# SUPERIOR ENERGY SERVICES, INC.

## Financial Statements for the Years Ended December 31, 2024 and 2023

## Report of Independent Auditors

To the Board of Directors and Stockholders of Superior Energy Services, Inc.

### *Opinion*

We have audited the accompanying consolidated financial statements of Superior Energy Services, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, of changes in stockholders' equity (deficit) and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Houston, Texas
March 25, 2025

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**

Consolidated Balance Sheets

(in thousands, except per share data)

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 343,995 | $ 391,684 |
| Accounts receivable, net | 209,186 | 276,868 |
| Inventory | 56,481 | 74,995 |
| Income taxes receivable | 15,851 | 10,542 |
| Prepaid expenses | 27,100 | 18,614 |
| Other current assets | 6,147 | 7,922 |
| Total current assets | 658,760 | 780,625 |
| Property, plant and equipment, net | 384,044 | 294,960 |
| Note receivable | 70,940 | 69,005 |
| Restricted cash | 53,824 | 85,444 |
| Deferred tax assets | 71,186 | 67,241 |
| Other assets, net | 40,700 | 43,718 |
| Total assets | $ 1,279,454 | $ 1,340,993 |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)** | | |
| Current liabilities: | | |
| Accounts payable | $ 47,577 | $ 38,214 |
| Accrued expenses | 115,818 | 103,782 |
| Income taxes payable | 13,910 | 20,220 |
| Decommissioning liability | 29,411 | 21,631 |
| Total current liabilities | 206,716 | 183,847 |
| Decommissioning liability | 191,408 | 148,652 |
| Other liabilities | 35,433 | 47,583 |
| Total liabilities | 433,557 | 380,082 |
| | | |
| Stockholders' equity: | | |
| Common stock $0.01 par value; 52,000 shares authorized; 20,216 shares and 20,151 shares issued and outstanding at December 31, 2024 and 2023, respectively | 202 | 202 |
| Additional paid-in capital | 911,862 | 911,388 |
| Retained earnings (deficit) | (66,167) | 49,321 |
| Total stockholders' equity | 845,897 | 960,911 |
| Total liabilities and stockholders' equity | $ 1,279,454 | $ 1,340,993 |

See accompanying notes to consolidated financial statements.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**
Consolidated Statements of Operations
(in thousands, except share data)

| | For the Years Ended December 31, 2024 | For the Years Ended December 31, 2023 |
|---|---|---|
| Revenues | $ 819,290 | $ 919,420 |
| | | |
| Cost of revenues | 451,169 | 474,127 |
| Depreciation, depletion, amortization and accretion | 83,064 | 81,068 |
| General and administrative expenses | 137,074 | 125,659 |
| Restructuring and transaction expenses | 7,205 | 3,294 |
| Other (gains) and losses, net | 3,151 | (6,549) |
| Income from operations | 137,627 | 241,821 |
| Other income (expense): | | |
| Interest income, net | 23,008 | 25,761 |
| Loss on Blue Chip Swap securities | (5,113) | (19,856) |
| Other expense, net | (8,599) | (13,391) |
| Income from continuing operations before income taxes | 146,923 | 234,335 |
| Income tax expense | (13,889) | (59,741) |
| Net income from continuing operations | 133,034 | 174,594 |
| Income from discontinued operations, net of tax | 1,896 | 426 |
| Net income | $ 134,930 | $ 175,020 |
| | | |
| Income per share - basic: | | |
| Net income from continuing operations | $ 6.59 | $ 8.68 |
| Income from discontinued operations, net of tax | 0.10 | 0.02 |
| Net income | $ 6.69 | $ 8.70 |
| | | |
| Income per share - diluted: | | |
| Net income from continuing operations | $ 6.59 | $ 8.66 |
| Income from discontinued operations, net of tax | 0.09 | 0.02 |
| Net income | $ 6.68 | $ 8.68 |
| | | |
| Weighted-average shares outstanding | | |
| Basic | 20,174 | 20,126 |
| Diluted | 20,187 | 20,152 |

See accompanying notes to consolidated financial statements.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
For the Two Years Ended December 31, 2024
(in thousands, except per share data)

| | Common Stock | | | | Additional Paid-in Capital | | | |
|---|---|---|---|---|---|---|---|---|
| | Class A | | Class B | | | | Accumulated | |
| | Shares | Amount | Shares | Amount | Class A | Class B | Deficit | Total |
| **Balances, December 31, 2022** | **19,999** | **$ 200** | **80** | **$ 1** | **$ 902,486** | **$ 5,896** | **$ (125,699)** | **$ 782,884** |
| Net income | - | - | - | - | - | - | 175,020 | 175,020 |
| Stock-based compensation expense, net | - | - | - | - | - | 4,123 | - | 4,123 |
| Restricted stock units vested | - | - | 91 | 1 | - | (1) | - | - |
| Shares withheld and retired | - | - | (19) | - | - | (1,116) | - | (1,116) |
| Reclassification of stock | 152 | 2 | (152) | (2) | 8,902 | (8,902) | - | - |
| **Balances, December 31, 2023** | **20,151** | **$ 202** | **-** | **$ -** | **$ 911,388** | **$ -** | **$ 49,321** | **$ 960,911** |
| Net income | - | - | - | - | - | - | 134,930 | 134,930 |
| Cash dividends ($12.38 per share) | - | - | - | - | - | - | (250,418) | (250,418) |
| Shares repurchased | (15) | - | - | - | (961) | - | - | (961) |
| Common stock issued | 33 | - | - | - | - | - | - | - |
| Restricted stock units vested | 68 | - | - | - | - | - | - | - |
| Shares withheld and retired | (21) | - | - | - | (1,363) | - | - | (1,363) |
| Stock-based compensation expense, net | - | - | - | - | 2,798 | - | - | 2,798 |
| **Balances, December 31, 2024** | **20,216** | **$ 202** | **-** | **$ -** | **$ 911,862** | **$ -** | **$ (66,167)** | **$ 845,897** |

See accompanying notes to consolidated financial statements.

**SUPERIOR ENERGY SERVICES, INC. AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

(in thousands)

| | For the Years Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| **Cash flows from operating activities:** | | |
| Net income | $ 134,930 | $ 175,020 |
| Adjustments to reconcile net income to net cash from operating activities: | | |
| Depreciation, depletion, amortization and accretion | 83,064 | 81,068 |
| Right-of-use assets amortization | 468 | 2,825 |
| Deferred income taxes | (3,945) | 33,000 |
| Stock based compensation expense | 2,798 | 4,123 |
| Other (gains) and losses, net | 3,151 | (13,520) |
| Loss on Blue Chip Swap securities | 5,113 | 19,856 |
| Washington State Tax Settlement | - | (27,068) |
| Decommissioning costs | (14,572) | (10,776) |
| Other reconciling items, net | (4,869) | (2,554) |
| Changes in operating assets and liabilities | 64,249 | (59,584) |
| Net cash from operating activities | 270,387 | 202,390 |
| **Cash flows from investing activities:** | | |
| Payments for capital expenditures | (97,356) | (74,496) |
| Proceeds from sales of assets | 5,514 | 31,099 |
| Proceeds from sales of Blue Chip Swap securities | 8,121 | 13,912 |
| Purchases of Blue Chip Swap securities | (13,234) | (33,768) |
| Net cash from investing activities | (96,955) | (63,253) |
| **Cash flows from financing activities:** | | |
| Distributions to shareholders | (250,417) | - |
| Repurchase of shares | (961) | - |
| Tax withholdings for vested restricted stock units | (1,363) | (1,116) |
| Net cash from financing activities | (252,741) | (1,116) |
| Net change in cash, cash equivalents, and restricted cash | (79,309) | 138,021 |
| Cash, cash equivalents, and restricted cash at beginning of period | 477,128 | 339,107 |
| Cash, cash equivalents, and restricted cash at end of period | $ 397,819 | $ 477,128 |

See accompanying notes to consolidated financial statements.

## (1) Summary of Significant Accounting Policies

*Basis of Presentation*

As used herein, "we," "us," "our" and similar terms refer to Superior Energy Services, Inc and its consolidated subsidiaries. Our consolidated financial statements include our accounts and those of our wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in the accompanying consolidated financial statements.

*Business*

We serve the drilling, completion and production-related needs of oil and gas companies through a diversified portfolio of specialized oilfield services and equipment that are used throughout the economic life cycle of oil and gas wells. We serve major, national and independent oil and natural gas exploration and production companies around the world and offer products and services with respect to the various phases of a well's economic life cycle.

Historically, we provided a wide variety of services and products to many markets within the energy industry. Our core businesses focus on products and services that we believe meet the criteria of:

- being critical to our customers' oil and gas operations;
- limiting competition from the three largest global oilfield service companies;
- requiring deep technical expertise through the design or use of our products or services, such as premium drill pipe and drilling bottom hole assembly accessory rentals;
- unlikely to become a commoditized product or service to our customers; and
- providing strong cash flow generation capacity and opportunities.

The result of this approach is a portfolio of business lines grounded in our core mission of providing high quality products and services while maintaining the trust and serving the needs of our customers, with an emphasis on free cash flow generation and capital efficiency.

*Use of Estimates*

In preparing the accompanying financial statements, we make various estimates and assumptions that affect the reported amounts of assets and liabilities, including contingent liabilities as of the dates of the balance sheets and the amounts of revenues and expenses reported for the periods shown in the income statements. Actual results could differ from those estimates.

*Concentration of Risk*

Major Customers and Credit Risk:
We derive a large amount of revenue from a small number of major and independent oil and gas companies. There were no customers that exceeded 10% of our total revenues in any of the last two years. We evaluate the financial strength of our customers and provide allowances for probable credit losses when deemed necessary.

Our assets that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, and trade receivables. The financial institutions with which we transact business are large, investment grade financial institutions which are "well capitalized" under applicable regulatory capital adequacy guidelines, thereby minimizing our exposure to credit risks for deposits in excess of federally insured amounts.

Human Capital:
As of December 31, 2024, we had approximately 2,400 employees. Approximately 28% of our total employee base are subject to union contracts and are located in Argentina, Brazil and Colombia.

*Cash Equivalents*

We consider all short-term investments with a maturity of 90 days or less when purchased to be cash equivalents.

*Restricted Cash*

Restricted cash totaled $53.8 million as of December 31, 2024. This primarily includes approximately $53.0 million in escrow to secure the future decommissioning obligations related to our oil and gas property.

*Accounts Receivable and Allowance for Credit Losses*

Trade accounts receivable are recorded at the invoiced amount or the earned but not yet invoiced amount and do not bear interest. We maintain an allowance for credit losses based on our best estimate of probable uncollectible amounts in existing accounts receivable. Adjustments to the allowance for credit losses in future periods may be made based on changing customer conditions. Our allowance for credit losses as of December 31, 2024 and 2023 was $4.6 million and $6.3 million, respectively.

Bad debt expenses or recoveries are recognized within cost of revenues. The following table presents bad debt expense or recoveries for the periods shown (in millions):

| | For the Years Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Bad debt expense (recoveries), net | $ (0.7) | $ 0.9 |

*Revenue Recognition*

Revenues are recognized when performance obligations are satisfied in accordance with contractual terms, in an amount that reflects the consideration we expect to be entitled to in exchange for services rendered, rentals provided or products sold. Taxes collected from customers and remitted to governmental authorities and revenues are reported on a net basis. Additionally, we expense sales commissions when incurred as the amortization period would typically be one year or less.

A performance obligation arises under contracts with customers and is the unit of account under Topic 606. We account for services rendered and rentals provided separately if they are distinct and the service or rental is separately identifiable from other items provided to a customer and if a customer can benefit from the services rendered or rentals provided on their own or with other resources that are readily available to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. A contract's standalone selling prices are determined based on the prices charged for services rendered, rentals provided or products sold. Our payment terms vary by the type of products or services offered. The term between invoicing and when the payment is due is typically 30 days.

*Service revenue*: primarily represents amounts charged to customers for the completion of services rendered, including labor, products and supplies necessary to perform the service. Rates for these services vary depending on the type of services provided and are primarily based on a per hour or per day basis.

*Rental revenue*: primarily priced on a per day, per man hour or similar basis and consists of fees charged to customers for use of rental equipment over the term of the rental period, which is generally less than twelve months.

*Product sales*: products are generally sold based upon purchase orders or contracts with our customers that include fixed or determinable prices but do not include right of return provisions or other significant post-delivery obligations. We recognize revenue from product sales when title passes to the customer, the customer assumes risks and rewards of ownership, collectability is reasonably assured and delivery occurs as directed by the customer.

Revenues disaggregated by geography are discussed in *Note 11 - Segment Information.*

*Inventory*

Inventories are stated at the lower of cost or net realizable value. We apply net realizable value and obsolescence to the gross value of inventory. Work-in-progress and finished goods are primarily recorded utilizing the standard cost method. Supplies and consumables are recorded at either the first-in first-out or weighted average cost method. Supplies and consumables consist principally of products used in the services provided to our customers.

*Decommissioning Liabilities*

We account for our decommissioning liability under ASC 410 – *Asset Retirement Obligations*. Our decommissioning liability is associated with our oil and gas property and includes costs related to the plugging of wells, decommissioning of the related platform and equipment and site restoration. We review the adequacy of our decommissioning liability whenever indicators suggest that the estimated cash flows and/or relating timing needed to satisfy the liability have changed materially.

*Property, Plant and Equipment*

Property, plant and equipment are stated at cost, except for assets for which impairments have been recorded and assets acquired using purchase accounting, which are recorded at fair value as of the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

| | |
|---|---|
| Machinery and equipment | 3-12 years |
| Buildings, improvements and leasehold improvements | 10-30 years |
| Automobiles, trucks, tractors and trailers | 4-7 years |
| Furniture and fixtures | 3-10 years |

*Impairment of long-lived assets*

We review long-lived assets, such as property, plant and equipment and purchased intangibles subject to amortization, for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. The carrying amount of an asset 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. We record impairment losses on long-lived assets to be held and used when the fair value of those assets is less than their respective carrying amount. Impairment losses are recorded in the amount by which the carrying amount of such assets exceeds the fair value. Fair value is measured, in part, by the estimated cash flows to be generated by those assets. Our cash flow estimates are based upon, among other things, historical results adjusted to reflect our best estimate of future market rates, utilization levels and operating performance. Our estimates of cash flows may differ from actual cash flows due to, among other things, changes in economic conditions or changes in an asset's operating performance. Assets are generally grouped by subsidiary or division for the impairment testing, which represent the lowest level of identifiable cash flows. Assets held for sale are reported at the lower of the carrying amount or fair value less estimated costs to sell. Our estimate of fair value represents our best estimate based on industry trends and reference to market transactions and is subject to variability. The oil and gas industry is cyclical and our estimates of the period over which future cash flows will be generated, as well as the predictability of these cash flows, can have a significant impact on the carrying value of these assets and, in periods of prolonged down cycles, may result in impairment charges.

*Other (gains) and losses, net*

Other (gains) and losses, net includes gains and losses on the disposal of assets, as well as impairments related to long-lived assets.

Other losses, net for the year ended December 31, 2024 ("Current Year") were $3.2 million, which includes an impairment loss of $5.6 million related to our operations in Colombia that are included in our Services segment. Net gains totaled $2.3 million, of which $1.9 million related to the sales of non-core assets in our Services segment.

Other gains, net for the year ended December 31, 2023 ("Prior Year") were $6.5 million and are primarily comprised of net gains of $5.0 million related to our Services segment from the sale of non-core assets.

*Income Taxes*

We use the asset and liability method of accounting for income taxes. This method considers the differences between financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our deferred tax calculation requires us to make certain estimates about our future operations. Changes in state, federal and foreign tax laws, as well as changes in our financial condition or the carrying value of existing assets and liabilities, could affect these estimates. The effect of a change in tax rates is recognized as income or expense in the period that the rate is enacted.

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

We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

*Foreign Currency*

The functional currency of our international subsidiaries is the U.S. dollar. Financial statements of our international subsidiaries are remeasured into U.S. dollars using the historical exchange rate for affected the long-term assets and liabilities and the balance sheet date exchange rate for affected current assets and liabilities. An average exchange rate is used for each period for revenues and expenses.

Other expense, net in our consolidated statement of operations include these remeasurement gains and losses, as well as any other transactions in a currency other than the functional currency. Foreign currency losses are primarily associated with our operations in Brazil and Argentina.

Other expense for the periods presented is as follows:

| | For the Years Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Foreign currency losses | $ (8.8) | $ (12.8) |
| Other, net | $ 0.2 | (0.6) |
| Other expense, net | $ (8.6) | $ (13.4) |

Foreign currency losses are as follows (in millions):

*Stock-Based Compensation*

We record compensation costs relating to share-based payment transactions and include such costs in general and administrative expenses in the consolidated statements of operations. The cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity award).

*Self-Insurance Reserves*

We are self-insured, through deductibles and retentions, up to certain levels for losses under our insurance programs. We accrue for these liabilities based on estimates of the ultimate cost of claims incurred as of the balance sheet date. We regularly review the estimates of asserted and unasserted claims and provide for losses through reserves. We obtain actuarial reviews to evaluate the reasonableness of internal estimates for losses related to workers' compensation, auto liability and group medical on an annual basis.

*Restructuring and Transaction Expenses*

Restructuring and transaction expenses in our consolidated statement of operations are as follows (in millions):

| | For the Years Ended December 31, 2024 | For the Years Ended December 31, 2023 |
|---|---|---|
| Restructuring and transaction expenses | $ 7.2 | $ 3.3 |

Restructuring and transaction expenses represent non-recurring charges recorded as part of our strategic efforts to reconfigure our organization both operationally and financially.

**(2) Inventory**

The components of inventory balances are as follows (in thousands):

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Finished goods | $ 33,409 | $ 41,082 |
| Raw materials | 8,714 | 10,379 |
| Work-in-process | 7,532 | 8,025 |
| Supplies and consumables | 6,825 | 15,509 |
| Total | $ 56,481 | $ 74,995 |

Finished goods inventory includes component parts awaiting assembly of approximately $18.6 million and $25.0 million as of December 31, 2024 and 2023, respectively.

**(3) Decommissioning Liability**

The following table presents our decommissioning liability as of the periods indicated:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Wells | $ 142,546 | $ 96,603 |
| Platform | 78,273 | 73,680 |
| Total decommissioning liability | 220,819 | 170,283 |
| Note receivable (see Note 4 - Note Receivable) | (70,940) | (69,005) |
| Total decommissioning liability, net of note receivable | $ 149,879 | $ 101,278 |

In December 2024, revisions to our decommissioning cost estimates resulted in a $59.8 million increase in our decommissioning liability. The following table presents the activity during 2024 impacting our decommissioning liability and the related note receivable:

| | Balance at December 31, 2023 | 2024 Activity [(1)] | 2024 Revision | Balance at December 31, 2024 |
|---|---|---|---|---|
| Wells | $ 96,603 | (13,623) | $ 59,566 | $ 142,546 |
| Platform | 73,680 | 4,361 | 232 | 78,273 |
| Decommissioning Liability | 170,283 | (9,262) | 59,798 | 220,819 |
| Note receivable (see Note 4 - Note Receivable) | (69,005) | (4,961) | 3,026 | (70,940) |
| Total decommissioning liability, net of note receivable | $ 101,278 | $ (14,223) | $ 62,824 | $ 149,879 |

(1) Activity during 2024 includes $9.9 million in accretion expense associated with the decommissioning liability, net of $19.2 million in decommissioning costs incurred and $5.0 million in interest income recognized on the note receivable.

The following table presents accretion expense as of the periods indicated (in millions):

| | For the Years Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Accretion expense | $ 9.9 | $ 9.7 |

**(4) Note Receivable**

Our note receivable consists of a commitment from the seller of our oil and gas property for costs associated with the abandonment of the platform. Pursuant to an agreement with the seller, we will invoice the seller an agreed upon amount at the completion of certain decommissioning activities. In December 2024, revisions to our decommissioning cost estimates increased the gross amount of the seller's obligation to us, which totaled $110.9 million as of December 31, 2024. The carrying value of the note receivable, which is recorded at its present value, totaled $70.9 million as of December 31, 2024.

The discount on the note receivable is currently based on an effective interest rate of 7.1% and is amortized to interest income over the expected timing of the completion of the decommissioning activities, which are expected to be completed during the year ending December 31, 2031. Interest receivable is considered paid in kind and is compounded into the carrying amount of the note. Interest income related to the note receivable is included in Other, net in the Consolidated Statements of Cash Flows.

We recorded non-cash interest income related to the note receivable as follows (in millions):

| | For the Years Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Interest income | $ 5.0 | $ 3.9 |

**(5) Property, Plant and Equipment, Net**

A summary of property, plant and equipment, net is as follows (in thousands):

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Machinery and equipment | $ 476,455 | $ 422,071 |
| Buildings, improvements and leasehold improvements | 68,705 | 66,746 |
| Vehicles | 8,811 | 8,106 |
| Furniture and fixtures | 21,364 | 22,746 |
| Construction-in-progress | 30,722 | 8,195 |
| Land | 29,030 | 25,654 |
| Oil and gas producing assets | 93,754 | 28,984 |
| Property, plant and equipment, gross | 728,841 | 582,502 |
| Accumulated depreciation and depletion | (344,797) | (287,542) |
| Property, plant and equipment, net | $ 384,044 | $ 294,960 |

We had $6.3 million and $6.0 million of leasehold improvements at December 31, 2024 and 2023, respectively. These leasehold improvements are depreciated over the shorter of the life of the asset or the term of the lease using the straight line method. Oil and gas producing assets include capitalized asset retirement costs associated with our oil and gas property, which are being depreciated over the remaining life of the underlying reserves. In December 2024, revisions to our decommissioning cost estimates resulted in the recognition of $62.8 million in additional capitalized asset retirement costs.

A summary of depreciation and depletion expense associated with our property, plant and equipment is as follows:

| | For the Years Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Depreciation | $ 65.2 | $ 68.1 |
| Depletion | 7.0 | 2.3 |
| Total depreciation and depletion | $ 72.2 | $ 70.4 |

**(6) Leases**

We determine if an arrangement is a lease at inception and all leases are determined to be operating leases under ASC 842. Right-of-use ("ROU") assets are included in other assets while the current and long term portions of operating lease liabilities are included in accrued expenses and other long term liabilities, respectively, in the consolidated balance sheet.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligations to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the respective lease term. We use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Our lease terms may include options to extend or terminate the lease. We have elected not to recognize ROU assets and lease liabilities that arise from short-term leases for any class of underlying asset,

Our operating leases are primarily for real estate, machinery and equipment, and vehicles. The terms and conditions for these leases vary by the type of underlying asset. Total operating lease expenses were as follows:

| | For the Years Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Long-term fixed lease expense | $ 1,628 | $ 8,477 |
| Short-term lease expense | 9,896 | 8,771 |
| Total operating lease expense | $ 11,524 | $ 17,248 |

Operating leases for the Current Year were as follows:

| | December 31, 2024 |
|---|---|
| Weighted average remaining lease term | 17 years |
| Weighted average discount rate | 5.33% |
| | |
| Cash paid for operating leases | $ 7,690 |
| ROU assets obtained in exchange for lease obligations | 4,264 |

Maturities of operating lease liabilities at December 31, 2024 are as follows:

| | |
|---|---|
| 2025 | $ 6,011 |
| 2026 | 3,244 |
| 2027 | 1,784 |
| 2028 | 1,232 |
| 2029 | 528 |
| Thereafter | 635 |
| Total lease payments | 13,434 |
| Less imputed interest | 1,737 |
| Total | $ 15,171 |

**(7) Debt**

***Credit Facility***

In December 2023, we and certain of our subsidiaries (the "Parent Entities") and SESI, L.L.C. (the "Borrower") entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative and collateral agent, and other lenders providing for a senior secured asset-based revolving credit facility in an aggregate principal amount of $140.0 million (including a sub-facility for financial letters of credit) (the "Credit Facility"). The issuance of letters of credit will reduce availability under the Credit Facility dollar-for-dollar. The Credit Facility matures on December 6, 2028, subject to certain conditions set forth in the Credit Agreement.

The obligations under the Credit Agreement are guaranteed by the Parent Entities and the Borrower's direct and indirect, existing and future domestic subsidiaries, subject to certain exceptions (collectively, the "Guarantors" and each, a "Guarantor"). The obligations under the Credit Agreement are secured by a first priority lien on substantially all of the personal property of the Borrower and the Guarantors (collectively, the "Loan Parties").

Subject to certain limitations set forth in the Credit Agreement, the Credit Agreement includes certain conditions to borrowings, representations and warranties, affirmative and negative covenants, and events of default customary for financings of its type and size.

Under the terms of the Credit Agreement, the amount available for advances is subject to a borrowing base, which is calculated by reference to the value of certain eligible accounts receivable, inventory, equipment, cash and cash equivalents, offset by certain reserves. As of December 31, 2024, the borrowing base under the Credit Facility was approximately $100.2 million and we had $42.7 million of letters of credit outstanding that reduced the borrowing availability under the revolving credit facility. We had no outstanding borrowings under the Credit Facility as of December 31, 2024.

**(8) Equity and Earnings per Share**

Our common equity consists of Class A Common Stock, par value $0.01 per share (the "Class A Common Stock"). All holders of Class A Common Stock have one vote per share in matters subject to a stockholder vote

The following table presents the reconciliation between the weighted average number of shares for basic and diluted earnings per share.

| | For the Years Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Weighted-average shares outstanding - basic | 20,174 | 20,126 |
| Potentially dilutive stock awards and units | 13 | 26 |
| Weighted-average shares outstanding - diluted | 20,187 | 20,152 |

***Suspension of Filing Obligations***

On December 16, 2024, we announced that our Board of Directors (the "Board") and stockholders approved a reverse stock split of our Class A Common Stock (the "Reverse Stock Split"), to be followed immediately by a forward stock split of the Class A Common Stock (the "Forward Stock Split" and, together with the Reverse Stock Split, the "Stock Splits"), at a ratio of (i) not less than 1-for-700 and not greater than 1-for-800, in the case of the Reverse Stock Split (the "Reverse Stock Split Ratio"), and (ii) not less than 700-for-1 and not greater than 800-for-1, in the case of the Forward Stock Split (together with the Reverse Stock Split Ratio, the "Stock Split Ratios"), with the exact Stock Split Ratios to be set within the foregoing ranges at the discretion of the Board.

The Stock Splits were part of a plan to suspend our duty to file periodic reports and other information with the Securities and Exchange Commission (the "SEC"). See *Note 17 - Subsequent Events* for further information.

**(9) Stock-Based Compensation Plans**

***2021 Management Incentive Plan***

In the third quarter of 2024, we entered into an amended Management Incentive Plan ("MIP"), which provides the issuance of up to 5,096,715 shares of our Class A common stock, par value $0.01 per share (the "Class A Common Stock") for the grant of share-based and cash-based awards.

*Restricted Stock Awards ("RSAs") and Restricted Stock Units ("RSUs")*

RSAs vest over a period of three years, subject to earlier vesting and forfeiture on terms and conditions set forth in the applicable award agreement. RSUs granted in 2022 generally vest in three equal annual installments over the three-year period, subject generally to continued employment and the other terms and conditions set forth in the forms of the RSU award agreements.

On February 15, 2024, we purchased 14,673 shares of our Class A Common Stock totaling approximately $1.0 million from a former employee following resignation from the Board in January 2024. Upon repurchase, the repurchased shares were canceled.

The following sets forth activity related to issuances under the MIP for the year ended December 31, 2024 and 2023*:*

| | Grants of Share-Based Awards | | |
|---|---|---|---|
| | **RSAs** | **RSUs** | **Total** |
| Unvested awards outstanding, December 31, 2023 | 14,988 | 106,843 | 121,831 |
| Granted | 32,960 | 38,040 | 71,000 |
| Vested | (14,988) | (68,422) | (83,410) |
| Forfeited | - | (29,893) | (29,893) |
| Unvested awards outstanding, December 31, 2024 | **32,960** | **46,568** | **79,528** |
| Unamortized grant date fair value, December 31, 2023 (in millions) | $ 0.2 | $ 3.8 | $ 4.0 |
| Unamortized grant date fair value, December 31, 2024 (in millions) | $ 1.8 | $ 2.0 | $ 3.8 |

Compensation expense associated with RSA and RSU grants are as follows:

| | For the Years Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Compensation Expense | $ 2.8 | $ 4.1 |

*Performance Stock Units ("PSUs")*

During 2024, we granted 1.4 million PSUs. Holders of PSUs are eligible to earn between 25% and 100% of the target award based on achievement of share price goals set forth in PSU award agreements.

***Liability-Classified Compensation***

*401(k)*

We maintain a defined contribution profit sharing plan for employees who have satisfied minimum service requirements. Employees may contribute up to 75% of their eligible earnings to the plan subject to the contribution limitations imposed by the Internal Revenue Service. We provide a nondiscretionary match of 100% of an employee's contributions to the plan, up to 4% of the employee's salary.

We made contributions to the plan as follows (in millions):

| | For the Years Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| 401K | $ 3.4 | $ 3.2 |

*Supplemental Executive Retirement Plan*

We have a supplemental executive retirement plan ("SERP"). The SERP provides retirement benefits to our executive officers and certain other designated key employees. The SERP is an unfunded, non-qualified defined contribution retirement plan, and all contributions under the plan are unfunded credits to a notional account maintained for each participant. We suspended all contributions to the plan effective January 1, 2020.

We made payments to eligible participants in the SERP as follows (in millions):

| | For the Years Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| SERP | $ 0.3 | $ 0.2 |

*Non-Qualified Deferred Compensation Plan*

The Nonqualified Deferred Compensation Plan ("NQDC Plan") provides an income deferral opportunity for executive officers and certain senior managers who qualified for participation. Participants in the NQDC Plan could make an advance election each year to defer portions of their base salary, bonus and other compensation. Payments made to participants are based on their enrollment elections and plan balances. No deferrals were elected for 2024. We have not had enrollment periods for the NQDC since 2019.

**(10) Income Taxes**

The income tax provision is as follows:

| | For the Year Ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Current income tax expense | | |
| Federal | $ 1,984 | $ 205 |
| State | 728 | 576 |
| Foreign | 18,388 | 36,111 |
| Total current income tax expense | 21,100 | 36,892 |
| | | |
| Deferred income tax (benefit)/expense | | |
| Federal | (1,227) | 44,712 |
| State | (2,614) | (886) |
| Foreign | (3,370) | (20,977) |
| Total deferred income tax (benefit)/expense | (7,211) | 22,849 |
| Total income tax expense | $ 13,889 | $ 59,741 |

The effective tax rate of 9.5% is less than the federal statutory rate of 21% primarily due to a release of a valuation allowance on foreign tax credits and current year generation of foreign tax credits. Additionally, the rate was also reduced by the release of uncertain tax positions. The rate was partially offset by recognized foreign exchange losses on Argentina and generally higher tax rates in certain foreign jurisdictions. The federal current tax reflects the use of NOLs and foreign tax credits.

The Organization for Economic Co-operation and Development ("OECD") reached agreement on Pillar Two Model Rules ("Pillar Two") to implement a minimum 15% tax rate on certain multinational companies. Many countries are in the process of proposing and enacting tax laws to implement the Pillar Two framework. We continue to evaluate the impact of these proposals and legislative changes as new guidance emerges. An estimated liability of $1.8 million has been recorded in the current period.

Significant components of our deferred tax assets and liabilities are as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Deferred tax assets: | | |
| Allowance for doubtful accounts | $ 1,453 | $ 1,159 |
| U.S. operating loss and tax credit carryforwards | 110,586 | 163,823 |
| Compensation and employee benefits | 7,167 | 6,843 |
| Decommissioning liabilities | 48,580 | 38,989 |
| Goodwill and other intangible assets | (210) | 63 |
| Operating leases | 136 | 147 |
| Foreign deferred tax assets | 53,544 | 45,003 |
| Other assets | 21,345 | 9,779 |
| Total gross deferred tax assets | 242,601 | 265,806 |
| Less: Valuation allowance | (111,679) | (132,031) |
| Total deferred tax assets | $ 130,922 | $ 133,775 |
| | | |
| Deferred tax liabilities: | | |
| Property, plant and equipment | $ 46,465 | $ 53,613 |
| Notes receivable | 15,607 | 17,659 |
| Other liabilities | 983 | 1,399 |
| Total deferred tax liabilities | $ 63,055 | $ 72,671 |
| | | |
| Net deferred tax assets (liabilities) | $ 67,867 | $ 61,104 |
| | | |
| The Balance Sheet classification is based on a jurisdictional grouping: | | |
| Deferred tax assets | $ 71,186 | $ 67,241 |
| Deferred tax liabilities (included in Other liabilities) | (3,319) | (6,137) |
| Total deferred tax assets and liabilities | $ 67,867 | $ 61,104 |

Deferred tax assets and liabilities are recognized for the estimated future tax effects of temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements. The measurement of deferred tax assets and liabilities is based on enacted tax laws and rates currently in effect in each of the jurisdictions in which we have operations. In recording deferred income tax assets, we consider whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income of the appropriate character during the periods in which those deferred income tax assets would be deductible. We consider all available positive and negative evidence, including scheduled reversal of deferred income tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations for this determination.

The Foreign Tax Credit ("FTC") deferred tax asset decreased $32.3 million from $77.6 million as of December 31, 2023 to $45.3 million as of December 31, 2024. This was primarily from the use of $17.4 million and expiration of $14.4 million of FTC carryovers. The valuation allowance on these FTC carryovers decreased from $50.0 million as of December 31, 2023 to $25.6 million as of December 31, 2024 primarily from the expiration of the FTC carryovers and release of $9.9 million in valuation allowance based on positive evidence the carryovers will be used. U.S. consolidated net operating loss carryforwards of $90.0 million as of December 31, 2023 were fully utilized in 2024. We also had state net operating loss carryovers at December 31, 2023 of $15.1 million, which are offset by a full valuation allowance and are included in deferred tax assets in the table above.

We have not provided additional US income tax expense on foreign earnings of foreign affiliates. We are not planning on repatriating from foreign subsidiaries in the future except on prospective earnings. These future repatriations would not be subject to incremental US taxation because they represent any of the following options 1) previously taxed earnings and profits with no gains or losses upon distributions, 2) foreign earnings that qualify for 100% dividends received deduction from incremental US tax, or 3) return of basis where there is not current or accumulated earnings and profits.

We had unrecognized tax benefits of $3.0 million and $4.1 million as of December 31, 2024 and 2023, respectively, all of which would impact our effective tax rate if recognized. It is reasonably possible that $3.0 million of unrecognized tax benefits could be settled in the next twelve-month period due to the conclusion of tax audits or due to the expiration of statute of limitations. It is our policy to recognize interest and applicable penalties, if any, related to uncertain tax positions in income tax expense. Accrued interest is included in the unrecognized tax benefits balances of $1.1 million and $1.9 million for periods ended December 31, 2024 and 2023.

## (11) Segment Information

Our reportable segments are Rentals and Services.

*Business Segments*

The products and service offerings of our Rentals segment are comprised of value-added engineering and design services, rental of premium drill strings, tubing, landing strings, completion tubulars and handling accessories, manufacturing and rental of bottom hole assemblies, and rentals of accommodation units.

The products and service offerings of our Services segment are comprised of risk management, well control and training solutions, hydraulic workover and snubbing services, engineering and manufacturing of premium sand control tools, and onshore international production services. The Services segment also includes the operations of our offshore oil and gas property.

We evaluate the performance of our reportable segments based on income or loss from operations. The segment measure is calculated as segment revenues less segment operating expenses, including general and administrative expenses, depreciation, depletion, amortization and accretion expense and other (gains) and losses, net. We use this segment measure to evaluate our reportable segments as it is the measure that is most consistent with how we organize and manage our business operations. Corporate and other costs primarily include expenses related to support functions, including salaries and benefits for corporate employees.

Summarized financial information for our segments is as follows:

| *For the Year Ended December 31, 2024* | Rentals | Services | Corporate and Other | Consolidated Total |
|---|---|---|---|---|
| Revenues | $ 402,458 | $ 416,832 | $ - | $ 819,290 |
| Cost of revenues (exclusive of items shown separately below) | 145,582 | 305,587 | - | 451,169 |
| Depreciation, depletion, amortization and accretion | 47,815 | 33,061 | 2,188 | 83,064 |
| General and administrative expenses | 28,296 | 48,031 | 60,747 | 137,074 |
| Restructuring and transaction expenses | - | - | 7,205 | 7,205 |
| Other (gains) and losses, net | (404) | 3,557 | (2) | 3,151 |
| Income (loss) from operations | $ 181,169 | $ 26,596 | $ (70,138) | $ 137,627 |

| *For the Year Ended December 31, 2023* | Rentals | Services | Corporate and Other | Consolidated Total |
|---|---|---|---|---|
| Revenues | $ 452,249 | $ 467,171 | $ - | $ 919,420 |
| Cost of revenues (exclusive of items shown separately below) | 149,835 | 324,292 | - | 474,127 |
| Depreciation, depletion, amortization and accretion | 49,414 | 28,796 | 2,858 | 81,068 |
| General and administrative expenses | 28,475 | 44,267 | 52,917 | 125,659 |
| Restructuring and transaction expenses | - | - | 3,294 | 3,294 |
| Other gains, net | (495) | (5,000) | (1,054) | (6,549) |
| Income (loss) from operations | $ 225,020 | $ 74,816 | $ (58,015) | $ 241,821 |

*Geographic Information*

We operate in the U.S. and in various other countries throughout the world. Our international operations are primarily focused in Latin America, Asia-Pacific and the Middle East regions. We attribute revenue to various countries based on the location where services are performed or the destination of the drilling products or equipment sold or rented.

The following represents domestic and international revenues for the periods presented:

| | For the Years Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| **Rentals** | | |
| U.S. land | $ 129,983 | $ 166,938 |
| U.S. offshore | 131,096 | 161,771 |
| International | 141,379 | 123,540 |
| Total Rentals | 402,458 | 452,249 |
| **Services** | | |
| U.S. land | 28,569 | 25,572 |
| U.S. offshore | 109,026 | 106,565 |
| International | 279,237 | 335,034 |
| Total Services | 416,832 | 467,171 |
| Total Revenues | $ 819,290 | $ 919,420 |

**(12) Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs used in determining fair value are characterized according to a hierarchy that prioritizes those inputs based on the degree to which they are observable. The three input levels of the fair value hierarchy are as follows:

*Level 1*: Unadjusted quoted prices in active markets for identical assets and liabilities;

*Level 2*: Observable inputs other than those included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets or model-derived valuations or other inputs that can be corroborated by observable market data; and

*Level 3*: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The following table provides a summary of the financial assets and liabilities measured at fair value on a recurring basis:

| | **December 31, 2024** | **December 31, 2023** |
|---|---|---|
| Non-qualified deferred compensation assets and liabilities | | |
| Other assets, net | $ 16,490 | $ 17,079 |
| Accrued expenses | 1,777 | 1,797 |
| Other liabilities | 14,984 | 15,589 |

Our non-qualified deferred compensation plans investments are reported at fair value based on unadjusted quoted prices in active markets for identifiable assets and observable inputs for similar assets and liabilities, which represent a Level 2 in the fair value hierarchy.

The carrying amount of cash equivalents, accounts receivable, accounts payable and accrued expenses, as reflected in the consolidated balance sheets, approximates fair value due to the short maturities.

**(13) Blue Chip Swap Securities**

The functional currency for our Argentine operations is the U.S. dollar and we use Argentina's official exchange rate to remeasure our Argentine peso-denominated net monetary assets into U.S. dollars at each balance sheet date. The Central Bank of Argentina has maintained certain currency controls that limited our ability to access U.S. dollars in Argentina and to remit cash from our Argentine operations.

During the third quarter of 2024, we utilized an indirect foreign exchange mechanism known as a Blue Chip Swap ("BCS"). The transactions were completed at implied exchange rates that were approximately 63.0% higher than the official exchange rate, resulting in a loss of approximately $5.1 million during the third quarter of 2024.

A summary of BCS activity is as follows (in millions):

| | ARS Repatriated | U.S. Dollar Equivalent | U.S. Dollar Received | Loss on BCS |
|---|---|---|---|---|
| Total | 12,071.9 | $ 13.2 | $ 8.1 | $ 5.1 |

We continue to use the official exchange rate for remeasurement of our Argentine peso-denominated net monetary assets under U.S. GAAP as the BCS rate does not meet the criteria for remeasurement under U.S. GAAP.

**(14) Contingencies**

Due to the nature of our business, we are involved, from time to time, in various routine litigation or subject to disputes or claims or actions, including those commercial in nature, regarding our business activities in the ordinary course of business. Legal costs related to these matters are expensed as incurred. Management is of the opinion that none of the claims and actions will have a material adverse impact on our financial position, results of operations or cash flows.

As previously reported, we are currently involved in legal proceedings with the Washington State Department of Revenue in relation to a dispute arising in April 2019 pertaining to a use tax assessment from 2016 as a result of the construction of a vessel by one of our subsidiaries. The matter was appealed to the Washington State Board of Tax Appeals, which affirmed the assessment on May 22, 2023. In order to appeal the assessment to Whatcom County Superior Court, we paid the full $27.1 million assessment on May 31, 2023. On June 20, 2023, we appealed this decision to Whatcom County Superior Court where it was heard on March 5, 2025. The Judge took the matter under advisement. A ruling is expected in April 2025.

**(15) Supplemental Cash Flow Information**

The table below is a reconciliation of cash, cash equivalents and restricted cash for the beginning and the end of the period for all periods presented:

| | December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Cash and cash equivalents | $ 391,684 | $ 258,999 |
| Restricted cash-non-current | 85,444 | 80,108 |
| Cash, cash equivalents, and restricted cash, beginning of period (January 1st) | $ 477,128 | $ 339,107 |
| | | |
| Cash and cash equivalents | $ 343,995 | $ 391,684 |
| Restricted cash-non-current | 53,824 | 85,444 |
| Cash, cash equivalents, and restricted cash, end of period (December 31th) | $ 397,819 | $ 477,128 |

Accrued capital expenditures totaled $13.7 million and $4.9 million as of December 31, 2024 and 2023, respectively.

Additionally, during the year ended December 31, 2023, gains recognized on the disposition of assets classified as discontinued operations totaled $1.1 million, and proceeds from these dispositions totaled $13.0 million.

Changes in operating accounts on cash flows from operating activities are as follows:

| | December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Accounts receivable, net | $ 66,771 | $ (30,168) |
| Inventory | 17,088 | (27,103) |
| Prepaid expenses and other current assets | (7,094) | (3,008) |
| Accounts payable | (3,256) | 2,015 |
| Accrued expenses | 8,876 | (18,449) |
| Income taxes | (14,428) | 5,318 |
| Other, net | (3,708) | 11,811 |
| Changes in operating assets and liabilities | $ 64,249 | $ (59,584) |

**(16) New Accounting Pronouncements**

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted, and should be applied on a prospective basis with a retrospective option. We are currently evaluating the effect the adoption of ASU 2023-09 will have on our disclosures.

**(17) Subsequent Events**

***Suspension of Filing Obligations***

On January 29, 2025, we announced that in connection with our previously announced plan to suspend the obligations to file periodic reports and other information with the Securities Exchange Commission, our Board determined the reverse stock split ratio to be 1-for-750 and the forward stock split ratio to be 750-for-1. These stock split ratios were within the ranges approved by our stockholders on December 16, 2024. Following the effectiveness of the stock splits, which will reduce the number of stockholders to fewer than 300, our obligations to file periodic reports and other information with the SEC was suspended.

***Acquisition of Rival Downhole Tools***

On February 28, 2025, we announced the acquisition of Rival Downhole Tools ("Rival"), an industry-leading provider of premium downhole drilling tools for $56.0 million. The operations of Rival will be included in our Rental segment.