (1.0%), so long as Daily Simple SOFR is offered, ascertainable and not unlawful; provided, however, if the Alternate Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. Any change in the Alternate Base Rate (or any component thereof) shall take effect at the opening of business on the day such change occurs.

"Alternate Source" shall have the meaning set forth in the definition of Overnight Bank Funding Rate.

"Anti-Corruption Laws" shall mean (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other Applicable Law relating to anti-bribery or anti-corruption in any jurisdiction in which any Loan Party is located or doing business.

"Anti-Money Laundering Laws" shall mean (a) the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001; (b) the U.K. Proceeds of Crime Act 2002, the Money Laundering Regulations 2017, as amended, and the Terrorist Asset-Freezing etc. Act 2010; and (c) any other Applicable Law relating to anti-money laundering and countering the financing of terrorism in any jurisdiction in which any Loan Party is located or doing business.

"Applicable Law" shall mean all Laws applicable to the Person, conduct, transaction, covenant, Other Document or contract in question, all provisions of all applicable state, provincial, federal and foreign constitutions, statutes, rules, regulations, treaties, directives and orders of any Governmental Body, and all orders, judgments and decrees of all courts and arbitrators.

"Applicable Margin" shall mean for Revolving Advances and Swing Loans, (a) as of the Closing Date and through and including the date immediately prior to the Initial Adjustment Date (as defined below), the applicable percentage specified below:

APPLICABLE MARGINS FOR DOMESTIC RATE LOANS	APPLICABLE MARGINS FOR TERM SOFR RATE LOANS
Revolving Advances and Swing Loans	Revolving Advances
0.50%	1.50%

and (b) effective as of April 1, 2025 (the "Initial Adjustment Date") following receipt by Agent of each of the quarterly financial statements of Loan Parties on a Consolidated Basis required under

Section 9.8 for the fiscal quarter ending March 31, 2025 and the Borrowing Base Certificate required under Section 9.2(a) for the fiscal quarter ending March 31, 2025 (the Initial Adjustment Date and each day thereafter that is the first day of the month after the fiscal quarter for which the quarterly financial statements and Borrowing Base Certificate for the most recently ended fiscal quarter are required to be delivered to Agent pursuant to Section 9.8 and Section 9.2(a), as applicable, an "Adjustment Date"), and on each Adjustment Date thereafter, the Applicable Margin for Revolving Advances and Swing Loans shall be adjusted, if necessary, to the applicable percent per annum set forth in the pricing table below corresponding to the Average Excess Availability for the most recently ended fiscal quarter prior to the applicable Adjustment Date:

AVERAGE EXCESS AVAILABILITY	APPLICABLE MARGINS FOR DOMESTIC RATE LOANS	APPLICABLE MARGINS FOR TERM SOFR RATE LOANS
	Revolving Advances and Swing Loans	Revolving Advances
Greater than or equal to 50% of the Maximum Revolving Advance Amount	0.50%	1.50%
Greater than or equal to 25% of the Maximum Revolving Advance Amount but less than 50% of the Maximum Revolving Advance Amount	0.75%	1.75%
Less than 25% of the Maximum Revolving Advance Amount	1.00%	2.00%

If Loan Parties shall fail to deliver the financial statements, Borrowing Base Certificate and/or other information required under Sections 9.2(a) or 9.8 by the dates required pursuant to such sections, each Applicable Margin shall be conclusively presumed to equal the highest Applicable Margin specified in the pricing table set forth above until the date of delivery of such financial statements, Borrowing Base Certificates and/or other information, at which time the rate will be adjusted based upon the Average Excess Availability calculated pursuant to such statements. Notwithstanding anything to the contrary contained herein, no downward adjustment in any Applicable Margin shall be made on any Adjustment Date on which any Event of Default shall have occurred and be continuing. Notwithstanding anything to the contrary contained herein, immediately and automatically upon the occurrence of any Event of Default, each Applicable Margin shall increase to and equal the highest Applicable Margin specified in the pricing table set

forth above and shall continue at such highest Applicable Margin until the date (if any) on which such Event of Default shall be waived in accordance with the provisions of this Agreement, at which time the rate will be adjusted based upon the Average Excess Availability calculated pursuant to the most recently delivered financial statements, Borrowing Base Certificate and Compliance Certificate delivered by Loan Parties to Agent pursuant to Sections 9.2(a) and 9.8. Any increase in interest rates payable by Borrower under this Agreement and the Other Documents pursuant to the provisions of the foregoing sentence shall be in addition to and independent of any increase in such interest rates resulting from the occurrence of any Event of Default (including, if applicable, any Event of Default arising from a breach of Sections 9.2(a) or 9.8 hereof) and/or the effectiveness of the Default Rate provisions of Section 3.1 hereof.

If, as a result of any restatement of, or other adjustment to, the financial statements of Loan Parties or Borrowing Base Certificates or for any other reason, Agent determines that (a) Average Excess Availability as previously calculated as of any applicable date for any applicable period was inaccurate, and (b) a proper calculation of Average Excess Availability for any such period would have resulted in different pricing for such period, then (i) if the proper calculation of Average Excess Availability would have resulted in a higher interest rate for such period, automatically and immediately without the necessity of any demand or notice by Agent or any other affirmative act of any party, the interest accrued on the applicable outstanding Advances for such period under the provisions of this Agreement and the Other Documents shall be deemed to be retroactively increased by, and Borrower shall be obligated to immediately pay to Agent for the ratable benefit of Lenders an amount equal to the excess of the amount of interest that should have been paid for such period over the amount of interest actually paid for such period; and (ii) if the proper calculation of Average Excess Availability would have resulted in a lower interest rate for such period, then the interest accrued on the applicable outstanding Advances for such period under the provisions of this Agreement and the Other Documents shall be deemed to remain unchanged, and Agent and Lenders shall have no obligation to repay interest to the Borrower; provided, that, if as a result of any restatement or other event or other determination by Agent a proper calculation of Average Excess Availability would have resulted in a higher interest rate for one or more periods and a lower interest rate for one or more other periods (due to the shifting of income or expenses from one period to another period or any other reason), then the amount payable by Borrower pursuant to clause (i) above shall be based upon the excess, if any, of the amount of interest that should have been paid for all applicable periods over the amounts of interest actually paid for such periods.

"Application Date" shall have the meaning set forth in Section 2.7(b).

"Application Event" shall mean the occurrence of (a) a failure by Borrower to repay all of the Obligations in full at the end of the Term, (b) an acceleration of the Obligations pursuant to Section 11.1, or (c) an Event of Default and the election by Agent or the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 11.5.

"Approvals" shall have the meaning set forth in Section 5.7(b).

"Approved Electronic Communication" shall mean each notice, demand, communication, information, document and other material transmitted, posted or otherwise made or communicated by e-mail, E-Fax, the Credit Management Module of PNC's PINACLE® system, or any other equivalent electronic service agreed to by Agent, whether owned, operated or hosted by Agent,

any Lender, any of their Affiliates or any other Person, that any party is obligated to, or otherwise chooses to, provide to Agent pursuant to this Agreement or any Other Document, including any financial statement, financial and other report, notice, request, certificate and other information material; provided that Approved Electronic Communications shall not include any notice, demand, communication, information, document or other material that Agent specifically instructs a Person to deliver in physical form.

"Approved Foreign Credit Insurance" shall mean foreign credit insurance, the terms, conditions and carrier of which shall be satisfactory to Agent in its Permitted Discretion, subject to a lender loss payable endorsement in form and substance satisfactory to Agent in its Permitted Discretion, naming Agent as a co-insured and lender loss payee and providing (A) that all proceeds thereunder shall be payable to Agent, and (B) that such policy and loss payable clauses may not be cancelled, amended or terminated unless at least thirty (30) days' prior written notice is given to Agent, as such foreign credit insurance may be amended or supplemented from time to time to reflect changes in Customers and changes in credit limits with respect to Customers.

"Authorized Officer" shall mean the Chairman of the Board of Directors, the President, Chief Executive Officer, Chief Financial Officer, Controller or other officer designated by a Loan Party as an authorized officer of such Loan Party and approved by Agent (such approval not to be unreasonably withheld).

"Average Excess Availability" shall mean, as of any date of determination, the sum of Excess Availability for each day in the fiscal quarter most recently ended, divided by the number of days in such fiscal quarter.

"Base Rate" shall mean the base commercial lending rate of PNC as publicly announced to be in effect from time to time, such rate to be adjusted automatically, without notice, on the effective date of any change in such rate. This rate of interest is determined from time to time by PNC as a means of pricing some loans to its customers and is neither tied to any external rate of interest or index nor does it necessarily reflect the lowest rate of interest actually charged by PNC to any particular class or category of customers of PNC.

"Beneficial Owner" shall mean, for the Borrower, each of the following: (a) each individual, if any, who, directly or indirectly, owns 25% or more of the Borrower's Equity Interests; and (b) a single individual with significant responsibility to control, manage, or direct the Borrower.

"Benefit Plan" shall mean any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Benefited Lender" shall have the meaning set forth in Section 2.5(e).

"Blocked Property" shall mean any property: (a) owned, directly or indirectly, by a Sanctioned Person; (b) due to or from a Sanctioned Person; (c) in which a Sanctioned Person otherwise holds any interest; (d) located in a Sanctioned Jurisdiction; or (e) that otherwise could

cause any violation by the Lenders or Agent of any applicable International Trade Law or Sanctions if the Lenders or Agent were to obtain an encumbrance on, lien on, pledge of, or security interest in such property, or provide services in consideration of such property.

"Bloomberg" shall mean Bloomberg Index Services Limited (or a successor administrator).

"Borrower" shall mean Innovex and its permitted successors and assigns.

"Borrower's Account" shall have the meaning set forth in Section 2.9.

"Borrowing Base Certificate" shall mean a certificate in substantially the form of Exhibit 1.2 duly executed by an Authorized Officer of the Borrower or other Person authorized by Borrower and approved by Agent (such approval not to be unreasonably withheld) and delivered to Agent, appropriately completed, by which such officer or other Person shall certify to Agent the Formula Amount and calculation thereof as of the date of such certificate.

"Business Day" shall mean any day other than Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by Law to be closed for business in East Brunswick, New Jersey; provided that when used in connection with an amount that bears interest at a rate based on the Term SOFR Reference Rate or SOFR or any direct or indirect calculation or determination of the Term SOFR Reference Rate or SOFR, the term "Business Day" shall mean any such day that is also a U.S. Government Securities Business Day.

"Capital Expenditures" shall mean expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements (or of any replacements or substitutions thereof or additions thereto) which have a useful life of more than one (1) year and which, in accordance with GAAP, would be classified as capital expenditures. Capital Expenditures shall include the total principal portion of Capitalized Lease Obligations.

"Capitalized Lease Obligation" shall mean any Indebtedness represented by obligations under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP; provided that notwithstanding anything to the contrary contained herein or in any Other Document, any lease (whether entered into before or after the Closing Date) that would have been classified as an operating lease pursuant to GAAP as in effect on the Closing Date will be deemed not to represent a Capitalized Lease Obligation, regardless of any change in GAAP following the Closing Date that would otherwise require such lease to be re-characterized (on a prospective or retroactive basis or otherwise).

"Cash Dominion Trigger Event" shall mean the occurrence of the following at any time, (i) the occurrence and continuance of an Event of Default or (ii) Excess Availability is less than (A) twelve and one-half percent (12.5%) of the Maximum Revolving Advance Amount for five (5) consecutive Business Days or (B) $20,000,000 at any time.

"Cash Management Liabilities" shall have the meaning provided in the definition of "Cash Management Products and Services."

"Cash Management Products and Services" shall mean agreements or other arrangements under which Agent or any Lender or any Affiliate of Agent or a Lender provides any of the

following products or services to any Loan Party: (a) credit cards; (b) credit card processing services; (c) debit cards and stored value cards; (d) commercial cards (purchase cards); (e) ACH transactions; and (f) cash management and treasury management services and products, including without limitation controlled disbursement accounts or services, lockboxes, automated clearinghouse transactions, overdrafts, interstate depository network services. The indebtedness, obligations and liabilities of any Loan Party to the provider of any Cash Management Products and Services (including all obligations and liabilities owing to such provider in respect of any returned items deposited with such provider) (the "Cash Management Liabilities") shall be "Obligations" hereunder, guaranteed obligations under the Guaranty and secured obligations under any Guarantor Security Agreement, as applicable, and otherwise treated as Obligations for purposes of each of the Other Documents. The Liens securing the Cash Management Products and Services shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents, subject to the express provisions of Section 11.5.

"CEA" shall mean the Commodity Exchange Act (7 U.S.C.§1 et seq.), as amended from time to time, and any successor statute.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq.

"Certificate of Beneficial Ownership" shall mean, for the Borrower, a certificate in form and substance acceptable to Agent (as amended or modified by Agent from time to time in its sole discretion), certifying, among other things, the Beneficial Owner of the Borrower.

"CFTC" shall mean the Commodity Futures Trading Commission.

"Change in Law" shall mean the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Applicable Law; (b) any change in any Applicable Law or in the administration, implementation, interpretation or application thereof by any Governmental Body; or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Governmental Body; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, interpretations or directives thereunder or issued in connection therewith (whether or not having the force of Applicable Law) and (y) all requests, rules, regulations, guidelines, interpretations or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities (whether or not having the force of Law), in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law regardless of the date enacted, adopted, issued, promulgated or implemented.

"Change of Control" shall mean (a) any person or group of persons (within the meaning of Section 13(d) or 14(a) of the Exchange Act), other than Sponsor, any Affiliates of any Sponsor or any group of persons (within the meaning of Section 13(d) or 14(a) of the Exchange Act) that includes any Sponsor, shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the SEC under the Exchange Act) of fifty percent (50%) or more of the Equity Interests of Innovex having ordinary voting power for the election of directors (or Persons performing similar functions), (b) during any period of twelve (12) consecutive months, a majority

of the members of the board of directors of Innovex cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board, or (iii) whose election or nomination to that board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or (c) the occurrence of any event (whether in one or more transactions, but excluding any transaction that is expressly permitted by this Agreement) which results in Innovex failing to individually or collectively own, directly or indirectly, 100% of the Equity Interests (on a fully diluted basis) of each Guarantor, including any Guarantor acquired pursuant to a Permitted Acquisition and joined as a Guarantor hereto pursuant to Section 7.11.

"Charges" shall mean all taxes, charges, fees, imposts, levies or other assessments, including all net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation and property taxes, custom duties, fees, assessments, liens, claims and charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts, imposed by any taxing or other authority, domestic or foreign (including the Pension Benefit Guaranty Corporation or any environmental agency or superfund), upon the Collateral, any Loan Party or any of its Affiliates.

"CIP Regulations" shall have the meaning set forth in Section 14.12.

"Citibank SCF Agreement" shall have the meaning set forth in the definition of Permitted Factoring Agreement.

"Closing Date" shall mean February 27, 2025 or such other date as may be agreed to in writing by the parties hereto.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

"Collateral" shall mean and include all right, title and interest of each Loan Party in all of the following property and assets of such Loan Party, in each case whether now existing or hereafter arising or created and whether now owned or hereafter acquired and wherever located, including, without limitation:

(a) all Receivables and all supporting obligations relating thereto;

(b) all Equipment, machinery, furniture and fixtures;

(c) all general intangibles and Intellectual Property (including all payment intangibles and all software) and all supporting obligations related thereto;

(d) all Inventory;

(e) all Subsidiary Stock, securities, investment property, and financial assets;

(f) all owned Real Property;

(g) [reserved];

(h) all contract rights, rights of payment which have been earned under a contract rights, chattel paper (including electronic chattel paper and tangible chattel paper), commercial tort claims (whether now existing or hereafter arising); documents (including all warehouse receipts and bills of lading), deposit accounts, goods, instruments (including promissory notes), letters of credit (whether or not the respective letter of credit is evidenced by a writing) and letter-of-credit rights, cash, certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), security agreements, eminent domain proceeds, condemnation proceeds, tort claim proceeds and all supporting obligations;

(i) all ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by any Loan Party or in which it has an interest), computer programs, tapes, disks and documents, including all of such property relating to the property described in clauses (a) through (h) of this definition; and

(j) all proceeds and products of the property described in clauses (a) through (i) of this definition, in whatever form. It is the intention of the parties that if Agent shall fail to have a perfected Lien in any particular property or assets of any Loan Party for any reason whatsoever, but the provisions of this Agreement and/or of the Other Documents, together with all financing statements and other public filings relating to Liens filed or recorded by Agent against Loan Parties, would be sufficient to create a perfected Lien in any property or assets that such Loan Party may receive upon the sale, lease, license, exchange, transfer or disposition of such particular property or assets, then all such "proceeds" of such particular property or assets shall be included in the Collateral as original collateral that is the subject of a direct and original grant of a security interest as provided for herein and in the Other Documents (and not merely as proceeds (as defined in Article 9 of the Uniform Commercial Code) in which a security interest is created or arises solely pursuant to Section 9-315 of the Uniform Commercial Code).

Notwithstanding the forgoing, Collateral shall not include any Excluded Property.

"Collateral Assignment of Acquisition Agreement" shall mean any Collateral Assignment of Acquisition Agreement, dated as of the date of any Permitted Acquisition or other acquisition permitted hereunder, among Innovex or another Loan Party, the Person being acquired in connection with such Permitted Acquisition or other acquisition permitted hereunder and Agent, as Agent may require in its Permitted Discretion with respect to any Permitted Acquisition and the terms and conditions of which shall be satisfactory to Agent in its Permitted Discretion.

"Compliance Authority" shall mean (a) the United States government or any agency or political subdivision thereof, including, without limitation, the U.S. Department of State, the U.S. Department of Commerce, the U.S. Department of the Treasury and its Office of Foreign Assets Control, and the U.S. Customs and Border Protection agency; (b) the government of Canada or any agency thereof; (c) the European Union or any agency thereof; (d) the government of the United Kingdom or any agency thereof; (e) the United Nations Security Council; and (f) any other Governmental Body with jurisdiction over the Loan Parties to administer Anti-Corruption Laws,

Anti-Money Laundering Laws, International Trade Laws or Sanctions with respect to the conduct of a Covered Entity.

"Compliance Certificate" shall mean a compliance certificate substantially in the form of Exhibit 1.2(a) hereto to be signed by an Authorized Officer of Borrower.

"Conforming Changes" shall mean, with respect to the Term SOFR Rate or any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "Interest Period," (or other applicable provisions regarding interest periods available), the definition of "U.S. Government Securities Business Day," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Agent decides may be appropriate to reflect the adoption and implementation of the Term SOFR Rate or such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of the Term SOFR Rate or the Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the Other Documents).

"Consents" shall mean all filings and all licenses, permits, consents, approvals, authorizations, qualifications and orders of Governmental Bodies and other third parties, domestic or foreign, necessary to carry on any Loan Party's business or necessary (including to avoid a conflict or breach under any agreement, instrument, other document, license, permit or other authorization) for the execution, delivery or performance of this Agreement, the Other Documents, or any Permitted Acquisition Agreement and related documents, including any Consents required under all applicable federal, state, provincial or other Applicable Law.

"Consigned Inventory" shall mean Inventory of any Eligible Loan Party that is in the possession of another Person on a consignment, sale or return, or other basis that does not constitute a final sale and acceptance of such Inventory.

"Contract Rate" shall have the meaning set forth in Section 3.1.

"Control Agreement Exclusion" shall have the meaning set forth in Section 4.8(g).

"Controlled Account Bank" shall have the meaning set forth in Section 4.8(g).

"Controlled Accounts" shall have the meaning set forth in Section 4.8(g).

"Controlled Group" shall mean, at any time, each Loan Party and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with any Loan Party, are treated as a single employer under Section 414 of the Code.

"Controlling Entity" shall mean each Person that, directly or indirectly, controls a Covered Entity if and only to the extent such Person is acting on behalf of a Covered Entity. For purposes

of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, twenty-five percent (25%) or more of the issued and outstanding Equity Interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of Equity Interests, contract or otherwise.

"Copyright Security Agreement" shall mean that certain Amended and Restated Copyright Security Agreement, dated on or after the Closing Date, executed by certain Loan Parties in favor of Agent for its benefit and the ratable benefit of Lenders, in form and substance satisfactory to Agent, as may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Country Limitation Schedule" shall mean the schedule published from time to time by Ex-Im Bank setting forth on a country by country basis whether and under what conditions Ex-Im Bank will provide coverage for the financing of export transactions to countries listed therein.

"Covered Entity" shall mean (a) the Borrower and its Subsidiaries; and (b) each Guarantor and any Person who has pledged (or will pledge) Collateral hereunder or under any Other Document.

"Covered Tax" shall have the meaning set forth in Section 15.1.

"Curable Default" shall have the meaning set forth in Section 6.5(b).

"Customer" shall mean and include (i) the account debtor with respect to any Receivable, (ii) any purchaser of goods of services with respect to any Eligible Unbilled Receivable, and/or (iii) the prospective purchaser of goods, services or both with respect to any contract or contract right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Eligible Loan Party, pursuant to which such Eligible Loan Party is to deliver any personal property or perform any services.

"Customs" shall have the meaning set forth in Section 2.12(b).

"Daily Simple SOFR" shall mean, for any day (a "SOFR Rate Day"), the interest rate per annum determined by the Agent by dividing (the resulting quotient rounded upwards, at the Agent's discretion, to the nearest 1/100th of 1%) (A) SOFR for the day (the "SOFR Determination Date") that is two (2) Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source identified by the Federal Reserve Bank of New York or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the SOFR Floor, then Daily Simple SOFR shall be deemed to be the SOFR Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination

Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of "SOFR"; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the Borrower, effective on the date of any such change.

"Debt Payments" shall mean for any period, in each case, all cash actually expended to make: (a) interest payments on any Advances hereunder, plus (b) payments for all fees, commissions and charges set forth herein, plus (d) payments on Capitalized Lease Obligations, plus (e) payments in cash with respect to any other Indebtedness for borrowed money.

"Default" shall mean an event, circumstance or condition which, with the giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 3.1.

"Defaulting Lender" shall mean any Lender that: (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Revolving Commitment Percentage of Advances, (ii) if applicable, fund any portion of its Participation Commitment in Letters of Credit or Swing Loans or (iii) pay over to Agent, Issuer, Swing Loan Lender or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including a particular Default or Event of Default, if any) has not been satisfied; (b) has notified Borrower or Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including a particular Default or Event of Default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit; (c) has failed, within two (2) Business Days after request by Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Advances and, if applicable, participations in then outstanding Letters of Credit and Swing Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon Agent's receipt of such certification in form and substance satisfactory to the Agent; (d) has become the subject of an Insolvency Event; or (e) has failed at any time to comply with the provisions of Section 2.5(e) with respect to purchasing participations from the other Lenders, whereby such Lender's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Lenders.

"Depository Accounts" shall have the meaning set forth in Section 4.8(g).

"Designated Lender" shall have the meaning set forth in Section 16.2(e).

"Disposition" shall mean any sale, assignment, lease, sublease, license, sublicense, conveyance, exchange, transfer, or other disposition of any assets. Variations of such term (i.e. "Dispose") shall have corresponding meanings.

"Document" shall have the meaning given to the term "document" in the Uniform Commercial Code.

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Rate Loan" shall mean any Advance that bears interest based upon the Alternate Base Rate.

"Dominion Period" shall mean each period commencing upon the occurrence of a Cash Dominion Trigger Event and ending on the first date thereafter on which (x) with respect to clause (i) of the definition of Cash Dominion Trigger Event, such Event of Default has been waived in writing or cured in accordance with the terms of this Agreement, and (y) with respect to clause (ii) of the definition of Cash Dominion Trigger Event, when Eligible Loan Parties have Excess Availability, for thirty (30) consecutive days, equal to or exceeding twelve and one-half percent (12.5%) of the Maximum Revolving Advance Amount; provided that on and after the third (3rd) Cash Dominion Trigger Event after the Closing Date, the Dominion Period shall continue for the remainder of the Term; provided further however, notwithstanding satisfaction of the conditions set forth in clauses (x) and (y) above, Loan Parties may elect to stay in such Dominion Period at any time at Loan Parties' request and may terminate such Dominion Period so long as the conditions set forth in clauses (x) and (y) are satisfied.

"Downhole Well Solutions" shall mean Downhole Well Solutions, LLC, a Texas limited liability company.

"Dril-Quip" shall mean a former Delaware corporation known as Dril-Quip, Inc., which corporation was merged out of existence prior to the Closing Date.

"Dril-Quip Foreign Interests" shall mean Dril-Quip Foreign Interests LLC, a Delaware limited liability company.

"Dril-Quip Holdings" shall mean Dril-Quip Holdings LLC, a Delaware limited liability company.

"Dril-Quip International" shall mean Dril-Quip International LLC, a Delaware limited liability company.

"Dril-Quip Merger" shall mean the transactions contemplated by the Dril-Quip Merger Agreement, which transactions were consummated prior to the Closing Date, including, without limitation, (a) the merger of Merger Sub with and into Innovex Downhole Solutions, Inc., with Innovex Downhole Solutions, Inc. continuing as the surviving entity and in connection with such merger, the shareholders of Innovex exchanged all of their Equity Interests in Innovex Downhole Solutions, Inc. for approximately forty-eight percent (48%) of the common stock of Dril-Quip, (b) immediately after the consummated merger referred to in clause (a), the consummated merger of Innovex Downhole Solutions, Inc. with and into IDS, whereby IDS continued as the surviving

entity as a wholly-owned Subsidiary of Dril-Quip, and (c) the consummation of the prompt name change after such merger referred to in clause (b) by IDS to "Innovex Downhole Solutions, LLC".

"Dril-Quip Merger Agreement" shall mean that certain Agreement and Plan of Merger dated as of March 18, 2024, by and among Innovex Downhole Solutions, Inc., Dril-Quip, Merger Sub and IDS, pursuant to which the Dril-Quip Merger was consummated prior to the Closing Date.

"Drawing Date" shall have the meaning set forth in Section 2.13(b).

"DWS Acquisition Agreement" shall mean that certain Equity Purchase Agreement, dated as of November 29, 2024, providing for the DWS Permitted Acquisition, together with all schedules and exhibits thereto, in each case, in form and substance acceptable to Agent in its Permitted Discretion.

"DWS Permitted Acquisition" shall mean the Permitted Acquisition by Innovex of all of the Equity Interests of Downhole Well Solutions that were not already owned, directly or indirectly, by Innovex prior to November 29, 2024, pursuant to the terms of the DWS Acquisition Agreement for a Cash Purchase Price (as defined in the DWS Acquisition Agreement) equal to $68,000,000.

"EBITDA" shall mean, for any period, the sum of (a) net income (or loss) for such period (excluding (x) extraordinary gains, (y) extraordinary non-recurring non-cash losses and extraordinary non-recurring charges and expenses, and (z) other items from time to time consented to in writing by Agent in its Permitted Discretion), plus (b) all interest expense for such period, plus (c) tax expense based on income, profits or capital, including federal, state, provincial, local, excise franchise and similar taxes paid or accrued for such period, plus (d) depreciation expenses for such period, plus (e) amortization expenses for such period.

For purposes of calculating EBITDA for any applicable period (a "Reference Period"), if a Permitted Acquisition is made during such Reference Period, EBITDA shall be calculated after giving pro forma effect thereto, including pro forma adjustments arising out of events which are directly attributable to such Permitted Acquisition, are factually supportable and are expected to have a continuing impact, in each case to be mutually and reasonably agreed to among the Borrower and the Agent as if such Permitted Acquisition occurred on the first day of the applicable Reference Period.

"Effective Date" shall mean the date indicated in a document or agreement to be the date on which such document or agreement becomes effective, or, if there is no such indication, the date of execution of such document or agreement.

"Effective Federal Funds Rate" shall mean for any day the rate per annum (based on a year of 360 days and actual days elapsed and rounded upward to the nearest 1/100 of 1%) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Effective Federal Funds Rate" as of the date of this Agreement; provided that if such Federal Reserve Bank (or its successor) does not announce

such rate on any day, the "Effective Federal Funds Rate" for such day shall be the Effective Federal Funds Rate for the last day on which such rate was announced. Notwithstanding the foregoing, if the Effective Federal Funds Rate as determined under any method above would be less than zero percent (0.00%), such rate shall be deemed to be zero percent (0.00%) for purposes of this Agreement.

"Eldridge Property Sale" shall mean the sale of that certain property (and any related lease-back of such property) of the Loan Parties located at 6401 N. Eldridge Pkwy, Houston, Texas 77041.

"Eligibility Date" shall mean, with respect to each Loan Party and each Swap, the date on which this Agreement or any Other Document becomes effective with respect to such Swap (for the avoidance of doubt, the Eligibility Date shall be the Effective Date of such Swap if this Agreement or any Other Document is then in effect with respect to such Loan Party, and otherwise it shall be the Effective Date of this Agreement and/or such Other Document(s) to which such Loan Party is a party).

"Eligible Contract Participant" shall mean an "eligible contract participant" as defined in the CEA and regulations thereunder.

"Eligible Foreign Receivable" shall mean a Receivable of an Eligible Loan Party resulting from a sale to a Customer outside the continental United States or a province or territory of Canada that has adopted a Personal Property Security Act and is a country for which "full support" is provided as indicated on the most recently published Country Limitation Schedule, if (a) such sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its Permitted Discretion, and (b) the requirements for an Eligible Receivable are satisfied.

"Eligible Foreign Receivables Sublimit" shall mean $20,000,000; provided that no greater than $10,000,000 of Receivables of an Eligible Loan Party that satisfy the definition of Eligible Foreign Receivable shall be included in the calculation of the Formula Amount unless any such additional Receivables that satisfy such definition are covered by Approved Foreign Credit Insurance.

"Eligible Inventory" shall mean and include Inventory, excluding work in process, with respect to each Eligible Loan Party, valued at the lower of cost or market value, determined on a first-in, first-out basis, which is not obsolete, slow moving or unmerchantable as determined by Agent in its Permitted Discretion and which Inventory, based on such considerations as Agent may from time to time deem appropriate in its Permitted Discretion including whether the Inventory is subject to a perfected, first priority security interest in favor of Agent and no other Lien (other than a Permitted Encumbrance). Notwithstanding anything herein to the contrary, no Inventory shall be Eligible Inventory to the extent such Inventory was acquired by an Eligible Loan Party pursuant to an entity creation under Section 7.11 or a Permitted Acquisition, unless Agent has (i) completed field examinations and/or NOLV Appraisals in accordance with respect to such Inventory, the results of which are satisfactory in form and substance to Agent in its Permitted Discretion or (ii) waived such restriction in its Permitted Discretion. In addition, Inventory shall not be Eligible Inventory if it: (a) does not conform in all material respects to all standards imposed by any Governmental Body which has regulatory authority over such goods or the use or sale thereof; (b) is in transit (other than between one or more locations where Eligible Loan Parties are permitted hereunder to maintain or store Inventory and such location is the subject of a Lien Waiver

Agreement or a Processor's Agreement, as applicable, unless such location is owned by an Eligible Loan Party); (c) is located outside the continental United States or at a location that is not otherwise in compliance with this Agreement; (d) constitutes Consigned Inventory (other than Consigned Inventory that is subject to a warehouseman's waiver in form and substance satisfactory to Agent); (e) is the subject of an Intellectual Property Claim; (f) is subject to a License Agreement that limits, conditions or restricts the applicable Eligible Loan Party's or Agent's right to sell or otherwise Dispose of such Inventory, unless Agent is a party to a Licensor/Agent Agreement with the Licensor under such License Agreement (or Agent shall agree otherwise in its Permitted Discretion after establishing reserves against the Formula Amount with respect thereto as Agent shall deem appropriate in its Permitted Discretion); (g) is situated at a location not owned by an Eligible Loan Party unless the owner or occupier of such location has executed in favor of Agent a Lien Waiver Agreement or a Processor's Agreement, as applicable (or Agent shall have established reserves against the Formula Amount with respect thereto as Agent shall deem appropriate in its Permitted Discretion in an amount not to exceed the equivalent of three (3) months' rental obligation with respect to such location); or (h) if the sale of such Inventory would result in the creation of a Receivable which, on the date of such sale, would fail to constitute an Eligible Receivable due to the operation of any of clauses (b), (c) or (e) – (p) of such definition.

"Eligible Loan Party" shall mean, individually and collectively, (i) the Borrower, (ii) each Guarantor party to this Agreement on the Closing Date and (iii) in Agent's Permitted Discretion upon the completion of an appraisal, field examination and/or other collateral evaluation and other due diligence with results satisfactory to Agent in its Permitted Discretion, any other Loan Party requested by the Borrower and designated by Agent in writing as an Eligible Loan Party.

"Eligible Receivables" shall mean and include, each Receivable of an Eligible Loan Party (other than Eligible Unbilled Receivables) arising in the Ordinary Course of Business and which Agent, in its Permitted Discretion, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time deem appropriate in its Permitted Discretion. A Receivable shall not be deemed eligible unless such Receivable (1) is subject to Agent's first priority perfected security interest and no other Lien (other than Permitted Encumbrances), and (2) is evidenced by an invoice or other documentary evidence satisfactory to Agent. Notwithstanding anything herein to the contrary, no Receivables shall be Eligible Receivables to the extent such Receivables were acquired by an Eligible Loan Party pursuant to an entity creation under Section 7.11 or a Permitted Acquisition, unless Agent has (i) completed field examinations with respect to such Receivable, the results of which are satisfactory in form and substance to Agent in its Permitted Discretion or (ii) waived such restriction in its Permitted Discretion. In addition, no Receivable shall be an Eligible Receivable if:

(a) it arises out of a sale made by any Eligible Loan Party to an Affiliate of any Eligible Loan Party or to a Person controlled by an Affiliate of any Eligible Loan Party;

(b) it is due or unpaid more than one hundred five (105) days after the original invoice date or sixty (60) days after the original due date (or one hundred fifty (150) days after the original invoice date or one hundred twenty (120) days after the original due date, solely in the case of any Receivables owed to any Eligible Loan Party by a Customer located in Saudi Arabia where such Receivables are covered by Approved Foreign Credit Insurance);

(c) fifty percent (50%) or more of the Receivables from such Customer are not deemed Eligible Receivables or Eligible Unbilled Receivables hereunder;

(d) any covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached that has not been remedied to the satisfaction of Agent or waived in writing;

(e) an Insolvency Event shall have occurred with respect to such Customer;

(f) the sale is to a Customer outside the continental United States of America or a province or territory of Canada that has not adopted the Personal Property Security Act, unless the sale is an Eligible Foreign Receivable;

(g) the Account (i) is sold pursuant to a Permitted Factoring Agreement, (ii) secures any obligations owed under any Permitted Factoring Agreement or (iii) is owing from the same Customer to a particular Eligible Loan Party as Accounts owing to such Eligible Loan Party and sold pursuant to a Permitted Factoring Agreement; provided that, for the avoidance of doubt, no Account owed to any other Eligible Loan Party by such Customer shall be deemed ineligible pursuant to this clause (g)(iii) solely by virtue of a different Eligible Loan Party being party to a Permitted Factoring Agreement;

(h) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper;

(i) Agent believes, in its Permitted Discretion, that collection of such Receivable is insecure or that such Receivable may not be paid by reason of the Customer's financial inability to pay;

(j) the Customer is the United States of America, any state, department, agency or instrumentality of any of them, unless the applicable Eligible Loan Party assigns its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) or other

applicable provincial legislation or has otherwise complied with other applicable statutes or ordinances;

(k) the goods giving rise to such Receivable have not been delivered to and accepted by the Customer or the services giving rise to such Receivable have not been performed by the applicable Eligible Loan Party and accepted by the Customer or the Receivable otherwise does not represent a final sale;

(l) the Receivable is subject to any offset, deduction, defense, dispute, credits or counterclaim (but such Receivable shall only be ineligible to the extent of such offset, deduction, defense, dispute, credit or counterclaim);

(m) the Customer is also a creditor or supplier of an Eligible Loan Party or the Receivable is contingent in any respect or for any reason, in which case such Receivable shall only be ineligible to the extent of the amount owed to such Customer;

(n) the applicable Eligible Loan Party has made any agreement with any Customer for any deduction therefrom, in which case such Receivable shall be ineligible to the extent of such deduction, except for discounts or allowances made in the Ordinary Course of Business for prompt payment, all of which discounts or allowances (other than early payment discounts) are reflected in the calculation of the face value of each respective invoice related thereto;

(o) any return, rejection or repossession of the merchandise has occurred or the rendition of services has been disputed, provided, that in the case of a partial return of the related merchandise, such Receivable will be deemed ineligible only to the extent of such partial return; or

(p) such Receivable is not payable to an Eligible Loan Party.

"Eligible Unbilled Receivables" shall mean and include, each Receivable of an Eligible Loan Party (other than Eligible Receivables) arising in the Ordinary Course of Business (i) representing services previously performed by such Eligible Loan Party and accepted by the Customer, (ii) which in accordance with such Eligible Loan Party's written agreement with the Customer, has not yet been fully invoiced and billed to the Customer and (iii) which Agent, in its Permitted Discretion, shall deem to be an Eligible Unbilled Receivable, based on such considerations as Agent may from time to time deem appropriate. A Receivable shall not be deemed an Eligible Unbilled Receivable unless such Receivable is subject to Agent's first priority perfected security interest and no other Lien (other than Permitted Encumbrances), and is

evidenced by documentation satisfactory to Agent. Notwithstanding anything herein to the contrary, no Receivables shall be Eligible Unbilled Receivables to the extent such Receivables were acquired by an Eligible Loan Party pursuant to an entity creation under Section 7.11 or a Permitted Acquisition, unless Agent has (i) completed field examinations with respect to such Receivable, the results of which are satisfactory in form and substance to Agent in its Permitted Discretion or (ii) waived such restriction in its Permitted Discretion. In addition, no Receivable shall be an Eligible Unbilled Receivable if:

(a) it has not been invoiced and billed to the Customer within thirty (30) days of the applicable and corresponding work completion date;

(b) with respect to any Receivable generated after the Closing Date, Agent shall not have received, upon request, a true, correct and complete copy of the written agreement between such Eligible Loan Party and Customer in respect thereof;

(c) the sale is to a Customer outside the continental United States of America; or

(d) any representation, circumstance or requirement set forth in the definition of Eligible Receivables (other than clauses (b) and (k) (with respect to the provision of services or delivery of goods only) thereof) is not true or otherwise satisfied with respect to the applicable Receivable.

"Environmental Complaint" shall have the meaning set forth in Section 9.3(a).

"Environmental Laws" shall mean all federal, state, provincial and local environmental, land use, zoning, health, chemical use, safety and sanitation Laws relating to the protection of the environment, human health and safety (to the extent related to exposure to Hazardous Materials) and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials and the rules, regulations, legally binding policies, legally binding guidelines, legally binding interpretations, decisions, orders and directives of federal, state, provincial, international and local Governmental Bodies with respect thereto.

"Equipment" shall mean all machinery, equipment, fixtures and other goods (as defined in Article 9 of the Uniform Commercial Code) whether now owned or hereafter acquired by a Borrower or any Guarantor, as applicable, and wherever located, all replacements and substitutions therefor or accessions thereto and all proceeds thereof.

"Equity Interests" shall mean, with respect to any Person, any and all shares, rights to purchase, options, warrants, general, limited or limited liability partnership interests, member interests, participation or other equivalents of or interest in (regardless of how designated) equity of such Person, whether voting or nonvoting, including common stock, preferred stock, convertible securities or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act), including in each case all of the following rights relating to such Equity Interests, whether arising under the Organizational Documents of the Person issuing such Equity Interests (the "issuer") or under the Applicable Laws of such issuer's jurisdiction of organization relating to the formation, existence and governance of corporations, limited liability companies or partnerships or business trusts or

other legal entities, as the case may be: (i) all economic rights (including all rights to receive dividends and distributions) relating to such Equity Interests; (ii) all voting rights and rights to consent to any particular action(s) by the applicable issuer; (iii) all management rights with respect to such issuer; (iv) in the case of any Equity Interests consisting of a general partner interest in a partnership, all powers and rights as a general partner with respect to the management, operations and control of the business and affairs of the applicable issuer; (v) in the case of any Equity Interests consisting of the membership/limited liability company interests of a managing member in a limited liability company, all powers and rights as a managing member with respect to the management, operations and control of the business and affairs of the applicable issuer; (vi) all rights to designate or appoint or vote for or remove any officers, directors, manager(s), general partner(s) or managing member(s) of such issuer and/or any members of any board of members/managers/partners/directors that may at any time have any rights to manage and direct the business and affairs of the applicable issuer under its Organizational Documents as in effect from time to time or under Applicable Law; (vii) all rights to amend the Organizational Documents of such issuer, (viii) in the case of any Equity Interests in a partnership or limited liability company, the status of the holder of such Equity Interests as a "partner", general or limited, or "member" (as applicable) under the applicable Organizational Documents and/or Applicable Law; and (ix) all certificates evidencing such Equity Interests.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time and the rules and regulations promulgated thereunder.

"Erroneous Payment" shall have the meaning assigned to it in Section 14.15(a).

"Erroneous Payment Deficiency Assignment" shall have the meaning assigned to it in Section 14.15(d).

"Erroneous Payment Impacted Class" shall have the meaning assigned to it in Section 14.15(d).

"Erroneous Payment Return Deficiency" shall have the meaning assigned to it in Section 14.15(d).

"Erroneous Payment Subrogation Rights" shall have the meaning assigned to it in Section 14.15(d).

"Event of Default" shall have the meaning set forth in Article X.

"Excess Availability" at a particular date shall mean an amount equal to (a) the lesser of (i) the Formula Amount or (ii) the Maximum Revolving Advance Amount minus the Maximum Undrawn Amount of all outstanding Letters of Credit (such amount calculated pursuant to this clause (a), the "Line Cap"), minus (b) the outstanding amount of Advances.

"Excess Funding Borrower" shall have the meaning set forth in Section 16.18(h).

"Excess Funding Payment" shall have the meaning set forth in Section 16.18(h).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Equity Interests" means (i) all Equity Interests that do not constitute Subsidiary Stock, (ii) any Equity Interests, to the extent and for so long as the pledge of such Equity Interests is prohibited or restricted by any Applicable Law (other than to the extent such prohibition would be rendered ineffective under the UCC or other Applicable Law), (iii) any Equity Interests of a Subsidiary, to the extent that and for so long as the pledge of such Equity Interests would result in adverse tax consequences as reasonably determined by the Borrower and the Agent and (iv) any Equity Interests of any Person that is not a wholly-owned Subsidiary which cannot be pledged without the consent of third party shareholders (other than to the extent such prohibition would be rendered ineffective under the UCC or other Applicable Law). For the avoidance of doubt, the Equity Interests of Innovex Canada pledged to the Agent pursuant to the Innovex Canada Pledge Agreement shall not constitute Excluded Equity Interests.

"Excluded Hedge Liability or Liabilities" shall mean, with respect to the Borrower and each Guarantor, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any Other Document that relates to such Swap Obligation is or becomes illegal under the CEA, or any rule, regulation or order of the CFTC, solely by virtue of the Borrower's and/or Guarantor's failure to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap. Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any Other Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty or security interest is or becomes illegal under the CEA, or any rule, regulations or order of the CFTC, solely as a result of the failure by the Borrower or Guarantor for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap; (b) if a guarantee of a Swap Obligation would cause such obligation to be an Excluded Hedge Liability but the grant of a security interest would not cause such obligation to be an Excluded Hedge Liability, such Swap Obligation shall constitute an Excluded Hedge Liability for purposes of the guaranty but not for purposes of the grant of the security interest; and (c) if there is more than one Borrower or Guarantor executing this Agreement or the Other Documents and a Swap Obligation would be an Excluded Hedge Liability with respect to one or more of such Persons, but not all of them, the definition of Excluded Hedge Liability or Liabilities with respect to each such Person shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Hedge Liabilities with respect to such Person, and (ii) the particular Person with respect to which such Swap Obligations constitute Excluded Hedge Liabilities.

"Excluded Property" shall mean (i) any asset of any Loan Party that shall be deemed environmental waste or an environmental hazard under any Applicable Law, (ii) any lease, license, contract or agreement to which any Loan Party is a party, and any of its rights or interests thereunder, if and to the extent that a security interest therein is prohibited by or in violation of (x) any Applicable Law, or (y) a term, provision or condition of any such lease, license, contract or agreement (unless in each case, such Applicable Law, term, provision or condition would be rendered ineffective with respect to the creation of such security interest pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code (or any successor provision or provisions) of any relevant jurisdictions or any other Applicable Law or principles of equity), provided, however that the foregoing shall cease to be treated as "Excluded Property" (and shall constitute Collateral) immediately at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, such security interest shall attach immediately to any portion of such lease, license, contract or agreement not subject to the prohibitions specified

in the foregoing clauses (x) or (y), (iii) Equipment owned by any Loan Party that is subject to a purchase money lien or a capital lease obligation if (but only to the extent that and only for so long as such purchase money Indebtedness or capital lease restricts the granting of a Lien therein to Agent) the grant of a security interest therein would constitute a violation of a valid and enforceable restriction in favor of a third party, unless any required consents shall have been obtained, (iv) monies, checks, securities or other items on deposit or otherwise held in deposit accounts or trust accounts specifically and exclusively used for payroll, payroll taxes, deferred compensation and other employee wage and benefit payments to or for the direct benefit of such Loan Party's employees, (v) loans under sub-clause (b) of the definition of "Permitted Loans", (vi) commercial tort claims with a value less than $2,000,000, (vii) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law, (viii) Excluded Equity Interests and (ix) any assets of a Person acquired in connection with a Permitted Acquisition or other Permitted Investment subject to Permitted Encumbrances and which are subject at the time of acquisition to contractual arrangements (not entered into in contemplation of such acquisition) prohibiting Liens securing the Obligations; provided, that Excluded Property shall not include any proceeds of any such lease, license, contract, property, Equipment or agreement or any goodwill of Loan Parties' business associated therewith or attributable thereto.

"Excluded Taxes" shall mean, with respect to Agent, any Lender, Participant, Swing Loan Lender, Issuer or any other recipient of any payment to be made by or on account of any Obligations, (a) Taxes imposed on or measured by its overall net income (however denominated) and franchise Taxes, in each case, (i) imposed on it by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office or, in the case of any Lender, Participant, Swing Loan Lender or Issuer, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction described in clause (a) of this definition, (c) any U.S. federal income withholding Tax that is imposed on amounts payable to a recipient at the time such recipient becomes a party hereto (or designates a new lending office), except to the extent that such recipient (or its assignor or seller of a participation, if any) was entitled, at the time of designation of a new lending office (or assignment or sale of a participation), to receive additional amounts from Loan Parties with respect to such withholding Tax pursuant to Section 3.10(a), (d) Taxes attributable to such Person's failure to comply with Section 3.10(e) or, with respect to amounts received by Agent on its own account, Section 3.10(h) or (e) any withholding Taxes imposed under FATCA.

"Facility Fee" shall have the meaning set forth in Section 3.3.

"Family" shall mean (a) an individual, (b) such individual's spouse, (c) any other natural person who is related to such individual or such individual's spouse within the second degree of kinship and (d) any other natural person who has been adopted by such individual.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations thereunder or official interpretations thereof.

"FCCR Testing Period" shall mean each period commencing upon the occurrence of an FCCR Trigger Event and ending on the first date thereafter on which (x) with respect to clause (i) of the definition of FCCR Trigger Event, such Event of Default has been waived in writing or cured in accordance with the terms of this Agreement, and (y) with respect to clause (ii) of the definition of FCCR Trigger Event, when the Eligible Loan Parties have Excess Availability, for sixty (60) consecutive days after the occurrence of such FCCR Trigger Event, equal to or exceeding twenty percent (20%) of the Maximum Revolving Advance Amount.

"FCCR Trigger Event" shall mean the occurrence of the following at any time, (i) the occurrence and continuance of an Event of Default or (ii) Excess Availability is less than twenty percent (20%) of the Maximum Revolving Advance Amount.

"Fee Letter" shall mean, collectively, (i) that certain Third Amended and Restated Fee Letter dated as of the Closing Date among Innovex, Agent, and PNC Capital Markets, LLC, as the same may be amended, amended and restated, replaced and restated, extended, supplemented and/or otherwise modified from time to time and (ii) any other fee letter that may be entered into in connection with this Agreement from time to time, as the same may be amended, amended and restated, replaced and restated, extended, supplemented and/or otherwise modified from time to time.

"Fixed Charge Coverage Ratio" shall mean, with respect to any fiscal period, the ratio of (a) Adjusted EBITDA, minus Unfinanced Capital Expenditures made during such period, minus distributions (including income tax distributions) and dividends made during such period, minus all tax expense based on income, profits or capital, including federal, state, provincial, local, excise franchise and similar taxes paid in cash to (b) all scheduled Debt Payments made in cash during such period, plus management fees paid in cash during such period.

"Flood Laws" shall mean all Applicable Laws relating to policies and procedures that address requirements placed on federally regulated lenders under the National Flood Insurance Reform Act of 1994 and other Applicable Laws related thereto.

"Foreign Currency Hedge" shall mean any foreign exchange transaction, including spot and forward foreign currency purchases and sales, listed or over-the-counter options on foreign currencies, non-deliverable forwards and options, foreign currency swap agreements, currency exchange rate price hedging arrangements, and any other similar transaction providing for the purchase of one currency in exchange for the sale of another currency entered into by the Borrower or any Guarantor and/or any of their respective Subsidiaries.

"Foreign Currency Hedge Liabilities" shall have the meaning assigned in the definition of Lender-Provided Foreign Currency Hedge.

"Foreign Lender" shall mean any Lender that is not a U.S. Person.

"Foreign Subsidiary" shall mean any Subsidiary that is not a U.S. Person.

"Formula Amount" shall have the meaning set forth in Section 2.1(a).

"GAAP" shall mean generally accepted accounting principles in the United States of America or Canada, as applicable and in effect from time to time.

"Government Official" shall mean any officer, employee, official, representative, or any Person acting for or on behalf of any Governmental Body, government-owned or government-controlled association, organization, business, or enterprise, or public international organization, any political party or official thereof and any candidate for political office.

"Governmental Acts" shall mean any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Governmental Body.

"Governmental Body" shall mean the government of the United States of America or of any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising the executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to a government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"Guarantor" shall mean (i) as of the Closing Date, each of IDS, Downhole Well Solutions, Tercel, Dril-Quip Holdings, TIW, Dril-Quip International, Dril-Quip Foreign Interests and (ii) after the Closing Date, any other Person who may hereafter guarantee payment or performance of the whole or any part of the Obligations pursuant to Section 7.11(a), and "Guarantors" shall mean, collectively, all such Persons.

"Guarantor Security Agreement" shall mean any security agreement (including, without limitation, this Agreement) executed by any Guarantor in favor of Agent securing the Obligations or the Guaranty of such Guarantor, in form and substance satisfactory to Agent.

"Guaranty" shall mean any guaranty of the Obligations (including, without limitation, Article XVI of this Agreement) executed by a Guarantor in favor of Agent for its benefit and for the ratable benefit of Lenders, in form and substance satisfactory to Agent in its Permitted Discretion, including this Agreement.

"Hazardous Discharge" shall have the meaning set forth in Section 9.3(a).

"Hazardous Materials" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, Hazardous Wastes, Toxic Substances or related hazardous materials or substances, as defined in or subject to regulation under Environmental Laws.

"Hazardous Wastes" shall mean all hazardous waste materials subject to regulation under CERCLA, RCRA or applicable state or provincial Law, and any other Environmental Laws now in force or hereafter enacted relating to hazardous waste disposal.

"Hedge Liabilities" shall mean collectively, the Foreign Currency Hedge Liabilities and the Interest Rate Hedge Liabilities.

"IDS" shall mean Innovex Downhole Solutions, LLC, a Delaware limited liability company formerly known as DQ Merger Sub, LLC.

"Immaterial Subsidiary" shall mean any Subsidiary with total assets at all times of less than $2,500,000.

"Increasing Lender" shall have the meaning set forth in Section 2.23(a) hereof.

"Indebtedness" shall mean, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (a) borrowed money; (b) amounts received under or liabilities in respect of any note purchase or acceptance credit facility, and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all Capitalized Lease Obligations; (d) reimbursement obligations (contingent or otherwise) under any letter of credit agreement, banker's acceptance agreement or similar arrangement; (e) obligations under any Interest Rate Hedge, Foreign Currency Hedge, or other interest rate management device, foreign currency exchange agreement, currency swap agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement; (f) any other advances of credit made to or on behalf of such Person or other transaction (including forward sale or purchase agreements, capitalized leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements including to finance the purchase price of property or services and all obligations of such Person to pay the deferred purchase price of property or services (but not including trade payables and accrued expenses incurred in the Ordinary Course of Business which are not represented by a promissory note or other evidence of indebtedness); (g) all Equity Interests of such Person subject to repurchase or redemption rights or obligations (excluding repurchases or redemptions at the sole option of such Person) to the extent due, exercisable, paid or payable, as the case may be, in cash during the Term; (h) all indebtedness, obligations or liabilities secured by a Lien on any asset of such Person, whether or not such indebtedness, obligations or liabilities are otherwise an obligation of such Person; (i) all obligations of such Person for "earnouts", purchase price adjustments, profit sharing arrangements, deferred purchase money amounts and similar payment obligations or continuing obligations of any nature of such Person arising out of purchase and sale contracts; (j) off-balance sheet liabilities to the extent due, exercisable, paid or payable, as the case may be, in cash during the Term and/or pension plan liabilities of such Person; (k) obligations arising under bonus, deferred compensation, incentive compensation or similar arrangements, other than those arising in the Ordinary Course of Business; and (l) any guaranty of any indebtedness, obligations or liabilities of a type described in the foregoing clauses (a) through (k).

"Indemnified Taxes" shall mean Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under this Agreement or any Other Document.

"Ineligible Security" shall mean any security which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended.

"Initial Adjustment Date" shall have the meaning set forth in the definition of Applicable Margin.

"Innovex" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

"Innovex Canada" shall have the meaning set forth in the Recitals and shall include its successors and assigns.

"Innovex Canada Pledge Agreement" shall have the meaning set forth in the definition of Pledge Agreement.

"Insolvency Event" shall mean, with respect to any Person, including without limitation any Lender, such Person or such Person's direct or indirect parent company (unless Agent determines in its Permitted Discretion such Person is generally able to pay its debts despite the financial condition of such Person's direct or indirect parent company) (a) becomes the subject of a bankruptcy or insolvency proceeding (including any proceeding under Title 11 of the United States Code), or regulatory restrictions, (b) has had a receiver, interim receiver, receiver and manager, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization, arrangement or liquidation of its business appointed for it or has called a meeting of its creditors, (c) admits in writing its inability, or be generally unable, to pay its debts as they become due (except as otherwise permitted herein, in the case of Loan Parties) or cease operations of its present business or any sale of its assets in bulk, (d) with respect to a Lender, such Lender is unable to perform hereunder due to the application of Applicable Law, or (e) in the good faith determination of Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment of a type described in clauses (a) or (b), provided that an Insolvency Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person or such Person's direct or indirect parent company by a Governmental Body or instrumentality thereof if, and only if, such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Body or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Intellectual Property" shall mean property constituting a patent, copyright, trademark (or any application in respect of the foregoing), service mark, copyright, copyright application, trade name, mask work, trade secrets, design right, assumed name or license or other right to use any of the foregoing under Applicable Law.

"Intellectual Property Claim" shall mean the assertion, by any means, by any Person of a claim that any Loan Party's ownership, use, marketing, sale or distribution of any Inventory, Equipment, Intellectual Property or other property or asset is violative of any ownership of or right to use any Intellectual Property of such Person.

"Interest Period" shall mean the period provided for any Term SOFR Rate Loan pursuant to Section 2.2(b).

"Interest Rate Hedge" shall mean an interest rate exchange, collar, cap, swap, floor, adjustable strike cap, adjustable strike corridor, cross-currency swap or similar agreements entered into by the Borrower, any Guarantor and/or their respective Subsidiaries in order to provide protection to, or minimize the impact upon, the Borrower, any Guarantor and/or their respective Subsidiaries of increasing floating rates of interest applicable to Indebtedness.

"Interest Rate Hedge Liabilities" shall have the meaning assigned in the definition of Lender-Provided Interest Rate Hedge.

"International Trade Laws" shall mean all Laws relating to trade embargoes, export controls, customs and anti-boycott measures.

"Inventory" shall mean and include as to each Loan Party all of such Loan Party's inventory (as defined in Article 9 of the Uniform Commercial Code) and all of such Loan Party's goods, merchandise and other personal property, wherever located, to be furnished under any consignment arrangement, contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Loan Party's business or used in selling or furnishing such goods, merchandise and other personal property, and all Documents.

"Inventory Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(iii).

"Inventory NOLV Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(iii).

"Inventory Sublimit" shall mean the lesser of (a) fifty percent (50%) of the Formula Amount (without giving effect to Section 2.1(a)(y)(iii)(C)) and (b) $100,000,000.

"Investment Grade U.S. Customers" shall mean any Customer organized in the United States that has a long term corporate credit rating of (x) BBB- or higher from S&P, or (y) Baa3 or higher from Moody's.

"Investment Grade U.S. Receivables Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(i)(A) hereof.

"Issuer" shall mean (i) Agent in its capacity as the issuer of Letters of Credit under this Agreement and (ii) any other Person which Agent in its discretion shall designate as the issuer of and cause to issue any particular Letter of Credit under this Agreement in place of Agent as issuer.

"Joint Obligations" shall have the meaning set forth in Section 16.18(h).

"Judgment Currency" shall have the meaning set forth in Section 15.13.

"Law(s)" shall mean any law(s) (including common law and equitable principles), constitution, statute, treaty, regulation, rule, ordinance, opinion, legally binding issued guidance, code, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Governmental Body, foreign or domestic, federal, state, territorial, provincial or local.

"Legacy Dril-Quip Deposit Accounts" shall mean the deposit accounts owned by any Loan Party as of the Closing Date obtained in connection with the Dril-Quip Merger as set forth on Schedule 1.2.

"Lender" and "Lenders" shall have the meaning ascribed to such term in the preamble to this Agreement and shall include each Person which becomes a transferee, successor or assign of any Lender. For the purpose of provision of this Agreement or any Other Document which provides for the granting of a security interest or other Lien to the Agent for the benefit of Lenders as security for the Obligations, "Lenders" shall include any Affiliate of a Lender to which such Obligation (specifically including any Hedge Liabilities and any Cash Management Liabilities) is owed.

"Lender Deposit Accounts" shall mean a deposit account opened with U.S. Bank after the Closing Date and a deposit account opened with Fifth Third after the Closing Date.

"Lender-Provided Foreign Currency Hedge" shall mean a Foreign Currency Hedge which is provided by any Lender and for which such Lender confirms to Agent in writing prior to the execution thereof that it: (a) is documented in a standard International Swap Dealers Association, Inc. Master Agreement or another reasonable and customary manner; (b) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner; and (c) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender-Provided Foreign Currency Hedge (the "Foreign Currency Hedge Liabilities") by the Borrower or any Guarantor, or any of their respective Subsidiaries that is party to such Lender-Provided Foreign Currency Hedge shall, for purposes of this Agreement and all Other Documents be "Obligations" of such Person and of the Borrower and each Guarantor, be guaranteed obligations under any Guaranty and secured obligations under any Guarantor Security Agreement, as applicable, and otherwise treated as Obligations for purposes of the Other Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Foreign Currency Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents, subject to the express provisions of Section 11.5.

"Lender-Provided Interest Rate Hedge" shall mean an Interest Rate Hedge which is provided by any Lender and with respect to which such Lender confirms to Agent in writing prior to the execution thereof that it: (a) is documented in a standard International Swap Dealers Association, Inc. Master Agreement or another reasonable and customary manner; (b) provides for the method of calculating the reimbursable amount of the provider's credit exposure in a reasonable and customary manner; and (c) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender-Provided Interest Rate Hedge (the "Interest Rate Hedge Liabilities") by the Borrower or any Guarantor, or any of their respective Subsidiaries that is party to such Lender-Provided Interest Rate Hedge shall, for purposes of this Agreement and all Other Documents be "Obligations" of such Person and of each other Borrower and Guarantor, be guaranteed obligations under any Guaranty and secured obligations under any Guarantor Security Agreement, as applicable, and otherwise treated as Obligations for purposes of the Other Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Interest Rate Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the Other Documents, subject to the express provisions of Section 11.5.

"Letter of Credit Application" shall have the meaning set forth in Section 2.11(a).

"Letter of Credit Borrowing" shall have the meaning set forth in Section 2.13(d).

"Letter of Credit Fees" shall have the meaning set forth in Section 3.2.

"Letter of Credit Sublimit" shall mean $10,000,000.

"Letters of Credit" shall have the meaning set forth in Section 2.10.

"Leverage Ratio" shall mean, with respect to any fiscal period, the ratio of total Indebtedness as of the end of such period, to Adjusted EBITDA for such period.

"License Agreement" shall mean any agreement between any Loan Party and a Licensor pursuant to which such Loan Party is authorized to use any Intellectual Property in connection with the manufacturing, marketing, sale or other distribution of any Inventory of such Loan Party or otherwise in connection with such Loan Party's business operations.

"Licensor" shall mean any Person from whom any Loan Party obtains the right to use (whether on an exclusive or non-exclusive basis) any Intellectual Property in connection with such Loan Party's manufacture, marketing, sale or other distribution of any Inventory or otherwise in connection with such Loan Party's business operations.

"Licensor/Agent Agreement" shall mean an agreement between Agent and a Licensor, in form and substance satisfactory to Agent in its Permitted Discretion, by which Agent is given the unqualified right, vis-á-vis such Licensor, to enforce Agent's Liens with respect to and to Dispose of any Loan Party's Inventory with the benefit of any Intellectual Property applicable thereto, irrespective of such Loan Party's default under any License Agreement with such Licensor.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), Charge, claim or encumbrance, or preference, priority or other security agreement or preferential arrangement held or asserted in respect of any asset of any kind or nature whatsoever including any conditional sale or other title retention agreement, any lease having substantially the same economic effect as any of the foregoing, and any Loan Party's authorization or consent to the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable Law of any jurisdiction, with respect to any of the foregoing.

"Lien Waiver Agreement" shall mean an agreement, in form and substance reasonably satisfactory to Agent, which is executed in favor of Agent by a Person who owns or occupies premises at which any Collateral may be located from time to time.

"Line Cap" shall have the meaning set forth in the definition of Excess Availability.

"LLC Division" shall mean, in the event a Borrower or Guarantor is a limited liability company, (a) the division of any the Borrower or Guarantor into two or more newly formed limited liability companies (whether or not the Borrower or Guarantor is a surviving entity following any such division) pursuant to Section 18-217 of the Delaware Limited Liability Company Act or any similar provision under any similar act governing limited liability companies organized under the

laws of any other State or Commonwealth or of the District of Columbia, or (b) the adoption of a plan contemplating, or the filing of any certificate with any applicable Governmental Body that results or may result in, any such division.

"Loan Parties on a Consolidated Basis" shall mean the consolidation in accordance with GAAP of the accounts or other items of Borrower and its Subsidiaries.

"Loan Party" shall mean individually, the Borrower and each Guarantor and "Loan Parties" shall mean, collectively, the Borrower and Guarantors.

"Management Agreement" shall mean that certain Letter Agreement, dated as of October 31, 2016 between Innovex and Amberjack Management, LLC f/k/a Intervale Capital, LLC, as in effect prior to its termination on September 30, 2024.

"Material Adverse Effect" shall mean a material adverse effect on (a) the condition (financial or otherwise), results of operations, assets, business or properties of the Loan Parties, taken as a whole, (b) the Loan Parties', taken as a whole, ability to duly and punctually pay or perform the Obligations in accordance with the terms thereof or, (c) the value of the Collateral, taken as a whole, or Agent's Liens on the Collateral or the priority of any such Lien.

"Material Contract" shall mean any contract, agreement, instrument, permit, lease or license, written or oral, of any Loan Party, which is material to any Loan Party's business or which the failure to comply with could reasonably be expected to result in a Material Adverse Effect.

"Maximum Revolving Advance Amount" shall mean $200,000,000 plus any increases in accordance with Section 2.23.

"Maximum Swing Loan Advance Amount" shall mean $20,000,000, plus ten percent (10%) of increases in accordance with Section 2.23 after the Closing Date.

"Maximum Undrawn Amount" shall mean, with respect to any outstanding Letter of Credit as of any date, the amount of such Letter of Credit that is or may become available to be drawn, including all automatic increases provided for in such Letter of Credit, whether or not any such automatic increase has become effective.

"Merger Sub" shall mean Ironman Merger Sub, Inc., a Delaware corporation.

"Modified Revolving Commitment Transfer Supplement" shall have the meaning set forth in Section 16.3(d).

"MUFG SCF Agreement" shall have the meaning set forth in the definition of Permitted Factoring Agreement.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Sections 3(37) or 4001(a)(3) of ERISA to which contributions are required or, within the preceding five plan years, were required by any Loan Party or any member of the Controlled Group.

"Multiple Employer Plan" shall mean a Plan which has two or more contributing sponsors (including any Loan Party or any member of the Controlled Group) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"NAM Subsidiaries" shall mean any direct or indirect Subsidiary of Innovex that is incorporated or formed in the United States or Canada.

"Net Disposition Proceeds" shall mean proceeds in cash as and when received by the Person making a Disposition of assets, net of: (a) all reasonable and customary transaction costs and expenses with respect thereto (including, without limitation, any reasonable legal or other reasonable professional fees) or other actual transaction costs and expenses approved by Agent, in each case to the extent payable to a Person that is not an Affiliate of a Loan Party, (b) sale, use or other transaction Taxes paid or payable as a result thereof, (c) amounts required to be applied to repay principal, interest and prepayment premiums and penalties on Indebtedness secured by a Permitted Encumbrance, which is senior to the Lien of Agent, on the assets subject to such Disposition and that is required to be repaid under the terms thereof as a result of such Disposition, (d) income Taxes payable (including income Taxes payable by another Loan Party) as a result thereof, (e) reserves or escrows for indemnification obligations and purchase price adjustments and other similar contingent liabilities that are required to be in place under the terms of the agreement providing for such Disposition owing or to be paid to a party other than any Loan Party, and (f) in the event cash proceeds of the type described in this definition are received by a non-wholly-owned Subsidiary, the pro rata portion of the cash proceeds thereof (calculated without regard to this clause (f)) attributable to minority interests and not available for distribution to or for the account of any Loan Party or a wholly-owned Subsidiary as a result thereof; provided, that, if any amounts described in clauses (a) – (f) which are retained by any Loan Party in anticipation of paying any item described in clauses (a) – (f) are not thereafter in fact required to make any such anticipated payment, such amounts shall constitute Net Disposition Proceeds.

"New Lender" shall have the meaning set forth in Section 2.23(a) hereof.

"NOLV Appraisal" shall mean Inventory appraisals in form and substance satisfactory to Agent in its Permitted Discretion, at Borrower's cost and expense, to determine, among other things, the net orderly liquidation value of Inventory, performed by an appraiser acceptable to Agent in its Permitted Discretion, summaries of which will be provided to Borrower upon Borrower's request to Agent.

"Non-Defaulting Lender" shall mean, at any time, any Lender holding a Revolving Commitment that is not a Defaulting Lender at such time.

"Non-Qualifying Party" shall mean the Borrower or any Guarantor that on the Eligibility Date fails for any reason to qualify as an Eligible Contract Participant.

"Note" shall mean collectively, any Revolving Credit Note and the Swing Loan Note.

"Obligations" shall mean and include (i) any and all loans (including without limitation, all Advances and Swing Loans), advances, debts, liabilities, obligations (including without limitation all reimbursement obligations and cash collateralization obligations with respect to Letters of Credit issued hereunder), covenants and duties owing by the Borrower or any Guarantor

or any Subsidiary of the Borrower or any Guarantor under this Agreement or any Other Document (and any amendments, extensions, renewals or increases thereto), to Issuer, Swing Loan Lender, Lenders or Agent (or to any other direct or indirect subsidiary or Affiliate of Issuer, Swing Loan Lender, Lenders or Agent) of any kind or nature, present or future (including any interest or other amounts accruing thereon, any fees accruing under or in connection therewith, any costs and expenses of any Person payable by the Borrower or any Guarantor and any indemnification obligations payable by the Borrower or any Guarantor arising or payable after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, arrangement, reorganization or like proceeding relating to the Borrower or any Guarantor, whether or not a claim for post-filing or post-petition interest, fees or other amounts is allowable or allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, regardless of how such indebtedness or liabilities arise, including all costs and expenses of Issuer, Agent, Swing Loan Lender and any Lender incurred in the documentation, negotiation, modification, enforcement, collection or otherwise in connection with any of the foregoing, including but not limited to reasonable attorneys' fees and expenses and all obligations of the Borrower or any Guarantor to Issuer, Agent, Swing Loan Lender or Lenders to perform acts or refrain from taking any action, (ii) all Hedge Liabilities and (iii) all Cash Management Liabilities. Notwithstanding anything to the contrary contained in the foregoing, the Obligations shall not include any Excluded Hedge Liabilities.

"OFAC" shall mean the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Ordinary Course of Business" shall mean, with respect to any Loan Party, the ordinary course of such Loan Party's business as conducted on the Closing Date.

"Organizational Documents" shall mean, with respect to any Person, any charter, articles or certificate of incorporation or amalgamation, certificate of organization, registration or formation, certificate of partnership or limited partnership, bylaws, operating agreement, limited liability company agreement, or partnership agreement of such Person and any and all other applicable documents relating to such Person's formation, organization or entity governance matters (including any shareholders' or equity holders' agreement or voting trust agreement) and specifically includes, without limitation, any certificates of designation for preferred stock or other forms of preferred equity.

"OSHA" shall mean Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. Section 651 (2006).

"Other Connection Taxes" shall mean, with respect to any recipient, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, this Agreement or any Other Document, or sold or assigned an interest in any Obligation).

"Other Documents" shall mean the Notes, the Perfection Certificate, any Guaranty, any Guarantor Security Agreement, any Pledge Agreement, the Trademark and Patent Security

Agreement, the Copyright Security Agreement, any Collateral Assignment of Acquisition Agreement, the Innovex Canada Pledge Agreement, any Lender-Provided Interest Rate Hedge, any Lender-Provided Foreign Currency Hedge, any Cash Management Products and Services, any Fee Letter, the Certificates of Beneficial Ownership, and any and all other agreements, instruments and documents, including any subordination or intercreditor agreement, guaranties, pledges, powers of attorney, consents, interest or currency swap agreements or other similar agreements and all other writings heretofore, now or hereafter executed by the Borrower or any Guarantor and/or delivered to Agent or any Lender in respect of the transactions contemplated by this Agreement, in each case together with all extensions, renewals, amendments, supplements, modifications, substitutions and replacements thereto and thereof.

"Other Taxes" shall mean all present or future stamp or court or documentary, intangible, recording, filing or similar Taxes arising from any payment made hereunder or under any Other Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any Other Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.11).

"Out-of-Formula Loans" shall have the meaning set forth in Section 16.2(f).

"Overnight Bank Funding Rate" shall mean, for any, day the rate per annum (based on a year of 360 days and actual days elapsed) comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by such Federal Reserve Bank (or by such other recognized electronic source (such as Bloomberg) selected by the Agent for the purpose of displaying such rate) (an "Alternate Source"); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Agent at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Borrower.

"Parent" of any Person shall mean a corporation or other entity owning, directly or indirectly, fifty percent (50.00%) or more of the Equity Interests issued by such Person having ordinary voting power to elect a majority of the directors of such Person, or other Persons performing similar functions for any such Person.

"Participant" shall mean each Person who shall be granted the right by any Lender to participate in any of the Advances and who shall have entered into a participation agreement in form and substance satisfactory to such Lender.

"Participant Register" shall have the meaning set forth in Section 16.3(b).

"Participation Advance" shall have the meaning set forth in Section 2.13(d).

"Participation Commitment" shall mean the obligation hereunder of each Lender holding a Revolving Commitment to buy a participation equal to its Revolving Commitment Percentage (subject to any reallocation pursuant to Section 2.21(b)(iii)) in the Swing Loans made by Swing Loan Lender hereunder as provided for in Section 2.3(c) and in the Letters of Credit issued hereunder as provided for in Section 2.13(a).

"Payment Office" shall mean initially Two Tower Center Boulevard, East Brunswick, New Jersey 08816; thereafter, such other office of Agent, if any, which it may designate by notice to Borrower and to each Lender to be the Payment Office.

"Payment Recipient" shall have the meaning assigned to it in Section 14.15(a).

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

"Pension Benefit Plan" shall mean at any time any "employee pension benefit plan" as defined in Section 3(2) of ERISA (including a Multiple Employer Plan, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Sections 412, 430 or 436 of the Code and either (i) is maintained or to which contributions are required by Loan Parties or any member of the Controlled Group or (ii) has at any time within the preceding five (5) years been maintained or to which contributions have been required by a Loan Party or any entity which was at such time a member of the Controlled Group.

"Perfection Certificates" shall mean, collectively, the information questionnaires and the responses thereto provided by each Loan Party and delivered to Agent.

"Permitted Acquisition" shall mean any acquisition by any Loan Party, whether by purchase, merger, amalgamation or otherwise, of all or substantially all of the assets of, all of the Equity Interests of, or a business line or unit or a division of, any Person, in each case, as long as the following conditions are satisfied (unless waived in writing by Agent):

(a) Agent shall have received at least five (5) Business Days' prior written notice of such proposed acquisition, which notice shall include a reasonably detailed description of such proposed acquisition;

(b) all transactions in connection therewith shall be consummated in accordance with all material Applicable Laws;

(c) immediately prior to, and after giving effect thereto, no Event of Default shall have occurred and be continuing or would result therefrom;

(d) Equity Interests of any Person or assets acquired by such Loan Party, shall be clear and free of all Liens (other than Permitted Encumbrances);

(e) any Person or assets or division as acquired in accordance herewith shall be in the same business or lines of business in which Loan Parties are engaged or businesses or lines of business that are reasonably related or incidental thereto or which the Loan Parties have determined in good faith to be reasonable expansion of or accretive to such business or lines of businesses;

(f) the assets being acquired (other than (i) a de minimis amount of assets in relation to the assets being acquired or (ii) assets otherwise acceptable to Agent in its Permitted Discretion) are located within the United States or the Person whose Equity Interests are being acquired is organized in a jurisdiction located within the United States;

(g) the acquisition shall have been approved by the board of directors or other governing body or controlling Person of the Person acquired or the Person from whom such assets or division is acquired;

(h) in the case of a merger, amalgamation or consolidation, the applicable Loan Party shall be the continuing and surviving entity or the surviving Person shall become a Loan Party simultaneously with the consummation of such merger, amalgamation or consolidation;

(i) on or prior to the date of such proposed acquisition, Agent shall have received copies of the applicable Permitted Acquisition Agreement and related material agreements and instruments, certificates, lien search results, a collateral assignment of the Permitted Acquisition Agreement and other documents reasonably requested by Agent;

(j) the Transaction Conditions shall be satisfied;

(k) subject to Section 7.11, with respect to any proposed acquisition that contemplates an acquired Person joining this Agreement as a Loan Party, Agent and each Lender shall have received, in form and substance acceptable to Agent and each Lender, an executed Certificate of Beneficial Ownership and such other documentation and other information as may be reasonably requested for purposes of compliance by Agent or any such Lender with Applicable Laws (including, without limitation, "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act);

(l) with respect to any proposed acquisition where the total cash purchase component (including without limitation, all assumed liabilities, all earn-out payments and deferred payments with respect to such acquisitions), exceeds $15,000,000, Agent shall have received a quality of earnings report in form and substance satisfactory to Agent in its Permitted Discretion;

(m) the target of any proposed acquisition shall have positive EBITDA for its most recently completed four (4) consecutive fiscal quarter period; and

(n) the Borrower shall have delivered to Agent, in form and substance satisfactory to Agent in its Permitted Discretion, a certificate of an Authorized Officer of Borrower certifying that (i) Loan Parties on a Consolidated Basis will be solvent upon the consummation of the proposed acquisition and (ii) the requirements set forth in this definition have been satisfied.

"Permitted Acquisition Agreement" shall mean any purchase agreement, amalgamation agreement or merger agreement entered into by any Loan Party in connection with a Permitted Acquisition, in each case, including all exhibits, annexes, schedules and attachments thereto.

"Permitted Assignees" shall mean: (a) Agent, any Lender or any of their direct or indirect Affiliates; (b) a federal or state chartered bank, a United States branch of a foreign bank, an insurance company, or any finance company generally engaged in the business of making

commercial loans; (c) any fund that is administered or managed by Agent or any Lender, an Affiliate of Agent or any Lender or a related entity; and (d) any Person to whom Agent or any Lender assigns its rights and obligations under this Agreement as part of an assignment and transfer of such Agent's or Lender's rights in and to a material portion of such Agent's or Lender's portfolio of asset-based credit facilities.

"Permitted Discretion" shall mean a determination made in good faith and in the exercise (from the perspective of a secured asset-based lender) of commercially reasonable business judgment.

"Permitted Dividends" shall mean dividends and distributions (i) to pay amounts contemplated to be paid pursuant to Section 7.9 so long as (a) no Event of Default shall have occurred, or would occur after giving pro forma effect to such dividends, and be continuing and (b) the purpose of such dividend or distribution shall be as set forth in writing to be received by Agent prior to such distribution and such dividend shall in fact be used for such purpose, (ii) paid by any Subsidiary to the Borrower or any other Loan Party, (iii) so long as the Transaction Conditions are satisfied, other dividends and distributions, (iv) so long as no Event of Default has occurred and is continuing, (A) to existing and former officers, directors, and employees of the Borrower or any Subsidiary; provided, that such dividends are used in consideration for the retirement, purchase, or redemption of any of the Equity Interests of the Borrower or such Subsidiary, or any option, warrant or other right to purchase or acquire such Equity Interest, in any event, held by such Person and (B) to make repurchases, redemptions or exchanges of Equity Interests of the Borrower or any Subsidiary deemed to occur upon exercise of stock options or exchange of exchangeable shares if such Equity Interests represent a portion of the exercise price of such options and may make repurchases, redemptions or other acquisitions or retirements for value of Equity Interests of the Borrower or such Subsidiary made in lieu of withholding Taxes in connection with any exercise or exchange of stock options, warrants or other similar rights, in an aggregate amount with respect to this clause (iv) not to exceed $2,500,000 in any fiscal year, (v) that constitute Tax Distributions and (vi) other dividends and distributions not to exceed $5,000,000 in the aggregate in any fiscal year.

"Permitted Encumbrances" shall mean: (a) Liens in favor of Agent for the benefit of Agent and Lenders, including without limitation, Liens securing Hedge Liabilities and Cash Management Products and Services; (b) Liens for Taxes not delinquent or being Properly Contested; (c) deposits or pledges to secure obligations under worker's compensation, social security or similar laws (but not regarding any Pension Benefit Plans), or under unemployment insurance; (d) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the Ordinary Course of Business; (e) Liens arising by virtue of the rendition, entry or issuance against any Loan Party or any Subsidiary, or any property of any Loan Party or any Subsidiary, of any judgment, writ, order, or decree to the extent the rendition, entry, issuance or continued existence of such judgment, writ, order or decree (or any event or circumstance relating thereto) has not resulted in the occurrence of an Event of Default under Section 10.6; (f) carriers', landlords', bailees', repairmens', mechanics', workers', materialmen's or other like Liens, all arising by statute and in the Ordinary Course of Business and all with respect to obligations which are not due or which are being Properly Contested; (g) Liens placed upon, and capital leases of, fixed assets hereafter acquired to secure a portion of the purchase price thereof or Capitalized Lease Obligations thereunder, provided that any such Lien shall not encumber any other property of any

Loan Party; (h) any interest of title of a lessor or any Lien encumbering such lessor's interest with respect to operating leases of any Loan Parties or any of their Subsidiaries; (i) other Liens (including easements, restrictions, and covenants affecting Real Property) incidental to the conduct of any Loan Party's business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and which do not in the aggregate materially detract from Agent's or Lenders' rights in and to the Collateral or the value of any Loan Party's property or assets or which do not materially impair the use thereof in the operation of any Loan Party's business; (j) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other charges or encumbrances, in each case, which do not interfere in any material respect with the Ordinary Course of Business of Loan Parties and their Subsidiaries; (k) Liens disclosed on Schedule 1.2(a); provided that such Liens shall secure only those obligations which they secure on the Closing Date (and extensions, renewals and refinancing of such obligations permitted by Section 7.7) and shall not subsequently apply to any other property or assets of any Loan Party other than the property and assets to which they apply as of the Closing Date; (l) Liens solely on any cash earnest money deposits made by Loan Parties in connection with any letter of intent or purchase agreement with respect to a Permitted Acquisition; (m) Liens (x) assumed by Loan Parties or their Subsidiaries in connection with a Permitted Acquisition that secure Acquired Indebtedness and (y) securing Indebtedness incurred pursuant to clause (h) of the definition of "Permitted Indebtedness"; (n) Liens granted on any Accounts sold in connection with any Permitted Factoring Agreement; (o) Liens on property and assets (but not, for the avoidance of doubt, Equity Interests constituting Collateral) of Foreign Subsidiaries securing Indebtedness constituting "Permitted Indebtedness"; and (p) other Liens, so long as such Liens are subordinated to Agent's Lien on terms reasonably satisfactory to Agent and the aggregate outstanding principal amount of the Indebtedness or other obligations secured thereby does not exceed $10,000,000 at any time.

"Permitted Factoring Agreement" shall mean, collectively, the sale of Accounts in the Ordinary Course of Business by (a) Innovex Downhole Solutions, LLC pursuant to that certain Supplier Agreement, dated as of March 11, 2019 (as may be amended from time to time, the "Citibank SCF Agreement"), by and between Pride Energy Services, LLC (as predecessor-in-interest to Innovex Downhole Solutions, LLC) and Citibank, N.A., so long as the Accounts sold pursuant thereto are owed to Innovex Downhole Solutions, LLC by (i) Schlumberger Technology Corporation or an Affiliate thereof or (ii) any other Person approved in writing by Agent and the Required Lenders, (b) Innovex Downhole Solutions, LLC pursuant to that certain Receivables Purchase Agreement, dated as of February 2, 2020 (as may be amended from time to time, the "MUFG SCF Agreement"), by and between Pride Energy Services, LLC (as predecessor-in-interest to Innovex Downhole Solutions, LLC) and MUFG Union Bank, N.A., so long as the Accounts sold pursuant thereto are owed to Innovex Downhole Solutions, LLC by (i) Baker Hughes, LLC and its Affiliates or (ii) any other Person approved in writing by Agent and the Required Lenders and (c) any other Loan Party approved in writing by the Agent in its Permitted Discretion; provided that the Net Disposition Proceeds of all Accounts sold pursuant to a Permitted Factoring Agreement are deposited in a Depository Account established at Agent for the proceeds of Collateral.

"Permitted Indebtedness" shall mean: (a) the Obligations; (b) Indebtedness incurred for Capital Expenditures; (c) any guarantees of Indebtedness permitted under Section 7.3; (d) any Indebtedness listed on Schedule 5.7(b)(ii) and any extension, renewal or refinancing thereof (provided that the amount of any such refinancing shall not exceed the then original amount of

such Indebtedness being refinanced plus the fees and premiums for such refinancing); (e) Indebtedness arising under the Permitted Factoring Agreements; (f) Indebtedness consisting of Permitted Loans; (g) Interest Rate Hedges and Foreign Currency Hedges that are entered into by Loan Parties to hedge their risks with respect to outstanding Indebtedness of Loan Parties and not for speculative or investment purposes; (h) Indebtedness consisting of (A) the financing of insurance premiums or (B) take or pay obligations entered into in the Ordinary Course of Business; (i) Indebtedness of any Foreign Subsidiary not incurred as borrowed money to any Loan Party; (j) Indebtedness incurred in connection with credit cards or similar credit accounts in the aggregate amount not to exceed $10,000,000 at any time outstanding; (k) Indebtedness in respect of capital lease obligations or purchase money Indebtedness in the aggregate amount not to exceed $40,000,000 at any time outstanding; (l) Indebtedness consisting of (x) indemnities, other purchase price adjustments and similar obligations and (y) to the extent unsecured and subordinated on terms reasonably satisfactory to Agent, seller notes and obligations in respect of earn outs, in each case, created, incurred or assumed in connection with Permitted Acquisitions or any other investment or Disposition permitted under this Agreement; (m) Indebtedness of Foreign Subsidiaries owed to any holder of such Indebtedness not located in the United States in an aggregate principal amount not to exceed $10,000,000 at any time outstanding; provided that such Indebtedness is non-recourse to any Loan Party (other than a pledge of the Equity Interests of such Foreign Subsidiary not constituting Collateral); (n) other Indebtedness in an aggregate principal amount not exceeding $10,000,000 at any one time outstanding that is either (x) unsecured or (y) secured by Liens that are subordinated to Agent's Lien on terms reasonably satisfactory to Agent; and (o) Acquired Indebtedness of the Loan Parties or their Subsidiaries in connection with any Permitted Acquisition.

"Permitted Investments" shall mean investments in: (a) obligations issued or guaranteed by the United States of America or any agency thereof; (b) commercial paper with maturities of not more than 180 days and a published rating of not less than A-1 or P-1 (or the equivalent rating); (c) certificates of time deposit and bankers' acceptances having maturities of not more than 180 days and repurchase agreements backed by United States government securities of a commercial bank if (i) such bank has a combined capital and surplus of at least $500,000,000, or (ii) its debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency; (d) U.S. money market funds that invest solely in obligations issued or guaranteed by the United States of America or an agency thereof; (e) Permitted Loans; (f)(i) a Loan Party, (ii) in a Subsidiary that is not a Loan Party by another Subsidiary that is not a Loan Party and (iii) in a Subsidiary that is not a Loan Party by a Loan Party, in an aggregate amount to exceed, together with all amounts incurred pursuant to clause (d) of the definition of "Permitted Loans", $20,000,000 outstanding at any time; (g) any Permitted Acquisitions; (h) so long as the Transaction Conditions are satisfied, any other investment (other than as set forth in clause (g) of this definition); and (i) any other investments not to exceed $10,000,000 outstanding at any time.

"Permitted Loans" shall mean (a) the extension of trade credit by a Loan Party to its Customer(s), in the Ordinary Course of Business in connection with a sale of Inventory or rendition of services, in each case on open account terms; (b) loans to employees in the Ordinary Course of Business not to exceed as to all such loans the aggregate amount of $2,500,000 at any time outstanding; (c) intercompany loans between and among Loan Parties, so long as, at the request of Agent, each such intercompany loan is evidenced by a promissory note (including, if applicable, any master intercompany note executed by Loan Parties) on terms and conditions (including terms

subordinating payment of the indebtedness evidenced by such note to the prior payment in full of all Obligations) acceptable to Agent in its sole discretion that has been delivered to Agent either endorsed in blank or together with an undated instrument of transfer executed in blank by the payee(s) on such note; (d) loans to any Subsidiary that is not a Loan Party of any Loan Party in an aggregate amount not to exceed, together with all amounts incurred pursuant to clause (f)(iii) of the definition of "Permitted Investments", $20,000,000 outstanding at any time; and (e) intercompany loans on the Closing Date listed on Schedule 5.7(b)(ii) and any extension, renewal or refinancing thereof.

"Person" shall mean any individual, sole proprietorship, partnership, corporation, unlimited liability company, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, limited liability partnership, institution, public benefit corporation, joint venture, entity or Governmental Body (whether federal, provincial, territorial, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

"Plan" shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Benefit Plan and a Multiemployer Plan, as defined herein) maintained by any Loan Party or any member of the Controlled Group or to which any Loan Party or any member of the Controlled Group is required to contribute.

"Pledge Agreement" shall mean (a) that certain Fourth Amended and Restated Pledge Agreement in form and substance satisfactory to Agent in its Permitted Discretion, executed by the Loan Parties in favor of Agent dated as of the Closing Date, (b) that certain Share Pledge Agreement, dated as of May 10, 2021 (the "Innovex Canada Pledge Agreement"), executed by Rubicon Oilfield International Ltd., a limited company formed under the laws of the British Virgin Islands, in favor of Agent, as assigned to and assumed by Dril-Quip UK Canada Holdco Limited, a body corporate incorporated under the laws of Scotland, pursuant to that certain Assignment and Assumption Agreement, made with effect as of January 17, 2025, and (c) any other pledge agreements executed subsequent to the Closing Date by any other Person to secure the Obligations, in each case, as may be amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time.

"PNC" shall have the meaning set forth in the preamble to this Agreement and shall extend to all of its successors and assigns.

"Processor's Agreement" shall mean an agreement substantially in the form as shall be acceptable to Agent in its Permitted Discretion, among Loan Parties, Agent and a finish out and/or processing facility or Person providing maintenance, repair or overhaul services on a Borrower's behalf, which agreement, among other things, shall include waiver by such finish out and/or processing facility or Person of rights of off-set and shall waive or subordinate any Lien that such finish out and/or processing facility or Person may ever have with respect to any of the Collateral and shall authorize Agent from time to time to enter upon the premises to inspect, remove or otherwise access the Collateral from such premises.

"Pro Forma Balance Sheet" shall have the meaning set forth in Section 5.4(a).

"Pro Forma Financial Statements" shall have the meaning set forth in Section 5.4(b).

"Projections" shall have the meaning set forth in Section 5.4(b).

"Properly Contested" shall mean, in the case of any Indebtedness, Lien (including any mechanic's lien), Taxes or Charges, as applicable, of any Person that are not paid as and when due or payable by reason of such Person's bona fide dispute concerning its liability to pay the same or concerning the amount thereof: (a) such Indebtedness, Lien, Taxes or Charges, as applicable, are being properly contested in good faith by appropriate proceedings promptly instituted and diligently conducted; (b) such Person has established appropriate reserves as shall be required in conformity with GAAP; (c) the non-payment of such Indebtedness, Taxes or Charges is not reasonably expected to have a Material Adverse Effect and is not reasonably expected to result in the forfeiture of any assets in excess of $2,000,000 of such Person; (d) no Lien is imposed upon any of such Person's assets with respect to such Indebtedness or Taxes unless such Lien (x) does not attach to any Receivables or Inventory, (y) is at all times junior and subordinate in priority to the Liens in favor of the Agent (except only with respect to property Taxes that have priority as a matter of applicable state law) and, (z) enforcement of such Lien is stayed during the period prior to the final resolution or disposition of such dispute; and (e) if such Indebtedness or Lien, as applicable, results from, or is determined by the entry, rendition or issuance against a Person or any of its assets of a judgment, writ, order or decree, enforcement of such judgment, writ, order or decree is stayed pending a timely appeal or other judicial review.

"Protective Advances" shall have the meaning set forth in Section 16.2(g).

"PTE" shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Purchasing CLO" shall have the meaning set forth in Section 16.3(d).

"Purchasing Lender" shall have the meaning set forth in Section 16.3(c).

"Qualified ECP Loan Party" shall mean each Loan Party that on the Eligibility Date is (a) a corporation, partnership, proprietorship, organization, trust, or other entity other than a "commodity pool" as defined in Section 1a(10) of the CEA and CFTC regulations thereunder that has total assets exceeding $10,000,000 or (b) an Eligible Contract Participant that can cause another person to qualify as an Eligible Contract Participant on the Eligibility Date under Section 1a(18)(A)(v)(II) of the CEA by entering into or otherwise providing a "letter of credit or keepwell, support, or other agreement" for purposes of Section 1a(18)(A)(v)(II) of the CEA.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as same may be amended from time to time.

"Real Property" shall mean all of the real property that are now or hereafter owned or leased by any Loan Party, together with all fixtures and improvements thereon.

"Receivables" shall mean and include, as to each Loan Party, all of such Loan Party's accounts (as defined in Article 9 of the Uniform Commercial Code) and all of such Loan Party's contract rights, instruments (including those evidencing indebtedness owed to such Loan Party by its Affiliates), documents, chattel paper (including electronic chattel paper), general intangibles relating to accounts, contract rights, instruments, documents and chattel paper, and drafts and acceptances, credit card receivables and all other forms of obligations owing to such Loan Party

arising out of or in connection with the sale or lease of Inventory or the rendition of services, all supporting obligations, guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

"Receivables Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(i)(B).

"Register" shall have the meaning set forth in Section 16.3(e).

"Reimbursement Obligation" shall have the meaning set forth in Section 2.13(b).

"Related Person" shall mean, with respect to a particular Person: (a) each other member of an individual's Family; (b) any Person that is directly or indirectly controlled by such individual and/or any one or more members of such individual's Family; (c) any Person with respect to which such Person and/or one or more members of such Person's Family and/or all Related Persons thereto, collectively, constitute at least a majority of the executors or trustees thereof (or in a similar capacity); and (d) any Person that is an estate planning vehicle (such as a trust) of which such Person and/or one or more members of such Person's Family and/or any Related Persons thereto, collectively, are substantial beneficiaries.

"Release" shall have the meaning set forth in Section 5.6(c)(i).

"Reportable Compliance Event" shall mean that: (a) any Covered Entity becomes a Sanctioned Person; (b) any Covered Entity is charged by indictment, criminal complaint, or similar charging instrument, under any Anti-Corruption Law, Anti-Money Laundering Law, International Trade Law or Sanctions, provided, that such event shall be reportable only if the relevant authority has not requested the relevant entity to keep such charge confidential; (c) any Covered Entity engages in a transaction that has caused or would cause any Person hereunder (including the Agent, the Issuer, the Lenders, and any underwriter, advisor, investor, or otherwise) to be in material violation of any applicable Anti-Corruption Law or International Trade Law, including a Covered Entity's use of any proceeds of the Advances hereunder to directly or indirectly fund any activities or business of, with, or for the benefit of any Person that is a Sanctioned Person, or to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction; (d) any Covered Entity engages in a transaction that has caused or would cause any Person hereunder (including the Agent, the Issuer, the Lenders, and any underwriter, advisor, investor, or otherwise) to be in violation of any applicable Sanctions, including a Covered Entity's use of any proceeds of the Advances hereunder to directly or indirectly fund any activities or business of, with, or for the benefit of any Person that is a Sanctioned Person, or to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction; (e) any pledged Collateral qualifies as Blocked Property; or (f) any Covered Entity becomes subject to an investigation by, or receives any written inquiry from any, Governmental Body, as a result of any failure to comply (or alleged failure to comply) with any Anti-Corruption Law, International Trade Law or Sanctions.

"Reportable ERISA Event" shall mean a reportable event described in Section 4043(c) of ERISA or the regulations promulgated thereunder.

"Required Contribution Date" shall have the meaning set forth in Section 6.5(b).

"Required Lenders" shall mean Lenders (not including Swing Loan Lender (in its capacity as such Swing Loan Lender) or any Defaulting Lender) holding at least 50.1% of (a) prior to the

termination of all Revolving Commitments of Lenders hereunder, the aggregate Revolving Commitment Amounts of all Lenders (excluding any Defaulting Lender), or (b) on and after the termination of all Revolving Commitments of Lenders hereunder, the sum of the outstanding Revolving Advances and Swing Loans, plus the Maximum Undrawn Amount of all outstanding Letters of Credit; provided, however, if there are fewer than three (3) Lenders, Required Lenders shall mean all Lenders (excluding any Defaulting Lender and it being understood that all Lenders that are Affiliates shall count as one (1) Lender for the purposes of this proviso).

"Revolving Advances" shall mean Advances made other than Letters of Credit and the Swing Loans.

"Revolving Commitment" shall mean, as to any Lender, the obligation of such Lender (if applicable), to make Revolving Advances and participate in Swing Loans and Letters of Credit, in an aggregate principal and/or face amount not to exceed the Revolving Commitment Amount (if any) of such Lender.

"Revolving Commitment Amount" shall mean, (i) as to any Lender other than a New Lender, the Revolving Commitment amount (if any) set forth opposite such Lender's name on Schedule 1.2(b) (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 16.3(c) or (d), the Revolving Commitment amount (if any) of such Lender as set forth in the applicable Revolving Commitment Transfer Supplement), and (ii) as to any Lender that is a New Lender, the Revolving Commitment amount provided for in the joinder signed by such New Lender under Section 2.23(a)(x), in each case as the same may be adjusted upon any increase by such Lender pursuant to Section 2.23 hereof, or any assignment by or to such Lender pursuant to Section 16.3(c) or (d) hereof.

"Revolving Commitment Percentage" shall mean, (i) as to any Lender other than a New Lender, the Revolving Commitment Percentage (if any) set forth opposite such Lender's name on Schedule 1.2(b) (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 16.3(c) or (d), the Revolving Commitment Percentage (if any) of such Lender as set forth in the applicable Revolving Commitment Transfer Supplement), and (ii) as to any Lender that is a New Lender, the Revolving Commitment Percentage provided for in the joinder signed by such New Lender under Section 2.23(a)(ix), in each case as the same may be adjusted upon any increase in the Maximum Revolving Advance Amount pursuant to Section 2.23 hereof, or any assignment by or to such Lender pursuant to Section 16.3(c) or (d).

"Revolving Commitment Transfer Supplement" shall mean a document in the form of Exhibit 16.3 hereto, properly completed and otherwise in form and substance satisfactory to Agent by which the Purchasing Lender purchases and assumes a portion of the obligation of Lenders to make Advances under this Agreement.

"Revolving Credit Note" shall mean, collectively, the promissory notes referred to in Section 2.1(a), as each may be amended, restated, supplemented or otherwise modified from time to time

"Revolving Interest Rate" shall mean (a) with respect to Revolving Advances that are Domestic Rate Loans and Swing Loans, an interest rate per annum equal to the sum of the

Applicable Margin plus the Alternate Base Rate and (b) with respect to Revolving Advances that are Term SOFR Rate Loans, the sum of the Applicable Margin plus the Term SOFR Rate.

"Sanctions" shall mean all Laws administered or enforced by a Compliance Authority relating to economic and financial sanctions.

"Sanctioned Jurisdiction" shall mean, at any time, a country, area, territory, or jurisdiction that is the subject or target of comprehensive U.S. sanctions (which as of the Closing Date are Cuba, Iran, North Korea, Syria, Crimea, the so-called Donetsk People's Republic and Luhansk People's Republic and the Kherson and Zaporizhzhia regions of Ukraine).

"Sanctioned Person" shall mean any Person that is (a) located in, organized under the laws of, or ordinarily resident in a Sanctioned Jurisdiction; (b) identified on any sanctions-related list maintained by any Compliance Authority; or (c) owned 50% or more, in the aggregate, directly or indirectly by, controlled by, or acting for, on behalf of or at the direction of, one or more Persons described in clauses (a) or (b) above.

"SCF" shall mean SCF Machining Corporation, a corporation incorporated under the laws of Quebec.

"SCF Acquisition Agreement" shall mean that certain Equity Purchase Agreement, dated as of February 7, 2025, providing for the SCF Permitted Acquisition, together with all schedules and exhibits thereto.

"SCF Permitted Acquisition" shall mean the Permitted Acquisition by Innovex of all of the Equity Interests of SCF pursuant to the terms of the SCF Acquisition Agreement for a purchase price not to exceed $17,750,000.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Second A&R Closing Date" shall have the meaning set forth in the Recitals.

"Second A&R Credit Agreement" shall have the meaning set forth in the Recitals.

"Secured Parties" shall mean, collectively, Agent, Issuer, Swing Loan Lender and Lenders, together with any Affiliates of Agent or any Lender to whom any Hedge Liabilities or Cash Management Liabilities are owed and with each other holder of any of the Obligations, and the respective successors and assigns of each of them.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Settlement" shall have the meaning set forth in Section 2.5(d).

"Settlement Date" shall have the meaning set forth in Section 2.5(d).

"SOFR" shall mean, for any day, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Determination Date" shall have the meaning set forth in the definition of Daily Simple SOFR.

"SOFR Floor" shall mean a rate of interest per annum equal to 0 basis points (0%).

"SOFR Rate Day" shall have the meaning set forth in the definition of Daily Simple SOFR.

"SOFR Reserve Percentage" shall mean, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

"Specified Contribution" shall have the meaning set forth in Section 6.5(b).

"Sponsor" shall mean, collectively, (i) Amberjack Management, LLC, (ii) members of the executive management personnel of Amberjack Management, LLC, (iii) any spouse or descendant of any individual named in clause (ii), (iv) any other natural person who is a member of the Family of any such individual referenced in clauses (ii)-(iii) above, (v) any other natural person who has been adopted by any such individual referenced in (ii)-(iii) above, (vi) any Related Person of any such natural person referenced in clauses (ii)-(v) above, and (vii) any investment funds advised, managed or controlled by the foregoing and, in each case (whether individually or as a group), Affiliates of any of the foregoing (but excluding any operating portfolio companies of any of the foregoing).

"Subsidiary" shall mean, with respect to any Person, a corporation or other entity whose Equity Interests having ordinary voting power (other than Equity Interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person.

"Subsidiary Stock" shall mean (a) with respect to the Equity Interests issued to a Loan Party by any Subsidiary (other than a Foreign Subsidiary), 100% of such issued and outstanding Equity Interests; (b) with respect to any Equity Interests issued to a Loan Party by any Foreign Subsidiary, (i) 100% of such issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and (ii) 65.00% (or such greater percentage that, due to a change in an Applicable Law after the date hereof, (x) could not reasonably be expected to cause the undistributed earnings of such Foreign Subsidiary as determined for United States federal income tax purposes to be treated as a deemed dividend to such Loan Party and (y) could not reasonably be expected to cause any material adverse tax consequences to any Loan Party) of such issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)).

"Swap" shall mean any "swap" as defined in Section 1a(47) of the CEA and regulations thereunder other than (a) a swap entered into on, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (b) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

"Swap Obligation" shall mean any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap which is also a Lender-Provided Interest Rate Hedge, or a Lender-Provided Foreign Currency Hedge.

"Swing Loan Lender" shall mean PNC, in its capacity as lender of the Swing Loans.

"Swing Loan Note" shall mean the promissory note described in Section 2.3(a).

"Swing Loans" shall mean the Advances made pursuant to Section 2.3.

"Tax Distributions" shall mean (i) if and for so long as any Loan Party is a member of an affiliated, consolidated, combined or unitary group for U.S. federal, state or non-U.S. income Tax purposes filing a consolidated, combined or unitary Tax return with any of its direct or indirect owners as the reporting parent entity of such group, the amount equal to the portion of such consolidated or combined Taxes that is attributable to such Loan Party or any of its Subsidiaries in an aggregate amount not to exceed the amount that would have been payable by such Loan Party or its applicable Subsidiaries in respect of such Taxes had such Loan Party and its applicable Subsidiaries been a stand-alone taxpayer or a stand-alone tax group for all relevant taxable periods beginning on or after the Closing Date, reduced by any such Taxes paid directly by such Loan Party or its Subsidiaries, and for the avoidance of doubt, taking into account any available Tax attributes (such as net operating losses) of such Loan Party and its Subsidiaries; and (ii) if and for so long as any Loan Party is classified for U.S. federal, state or local income Tax purposes as a partnership or any other entity that is a pass-through entity or disregarded entity, the additional federal, state or local income Taxes assumed to be payable by a member of any Loan Party as a result of the taxable income of such Loan Party that gets allocated to such member due to such Loan Party's status for federal, state or local income Tax purposes as a partnership or any other entity that is a pass-through entity or disregarded entity for federal, state and local income Tax purposes (as applicable) but only for so long as such Loan Party continues to be so treated as a pass-through entity or disregarded entity for federal, state and local income tax purposes, as evidenced and substantiated by the tax returns filed by such Loan Party (as applicable), with such income Taxes assumed to be payable by a member of any Loan Party being calculated for all members at the highest combined marginal federal, state and local income Tax rate applicable to the taxable income of the applicable member at issue for which such tax is being calculated that is allocated to the member of the Loan Party, taking into consideration (A) the character and nature of such income (i.e., whether such income is subject to income Tax at capital gains rates, ordinary income rates or any special rates, and whether Section 1061 of the Code applies to such member), (B) losses previously allocated to each such member by such Loan Party to the extent such losses have not previously been applied to reduce the Tax Distribution hereunder, provided that capital losses and capital loss carry forwards shall be taken into account only to the extent they are currently usable to offset income or gain allocated by such Loan Party to a member, and (C) the deduction under Section 199A of the Code in respect of the taxable income of the Loan Parties.

"Taxes" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Body, including any interest, additions to tax or penalties applicable thereto.

"Tercel" shall mean Tercel Oilfield Products USA L.L.C., a Texas limited liability company.

"Term" shall have the meaning set forth in Section 13.1.

"Term SOFR Administrator" shall mean CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

"Term SOFR Determination Date" shall have the meaning set forth in the definition of Term SOFR Rate.

"Term SOFR Rate" shall mean, with respect to any Term SOFR Rate Loan for any Interest Period, the interest rate per annum determined by the Agent by dividing (the resulting quotient rounded upwards, at the Agent's discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for a tenor comparable to such Interest Period on the day (the "Term SOFR Determination Date") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the Term SOFR Determination Date, then the Term SOFR Reference Rate, for purposes of clause (A) in the preceding sentence, shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date. If the Term SOFR Rate, determined as provided above, would be less than the SOFR Floor, then the Term SOFR Rate shall be deemed to be the SOFR Floor. The Term SOFR Rate shall be adjusted automatically without notice to the Borrower on and as of (i) the first day of each Interest Period, and (ii) the effective date of any change in the SOFR Reserve Percentage.

"Term SOFR Rate Loan" shall mean an Advance that bears interest based on Term SOFR Rate.

"Term SOFR Reference Rate" shall mean the forward-looking term rate based on SOFR.

"Termination Event" shall mean: (a) a Reportable ERISA Event with respect to any Plan; (b) the withdrawal of any Loan Party or any member of the Controlled Group from a Plan during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) the providing of notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (d) the commencement of proceedings by the PBGC to terminate a Plan; (e) any event or condition (i) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or (ii) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; (f) the partial or complete withdrawal within the meaning of Section 4203 or 4205 of ERISA, of any Loan Party or any member of the Controlled Group from a Multiemployer Plan; (g) notice that a Multiemployer Plan is subject to Section 4245 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent, upon any Loan Party or any member of the Controlled Group.

"TIW" shall mean TIW LLC, a Delaware limited liability company.

"Toxic Substance" shall mean and include any material present on the Real Property which has been shown to have significant adverse effect on human health or which is subject to regulation under the Toxic Substances Control Act (TSCA), 15 U.S.C. §§ 2601 et seq., or any other Applicable Laws now in force or hereafter enacted relating to toxic substances. "Toxic Substance" includes but is not limited to asbestos, polychlorinated biphenyls (PCBs) and lead-based paints.

"Trademark and Patent Security Agreement" shall mean that certain Fourth Amended and Restated Trademark and Patent Security Agreement, dated on or after the Closing Date, executed by certain Loan Parties in favor of Agent for its benefit and the ratable benefit of Lenders, in form and substance satisfactory to Agent, as may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Transaction Conditions" shall mean the satisfaction by the Loan Parties of each of the following conditions to the satisfaction of Agent in its Permitted Discretion as of the date of any applicable proposed transaction or payment:

(a) no Default or Event of Default is then in existence or would otherwise result from the making of any such proposed transaction or payment;

(b)(i)(A) after giving effect to the making of any such proposed transaction or payment, during each day of the immediately preceding thirty (30) day period, Excess Availability on a pro forma basis shall have been no less than the lesser of (I) twenty-five percent (25%) of the Line Cap and (II) $45,000,000 and (B) immediately after giving effect to the making of any such proposed transaction or payment, Excess Availability on a pro forma basis is no less than the lesser of (I) twenty-five percent (25%) of the Line Cap and (II) $45,000,000; or

(b)(ii)(A) after giving effect to the making of any such proposed transaction or payment, during each day of the immediately preceding thirty (30) day period, Excess Availability on a pro forma basis shall have been no less than the lesser of (I) twenty percent (20%) of the Line Cap and (II) $35,000,000, (B) immediately after giving effect to the making of any such proposed transaction or payment, Excess Availability on a pro forma basis is no less than the least of (I) twenty percent (20%) of the Line Cap and (II) $35,000,000, (C) immediately after giving effect to the making of any such proposed transaction or payment, for the most recent four (4) fiscal quarter period for which financial statements have been delivered pursuant to Section 9.8, the Fixed Charge Coverage Ratio (regardless of whether an FCCR Testing Period is in effect) on a pro forma basis is not less than 1.20 to 1.00 and (D) immediately after giving effect to the making of any such proposed transaction or payment, for the most recent four (4) fiscal quarter period for which financial statements have been delivered pursuant to Section 9.8, the Leverage Ratio on a pro forma basis is not greater than 3.50 to 1.00; and

(c) Loan Parties shall deliver to Agent a compliance certificate with reasonably detailed calculations certifying to the satisfaction of the foregoing clause (a) and the satisfaction of either the foregoing clause (b)(i) or the foregoing clause (b)(ii).

"Transactions" shall have the meaning set forth in Section 5.4(a).

"Transferee" shall have the meaning set forth in Section 16.3(d).

"Unbilled Receivables Advance Rate" shall have the meaning set forth in Section 2.1(a)(y)(ii).

"Unfinanced Capital Expenditures" shall mean all Capital Expenditures other than those made utilizing financing provided by the applicable seller or third-party lenders. For the avoidance of doubt, Capital Expenditures made by a Borrower utilizing proceeds of Revolving Advances shall be deemed Unfinanced Capital Expenditures.

"Uniform Commercial Code" shall have the meaning set forth in Section 1.3.

"USA PATRIOT Act" shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

"Usage Amount" shall have the meaning set forth in Section 3.3 hereof.

"U.S. Government Securities Business Day" shall mean any day except for (a) a Saturday or Sunday or (b) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" shall mean any Person that is a "United States Person" as defined in section 7701(a)(30) of the Code.

1.3Uniform Commercial Code Terms. All terms used herein and defined in the Uniform Commercial Code as adopted in the State of New York from time to time (the "Uniform Commercial Code") shall have the meaning given therein unless otherwise defined herein. Without limiting the foregoing, the terms "accounts", "chattel paper" (and "electronic chattel paper" and "tangible chattel paper"), "commercial tort claims", "deposit accounts", "documents", "financial asset", "fixtures", "general intangibles", "goods", "instruments", "inventory", "investment property", "letter-of-credit rights", "payment intangibles", "proceeds", "promissory note" "securities", "software" and "supporting obligations" as and when used in the description of Collateral shall have the meanings given to such terms in Articles 8 or 9 of the Uniform Commercial Code. To the extent the definition of any category or type of collateral is expanded by any amendment, modification or revision to the Uniform Commercial Code, such expanded definition will apply automatically as of the date of such amendment, modification or revision.

1.4Certain Matters of Construction. The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. All references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements to which Agent is a party, including references to any of the Other Documents, shall include any and all modifications, supplements or amendments thereto, any and all restatements or replacements thereof and any and all extensions or renewals thereof. Except as otherwise expressly provided for

herein, all references herein to the time of day shall mean the time in New York, New York. Unless otherwise provided, all financial calculations shall be performed with Inventory valued on a first-in, first-out basis. Whenever the words "including" or "include" shall be used, such words shall be understood to mean "including, without limitation" or "include, without limitation". A Default or an Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of Default is waived in writing pursuant to this Agreement or, in the case of a Default, is cured within any period of cure expressly provided for in this Agreement; and an Event of Default shall "continue" or be "continuing" until such Event of Default has been waived in writing by Required Lenders or as otherwise waived hereunder. Any Lien referred to in this Agreement or any of the Other Documents as having been created in favor of Agent, any agreement entered into by Agent pursuant to this Agreement or any of the Other Documents, any payment made by or to or funds received by Agent pursuant to or as contemplated by this Agreement or any of the Other Documents, or any act taken or omitted to be taken by Agent, shall, unless otherwise expressly provided, be created, entered into, made or received, or taken or omitted, for the benefit or account of Agent and Lenders. Wherever the phrase "to the best of Loan Parties' knowledge" or words of similar import relating to the knowledge or the awareness of any Loan Party are used in this Agreement or Other Documents, such phrase shall mean and refer to (i) the actual knowledge of an Authorized Officer of any Loan Party or (ii) the knowledge that an Authorized Officer would have obtained if he/she had engaged in a good faith performance of his/her duties. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or otherwise within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists. In addition, all representations and warranties hereunder shall be given independent effect so that if a particular representation or warranty proves to be incorrect or is breached, the fact that another representation or warranty concerning the same or similar subject matter is correct or is not breached will not affect the incorrectness of a breach of a representation or warranty hereunder.

1.5Term SOFR Notification. Section 3.8(b) of this Agreement provides a mechanism for determining an alternate rate of interest in the event that the Term SOFR Reference Rate or SOFR is no longer available or in certain other circumstances. The Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the Term SOFR Reference Rate or SOFR or with respect to any alternative or successor rate thereto, or replacement rate therefor.

1.6Conforming Changes Relating to the Term SOFR Rate. With respect to the Term SOFR Rate, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any Other Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any Other Document; provided that, with respect to any such amendment effected, the Agent shall provide notice to the Borrower and the Lenders of each such amendment implementing such Conforming Changes reasonably promptly after such amendment becomes effective.

2. ADVANCES, PAYMENTS.

2.1Revolving Advances.

(a) Amount of Revolving Advances. Subject to the terms and conditions set forth in this Agreement specifically including Section 2.1(b), each Lender, severally and not jointly, will make Revolving Advances to Borrower in aggregate amounts outstanding at any time equal to such Lender's Revolving Commitment Percentage of the lesser of (x) the Maximum Revolving Advance Amount, less the outstanding amount of Swing Loans, less the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit or (y) an amount equal to the sum of:

(i) (A) with respect to Investment Grade U.S. Customers, up to ninety percent (90%) (the "Investment Grade U.S. Receivables Advance Rate") of Eligible Receivables and (B) with respect to all other Customers, up to eighty-five percent (85.00%) (the "Receivables Advance Rate") of Eligible Receivables, plus

(ii) up to the lesser of (A) up to eighty-five percent (85%) of Eligible Unbilled Receivables (the "Unbilled Receivables Advance Rate") or (B) $10,000,000, plus

(iii)up to the least of (A) up to sixty-five percent (65%) of the value of the Eligible Inventory (the "Inventory Advance Rate"), (B) up to eighty-five percent (85%) of the appraised net orderly liquidation value percentage of Eligible Inventory (as evidenced by an Inventory NOLV Appraisal to Agent in its Permitted Discretion) (the "Inventory NOLV Advance Rate" and together with the Inventory Advance Rate, the Investment Grade U.S. Receivables Advance Rate, the Receivables Advance Rate and the Unbilled Receivables Advance Rate, collectively, the "Advance Rates"); or (C) the Inventory Sublimit, minus

(iv)the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit issued under the Revolving Commitments, minus

(v) such reserves as Agent may deem proper and necessary from time to time in its Permitted Discretion.

The amount derived from the sum of (*x*) Sections 2.1(a)(y)(i), (ii) and (iii) minus (*y*) Sections 2.1(a)(y)(iv) and (v) at any time and from time to time shall be referred to as the "Formula Amount". The Revolving Advances shall be evidenced by one or more secured promissory notes (collectively, the "Revolving Credit Note") substantially in the form attached hereto as Exhibit 2.1(a). Notwithstanding anything to the contrary contained in the foregoing or otherwise in this Agreement, the outstanding aggregate principal amount of Swing Loans and the Revolving Advances at any one time outstanding shall not exceed an amount equal to the lesser of (i) the Maximum Revolving Advance Amount less the Maximum Undrawn Amount of all outstanding Letters of Credit less reserves established hereunder or (ii) the Formula Amount.

(b) Discretionary Rights. The Advance Rates may be increased or decreased by Agent at any time and from time to time in the exercise of its Permitted Discretion. Prior to the occurrence of an Event of Default Agent shall give Borrower five (5) Business Days' prior written notice of its intention to institute or impose reserves as Agent deems proper and necessary from time to time in its Permitted Discretion; provided, however, no Borrower or Guarantor shall have any right of action whatsoever against Agent for, and Agent shall not be liable for any damages resulting from, the failure of Agent to provide the prior notice contemplated in this sentence. The Borrower acknowledges that increasing or decreasing the Advance Rates or increasing or imposing

reserves may limit or restrict Advances requested by Borrower. The rights of Agent under this Section 2.1 are subject to the provisions of Section 16.2(b).

(c) Sublimits. In addition to the limitations set forth in Section 2.1(a)(y)(ii)(B) and Section 2.1(a)(y)(iii)(C) and notwithstanding anything set forth in Section 2.1(a) to the contrary, the portion of the Formula Amount attributable to Eligible Receivables due to the operation of Section 2.1(a)(y)(i)(B) constituting Eligible Foreign Receivables shall not exceed the Eligible Foreign Receivables Sublimit.

(d) Legacy Formula Amount. Notwithstanding anything set forth in this Agreement to the contrary, on the Closing Date through and including Agent's receipt of each of an appraisal and a field examination to be completed within sixty (60) days of the Closing Date, the portion of the Formula Amount attributable to Sections 2.1(a)(y)(i), (ii) and (iii) above shall be calculated pursuant to the most recent appraisal and field examination delivered pursuant to the Second A&R Credit Agreement.

2.2 Procedures for Requesting Revolving Advances; Procedures for Selection of Applicable Interest Rates for All Advances.

(a) The Borrower may notify Agent prior to 1:00 p.m. on a Business Day of a Borrower's request to incur, on that day, a Revolving Advance hereunder. Should any amount required to be paid as interest hereunder, or as fees or other charges under this Agreement or any other agreement with Agent or Lenders, or with respect to any other Obligation under this Agreement, become due, same shall be deemed a request for a Revolving Advance maintained as a Domestic Rate Loan as of the date such payment is due, in the amount required to pay in full such interest, fee, charge or Obligation, and such request shall be irrevocable.

(b) Notwithstanding the provisions of Section 2.2(a), in the event the Borrower desires to obtain a Term SOFR Rate Loan for any Advance (other than a Swing Loan), Borrower shall give Agent written notice by no later than 1:00 p.m. on the day which is three (3) Business Days prior to the date such Term SOFR Rate Loan is to be borrowed, specifying (i) the date of the proposed borrowing (which shall be a Business Day), (ii) the type of borrowing and the amount of such Advance to be borrowed, which amount shall be in a minimum amount of $500,000 and in integral multiples of $100,000 thereafter, and (iii) the duration of the first Interest Period therefor. Interest Periods for Term SOFR Rate Loans shall be for one (1), three (3) or six (6) months; provided that (i) if an Interest Period would end on a day that is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the Interest Period shall end on the next preceding Business Day and (ii) notwithstanding anything to the contrary in this Agreement, the last day of the Interest Period for each Term SOFR Rate Loan advanced to the Borrower on the Closing Date shall be October 3, 2022. Any Interest Period that begins on the last Business Day of a calendar month (or a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent or at the direction of Required Lenders, no Term SOFR Rate Loan shall be made available to the Borrower. After giving effect to each requested Term SOFR Rate Loan, including those which are converted from a Domestic Rate Loan under Section 2.2(e), there shall not be outstanding more than five (5) Term SOFR Rate Loans, in the aggregate.

(c) Each Interest Period of a Term SOFR Rate Loan shall commence on the date such Term SOFR Rate Loan is made and shall end on such date as Borrower may elect as set forth in clause (iii) of Section 2.2(b), provided that no Interest Period shall end after the last day of the Term.

(d) Borrower shall elect the initial Interest Period applicable to a Term SOFR Rate Loan by its notice of borrowing given to Agent pursuant to Section 2.2(b) or by its notice of conversion given to Agent pursuant to Section 2.2(e), as the case may be. Borrower shall elect the duration of each succeeding Interest Period by giving irrevocable written notice to Agent of such duration not later than 1:00 p.m. on the day which is three (3) Business Days prior to the last day of the then current Interest Period applicable to such Term SOFR Rate Loan. If Agent does not receive timely notice of the Interest Period elected by Borrower, Borrower shall be deemed to have elected to convert such Term SOFR Rate Loan to a Domestic Rate Loan subject to Section 2.2(e) below.

(e) Provided that no Default or Event of Default shall have occurred and be continuing, Borrower may, on the last Business Day of the then current Interest Period applicable to any outstanding Term SOFR Rate Loan, or on any Business Day with respect to Domestic Rate Loans, convert any such loan into a loan of another type in the same aggregate principal amount provided that any conversion of a Term SOFR Rate Loan shall be made only on the last Business Day of the then current Interest Period applicable to such Term SOFR Rate Loan. If Borrower desires to convert a loan, Borrower shall give Agent written notice by no later than 1:00 p.m. (i) on the day which is two (2) Business Days prior to the date on which such conversion is to occur with respect to a conversion from a Domestic Rate Loan to a Term SOFR Rate Loan, or (ii) on the day which is one (1) Business Day prior to the date on which such conversion is to occur (which date shall be the last Business Day of the Interest Period for the applicable Term SOFR Rate Loan) with respect to a conversion from a Term SOFR Rate Loan to a Domestic Rate Loan, specifying, in each case, the date of such conversion, the loans to be converted and if the conversion is to a Term SOFR Rate Loan, the duration of the first Interest Period therefor. In the case of the renewal of a Term SOFR Rate Loan at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day.

(f) At its option and upon written notice given prior to 1:00 p.m. at least three (3) Business Days prior to the date of such prepayment, the Borrower may, subject to Section 2.2(g), prepay any Advances in whole at any time or in part from time to time with accrued interest on the principal being prepaid to the date of such repayment. The Borrower shall specify the date of prepayment of such Advances and the amount of such prepayment. In the event that any prepayment of an Advance is required or permitted on a date other than the last Business Day of the then current Interest Period with respect thereto, the Borrower shall indemnify Agent and Lenders therefor in accordance with Section 2.2(g).

(g) The Borrower shall indemnify Agent and Lenders and hold Agent and Lenders harmless from and against any and all losses or expenses that Agent and Lenders may sustain or incur as a consequence of any prepayment, conversion of or any default by the Borrower in the payment of the principal of or interest on any Term SOFR Rate Loan or failure by any the Borrower to complete a borrowing of, a prepayment of or conversion of or to a Term SOFR Rate Loan after notice thereof has been given, including, but not limited to, any interest payable by

Agent or Lenders to lenders of funds obtained by it in order to make or maintain its Term SOFR Rate Loans hereunder. In the case of any Term SOFR Rate Loan, any losses or expenses to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Term SOFR Rate Loan had such event described in the immediately preceding sentence not occurred, at the Contract Rate that would have been applicable to such Term SOFR Rate Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Term SOFR Rate Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks offering loans based on SOFR. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or any Lender to Borrower shall be conclusive absent manifest error.

(h) Notwithstanding any other provision hereof, if any Applicable Law, treaty, regulation or directive, or any change therein or in the interpretation or application thereof, including without limitation any Change in Law, shall make it unlawful for Lenders or any Lender (for purposes of this Section 2.2(h), the term "Lender" shall include any Lender and the office or branch where any Lender or any Person controlling such Lender makes or maintains any Term SOFR Rate Loans) to make or maintain its Term SOFR Rate Loans, the obligation of Lenders (or such affected Lender) to make Term SOFR Rate Loans hereunder shall forthwith be cancelled and Borrower shall, if any affected Term SOFR Rate Loans are then outstanding, promptly upon request from Agent, either pay all such affected Term SOFR Rate Loans or convert such affected Term SOFR Rate Loans into Domestic Rate Loans. If any such payment or conversion of any Term SOFR Rate Loan is made on a day that is not the last day of the Interest Period applicable to such Term SOFR Rate Loan, Borrower shall pay Agent, upon Agent's request, such amount or amounts set forth in clause (g) above. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or any Lender to Borrower shall be conclusive absent manifest error.

(i) Anything to the contrary contained herein notwithstanding, neither Agent nor any Lender, nor any of their participants, is required actually to acquire SOFR deposits to fund or otherwise match fund any Obligation as to which interest accrues based on the Term SOFR Rate. The provisions set forth herein shall apply as if each Lender or its participants had match funded any Obligation as to which interest is accruing based on the Term SOFR Rate by acquiring SOFR deposits for each Interest Period in the amount of the Term SOFR Rate Loans.

2.3 Swing Loans.

(a) Subject to the terms and conditions set forth in this Agreement, and in order to minimize the transfer of funds between Lenders and Agent for administrative convenience, Agent, Lenders holding Revolving Commitments and Swing Loan Lender agree that in order to facilitate the administration of this Agreement, Swing Loan Lender may, at its election and option made in its sole discretion cancelable at any time for any reason whatsoever, make swing loan advances ("Swing Loans") available to Borrower as provided for in this Section 2.3 at any time or from time to time after the date hereof to, but not including, the expiration of the Term, in an aggregate principal amount up to but not in excess of the Maximum Swing Loan Advance Amount,

provided that the outstanding aggregate principal amount of Swing Loans and the Revolving Advances at any one time outstanding shall not exceed an amount equal to the lesser of (i) the Maximum Revolving Advance Amount less the Maximum Undrawn Amount of all outstanding Letters of Credit or (ii) the Formula Amount. All Swing Loans shall be Domestic Rate Loans only. Borrower may borrow (at the option and election of Swing Loan Lender), repay and reborrow (at the option and election of Swing Loan Lender) Swing Loans and Swing Loan Lender may make Swing Loans as provided in this Section 2.3 during the period between Settlement Dates. All Swing Loans shall be evidenced by a secured promissory note (the "Swing Loan Note") substantially in the form attached hereto as Exhibit 2.3(a). Swing Loan Lender's agreement to make Swing Loans under this Agreement is cancelable at any time for any reason whatsoever and the making of Swing Loans by Swing Loan Lender from time to time shall not create any duty or obligation, or establish any course of conduct, pursuant to which Swing Loan Lender shall thereafter be obligated to make Swing Loans in the future.

(b) Upon either (i) any request by Borrower for a Revolving Advance made pursuant to Section 2.2(a) or (ii) the occurrence of any deemed request by Borrower for a Revolving Advance pursuant to the provisions of Section 2.2(a), Swing Loan Lender may elect, in its sole discretion, to have such request or deemed request treated as a request for a Swing Loan, and may advance same day funds to Borrower as a Swing Loan; provided that notwithstanding anything to the contrary provided for herein, Swing Loan Lender may not make Swing Loans if Swing Loan Lender has been notified by Agent or by Required Lenders that one or more of the applicable conditions set forth in Section 8.2 of this Agreement have not been satisfied or the Revolving Commitments have been terminated for any reason.

(c) Upon the making of a Swing Loan (whether before or after the occurrence of a Default or an Event of Default and regardless of whether a Settlement has been requested with respect to such Swing Loan), each Lender holding a Revolving Commitment shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from Swing Loan Lender, without recourse or warranty, an undivided interest and participation in such Swing Loan in proportion to its Revolving Commitment Percentage. Swing Loan Lender or Agent may, at any time, require the Lenders holding Revolving Commitments to fund such participations by means of a Settlement as provided for in Section 2.5(d) below. From and after the date, if any, on which any Lender holding a Revolving Commitment is required to fund, and funds, its participation in any Swing Loans purchased hereunder, Agent shall promptly distribute to such Lender its Revolving Commitment Percentage of all payments of principal and interest and all proceeds of Collateral received by Agent in respect of such Swing Loan; provided that no Lender holding a Revolving Commitment shall be obligated in any event to make Revolving Advances in an amount in excess of its Revolving Commitment Amount minus its Participation Commitment (taking into account any reallocations under Section 2.21) of the Maximum Undrawn Amount of all outstanding Letters of Credit.

2.4Disbursement of Advance Proceeds. All Advances shall be disbursed from whichever office or other place Agent may designate from time to time and, together with any and all other Obligations of Loan Parties to Agent or Lenders, shall be charged to Borrower's Account on Agent's books. The proceeds of each Revolving Advance or Swing Loan requested by the Borrower or deemed to have been requested by the Borrower under Sections 2.2(a), 2.5(b) or 2.13 shall, (i) with respect to requested Revolving Advances, to the extent Lenders make such Revolving Advances in accordance with Section 2.2(a), 2.5(b) or 2.13, and with respect to Swing

Loans made upon any request or deemed request by Borrower for a Revolving Advance to the extent Swing Loan Lender makes such Swing Loan in accordance with Section 2.3(b), be made available to the Borrower on the day so requested by way of credit to the Borrower's operating account at PNC, or such other bank as Borrower may designate following notification to Agent, in immediately available federal funds or other immediately available funds or, (ii) with respect to Revolving Advances deemed to have been requested by the Borrower or Swing Loans made upon any deemed request for a Revolving Advance by the Borrower, be disbursed to Agent to be applied to the outstanding Obligations giving rise to such deemed request. During the Term, Borrower may use the Revolving Advances and Swing Loans by borrowing, prepaying and re-borrowing, all in accordance with the terms and conditions hereof.

2.5 Making and Settlement of Advances.

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Revolving Commitment Percentages of Lenders holding the Revolving Commitments (subject to any contrary terms of Section 2.21). Each borrowing of Swing Loans shall be advanced by Swing Loan Lender alone.

(b) Promptly after receipt by Agent of a request or a deemed request for a Revolving Advance pursuant to Section 2.2(a) and, with respect to Revolving Advances, to the extent Agent elects not to provide a Swing Loan or the making of a Swing Loan would result in the aggregate amount of all outstanding Swing Loans exceeding the maximum amount permitted in Section 2.3(a), Agent shall notify Lenders holding the Revolving Commitments of its receipt of such request specifying the information provided by Borrower and the apportionment among Lenders of the requested Revolving Advance as determined by Agent in accordance with the terms hereof. Each Lender shall remit the principal amount of each Revolving Advance to Agent such that Agent is able to, and Agent shall, to the extent the applicable Lenders have made funds available to it for such purpose and subject to Section 8.2, fund such Revolving Advance to Borrower in U.S. Dollars and immediately available funds at the Payment Office prior to the close of business, on the applicable borrowing date; provided that if any applicable Lender fails to remit such funds to Agent in a timely manner, Agent may elect in its sole discretion to fund with its own funds the Revolving Advance of such Lender on such borrowing date, and such Lender shall be subject to the repayment obligation in Section 2.5(c).

(c) Unless Agent shall have been notified by telephone, confirmed in writing, by any Lender holding a Revolving Commitment that such Lender will not make the amount which would constitute its applicable Revolving Commitment Percentage of the requested Revolving Advance available to Agent, Agent may (but shall not be obligated to) assume that such Lender has made such amount available to Agent on such date in accordance with Section 2.5(b) and may, in reliance upon such assumption, make available to Borrower a corresponding amount. Agent will promptly notify Borrower of its receipt of any such notice from a Lender. In such event, if a Lender has not in fact made its applicable Revolving Commitment Percentage of the requested Revolving Advance available to Agent, then the applicable Lender and Borrower severally agree to pay to Agent on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrower through but excluding the date of payment to Agent, at (i) in the case of a payment to be made by such Lender, the greater of (A) (x) the daily average Effective Federal Funds Rate (computed on the basis of a year of 360 days) during such period as quoted by Agent, times (y) such amount or (B) a rate determined by Agent

in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by Borrower, the Revolving Interest Rate for Revolving Advances that are Domestic Rate Loans. If such Lender pays its share of the applicable Revolving Advance to Agent, then the amount so paid shall constitute such Lender's Revolving Advance. Any payment by Loan Parties shall be without prejudice to any claim Borrower may have against a Lender holding a Revolving Commitment that shall have failed to make such payment to Agent. A certificate of Agent submitted to any Lender or Borrower with respect to any amounts owing under this paragraph (c) shall be conclusive, in the absence of manifest error.

(d) Agent, on behalf of Swing Loan Lender, shall demand settlement (a "Settlement") of all or any Swing Loans with Lenders holding the Revolving Commitments on at least a weekly basis, or on any more frequent date that Agent elects or that Swing Loan Lender at its option exercisable for any reason whatsoever may request, by notifying Lenders holding the Revolving Commitments of such requested Settlement by facsimile, telephonic or electronic transmission no later than 3:00 p.m. on the date of such requested Settlement (the "Settlement Date"). Subject to any contrary provisions of Section 2.21, each Lender holding a Revolving Commitment shall transfer the amount of such Lender's Revolving Commitment Percentage of the outstanding principal amount (plus interest accrued thereon to the extent requested by Agent) of the applicable Swing Loan with respect to which Settlement is requested by Agent, to such account of Agent as Agent may designate not later than 5:00 p.m. on such Settlement Date if requested by Agent by 3:00 p.m., otherwise not later than 5:00 p.m. on the next Business Day. Settlements may occur at any time notwithstanding that the conditions precedent to making Revolving Advances set forth in Section 8.2 have not been satisfied or the Revolving Commitments shall have otherwise been terminated at such time. All amounts so transferred to Agent shall be applied against the amount of outstanding Swing Loans and, when so applied shall constitute Revolving Advances of such Lenders accruing interest as Domestic Rate Loans. If any such amount is not transferred to Agent by any Lender holding a Revolving Commitment on such Settlement Date, Agent shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.5(c).

(e) If any Lender or Participant (a "Benefited Lender") shall at any time receive any payment of all or part of its Advances, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender's Advances, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such Benefited Lender shall purchase for cash from the other Lenders a participation in such portion of each such other Lender's Advances, or shall provide such other Lender with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each of the other Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that each Lender so purchasing a portion of another Lender's Advances may exercise all rights of payment (including rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion, and the obligations owing to each such purchasing Lender in respect of such participation and such purchased portion of any other Lender's Advances shall be part of the Obligations secured by the

Collateral, and the obligations owing to each such purchasing Lender in respect of such participation and such purchased portion of any other Lender's Advances shall be part of the Obligations secured by the Collateral.

2.6Maximum Advances. The aggregate balance of Revolving Advances plus Swing Loans outstanding at any time shall not exceed the lesser of (a) the Maximum Revolving Advance Amount less the aggregate Maximum Undrawn Amount of all issued and outstanding Letters of Credit or (b) the Formula Amount.

2.7Manner and Repayment of Advances.

(a) The Revolving Advances and Swing Loans shall be due and payable in full on the last day of the Term subject to earlier prepayment as herein provided. Notwithstanding the foregoing, all Advances shall be subject to earlier repayment upon (x) acceleration upon the occurrence of an Event of Default under this Agreement or (y) termination of this Agreement. Each payment (including each prepayment) by any Loan Party on account of the principal of and interest on the Advances shall be applied, first to the outstanding Swing Loans and next, pro rata according to the applicable Revolving Commitment Percentages of Lenders, to the outstanding Revolving Advances (subject to any contrary provisions of Section 2.21).

(b) Each Loan Party recognizes that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Agent on the date received by Agent. Agent shall conditionally credit the Borrower's Account for each item of payment on the next Business Day after the Business Day on which such item of payment is received by Agent (and the Business Day on which each such item of payment is so credited shall be referred to, with respect to such item, as the "Application Date"). Agent is not, however, required to credit the Borrower's Account for the amount of any item of payment which is unsatisfactory to Agent and Agent may charge the Borrower's Account for the amount of any item of payment which is returned, for any reason whatsoever, to Agent unpaid. Subject to the foregoing, Borrower agrees that for purposes of computing the interest charges under this Agreement, each item of payment received by Agent shall be deemed applied by Agent on account of the Obligations on its respective Application Date. All proceeds received by Agent shall be applied to the Obligations in accordance with Section 4.8(g).

(c) All payments of principal, interest and other amounts payable hereunder, or under any of the Other Documents shall be made to Agent at the Payment Office not later than 1:00 p.m. on the due date therefor in Dollars in federal funds or other funds immediately available to Agent. Agent shall have the right to effectuate payment of any and all Obligations due and owing hereunder by charging the Borrower's Account or by making Advances as provided in Section 2.2.

(d) Except as expressly provided herein, all payments (including prepayments) to be made by any Loan Party on account of principal, interest, fees and other amounts payable hereunder shall be made without deduction, setoff or counterclaim and shall be made to Agent on behalf of Lenders to the Payment Office, in each case on or prior to 1:00 p.m., in Dollars and in immediately available funds.

2.8Repayment of Excess Advances. If at any time the aggregate balance of outstanding Revolving Advances, Swing Loans, and/or Advances taken as a whole exceeds the maximum amount of such type of Advances and/or Advances taken as a whole (as applicable) permitted hereunder, such excess Advances shall be immediately due and payable without the necessity of any demand, at the Payment Office, whether or not a Default or an Event of Default has occurred.

2.9Statement of Account. Agent shall maintain, in accordance with its customary procedures, a loan account ("Borrower's Account") in the name of Innovex in which shall be recorded the date and amount of each Advance made by Agent or Lenders and the date and amount of each payment in respect thereof; provided, however, the failure by Agent to record the date and amount of any Advance shall not adversely affect Agent or any Lender. Each month, Agent shall send to Borrower a statement showing the accounting for the Advances made, payments made or credited in respect thereof, and other transactions between Agent, Lenders and Loan Parties during such month. The monthly statements shall be deemed correct and binding upon Loan Parties in the absence of manifest error and shall constitute an account stated between Lenders and Loan Parties unless Agent receives a written statement of Loan Parties' specific exceptions thereto within thirty (30) days after such statement is received by Borrower. The records of Agent with respect to Borrower's Account shall be conclusive evidence absent manifest error of the amounts of Advances and other charges thereto and of payments applicable thereto.

2.10Letters of Credit.

(a) Subject to the terms and conditions hereof, Issuer shall issue or cause the issuance of standby and/or trade letters of credit denominated in Dollars ("Letters of Credit") for the account of the Borrower except to the extent that the issuance thereof would then cause the sum of (i) the outstanding Revolving Advances plus (ii) the outstanding Swing Loans, plus (iii) the Maximum Undrawn Amount of all outstanding Letters of Credit, plus (iv) the Maximum Undrawn Amount of the Letter of Credit to be issued to exceed the lesser of (x) the Maximum Revolving Advance Amount or (y) the Formula Amount (calculated without giving effect to the deductions provided for in Section 2.1(a)(y)(iv)). The Maximum Undrawn Amount of all outstanding Letters of Credit shall not exceed in the aggregate at any time the Letter of Credit Sublimit. All disbursements or payments related to Letters of Credit shall be deemed to be Domestic Rate Loans consisting of Revolving Advances and shall bear interest at the Revolving Interest Rate for Domestic Rate Loans. Letters of Credit that have not been drawn upon shall not bear interest (but fees shall accrue in respect of outstanding Letters of Credit as provided in Section 3.2).

(b) Notwithstanding any provision of this Agreement, Issuer shall not be under any obligation to issue any Letter of Credit if (i) any order, judgment or decree of any Governmental Body or arbitrator shall by its terms purport to enjoin or restrain Issuer from issuing any Letter of Credit, or any Law applicable to Issuer or any request or directive (whether or not having the force of law) from any Governmental Body with jurisdiction over Issuer shall prohibit, or request that Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which Issuer is not otherwise compensated hereunder) not in effect on the date of this Agreement, or shall impose upon Issuer any unreimbursed loss, cost or expense which was not applicable on the date of this Agreement, and which Issuer in good faith deems

material to it, or (ii) the issuance of the Letter of Credit would violate one or more policies of Issuer applicable to letters of credit generally.

2.11 Issuance of Letters of Credit.

(a) The Borrower may request Issuer to issue or cause the issuance of a Letter of Credit by delivering to Issuer, with a copy to Agent at the Payment Office, prior to 1:00 p.m., at least five (5) Business Days prior to the proposed date of issuance, such Issuer's form of Letter of Credit Application (the "Letter of Credit Application") completed to the satisfaction of Agent and Issuer; and, such other certificates, documents and other papers and information as Agent or Issuer may reasonably request. Issuer shall not issue any requested Letter of Credit if such Issuer has received notice from Agent or any Lender that one or more of the applicable conditions set forth in Section 8.2 of this Agreement have not been satisfied or the Revolving Commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts, other written demands for payment, or acceptances of usance drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) have an expiry date not later than twelve (12) months after such Letter of Credit's date of issuance and in no event later than the last day of the Term. Each standby Letter of Credit shall be subject either to the Uniform Customs and Practice for Documentary Credits as most recently published by the International Chamber of Commerce at the time a Letter of Credit is issued (the "UCP") or the International Standby Practices (International Chamber of Commerce Publication Number 590), or any subsequent revision thereof at the time a standby Letter of Credit is issued, as determined by Issuer, and each trade Letter of Credit shall be subject to the UCP. In addition, no trade Letter of Credit may permit the presentation of an ocean bill of lading that includes a condition that the original bill of lading is not required to claim the goods shipped thereunder.

(c) Agent shall use its reasonable efforts to notify Lenders of the request by Borrower for a Letter of Credit hereunder.

2.12 Requirements For Issuance of Letters of Credit.

(a) Borrower shall authorize and direct any Issuer to name the Borrower as the "Applicant" or "Account Party" of each Letter of Credit. If Agent is not the Issuer of any Letter of Credit, Borrower shall authorize and direct Issuer to deliver to Agent all instruments, documents, and other writings and property received by Issuer pursuant to the Letter of Credit and to accept and rely upon Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit, the application therefor or any acceptance therefor.

(b) In connection with all trade Letters of Credit issued or caused to be issued by Issuer under this Agreement, the Borrower hereby appoints Issuer, or its designee, as its attorney, with full power and authority if an Event of Default shall have occurred: (i) to sign and/or endorse the Borrower's name upon any warehouse or other receipts, and acceptances; (ii) to sign the Borrower's name on bills of lading; (iii) to clear Inventory through the United States of America Customs Department ("Customs") in the name of the Borrower or Issuer or Issuer's designee, and to sign and deliver to Customs officials powers of attorney in the name of the

Borrower for such purpose; and (iv) to complete in the Borrower's name or Issuer's, or in the name of Issuer's designee, any order, sale or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof. Neither Agent, Issuer nor their attorneys will be liable for any acts or omissions nor for any error of judgment or mistakes of fact or law, except for Agent's, Issuer's or their respective officers', directors', agents', employees', attorneys' or Affiliates' gross negligence, willful misconduct. This power, being coupled with an interest, is irrevocable as long as any Letters of Credit remain outstanding.

2.13Disbursements, Reimbursement.

(a) Immediately upon the issuance of each Letter of Credit, each Lender holding a Revolving Commitment shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from Issuer a participation in each Letter of Credit and each drawing thereunder in an amount equal to such Lender's Revolving Commitment Percentage of the Maximum Undrawn Amount of such Letter of Credit (as in effect from time to time) and the amount of such drawing, respectively.

(b) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, Issuer will promptly notify Agent and Borrower. Regardless of whether Borrower shall have received such notice, Borrower shall reimburse (such obligation to reimburse Issuer shall sometimes be referred to as a "Reimbursement Obligation") Issuer prior to 12:00 Noon, on each date that an amount is paid by Issuer under any Letter of Credit (each such date, a "Drawing Date") in an amount equal to the amount so paid by Issuer. In the event Borrower fails to reimburse Issuer for the full amount of any drawing under any Letter of Credit by 12:00 Noon, on the Drawing Date, Issuer will promptly notify Agent and each Lender holding a Revolving Commitment thereof, and Borrower shall be automatically deemed to have requested that a Revolving Advance maintained as a Domestic Rate Loan be made by Lenders to be disbursed on the Drawing Date under such Letter of Credit, and Lenders holding the Revolving Commitments shall be unconditionally obligated to fund such Revolving Advance (all whether or not the conditions specified in Section 8.2 are then satisfied or the Revolving Commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason) as provided for in Section 2.13(c) immediately below. Any notice given by Issuer pursuant to this Section 2.13(b) may be oral if promptly confirmed in writing; provided that the lack of such a confirmation shall not affect the conclusiveness or binding effect of such notice.

(c) Each Lender holding a Revolving Commitment shall upon any notice pursuant to Section 2.13(b) make available to Issuer through Agent at the Payment Office an amount in immediately available funds equal to its Revolving Commitment Percentage (subject to any contrary provisions of Section 2.21) of the amount of the drawing, whereupon the participating Lenders shall (subject to Section 2.13(d)) each be deemed to have made a Revolving Advance maintained as a Domestic Rate Loan to Borrower in that amount. If any Lender holding a Revolving Commitment so notified fails to make available to Agent, for the benefit of Issuer, the amount of such Lender's Revolving Commitment Percentage of such amount by 2:00 p.m. on the Drawing Date, then interest shall accrue on such Lender's obligation to make such payment, from the Drawing Date to the date on which such Lender makes such payment (i) at a rate per annum equal to the Effective Federal Funds Rate during the first three (3) days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Revolving Advances maintained as a Domestic Rate Loan on and after the fourth day following the Drawing Date. Agent and Issuer

will promptly give notice of the occurrence of the Drawing Date, but failure of Agent or Issuer to give any such notice on the Drawing Date or in sufficient time to enable any Lender holding a Revolving Commitment to effect such payment on such date shall not relieve such Lender from its obligations under this Section 2.13(c), provided that such Lender shall not be obligated to pay interest as provided in Section 2.13(c)(i) and (ii) until and commencing from the date of receipt of notice from Agent or Issuer of a drawing.

(d) With respect to any unreimbursed drawing that is not converted into a Revolving Advance maintained as a Domestic Rate Loan to Borrower in whole or in part as contemplated by Section 2.13(b), because of Loan Parties' failure to satisfy the conditions set forth in Section 8.2 (other than any notice requirements) or for any other reason, Borrower shall be deemed to have incurred from Agent a borrowing (each a "Letter of Credit Borrowing") in the amount of such drawing. Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to a Revolving Advance maintained as a Domestic Rate Loan. Each applicable Lender's payment to Agent pursuant to Section 2.13(c) shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing and shall constitute a "Participation Advance" from such Lender in satisfaction of its Participation Commitment in respect of the applicable Letter of Credit under this Section 2.13.

(e) Each applicable Lender's Participation Commitment in respect of the Letters of Credit shall continue until the last to occur of any of the following events: (x) Issuer ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (y) no Letter of Credit issued or created hereunder remains outstanding and uncancelled; and (z) all Persons (other than Borrower) have been fully reimbursed for all payments made under or relating to Letters of Credit.

2.14 Repayment of Participation Advances.

(a) Upon (and only upon) receipt by Agent for the account of Issuer of immediately available funds from Borrower (i) in reimbursement of any payment made by Issuer or Agent under the Letter of Credit with respect to which any Lender has made a Participation Advance to Agent, or (ii) in payment of interest on such a payment made by Issuer or Agent under such a Letter of Credit, Agent will pay to each Lender holding a Revolving Commitment, in the same funds as those received by Agent, the amount of such Lender's Revolving Commitment Percentage of such funds, except Agent shall retain the amount of the Revolving Commitment Percentage of such funds of any Lender holding a Revolving Commitment that did not make a Participation Advance in respect of such payment by Agent (and, to the extent that any of the other Lender(s) holding the Revolving Commitment have funded any portion such Defaulting Lender's Participation Advance in accordance with the provisions of Section 2.21, Agent will pay over to such Non-Defaulting Lenders a pro rata portion of the funds so withheld from such Defaulting Lender).

(b) If Issuer or Agent is required at any time to return to the Borrower, or to a trustee, receiver, liquidator, custodian, or any official in any insolvency proceeding, any portion of the payments made by the Borrower to Issuer or Agent pursuant to Section 2.14(a) in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each applicable Lender shall, on demand of Agent, forthwith return to Issuer or Agent the amount of its

Revolving Commitment Percentage of any amounts so returned by Issuer or Agent plus interest at the Effective Federal Funds Rate.

2.15Documentation. The Borrower agrees to be bound by the terms of the Letter of Credit Application and by Issuer's interpretations of any Letter of Credit issued on behalf of the Borrower and by Issuer's written regulations and customary practices relating to letters of credit, though Issuer's interpretations may be different from the Borrower's own. In the event of a conflict between the Letter of Credit Application and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or its officers', directors', agents' employees', attorneys' or Affiliates' willful misconduct, bad faith or gross negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment), Issuer shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following the Borrower's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

2.16Determination to Honor Drawing Request. Except as required by Applicable Law, in determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, Issuer shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit and that any other drawing condition appearing on the face of such Letter of Credit has been satisfied in the manner so set forth.

2.17Nature of Participation and Reimbursement Obligations. The obligation of each Lender holding a Revolving Commitment in accordance with this Agreement to make the Revolving Advances or Participation Advances as a result of a drawing under a Letter of Credit, and the obligations of Borrower to reimburse Issuer upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.17 under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such Lender or the Borrower, as the case may be, may have against Issuer, Agent, the Borrower or Lender, as the case may be, or any other Person for any reason whatsoever;

(ii) the failure of the Borrower or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in this Agreement for the making of a Revolving Advance, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of Lenders to make Participation Advances under Section 2.14;

(iii)any lack of validity or enforceability of any Letter of Credit;

(iv)any claim of breach of warranty that might be made by the Borrower, Agent, Issuer or any Lender against the beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, cross-claim, defense or other right which the Borrower, Agent, Issuer or any Lender may have at any time against a beneficiary, any successor beneficiary or any transferee of any Letter of Credit or assignee of the proceeds thereof (or any Persons for whom any such transferee or assignee may be acting), Issuer, Agent or any Lender or

any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between the Borrower and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provision of services relating to a Letter of Credit, in each case even if Issuer or any of Issuer's Affiliates has been notified thereof;

(vi)payment by Issuer under any Letter of Credit against presentation of a demand, draft or certificate or other document which is forged or does not fully comply with the terms of such Letter of Credit (provided that the foregoing shall not excuse Issuer from any obligation under the terms of any applicable Letter of Credit to require the presentation of documents that on their face appear to satisfy any applicable requirements for drawing under such Letter of Credit prior to honoring or paying any such draw);

(vii)the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(viii)any failure by Issuer or any of Issuer's Affiliates to issue any Letter of Credit in the form requested by Borrower, unless Agent and Issuer have each received written notice from Borrower of such failure within three (3) Business Days after Issuer shall have furnished Agent and Borrower a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(ix)the occurrence of any Material Adverse Effect;

(x) any breach of this Agreement or any Other Document by any party thereto;

(xi)the occurrence or continuance of an insolvency proceeding or Insolvency Event with respect to any Loan Party;

(xii)the fact that a Default or an Event of Default shall have occurred and be continuing;

(xiii)the fact that the Term shall have expired or this Agreement or the obligations of Lenders to make Advances have been terminated; and

(xiv)any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

2.18Liability for Acts and Omissions.

(a) As between Borrower and Issuer, Swing Loan Lender, Agent and Lenders, the Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, Issuer shall not be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if Issuer or any of its Affiliates shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of the Borrower against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, facsimile, telex or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of Issuer, including any Governmental Acts, and none of the above shall affect or impair, or prevent the vesting of, any of Issuer's rights or powers hereunder. Nothing in the preceding sentence shall relieve Issuer from liability for Issuer's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment) in connection with actions or omissions described in such clauses (i) through (viii) of such sentence. In no event shall Issuer or Issuer's Affiliates be liable to the Borrower for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

(b) Without limiting the generality of the foregoing, Issuer and each of its Affiliates: (i) may rely on any oral or other communication believed in good faith by Issuer or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit; (ii) may honor any presentation if the documents presented appear on their face substantially to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by Issuer or its Affiliates; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on Issuer or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a steamship agent or carrier or any document or instrument of like import (each an "Order") and honor any drawing in connection with any Letter of Credit that is the subject of such Order,

notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

(c) In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by Issuer under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith and without gross negligence, bad faith or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), shall not put Issuer under any resulting liability to the Borrower, Agent or any Lender.

2.19Mandatory Prepayments.

(a) [Reserved].

(b) [Reserved].

(c) In the event of any issuance or other incurrence of Indebtedness (other than Permitted Indebtedness) by Loan Parties, Loan Parties shall, no later than three (3) Business Days after the receipt by Loan Parties of the cash proceeds from any such issuance or incurrence of Indebtedness, repay the Advances in an amount equal to one hundred percent (100.00%) of such cash proceeds in the case of such incurrence or issuance of Indebtedness. Such repayments will be applied to the remaining Advances (including cash collateralization of all Obligations relating to any outstanding Letters of Credit in accordance with the provisions of Section 3.2(b), provided however that if no Default or Event of Default has occurred and is continuing, such repayments shall be applied to cash collateralize any Obligations related to outstanding Letters of Credit last) in such order as Agent may determine subject to Borrower's ability to reborrow Revolving Advances in accordance with the terms hereof.

(d) [Reserved].

(e) All proceeds received by Loan Parties or Agent (i) under any insurance policy on account of damage or destruction of any assets or property of any Loan Parties, or (ii) as a result of any taking or condemnation of any assets or property shall be applied in accordance with Section 6.6.

2.20Use of Proceeds.

(a) The Borrower shall apply the proceeds of Advances to (i) pay fees and expenses relating to this transaction, (ii) repay in full the Term Loans outstanding under the Second A&R Credit Agreement, (iii) finance the consideration to be paid in connection with any Permitted Acquisition, (iv) finance other Permitted Investments; (v) provide for its working capital needs and other general corporate purposes and reimburse drawings under Letters of Credit, (vi) fund Capital Expenditures, (vii) repurchase Equity Interests of Innovex from certain holders thereof on and after the Closing Date (the "Stock Repurchases"); provided the Transaction Conditions are satisfied and (viii) finance Permitted Dividends; provided that the Transaction Conditions are satisfied.

(b) Without limiting the generality of Section 2.20(a) above, no Loan Party nor any other Person which may in the future become party to this Agreement or the Other Documents

as a Loan Party, intends to use nor shall they intentionally or knowingly use any portion of the proceeds of the Advances, directly or indirectly, for any purpose in violation of Applicable Law.

2.21 Defaulting Lender.

(a) Notwithstanding anything to the contrary contained herein, in the event any Lender is a Defaulting Lender, all rights and obligations hereunder of such Defaulting Lender and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.21 so long as such Lender is a Defaulting Lender.

(b) Except as otherwise expressly provided for in this Section 2.21, Revolving Advances shall be made pro rata from Lenders holding Revolving Commitments which are not Defaulting Lenders based on their respective Revolving Commitment Percentages, and no Revolving Commitment Percentage of any Lender or any pro rata share of any Revolving Advances required to be advanced by any Lender shall be increased as a result of any Lender being a Defaulting Lender. Amounts received in respect of principal of any type of Revolving Advances shall be applied to reduce such type of Revolving Advances of each Lender (other than any Defaulting Lender) holding a Revolving Commitment in accordance with their Revolving Commitment Percentages; provided, that, Agent shall not be obligated to transfer to a Defaulting Lender any payments received by Agent for Defaulting Lender's benefit, nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder (including any principal, interest or fees). Amounts payable to a Defaulting Lender shall instead be paid to or retained by Agent. Agent may hold and, in its discretion, re-lend to a Borrower the amount of such payments received or retained by it for the account of such Defaulting Lender.

(i) Fees pursuant to Section 3.3 shall cease to accrue in favor of such Defaulting Lender.

(ii) If any Swing Loans are outstanding or any Letters of Credit (or drawings under any Letter of Credit for which Issuer has not been reimbursed) are outstanding or exist at the time any such Lender holding a Revolving Commitment becomes a Defaulting Lender, then:

(A) Defaulting Lender's Participation Commitment in the outstanding Swing Loans and of the Maximum Undrawn Amount of all outstanding Letters of Credit shall be reallocated among Non-Defaulting Lenders holding Revolving Commitments in proportion to the respective Revolving Commitment Percentages of such Non-Defaulting Lenders to the extent (but only to the extent) that (x) such reallocation does not cause the aggregate sum of outstanding Revolving Advances made by any such Non-Defaulting Lender holding a Revolving Commitment plus such Lender's reallocated Participation Commitment in the outstanding Swing Loans plus such Lender's reallocated Participation Commitment in the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit to exceed the Revolving Commitment Amount of any such Non-Defaulting Lender, and (y) no Default or Event of Default has occurred and is continuing at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, Borrower shall within one Business Day following notice by Agent (x) first, prepay any outstanding Swing Loans that cannot be reallocated, and (y) second, cash

collateralize for the benefit of Issuer, Borrower's obligations corresponding to such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit (after giving effect to any partial reallocation pursuant to clause (A) above) in accordance with Section 3.2(b) for so long as such Obligations are outstanding;

(C) if Borrower cash collateralizes any portion of such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit pursuant to clause (B) above, Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.2(a) with respect to such Defaulting Lender's Revolving Commitment Percentage of Maximum Undrawn Amount of all Letters of Credit during the period such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit are cash collateralized;

(D) if Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is reallocated pursuant to clause (A) above, then the fees payable to Lenders holding Revolving Commitments pursuant to Section 3.2(a) shall be adjusted and reallocated to Non-Defaulting Lenders holding Revolving Commitments in accordance with such reallocation; and

(E) if all or any portion of such Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is neither reallocated nor cash collateralized pursuant to clauses (A) or (B) above, then, without prejudice to any rights or remedies of Issuer or any other Lender hereunder, all Letter of Credit Fees payable under Section 3.2(a) with respect to such Defaulting Lender's Revolving Commitment Percentage of the Maximum Undrawn Amount of all Letters of Credit shall be payable to the Issuer (and not to such Defaulting Lender) until (and then only to the extent that) such Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit is reallocated and/or cash collateralized; and

(iii)so long as any Lender holding a Revolving Commitment is a Defaulting Lender, Swing Loan Lender shall not be required to fund any Swing Loans and Issuer shall not be required to issue, amend or increase any Letter of Credit, unless such Swing Loan Lender or Issuer, as applicable, is satisfied that the related exposure and Defaulting Lender's Participation Commitment in the Maximum Undrawn Amount of all Letters of Credit and all Swing Loans (after giving effect to any such issuance, amendment, increase or funding) will be fully allocated to Non-Defaulting Lenders holding Revolving Commitments and/or cash collateral for such Letters of Credit will be provided by Borrower in accordance with clause (A) and (B) above, and participating interests in any newly made Swing Loan or any newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.21(b)(iii)(A) above (and such Defaulting Lender shall not participate therein).

(c) A Defaulting Lender shall not be entitled to give instructions to Agent or to approve, disapprove, consent to or vote on any matters relating to this Agreement and the Other Documents, and all amendments, waivers and other modifications of this Agreement and the Other Documents may be made without regard to a Defaulting Lender and, for purposes of the definition of "Required Lenders", a Defaulting Lender shall not be deemed to be a Lender, to have any outstanding Advances or a Revolving Commitment Percentage, provided, that this clause (c) shall

not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification described in clauses (i) or (ii) of Section 16.2(b).

(d) Other than as expressly set forth in this Section 2.21, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agent) and the other parties hereto shall remain unchanged. Nothing in this Section 2.21 shall be deemed to release any Defaulting Lender from its obligations under this Agreement and the Other Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which the Borrower, Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder.

(e) In the event that Agent, Borrower, Swing Loan Lender and Issuer agree in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then Agent will so notify the parties hereto, and, if such cured Defaulting Lender is a Lender holding a Revolving Commitment, then Participation Commitments of Lenders holding Revolving Commitments (including such cured Defaulting Lender) of the Swing Loans and Maximum Undrawn Amount of all outstanding Letters of Credit shall be reallocated to reflect the inclusion of such Lender's Revolving Commitment, and on such date such Lender shall purchase at par such of the Revolving Advances of the other Lenders as Agent shall determine may be necessary in order for such Lender to hold such Revolving Advances in accordance with its Revolving Commitment Percentage.

(f) If Swing Loan Lender or Issuer has a good faith belief that any Lender holding a Revolving Commitment has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, Swing Loan Lender shall not be required to fund any Swing Loans and Issuer shall not be required to issue, amend or increase any Letter of Credit, unless Swing Loan Lender or Issuer, as the case may be, shall have entered into arrangements with Borrower or such Lender, satisfactory to Swing Loan Lender or Issuer, as the case may be, to defease any risk to it in respect of such Lender hereunder.

2.22Payment of Obligations. Agent may charge to Borrower's Account as a Revolving Advance or, at the discretion of Swing Loan Lender, as a Swing Loan (i) all payments with respect to any of the Obligations required hereunder or under any Other Document (including without limitation principal payments, payments of interest, payments of Letter of Credit Fees and all other fees provided for hereunder and payments under Sections 17.5 and 17.9) as and when each such payment shall become due and payable (whether as regularly scheduled, upon or after acceleration, upon maturity or otherwise), (ii) without limiting the generality of the foregoing clause (i), (a) all amounts expended by Agent or any Lender pursuant to Sections 4.2 or 4.3 and (b) all expenses which Agent incurs in connection with the forwarding of Advance proceeds and the establishment and maintenance of any Controlled Accounts or Depository Accounts as provided for in Section 4.8(g), and (iii) any sums expended by Agent or any Lender due to any Loan Party's failure to perform or comply with its obligations under this Agreement or any Other Document including the Borrower's obligations under Sections 3.3, 3.4, 4.2, 4.4, 4.7, 6.4, 6.6, 6.7 and 6.8, and all amounts so charged shall be added to the Obligations and shall be secured by the Collateral. To the extent Revolving Advances are not actually funded by the other Lenders in respect of any such amounts so charged, all such amounts so charged shall be deemed to be Revolving Advances made by and owing to Agent and Agent shall be entitled to all rights (including accrual of interest) and

remedies of a Lender under this Agreement and the Other Documents with respect to such Revolving Advances.

2.23 Increase in Maximum Revolving Advance Amount.

(a) Borrower may, at any time prior to the third (3rd) anniversary of the Closing Date, request that the Maximum Revolving Advance Amount be increased by (1) one or more of the current Lenders increasing their Revolving Commitment Amount (any current Lender which elects to increase its Revolving Commitment Amount shall be referred to as an "Increasing Lender") or (2) one or more new lenders (each a "New Lender") joining this Agreement and providing a Revolving Commitment Amount hereunder, subject to the following terms and conditions:

(i) No current Lender shall be obligated to increase its Revolving Commitment Amount and any increase in the Revolving Commitment Amount by any current Lender shall be in the sole discretion of such current Lender;

(ii) Borrower may not request the addition of a New Lender unless (and then only to the extent that) there is insufficient participation on behalf of the existing Lenders in the increased Revolving Commitments being requested by Borrower;

(iii) There shall exist no Event of Default or Default on the effective date of such increase after giving effect to such increase;

(iv) After giving effect to such increase, the Maximum Revolving Advance Amount shall not exceed $250,000,000;

(v) Borrower may not request an increase in the Maximum Revolving Advance Amount under this Section 2.23 more than three (3) times during the Term, and no single such increase in the Maximum Revolving Advance Amount shall be for an amount less than $10,000,000;

(vi) Borrower shall deliver to Agent on or before the effective date of such increase the following documents in form and substance satisfactory to Agent: (1) certifications of their corporate secretaries with attached resolutions certifying that the increase in the Revolving Commitment Amounts has been approved by the Loan Parties, (2) certificate dated as of the effective date of such increase certifying that no Default or Event of Default shall have occurred and be continuing and certifying that the representations and warranties made by each Loan Party herein and in the Other Documents are true and complete in all respects with the same force and effect as if made on and as of such date (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date), (3) such other agreements, instruments and information (including supplements or modifications to this Agreement and/or the Other Documents executed by Loan Parties) as Agent reasonably deems necessary in order to document the increase to the Maximum Revolving Advance Amount and to protect, preserve and continue the perfection and priority of the liens, security interests, rights and remedies of Agent and Lenders hereunder and under the Other Documents in light of such increase, and (4) an opinion of counsel in form and substance satisfactory to Agent which shall cover such matters related to

such increase as Agent may reasonably require and each Loan Party hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(vii)Borrower shall execute and deliver (1) to each Increasing Lender a replacement Note reflecting the new amount of such Increasing Lender's Revolving Commitment Amount after giving effect to the increase (and the prior Note issued to such Increasing Lender shall be deemed to be cancelled) and (2) to each New Lender a Note reflecting the amount of such New Lender's Revolving Commitment Amount;

(viii)Any New Lender shall be subject to the approval of Agent (not to be unreasonably withheld) and Issuer;

(ix)Each Increasing Lender shall confirm its agreement to increase its Revolving Commitment Amount pursuant to an acknowledgement in a form acceptable to Agent, signed by it and each Loan Party and delivered to Agent at least five (5) days before the effective date of such increase; and

(x) Each New Lender shall execute a lender joinder in substantially the form of Exhibit 2.23 pursuant to which such New Lender shall join and become a party to this Agreement and the Other Documents with a Revolving Commitment Amount as set forth in such lender joinder.

(b) On the effective date of such increase, (i) Borrower shall repay all Revolving Advances then outstanding, subject to Borrower's obligations under Sections 3.7, 3.9, or 3.10; provided that subject to the other conditions of this Agreement, the Borrower may request new Revolving Advances on such date and (ii) the Revolving Commitment Percentages of Lenders holding a Revolving Commitment (including each Increasing Lender and/or New Lender) shall be recalculated such that each such Lender's Revolving Commitment Percentage is equal to (x) the Revolving Commitment Amount of such Lender divided by (y) the aggregate of the Revolving Commitment Amounts of all Lenders. Each Lender shall participate in any new Revolving Advances made on or after such date in accordance with its Revolving Commitment Percentage after giving effect to the increase in the Maximum Revolving Advance Amount and recalculation of the Revolving Commitment Percentages contemplated by this Section 2.23.

(c) On the effective date of such increase, each Increasing Lender shall be deemed to have purchased an additional/increased participation in, and each New Lender will be deemed to have purchased a new participation in, each then outstanding Letter of Credit and each drawing thereunder and each then outstanding Swing Loan in an amount equal to such Lender's Revolving Commitment Percentage (as calculated pursuant to Section 2.23(b) above) of the Maximum Undrawn Amount of each such Letter of Credit (as in effect from time to time) and the amount of each drawing and of each such Swing Loan, respectively. As necessary to effectuate the foregoing, each existing Lender holding a Revolving Commitment Percentage that is not an Increasing Lender shall be deemed to have sold to each applicable Increasing Lender and/or New Lender, as necessary, a portion of such existing Lender's participations in such outstanding Letters of Credit and drawings and such outstanding Swing Loans such that, after giving effect to all such purchases and sales, each Lender holding a Revolving Commitment (including each Increasing Lender and/or New Lender) shall hold a participation in all Letters of Credit (and drawings

thereunder) and all Swing Loans in accordance with their respective Revolving Commitment Percentages (as calculated pursuant to Section 2.23(b) above).

(d) On the effective date of such increase, Borrower shall pay all costs and expenses incurred by Agent and by each Increasing Lender and New Lender in connection with the negotiations regarding, and the preparation, negotiation, execution and delivery of all agreements and instruments executed and delivered by any of Agent, Borrower and/or Increasing Lenders and New Lenders in connection with, such increase (including all fees for any supplemental or additional public filings of any Other Documents necessary to protect, preserve and continue the perfection and priority of the liens, security interests, rights and remedies of Agent and Lenders hereunder and under the Other Documents in light of such increase).

3. INTEREST AND FEES.

3.1 Interest. Interest on Advances shall be payable in arrears on the first Business Day of each month with respect to Domestic Rate Loans and, with respect to Term SOFR Rate Loans (a) with an Interest Period of one (1) or three (3) months (or with respect to each Term SOFR Rate Loan advanced to the Borrower on the Closing Date), at the end of each Interest Period and (b) with an Interest Period of six (6) months, at the end of each three (3) month period during such Interest Period, provided further that all accrued and unpaid interest shall be due and payable at the end of the Term. Interest charges shall be computed on the actual principal amount of Advances outstanding during the month at a rate per annum equal to (i) with respect to Revolving Advances, the applicable Revolving Interest Rate and (ii) with respect to Swing Loans, the Revolving Interest Rate for Domestic Rate Loans (as applicable, the "Contract Rate"). Except as expressly provided otherwise in this Agreement, any Obligations other than the Advances that are not paid when due shall accrue interest at the Revolving Interest Rate for Domestic Rate Loans, subject to the provision of the final sentence of this Section 3.1 regarding the Default Rate. Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Contract Rate for Domestic Rate Loans shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. The Term SOFR Rate shall be adjusted with respect to Term SOFR Rate Loans without notice or demand of any kind on the effective date of any change in the SOFR Reserve Percentage as of such effective date. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent or at the direction of Required Lenders (or, in the case of any Event of Default under Section 10.7, immediately and automatically upon the occurrence of any such Event of Default without the requirement of any affirmative action by any party), (i) the Obligations other than Term SOFR Rate Loans shall bear interest at (A) in the case of Advances, the applicable Contract Rate and (B) in the case of Obligations that are not Advances, the Revolving Interest Rate for Domestic Rate Loans, plus, in each case, two percent (2.00%) per annum and (ii) Term SOFR Rate Loans shall bear interest at the Revolving Interest Rate for Term SOFR Rate Loans plus two percent (2.00%) per annum (as applicable, the "Default Rate").

3.2 Letter of Credit Fees.

(a) Borrower shall pay (x) to Agent, for the ratable benefit of Lenders holding Revolving Commitments, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the daily face

amount of each outstanding Letter of Credit multiplied by the Applicable Margin, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable quarterly in arrears on the first day of each calendar quarter and on the last day of the Term (it being understood and agreed that in no event shall the fee under this clause (x) in respect of any Letter of Credit be less than the Agent's minimum fee in effect from time to time), and (y) to Issuer, a fronting fee of one quarter of one percent (0.25%) per annum times the aggregate daily face amount of each outstanding Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, to be payable quarterly in arrears on the first day of each calendar quarter and on the last day of the Term (all of the foregoing fees, the "Letter of Credit Fees"). In addition, Borrower shall pay to Agent, for the benefit of Issuer, any and all administrative, issuance, amendment, payment and negotiation charges with respect to Letters of Credit and all fees and expenses as agreed upon by Issuer and the Borrower in connection with any Letter of Credit, including in connection with the opening, amendment or renewal of any such Letter of Credit and any acceptances created thereunder, all such charges, fees and expenses, if any, to be payable on demand. All such charges shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in Issuer's prevailing charges for that type of transaction. Upon and after the occurrence of an Event of Default, and during the continuation thereof, at the option of Agent or at the direction of Required Lenders (or, in the case of any Event of Default under Section 10.7, immediately and automatically upon the occurrence of any such Event of Default without the requirement of any affirmative action by any party), the Letter of Credit Fees described in clause (x) of this Section 3.2(a) shall be increased by an additional two percent (2.0%) per annum (which, for the avoidance of doubt shall not be in addition to the Default Rate).

(b) On demand by Agent during the continuation of an Event of Default, Loan Parties will cause cash to be deposited and maintained in an account with Agent, as cash collateral, in an amount equal to one hundred and five percent (105%) of the Maximum Undrawn Amount of all outstanding Letters of Credit, and each Loan Party hereby irrevocably authorizes Agent, in its discretion, on such Loan Party's behalf and in such Loan Party's name, to open such an account and to make and maintain deposits therein, or in an account opened by such Loan Party, in the amounts required to be made by such Loan Party, out of the proceeds of Receivables or other Collateral or out of any other funds of such Loan Party coming into any Lender's possession at any time. Agent may, in its discretion, invest such cash collateral (less applicable reserves) in such short-term money-market items as to which Agent and such Loan Party mutually agree (or, in the absence of such agreement, as Agent may reasonably select) and the net return on such investments shall be credited to such account and constitute additional cash collateral, or Agent may (notwithstanding the foregoing) establish the account provided for under this Section 3.2(b) as a non-interest bearing account and in such case Agent shall have no obligation (and Borrower hereby waives any claim) under Article 9 of the Uniform Commercial Code or under any other Applicable Law to pay interest on such cash collateral being held by Agent. No Loan Party may withdraw amounts credited to any such account except upon the occurrence of all of the following: (x) payment and performance in full of all Obligations (other than inchoate indemnity obligations and Cash Management Products and Services); (y) expiration of all Letters of Credit; and (z) termination of this Agreement (it being understood and agreed that if such account secures more than one outstanding Letter of Credit, funds shall be released from such account on a pro-rata basis as individual Letters of Credit expire, are cancelled or are backstopped). Borrower hereby assigns,

pledges and grants to Agent, for its benefit and the ratable benefit of Issuer, Lenders and each other Secured Party, a continuing security interest in and to and Lien on any such cash collateral and any right, title and interest of Borrower in any deposit account, securities account or investment account into which such cash collateral may be deposited from time to time to secure the Obligations, specifically including all Obligations with respect to any Letters of Credit. Borrower agrees that upon the coming due of any Reimbursement Obligations (or any other Obligations, including Obligations for Letter of Credit Fees) with respect to the Letters of Credit, Agent may use such cash collateral to pay and satisfy such Obligations.

3.3 Facility Fee. If, for any calendar quarter during the Term, the daily unpaid balance of the sum of Revolving Advances plus Swing Loans plus the Maximum Undrawn Amount of all outstanding Letters of Credit (the "Usage Amount") for each day of such calendar quarter does not equal the Maximum Revolving Advance Amount, then Borrower shall pay to Agent, for the ratable benefit of Lenders holding the Revolving Commitments based on their Revolving Commitment Percentages, a fee at a rate equal to one quarter of one percent (0.25%) per annum on the amount by which the Maximum Revolving Advance Amount on such day exceeds the Usage Amount (the "Facility Fee"). Such Facility Fee shall be payable to Agent in arrears on the first Business Day of each calendar quarter with respect to each day in the previous calendar quarter.

3.4 Fee Letter.

(a) Borrower shall pay the amounts required to be paid in any Fee Letter in the manner and at the times required by any such Fee Letter.

(b) All of the documented fees and out-of-pocket costs and expenses of any appraisals conducted pursuant to Section 4.7 shall be paid for when due, in accordance with Section 9.18, in full and without deduction, off-set or counterclaim by Loan Parties.

3.5 Computation of Interest and Fees. Interest and fees hereunder shall be computed on the basis of a year of 360 days and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable Contract Rate during such extension.

3.6 Maximum Charges. In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under Applicable Law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under Applicable Law: (i) the interest rates hereunder will be reduced to the maximum rate permitted under Applicable Law; (ii) such excess amount shall be first applied to any unpaid principal balance owed by Loan Parties; and (iii) if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to Loan Parties and the provisions hereof shall be deemed amended to provide for such permissible rate.

3.7 Increased Costs. In the event that after the Closing Date any Applicable Law or any Change in Law or compliance by any Lender (for purposes of this Section 3.7, the term "Lender" shall include Agent, Swing Loan Lender, any Issuer or Lender and any corporation or bank controlling Agent, Swing Loan Lender, any Lender or Issuer and the office or branch where Agent, Swing Loan Lender, any Lender or Issuer (as so defined) makes or maintains any Term SOFR

Rate Loans) with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, shall:

(a) subject Agent, Swing Loan Lender, any Lender or Issuer to any Tax with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Term SOFR Rate Loan, or change the basis of taxation of payments to Agent, Swing Loan Lender, such Lender or Issuer in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 3.10 and the imposition of, or any change in the rate of, any Excluded Tax payable by Agent, Swing Loan Lender, such Lender or the Issuer);

(b) impose, modify or deem applicable any reserve, special deposit, assessment, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of Agent, Swing Loan Lender, Issuer or any Lender, including pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(c) impose on Agent, Swing Loan Lender, any Lender or Issuer any other condition, loss or expense (other than Taxes) affecting this Agreement or any Other Document or any Advance made by any Lender, or any Letter of Credit or participation therein;

and the result of any of the foregoing is to increase the cost to Agent, Swing Loan Lender, any Lender or Issuer of making, converting to, continuing, renewing or maintaining its Advances hereunder by an amount that Agent, Swing Loan Lender, such Lender or Issuer deems to be material or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Advances by an amount that Agent, Swing Loan Lender or such Lender or Issuer deems to be material, then, in any case Borrower shall promptly pay Agent, Swing Loan Lender, such Lender or Issuer, upon its demand, such additional amount as will compensate Agent, Swing Loan Lender or such Lender or Issuer for such additional cost or such reduction, as the case may be, provided that the foregoing shall not apply to increased costs which are reflected in the Term SOFR Rate, as the case may be. Agent, Swing Loan Lender, such Lender or Issuer shall certify the amount of such additional cost or reduced amount to Borrower and such certification shall be conclusive absent manifest error.

3.8 Alternate Rate of Interest.

(a) Interest Rate Inadequate or Unfair. In the event that Agent or any Lender shall have determined that:

(i) reasonable means do not exist for ascertaining the Term SOFR Rate applicable pursuant to Section 2.2 for any Interest Period; or

(ii) Dollar deposits in the relevant amount and for the relevant maturity are not available, with respect to an outstanding Term SOFR Rate Loan, a proposed Term SOFR Rate Loan, or a proposed conversion of a Domestic Rate Loan into a Term SOFR Rate Loan; or

(iii)the making, maintenance or funding of any Term SOFR Rate Loan has been made impracticable or unlawful by compliance by Agent or such Lender in good faith with any Applicable Law or any interpretation or application thereof by any Governmental Body

or with any request or directive of any such Governmental Body (whether or not having the force of law); or

(iv)the Term SOFR Rate will not adequately and fairly reflect the cost to such Lender of the funding, establishment or maintenance of any Term SOFR Rate Loan during the applicable Interest Period, and Lenders have provided notice of such determination to Agent,

then Agent shall give Borrower prompt written or telephonic notice of such determination. If such notice is given prior to a Benchmark Replacement Date (as defined below), (i) any such requested Term SOFR Rate Loan shall be made as a Domestic Rate Loan, unless Borrower shall notify Agent no later than 1:00 p.m. two (2) Business Days prior to the date of such proposed borrowing, that its request for such borrowing shall be cancelled or made as an unaffected type of Term SOFR Rate Loan, (ii) any Domestic Rate Loan or Term SOFR Rate Loan which was to have been converted to an affected type of Term SOFR Rate Loan shall be continued as or converted into a Domestic Rate Loan, or, if Borrower shall notify Agent, no later than 1:00 p.m. two (2) Business Days prior to the proposed conversion, shall be maintained as an unaffected type of Term SOFR Rate Loan, and (iii) any outstanding affected Term SOFR Rate Loans shall be converted into a Domestic Rate Loan, or, if Borrower shall notify Agent, no later than 1:00 p.m. two (2) Business Days prior to the last Business Day of the then current Interest Period applicable to such affected Term SOFR Rate Loan, shall be converted into an unaffected type of Term SOFR Rate Loan, on the last Business Day of the then current Interest Period for such affected Term SOFR Rate Loans (or sooner, if any Lender cannot continue to lawfully maintain such affected Term SOFR Rate Loan). Until such notice has been withdrawn, Lenders shall have no obligation to make an affected type of Term SOFR Rate Loan or maintain outstanding affected Term SOFR Rate Loans and no Borrower shall have the right to convert a Domestic Rate Loan or an unaffected type of Term SOFR Rate Loan into an affected type of Term SOFR Rate Loan.

(b) Benchmark Replacement Setting.

(i) *Benchmark Replacement*. Notwithstanding anything to the contrary herein or in any Other Document (and any agreement executed in connection with an Interest Rate Hedge shall be deemed not to be an "Other Document" for purposes of this Section 3.8(b)), if a Benchmark Transition Event and related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (A) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Other Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any Other Document and (B) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Other Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any Other Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(ii) *Benchmark Replacement Conforming Changes*. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in the Other Documents, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any Other Document.

(iii)*Notices; Standards for Decisions and Determinations*. The Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement, and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will notify the Borrower of, (x) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (iv) below and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.8(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any Other Document except, in each case, as expressly required pursuant to this Section 3.8(b).

(iv)*Unavailability of Tenor of Benchmark*. Notwithstanding anything to the contrary herein or in any of the Other Documents, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate or based on a term rate and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor of such Benchmark is not or will not be representative, then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) *Benchmark Unavailability Period*. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for an Advance bearing interest based on the Term SOFR Rate, conversion to or continuation of Advances bearing interest based on the Term SOFR Rate to be made, converted or continued at the then-current Benchmark during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Domestic Rate Loan or conversion to a Domestic Rate Loan. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Alternate Base Rate based upon such then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination thereof

(vi)*Certain Defined Terms*. As used in this Section 3.8(b):

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor of such Benchmark that is then-removed from the definition of "Interest Period" pursuant to paragraph (iv) of this Section 3.8(b).

"Benchmark" means, initially, SOFR and the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to a then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to this Section 3.8(b). Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Agent for the applicable Benchmark Replacement Date:

(1) Daily Simple SOFR; or

(2) the sum of: (A) the alternate benchmark rate that has been selected by the Agent and the Borrower, giving due consideration to (x) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention, for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment;

provided that, if the Benchmark Replacement as determined pursuant to clause (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the Other Documents; provided further that any Benchmark Replacement shall be administratively feasible as determined by the Agent in its sole discretion.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower giving due consideration to (A) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Date" means a date and time determined by the Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate or is based on a term rate, all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date determined by the Agent, which date shall promptly follow the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if such Benchmark is a term rate or is based on a term rate, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or component thereof) or, if such Benchmark is a term rate or is based on a term rate, all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by a Governmental Body having jurisdiction over the Agent, the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate or is based on a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate or based on a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or a Governmental Body having jurisdiction over the Agent announcing that such Benchmark (or component thereof) or, if such Benchmark is a term rate or is based on a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, if such Benchmark is a term rate or is based on a term rate, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Other Document in accordance with this Section 3.8(b) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Other Document in accordance with this Section 3.8(b).

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Term SOFR Rate or, if no floor is specified, zero.

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System of the United States and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System of the United States and/or the Federal Reserve Bank of New York, or any successor thereto.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

3.9Capital Adequacy.

(a) In the event that Agent, Swing Loan Lender or any Lender shall have determined that any Applicable Law or guideline regarding capital adequacy or liquidity, or any Change in Law or any change in the interpretation or administration thereof by any Governmental Body, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent, Swing Loan Lender, Issuer or any Lender (for purposes of this Section 3.9, the term "Lender" shall include Agent, Swing Loan Lender, Issuer or any Lender and any corporation or bank controlling Agent, Swing Loan Lender or any Lender and the office or branch where Agent, Swing Loan Lender or any Lender (as so defined) makes or maintains any Term SOFR Rate Loans) with any request or directive regarding capital adequacy or liquidity (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on Agent, Swing Loan Lender or any Lender's capital as a consequence of its obligations hereunder (including the making of any Swing Loans) to a level below that which Agent, Swing Loan Lender or such Lender could have achieved but for such adoption, change or compliance (taking into consideration Agent's, Swing Loan Lender's

and each Lender's policies with respect to capital adequacy and liquidity) by an amount deemed by Agent, Swing Loan Lender or any Lender to be material, then, from time to time, Borrower shall pay upon demand to Agent, Swing Loan Lender or such Lender such additional amount or amounts as will compensate Agent, Swing Loan Lender or such Lender for such reduction. In determining such amount or amounts, Agent, Swing Loan Lender or such Lender may use any reasonable averaging or attribution methods. The protection of this Section 3.9 shall be available to Agent, Swing Loan Lender and each Lender regardless of any possible contention of invalidity or inapplicability with respect to the Applicable Law, rule, regulation, guideline or condition.

(b) A certificate of Agent, Swing Loan Lender or such Lender setting forth such amount or amounts as shall be necessary to compensate Agent, Swing Loan Lender or such Lender with respect to Section 3.9(a) when delivered to Borrower shall be conclusive absent manifest error.

3.10Taxes.

(a) Any and all payments by or on account of any Obligations hereunder or under any Other Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, except as required by Applicable Law. If Loan Parties or Agent, as the case may be, shall be required by Applicable Law (as determined in the good faith discretion of such applicable withholding agent) to deduct or withhold any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) Agent, Swing Loan Lender, Lender, Issuer or Participant, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) Loan Parties or Agent, as the case may be, shall make such deductions and withholdings and (iii) Loan Parties or Agent, as the case may be, shall timely pay the full amount deducted to the relevant Governmental Body in accordance with Applicable Law.

(b) Without limiting the provisions of Section 3.10(a) above and without duplication, Loan Parties shall timely pay any Other Taxes to the relevant Governmental Body in accordance with Applicable Law.

(c) Each Loan Party shall indemnify Agent, Swing Loan Lender, each Lender, Issuer and any Participant, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by Agent, Swing Loan Lender, such Lender, Issuer, or such Participant, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Body. A certificate setting forth in reasonable detail the basis for and the calculation of the amount of such payment or liability delivered to the Borrower by any Lender, Swing Loan Lender, Participant, or Issuer (with a copy to Agent), or by Agent on its own behalf or on behalf of Swing Loan Lender, a Lender or Issuer, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Governmental Body, Borrower shall deliver to Agent the original or

a certified copy of a receipt issued by such Governmental Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

(e) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax under the law of the jurisdiction in which any Loan Party is resident for Tax purposes, or under any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any Other Document shall deliver to Borrower (with a copy to Agent), at the time or times prescribed by Applicable Law or reasonably requested by Borrower or Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by Borrower or Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or Agent as will enable Borrower or Agent to determine whether or not such Lender is subject to withholding, backup withholding or information reporting requirements.

(i) Without limiting the generality of the foregoing, in the event that any Loan Party is resident for U.S. federal income tax purposes in the United States of America, any Foreign Lender (or other Lender) shall deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender (or other Lender) becomes a Lender under this Agreement (and from time to time thereafter upon the request of Borrower or Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(A) two (2) duly completed valid originals of IRS Form W-8BEN (or any successor form) or Form W-8BEN-E (or any successor form), as applicable, claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(B) two (2) duly completed valid originals of IRS Form W-8ECI (or any successor form),

(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) two duly completed valid originals of IRS Form W-8BEN (or any successor form) or Form W-8BEN-E (or any successor forms), as applicable,

(D) to the extent a Foreign Lender is not the beneficial owner, properly completed and executed originals of IRS Form W-8IMY (or any successor form), accompanied by IRS Form W-8ECI (or any successor form), IRS Form W-8BEN (or any successor form), IRS Form W-8BEN-E (or any successor form), a U.S. Tax Compliance Certificate reasonably acceptable to Agent and Borrower, IRS Form W-9 (or any successor form),

and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate reasonably acceptable to Agent and Borrower on behalf of each such direct and indirect partner,

(E) any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax duly completed together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower to determine the withholding or deduction required to be made, or

(F) to the extent that any Lender is not a Foreign Lender, such Lender shall submit to Agent two (2) originals of an IRS Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax.

(iii) For purposes of this Section 3.10(e), the term "Lender" includes any Swing Loan Lender and Issuer.

(f) If a payment made to a Lender, Swing Loan Lender, Participant, Issuer, or Agent under this Agreement or any Other Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Person fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender, Swing Loan Lender, Participant, Issuer, or Agent shall deliver to the Agent (in the case of a Swing Loan Lender, Lender, Participant or Issuer) and Borrower (A) such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code), and (B) other documentation reasonably requested by Agent or any Loan Party sufficient for Agent and Borrower to comply with their obligations under FATCA and to determine that such Swing Loan Lender, Lender, Participant, Issuer, or Agent has complied with such applicable reporting requirements or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph (f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender, Swing Loan Lender, Participant, Issuer, and Agent agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.10 (including by the payment of additional amounts pursuant to this Section 3.10), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Body with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such

indemnified party the amount paid over pursuant to this paragraph (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Body) in the event that such indemnified party is required to repay such refund to such Governmental Body. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Taxes position than the indemnified party would have been in if the Taxes subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (f) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Agent Tax Status. In the event that any Loan Party is resident for U.S. federal income tax purposes in the United States of America, on or before the date on which the Agent (and any successor or replacement Agent) becomes Agent under this Agreement, such Agent shall deliver to Loan Party two copies of (a) if Agent is a U.S. Person, with respect to amounts received on its own account, Internal Revenue Service Form W-9 certifying that such Agent is exempt from U.S. federal backup withholding or (b) if Agent is not a U.S. Person, with respect to amounts received on its own account, the appropriate Internal Revenue Service Form W-8, and with respect to amounts received on account of any Lender, Internal Revenue Service Form W-8IMY. Agent agrees that if any form it previously delivered pursuant to this Section 3.10(h) expires or becomes obsolete or inaccurate in any respect, it shall update such form or promptly notify Loan Party in writing of its legal inability to do so.

3.11 Replacement of Lenders. If any Lender (an "Affected Lender") (a) makes demand upon Borrower for (or if Borrower is otherwise required to pay) amounts pursuant to Section 3.7, 3.9 or 3.10 (b) is unable to make or maintain Term SOFR Rate Loans as a result of a condition described in Section 2.2(h), (c) is a Defaulting Lender, or (d) denies any consent requested by the Agent pursuant to Section 16.2(b), Borrower may, within ninety (90) days of receipt of such demand, notice (or the occurrence of such other event causing Borrower to be required to pay such compensation or causing Section 2.2(h) to be applicable), or such Lender becoming a Defaulting Lender or denial of a request by Agent pursuant to Section 16.2(b), as the case may be, by notice in writing to the Agent and such Affected Lender (i) request the Affected Lender to cooperate with Borrower in obtaining a replacement Lender satisfactory to Agent and Borrower (the "Replacement Lender"); (ii) request the non-Affected Lenders to acquire and assume all of the Affected Lender's Advances and its Revolving Commitment Percentage as provided herein, but none of such Lenders shall be under any obligation to do so; or (iii) propose a Replacement Lender subject to approval by Agent in its good faith business judgment. If any satisfactory Replacement Lender shall be obtained, and/or if any one or more of the non-Affected Lenders shall agree to acquire and assume all of the Affected Lender's Advances and its Revolving Commitment Percentage, then such Affected Lender shall assign, in accordance with Section 16.3, all of its Advances and its Revolving Commitment Percentage and other rights and obligations under this Agreement and the Other Documents to such Replacement Lender or non-Affected Lenders, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, *plus* all other Obligations then due and payable to the Affected Lender.

4. COLLATERAL: GENERAL TERMS

4.1 Security Interest in the Collateral. To secure the prompt payment and performance to Agent, Issuer and each Lender (and each other holder of any Obligations) of the Obligations, each Loan Party hereby assigns, pledges and grants to Agent for its benefit and for the ratable benefit of each Lender, Issuer and each other Secured Party, a continuing security interest in and to and Lien on all of its Collateral, whether now owned or existing or hereafter created, acquired or arising and wheresoever located. Each Loan Party shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect Agent's security interest and shall cause its financial statements to reflect such security interest. Each Loan Party shall provide Agent with written notice of all commercial tort claims in an amount greater than $2,000,000 concurrently with the delivery of the financial statements referred to in Section 9.8 hereof that are next due, such notice to contain a brief description of the claim(s), the events out of which such claim(s) arose and the parties against which such claims may be asserted and, if applicable in any case where legal proceedings regarding such claim(s) have been commenced, the case title together with the applicable court and docket number. Upon delivery of each such notice, such Loan Party shall be deemed to thereby grant to Agent a security interest and Lien in and to such commercial tort claims described therein and all proceeds thereof. Each Loan Party shall provide Agent with written notice promptly upon becoming the beneficiary under any letter of credit or otherwise obtaining any right, title or interest in any letter of credit rights having an undrawn face amount in excess of $2,000,000, and at Agent's request shall take such actions as Agent may reasonably request for the perfection of Agent's security interest therein.

4.2 Perfection of Security Interest. Each Loan Party shall take all action that may be necessary or desirable, or that Agent may request, so as at all times to maintain the validity, perfection, enforceability and priority of Agent's security interest in and Lien on the Collateral or to enable Agent to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to, (i) immediately discharging all Liens other than Permitted Encumbrances, (ii) delivering to Agent, endorsed or accompanied by such instruments of assignment as Agent may specify, and stamping or marking, in such manner as Agent may specify, any and all chattel paper, instruments, letters of credits and advices thereof and documents evidencing or forming a part of the Collateral having a value excess of $1,000,000, and (iii) executing and delivering financing statements, control agreements, instruments of pledge, notices and assignments, in each case in form and substance satisfactory to Agent in its Permitted Discretion, relating to the creation, validity, perfection, maintenance or continuation of Agent's security interest and Lien under the Uniform Commercial Code or other Applicable Law on Collateral. By its signature hereto, each Loan Party hereby authorizes Agent to file against such Loan Party, one or more financing, continuation or amendment statements pursuant to the Uniform Commercial Code in form and substance satisfactory to Agent (which statements may have a description of collateral which is broader than that set forth herein, including without limitation a description of Collateral as "all assets" and/or "all personal property" of any Loan Party). All charges, expenses and fees Agent may reasonably incur in doing any of the foregoing, and any local taxes relating thereto, shall be payable as provided for in Section 2.22. Notwithstanding this Section 4.2 or anything to the contrary in this Agreement, no Loan Party or its Subsidiaries shall be required to (and the Agent shall not) enter into any documents with respect to the Collateral that are governed by the laws of any non-U.S. jurisdiction (other than the Innovex Canada Pledge Agreement) or take any actions relating to security interests in the Collateral or the perfection thereof in any non-U.S. jurisdiction.

4.3 Preservation of Collateral. Following the occurrence of a Default or Event of Default, in addition to the rights and remedies set forth in Section 11.1, Agent: (a) may at any time

take such steps as Agent deems necessary to protect Agent's interest in and to preserve the Collateral, including the hiring of security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any Loan Party's premises a custodian who shall have full authority to do all acts necessary to protect Agent's interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Loan Party's owned or leased lifts, hoists, trucks and other facilities or Equipment for handling or removing the Collateral; and (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any of Loan Parties' owned or leased property. Each Loan Party shall cooperate fully with all of Agent's efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may direct. Subject to Section 16.9, all of Agent's expenses of preserving the Collateral, including any expenses relating to the bonding of a custodian, shall be charged to Borrower's Account as a Revolving Advance maintained as a Domestic Rate Loan and added to the Obligations.

4.4Ownership and Location of Collateral.

(a) With respect to the Collateral, at the time the Collateral becomes subject to Agent's security interest: (i) each Loan Party shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a first priority security interest in each and every item of its respective Collateral to Agent; and, except for Permitted Encumbrances the Collateral shall be free and clear of all Liens whatsoever; (ii) all signatures and endorsements of each Loan Party that appear on such documents and agreements shall be genuine and each Loan Party shall have full capacity to execute same; and (iii) the Borrower's Equipment and Inventory shall be located as set forth on Schedule 4.4(b)(i) and Schedule 4.4(b)(ii) respectively and shall not be removed from such location(s) (other than with respect to Inventory in-transit) without the prior written consent of Agent except with respect to the sale of Inventory and the use of movement of Equipment in the Ordinary Course of Business, and dispositions of Inventory and Equipment to the extent permitted in Section 7.1(b).

(b) (i) Schedule 4.4(b)(i) hereto contains a correct and complete list, as of the Closing Date, of the legal names and addresses of each warehouse at which Equipment of any Loan Party is stored; none of the receipts received by any Loan Party from any warehouse states that the goods covered thereby are to be delivered to bearer or to the order of a named Person or to a named Person and such named Person's assigns; (ii) Schedule 4.4(b)(ii) hereto contains a correct and complete list, as of the Closing Date, of the legal names and addresses of each warehouse at which Inventory of any Loan Party is stored; none of the receipts received by any Loan Party from any warehouse states that the goods covered thereby are to be delivered to bearer or to the order of a named Person or to a named Person and such named Person's assigns; and (iii) Schedule 4.4(b)(iii) hereto sets forth a correct and complete list as of the Closing Date of (A) each place of business of each Loan Party identifying which properties are owned and which are leased, together with the names and addresses of any landlords and (B) the chief executive office and registered office address of each Loan Party.

(c) Upon disposition of any Collateral in accordance with this Agreement and the Other Documents, Agent shall, upon written request of (and at the sole cost and expense of) a Loan Party, promptly execute and deliver to such Loan Party such UCC-3 termination or amendment statements, as applicable, and such other documentation as such Loan Party may

reasonably request to effect the release of such Collateral from the security interest and Lien granted in favor of Agent to secure the Obligations.

4.5Defense of Agent's and Lenders' Interests. Until (a) payment and performance in full of all of the Obligations and (b) termination of this Agreement, Agent's interests in the Collateral shall continue in full force and effect. During such period no Loan Party shall, without Agent's prior written consent, pledge, sell (except for sales or other dispositions otherwise permitted in Section 7.1(b)), assign, transfer, create or suffer to exist a Lien upon or encumber or allow or suffer to be encumbered in any way except for Permitted Encumbrances, any part of the Collateral. Each Loan Party shall defend Agent's interests in the Collateral against any and all Persons whatsoever (except with respect to Permitted Encumbrances). During the continuance of an Event of Default, Agent shall have the right to take possession of the indicia of the Collateral and the Collateral in whatever physical form contained, including: labels, stationery, documents, instruments and advertising materials. If Agent exercises this right to take possession of the Collateral, Loan Parties shall, upon demand, assemble it in the best manner possible and make it available to Agent at a place reasonably convenient to Agent. In addition, during the continuance of an Event of Default, Agent and Lenders shall be entitled to all of the rights and remedies set forth herein and further provided by the Uniform Commercial Code or other Applicable Law. During the continuance of an Event of Default, each Loan Party shall, and Agent may, at its option, instruct all suppliers, carriers, forwarders, warehousers or others receiving or holding cash, checks, Inventory, documents or instruments in which Agent holds a security interest to deliver same to Agent and/or subject to Agent's order and if they shall come into any Loan Party's possession, they, and each of them, shall be held by such Loan Party in trust as Agent's trustee, and such Loan Party will immediately deliver them to Agent in their original form together with any necessary endorsement.

4.6Inspection of Premises. At all reasonable times and from time to time as often as Agent shall elect in its Permitted Discretion, Agent shall have full access to and the right to audit, check, inspect and make abstracts and copies from the Borrower's books, records, audits, correspondence and all other papers relating to the Collateral and the operation of the Borrower's business. Agent and its agents may enter upon any premises of any Loan Party at any time during business hours after providing advanced notice, from time to time as often as Agent shall elect in its Permitted Discretion, for the purpose of visually inspecting the Collateral and any and all records pertaining thereto and the operation of the Borrower's business.

4.7Appraisals. Agent may, in its sole discretion, exercised in a commercially reasonable manner, at any time after the Closing Date and from time to time, engage, subject to the terms of Section 9.18, the services of an independent appraisal firm or firms of reputable standing, satisfactory to Agent, for the purpose of appraising the then current values of Loan Parties' Inventory. Absent the occurrence and continuance of an Event of Default at such time, Agent shall consult with Borrower as to the identity of any such firm. In the event the value of the Eligible Loan Parties' Inventory, as so determined pursuant to any such appraisal (or the value of the Eligible Loan Parties' Receivables, as so determined pursuant to any field examination), is less than anticipated by Agent or Lenders, such that the Revolving Advances are in excess of such Advances permitted hereunder, then, promptly upon Agent's demand for same, Borrower shall make mandatory prepayments of the then outstanding Revolving Advances so as to eliminate the excess Advances.

4.8 Receivables; Deposit Accounts and Securities Accounts.

(a) Each of the Receivables shall be a bona fide and valid account representing a bona fide indebtedness incurred by the Customer therein named, for a fixed sum as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an absolute sale or lease and delivery of goods upon stated terms of a Loan Party (or, for Receivables acquired pursuant to any Permitted Acquisition, the seller in connection with such acquisition), or work, labor or services theretofore rendered by a Loan Party (or, for Receivables acquired pursuant to any Permitted Acquisition, the seller in connection with such acquisition) as of the date each Receivable is created. Same shall be due and owing in accordance with the Borrower's standard terms of sale without dispute, setoff or counterclaim except as may be stated on the accounts receivable schedules delivered by Loan Parties to Agent.

(b) No Customer, to the best of the Borrower's knowledge, as of the date each Receivable is created, is insolvent or unable to pay all Receivables on which the Customer is obligated in full, when due. With respect to such Customers of any Loan Party which the Loan Party has knowledge are not solvent, such Loan Party will set up on its books and in its financial records bad debt reserves adequate to cover such Receivables.

(c) Loan Parties shall instruct their Customers to deliver all remittances upon Receivables (whether paid by check or by wire transfer of funds) to such Controlled Account(s) and/or Depository Accounts (and any associated lockboxes) as Agent shall designate from time to time as contemplated by Section 4.8(g) or as otherwise agreed to from time to time by Agent. Notwithstanding the foregoing, to the extent any Loan Party directly receives any remittances upon Receivables, such Loan Party shall, at such Loan Party's sole cost and expense, but on Agent's behalf and for Agent's account, collect as Agent's property and in trust for Agent all amounts received on Receivables, and shall not commingle such collections with any Loan Party's funds or use the same except to pay Obligations, and shall as soon as possible and in any event no later than one (1) Business Day after the receipt thereof (i) in the case of remittances paid by check, deposit all such remittances in their original form (after supplying any necessary endorsements) and (ii) in the case of remittances paid by wire transfer of funds, transfer all such remittances, in each case, into such applicable Controlled Accounts(s) and/or Depository Account(s). Each Loan Party shall deposit in the applicable Controlled Account and/or Depository Account or, upon request by Agent, deliver to Agent, in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidence of Indebtedness.

(d) At any time following the occurrence and during the continuance of an Event of Default at such other time as Agent in its Permitted Discretion determines is necessary or appropriate, (i) Agent shall have the right to send notice of the assignment of, and Agent's security interest in and Lien on, the Receivables to any and all Customers or any third party holding or otherwise concerned with any of the Collateral and (ii) thereafter, Agent shall have the sole right to collect the Receivables, take possession of the Collateral, or both. Agent's actual collection expenses, including, but not limited to, stationery and postage, telephone, facsimile, telegraph, secretarial and clerical expenses and the salaries of any collection personnel used for collection, may be charged to Borrower's Account and added to the Obligations.

(e) Agent shall have the right (but not duty or obligation) to receive, endorse, assign and/or deliver in the name of Agent or any Loan Party any and all checks, drafts and other instruments for the payment of money relating to the Receivables, and each Loan Party hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Loan Party hereby constitutes Agent or Agent's designee as the Borrower's attorney with power (i) at any time (A) to endorse the Borrower's name upon any notes, acceptances, checks, drafts, money orders or other evidence of payment or Collateral; (B) to sign the Borrower's name on any invoice or bill of lading relating to any of the Receivables, drafts against Customers, assignments and verifications of Receivables; (C) to send verifications of Receivables to any Customer; (D) to sign the Borrower's name on all financing statements or any other documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent's interest in the Collateral and to file same; and (E) to receive, open and dispose of all mail addressed to any Loan Party at any post office box/lockbox maintained by Agent for Loan Parties or at any other business premises of Agent; and (ii) at any time following the occurrence of an Event of Default: (A) to demand payment of the Receivables; (B) to enforce payment of the Receivables by legal proceedings or otherwise; (C) to exercise all of the Borrower's rights and remedies with respect to the collection of the Receivables and any other Collateral; (D) to sue upon or otherwise collect, extend the time of payment of, settle, adjust, compromise, extend or renew the Receivables; (E) to settle, adjust or compromise any legal proceedings brought to collect Receivables; (F) to prepare, file and sign the Borrower's name on a proof of claim in bankruptcy or similar document against any Customer; (G) to prepare, file and sign the Borrower's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables; (H) to accept the return of goods represented by any of the Receivables and (I) to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless done maliciously or with gross (not mere) negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment); this power being coupled with an interest is irrevocable while any of the Obligations remain unpaid.

(f) Neither Agent nor any Lender shall, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Receivables or any instrument received in payment thereof, or for any damage resulting therefrom.

(g) During any Dominion Period, all proceeds of Collateral shall be deposited by Loan Parties into either (i) a lockbox account, dominion account or such other "controlled account" ("Controlled Accounts") established at a bank or banks (each such bank, a "Controlled Account Bank") pursuant to an arrangement with such Controlled Account Bank as may be acceptable to Agent in its Permitted Discretion or (ii) depository accounts ("Depository Accounts") established at Agent for the deposit of such proceeds. Each applicable Loan Party, Agent and each Controlled Account Bank shall enter into a deposit account control agreement or blocked account agreement in form and substance satisfactory to Agent that is sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over all Controlled Accounts and which allows Agent, during any Dominion Period, to direct such Controlled Account Bank to transfer such funds so deposited on a daily basis or at other times acceptable to Agent to Agent, either to any account maintained by Agent at said Controlled Account Bank or by wire transfer to appropriate account(s) at Agent; provided, however, that no

such deposit account control agreement or blocked account agreement shall be required with respect to any (i) deposit accounts containing solely Excluded Property, (ii) Legacy Dril-Quip Deposit Accounts or (iii) deposit accounts opened after the Closing Date in accordance with the terms of this Agreement; provided that the aggregate amount maintained in all Legacy Dril-Quip Deposit Accounts and all deposit accounts opened after the Closing Date (other than the Lender Deposit Accounts) in accordance with the terms of this Agreement at any time does not exceed $5,000,000 (such exclusion, the "Control Agreement Exclusion"). Once opened, the amount maintained in each Lender Deposit Account shall be at least $3,000,000. All funds deposited in such Controlled Accounts or Depository Accounts shall immediately become subject to the security interest of Agent for its own benefit and the ratable benefit of Issuer, Lenders and all other holders of the Obligations, and Borrower shall obtain the agreement by such Controlled Account Bank to waive any offset rights against the funds so deposited (except for those relating to returned items and fees and costs relating to the depository relationship). Neither Agent nor any Lender assumes any responsibility for such controlled account arrangement, including any claim of accord and satisfaction or release with respect to deposits accepted by any Controlled Account Bank thereunder. Agent shall apply all funds received by it from the Controlled Accounts and/or Depository Accounts to the satisfaction of the Obligations (including the cash collateralization of the Letters of Credit) in such order as Agent shall determine in its sole discretion, provided that, in the absence of any Event of Default, Agent shall apply all such funds representing collection of Receivables first to the prepayment of the principal amount of the Swing Loans, if any, and then to the Revolving Advances. Borrower shall notify each Customer of any Loan Party to send all future payments owed to a Loan Party by such Customer, including, but not limited to, payments on any Receivable, to a Controlled Account or Depository Account, (i) with respect to any Person that is a Customer of any Person acquired in connection with any Permitted Acquisition, within sixty (60) days of the closing date of such Permitted Acquisition and (ii) with respect to any Person that is not a Customer on the Closing Date, promptly upon such Person becoming a Customer of a Loan Party. If any Loan Party shall receive any collections or other proceeds of the Collateral, such Loan Party shall hold such collections or proceeds in trust for the benefit of Agent and deposit such collections or proceeds into a Controlled Account or Depository Account within one (1) Business Day following the Borrower's receipt thereof. All Depository Accounts, investment accounts and other bank accounts of any Loan Party, including, without limitation, all Controlled Accounts and Depository Accounts are described and set forth on Schedule 4.8(i). The parties hereto hereby acknowledge, confirm and agree that the implementation of the cash management arrangements contemplated herein is a contractual right provided to the Agent and the Lenders hereunder in order for the Agent and the Lenders to manage and monitor their collateral position and not a proceeding for enforcement or recovery of a claim, or pursuant to, or an enforcement of, any security or remedies whatsoever, the cash management arrangements contemplated herein are critical to the structure of the lending arrangements contemplated herein, the Agent and Lenders are relying on the Loan Parties' acknowledgement, confirmation and agreement with respect to such cash management arrangements in making accommodations of credit available to them and in particular that any accommodations of credit are being provided by the Agent and Lenders strictly on the basis of a borrowing base calculation to fully support and collateralize any such accommodations of credit hereunder.

(h) If an Event of Default is continuing, no Loan Party will, without Agent's consent, compromise or adjust any Receivables (or extend the time for payment thereof) or accept any returns of merchandise or grant any additional discounts, allowances or credits thereon except

for those compromises, adjustments, returns, discounts, credits and allowances as have been heretofore customary in the Ordinary Course of Business of such Loan Party.

(i) All deposit accounts (including all Controlled Accounts and Depository Accounts), securities accounts and investment accounts of each Loan Party as of the Closing Date are set forth on Schedule 4.8(i). No Loan Party shall open any new deposit account, securities account or investment account unless (i) Loan Parties shall have given at least fifteen (15) Business Days' prior written notice to Agent and Agent has consented in writing and (ii) subject to and to the extent required by Section 4.8(g), if such account is to be maintained with a bank, depository institution or securities intermediary that is not the Agent, such bank, depository institution or securities intermediary, each applicable Loan Party and Agent shall first have entered into an account control agreement in form and substance satisfactory to Agent sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such account.

4.9Inventory. To the extent Inventory held for sale or lease has been produced by any Loan Party, it has been and will be produced by such Loan Party, in all material respects, in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder.

4.10Maintenance of Equipment. Subject to the terms of Section 4.3, Equipment shall be maintained in good operating condition and repair (reasonable wear and tear excepted). No Loan Party shall intentionally or knowingly use or operate the Equipment in violation of any law, statute, ordinance, code, rule or regulation.

4.11Exculpation of Liability. Nothing herein contained shall be construed to constitute Agent or any Lender as any Loan Party's agent for any purpose whatsoever (except to the extent necessary for the exercise of any power of attorney contained herein), nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assume any of any Loan Party's obligations under any contract or agreement assigned to Agent or such Lender, and neither Agent nor any Lender shall be responsible in any way for the performance by any Loan Party of any of the terms and conditions thereof.

4.12Financing Statements. Except with respect to the financing statements filed by Agent, financing statements described on Schedule 4.12, and financing statements filed in connection with Permitted Encumbrances, no financing statement covering any of the Collateral or any proceeds thereof is on file in any applicable public office on the date hereof.

4.13Vehicles and Equipment. With respect to each vehicle or item of Equipment constituting Collateral of any Loan Party with an individual value in excess of $150,000, on an orderly liquidation value basis, subject to a certificate of title statute, Loan Parties shall deliver to Agent upon Agent's request upon the occurrence and during the continuance of an Event of Default, in form and substance satisfactory to Agent: (i) a fully-executed, notarized power of attorney authorizing Corporation Service Company to perfect liens on behalf of Agent; (ii) unencumbered titles for each applicable vehicle or item of Equipment; (iii) to the extent applicable, an odometer statement clearly identifying the current mileage for each applicable vehicle or item

of Equipment; and (iv) to the extent applicable, an in-state garaging address for each applicable vehicle or item of Equipment.

5. REPRESENTATIONS AND WARRANTIES.

Each Loan Party represents and warrants as follows:

5.1 Authority. Each Loan Party has full power, authority and legal right to enter into this Agreement and the Other Documents to which it is a party and to perform all its respective Obligations hereunder and thereunder. This Agreement and the Other Documents to which it is a party have been duly executed and delivered by each Loan Party, and this Agreement and the Other Documents to which it is a party constitute the legal, valid and binding obligation of such Loan Party enforceable in accordance with their terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally. The execution, delivery and performance of this Agreement and of the Other Documents to which it is a party (a) are within the Borrower's corporate or company powers, as applicable, have been duly authorized by all necessary corporate or company action, as applicable, are not in contravention of law or the terms of the Borrower's Organizational Documents or to the conduct of the Borrower's business or of any Material Contract or undertaking to which such Loan Party is a party or by which such Loan Party is bound, including any Permitted Acquisition Agreement, (b) will not conflict with or violate any law or regulation, or any judgment, order or decree of any Governmental Body, (c) will not require the Consent of any Governmental Body, any party to a Material Contract or any other Person, except those Consents set forth on Schedule 5.1 hereto, all of which will have been duly obtained, made or compiled prior to the Closing Date and which are in full force and effect and (d) will not conflict with, nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Loan Party under the provisions of any agreement, instrument, or other document to which such Loan Party is a party or by which it or its property is a party or by which it may be bound, including any Permitted Acquisition Agreement.

5.2 Formation and Qualification.

(a) Each Loan Party is duly incorporated or formed, as applicable, and in good standing under the laws of the state or province listed on Schedule 5.2(a) and is qualified to do business and is in good standing in the states or provinces listed on Schedule 5.2(a) which constitute all states in which qualification and good standing are necessary for such Loan Party to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have a Material Adverse Effect. Each Loan Party has delivered to Agent true and complete copies of its Organizational Documents and will promptly notify Agent of any material amendment or changes thereto.

(b) The exact name and state or province of formation of each Loan Party (together with a reasonably detailed capitalization table of each Loan Party, as of the Closing Date) and the Borrower's Subsidiaries, as of the Closing Date, are listed on Schedule 5.2(b). As of the Closing Date, none of Loan Parties or any Subsidiary of any Loan Party conducts any material business or maintain any material operations, other than those that have been disclosed to Agent.

5.3Tax Returns. Each Loan Party has filed all income, franchise and other material federal, provincial, state and local Tax returns and other reports each is required by law to file and has paid all income, franchise and other material Taxes required to have been paid by each such Loan Party, except for any such Taxes being Properly Contested. The provision for Taxes on the books of each Loan Party is adequate for all years not closed by applicable statutes, and for its current fiscal year, and no Loan Party has any knowledge of any deficiency or additional assessment in connection therewith not provided for on its books.

5.4Financial Statements.

(a) The pro forma balance sheet of Loan Parties on a Consolidated Basis (the "Pro Forma Balance Sheet") furnished to Agent on the Closing Date reflects the consummation of the transactions contemplated under this Agreement (collectively, the "Transactions") and is accurate, complete and correct in all material respects and fairly reflects the financial condition of Loan Parties on a Consolidated Basis as of the Closing Date after giving effect to the Transactions, and has been prepared in accordance with GAAP, consistently applied. The Pro Forma Balance Sheet has been certified as accurate, complete and correct in all material respects by an Authorized Officer of Borrower. All financial statements referred to in this Section 5.4(a), including the related schedules and notes thereto, have been prepared in accordance with GAAP, except as may be disclosed in such financial statements.

(b) The twelve-month cash flow and balance sheet projections of Loan Parties on a Consolidated Basis for the five (5) year period following the Closing Date, copies of which are annexed hereto as Exhibit 5.4(b) (the "Projections") were prepared by an Authorized Officer of Innovex, are based on underlying assumptions which provide a reasonable basis for the projections contained therein and reflect Borrower's judgment based on present circumstances of the most likely set of conditions and course of action for the projected period, it being understood that the Projections cannot be treated as guarantees of performance and that actual results may differ materially from the Projections. The cash flow Projections together with the Pro Forma Balance Sheet are referred to as the "Pro Forma Financial Statements".

(c) The consolidated balance sheets of Loan Parties on a Consolidated Basis, and such other Persons described therein, as of December 31, 2023, and the related statements of income, changes in stockholder's equity, and changes in cash flow for the period ended on such date, all accompanied by reports thereon containing opinions without qualification by independent certified public accountants, copies of which have been delivered to Agent, have been prepared in accordance with GAAP, consistently applied (except for changes in application to which such accountants concur and present fairly the financial position of Loan Parties at such date and the results of their operations for such period).

(d) Since December 31, 2023, there has been no change in the financial condition of Loan Parties which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.5Entity Names. No Loan Party has been known by any other company or corporate name, as applicable, in the past five (5) years and does not sell Inventory under any other name except as set forth on Schedule 5.5, nor has any Loan Party been the surviving corporation or

company, as applicable, of a merger or consolidation or acquired all or substantially all of the assets of any Person during the preceding five (5) years except as set forth on Schedule 5.5.

5.6OSHA; Environmental Compliance; Flood Insurance.

(a) Except as set forth on Schedule 5.6 hereto, (i) each Loan Party is in compliance with, and its facilities, business, assets, property, leaseholds, Real Property and Equipment are in compliance with OSHA and Environmental Laws, except to the extent such non-compliance would not be reasonably expected to result in a Material Adverse Effect and (ii) there are no outstanding citations, notices or orders of non-compliance received by any Loan Party relating to its business, assets, property, leaseholds or Equipment under (x) OSHA or (y) any Environmental Laws that in each case of the foregoing clause (x) or (y), would reasonably be expected to result in a Material Adverse Effect.

(b) Except as set forth on Schedule 5.6 hereto or as would not reasonably be expected to result in a Material Adverse Effect, (i) each Loan Party has all required federal, provincial, state and local licenses, certificates or permits required under Environmental Laws or OSHA for operations of Loan Parties' business (collectively, "Approvals") and (ii) all such Approvals are current and in full force and effect.

(c) Except as set forth on Schedule 5.6 hereto or as would not reasonably be expected to result in a Material Adverse Effect: (i) there have been no releases, spills, discharges, leaks or disposal of Hazardous Materials (collectively referred to as "Releases") at, upon, under or migrating from or to Loan Parties' knowledge, onto any Real Property owned, leased or occupied by any Loan Party, except for those Releases which are in material compliance with Environmental Laws or which would not reasonably be expected to result in a violation of any Environmental Law or otherwise result in any liability to any Loan Party; (ii) there are no underground storage tanks or polychlorinated biphenyls on any Real Property owned, leased or occupied by any Loan Party, except for such underground storage tanks or polychlorinated biphenyls that are present in compliance with Environmental Laws; (iii) the Real Property, including any premises owned, leased or occupied by any Loan Party, has never been used by any Loan Party to dispose of Hazardous Materials, except as authorized by (and in compliance with) Environmental Laws; and (iv) no Hazardous Materials are managed by any Loan Party on any Real Property including any premises owned, leased or occupied by any Loan Party, excepting such quantities as are managed in material compliance with Environmental Laws.

(d) All Real Property owned by Loan Parties is insured pursuant to policies and other bonds which are valid and in full force and effect and which provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each such Loan Party in accordance with prudent business practice in the industry of such Loan Party.

5.7Solvency; No Litigation, Violation, Indebtedness or Default; ERISA Compliance.

(a) (i) Both before and after giving effect to the Transactions, including the making of the initial Advances, the Loan Parties, taken as a whole, are solvent, able to pay their debts as they mature, and have capital sufficient to carry on their business and all businesses in which they are about to engage, (ii) as of the Closing Date, the fair present saleable value of their assets, calculated on a going concern basis, is in excess of the amount of their liabilities, and (iii)

subsequent to the Closing Date, the fair saleable value of its assets (calculated on a going concern basis) will be in excess of the amount of their liabilities.

(b) Except as disclosed in Schedule 5.7(b)(i), no Loan Party has any pending or threatened litigation, arbitration, actions or proceedings (x) that purport to affect or involve any Other Document or any of the Transactions or (y) that have resulted, or as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could, individually or in the aggregate, reasonably be expected to result, in a Material Adverse Effect. No Loan Party has any outstanding funded debt other than the Obligations, except for as disclosed in Schedule 5.7(b)(ii).

(c) No Loan Party is in violation of any applicable statute, law, rule, regulation or ordinance in any respect which could reasonably be expected to have a Material Adverse Effect, nor is any Loan Party in violation of any order of any court, Governmental Body or arbitration board or tribunal which could reasonably be expected to have a Material Adverse Effect. Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state laws.

(d) No Loan Party or any member of the Controlled Group maintains or is required to contribute to any Plan other than those listed on Schedule 5.7(d). (i) Each Loan Party and each member of the Controlled Group has met all applicable minimum funding requirements under Section 302 of ERISA and Section 412 of the Code in respect of each Plan, and each Plan is in compliance with Sections 412, 430 and 436 of the Code and Sections 206(g), 302 and 303 of ERISA, without regard to waivers and variances; (ii) each Plan which is intended to be a qualified plan under Section 401(a) of the Code as currently in effect has been determined by the Internal Revenue Service to be qualified under Section 401(a) of the Code and the trust related thereto is exempt from federal income tax under Section 501(a) of the Code or an application for such a determination is currently being processed by the Internal Revenue Code; (iii) neither any Loan Party nor any member of the Controlled Group has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due which are unpaid; (iv) no Plan has been terminated by the plan administrator thereof nor by the PBGC, and there is no occurrence which would cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Plan; (v) the current value of the assets of each Plan exceeds the present value of the accrued benefits and other liabilities of such Plan and neither any Loan Party nor any member of the Controlled Group knows of any facts or circumstances which would materially change the value of such assets and accrued benefits and other liabilities; (vi) neither any Loan Party nor any member of the Controlled Group has breached any of the responsibilities, obligations or duties imposed on it by ERISA with respect to any Plan; (vii) neither any Loan Party nor any member of a Controlled Group has incurred any liability for any excise tax arising under Section 4971, 4972 or 4980B of the Code, and no fact exists which could give rise to any such liability; (viii) neither any Loan Party nor any member of the Controlled Group nor any fiduciary of, nor any trustee to, any Plan, has engaged in a "prohibited transaction" described in Section 406 of the ERISA or Section 4975 of the Code nor taken any action which would constitute or result in a Termination Event with respect to any such Plan which is subject to ERISA; (ix) no Termination Event has occurred or is reasonably expected to occur; (x) there exists no event described in Section 4043 of ERISA, for which the thirty (30) day notice period has not been waived; (xi) neither any Loan Party nor any member of the Controlled Group has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA; (xii) neither any Loan Party nor any

member of the Controlled Group maintains or is required to contribute to any Plan which provides health, accident or life insurance benefits to former employees, their spouses or dependents, other than in accordance with Section 4980B of the Code; (xiii) neither any Loan Party nor any member of the Controlled Group has withdrawn, completely or partially, within the meaning of Section 4203 or 4205 of ERISA, from any Multiemployer Plan so as to incur liability under the Multiemployer Pension Plan Amendments Act of 1980 and there exists no fact which would reasonably be expected to result in any such liability; and (xiv) no Plan fiduciary (as defined in Section 3(21) of ERISA) has any liability for breach of fiduciary duty or for any failure in connection with the administration or investment of the assets of a Plan.

5.8Patents, Trademarks, Copyrights and Licenses. All registered Intellectual Property and all License Agreements owned or utilized by any Loan Party (other than with respect to over-the-counter software that is commercially available to the public): (i) are set forth on Schedule 5.8; (ii) are valid and has been duly registered or filed with all appropriate Governmental Bodies; and (iii) constitutes all of the intellectual property rights which are necessary for the operation of its business. There is no objection to, pending challenge to the validity of, or proceeding by any Governmental Body to suspend, revoke, terminate or adversely modify, any such Intellectual Property and License Agreements that could reasonably be expected to result in a Material Adverse Effect and no Loan Party is aware of any grounds for any challenge or proceedings, except as set forth in Schedule 5.8 hereto. Each Loan Party owns or is licensed to use all Intellectual Property rights which are materially necessary for the operation of its business.

5.9Licenses and Permits. Except as set forth in Schedule 5.9, each Loan Party (a) is in material compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, provincial, state or local law, rule or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business and where the failure to procure or comply with such licenses or permits could reasonably be expected to have a Material Adverse Effect.

5.10Default of Indebtedness. As of the Closing Date, no Loan Party is in default in the payment of the principal of or interest on any material Indebtedness or under any instrument or agreement under or subject to which any material Indebtedness has been issued and no event has occurred under the provisions of any such instrument or agreement which with or without the lapse of time or the giving of notice, or both, constitutes or would constitute an event of default thereunder.

5.11No Burdensome Restrictions. No Loan Party is party to any contract or agreement the performance of which could reasonably be expected to have a Material Adverse Effect. No Loan Party has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

5.12No Labor Disputes. No Loan Party is involved in any material labor dispute; there are no strikes or walkouts or union organization of any Loan Party's employees threatened or in existence and no labor contract is scheduled to expire during the Term other than as set forth on Schedule 5.12 hereto.

5.13Margin Regulations. No Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Advance will be used for any purpose which violates the provisions of Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect, including, after the application of the proceeds of each Advance, not more than 25% of the value of the assets (either of the Borrower only or of the Loan Parties on a Consolidated Basis) will be "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System.

5.14Investment Company Act. No Loan Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is any Loan Party controlled by such a company.

5.15Disclosure. All written information furnished by or on behalf of a Loan Party or Subsidiary thereof to Agent or any Lender pursuant to or otherwise in connection with the Transactions, this Agreement, and/or the Other Documents, is true, correct and complete, in all material respects, taken as a whole (including updates and corrections thereto) and in light of the circumstances in which furnished, as of the date provided, and does not contain any untrue statement of a material fact or omits to state any material fact (known to any Loan Party, in the case of any document not furnished by either of them) necessary to make such information not materially misleading, taken as a whole (including updates and corrections thereto) and in light of the circumstances in which furnished; provided, that (a) with respect to financial estimates, projected financial information, forecasts and other forward-looking information, each Loan Party represents and warrants only that such information, when taken as a whole, was prepared in good faith based upon assumptions believed by the Loan Parties to be reasonable at the time of preparation and at the time such financial estimates, projected financial information, forecasts and other forward-looking information are made available to Agent or any Lender; it being understood that (i) such projections are not to be viewed as facts, (ii) such projections are subject to significant uncertainties and contingencies, many of which are beyond Loan Parties' control, (iii) no assurance can be given that any particular projections will be realized and (iv) actual results during the period or periods covered by any such projections may differ significantly from the projected results and such differences may be material and (b) no representation or warranty is made with respect to information of a general economic or general industry nature. As of the Closing Date, there is no fact known to any Loan Party which such Loan Party has not disclosed to Agent with respect to the Transactions which could reasonably be expected to have a Material Adverse Effect.

5.16Certificate of Beneficial Ownership. Each Certificate of Beneficial Ownership executed and delivered to Agent and Lenders for the Borrower on or prior to the date of this Agreement, as updated from time to time in accordance with this Agreement, is accurate, complete and correct as of the date hereof and as of the date any such update is delivered. The Borrower acknowledges and agrees that the Certificate of Beneficial Ownership is one of the Other Documents.

5.17Swaps. No Loan Party is a party to, nor will it be a party to, any swap agreement whereby such Loan Party has agreed or will agree to swap interest rates or currencies unless same

provides that damages upon termination following an event of default thereunder are payable on an unlimited "two-way basis" without regard to fault on the part of either party.

5.18Business and Property of Loan Parties. Upon and after the Closing Date, Loan Parties do not propose to engage in any business other than business in substantially the same fields conducted by them prior to the Closing Date and activities necessary to conduct the foregoing. On the Closing Date, each Loan Party will own all the material property and possess all of the material rights and material Consents necessary for the conduct of the business of such Loan Party.

5.19Ineligible Securities. Loan Parties do not intend to use and shall not use any portion of the proceeds of the Advances, directly or indirectly, to purchase during the underwriting period, or for 30 days thereafter, Ineligible Securities being underwritten by a securities Affiliate of Agent or any Lender.

5.20Commercial Tort Claims. No Loan Party has any commercial tort claim with a value in excess of $2,000,000 except as set forth on Schedule 5.20.

5.21Letter of Credit Rights. As of the Closing Date, no Loan Party has any letter of credit rights except as set forth on Schedule 5.21.

5.22Material Contracts. Schedule 5.22 sets forth all Material Contracts of the Loan Parties as of the Closing Date. All Material Contracts are in full force and effect and no defaults currently exist thereunder which could reasonably be expected to cause a Material Adverse Effect. Each Loan Party has provided Agent with true, correct and complete copies of each Material Contract in existence as of the Closing Date, each of which is in full force and effect on and as of the Closing Date, in all cases, without material modification or amendment in any respect. No Loan Party is in default in the payment or performance of any Material Contract in any respect that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.23Application of Certain Laws and Regulations. No Loan Party is subject to any law, statute, rule or regulation which prohibits the incurrence of the Obligations.

5.24Sanctions and International Trade Laws. Each Covered Entity, and its directors and officers, and any employee, and, to the knowledge of any Loan Party, Controlling Entity, agent, or affiliate of a Covered Entity, in each case acting on behalf of a Loan Party: (a) is not a Sanctioned Person; (b) does not do any business in or with, or derive any of its operating income from direct or indirect investments in or transactions involving, any Sanctioned Jurisdiction or Sanctioned Person; (c) is not in material violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in material violation of, applicable International Trade Laws and (d) is not in violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in material violation of, applicable Sanctions. No Covered Entity nor any of its directors, officers, employees, or, to the knowledge of any Loan Party, its agents or affiliates acting on behalf of such Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential material violation of any International Trade Laws or Sanctions, or has

received a request for information from any Governmental Body regarding International Trade Law or Sanctions matters. Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with applicable International Trade Laws and Sanctions. Each Loan Party represents and warrants that there is no Blocked Property pledged as Collateral.

5.25Anti-Corruption Laws. Each Covered Entity, and its directors and officers, and any employee, and, to the knowledge of any Loan Party, any Controlling Entity, agent, or affiliate, in each case acting on behalf of such Covered Entity, is not in material violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in material violation of Anti-Corruption Laws, including any act in furtherance of an offer, payment, promise to pay, authorization, or ratification of payment, directly or indirectly, of any money or anything of value (including any gift, sample, rebate, travel, meal and lodging expense, entertainment, service, equipment, debt forgiveness, donation, grant or other thing of value, however characterized) to any Government Official or any other Person to secure any improper advantage or to obtain or retain business, in each case, in any material respect. No Covered Entity nor any of its directors, officers, employees, or, to the knowledge of any Loan Party, its agents or affiliates acting on behalf of such Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential material violation of any Anti-Corruption Laws, or has received a request for information from any Governmental Body regarding Anti-Corruption Law matters. Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with Anti-Corruption Laws.

6. AFFIRMATIVE COVENANTS.

Each Loan Party shall, until payment in full of the Obligations (excluding contingent indemnification Obligations to the extent no unsatisfied claim giving rise thereto has been asserted) and termination of this Agreement:

6.1Compliance with Laws. Comply in all material respects with all Applicable Laws with respect to the Collateral or any part thereof or to the operation of the Borrower's business the non-compliance with which could reasonably be expected to have a Material Adverse Effect (except to the extent any separate provision of this Agreement shall expressly require compliance with any particular Applicable Law(s) pursuant to another standard). Each Loan Party may, however, contest or dispute any Applicable Laws in any reasonable manner, provided that any related Lien is inchoate or stayed and sufficient reserves are established to the reasonable satisfaction of Agent to protect Agent's Lien on or security interest in the Collateral.

6.2Conduct of Business and Maintenance of Existence and Assets. (a) Conduct its business according to good business practices and maintain all of its properties useful or necessary in its business in good working order and condition (reasonable wear and tear excepted and except as may be disposed of in accordance with the terms of this Agreement), including all Intellectual Property, in each case, that are material to the business of Loan Parties, and take all actions necessary to enforce and protect the validity of any material Intellectual Property right or other right included in the Collateral; (b) keep in full force and effect its existence and comply in all material respects with the laws and regulations governing the conduct of its business where the failure to do so could reasonably be expected to have a Material Adverse Effect; and (c) except as

otherwise provided herein, make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its material rights, licenses, leases, powers and franchises under the laws of the United States or any political subdivision thereof.

6.3 Books and Records. Keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs (including without limitation accruals for Taxes, assessments, Charges, levies and claims, allowances against doubtful Receivables and accruals for depreciation, obsolescence or amortization of assets), all in accordance with, or as required by, GAAP consistently applied in the opinion of such independent public accountant as shall then be regularly engaged by Loan Parties.

6.4 Payment of Taxes. Pay, when due, all material taxes, assessments and other Charges lawfully levied or assessed upon such Loan Party or any of the Collateral, including real and personal property taxes, municipal and business taxes, assessments and charges and all franchise, income, employment, social security benefits, withholding, and sales taxes unless the same are being Properly Contested. If any Taxes, assessment or other Charge is or may be imposed by any Governmental Body on or as a result of any transaction between any Loan Party and Agent or any Lender which Agent or any Lender may be required to withhold or pay on behalf of any Loan Party or if any Taxes, assessments, or other Charges of any Loan Party or upon any of the Collateral remain unpaid after the date fixed for their payment, taking into account available extensions of time for payment, if any, or if any claim shall be made against Loan Party which, in Agent's or any Lender's opinion, may possibly create a valid Lien on the Collateral, Agent may without notice to Loan Parties pay the Taxes, assessments or other Charges on behalf of Loan Party and each Loan Party hereby indemnifies and holds Agent and each Lender harmless in respect thereof. Agent will not pay any Taxes, assessments or Charges to the extent that any applicable Loan Party has Properly Contested those Taxes, assessments or Charges. The amount of any payment by Agent under this Section 6.4 shall be charged to Borrower's Account as a Revolving Advance maintained as a Domestic Rate Loan and added to the Obligations and, until Loan Parties shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent in its Permitted Discretion that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Loan Parties' credit and Agent shall retain its security interest in and Lien on any and all Collateral held by Agent.

6.5 Financial Covenant.

(a) Fixed Charge Coverage Ratio. So long as any FCCR Testing Period is in effect, cause to be maintained as of the last day of each fiscal quarter ending during any such FCCR Testing Period, a Fixed Charge Coverage Ratio of not less than 1.10 to 1.00, in each case, for the four (4) quarter period then ending.

(b) Equity Cure Right. Notwithstanding the foregoing, if an Event of Default occurs as a result of Loan Parties' failure to comply with Section 6.5(a) (a "Curable Default"), an equity contribution to Innovex (in the form of common equity or other equity having terms acceptable to Agent in its Permitted Discretion) in an amount (the "Specified Contribution") sufficient to, when added to EBITDA as more fully set forth below, cause the Loan Parties to be in compliance with Section 6.5(a) after the last day of the fiscal quarter for which such Event of

Default occurred (beginning with the first full fiscal quarter following the Closing Date) but prior to the day that is twenty (20) Business Days after the day on which financial statements are required to be delivered to Agent for such fiscal quarter pursuant to Section 9.8 (the "Required Contribution Date"), will, at the written request of Borrower, be included in the calculations of EBITDA solely for the purposes of determining compliance with such financial covenant at the end of such fiscal quarter and any subsequent testing period that includes such fiscal quarter; provided further that (a) the maximum amount of any Specified Contribution will be no greater than the amount required to cause the Loan Parties to be in compliance with Section 6.5(a); (b) the use of proceeds from any Specified Contribution will be disregarded for all other purposes under this Agreement and the Other Documents (including, to the extent applicable, calculating EBITDA for purposes of determining basket levels, pricing and other items governed by reference to EBITDA or that include EBITDA in the determination thereof in any respect); (c) there shall be no more than two (2) Specified Contributions made during any four (4) consecutive fiscal quarter period, and no Specified Contribution in any two (2) consecutive quarters, in each case during any time in which Fixed Charge Coverage Ratio compliance is being tested quarterly, (d) the proceeds of all Specified Contributions will be paid to Agent and applied to prepay the Advances in the manner set forth in Section 2.19(c) of this Agreement and (e) the reduction in total Indebtedness resulting from such application of the Specified Contribution shall not be taken into account for purposes of measuring compliance with the financial covenant in Section 6.5(a) during any period that includes Adjusted EBITDA resulting from a Specified Contribution. Borrower shall deliver to Agent irrevocable written notice of its intent to cure any such Curable Default no later than thirty (30) days after the end of the calendar month or fiscal quarter as of which such Curable Default occurred, which cure notice shall set forth the calculation of the applicable amount of the Specified Contribution necessary to cure such Curable Default and upon receipt of which the Agent and Lenders shall not be permitted to impose the Default Rate, accelerate the Obligations or exercise any rights or remedies against the Collateral. Upon timely receipt by Agent in cash of the applicable Specified Contribution and application of the Specified Contribution to the Obligations, the applicable Curable Defaults shall be deemed waived.

6.6Insurance.

(a) (i) Keep all its owned insurable properties insured against the hazards of fire, flood, sprinkler leakage, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, as is customary in the case of companies engaged in businesses similar to the Borrower's including business interruption insurance; (ii) maintain public and product liability insurance against claims for personal injury, death or property damage suffered by others; (iii) maintain all such worker's compensation or similar insurance as may be required under the laws of any state or jurisdiction in which such Loan Party is engaged in business; (iv) furnish Agent with (A) copies of all policies and evidence of the maintenance of such policies by the renewal thereof at least thirty (30) days before any expiration date, and (B) appropriate loss payable endorsements in form and substance satisfactory to Agent, naming Agent as an additional insured and mortgagee and/or lender loss payee (as applicable) as its interests may appear with respect to all insurance coverage referred to in clauses (i), and (ii) above, and providing (I) that all proceeds thereunder shall be payable to Agent, (II) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, and (III) that such policy and loss payable clauses may not be cancelled, amended or terminated unless at least thirty (30) days' prior written notice is given to Agent (or in the case of non-payment, at least ten (10) days' prior written notice). In the event of any loss thereunder, the carriers named therein

hereby are directed by Agent and the applicable Loan Party to make payment for such loss to Agent and not to such Loan Party and Agent jointly. If any insurance losses are paid by check, draft or other instrument payable to any Loan Party and Agent jointly, Agent may endorse the Borrower's name thereon and do such other things as Agent may deem advisable to reduce the same to cash.

(b) [Reserved].

(c) At any time during the continuance of an Event of Default, Agent is hereby authorized to adjust and compromise claims under insurance coverage referred to in Sections 6.6(a)(i) and (ii) and 6.6(b) above. All loss recoveries payable to Agent under any such insurance may be applied to the Obligations, in such order as Agent in its sole discretion shall determine. Any surplus shall be paid by Agent to Borrower or applied as may be otherwise required by law. Any deficiency thereon shall be paid by Borrower to Agent, on demand. If any Loan Party fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, if Agent so elects, may obtain such insurance and pay the premium therefor on behalf of such Loan Party, which payments shall be charged to Borrower's Account and constitute part of the obligations.

6.7Payment of Indebtedness and Leasehold Obligations. Subject to the terms of the applicable Indebtedness or lease, and prior to the expiration of all applicable grace or cure periods thereunder, pay, discharge or otherwise satisfy (i) at or before maturity (subject, where applicable, to specified grace periods) all its Indebtedness, except when the failure to do so could not reasonably be expected to have a Material Adverse Effect or when the amount or validity thereof is currently being Properly Contested, subject at all times to any applicable subordination arrangement in favor of Lenders and (ii) when due its rental obligations under all leases under which it is a tenant, and shall otherwise comply, in all material respects, with all other terms of such leases and keep them in full force and effect.

6.8Environmental Matters. Except as would not reasonably be expected to result in a Material Adverse Effect, ensure that the Real Property and all operations and businesses conducted thereon are in compliance and remain in compliance with all Environmental Laws.

6.9Standards of Financial Statements. Cause all financial statements referred to in Sections 9.7, 9.8, and 9.9 as to which GAAP is applicable to be complete and correct in all material respects (subject, in the case of interim financial statements, to normal year-end audit adjustments and the absence of footnotes) and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as disclosed therein and agreed to by such reporting Accountants or officer, as applicable).

6.10Execution of Supplemental Instruments. Execute and deliver to Agent from time to time, upon demand, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Agent may request in its Permitted Discretion, in order that the full intent of this Agreement may be carried into effect; provided that in no event shall any mortgages be required to be delivered hereunder or under any Other Document with respect to any Real Property of any Loan Party.

6.11Exercise of Rights. Use commercially reasonable efforts to enforce all of its material rights under any Permitted Acquisition Agreement and any indemnification agreement

executed in connection therewith including, but not limited to, all indemnification rights and use commercially reasonable efforts to pursue all remedies available to it with diligence and in good faith in connection with the enforcement of any such rights.

6.12Government Receivables. Take all steps necessary to protect Agent's interest in the Collateral under the Federal Assignment of Claims Act, the Uniform Commercial Code and all other applicable state or local statutes or ordinances and deliver to Agent appropriately endorsed, any instrument or chattel paper connected with any Receivable arising out of any contract between any Loan Party and the United States, any state or any department, agency or instrumentality of any of them.

6.13Certificate of Beneficial Ownership and Other Additional Information. Provide to Agent and the Lenders: (i) confirmation of the accuracy of the information set forth in the most recent Certificate of Beneficial Ownership provided to the Agent and Lenders; (ii) a new Certificate of Beneficial Ownership, in form and substance acceptable to Agent and each Lender, when the individual(s) to be identified as a Beneficial Owner have changed; and (iii) such other information and documentation as may reasonably be requested by Agent or any Lender from time to time for purposes of compliance by Agent or such Lender with applicable laws (including without limitation the USA PATRIOT Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by Agent or such Lender to comply therewith.

6.14Keepwell. If it is a Qualified ECP Loan Party, then jointly and severally, together with each other Qualified ECP Loan Party, hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non-Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non-Qualifying Party's obligations under this Agreement or any Other Document in respect of Swap Obligations (provided, however, that each Qualified ECP Loan Party shall only be liable under this Section 6.14 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 6.14, or otherwise under this Agreement or any Other Document, voidable under Applicable Law, including Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Loan Party under this Section 6.14 shall remain in full force and effect until payment in full of the Obligations and termination of this Agreement and the Other Documents. Each Qualified ECP Loan Party intends that this Section 6.14 constitute, and this Section 6.14 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each other Borrower and Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the CEA.

6.15Post-Closing Obligations. Cause the conditions set forth on Schedule 6.15 hereto to be satisfied in full, on or before the date specified for each such condition, time being of the essence, and each to be reasonably satisfactory, in form and substance as applicable, to Agent in its Permitted Discretion.

6.16Anti-Corruption Laws; Anti-Money Laundering Laws, International Trade Laws and Sanctions. (a) Cause each of the Loan Parties to immediately notify the Agent and each of the

Lenders in writing upon the occurrence of a Reportable Compliance Event; (b) at any time, if any Collateral becomes Blocked Property, then, in addition to all other rights and remedies available to the Agent and each of the Lenders, upon request by the Agent or any of the Lenders and to the extent available, use commercially reasonable efforts to provide substitute Collateral reasonably acceptable to the Lenders that is not Blocked Property; and (c) cause each Loan Party to conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws, International Trade Laws and Sanctions and implement within thirty (30) days (or by such later date to which Agent may agree in its Permitted Discretion) after the Closing Date and maintain in effect policies and procedures reasonably designed to ensure compliance with all applicable Anti-Money Laundering Laws and maintain such policies and procedures reasonably designed to ensure compliance with all applicable Anti-Corruption Laws, International Trade Laws and Sanctions by each Covered Entity, and its (i) directors, officers and employees, (ii) agents acting on behalf of such Covered Entity in connection with this Agreement and (iii) Controlling Entities acting on behalf of such Covered Entity in connection with this Agreement.

7. NEGATIVE COVENANTS.

No Loan Party or Subsidiary thereof shall, until satisfaction in full of the Obligations (excluding contingent indemnification Obligations to the extent no unsatisfied claim giving rise thereto has been asserted) and termination of this Agreement:

7.1 Merger, Consolidation, Acquisition and Sale of Assets.

(a) Other than in connection with a Permitted Acquisition or otherwise permitted by the terms of this Agreement, (i) enter into any merger, amalgamation, consolidation or other reorganization with or into any Person, (ii) acquire all or a substantial portion of the assets or Equity Interests of any Person (other than as permitted by Section 7.4(b)), (iii) consummate an LLC Division or (iv) permit any other Person to consolidate, amalgamate with or merge with it, in each case, except (x) any Loan Party may merge, amalgamate, consolidate or reorganize with another Loan Party (or a Person that substantially concurrently becomes a Loan Party hereunder) or acquire the assets or Equity Interests of another Loan Party so long as such Loan Party provides Agent with ten (10) days' prior written notice (or such shorter period as may be agreed to by Agent in its sole discretion) of such merger, amalgamation, consolidation or reorganization and delivers all of the relevant documents evidencing such merger, amalgamation, consolidation or reorganization, (y) any Subsidiary that is not a Loan Party may merge, amalgamate, consolidate or reorganize with a Loan Party (or a Person that substantially concurrently becomes a Loan Party hereunder) so long as the Loan Party is the surviving entity of such merger, amalgamation, consolidation or reorganization and delivers all of the relevant documents evidencing such merger, amalgamation, consolidation or reorganization, and (z) any Subsidiary that is not a Loan Party may merge, amalgamate, consolidate or reorganize with any other Subsidiary that is not a Loan Party.

(b) Dispose of any of its properties or assets (including, in each case, by way of an LLC Division), except: (i) the sale of Inventory in the Ordinary Course of Business, (ii) the Disposition of obsolete, surplus, damaged or worn-out Equipment or other assets on an arm's length basis, (iii) the Disposition of property or assets to another Subsidiary; provided that any such Disposition from a Loan Party to a Subsidiary that is not a Loan Party shall be limited to property or assets having a fair market value (as determined by the Borrower in good faith) of

$5,000,000 in the aggregate in any fiscal year, (iv) Dispositions of assets acquired by Loan Parties and their Subsidiaries pursuant to a Permitted Acquisition consummated within twelve (12) months of the date of the proposed disposition so long as (A) the consideration received for the assets to be so disposed is at least equal to the fair market value (as determined by the Borrower in good faith) of such assets, (B) the assets to be so Disposed are not necessary or economically desirable in connection with the business of Loan Parties and their Subsidiaries, and (C) the assets to be so disposed are readily identifiable as assets acquired pursuant to the subject Permitted Acquisition, (v) any Disposition of assets or property by any Foreign Subsidiary, (vi) in connection with the Permitted Factoring Agreements, (vii) the sale or discount, in each case without recourse, of Receivables (other than Eligible Receivables or Eligible Unbilled Receivables) arising in the Ordinary Course of Business, but only in connection with the compromise or collection thereof, (viii) any involuntary loss, damage or destruction of property, or any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property, (ix) the leasing or subleasing of properties or assets in the Ordinary Course of Business, (x) the lapse of Intellectual Property of any Loan Party or any of its Subsidiaries to the extent not economically desirable in the conduct of its business, or the abandonment of Intellectual Property that is, in the reasonable judgement of the Borrower, no longer economically practicable or useful in the conduct of the business of the applicable Loan Party or Subsidiary, (xi) the Eldridge Property Sale; (xii) to the extent constituting a Disposition, any Permitted Dividends or Permitted Investments; and (xiii) other Dispositions not to exceed $5,000,000 in the aggregate in any fiscal year.

7.2Creation of Liens. Create or suffer to exist any Lien upon or against any of its property or assets now owned or hereafter created or acquired, except Permitted Encumbrances.

7.3Guarantees. Become liable upon the obligations or liabilities of any Person by assumption, endorsement or guaranty thereof or otherwise (other than to Lenders) except (a) as disclosed on Schedule 7.3, (b) guarantees made in the Ordinary Course of Business up to an aggregate amount for all Loan Parties and Subsidiaries thereof of $5,000,000, (c) the endorsement of checks in the Ordinary Course of Business, (d) unsecured non-monetary, performance and similar guarantees in favor of any Foreign Subsidiary in the Ordinary Course of Business, (e) guarantees up to an aggregate principal amount for all Foreign Subsidiaries of $5,000,000, unless otherwise approved by the Agent in accordance with this Agreement, and (f) guarantees of Permitted Indebtedness to the extent permitted by Section 7.7 of this Agreement.

7.4Investments. Purchase or acquire obligations or Equity Interests of any Person (other than another Loan Party), other than (a) Permitted Investments and (b) the making of any Stock Repurchases; provided that the Transaction Conditions are satisfied.

7.5Loans. Make or have outstanding advances, loans or extensions of credit to any Person, including any Parent, Subsidiary or Affiliate other than Permitted Loans.

7.6Dividends. Declare, pay or make any dividend or distribution on any Equity Interests of any Loan Party or Subsidiary thereof to a Person that is not a Loan Party (other than dividends or distributions payable in its stock, or split-ups or reclassifications of its stock) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any Equity Interest, or of any options to purchase or acquire any such shares of Equity Interest of any Loan

Party or Subsidiary thereof, other than (a) Permitted Dividends and (b) in connection with the repurchase of Equity Interests of Innovex permitted by Section 7.4(b).

7.7 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness other than Permitted Indebtedness.

7.8 Nature of Business. Substantially change the nature of the business in which it is presently engaged, provided that the foregoing shall not prevent any Loan Party from engaging in any business reasonably related, similar or complimentary to its business.

7.9 Transactions with Affiliates. Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise enter into any transaction or deal with, any Affiliate, except transactions, which are made on an arm's-length basis on terms and conditions no less favorable than terms and conditions which would have been obtainable from a Person other than an Affiliate, except: (a) transactions among Loan Parties which are not expressly prohibited by the terms of this Agreement; (b) payment by any Loan Party of dividends and distributions permitted under Section 7.6; (c) payment of independent directors fees and reimbursements of actual out-of-pocket expenses incurred in connection with attending board of director meetings in an aggregate amount in any fiscal year not to exceed $2,000,000; (d) to the extent not prohibited by Applicable Law, providing customary indemnities to officers, employees and directors; (e) [reserved]; (f) transactions among the Loan Parties and Foreign Subsidiaries that are permitted by this Agreement or otherwise in an aggregate amount during the Term not to exceed $5,000,000 (unless otherwise approved by the Agent in accordance with this Agreement); and (g) repurchases of the Equity Interests of Innovex pursuant to the Stock Repurchases.

7.10 Inventory Locations. Maintain Inventory at any location other than a location which is owned, leased or utilized by a Loan Party and, if so leased, and the Inventory thereon has a value in excess of $2,000,000, such Loan Party shall use commercially reasonably efforts to cause the lessor of such location to enter into a Lien Waiver Agreement or a Processor's Agreement, as applicable.

7.11 Subsidiaries. Form or acquire any Subsidiary unless within thirty (30) days (or such longer period as may be agreed to by Agent in its sole discretion) after such formation or acquisition (i) such Subsidiary (other than any Immaterial Subsidiary or Foreign Subsidiary), at Agent's discretion, expressly (x) joins in this Agreement as a Guarantor with respect to the Obligations and (y) grants a first priority perfected Lien (subject to Permitted Encumbrances) in the assets and Equity Interests (to the extent constituting Subsidiary Stock) of such acquired or newly formed Subsidiary in favor of Agent, and (ii) Agent shall have received all documents and legal opinions it may reasonably require to establish compliance with each of the foregoing conditions.

7.12 Fiscal Year and Accounting Changes. Change its fiscal year from December 31 or make any material change (i) in accounting treatment and reporting practices except as required by or otherwise to comply with GAAP or (ii) in tax reporting treatment except as required by law.

7.13 Pledge of Credit. Now or hereafter pledge Agent's or any Lender's credit on any purchases, commitments or contracts or for any purpose whatsoever.

7.14Amendment of Organizational Documents. (i) Change its legal name, (ii) change its form of legal entity (e.g., converting from a corporation to a limited liability company or vice versa), (iii) change its jurisdiction of organization or become (or attempt or purport to become) organized in more than one jurisdiction, (iv) change the address of its chief executive office or its registered office, or (v) otherwise amend, modify or waive any term or material provision of its Organizational Documents in any manner adverse to the interest of the Agent or Lenders unless required by law, in any such case without (x) giving at least fifteen (15) days' (or such shorter period as may be agreed to by Agent in its sole discretion) prior written notice of such intended change to Agent, and (y) having received from Agent confirmation that Agent has taken all steps necessary for Agent to continue the perfection of and protect the enforceability and priority of its Liens in the Collateral belonging to such Loan Party and in the Equity Interests of such Loan Party.

7.15Compliance with ERISA. (i) (x) Maintain, or permit any member of the Controlled Group to maintain, or (y) become obligated to contribute, or permit any member of the Controlled Group to become obligated to contribute, to any Plan, other than those Plans disclosed on Schedule 5.7(d), (ii) engage, or permit any member of the Controlled Group to engage, in any non-exempt "prohibited transaction", as that term is defined in Section 406 of ERISA or Section 4975 of the Code, (iii) terminate, or permit any member of the Controlled Group to terminate, any Plan where such event could result in any liability of any Loan Party or any member of the Controlled Group or the imposition of a lien on the property of any Loan Party or any member of the Controlled Group pursuant to Section 4068 of ERISA, (iv) incur, or permit any member of the Controlled Group to incur, any withdrawal liability to any Multiemployer Plan; (v) fail promptly to notify Agent of the occurrence of any Termination Event, (vi) fail to comply, or permit a member of the Controlled Group to fail to comply, with the requirements of ERISA or the Code or other Applicable Laws in respect of any Plan, (vii) fail to meet, permit any member of the Controlled Group to fail to meet, or permit any Plan to fail to meet all minimum funding requirements under ERISA and the Code, without regard to any waivers or variances, or postpone or delay or allow any member of the Controlled Group to postpone or delay any funding requirement with respect of any Plan, or (viii) cause, or permit any member of the Controlled Group to cause, a representation or warranty in Section 5.7(d) to cease to be true and correct.

7.16Prepayment of Indebtedness. At any time, directly or indirectly, prepay any Indebtedness for borrowed money (other than to Lenders or Indebtedness owing to any Loan Party), or repurchase, redeem, retire or otherwise acquire any Indebtedness for borrowed money of any Loan Party or Subsidiary thereof (except pursuant to refinancing thereof) unless the Transaction Conditions have been satisfied.

7.17[Reserved].

7.18Other Agreements. Enter into any amendment, waiver or modification of any Permitted Acquisition Agreement, any documentation related to any subordinated Indebtedness or any related agreements without the written consent of Agent if such amendment, waiver or modification either (a) is adverse to the interests of Agent or the Lenders in any material respect or (b) increases compensation to Sponsor or its Affiliates.

7.19Membership / Partnership Interests. (a) Designate or treat their limited liability company membership interests or partnership interests, as the case may be, as securities as contemplated by the definition of "security" in Section 8-102(15) and by Section 8-103 of Article

8 of the Uniform Commercial Code or (b) certificate their limited liability membership interests or partnership interests, as applicable.

7.20 Anti-Corruption Laws; Anti-Money Laundering Laws, International Trade Laws and Sanctions. Do any of the following, nor permit its directors and officers, and any employee, agent, or Controlling Entity, in each case, acting on behalf of the Borrower in connection with this Agreement, nor permit the Borrower's Subsidiaries, to: (a) become a Sanctioned Person; (b) directly or indirectly provide, use, or make available the proceeds of any Advance hereunder (i) to fund any activities or business of, with, or for the benefit of any Person that, at the time of such funding or facilitation, is a Sanctioned Person, (ii) to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction, (iii) in any manner that could result in a violation by any Person (including the Agent, Issuer, any Lender, underwriter, advisor, investor, or otherwise) of any Anti-Corruption Law, Anti-Money Laundering Law, International Trade Law or Sanctions or (iv) in violation of any applicable Law, including, without limitation, any applicable Anti-Corruption Law, Anti-Money Laundering Law, International Trade Law or Sanctions; or (c) repay any Advance with Blocked Property or funds derived from any unlawful activity.

7.21 Negative Pledge on Owned Real Property. Grant any mortgage or other Lien in favor of any Person with respect to any of its owned Real Property (other than Permitted Encumbrances permitted pursuant to clauses (b), (e), (f), (i) or (j) of such definition).

7.22 Distribution of Proceeds of Advances. Directly or indirectly provide or make available the proceeds of any Advance hereunder to any of such Loan Party's Subsidiaries that is not party to this Agreement, or directly use the proceeds of any Advance hereunder for the material benefit of any of such Loan Party's Subsidiaries that is not party to this Agreement.

8. CONDITIONS PRECEDENT.

8.1 Conditions to Initial Advances. The agreement of Lenders to make the initial Advances requested to be made on the Closing Date is subject to the satisfaction, or waiver by Agent, immediately prior to or concurrently with the making of such Advances, of the following conditions precedent:

(a) Note. Agent shall have received the Notes duly executed and delivered by an Authorized Officer of the Borrower;

(b) Other Documents. Agent shall have received each of the executed Other Documents, as applicable all in form and substance satisfactory to Agent in its Permitted Discretion and duly executed by the parties named therein;

(c) Certificate of Beneficial Owners; USA Patriot Act Diligence. Agent and each Lender shall have received, in form and substance acceptable to Agent and each Lender an executed Certificate of Beneficial Ownership and such other documentation and other information as may be reasonably requested for purposes of compliance by Agent or any such Lender with Applicable Laws (including, without limitation, "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act);

(d) Financial Condition Certificates. Agent shall have received an executed Financial Condition Certificate in the form of Exhibit 8.1(d);

(e) Closing Certificate. Agent shall have received a closing certificate signed by an Authorized Officer of each Loan Party dated as of the date hereof, stating that (i) all representations and warranties set forth in this Agreement and the Other Documents are true and correct on and as of such date, (ii) the Loan Parties are on such date in compliance with all the terms and provisions set forth in this Agreement and the Other Documents and (iii) on such date no Default or Event of Default has occurred or is continuing;

(f) Borrowing Base. Agent shall have received reasonable evidence from the Eligible Loan Parties that the aggregate amount of Eligible Receivables, Eligible Unbilled Receivables and Eligible Inventory is sufficient in value and amount to support Revolving Advances in the amount requested by Borrower on the Closing Date;

(g) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by this Agreement, any related agreement or under law or reasonably requested by Agent to be filed, registered or recorded in order to create, in favor of Agent, a perfected security interest in or Lien upon the Collateral shall have been properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested, and Agent shall have received an acknowledgment copy, or other evidence reasonably satisfactory to it, of each such filing, registration or recordation and reasonably satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto;

(h) Secretary's Certificates, Authorizing Resolutions and Good Standings of the Borrower. Agent shall have received a certificate of the Secretary or Assistant Secretary (or other equivalent officer, partner or manager) of the Borrower in form and substance satisfactory to Agent dated as of the Closing Date which shall certify (i) copies of resolutions in form and substance reasonably satisfactory to Agent, of the board of directors (or other equivalent governing body, member or partner) of the Borrower authorizing (x) the execution, delivery and performance of this Agreement, the Notes and each Other Document to which the Borrower is a party (including authorization of the incurrence of indebtedness, borrowing of Revolving Advances and Swing Loans and requesting of Letters of Credit as provided for herein), and (y) the granting by the Borrower of the security interests in and Liens upon the Collateral to secure the Obligations of the Borrower (and such certificate shall state that such resolutions have not been amended, modified, revoked or rescinded as of the date of such certificate), (ii) the incumbency and signature of the officers of the Borrower authorized to execute this Agreement and the Other Documents, (iii) copies of the Organizational Documents of the Borrower as in effect on such date, complete with all amendments thereto, and (iv) the good standing (or equivalent status) of the Borrower in its jurisdiction of organization and each applicable jurisdiction where the conduct of the Borrower's business activities or the ownership of its properties necessitates qualification, as evidenced by good standing certificate(s) (or the equivalent thereof issued by any applicable jurisdiction) dated not more than ten (10) days prior to the Closing Date, issued by the Secretary of State or other appropriate official of each such jurisdiction;

(i) Secretary's Certificates, Authorizing Resolutions and Good Standings of Guarantors. Agent shall have received a certificate of the Secretary or Assistant Secretary (or other equivalent officer, partner or manager) of each Guarantor in form and substance satisfactory to Agent dated as of the Closing Date which shall certify (i) copies of resolutions in form and substance reasonably satisfactory to Agent, of the board of directors (or other equivalent governing

body, member or partner) of each Guarantor authorizing (x) the execution, delivery and performance of such Guarantor's Guaranty and each Other Document to which such Guarantor is a party and (y) the granting by such Guarantor of the security interests in and liens upon the Collateral to secure its obligations under its Guaranty (and such certificate shall state that such resolutions have not been amended, modified, revoked or rescinded as of the date of such certificate), (ii) the incumbency and signature of the officers of such Guarantor authorized to execute this Agreement and the Other Documents, (iii) copies of the Organizational Documents of such Guarantor as in effect on such date, complete with all amendments thereto, and (iv) the good standing (or equivalent status) of such Guarantor in its jurisdiction of organization and each applicable jurisdiction where the conduct of such Guarantor's business activities or the ownership of its properties necessitates qualification, as evidenced by good standing certificate(s) (or the equivalent thereof issued by any applicable jurisdiction) dated not more than ten (10) days prior to the Closing Date, issued by the Secretary of State or other appropriate official of each such jurisdiction;

(j) Legal Opinion. Agent shall have received the executed legal opinions of Akin Gump Strauss Hauer & Feld LLP, in form and substance satisfactory to Agent, which shall cover such matters incident to the transactions contemplated by this Agreement, the Notes, the Other Documents, and related agreements as Agent may reasonably require;

(k) No Litigation. (i) No litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened against any Loan Party or against the officers or directors of any Loan Party (A) in connection with this Agreement, the Other Documents or any of the transactions contemplated thereby and which, in the reasonable opinion of Agent, is deemed material or (B) which could, in the reasonable opinion of Agent, have a Material Adverse Effect; and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Loan Party or the conduct of its business or inconsistent with the due consummation of the Transactions shall have been issued by any Governmental Body;

(l) Fees and Expenses. Agent shall have received all fees payable to Agent and Lenders on or prior to the Closing Date hereunder, including pursuant to Article III, or under any Other Document, and reimbursement of all costs and expenses incurred as of the Closing Date which are payable or reimbursable under this Agreement or any Other Document.

(m) Pro Forma Financial Statements; Other Financial Statements. Agent shall have received a copy of (i) the Pro Forma Financial Statements and (ii) all other financial statements and other reports required to be delivered to the Agent pursuant to Sections 9.7, 9.8 and 9.9 of the Second A&R Credit Agreement, in each case, which shall be satisfactory in form and substance to Agent;

(n) Insurance. Subject to Section 6.15, Agent shall have received in form and substance reasonably satisfactory to Agent, (i) evidence that adequate insurance, including without limitation, casualty and liability insurance, required to be maintained under this Agreement is in full force and effect, (ii) insurance certificates issued by Loan Parties' insurance broker containing such information regarding Loan Parties' casualty and liability insurance policies as Agent shall request and naming Agent as an additional insured, lenders loss payee and/or mortgagee, as applicable, and (iii) lender's loss payable endorsements issued by Loan Parties' insurer naming Agent as lenders loss payee and mortgagee, as applicable;

(o) Payment Instructions. To the extent that an Advance is requested on the Closing Date, Agent shall have received written instructions from Borrower directing the application of proceeds of the initial Advances made pursuant to this Agreement;

(p) No Adverse Material Change. (i) Since December 31, 2023, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have a Material Adverse Effect and (ii) no representations made or information supplied by any Loan Party to Agent or Lenders shall have been proven to be inaccurate or misleading in any material respect;

(q) Compliance with Laws. Agent shall be reasonably satisfied that each Loan Party is in material compliance with all Applicable Laws or territorial regulations, including those with respect to OSHA, the Environmental Laws (except as disclosed on Schedule 5.6), ERISA and the applicable Anti-Money Laundering Laws;

(r) Legal and Capital Structure. The final legal and capital structure of the Loan Parties shall be acceptable to Agent; and

(s) Lien Searches. Agent shall have received the results of satisfactory Lien searches, which shall indicate no Liens on the Collateral other than Permitted Encumbrances.

(t) Other. All corporate and other proceedings, and all documents, instruments and other legal matters shall be reasonably satisfactory in form and substance to Agent and its counsel.

8.2 Conditions to Each Advance. The agreement of Lenders to make any Advance requested to be made on any date (including the initial Advance), is subject to the satisfaction of the following conditions precedent as of the date such Advance is made:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to this Agreement, the Other Documents and any related agreements to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement, the Other Documents or any related agreement shall be true and correct in all material respects on and as of such date, except for such representations and warranties that are specifically made as of another date (i) shall be true and correct in all material respects as of such other date or (ii) as may be supplemented or modified from time to time by delivery of revised schedules to Agent, satisfactory to Agent in its Permitted Discretion, prior to the making of any such representation or warranty;

(b) No Material Adverse Effect; No Default. No Material Adverse Effect, Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Advances requested to be made on such date; provided, however that Agent, subject to the limitations set forth in Section 16.2(f) and Section 16.2(g), may continue to make Advances notwithstanding the existence of a Material Adverse Effect, an Event of Default or a Default and that any Advances so made shall not be deemed a waiver of any such Material Adverse Effect, Event of Default or Default; and

(c) Maximum Advances. In the case of any type of Advance requested to be made, after giving effect thereto, the aggregate amount of such type of Advance shall not exceed the maximum amount of such type of Advance permitted under this Agreement.

Each request for an Advance by the Borrower hereunder shall constitute a representation and warranty by each Loan Party as of the date of such Advance that the conditions contained in this Section shall have been satisfied.

9. INFORMATION AS TO LOAN PARTIES.

Each Loan Party shall, or as applicable (except with respect to Section 9.11) shall cause Borrower on its behalf to, until satisfaction in full of the Obligations and the termination of this Agreement:

9.1 Disclosure of Material Matters. Promptly (but in no event later than three (3) Business Days) upon learning thereof, report to Agent all matters affecting the value, enforceability or collectability of any portion of the Collateral which could reasonably be expected to cause a Material Adverse Effect, including any Loan Party's reclamation or repossession of, or the return to any Loan Party of, a material amount of goods or claims or disputes asserted by any Customer or other obligor or any Lien, other than any Permitted Encumbrance, placed upon or asserted against any Loan Party or any Collateral.

9.2 Schedules.

(a) Deliver to Agent (i) on or before the twentieth (20th) day of each month as and for the prior month (a) accounts receivable agings inclusive of reconciliations to the general ledger, (b) accounts payable schedules inclusive of reconciliations to the general ledger, (c) Inventory reports (including identification of all Inventory balances at third party locations), (d) a sales report/roll forward for the prior month and (e) a Borrowing Base Certificate in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior month and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement); provided that during a Dominion Period, the foregoing items listed in clauses (a) through (e) shall be delivered to Agent on a weekly basis, on or before Tuesday of each week, together with a sales report/roll forward for the prior week. In addition, if an Event of Default has occurred and is continuing, each Loan Party will deliver to Agent at such intervals as Agent may require in the exercise of its Permitted Discretion: (i) copies of Customer's invoices; (ii) evidence of shipment or delivery; and (iii) such further schedules, documents and/or information regarding the Collateral as Agent may require including trial balances and test verifications. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary to protect its interests hereunder. In addition to the foregoing, Borrower shall deliver to Agent a Borrowing Base Certificate in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior month and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement) concurrently with any sale or other Disposition (other than in the Ordinary Course of Business) of Collateral included in the calculation of the Formula Amount in the Borrowing Base Certificate most recently delivered to Agent of greater than five percent (5%) of such Formula Amount.

(b) The items to be provided under this Section 9.2 are to be in form satisfactory to Agent in its Permitted Discretion and executed by each Loan Party and delivered to Agent from time to time solely for Agent's convenience in maintaining records of the Collateral, and any Loan Party's failure to deliver any of such items to Agent shall not affect, terminate, modify or otherwise limit Agent's Lien with respect to the Collateral. Unless otherwise agreed to by Agent, the items to be provided under this Section 9.2 shall be delivered to Agent by the specific method of Approved Electronic Communication designated by Agent.

9.3 Environmental Reports.

(a) In the event any Loan Party (i) obtains, gives or receives notice from any Person (including any Governmental Body) of any Release or threat of Release of a reportable quantity of any Hazardous Materials at the Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or (ii) receives from any Person (including any Governmental Body) any (A) notice of violation, request for information or notification that such Loan Party is potentially responsible for investigation or cleanup of environmental conditions at the Real Property or (B) demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Real Property or such Loan Party's interest therein or the operations or the business of any Loan Party (any of the foregoing is referred to herein as an "Environmental Complaint"), then Borrower shall, within ten (10) Business Days (or within five (5) Business Days to the extent such Hazardous Discharge or Environmental Complaint could reasonably be expected to result in a Material Adverse Effect), give written notice of same to Agent describing the facts and circumstances of which any Loan Party giving rise to such Hazardous Discharge or Environmental Complaint is aware (in each case, the form and substance of which is reasonably acceptable to Agent). Such information is to be provided to allow Agent to protect its security interest in and Lien on the Collateral and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

(b) Borrower shall promptly forward to Agent copies of any request for information, notification of potential liability, demand letter relating to potential responsibility with respect to the investigation or cleanup of Hazardous Materials at any site owned, operated or used by any Loan Party to manage Hazardous Materials and shall, upon request by Agent with respect thereto, continue to forward to Agent copies of correspondence between any Loan Party and the Governmental Body with jurisdiction over such matter regarding such claims until such matter is settled or resolved. Borrower shall promptly forward to Agent copies of all documents and reports concerning a Hazardous Discharge or Environmental Complaint at the Real Property, operations or business that any Loan Party is required to file under any Environmental Laws. Such information is to be provided solely to allow Agent to protect Agent's security interest in and Lien on the Collateral and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

9.4 Litigation. Promptly notify Agent in writing of any claim, litigation, suit or administrative proceeding affecting any Loan Party in an amount in excess of $1,000,000, whether or not the claim is covered by insurance, and of any litigation, suit or administrative proceeding, which in any such case could reasonably be expected to have a Material Adverse Effect.

9.5 Material Occurrences. Promptly (but in no event later than three (3) Business Days after obtaining knowledge thereof) notify Agent in writing upon the occurrence of: (a) any Event

of Default or Default; (b) any event of default under any documentation related to any subordinated Indebtedness; (c) any event, development or circumstance whereby any financial statements furnished to Agent fail in any material respect to present fairly, in accordance with GAAP consistently applied, the financial condition or operating results of any Loan Party as of the date of such statements; (d) any accumulated retirement plan funding deficiency which, if such deficiency continued for two plan years and was not corrected as provided in Section 4971 of the Code, could subject any Loan Party to a tax imposed by Section 4971 of the Code; and (e) any other development in the business or affairs of any Loan Party, which could reasonably be expected to have a Material Adverse Effect; in each case describing the nature thereof and the action Loan Parties propose to take with respect thereto.

9.6Government Receivables. Notify Agent immediately if any of its Receivables arise out of contracts between any Eligible Loan Party and the United States, any state, or any department, agency or instrumentality of any of them.

9.7Annual Financial Statements. Furnish Agent within one hundred twenty (120) days after the end of the fiscal year of Innovex ending December 31, 2024 and after the end of each fiscal year thereafter, audited financial statements of Loan Parties on a Consolidated Basis including, but not limited to, statements of income and stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without qualification (other than a "going concern" or similar qualification resulting solely from the maturity of the Obligation within one year after the date of such opinion) by an independent certified public accounting firm selected by Borrower and satisfactory to Agent in its Permitted Discretion (the "Accountants"), it being agreed that Moss Adams LLP is satisfactory. The report of the Accountants shall be accompanied by all management letters from the Accountants addressed to any Loan Party. In addition, the annual financial statements shall be accompanied by a Compliance Certificate. Any information that any Loan Party is required to deliver or furnish to Agent or any Lender pursuant to this Section 9.7 shall be deemed delivered or furnished if and when such information is delivered to Agent in an annual report on Form 10-K (or upon notice that an annual report on Form 10-K has been filed with the SEC).

9.8Quarterly Financial Statements. Furnish Agent within forty-five (45) days after the end of each fiscal quarter (other than for any quarter ending in December which shall be delivered in accordance with Section 9.7), an unaudited balance sheet of Loan Parties on a Consolidated Basis and unaudited statements of income and stockholders' equity and cash flow of Loan Parties on a Consolidated Basis reflecting results of operations from the beginning of the fiscal year to the end of such quarter and for such quarter, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal year-end adjustments that individually and in the aggregate are not material to Loan Parties' business operations and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year. The quarterly financial reports shall be certified by the Chief Financial Officer and accompanied by a Compliance Certificate. Any information that any Loan Party is required to deliver or furnish to Agent or any Lender pursuant to this Section 9.8 shall be deemed delivered or furnished if and when such information is delivered to Agent in a quarterly report on Form 10-Q (or upon notice that a quarterly report on Form 10-Q has been filed with the SEC).

9.9Monthly Financial Statements. Furnish Agent within thirty (30) days after the end of each month (other than for the months of March, June, September and December), an unaudited balance sheet of Loan Parties on a Consolidated Basis and unaudited statements of income and stockholders' equity and cash flow of Loan Parties on a Consolidated Basis reflecting results of operations from the beginning of the fiscal year to the end of such month and for such month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal year-end adjustments that individually and in the aggregate are not material to Loan Parties' business operations and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year.

9.10Other Reports. Furnish Agent promptly upon their becoming available and without duplication of any obligations with respect to any such information that is otherwise required to be delivered under the provisions of this Agreement or any Other Document, copies of (a) all financial statements, reports, notices and proxy statements sent or made available generally by Innovex to its security holders acting in such capacity and (b) all regular and periodic reports and all registration statements (other than on Form S-8 or a similar form) and prospectuses, if any, filed by Innovex with any securities exchange or with the SEC or any analogous governmental or private regulatory authority with jurisdiction over matters relating to securities. Any information that any Loan Party is required to deliver or furnish to Agent or any Lender pursuant to this Section 9.10 shall be deemed delivered or furnished upon notice that such information has been filed with the SEC.

9.11Additional Information. Furnish Agent with such additional information in order to enable Agent to determine whether the terms, covenants, provisions and conditions of this Agreement and the Notes have been complied with by Loan Parties, including (a) without the necessity of any request by Agent, (i) at least thirty (30) days prior thereto, notice of any Loan Party's opening of any new office or place of business or any Loan Party's closing of any existing office or place of business, (ii) [reserved], and (iii) promptly upon any Loan Party's learning thereof, notice of any labor dispute to which any Loan Party may become a party, any strikes or walkouts relating to any of its plants or other facilities, and the expiration of any labor contract to which any Loan Party is a party or by which any Loan Party is bound and (b) upon Agent's reasonable request, the most recent monthly statements available with respect to the deposit accounts of any Loan Party included in the calculation of the Control Agreement Exclusion.

9.12Projected Operating Budget. Furnish Agent, no later than thirty (30) days following the beginning of each fiscal year of Loan Parties, commencing with the fiscal year ending December 31, 2025, a fiscal month by fiscal month projected operating budget and consolidated cash flow of Loan Parties on a Consolidated Basis for such fiscal year (including a combined income statement and combined statement of cash flow for each such fiscal month and a consolidated balance sheet as at the end of each such fiscal month), such projections to be accompanied by a certificate signed by an Authorized Officer of Innovex to the effect that such projections have been prepared in good faith consistent with past budgets and financial statements and that such Authorized Officer has no reason to question the reasonableness of any material assumptions on which such projections were prepared.

9.13Variances From Operating Budget. At Agent's request, furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7, and 9.8, a written report

summarizing all material variances from budgets submitted by Loan Parties pursuant to Section 9.12 and a discussion and analysis by management with respect to such variances.

9.14Notice of Suits, Adverse Events. Furnish Agent with prompt written notice of (i) any lapse or other termination of any Consent issued to any Loan Party by any Governmental Body or any other Person that is material to the operation of any Loan Party's business, (ii) any refusal by any Governmental Body or any other Person to renew or extend any such Consent; (iii) copies of any periodic or special reports filed by any Loan Party with any Governmental Body or Person, if such reports indicate any material change in the business, operations, affairs or condition of any Loan Party, or if copies thereof are requested by Agent, and (iv) copies of any material notices and other communications from any Governmental Body or Person which specifically relate to any Loan Party.

9.15ERISA Notices and Requests. Furnish Agent with immediate written notice in the event that (i) any Loan Party or any member of the Controlled Group knows or has reason to know that a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which such Loan Party or any member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or PBGC with respect thereto, (ii) any Loan Party or any member of the Controlled Group knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred together with a written statement describing such transaction and the action which such Loan Party or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (iii) a funding waiver request has been filed with respect to any Plan together with all communications received by any Loan Party or any member of the Controlled Group with respect to such request, (iv) any increase in the benefits of any existing Plan or the establishment of any new Plan or the commencement of contributions to any Plan to which any Loan Party or any member of the Controlled Group was not previously contributing shall occur, (v) any Loan Party or any member of the Controlled Group shall receive from the PBGC a notice of intention to terminate a Plan or to have a trustee appointed to administer a Plan, together with copies of each such notice, (vi) any Loan Party or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the Internal Revenue Service regarding the qualification of a Plan under Section 401(a) of the Code, together with copies of each such letter; (vii) any Loan Party or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (viii) any Loan Party or any member of the Controlled Group shall fail to make a required installment or any other required payment under the Code or ERISA on or before the due date for such installment or payment; or (ix) any Loan Party or any member of the Controlled Group knows that (a) a Multiemployer Plan has been terminated, (b) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, (c) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan or (d) a Multiemployer Plan is subject to Section 432 of the Code or Section 305 of ERISA.

9.16Additional Documents. Execute and deliver to Agent, upon request, such documents and agreements as Agent may, from time to time, reasonably request to carry out the purposes, terms or conditions of this Agreement.

9.17Updates to Certain Schedules. Deliver to Agent promptly at Agent's reasonable request and as shall be required to maintain the related representations and warranties as true and correct, updates to Schedules 4.4(b)(i) (Locations of Equipment), 4.4(b)(ii) (Inventory Warehouse Locations), 4.4(b)(iii) (Places of Business and Chief Executive Offices), 5.8 (Intellectual Property), 5.24 (Equity Interests), 5.20 (Commercial Tort Claims), and 5.21 (Letter-of-Credit Rights); provided, that absent the occurrence and continuance of any Event of Default, Loan Parties shall only be required to provide such updates on an annual basis in connection with delivery of a Compliance Certificate pursuant to Section 9.7. Any such updated Schedules delivered by Loan Parties to Agent in accordance with this Section 9.17 shall automatically and immediately be deemed to amend and restate the prior version of such Schedule previously delivered to Agent and attached to and made part of this Agreement.

9.18Appraisals. Each Loan Party hereby permits Agent or Agent's representatives to (a) perform NOLV Appraisals (x) one (1) time annually, consisting of one (1) full Collateral appraisal with respect to Inventory as and when Agent deems appropriate in Agent's Permitted Discretion, if no Event of Default has occurred and is continuing and (y) on an unlimited basis during the continuance of an Event of Default, in each case, at Borrower's cost and expense and (b) conduct all field examinations at Borrower's cost and expense at such frequency as required by Agent's credit and underwriting policies; provided that at least one such field examination shall be required annually. No asset of any Eligible Loan Party (including, without limitation, any asset acquired in connection with any Permitted Acquisition) shall be included in the calculation of the Formula Amount until such asset has been included in a field examination and/or NOLV Appraisal acceptable to Agent in its Permitted Discretion.

9.19Updates to Schedules Based on Permitted Acquisitions. Should any of the information or disclosures provided on any of the Schedules originally attached hereto become incomplete as a result of any Permitted Acquisition, upon the earlier of (x) contemporaneously with the joinder of any related Guarantor to this Agreement and any applicable Other Documents and (y) within thirty (30) days of the consummation of such Permitted Acquisition, Loan Parties shall provide Agent with such revisions or updates to such Schedule(s) as may be necessary or appropriate to update or correct such Schedule(s), provided that no such revisions or updates to any Schedule(s) shall be deemed to have amended, modified or superseded such Schedule(s) as attached hereto immediately prior to the submission of such revised or updated Schedule(s), or to have cured any breach of warranty or representation resulting from the inaccuracy or incompleteness of any such Schedule(s), unless and until the Agent in its Permitted Discretion, shall have accepted in writing such revisions or updates to such Schedule(s), it being agreed and understood that prior to the expiration of the period determined pursuant to clauses (x) and (y) above, no breach of warranty or representation resulting from the inaccuracy or incompleteness of any such Schedule(s) shall be deemed to have occurred.

10. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

10.1Nonpayment. Failure by the Borrower to pay when due (a) any principal or interest on the Obligations (including without limitation pursuant to Section 2.7), or (b) any other fee, charge, amount or liability provided for herein or in any Other Document, in each case whether at

maturity, by reason of acceleration pursuant to the terms of this Agreement, by notice of intention to prepay or by required prepayment.

10.2Breach of Representation. Any representation or warranty made or deemed made by any Loan Party in this Agreement, any Other Document, Borrowing Base Certificate or any related agreement or in any certificate, document or financial or other statement furnished at any time in connection herewith or therewith shall prove to have been incorrect or misleading in any material respect on the date when made or deemed to have been made;

10.3Financial Information. Failure by any Loan Party to (i) furnish financial information (x) when due under Sections 9.2, 9.7, 9.8, 9.9, or 9.12, or (y) when otherwise required in accordance with this Agreement or the Other Documents which, with respect to financial information under this clause (y), is unremedied for a period of ten (10) Business Days from the date when due, or (ii) permit the inspection of its books or records in accordance with this Agreement;

10.4Judicial Actions. Issuance of a notice of Lien (other than Permitted Encumbrances), levy, assessment, injunction or attachment (a) against any Loan Party's Inventory or Receivables in an amount in excess of $10,000,000 or (b) against a material portion of any Loan Party's Collateral, in each case which is not stayed or lifted within sixty (60) days;

10.5Noncompliance. Except as otherwise provided for in Sections 10.1, 10.3, 10.5(ii) and 10.17 (i) except for the sections specifically referenced in Section 10.5(iii) below, failure or neglect of any Loan Party to perform, keep or observe any term, provision, condition, covenant contained in Article IV, Article VI, Article VII, or Article IX of this Agreement, (ii) failure or neglect of any Loan Party to perform, keep or observe any term, provision, condition, covenant contained in any Other Document (other than this Agreement) or any other agreement or arrangement, now or hereafter entered into between the Borrower or any Guarantor, and Agent or any Lender which is not cured within twenty (20) days from the earlier of (x) receipt by Borrower or such Guarantor of written notice from Agent or the Lenders of such failure or neglect and (y) the time at which an Authorized Officer had knowledge of such failure or neglect, or (iii) failure or neglect of (x) any Loan Party to perform, keep or observe any term, provision, condition or covenant, contained in Sections 4.5, 6.1, 6.3, 6.12, 7.11, 9.4, 9.6, 9.10, 9.11(a) or (c) or 9.13 or (y) any other term, provision, condition or covenant of this Agreement to the extent not addressed in clause (i) hereof, in each case, which is not cured within ten (10) days from the earlier of (a) receipt by Borrower or such Guarantor of written notice from Agent or the Lenders of such failure or neglect and (b) the time at which an Authorized Officer had knowledge of such failure or neglect;

10.6Judgments. Any (a) judgment or judgments, writ(s), order(s) or decree(s) for the payment of money are rendered against any Loan Party for an aggregate amount in excess of $10,000,000 (to the extent not covered by insurance) and (b) (i) action shall be legally taken by any judgment creditor to levy upon assets or properties of the Borrower or any Guarantor to enforce any such judgment, (ii) such judgment shall remain undischarged for a period of sixty (60) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, shall not be in effect, or (iii) any Liens arising by virtue of the rendition, entry or issuance of such judgment upon assets or properties of the Borrower or any Guarantor shall be senior to any Liens in favor of Agent on such assets or properties;

10.7Bankruptcy. Any Loan Party or any Subsidiary of any Loan Party shall (i) apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, interim receiver custodian, trustee, liquidator, monitor, receiver and manager or similar fiduciary of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state, provincial or federal bankruptcy or insolvency/arrangement laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent (including by entry of any order for relief in any involuntary bankruptcy or insolvency proceeding commenced against it), (vi) file a petition under any insolvency laws including seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have immediately stayed or dismissed, within sixty (60) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (viii) take any action for the purpose of effecting any of the foregoing;

10.8[Reserved].

10.9Lien Priority. Any Lien created hereunder or provided for hereby or under any related agreement for any reason (other than as expressly permitted hereunder) ceases to be or is not a valid and perfected Lien having a first priority interest (subject only to Permitted Encumbrances that have priority as a matter of Applicable Law to the extent such Liens only attach to Collateral other than Receivables or Inventory);

10.10[Reserved].

10.11Cross Default. Either (x) any specified "event of default" under any Indebtedness (other than the Obligations) of any Loan Party with a then-outstanding principal balance (or, in the case of any Indebtedness not so denominated, with a then-outstanding total obligation amount) of $20,000,000 or more, or any other event or circumstance which would permit the holder of any such Indebtedness of any Loan Party to accelerate such Indebtedness (and/or the obligations of Loan Party thereunder) prior to the scheduled maturity or termination thereof, shall occur (regardless of whether the holder of such Indebtedness shall actually accelerate, terminate or otherwise exercise any rights or remedies with respect to such Indebtedness) or (y) a default of the obligations of any Loan Party under any other agreement to which it is a party shall occur which has or is reasonably likely to have a Material Adverse Effect;

10.12Breach of Guaranty, Guarantor Security Agreement or Pledge Agreement. Termination or breach of any Guaranty, Guarantor Security Agreement, Pledge Agreement or similar agreement executed and delivered to Agent in connection with the Obligations of any Loan Party, or if any Loan Party or pledgor attempts to terminate, challenges the validity of, or its liability under, any such Guaranty, Guarantor Security Agreement, Pledge Agreement or similar agreement;

10.13Change of Control. Any Change of Control shall occur;

10.14Invalidity. Any material provision of this Agreement or any Other Document shall, for any reason, cease to be valid and binding on any Loan Party, or any Loan Party shall so claim in writing to Agent or any Lender;

10.15Seizures. Any (a) portion of the Collateral (excluding books and records of Loan Parties) having a value in excess of $10,000,000 (individually or in the aggregate) shall be seized, subject to garnishment or taken by a Governmental Body, or any Loan Party, or (b) the title and rights of any Loan Party with respect to Collateral having a value in excess of $2,000,000 (individually or in the aggregate) shall have become the subject matter of claim, litigation, suit, garnishment or other proceeding which might, in the opinion of Agent, upon final determination, result in impairment or loss of the security provided by this Agreement or the Other Documents;

10.16Operations. The operations of the Borrower's or any Guarantor's principal operating facility are interrupted (other than in connection with any regularly scheduled shutdown for employee vacations and/or maintenance in the Ordinary Course of Business) at any time for a period of twenty-eight (28) or more consecutive days, unless such operations are transferred to a different facility before such time has elapsed or the Borrower or Guarantor shall be entitled to receive for such period of interruption, proceeds of business interruption insurance sufficient to assure that its per diem cash needs during such period is at least equal to its average per diem cash needs for the consecutive three (3) month period immediately preceding the initial date of interruption;

10.17Pension Plans. An event or condition specified in Sections 7.15 or 9.15 shall occur or exist with respect to any Plan and, as a result of such event or condition, together with all other such events or conditions, any Loan Party shall incur a liability to a Plan or the PBGC (or both) which, in the reasonable judgment of Agent, would have a Material Adverse Effect; or

10.18Anti-Corruption Law, Anti-Money Laundering Law, International Trade Law and Sanctions Compliance. Any representation or warranty contained in Sections 5.24 or 5.25 is false or misleading when made or any applicable Person fails to comply with any covenant contained in Sections 6.16, 7.20 or 7.22.

11. LENDERS' RIGHTS AND REMEDIES AFTER DEFAULT.

11.1Rights and Remedies.

(a) Upon the occurrence of: (i) an Event of Default pursuant to Section 10.7 (other than Section 10.7(vii)), all Obligations shall be immediately due and payable and this Agreement and the obligation of Lenders to make Advances shall be deemed terminated, (ii) any of the other Events of Default and at any time thereafter (if such Event of Default has not previously been waived in writing by Agent, Required Lenders, or all Lenders, as applicable), at the option of Agent with the consent of the Required Lenders, or at the direction of Required Lenders all Obligations shall be immediately due and payable and Agent or Required Lenders shall have the right to terminate this Agreement and to terminate, in whole or in part (including by a reduction in the Revolving Commitments), the obligation of Lenders to make Advances; and (iii) without limiting Section 8.2, any Default under Section 10.7(vii), the obligation of Lenders to make Advances hereunder shall be suspended until such time as such involuntary petition shall be dismissed. Upon the occurrence and during the continuance of any Event of Default, (i) Agent shall have the right to exercise any and all rights and remedies provided for herein, under the Other Documents, under the Uniform Commercial Code and at law or equity generally, including the right to foreclose the security interests granted herein and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with

or without judicial process, (ii) Agent may enter any of any Loan Party's premises or other premises without legal process and without incurring liability to any Loan Party therefor, and Agent may thereupon, or at any time thereafter, in its discretion without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require Loan Parties to make the Collateral available to Agent at a convenient place, (iii) with or without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect, (iv) appoint by instrument in writing one or more receiver, a receiver, a manager or a receiver and manager of any Loan Party or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of Agent under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time and, to the extent permitted by applicable law, any such receiver, a receiver, a manager or a receiver and manager appointed by Agent shall (for purposes relating to responsibility for such receiver, a receiver, a manager or a receiver and manager's acts or omissions) be considered to be the agent of the applicable Loan Party and not of Agent or (v) obtain from any court of competent jurisdiction an order for the appointment of a receiver, a receiver, a manager or a receiver and manager of any Loan Party or for the sale or foreclosure of any or all of the Collateral. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give Loan Parties reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Borrower at least ten (10) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid (including credit bid) for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and all such claims, rights and equities are hereby expressly waived and released by each Loan Party. At the time of and in connection with the exercise of the foregoing remedies, including the sale of Inventory, Agent is granted a perpetual nonrevocable, royalty free, nonexclusive license and Agent is granted permission to use all of each Loan Party's (a) Intellectual Property which is used or useful in connection with Inventory for the purpose of marketing, advertising for sale and selling or otherwise disposing of such Inventory and (b) Equipment for the purpose of completing the manufacture of unfinished goods. The cash proceeds realized from the sale of any Collateral shall be applied to the Obligations in the order set forth in Section 11.5. Noncash proceeds will only be applied to the Obligations as they are converted into cash. If any deficiency shall arise, Borrower shall remain liable to Agent and Lenders therefor.

(b) To the extent that Applicable Law imposes duties on Agent to exercise remedies in a commercially reasonable manner, each Loan Party acknowledges and agrees that it is not commercially unreasonable for Agent: (i) to fail to incur expenses reasonably deemed significant by Agent to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition; (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of; (iii) to fail to exercise collection remedies against Customers or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral; (iv) to exercise collection remedies against Customers and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists; (v) to advertise dispositions of Collateral through publications or media of general

circulation, whether or not the Collateral is of a specialized nature; (vi) to contact other Persons, whether or not in the same business as any Loan Party, for expressions of interest in acquiring all or any portion of such Collateral; (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature; (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets; (ix) to dispose of assets in wholesale rather than retail markets; (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure Agent against risks of loss, collection or disposition of Collateral or to provide to Agent a guaranteed return from the collection or disposition of Collateral; or (xii) to the extent reasonably deemed appropriate by the Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Each Loan Party acknowledges that the purpose of this Section 11.1(b) is to provide non-exhaustive indications of what actions or omissions by Agent would not be commercially unreasonable in Agent's exercise of remedies against the Collateral and that other actions or omissions by Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 11.1(b). Without limitation upon the foregoing, nothing contained in this Section 11.1(b) shall be construed to grant any rights to any Loan Party or to impose any duties on Agent that would not have been granted or imposed by this Agreement or by Applicable Law in the absence of this Section 11.1(b).

11.2Agent's Discretion. Agent shall have the right in its sole discretion to determine which rights, Liens, security interests or remedies Agent may at any time pursue, relinquish, subordinate, or modify, which procedures, timing and methodologies to employ, and what any other action to take with respect to any or all of the Collateral and in what order, thereto and such determination will not in any way modify or affect any of Agent's or Lenders' rights hereunder as against Loan Parties or each other.

11.3Setoff. Subject to Section 14.13, in addition to any other rights which Agent or any Lender may have under Applicable Law, upon the occurrence and during the continuance of an Event of Default hereunder, Agent and such Lender shall have a right, immediately and without notice of any kind, to apply any Loan Party's property held by Agent and such Lender or any of their Affiliates to reduce the Obligations and to exercise any and all rights of setoff which may be available to Agent and such Lender with respect to any deposits held by Agent or such Lender. Every such right of setoff available to Agent shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Agent, although the Agent may at a later time enter such setoff on its books and records (but with effect as of such time of deemed exercise).

11.4Rights and Remedies not Exclusive. The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any rights or remedy shall not preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

11.5Allocation of Payments After Event of Default. Notwithstanding any other provisions of this Agreement to the contrary, after the occurrence and during the continuance of an Event of Default, all amounts collected or received by Agent on account of the Obligations (including without limitation any amounts on account of any of Cash Management Liabilities or

Hedge Liabilities), or in respect of the Collateral may, at Agent's discretion, be paid over or delivered as follows, and after an Application Event, will be paid over or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of Agent payable under this Agreement and the Other Documents, and any Out-of-Formula Loans and Protective Advances funded by Agent with respect to the Collateral under or pursuant to the terms of this Agreement;

SECOND, to payment of any fees owed to Agent;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of each of the Lenders to the extent owing to such Lender pursuant to the terms of this Agreement;

FOURTH, to the payment of all of the Obligations consisting of accrued interest on account of the Swing Loans;

FIFTH, to the payment of the outstanding principal amount of the Obligations consisting of Swing Loans;

SIXTH, to the payment of all Obligations arising under this Agreement and the Other Documents consisting of accrued fees and interest (other than interest in respect of Swing Loans paid pursuant to clause FOURTH above);

SEVENTH, to the payment of the outstanding principal amount of the Obligations (other than principal in respect of Swing Loans paid pursuant to clause FIFTH above) arising under this Agreement (other than Cash Management Liabilities and Hedge Liabilities), including the payment or cash collateralization of any outstanding Letters of Credit in accordance with Section 3.2(b).

EIGHTH, to all other Obligations arising under this Agreement (other than Cash Management Liabilities and Hedge Liabilities) which shall have become due and payable (hereunder, under the Other Documents or otherwise) and not repaid pursuant to clauses "FIRST" through "SEVENTH" above;

NINTH, to any Cash Management Liabilities and Hedge Liabilities owing to Agent which shall have become due and payable or otherwise and not repaid pursuant to Clauses "FIRST" through "EIGHTH" above; and

TENTH, to all other Obligations which shall have become due and payable and not repaid pursuant to clauses "FIRST" through "NINTH"; and

ELEVENTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; (ii) each of the Lenders shall receive (so long as it is not a Defaulting Lender) an amount equal to its pro rata share (based on the proportion that the then outstanding Advances, Cash Management Liabilities and

Hedge Liabilities held by such Lender bears to the aggregate then outstanding Advances, Cash Management Liabilities and Hedge Liabilities) of amounts available to be applied pursuant to clauses "SIXTH", "SEVENTH", "EIGHTH" and "TENTH" above; and, with respect to clause "NINTH" above, an amount equal to its pro rata share (based on the proportion that the then outstanding Cash Management Liabilities and Hedge Liabilities held by such Lender bears to the aggregate then outstanding Cash Management Liabilities and Hedge Liabilities); and (iii) notwithstanding anything to the contrary in this Section 11.5, no Swap Obligations of any Non-Qualifying Party shall be paid with amounts received from such Non-Qualifying Party under its Guaranty (including sums received as a result of the exercise of remedies with respect to such Guaranty) or from the proceeds of such Non-Qualifying Party's Collateral if such Swap Obligations would constitute Excluded Hedge Liabilities, provided, however, that to the extent possible appropriate adjustments shall be made with respect to payments and/or the proceeds of Collateral from other Loan Parties that are Eligible Contract Participants with respect to such Swap Obligations to preserve the allocation to Obligations otherwise set forth above in this Section 11.5; and (iv) to the extent that any amounts available for distribution pursuant to clause "SEVENTH" above are attributable to the issued but undrawn amount of outstanding Letters of Credit, such amounts shall be held by Agent as cash collateral for the Letters of Credit pursuant to Section 3.2(b) and applied (A) first, to reimburse the Issuer from time to time for any drawings under such Letters of Credit and (B) then, following the expiration of all Letters of Credit, to all other obligations of the types described in clauses "SEVENTH," "EIGHTH", "NINTH", and "TENTH" above in the manner provided in this Section 11.5.

12. WAIVERS AND JUDICIAL PROCEEDINGS.

12.1 Waiver of Notice. Each Loan Party hereby waives notice of non-payment of any of the Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein.

12.2 Delay. No delay or omission on Agent's or any Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Default or Event of Default.

12.3 Jury Waiver. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, COUNTERCLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, COUNTERCLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT

MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

13. EFFECTIVE DATE AND TERMINATION.

13.1Term. This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Loan Party, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until February 27, 2030 (the "Term") unless sooner terminated as herein provided. Loan Parties may terminate this Agreement at any time upon thirty (30) days' prior written notice to Agent upon payment in full of the Obligations.

13.2Termination. The termination of the Agreement shall not affect Agent's or any Lender's rights, or any of the Obligations having their inception prior to the effective date of such termination or any Obligations which pursuant to the terms hereof continue to accrue after such date, and the provisions hereof shall continue to be fully operative until all transactions entered into, rights or interests created and Obligations have been fully and indefeasibly paid, disposed of, concluded or liquidated. The security interests, Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that Borrower's Account may from time to time be temporarily in a zero or credit position, until all of the Obligations of the Borrower have been indefeasibly paid and performed in full after the termination of this Agreement or each Loan Party has furnished Agent and Lenders with an indemnification satisfactory to Agent and Lenders with respect thereto. Accordingly, each Loan Party waives any rights which it may have under the Uniform Commercial Code to demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to each Loan Party, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations have been indefeasibly paid in full in immediately available funds. All representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof until all Obligations are indefeasibly paid and performed in full.

14. REGARDING AGENT.

14.1Appointment. Each Lender hereby designates PNC to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto and Agent shall hold all Collateral, payments of principal and interest, fees (except the fees set forth in Section 3.4), charges and collections received pursuant to this Agreement, for the ratable benefit of Lenders. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly

provided for by this Agreement (including collection of the Note) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of Required Lenders, and such instructions shall be binding; provided, however, that Agent shall not be required to take any action which, in Agent's discretion, exposes Agent to liability or which is contrary to this Agreement or the Other Documents or Applicable Law unless Agent is furnished with an indemnification reasonably satisfactory to Agent with respect thereto. Notwithstanding anything to the contrary contained herein, no Lender will attempt to collect or enforce any of its rights with respect to the obligations, except to the extent specifically permitted under Section 11.1.

14.2Nature of Duties. Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. Neither Agent nor any of its officers, directors, employees or agents shall be (i) liable for any action taken or omitted by them as such hereunder or in connection herewith, unless caused by their gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), or (ii) responsible in any manner for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, due execution, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of any Loan Party to perform its obligations hereunder or under any Other Document. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect the properties, books or records of any Loan Party. The duties of Agent as respects the Advances to Borrower shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement or the transactions described herein except as expressly set forth herein.

14.3Lack of Reliance on Agent. Independently and without reliance upon Agent or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Loan Party in connection with the making and the continuance of the Advances hereunder and the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of each Loan Party. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Advances or at any time or times thereafter except as shall be provided by any Loan Party pursuant to the terms hereof. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of this Agreement or any Other Document, or of the financial condition of any Loan Party, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Notes, the Other Documents or the financial condition of any Loan Party, or the existence of any Event of Default or any Default.

14.4Resignation of Agent; Successor Agent. Agent may resign on thirty (30) days written notice to each Lender and Borrower and upon such resignation, Required Lenders will promptly (or, if the Required Lenders fail to designate a successor Agent within thirty (30) days after such written notice, Agent itself may) designate a successor Agent reasonably satisfactory to Borrower (provided that no such approval of Borrower shall be required (i) in any case where the successor Agent is one of the Lenders or (ii) after the occurrence and during the continuance of any Event of Default). Agent shall continue as Agent hereunder until a successor Agent is so designated. Any such successor Agent shall succeed to the rights, powers and duties of Agent, and shall in particular succeed to all of Agent's right, title and interest in and to all of the Liens in the Collateral securing the Obligations created hereunder or any Other Document (including any Pledge Agreement and all account control agreements), and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. However, notwithstanding the foregoing, if at the time of the effectiveness of the new Agent's appointment, any further actions need to be taken in order to provide for the legally binding and valid transfer of any Liens in the Collateral from former Agent to new Agent and/or for the perfection of any Liens in the Collateral as held by new Agent or it is otherwise not then possible for new Agent to become the holder of a fully valid, enforceable and perfected Lien as to any of the Collateral, former Agent shall continue to hold such Liens solely as agent for perfection of such Liens on behalf of new Agent until such time as new Agent can obtain a fully valid, enforceable and perfected Lien on all Collateral, provided that Agent shall not be required to or have any liability or responsibility to take any further actions after such date as such agent for perfection to continue the perfection of any such Liens (other than to forego from taking any affirmative action to release any such Liens). After any Agent's resignation as Agent, the provisions of this Article XIV, and any indemnification rights under this Agreement, including without limitation, rights arising under Section 16.5, shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement (and in the event resigning Agent continues to hold any Liens pursuant to the provisions of the immediately preceding sentence, the provisions of this Article XIV and any indemnification rights under this Agreement, including without limitation, rights arising under Section 16.5, shall inure to its benefit as to any actions taken or omitted to be taken by it in connection with such Liens).

14.5Certain Rights of Agent. If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of Required Lenders.

14.6Reliance. Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, email, facsimile, telex, teletype or telecopier message, cablegram, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care.

14.7Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or Borrower referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of Lenders.

14.8Indemnification. To the extent Agent is not reimbursed and indemnified by Loan Parties, each Lender will reimburse and indemnify Agent in proportion to its respective portion of the outstanding Advances and its respective Participation Commitments in the outstanding Letters of Credit and outstanding Swing Loans (or, if no Advances are outstanding, pro rata according to the percentage that its Revolving Commitment Amount constitutes of the total aggregate Revolving Commitment Amounts), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Agent in performing its duties hereunder, or in any way relating to or arising out of this Agreement or any Other Document; provided that Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment). All amounts due under this Section 14.8 shall be payable not later than ten (10) days after demand therefor.

14.9Agent in its Individual Capacity. With respect to the obligation of Agent to lend under this Agreement, the Advances made by it shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein; and the term "Lender" or any similar term shall, unless the context clearly otherwise indicates, include Agent in its individual capacity as a Lender. Agent may engage in business with any Loan Party as if it were not performing the duties specified herein, and may accept fees and other consideration from any Loan Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

14.10Delivery of Documents. To the extent Agent receives financial statements required under Sections 9.7, 9.8, 9.9, 9.12 and 9.13 or Borrowing Base Certificates from any Eligible Loan Party pursuant to the terms of this Agreement which any Loan Party is not obligated to deliver to each Lender, Agent will promptly furnish such documents and information to Lenders.

14.11Loan Parties' Undertaking to Agent. Without prejudice to their respective obligations to Lenders under the other provisions of this Agreement, each Loan Party hereby undertakes with Agent to pay to Agent from time to time on demand all amounts from time to time due and payable by it for the account of Agent or Lenders or any of them pursuant to this Agreement to the extent not already paid. Any payment made pursuant to any such demand shall pro tanto satisfy the relevant Loan Party's obligations to make payments for the account of Lenders or the relevant one or more of them pursuant to this Agreement.

14.12No Reliance on Agent's Customer Identification Program. To the extent the Advances or this Agreement is, or becomes, syndicated in cooperation with other Lenders, each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA PATRIOT Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations") or any other Anti-Money Laundering Law, including any programs involving any of the following items relating to or in connection with any of Loan Parties, their Affiliates or their agents, the Other Documents or the transactions hereunder or contemplated hereby: (i) any identity verification procedures, (ii) any recordkeeping, (iii) comparisons with government lists, (iv) customer notices or (v) other procedures required under the CIP Regulations or such Anti-Money Laundering Law.

14.13Other Agreements. Each of the Lenders agrees that it shall not, without the express consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the request of Agent, set off against the Obligations, any amounts owing by such Lender to any Loan Party or any deposit accounts of any Loan Party now or hereafter maintained with such Lender. Anything in this Agreement to the contrary notwithstanding, each of the Lenders further agrees that it shall not, unless specifically requested to do so by Agent, take any action to protect or enforce its rights arising out of this Agreement or the Other Documents, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Other Documents shall be taken in concert and at the direction or with the consent of Agent or Required Lenders.

14.14Authority to Release Collateral and Liens. Each Lender and Issuer hereby authorizes Agent to release any Collateral that is permitted to be sold or released pursuant to the terms of this Agreement and the Other Documents. Each Lender and Issuer hereby authorizes Agent to execute and deliver to a Loan Party, at such Loan Party's sole cost and expense, any and all releases of Liens, termination statements, assignments or other documents reasonably requested by such Loan Party in connection with any sale or other disposition of assets or property to the extent such sale or other disposition is permitted by the terms of Section 7.1(b) or is otherwise authorized by the terms of this Agreement and the Other Documents.

14.15Erroneous Payments.

(a) If the Agent notifies a Lender, Issuer or other Secured Party, or any Person who has received funds on behalf of a Lender, Issuer or another Secured Party (any such Lender, Issuer, Secured Party or other recipient, a "Payment Recipient") that the Agent has determined in its sole discretion (whether or not after receipt of any notice under Section 14.15(b)) that any funds received by such Payment Recipient from the Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuer, other Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Agent, and such Lender, Issuer or other Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, return

to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of the Effective Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice from the Agent to any Payment Recipient under this Section 14.15(a) shall be conclusive, absent manifest error.

(b) Without limiting Section 14.15(a), each Lender, Issuer or other Secured Party, or any Person who has received funds on behalf of a Lender, Issuer or other Secured Party hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in an amount different than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such, prepayment or repayment (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender, Issuer or other Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) In the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender, Issuer or other Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of such error) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 14.15(b),

(c) Each Lender, Issuer and other Secured Party hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender, Issuer or other Secured Party under any Other Document, or otherwise payable or distributable by the Agent to such Lender, Issuer or other Secured Party from any source, against any amount due to the Agent under Section 14.15(a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor by the Agent in accordance with Section 14.15(a), from any Lender or Issuer that has received such Erroneous Payment (or portion thereof) and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Agent's notice to such Lender or Issuer at any time, (i) such Lender or Issuer shall be deemed to have assigned its Advances (but not its Revolving Commitments) of the relevant class with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class")

in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Advances (but not Revolving Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance), and is hereby (together with the Loan Parties) deemed to execute and deliver an assignment and assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuer shall deliver any Notes evidencing such loans to the Borrower or the Agent, (ii) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender or Issuer, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuer shall cease to be a Lender or Issuer, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Revolving Commitments which shall survive as to such assigning Lender or assigning Issuer and (iv) the Agent may reflect in the Register its ownership interest in the loans subject to the Erroneous Payment Deficiency Assignment. The Agent may, in its discretion, sell any loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or Issuer shall be reduced by the net proceeds of the sale of such loan (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender or Issuer (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Revolving Commitments of any Lender or Issuer and such Revolving Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Agent has sold a loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent may be equitably subrogated, the Agent shall be contractually subrogated to all the rights and interests of the applicable Lender, Issuer or other Secured Party under the Other Documents with respect to such Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

(f) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Erroneous Payment received, including without limitation, waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations under this Section 14.15 shall survive the resignation or replacement of the Agent, the termination of all of the Revolving Commitments and/or repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Other Document.

14.16Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person become a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of any Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Letters of Credit or the Revolving Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general separate accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Letters of Credit, the Revolving Commitments and this Agreement,

(iii)(A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Revolving Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances, the Letters of Credit, the Revolving Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Advances, the Letters of Credit, the Revolving Commitments and this Agreement, or

(iv)such other representation, warranty and covenant as may be agreed in writing between the Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of any Loan Party, that the Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Advances, the Letters of Credit, the Revolving Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Agent under this Agreement, any Other Document or any other documents related hereto or thereto).

15. GUARANTY.

15.1Unconditional Guaranty. Each Guarantor hereby unconditionally guarantees, as a primary obligor and not merely as a surety, jointly and severally with each other Guarantor when and as due, whether at maturity, by acceleration, by notice of prepayment or otherwise, the due and punctual performance of all Obligations; provided that with respect to Obligations under or in respect of any Swap Obligation, the foregoing guarantee shall only be effective to the extent that such Guarantor is an Eligible Contract Participant at the time such Swap Obligation is entered into and such Obligations and such guarantee thereof are not Excluded Hedge Liabilities. Each payment made by any Guarantor pursuant to this Guaranty shall be made in lawful money of the United States in immediately available funds, (a) without set-off or counterclaim and (b) free and clear of and without deduction or withholding for or on account of any present and future Charges and any conditions or restrictions resulting in Charges and all penalties, interest and other payments on or in respect thereof (except for Excluded Taxes) ("Covered Tax" or "Covered Taxes") unless such Guarantor is compelled by law to make payment subject to such Covered Taxes.

15.2Continuing Guarantee. The guarantee in this Section 15 is a continuing guarantee of payment, and shall apply to all Obligations whenever arising.

15.3Waivers. Each Guarantor hereby absolutely, unconditionally and irrevocably waives to the extent not prohibited by Applicable Law (i) promptness, diligence, notice of acceptance, notice of presentment of payment and any other notice hereunder, (ii) demand of payment, protest, notice of dishonor or nonpayment, notice of the present and future amount of the Obligations and any other notice with respect to the Obligations, (iii) any requirement that Agent protect, secure, perfect or insure any security interest or Lien on any property subject thereto or exhaust any right or take any action against any other Loan Party, or any Person or any Collateral, (iv) any other action, event or precondition to the enforcement hereof or the performance by any Loan Party of the Obligations, and (v) any defense arising by any lack of capacity or authority or any other defense of any Loan Party or any notice, demand or defense by reason of cessation from any cause of Obligations other than payment and performance in full of the Obligations by the Loan Parties and any defense that any other guarantee or security was or was to be obtained by Agent.

15.4No Defense. No invalidity, irregularity, voidableness, voidness or unenforceability of this Agreement or any Other Document or any other agreement or instrument relating thereto, or of all or any part of the Obligations or of any collateral security therefor shall affect, impair or be a defense hereunder.

15.5Guaranty of Payment. The Guaranty hereunder is one of payment and performance, not collection, and the obligations of each Guarantor are independent of the Obligations of the other Loan Parties, and a separate action or actions may be brought and prosecuted against any Guarantor to enforce the terms and conditions of this Article XVI, irrespective of whether any action is brought against any other Loan Party or other Persons or whether any other Loan Party or other Persons are joined in any such action or actions. Each Guarantor waives any right to require that any resort be had by Agent to any security held for payment of the Obligations or to any balance of any deposit account or credit on the books of Agent in favor of any Loan Party or any other Person. No election to proceed in one form of action or proceedings, or against any

Person, or on any Obligations, shall constitute a waiver of Agent's right to proceed in any other form of action or proceeding or against any other Person unless Agent has expressed any such right in writing. Without limiting the generality of the foregoing, no action or proceeding by Agent against any Loan Party under any document evidencing or securing indebtedness of any Loan Party to Agent shall diminish the liability of any Guarantor, except to the extent Agent receives actual payment on account of Obligations by such action or proceeding, notwithstanding the effect of any such election, action or proceeding upon the right of subrogation of any Loan Party in respect of any Loan Party.

15.6Liabilities Absolute. The liability of each Guarantor shall be absolute, unlimited and unconditional and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than prior indefeasible payment in full of all Obligations), including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any claim, defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any other Obligation or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor shall not be discharged or impaired, released, limited or otherwise affected by:

(a) any change in the manner, place or terms of payment or performance, and/or any change or extension of the time of payment or performance of, release, renewal or alteration of, or any new agreements relating to any Obligation, any security therefor, or any liability incurred directly or indirectly in respect thereof, or any rescission of, or amendment, waiver or other modification of, or any consent to departure from, this Agreement or any Other Document, including any increase in the Obligations resulting from the extension of additional credit to any Loan Party or otherwise;

(b) any sale, exchange, release, surrender, loss, abandonment, realization upon any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, all or any of the Obligations, and/or any offset there against, or failure to perfect, or continue the perfection of, any Lien in any such property, or delay in the perfection of any such Lien, or any amendment or waiver of or consent to departure from any other guaranty for all or any of the Obligations;

(c) the failure of Agent to assert any claim or demand or to enforce any right or remedy against any Loan Party or any other Loan Party or any other Person under the provisions of this Agreement or any Other Document or any other document or instrument executed and delivered in connection herewith or therewith;

(d) any settlement or compromise of any Obligation, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and any subordination of the payment of all or any part thereof to the payment of any obligation (whether due or not) of any Loan Party to creditors of any Loan Party other than any other Loan Party;

(e) any manner of application of Collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Obligations or any other assets of any Loan Party;

(f) the invalidity, irregularity, voidableness, voidness or unenforceability of this Agreement or any Other Document or any other agreement or instrument relating thereto, or of all or any part of the Obligations or of any collateral security therefor; and

(g) any other agreements or circumstance of any nature whatsoever that may or might in any manner or to any extent vary the risk of any Loan Party, or that might otherwise at law or in equity constitute a defense available to, or a discharge of, the Guaranty hereunder and/or the obligations of any Loan Party, or a defense to, or discharge of, any Loan Party or any other Person or party hereto or the Obligations or otherwise with respect to the Advances or other financial accommodations to Loan Parties pursuant to this Agreement and/or the Other Documents.

15.7Waiver of Notice. Agent shall have the right to do any of the above without notice to or the consent of any Guarantor, and each Guarantor expressly waives any right to notice of, consent to, knowledge of and participation in any agreements relating to any of the above or any other present or future event relating to Obligations whether under this Agreement or otherwise or any right to challenge or question any of the above and waives any defenses of such Guarantor which might arise as a result of such actions.

15.8Agent's Discretion. Agent may at any time and from time to time (whether prior to or after the revocation or termination of this Agreement) without the consent of, or notice to, any Guarantor, and without incurring responsibility to any Guarantor or impairing or releasing the Obligations, apply any sums by whomsoever paid or howsoever realized to any Obligations regardless of what Obligations remain unpaid.

15.9Reinstatement.

(a) The Guaranty provisions herein contained shall continue to be effective or be automatically reinstated, as the case may be, if a claim is ever made upon Agent for repayment or recovery of any amount or amounts received by such Person in payment or on account of any of the Obligations and such Person repays all or part of said amount for any reason whatsoever, including, without limitation, by reason of any judgment, decree or order of any court or administrative body having jurisdiction over such Person or the respective property of each, or any settlement or compromise of any claim effected by such Person with any such claimant (including any Loan Party); and in such event each Loan Party hereby agrees that any such judgment, decree, order, settlement or compromise or other circumstances shall be binding upon such Loan Party, notwithstanding any revocation hereof or the cancellation of any note or other instrument evidencing any Obligation, and each Loan Party shall be and remain liable to Agent for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Person(s).

(b) Agent shall not be required to marshal any assets in favor of any Loan Party, or against or in payment of Obligations.

(c) No Loan Party shall be entitled to claim against any present or future security held by Agent from any Person for Obligations in priority to or equally with any claim of Agent, or assert any claim for any liability of any Loan Party to any Loan Party in priority to or equally with claims of Agent for Obligations, and no Loan Party shall be entitled to compete with

Agent with respect to, or to advance any equal or prior claim to any security held by Agent for Obligations.

(d) If any Loan Party makes any payment to Agent, which payment is wholly or partly subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any Person under any federal or state statute or at common law or under equitable principles, then to the extent of such payment, the Obligation intended to be paid shall be revived and continued in full force and effect as if the payment had not been made, and the resulting revived Obligation shall continue to be guaranteed, uninterrupted, by each Loan Party.

(e) All present and future monies payable by any Loan Party to any other Loan Party, whether arising out of a right of subrogation, reimbursement, contribution, indemnification, or otherwise, are assigned to Agent as additional security for such Loan Party's liability to Agent hereunder and are postponed and subordinated to Agent's prior right to payment in full of Obligations. Except to the extent prohibited otherwise by this Agreement, all monies received by any Loan Party from any other Loan Party shall be held by such Loan Party as agent and trustee for Agent. This assignment, postponement and subordination shall only terminate when the Obligations (other than contingent obligations as to which no claim has been made) are paid in full in cash, all Revolving Commitments are irrevocably terminated and this Agreement is irrevocably terminated.

(f) Each Loan Party acknowledges this assignment and subordination and, upon the occurrence and during the continuance of an Event of Default, agrees to make no payments to any other Loan Party in respect of any Indebtedness for borrowed money without the prior written consent of Agent. Each Loan Party agrees to give full effect to the provisions hereof.

15.10Lien Subordination; Remedies Standstill. Notwithstanding the order or time of attachment, or the order, time or manner of perfection, or the order or time of filing or recordation of any document or instrument, or other method of perfecting a Lien in favor of Agent or any Loan Party in any Collateral and notwithstanding any conflicting terms or conditions which may be contained in this Agreement or any agreement evidencing Indebtedness owing by any Loan Party to any other Loan Party, the Liens on the Collateral in favor of Agent have and shall have priority over the Liens on the Collateral in favor of any Loan Party (including, without limitation, any Liens of any Loan Parties arising from the exercise of unsecured lender remedies), and such Liens in favor of any Loan Party are and shall be, in all respects, subject and subordinate to the Liens of Agent to the full extent of the Obligations outstanding from time to time. Until the payment in full in cash of all Obligations, no Loan Party shall exercise any rights or remedies against any other Loan Party, in its capacity as a secured creditor of such other Loan Party, to sell, foreclose, realize upon or liquidate any of the Collateral, including the exercise of any of the rights or remedies of a "secured party" under Article 9 of the Uniform Commercial Code.

15.11Statute of Limitations. Any acknowledgment or new promise, whether by payment of principal or interest or otherwise and whether by any Loan Party or others with respect to any of the Obligations shall, if the statute of limitations in favor of any Guarantor against Agent shall have commenced to run, toll the running of such statute of limitations and, if the period of such statute of limitations shall have expired, prevent the operation of such statute of limitations.

15.12Interest. All amounts due, owing and unpaid from time to time by any Guarantor hereunder shall bear interest at the interest rate per annum then chargeable with respect to the Advances (without duplication of interest on the underlying Obligation).

15.13Currency Conversion. Without limiting any other rights in this Agreement, if for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Guaranty or any Other Document it becomes necessary to convert into the currency of such jurisdiction (herein called the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, "rate of exchange" means the rate at which Agent would, on the relevant date at or about 12:00 p.m., be prepared to sell a similar amount of such currency in New York, New York against the Judgment Currency. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, each Guarantor will, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of payment is the amount then due under this Guaranty or any Other Document in such other currency. Any additional amount due from Guarantor under this Section 15.13 will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement or any of the Other Documents.

15.14Acknowledgement. Each Guarantor acknowledges receipt of a copy of each of this Agreement and the Other Documents. Each Guarantor has made an independent investigation of Loan Parties and of the financial condition of Loan Parties. Agent has not made, nor does it hereby make any representations or warranties as to the income, expense, operation, finances or any other matter or thing affecting any Loan Party, and Agent has not made any representations or warranties as to the amount or nature of the Obligations of any Loan Party to which this Section 15 applies as specifically herein set forth, nor Agent or any officer, agent or employee of Agent or any representative thereof, made any other oral representations, agreements or commitments of any kind or nature, and each Guarantor hereby expressly acknowledges that no such representations or warranties have been made and such Guarantor expressly disclaims reliance on any such representations or warranties.

16. MISCELLANEOUS.

16.1Governing Law. This Agreement and each Other Document (unless and except to the extent expressly provided otherwise in any such Other Document), and all matters relating hereto or thereto or arising herefrom or therefrom (whether arising under contract law, tort law or otherwise) shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York. Any judicial proceeding brought by or against any Loan Party with respect to any of the Obligations, this Agreement, the Other Documents or any related agreement may be brought in any court of competent jurisdiction in the State of New York, United States of America, and, by execution and delivery of this Agreement, each Loan Party accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Loan Party

hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified or registered mail (return receipt requested) directed to Borrower at its address set forth in Section 16.6 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at Agent's option, by service upon Borrower which each Loan Party irrevocably appoints as such Loan Party's agent for the purpose of accepting service within the State of New York. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Loan Party in the courts of any other jurisdiction. Each Loan Party waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Each Loan Party waives the right to remove any judicial proceeding brought against such Loan Party in any state court to any federal court. Any judicial proceeding by any Loan Party against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the County of New York, State of New York.

16.2Entire Understanding; Amendments.

(a) THIS AGREEMENT AND THE DOCUMENTS EXECUTED CONCURRENTLY HEREWITH CONTAIN THE ENTIRE UNDERSTANDING BETWEEN EACH LOAN PARTY, AGENT AND EACH LENDER AND SUPERSEDES ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, IF ANY, RELATING TO THE SUBJECT MATTER HEREOF. ANY PROMISES, REPRESENTATIONS, WARRANTIES OR GUARANTEES NOT HEREIN CONTAINED AND HEREINAFTER MADE SHALL HAVE NO FORCE AND EFFECT UNLESS IN WRITING, SIGNED BY EACH LOAN PARTY'S, AGENT'S AND EACH LENDER'S RESPECTIVE OFFICERS. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. Each Loan Party acknowledges that it has been advised by counsel in connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) Required Lenders, Agent with the consent in writing of Required Lenders, and the applicable Loan Parties may, subject to the provisions of this Section 16.2(b), from time to time enter into written supplemental agreements to this Agreement or the Other Documents executed by the Loan Parties, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Loan Parties thereunder or the conditions, provisions or terms thereof or waiving any Default or Event of Default thereunder, but only to the extent specified in such written agreements; provided, however, that no such supplemental agreement shall:

(i) increase the Revolving Commitment Percentage or the maximum Dollar amount of the Revolving Commitment Amount of any Lender without the consent of such Lender directly affected thereby;

(ii) whether or not any Advances are outstanding, extend the Term or the time for payment of principal or interest of any Advance (excluding the due date of any mandatory prepayment of an Advance), or any fee payable to any Lender, or reduce the principal amount of or the rate of interest borne by any Advances or reduce any fee payable to any Lender, without the consent of each Lender directly affected thereby (except that Required Lenders may elect to waive or rescind any imposition of the Default Rate under Section 3.1 or of default rates of Letter of Credit fees under Section 3.2 (unless imposed by Agent));

(iii)increase the Maximum Revolving Advance Amount without the consent of each Lender directly affected thereby;

(iv)alter the definition of the term Required Lenders or alter, amend or modify this Section 16.2(b) without the consent of all Lenders;

(v) alter, amend or modify the provisions of Section 11.5 without the consent of all Lenders;

(vi)release or subordinate Agent's Lien on any Collateral during any calendar year (other than in accordance with the provisions of this Agreement) having an aggregate value in excess of $2,000,000 without the consent of all Lenders;

(vii)change the rights and duties of Agent without the consent of all Lenders;

(viii)subject to clause (e) below, permit any Revolving Advance to be made if after giving effect thereto the total of Revolving Advances outstanding hereunder would exceed the Formula Amount for more than sixty (60) consecutive Business Days or exceed one hundred and ten percent (110%) of the Formula Amount without the consent of each Lender directly affected thereby;

(ix)increase the Advance Rates above the Advance Rates in effect on the Closing Date, or otherwise modify the Formula Amount or any component or definition used therein if the effect is to make more credit or Loans available, without the consent of all Lenders holding a Revolving Commitment;

(x) modify or waive Section 11.5, Section 2.5(e) or any other provision of this Agreement requiring the pro rata sharing of payments among Lenders or the order of application of payments without the consent of all Lenders; or

(xi) release any Guarantor from its obligations hereunder or under any Other Document without the consent of all Lenders.

(c) Notwithstanding Section 17.2(b), Agent may modify this Agreement or any of the Other Documents for the purposes of completing missing content or correcting erroneous content of an administrative nature, without the need for a written agreement, provided that the Agent shall send a copy of any such modification to the Loan Parties and each Lender (which copy may be provided by electronic mail).

(d) Any such supplemental agreement shall apply equally to each Lender and shall be binding upon Loan Parties, Lenders and Agent and all future holders of the Obligations. In the case of any waiver, Loan Parties, Agent and Lenders shall be restored to their former positions and rights, and any Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Event of Default shall extend to any subsequent Event of Default (whether or not the subsequent Event of Default is the same as the Event of Default which was waived), or impair any right consequent thereon.

(e) In the event that Agent requests the consent of a Lender pursuant to this Section 16.2 and such consent is denied, then Agent may, at its option, require such Lender to assign its interest in the Advances to Agent or to another Lender or to any other Person designated by Agent and acceptable to Borrower (the "Designated Lender"), for a price equal to (i) the then outstanding principal amount thereof plus (ii) accrued and unpaid interest and fees due such Lender, which interest and fees shall be paid when collected from Loan Parties. In the event Agent elects to require any Lender to assign its interest to Agent or to the Designated Lender, Agent will so notify such Lender in writing within forty-five (45) days following such Lender's denial, and such Lender will assign its interest to Agent or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Revolving Commitment Transfer Supplement executed by such Lender, Agent or the Designated Lender, as appropriate, Borrower and Agent.

(f) Notwithstanding (i) the existence of a Default or an Event of Default, (ii) that any of the other applicable conditions precedent set forth in Section 8.2 have not been satisfied or the Revolving Commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason, or (iii) any other contrary provision of this Agreement, Agent may at its discretion and without the consent of any Lender, voluntarily permit the outstanding Revolving Advances at any time to exceed the Formula Amount by up to ten percent (10.00%) of the Formula Amount for up to sixty (60) consecutive Business Days (the "Out-of-Formula Loans"); provided that the aggregate amount of all outstanding Out-of-Formula Loans and Protective Advances shall not exceed the lesser of (x) ten percent (10.00%) of the Formula Amount and (y) the Maximum Revolving Advance Amount. If Agent is willing in its sole and absolute discretion to permit such Out-of-Formula Loans, Lenders holding the Revolving Commitments shall be obligated to fund such Out-of-Formula Loans in accordance with their respective Revolving Commitment Percentages, and such Out-of-Formula Loans shall be payable on demand and shall bear interest at the Default Rate for Revolving Advances consisting of Domestic Rate Loans; provided that, if Agent does permit Out-of-Formula Loans, neither Agent nor Lenders shall be deemed thereby to have changed the limits of Section 2.1(a) nor shall any Lender be obligated to fund Revolving Advances in excess of its Revolving Commitment Amount. For purposes of this paragraph and paragraph (f) below, the discretion granted to Agent hereunder shall not preclude involuntary overadvances that may result from time to time due to the fact that the Formula Amount was unintentionally exceeded for any reason, including, but not limited to, Collateral previously deemed to be either "Eligible Receivables", "Eligible Unbilled Receivables" or "Eligible Inventory", as applicable, becomes ineligible, collections of Receivables applied to reduce outstanding Revolving Advances are thereafter returned for insufficient funds or overadvances are made to protect or preserve the Collateral. In the event Agent involuntarily permits the outstanding Revolving Advances to exceed the Formula Amount by more than ten percent (10.00%), Agent shall use its efforts to have Loan Parties decrease such excess in as expeditious a manner as is practicable under the circumstances and not inconsistent with the reason for such excess. Revolving Advances made after Agent has determined the existence of involuntary overadvances

shall be deemed to be involuntary overadvances and shall be decreased in accordance with the preceding sentence. To the extent any Out-of-Formula Loans are not actually funded by the other Lenders as provided for in this Section 16.2(f), Agent may elect in its discretion to fund such Out-of-Formula Loans and any such Out-of-Formula Loans so funded by Agent shall be deemed to be Revolving Advances made by and owing to Agent, and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender holding a Revolving Commitment under this Agreement and the Other Documents with respect to such Revolving Advances.

(g) In addition to (and not in substitution of) the discretionary Revolving Advances permitted above in this Section 16.2, Agent is hereby authorized by Loan Parties and Lenders, at any time in Agent's sole discretion, regardless of (i) the existence of a Default or an Event of Default, (ii) whether any of the other applicable conditions precedent set forth in Section 8.2 have not been satisfied or the Revolving Commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason, or (iii) any other contrary provision of this Agreement, to make Revolving Advances to Loan Parties, subject to Section 2.1(a), on behalf of Lenders which Agent, in its reasonable business judgment, deems necessary or desirable (a) to preserve or protect the Collateral, or any portion thereof, (b) to enhance the likelihood of, or maximize the amount of, repayment of the Advances and other Obligations, or (c) to pay any other amount chargeable to Loan Parties pursuant to the terms of this Agreement (collectively, the "Protective Advances"); provided that the aggregate amount of all outstanding Protective Advances and Out-of-Formula Loans shall not exceed the lesser of (x) ten percent (10.00%) of the Formula Amount and (y) the Maximum Revolving Advance Amount. Lenders holding the Revolving Commitments shall be obligated to fund such Protective Advances and effect a settlement with Agent therefor upon demand of Agent in accordance with their respective Revolving Commitment Percentages. To the extent any Protective Advances are not actually funded by the other Lenders as provided for in this Section 16.2(g), any such Protective Advances funded by Agent shall be deemed to be Revolving Advances made by and owing to Agent, and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender holding a Revolving Commitment under this Agreement and the Other Documents with respect to such Revolving Advances.

16.3 Successors and Assigns; Participations; New Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of Loan Parties, Agent, each Lender, all future holders of the Obligations and their respective successors and assigns, except that no Loan Party may assign or transfer any of its rights or obligations under this Agreement (including, in each case, by way of an LLC Division) without the prior written consent of Agent and each Lender.

(b) Each Loan Party acknowledges that in the regular course of commercial banking business one or more Lenders may at any time and from time to time sell participating interests in the Advances to other Persons (each such transferee or purchaser of a participating interest, a "Participant"). Each Participant may exercise all rights of payment (including rights of set-off) with respect to the portion of such Advances held by it or other Obligations payable hereunder as fully as if such Participant were the direct holder thereof (including, for the avoidance of doubt, rights under Section 3.10), subject to the same requirements and limitations of a direct holder (including, for the avoidance of doubt, the documentation requirements of Section 3.10(e) (it being understood that the documentation required under Section 3.10(e) shall be delivered to

the participating Lender)), provided that (i) Loan Parties shall not be required to pay to any Participant more than the amount which it would have been required to pay to Lender which granted an interest in its Advances or other Obligations payable hereunder to such Participant had such Lender retained such interest in the Advances hereunder or other Obligations payable hereunder unless the sale of the participation to such Participant is made with Loan Parties' prior written consent, and (ii) in no event shall Loan Parties be required to pay any such amount arising from the same circumstances and with respect to the same Advances or other Obligations payable hereunder to both such Lender and such Participant. Upon any such sale, such Lender's obligations under each Other Document shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan and all parties hereto shall continue to deal solely and directly with such Lender in connection with the Other Documents. Any agreement pursuant to which any Lender shall sell any such participation shall provide that such Lender shall retain the sole right and responsibility to exercise such Lender's rights and enforce each Secured Party's obligations hereunder, including the right to consent to any amendment, supplement, modification or waiver of any provision of any Other Document, except for those described in clauses (ii), (iv) or (v) of Section 16.2(b). Each Loan Party hereby grants to any Participant a continuing security interest in any deposits, moneys or other property actually or constructively held by such Participant as security for the Participant's interest in the Advances. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Loan Parties, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement or Other Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Revolving Commitments, Advances or its other obligations hereunder or under any Other Document) to any Person except to the extent that such disclosure is necessary to establish that such Revolving Commitment, Advance or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(c) Any Lender, with the consent of Agent may sell, assign or transfer all or any part of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to one or more additional Persons and one or more additional Persons may commit to make Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than $5,000,000, pursuant to a Revolving Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording, provided, however, that each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to each of the Revolving Advances under this Agreement in which such Lender has an interest. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Revolving Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Revolving Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Revolving Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Revolving Commitment Transfer Supplement, be released from its obligations under this Agreement, the Revolving Commitment Transfer Supplement creating a novation for that purpose. Such Revolving Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Revolving Commitment Percentages arising from the

purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Each Loan Party hereby consents to the addition of such Purchasing Lender and the resulting adjustment of the Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Loan Parties shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing provided, however, that the consent of Loan Parties (such consent not to be unreasonably withheld, delayed or conditioned) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Permitted Assignee; provided that Loan Parties shall be deemed to have consented to any such assignment unless they shall object thereto by written notice to Agent within five (5) Business Days after having received prior notice thereof.

(d) Any Lender other than PNC, with the consent of Agent and Borrower, in each case, which shall not be unreasonably withheld or delayed, or PNC in its sole discretion, may directly or indirectly sell, assign or transfer all or any portion of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to an entity, whether a corporation, partnership, trust, limited liability company or other entity that (i) is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and (ii) is administered, serviced or managed by the assigning Lender or an Affiliate of such Lender (a "Purchasing CLO" and together with each Participant and Purchasing Lender, each a "Transferee" and collectively the "Transferees"), pursuant to a Revolving Commitment Transfer Supplement modified as appropriate to reflect the interest being assigned ("Modified Revolving Commitment Transfer Supplement"), executed by any intermediate purchaser, the Purchasing CLO, the transferor Lender, Borrower and Agent as applicable and delivered to Agent for recording. Upon such execution and delivery, from and after the transfer effective date determined pursuant to such Modified Revolving Commitment Transfer Supplement, (i) Purchasing CLO thereunder shall be a party hereto and, to the extent provided in such Modified Revolving Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder and (ii) the transferor Lender thereunder shall, to the extent provided in such Modified Revolving Commitment Transfer Supplement, be released from its obligations under this Agreement, the Modified Revolving Commitment Transfer Supplement creating a novation for that purpose. Such Modified Revolving Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing CLO. Each Loan Party hereby consents to the addition of such Purchasing CLO. Loan Parties shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(e) Agent shall maintain at its address a copy of each Revolving Commitment Transfer Supplement and Modified Revolving Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of each Lender and the outstanding principal, accrued and unpaid interest and other fees due hereunder. The entries in the Register shall be conclusive, in the absence of manifest error, and each Loan Party, Agent and Lenders shall treat each Person whose name is recorded in the Register as the owner of the Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall receive a fee in the amount of $3,500 payable by the applicable

Purchasing Lender and/or Purchasing CLO upon the effective date of each transfer or assignment (other than to an intermediate purchaser) to such Purchasing Lender and/or Purchasing CLO.

(f) Each Loan Party authorizes each Lender to disclose to any Transferee and any prospective Transferee any and all financial information in such Lender's possession concerning such Loan Party which has been delivered to such Lender by or on behalf of such Loan Party pursuant to this Agreement or in connection with such Lender's credit evaluation of such Loan Party subject to the confidentiality requirements set forth in Section 16.15.

(g) Notwithstanding anything to the contrary contained in this Agreement, any Lender may at any time and from time to time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Notwithstanding anything to the contrary contained in this Agreement, no Lender may assign or transfer any of its rights or obligations under this Agreement to any (i) Loan Party or any of any Loan Party's Affiliates or Subsidiaries, (ii) Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof or (iii) natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person).

16.4Application of Payments. Agent shall have the continuing and exclusive right to apply or reverse and re-apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Loan Party makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Loan Party's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

16.5Indemnity. Each Loan Party shall defend, protect, indemnify, pay and save harmless Agent, Issuer, each Lender and each of their respective officers, directors, Affiliates, attorneys, employees and agents (each an "Indemnified Party") for and from and against any and all claims, demands, liabilities, obligations, losses, damages, penalties, fines, actions, judgments, suits, costs, charges, expenses and disbursements of any kind or nature whatsoever (including fees and disbursements of counsel (limited to one counsel to the Agent and the Issuer and the Lenders, taken as a whole, and, if necessary, of one local counsel in any applicable jurisdiction to such persons, taken as a whole)) (collectively, "Claims") which may be imposed on, incurred by, or asserted against any Indemnified Party in arising out of or in any way relating to or as a consequence, direct or indirect, of: (i) this Agreement, the Other Documents, the Advances and other Obligations and/or the transactions contemplated hereby including the Transactions, (ii) any action or failure to act or action taken only after delay or the satisfaction of any conditions by any Indemnified Party in connection with and/or relating to the negotiation, execution, delivery or administration of the Agreement and the Other Documents, the credit facilities established hereunder and thereunder and/or the transactions contemplated hereby including the Transactions,

(iii) any Loan Party's failure to observe, perform or discharge any of its covenants, obligations, agreements or duties under or breach of any of the representations or warranties made in this Agreement and the Other Documents, (iv) the enforcement of any of the rights and remedies of Agent, Issuer or any Lender under the Agreement and the Other Documents, (v) any threatened or actual imposition of fines or penalties, or disgorgement of benefits, for violation of any Anti-Money Laundering Law by any Loan Party, any Affiliate or Subsidiary of any Loan Party, and (vi) any claim, litigation, proceeding or investigation instituted or conducted by any Governmental Body or instrumentality against any Loan Party, any Affiliate or Subsidiary of any Loan Party, or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent or any Lender is a party thereto, in each such case except to the extent that any of the foregoing arises out of the gross negligence, bad faith, willful misconduct or fraud of the Indemnified Party (as determined by a court of competent jurisdiction in a final and non-appealable judgment). Without limiting the generality of any of the foregoing, each Loan Party shall defend, protect, indemnify, pay and save harmless each Indemnified Party from (x) any Claims which may be imposed on, incurred by, or asserted against any Indemnified Party arising out of or in any way relating to or as a consequence, direct or indirect, of the issuance of any Letter of Credit hereunder and (y) any Claims which may be imposed on, incurred by, or asserted against any Indemnified Party under any Environmental Laws with respect to or in connection with the Real Property, any Hazardous Discharge, the presence of any Hazardous Materials affecting the Real Property (whether or not the same originates or emerges from the Real Property or any contiguous real estate), including any Claims consisting of or relating to the imposition or assertion of any Lien on any of the Real Property under any Environmental Laws and any loss of value of the Real Property as a result of the foregoing except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender in each such case except to the extent that any of the foregoing arises out of the gross negligence, bad faith or willful misconduct of the Indemnified Party (as determined by a court of competent jurisdiction in a final and non-appealable judgment). Loan Parties' obligations under the prior sentence shall arise upon the discovery of the presence of any Hazardous Materials at the Real Property, whether or not any federal, state, provincial or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Materials. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THIS INDEMNITY SHALL EXTEND TO ANY LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES AND DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER (INCLUDING REASONABLE FEES AND DISBURSEMENTS OF COUNSEL) ASSERTED AGAINST OR INCURRED BY ANY OF THE INDEMNIFIED PARTIES BY ANY PERSON UNDER ANY ENVIRONMENTAL LAWS BY REASON OF ANY LOAN PARTY'S FAILURE TO COMPLY WITH ENVIRONMENTAL LAWS, INCLUDING THOSE APPLICABLE TO SOLID OR HAZARDOUS WASTE MATERIALS, INCLUDING HAZARDOUS MATERIALS AND HAZARDOUS WASTE, OR OTHER TOXIC SUBSTANCES. THIS SECTION 16.5 SHALL NOT APPLY WITH RESPECT TO TAXES OTHER THAN ANY TAXES THAT REPRESENT LOSSES, CLAIMS, DAMAGES, ETC. ARISING FROM ANY NON-TAX CLAIM. All amounts due under this Section 16.5 shall be payable not later than ten (10) days after demand therefor.

16.6Notice. Any notice or request hereunder may be given to Borrower or any other Loan Party or to Agent or any Lender at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under

this Section. Any notice, request, demand, direction or other communication (for purposes of this Section 16.6 only, a "Notice") to be given to or made upon any party hereto under any provision of this Agreement shall be given or made by telephone or in writing (which includes by means of electronic transmission (i.e., "e-mail") or facsimile transmission or by setting forth such Notice on a website to which Loan Parties are directed (an "Internet Posting") if Notice of such Internet Posting (including the information necessary to access such site) has previously been delivered to the applicable parties hereto by another means set forth in this Section 16.6) in accordance with this Section 16.6. Any such Notice must be delivered to the applicable parties hereto at the addresses and numbers set forth under their respective names on Section 16.6 or in accordance with any subsequent unrevoked Notice from any such party that is given in accordance with this Section 16.6. Any Notice shall be effective:

(a) In the case of hand-delivery, when delivered;

(b) If given by mail, four (4) days after such Notice is deposited with the United States Postal Service, with first-class postage prepaid, return receipt requested;

(c) In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next Business Day by hand delivery, a facsimile or electronic transmission, an Internet Posting or an overnight courier delivery of a confirmatory Notice (received at or before noon on such next Business Day);

(d) In the case of a facsimile transmission, when sent to the applicable party's facsimile machine's telephone number, if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;

(e) In the case of electronic transmission, when actually received;

(f) In the case of an Internet Posting, upon delivery of a Notice of such posting (including the information necessary to access such site) by another means set forth in this Section 16.6; and

(g) If given by any other means (including by overnight courier), when actually received.

Any Lender giving a Notice to Borrower or any other Loan Party shall concurrently send a copy thereof to Agent, and Agent shall promptly notify the other Lenders of its receipt of such Notice.

(A) If to Agent or PNC at:

PNC Bank, National Association
200 Crescent Court, 4th Floor
Dallas, TX 75201
Attention: Relationship Manager (Innovex)
Telephone: 214-871-1200
Facsimile: 214-871-1265

with a copy to:

PNC Bank, National Association
PNC Agency Services
PNC Firstside Center
500 First Avenue (Mailstop: P7-PFSC-04-1)
Pittsburgh, Pennsylvania 15219
Attention: Lori Killmeyer
Telephone: (412) 807.7002
Facsimile: (412) 762-8672

with an additional copy to:

Holland & Knight LLP
One Arts Plaza
1722 Routh Street, Suite 1500
Dallas, Texas 75201
Attention: Michelle W. Suarez
Telephone: (214) 964-9500
Facsimile: (214) 964-9501

(B) If to a Lender other than Agent, as specified on its Administrative Questionnaire

(C) If to Borrower or any other Loan Party:

Innovex Downhole Solutions, Inc.
4310 N. Sam Houston Parkway
Houston, Texas 77032
Attention: Kendal Reed
Telephone: 281-602-7815
Email: kendal.reed@innovex-inc.com

with a copy to:

Akin Gump Strauss Hauer & Feld LLP
1111 Louisiana St, 44th Floor
Houston, Texas 77002
Attention: Eric Munoz, emunoz@akingump.com
Telephone: (713) 250-2226

16.7Survival. The obligations of Loan Parties under Sections 2.2(f), 2.2(g), 2.2(h), 3.7, 3.8, 3.9, 3.10, 17.5 and 17.9 and the obligations of Lenders under Sections 2.2, 2.14(b), 2.15, 2.17, 2.18, 14.8 and 17.5, shall survive termination of this Agreement and the Other Documents and payment in full of the Obligations.

16.8Severability. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under Applicable Laws, such provision shall be inapplicable and deemed omitted to the

extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

16.9Expenses. Loan Parties shall pay (i) all out-of-pocket expenses incurred by Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for Agent (which shall be limited to (x) a single primary outside counsel and (y) one local counsel required in each applicable jurisdiction)), and shall pay all reasonable and documented out-of-pocket fees and time charges and disbursements for attorneys who may be employees of Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the Other Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by Agent, any Lender or Issuer (including the reasonable and documents out-of-pocket fees, charges and disbursements of any counsel for Agent, any Lender or Issuer), and shall pay all reasonable and documented fees and time charges for attorneys who may be employees of Agent, any Lender or Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the Other Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit, and (iv) all reasonable out-of-pocket expenses of Agent's regular employees and agents engaged periodically to perform audits of the any Loan Party's or any Loan Party's Affiliate's or Subsidiary's books, records and business properties to the extent payable hereunder.

16.10Injunctive Relief. Each Loan Party recognizes that, in the event any Loan Party fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, or threatens to fail to perform, observe or discharge such obligations or liabilities, any remedy at law may prove to be inadequate relief to Lenders; therefor, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

16.11Consequential Damages. No party hereto, nor any agent or attorney for any of them, shall be liable to any other party hereto (or any Affiliate of any such Person) for indirect, punitive, exemplary or consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations or as a result of any transaction contemplated under this Agreement or any Other Document.

16.12Captions. The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

16.13Counterparts; Facsimile Signatures. This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission (including email transmission of a PDF image) shall be deemed to be an original signature hereto.

16.14Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

16.15Confidentiality; Sharing Information. Agent, each Lender and each Transferee shall hold all non-public information obtained by Agent, such Lender or such Transferee pursuant to the requirements of this Agreement in accordance with Agent's, such Lender's and such Transferee's customary procedures for handling confidential information of this nature; provided, however, Agent, each Lender and each Transferee may disclose such confidential information (a) to its Affiliates and its and their examiners, Affiliates, financing sources, directors, officers, partners, employees, agents, outside auditors, counsel and other professional advisors, (b) to Agent, any Lender or to any prospective Transferees, (c) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any Other Document and (d) as required or requested by any Governmental Body or representative thereof or pursuant to legal process; provided, further that (i) unless specifically prohibited by Applicable Law, Agent, each Lender and each Transferee shall use its reasonable best efforts prior to disclosure thereof, to notify the applicable Loan Party of the applicable request for disclosure of such non-public information (A) by a Governmental Body or representative thereof (other than any such request in connection with an examination of the financial condition of a Lender or a Transferee by such Governmental Body) or (B) pursuant to legal process and (ii) in no event shall Agent, any Lender or any Transferee be obligated to return any materials furnished by any Loan Party other than those documents and instruments in possession of Agent or any Lender in order to perfect its Lien on the Collateral once the Obligations have been paid in full and this Agreement has been terminated. Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to such Loan Party or one or more of its Affiliates (in connection with this Agreement) by the Agent or by one or more Subsidiaries or Affiliates of the Agent and each Loan Party hereby authorizes the Agent to share any information delivered to the Agent by such Loan Party and its Subsidiaries pursuant to this Agreement, or in connection with the decision of the Agent if any Loan Party agrees to accept any of the offered financial advisory, investment banking or other services to enter into this Agreement, to any such Subsidiary or Affiliate of the Agent, it being understood that any such Subsidiary or Affiliate of the Agent receiving such information shall be bound by the provisions of this Section 16.15 as if it were a Lender hereunder. Such authorization shall survive the repayment of the other Obligations and the termination of this Agreement. Notwithstanding any non-disclosure agreement or similar document executed by Agent in favor of any Loan Party or any of any Loan Party's affiliates, the provisions of this Agreement shall supersede such agreements.

16.16Publicity. Notwithstanding any provision of any Other Document, the Agent may, with the Borrower's consent (which consent shall not be unreasonably withheld, conditioned or delayed) (i) disclose a general description of transactions arising under the Other Documents for advertising, marketing or other similar purposes, and (ii) use any Secured Party's name, logo or other indicia germane to such party in connection with such advertising, marketing or other similar purposes.

16.17Certifications From Banks and Participants; USA PATRIOT Act.

(a) Each Lender or assignee or participant of a Lender that is not incorporated under the Laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA PATRIOT Act and the applicable regulations because it is both (i) an Affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA PATRIOT Act and the applicable regulations: (1) within ten (10) days after the Closing Date, and (2) as such other times as are required under the USA PATRIOT Act.

(b) The USA PATRIOT Act requires all financial institutions to obtain, verify and record certain information that identifies individuals or business entities which open an "account" with such financial institution. Consequently, each Lender may from time to time request, and each Loan Party shall provide to the Lenders, such Loan Party's name, address, tax identification number and/or such other identifying information as shall be necessary for the Lenders to comply with the USA PATRIOT Act and any other Anti-Money Laundering Law.

16.18[Reserved].

16.19Amendment and Restatement.

(a) The parties hereto acknowledge and agree that (i) this Agreement and the Other Documents, whether executed and delivered in connection herewith or otherwise, do not constitute a novation or repayment (other than with respect to the Term Loans) and reborrowing of the Advances (as defined in the Second A&R Credit Agreement) and the other Obligations (as defined in the Second A&R Credit Agreement) under the Second A&R Credit Agreement or the Other Documents (as defined in the Second A&R Credit Agreement) as in effect prior to the Closing Date and which remain outstanding as of the Closing Date, (ii) the Obligations (as defined in the Second A&R Credit Agreement but excluding such Obligations (as defined in the Second A&R Credit Agreement) with respect to the Term Loans) under the Second A&R Credit Agreement and the Other Documents (as defined in the Second A&R Credit Agreement) are in all respects continuing (as amended and restated and converted hereby and which are in all respects hereafter subject to the terms herein) and (iii) the Liens and security interests as granted under the Second A&R Credit Agreement and the Other Documents (as defined in the Second A&R Credit Agreement) securing payment of such Obligations (as defined in the Second A&R Credit Agreement) are in all respects continuing and in full force and effect and reaffirmed hereby (in each case, as amended and restated hereby and in all respects hereafter subject to the terms herein).

(b) The parties hereto acknowledge and agree that on and after the Closing Date, (i) all references to the Agreement shall be deemed to refer to the Second A&R Credit Agreement, as amended and restated hereby, (ii) all references to any section (or subsection) of the Second A&R Credit Agreement shall be amended to become, *mutatis mutandis*, references to the corresponding provisions of this Agreement and (iii) except as the context otherwise provides, on or after the Closing Date, all references to this Agreement herein (including for purposes of indemnification and reimbursement of fees) shall be deemed to be references to the Second A&R Credit Agreement, as amended and restated hereby.

(c) The parties hereto acknowledge and agree that this amendment and restatement is limited as written and is not a consent to any other amendment, restatement or waiver or other modification, whether or not similar and, except as expressly provided herein or in any Other Document, all terms and conditions of the Second A&R Credit Agreement and the Other Documents (as defined in the Second A&R Credit Agreement) remain in full force and effect unless otherwise specifically amended hereby or by any Other Documents.

[Remainder of page intentionally left blank]

Each of the parties has signed this Agreement as of the day and year first above written.

BORROWER:

INNOVEX INTERNATIONAL, INC.

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

GUARANTORS:

DOWNHOLE WELL SOLUTIONS, LLC

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

TERCEL OILFIELD PRODUCTS USA L.L.C.

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

DRIL-QUIP HOLDINGS LLC

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

TIW LLC

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

DRIL-QUIP INTERNATIONAL LLC

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

DRIL-QUIP FOREIGN INTERESTS LLC

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

INNOVEX DOWNHOLE SOLUTIONS, LLC

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

Solely with respect to Section 17.19:

INNOVEX CANADA ULC

By: /s/ Kendal Reed
Name: Kendal Reed
Title: Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION,
as a Lender and as Agent

By: /s/ Briana Fisher
Name: Briana Fisher
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Elizabeth J. Limpert
Name: Elizabeth J. Limpert
Title: Senior Vice President

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Jason Rockwell
Name: Jason Rockwell
Title: Vice President

INNOVEX INTERNATIONAL, INC. LEGAL POLICY – INSIDER TRADING

1.0 Introduction

1.1. In the normal course of business, officers, directors, employees and contractors of Innovex International, Inc. ("Innovex") may come into possession of significant, sensitive information. Because Innovex is a publicly traded company, federal insider trading laws generally prohibit any director, officer or employee of Innovex or any of its subsidiaries (collectively, the "Company") who possesses material nonpublic information concerning the Company from buying or selling securities of Innovex or passing on such information to others who do so. Substantial legal penalties can be imposed for violation of such laws. The purpose of this policy is to (i) inform persons that are affiliated with the Company of their responsibilities in this area under the law, (ii) establish procedures for certain officers, directors and employees of the Company to follow before trading in securities of Innovex, (iii) establish a policy for such persons to follow with respect to maintaining confidentiality of information related to the Company, (iv) explain the consequences of violating the law and this policy and (v) permit persons affiliated with the Company to implement written plans to sell Company securities in compliance with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This policy applies to all directors, officers and employees of the Company, and their respective family members and controlled entities (each as defined below in Section 3.1 of this policy). The Company may also determine that other persons should be subject to this policy, such as contractors or consultants who have access to material non-public information.

2.0 Federal Insider Trading Laws

2.1. *The Law*. Federal insider trading laws generally prohibit any officer, director or employee (or any family member or controlled entity of an officer, director or employee) of the Company who possesses material nonpublic information relating to the Company from buying, selling, gifting or otherwise trading securities of Innovex, including Innovex common stock, options to purchase Innovex common stock, any other type of securities that the Company may issue, such as preferred stock, convertible debentures and warrants, as well as exchange-traded options, other derivative securities, and puts, calls and short sales involving Company securities or engaging in any other action to take advantage of, or pass on to others, that information. Personal trading transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not an exception. The Securities and Exchange Commission ("SEC"), which is the primary U.S. regulator under the federal securities laws, takes the view that the mere fact that a person knows the information is enough to bar him or her from trading, even if the reasons for the potential trade are not based on that information. This prohibition also extends to all material nonpublic information regarding a company (1) with which the Company does business, such as the Company's vendors, customers and suppliers, or (2) that is involved in a potential transaction or business relationship with the Company that may be acquired in the course of a person's employment or affiliation with the Company.

2.2. *Rule 10b5-1 Trading Plans*. Rule 10b5-1 under the Exchange Act creates an affirmative defense to insider trading liability that is designed to cover situations in which an insider can demonstrate that material nonpublic information was not a factor in such person's trading decision – that is, that the trade was not made "on the basis of" material nonpublic information. The affirmative defense is available to a person purchasing or selling Innovex securities while aware of material nonpublic information if, before becoming aware of the information, the person has adopted a written plan for trading Innovex securities adopted in compliance with the requirements of Section 4 of this policy. Officers, directors and employees (or any family members or controlled entities of an officer, director or employee) of the Company may enter into such a Rule 10b5-1 sales plan (a "10b5-1 Plan") if they so desire. See Section 4 of this policy for the applicable guidelines for entering into a 10b5-1 Plan.

2.3. *Materiality*. In order to comply with this policy, it is often important for you to determine whether certain information is material nonpublic information. Information may be considered "material" when the information, whether positive or negative, might be of possible significance to an investor in a decision to purchase, sell or hold stock or other securities. Information may be significant for this purpose even if it would not alone determine the investor's decision. Chances are, if a person learns something that leads *that person* to want to buy, sell or hold securities, the information will be considered material. Thus, even speculative information can be material: information that something is likely to happen, or even that it may happen, can be considered material. In short, any information which could reasonably affect the price of the stock is material information. By way of example, the following information, in most circumstances, would be deemed material:

- annual, quarterly or monthly financial results;
- a change in earnings or earnings projections;
- a potential merger, acquisition or tender offer involving the Company or a change of control of the Company;
- a potential acquisition of another business or significant asset;
- a potential disposition of a business or division of the Company or significant assets;
- a Company restructuring;
- significant changes in prices, customers or suppliers;
- significant changes in the Company's operations, projections or strategic plans;
- significant related party transactions;
- planned changes in dividend policies;
- declaration of a stock split or the offering of additional securities;
- award or loss of a significant contract or the non-performance by a party under a significant existing contract;
- material defaults under agreements or actions by creditors, clients, or suppliers relating to a company's credit rating;
- a proposed debt or equity offering, or significant developments in borrowings, or financings or capital investments;
- the establishment of a repurchase program for Company securities;
- significant actual or potential cybersecurity incidents, events or risks that affect the Company or third-party providers that support the Company's business operations, including computer system or network compromises, viruses or other destructive software, and data breach incidents that may disclose personal, business or other confidential information;
- a change in auditors or notification that the auditor's report may no longer be relied upon;
- impositions of an event-specific restriction on trading in Company securities or the extension or termination of such restriction;
- significant threatened litigation or government agency investigations or significant developments in existing litigation or investigations;
- top management changes, changes in directors or auditors; and
- significant new products or discoveries, or results of important research and development.

This list is not intended to be exhaustive; other types of information may also be material. Officers, directors and

employees (and any other person designated by the Company as subject to this policy), and their respective family members and controlled entities must not engage in any transaction that is described above until after this type of information becomes public. Enforcement authorities will scrutinize a questionable trade after the fact with the benefit of hindsight, so you should always err on the side of caution in determining whether the information is material.

2.4. *When Information is Public*. Information is considered "public" and no longer "nonpublic" or "inside" only after it has been effectively disclosed in a manner sufficient to insure its availability to the investing public. Information generally would be considered widely disseminated if it has been disclosed through the newswire services, a broadcast on a widely-available television or radio program, publication in a widely-available newspaper, magazine or news website, or public disclosure documents filed with the SEC. 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 or institutional investors. Furthermore, adequate dissemination requires allowing enough time after the announcement for the market to react to the information. Once Innovex releases information through public channels, it may take a few additional days for it to be considered broadly disseminated. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until the second business day after the information is released. For example, if the Company publicly disclosed the information on a Tuesday, the first day that trading could occur would be on Friday.

2.5. *Tipping*. Information that could have an impact on Innovex stock price, or sensitive information relating to other companies, including customers, suppliers or potential parties to contracts, must not be passed on to other companies or people (such as family members, friends, relatives or business associates). When "tipping" occurs, both the "tipper" and the "tippee" may be held liable, and this liability may extend to all those to whom the tippee gives the information. The legal penalties described in this policy are applicable whether or not a person derives any benefit from another's actions.

3.0 Restrictions on Purchases and Sales

3.1. *General Policy*. It is the Company's policy that if you possess material nonpublic information concerning the Company, you may not, directly or indirectly (through a family member or controlled entity, as described below), either (i) buy, sell, gift or otherwise trade securities of Innovex (other than pursuant to a 10b5-1 Plan) or (ii) pass on such information to others. This policy also extends to trading in securities issued by other companies (1) with which the Company does business, such as the Company's vendors, customers and suppliers, or (2) that is involved in a potential transaction or business relationship with the Company (including such other company's common stock, options to purchase its common stock, any other type of securities that such company may issue, such as preferred stock, convertible debentures and warrants, as well as exchange-traded options, other derivative securities, and puts, calls and short sales involving such company's securities) if you have acquired material nonpublic information relating to such companies in the course of your employment or affiliation with the Company.

For the purposes of this policy, a "family member" includes your family members (including a spouse, minor children, or other relatives) living in your household; anyone else living in your household; and any family members who do not live in your household but whose transactions in the Company's 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 the Company's securities. A "controlled entity" includes estates of which you are an executor; trusts of which you are a trustee or have a beneficial or pecuniary interest; and partnerships, corporations, or other business entities that you influence or control. References to the Company's directors, officer or employees, or "you," should be read to include the respective family members and controlled entities of such persons. You are responsible for the transactions of these other persons or entities and therefore should make them aware of the need to confer with you before they trade in Innovex 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.

3.2. *Speculative Transactions*. It is against Company policy for directors, officers and employees to engage in speculative transactions in the Company's securities. As such, it is against Company policy for directors, officers and employees to trade in put options, call options, or other derivatives in the Company's securities, or sell the Company's securities short. Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and, therefore, signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. In addition, Section 16(c) of the Exchange Act prohibits officers and directors from engaging in short sales.

3.3. *Hedging Transactions*. Directors, officers and employees are prohibited from hedging the Company's securities (including through the purchase of financial instruments, such as prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engaging in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's securities that you hold directly or indirectly.

3.4. *Pledging and Trading on Margin*. 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 pledgor is aware of material nonpublic information or otherwise is not permitted to trade in the Company's securities, directors, officers and employees are prohibited from holding the Company's securities in a margin account or otherwise pledging the Company's securities as collateral for a loan.

3.5. *Blackout Periods*. In addition to the general policy prohibiting trading while in possession of material nonpublic information, it is the Company's policy that all personnel who regularly have access to nonpublic financial information, directors and officers (and any other person designated by the Company as subject to this provision) and their family members or controlled entities, are prohibited from purchasing, selling, gifting or otherwise trading securities of the Company during the period beginning on the day 15 days prior to the end of a quarter and ending after two full business days after earnings have been released with respect to such quarter (other than pursuant to a 10b5-1 Plan). In addition, the Company may designate other blackout periods during which directors, officers and designated employees are prohibited from purchasing, selling, gifting or otherwise trading securities of the Company due to their knowledge of material non-public information and may not disclose to others that they are prohibited from such trading. Even if a blackout period is not in effect, persons subject to blackout periods may not trade while in possession of material nonpublic information.

3.6. *Prior Notice Requirement for Directors, Officers and other Designated Employees*. Directors, Section 16 officers (as defined below in Section 4.8 of this policy) and other designated employees of the Company shall not buy sell, gift or otherwise trade securities of the Company unless they have provided to the General Counsel or Chief Financial Officer of the Company prior notification of the transaction by executing and returning the Pre-Trade Clearance Form attached as Exhibit Ahereto at least two business days in advance of the transaction and, if applicable, sufficient information to ensure that any required filings can be made with the SEC in connection with such transaction, and the General Counsel or Chief Financial Officer has confirmed that no blackout period is in effect. If a transaction is approved, the transaction must be executed within two business days after the approval is obtained, but regardless may not be executed if the individual acquires material nonpublic information concerning the Company during that time. If a transaction is not completed within the period described above, the transaction must be approved again before it may be executed.

3.7. *Post-Termination Transactions*. The Company's policy continues to apply even after an individual is no longer employed by or affiliated with the Company. Thus, if an individual is in possession of material nonpublic information when his or her employment terminates, he or she may not trade in Innovex securities until that information has become public or is no longer material.

3.8. *Company Transactions*. 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 appropriate approvals by the Board of Directors or appropriate committee, if required) when engaging in transactions in the Company's securities.

4.0 10b5-1 Plan Guidelines

4.1. The adoption of any 10b5-1 Plan must meet the requirements set forth below. These requirements are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. The Company's General Counsel will interpret and administer these requirements. The compliance of any 10b5-1 Plan with the applicable SEC rules is the responsibility of the person entering into such plan. You are advised to seek counsel if you choose to enter into a 10b5- 1 Plan. If you are a director or Section 16 officer, the Company is required to disclose the material terms of your 10b5- 1 Plan, other than respect to price, in the periodic report for the quarter in which the 10b5-1 Plan is adopted, terminated or modified (as described below).

4.2. *Pre-clearance Requirement*. The 10b5-1 Plan must be reviewed and approved by the Company's General Counsel prior to its adoption. If you wish to implement a 10b5-1 Plan, you must first pre-clear the plan with the Company's General Counsel at least five business days prior to the entry into the plan in accordance with the procedures set forth above.

4.3. *Time of Adoption*. Subject to pre-clearance requirements described above, the 10b5-1 Plan must be adopted at a time when you are not aware of any material nonpublic information and a blackout period is not in effect (if you are subject to blackout periods).

4.4. *Plan Instructions*. Any 10b5-1 Plan you adopt must either:

- Specify the amount, price and date of the sales (or purchases) of the Company's securities to be effected;
- Provide a formula, algorithm or computer program for determining when to sell (or purchase) the Company's securities, the quantity to sell (or purchase) and the price; or
- Delegate decision-making authority with regard to these transactions to a broker or other agent without any material nonpublic information about the Company or its securities.

For the avoidance of doubt, you may not subsequently influence how, when, or whether to effect purchases or sales with respect to the securities subject to an approved and adopted 10b5-1 Plan.

4.5. *In Writing and Signed*. The 10b5-1 Plan must be in writing and signed by you.

4.6. *No Hedging*. You may not have entered into or altered a corresponding or hedging transaction or position with respect to the securities subject to the 10b5-1 Plan and must agree not to enter into any such transaction while the 10b5-1 Plan is in effect.

4.7. *Good Faith Requirement*. You must enter into the 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of 10b5-1 Plan. You must act in good faith with respect to the 10b5-1 Plan for the entirety of its duration.

4.8. *Certifications for Directors and Officers*. If you are a director or officer ("Section 16 officer"), as defined in Rule 16a- 1(f) under the Exchange Act, the 10b5-1 Plan must include the following certifications: (1) you are not aware of any material nonpublic information about the Company or its securities; and (2) you are adopting the 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act.

4.9. *Cooling-off Period*. The first trade under the 10b5-1 Plan may not occur until the expiration of a cooling-off period as follows:

- If you are a director or Section 16 officer, the later of (1) two business days following the filing of the Form 10-Q or Form 10-K for the completed fiscal quarter in which the 10b5-1 Plan was adopted and (2) 90 calendar days after adoption of the 10b5-1 Plan; provided, however, that the required cooling-off period shall in no event exceed 120 days.
- If you are not a director or Section 16 officer, 30 days after adoption of the 10b5-1 Plan.

4.10. *No Overlapping 10b5-1 Plans*. No more than one 10b5-1 Plan can be effecting trades at a time (except eligible Sell- to-Cover Plans, as defined below). Notwithstanding the foregoing, two separate 10b5-1 Plans can be in effect at the same time (but not trading at the same time) so long as your later-commencing plan meets all the conditions set forth in Rule 10b5-1. Please consult the Company's General Counsel with any questions regarding overlapping plans. In addition, this restriction does not apply to a series of 10b5-1 Plans with different broker-dealers or other agents acting on your behalf that are treated as a single 10b5-1 Plan, provided that such plans with each broker-dealer or other agent, when taken together as a whole, meet all of the applicable conditions of, and remain collectively subject to, Exchange Act Rule 10b5-1(c)(1).

A Sell-to-Cover Plan is not subject to the limitations set forth in this Section 4.10. A "Sell-to-Cover Plan" is a contract, instruction, or plan that authorizes an agent to sell only such securities as are necessary to satisfy tax withholding obligations arising exclusively from the vesting of a compensatory award, such as restricted stock, restricted stock units or stock appreciation rights (but not options), and you do not otherwise exercise control over the timing of such sales. Prior to adoption, a Sell-to-Cover Plan must meet all other requirements set forth in this policy.

4.11. *Single-Trade Plan*. Other than a Sell-to-Cover Plan as described in Section 4.10 above, you may not enter into more than one 10b5-1 Plan designed to effect the open-market purchase or sale of the total amount of securities as a single transaction during any rolling 12-month period. A single-trade plan is "designed to effect" the purchase or sale of securities as a single transaction when the terms of the plan would, for practical purposes, directly or indirectly require execution in a single transaction.

4.12. *Modifications and Terminations*. Modifications/amendments and terminations of an existing Rule 10b5-1 Plan are strongly discouraged due to legal risks, and can affect the validity of trades that have taken place under the plan prior to such modification/amendment or termination. Under Rule 10b5-1 and this policy, any modification/amendment to the amount, price, or timing of the purchase or sale of the securities underlying the 10b5-1 Plan will be deemed to be a termination of the current 10b5-1 Plan and creation of a new 10b5-1 Plan. If you are considering administerial changes to your 10b5-1 Plan, such as changing the account information or the broker administering your plan, you should consult with the Company's General Counsel in advance to confirm that any such change does not constitute an effective termination of your plan.

As such, the modification/amendment of an existing 10b5-1 Plan must be reviewed and approved in advance by the Company's General Counsel in accordance with pre-clearance procedures set forth above, and will be subject to all the other requirements set forth in Sections 4.2 - 4.11 regarding the adoption of a new 10b5-1 Plan.

The termination (other than through an amendment or modification) of an existing 10b5-1 Plan must be reviewed and approved in advance by the Company's General Counsel in accordance with pre-clearance procedures set forth above. The Company's General Counsel will not approve the termination of a 10b5-1 Plan unless:

- You terminate a 10b5-1 Plan at a time when you are not aware of material nonpublic information; and
- A blackout period is not in effect, if you are subject to blackout periods.

5.0 Policy on Maintaining Confidentiality

5.1. All officers, directors and employees should avoid communicating nonpublic Company information to any person (including family members and friends) unless the person has a need to know the information for Company-related reasons. This policy applies without regard to the materiality of the information. Consistent with the foregoing, officers, directors and employees should be discreet with nonpublic information and refrain from discussing it in public places where it can be overheard, such as elevators, restaurants and on public transportation. To avoid even the appearance of impropriety, you should at all times refrain from providing advice or making recommendations regarding the purchase or sale of Innovex securities or the securities of other companies of which you have knowledge as a result of employment or association with Innovex. If an officer, director or employee communicates information that someone else uses to trade illegally in securities, the legal penalties described in this policy are applicable, whether or not any personal benefit was derived from the illegal trading.

6.0 Compliance and Penalties

6.1. *Surveillance*. The SEC, the New York Stock Exchange and the other national securities exchanges in the U.S. have extensive surveillance facilities that are used to monitor trading in stocks and stock options. Frequently, these institutions have cooperative arrangements with comparable institutions outside the U.S. If a security transaction becomes the subject of scrutiny, the transaction will be viewed after the fact. As a result, before engaging in any transaction, all persons covered by this policy should carefully consider how regulators and others might view the transaction with the benefit of hindsight.

6.2. *Penalties*. The consequences of insider trading violations can be severe under U.S. law. The SEC takes the position that these laws apply to all transactions in shares or options of companies listed for trading in the U.S., *whether or not the actual trades take place in the U.S*. For individuals who trade on material nonpublic information (or tip information to others), penalties include:

1. A civil penalty of disgorgement, or return, of profit gained or loss avoided, plus a fine of up to three times the profit gained or loss avoided;
2. A criminal fine of several times the amount of profits gained or losses avoided; and
3. A jail term of up to 20 years.

6.3. In addition to civil and criminal penalties, persons contemporaneously trading at the time of a violation of the insider trading laws have the right to sue the insider for an amount equal to the profit gained or loss avoided by the insider in such transaction, offset by any amounts the insider is required to disgorge by the SEC.

6.4. The Company and/or the supervisors of a person who violates these laws may also be subject to civil or criminal penalties if they did not take appropriate steps to prevent illegal trading:

6.5. *Compliance*. All officers, directors and employees of the Company must strictly comply with this policy. Moreover, no person should engage in any transaction in which he or she may even *appear* to be trading while in possession of material nonpublic information. Failure to observe this policy may result in serious legal difficulties for the employee, as well as the Company, including the possibility of civil suits by stockholders. Persons violating this policy will be subject to disciplinary action, including, but not limited to, dismissal from the Company. A violation of this policy is not necessarily the same as a violation of law and we may determine that specific conduct violates this policy, whether or not the conduct also violates the law. We are not required to await the filing or conclusion of a civil or criminal action against an alleged violator before taking disciplinary action. Should you have any questions regarding this policy, please contact the Company's General Counsel.

Dated February 25, 2025

Exhibit A

INNOVEX INTERNATIONAL, INC. PRE-TRADE CLEARANCE FORM

Basic Information	**Trade Information**
Date: Name: Number of Shares Held Before Trade: Number of Options Held Before Trade: Date of Last Trade: Nature of Last Trade: Position with the Company: Section 16 Insider: ☐ Yes ☐ No	Acquisition, Sale or Other Transfer of Shares: Exercise of Options: Number of Shares/Principal Amount: Nature of Trade:

If this Trade (i.e., acquisition, disposition, sale or other transfer) will be effected indirectly (for example: (i) by or for my spouse or another family member; (ii) through an individual or entity who agreed with me to acquire or transfer the securities on my behalf; or (iii) by or for an entity of which I am a partner, director, officer, member, or 5% or greater stockholder), then, in addition to the above information, I have identified below the person through whom the Trade will be effected and my relationship with that person:

Name: Relationship:

I hereby submit the above information in compliance with the Legal Policy – Insider Trading to certify that (a) I do not possess any material non-public information regarding the Company and (b) I will report any executed Trade as promptly as practicable and in any event within one (1) trading day of execution to the General Counsel and understand and agree that, if applicable, a Form 4 will be prepared for my signature or the signature of my attorney-in-fact and filing with the Securities and Exchange Commission.

I certify that the above information is accurate and complete.

X
(Signature)

Name: Date:

Please return this Pre-Trade Clearance Form to the General Counsel or Chief Financial Officer.

The Following Portion to Be Completed by the General Counsel or Chief Financial Officer:

Date of Receipt of the Pre-Trade Clearance Form:

I ☐ approve / ☐ disapprove the Trade proposed in this Pre-Trade Clearance Form.

X
(Signature)

Name: Date:

Exhibit 21.1

Innovex International, Inc.
List of Subsidiaries
As of January 13, 2025

Innovex Downhole Solutions, LLC (Delaware)

Downhole Well Solutions, LLC (Texas)

Innovex Saudi Arabia Oil Tools Limited (Saudi Arabia)

Alpha Oil Tools S.A. (Argentina)

Innovex Colombia S.A.S. (Colombia)

Innovex Downhole Solutions Mexico, S.A. de C.V. (Mexico)

Innovex Downhole Solutions, LLC (Ecuador) Branch (Ecuador Branch)

Innovex SPC (Oman)

Rubicon Oilfield International AS (Norway)

Rubicon Oilfield International Ltd. (BVI)

Rubicon Oilfield International S.A.S. (Argentina)

Rubicon Oilfield International UK Ltd. (Scotland)

Tercel IP Ltd. (BVI)

Tercel NASM Ltd. (BVI)

Innovex MENA Ltd. (BVI)

Innovex MENA Ltd. (DMCC Branch) (UAE)

Tercel Oilfield Products USA, L.L.C. (Texas)

Tercel APAC Holdings Ltd. (BVI)

Tercel ECAF Holdings Ltd. (BVI)

Innovex Canada ULC (Alberta)

1701054 Alberta Ltd. (Alberta)

Dril-Quip Holdings Pty. Ltd (Australia)

Dril-Quip do Brasil Ltda. (Brazil)

Redco Equipment Sales ULC (Alberta)

Dril-Quip Oilfield Services (Tianjin) Co., Ltd. (China)

Dril-Quip Foreign Interests LLC (Delaware)

Dril-Quip Holdings LLC (Delaware)

Dril-Quip International LLC (Delaware)

Dril-Quip Investments LLC (Delaware)

Dril-Quip Venezuela LLC (Delaware)

TIW International LLC (Delaware)

TIWEC, S.A. (Ecuador)

Dril-Quip Egypt for Petroleum Services S.A.E. (Egypt)

Dril-Quip (Ghana) Ltd. (Ghana)

Dril-Quip Cross Ghana Limited (Ghana)

PT. DQ Oilfield Services Indonesia (Indonesia)

Dril-Quip Cote d'Ivoire SARL (Ivory Coast)

Dril-Quip TIW Mexico S. de R.L. de C.V. (Mexico)

Dril-Quip Namibia (Pty) Limited (Namibia)

Dril-Quip B.V. (Netherlands)

Dril-Quip (Nigeria) Ltd (Nigeria)

Dril-Quip Qatar LLC (Qatar)

Dril-Quip TIW Saudi Arabia LLC (Saudi Arabia)

Dril-Quip (Europe) Limited (Scotland)

Dril-Quip UK Canada Holdco Ltd. (Scotland)

Dril-Quip UK Holdco Ltd. (Scotland)

Dril-Quip Asia Pacific Pte Ltd (Singapore)

TIW Corporation (Texas)

Honing, Inc. (Texas)

TIW Hunshare, LLC (Texas)

The Technologies Alliance, Inc. (Texas)

Dril-Quip Venezuela S.C.A. (Venezuela)

Dril-Quip (Europe) Limited (Scotland) – Norway Branch

Dril-Quip (Europe) Limited (Scotland) – Netherlands Branch

Dril-Quip (Europe) Limited (Scotland) – Denmark Branch

Dril-Quip (Europe) Limited (Scotland) – Azerbaijan Branch

Dril-Quip Asia Pacific Pte Ltd (Singapore) – India Rep Office

Dril-Quip Oilfield Services (Tianjin) Co., Ltd. (China) – Registered Branch in Shenzen

Dril-Quip Oilfield Services (Tianjin) Co., Ltd. (China) – Registered Branch in Beijing

TIW de Venezuela S.A. (Venezuela) – Ecuador Branch

TIW International LLC (Delaware) – Singapore Branch

Innovex International, Inc. (Delaware) – Suriname Branch

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-257408; 333-218230; and 333-282180) and Form S-3 No. 333-282178 of Innovex International, Inc. of our report dated March 3, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
March 3, 2025

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated April 2, 2024 (except for Note 1 as it relates to the common stock conversion and the effects thereof, and Note 2, *Segment Information*, as to which the date is March 3, 2025), with respect to the consolidated financial statements included in the Annual Report of Innovex International, Inc. (formerly known as Innovex Downhole Solutions, Inc.) on Form 10-K for the year ended December 31, 2024. We consent to the incorporation by reference of said report in the Registration Statements of Innovex International, Inc. on Forms S-8 (File No. 333-282180, File No. 333-257408 and File No.333-218230) and on Form S-3 (File No. 333-282178).

/s/ GRANT THORNTON LLP

Houston, Texas
March 3, 2025

Exhibit 31.1

CERTIFICATION 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

I, Adam Anderson, certify that:

1. I have reviewed this annual report on Form 10-K of Innovex International, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 3, 2025

By: /s/ Adam Anderson
Adam Anderson
Chief Executive Officer

Exhibit 31.2

CERTIFICATION 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

I, Kendal Reed, certify that:

1. I have reviewed this annual report on Form 10-K of Innovex International, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 3, 2025

By: /s/ Kendal Reed

Kendal Reed
Chief Financial Officer

Exhibit 32.1

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

In connection with the Annual Report of Innovex International, Inc. (the "Company") on Form 10-K for the period ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Adam Anderson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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 3, 2025

By: /s/ Adam Anderson
Adam Anderson
Chief Executive Officer

Exhibit 32.2

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

In connection with the Annual Report of Innovex International, Inc. (the "Company") on Form 10-K for the period ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kendal Reed, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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 3, 2025

By: /s/ Kendal Reed

Kendal Reed
Chief Financial Officer

INNOVEX INTERNATIONAL, INC. CLAWBACK POLICY

Recoupment of Incentive-Based Compensation

It is the policy of Innovex International, Inc. (the "Company") that, in the event the Company is required to prepare an accounting restatement of the Company's financial statements due to the Company's material non-compliance with any financial reporting requirement under the federal securities laws (including any such correction that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period), the Company will recover on a reasonably prompt basis the amount of any Incentive-Based Compensation Received by a Covered Executive during the Recovery Period that exceeds the amount that otherwise would have been Received had it been determined based on the restated financial statements.

Policy Administration and Definitions

This Clawback Policy (this "Policy") is administered by the Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board") and is intended to comply with, and as applicable to be administered and interpreted consistent with, and subject to the exceptions set forth in, Listing Standard 303A.14 adopted by the New York Stock Exchange to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended (collectively, "Rule 10D-1"). This Policy amends and restates the clawback policy adopted by the Company on October 2, 2023 (the "Prior Policy") with respect to Incentive-Based Compensation Received by a Covered Executive on or after February 25, 2025. The Prior Policy continues to apply to all annual cash incentive awards and all performance-based equity awards Received prior to February 25, 2025.

For purposes of this Policy:

I. "**Incentive-Based Compensation**" means any compensation granted, earned, or vested based in whole or in part on the Company's attainment of a financial reporting measure that was Received by a person (i) on or after February 25, 2025 and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation. A financial reporting measure is (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measure derived wholly or in part from such a measure, and (ii) any measure based in whole or in part on the Company's stock price or total shareholder return.

Incentive-Based Compensation is deemed to be "Received" in the fiscal period during which the relevant financial reporting measure is attained, regardless of when the compensation is actually paid or awarded.

II. "**Covered Executive**" means any "officer" of the Company as defined under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, and such other senior executives who may from time to time be deemed subject to the Policy by the Board or Committee.

III. "**Recovery Period**" means the three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement described in this Policy, all as determined pursuant to Rule

10D-1, and any transition period of less than nine months that is within or immediately following such three fiscal years.

If the Committee determines the amount of Incentive-Based Compensation Received by a Covered Executive during a Recovery Period exceeds the amount that would have been Received if determined or calculated based on the Company's restated financial results, such excess amount of Incentive-Based Compensation shall be subject to recoupment by the Company pursuant to this Policy. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the Committee will determine the amount based on a reasonable estimate of the effect of the accounting restatement on the relevant stock price or total shareholder return. In all cases, the calculation of the excess amount of Incentive-Based Compensation to be recovered will be determined without regard to any taxes paid with respect to such compensation. The Company will maintain and will provide to the New York Stock Exchange documentation of all determinations and actions taken in complying with this Policy. Any determinations made by the Committee under this Policy shall be final and binding on all affected individuals.

The Company may effect any recovery pursuant to this Policy by requiring payment of such amount(s) to the Company, by set-off, by reducing future compensation, or by such other means or combination of means as the Committee determines to be appropriate. The Company need not recover the excess amount of Incentive-Based Compensation if and to the extent that the Committee determines that such recovery is impracticable, subject to and in accordance with any applicable exceptions under the New York Stock Exchange listing rules, and not required under Rule 10D-1, including if the Committee determines that the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered after making a reasonable attempt to recover such amounts. The Company is authorized to take appropriate steps to implement this Policy with respect to Incentive-Based Compensation arrangements with Covered Executives.

Any right of recoupment or recovery pursuant to this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any other policy, any employment agreement or plan or award terms, and any other legal remedies available to the Company; provided that the Company shall not recoup amounts pursuant to such other policy, terms or remedies to the extent it is recovered pursuant to this Policy. The Company shall not indemnify any Covered Executive against the loss of any Incentive-Based Compensation (or provide any advancement of expenses in such instance), including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential recovery obligations under this Policy.

If any provision of this Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law. This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Dated Effective: February 25, 2025