



CRITICAL. ENERGY. INFRASTRUCTURE.

**INVESTOR PRESENTATION
NOVEMBER 2023**



Forward Looking Statements. This presentation, and our officers and representatives may from time to time make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding: (i) expected operating results, such as revenue growth and earnings; (ii) anticipated levels of capital expenditures and uses of capital; (iii) current or future volatility in the credit markets and future market conditions; (iv) expectations of the effect on our financial condition of claims, litigation, environmental costs, contingent liabilities and governmental and regulatory investigations and proceedings; (v) production and capacity forecasts for the natural gas and oil industry; (vi) strategy for customer retention, growth, fleet maintenance, market position, financial results; (vii) the amount and timing of future dividend payments; (viii) our interest rate hedges; and (ix) strategy for risk management.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) a reduction in the demand for natural gas and oil; (ii) the loss of, or the deterioration of the financial condition of, any of our key customers; (iii) nonpayment and nonperformance by our customers, suppliers or vendors; (iv) competitive pressures that may cause us to lose market share; (v) the structure of our Compression Operations contracts and the failure of our customers to continue to contract for services after expiration of the primary term; (vi) our ability to make acquisitions on economically acceptable terms; (vii) our ability to fund purchases of additional compression equipment; (viii) a downturn in the economic environment, as well as inflationary pressures; (ix) tax legislation and administrative initiatives or challenges to our tax positions; (x) the loss of key management, operational personnel or qualified technical personnel; (xi) our dependence on a limited number of suppliers; (xii) the cost of compliance with existing governmental regulations and proposed governmental regulations, including climate change legislation and regulatory initiatives and stakeholder pressures, including ESG scrutiny; (xiii) the inherent risks associated with our operations, such as equipment defects and malfunctions; (xiv) our reliance on third-party components for use in our IT systems; (xv) legal and reputational risks and expenses relating to the privacy, use and security of employee and client information; (xvi) threats of cyber-attacks or terrorism; (xvii) our credit agreement contains features that may limit our ability to operate our business and fund future growth and also increases our exposure to risk during adverse economic conditions; (xviii) volatility in interest rates; (xix) our ability to access the capital and credit markets or borrow on affordable terms to obtain additional capital that we may require; (xx) the effectiveness of our disclosure controls and procedures; and (xxi) such other factors as discussed throughout the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our final prospectus filed with the U.S. Securities and Exchange Commission (the "SEC") on June 30, 2023 pursuant to Rule 424(b)(4) and throughout Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of such prospectus and Part II, Item 1A. Risk Factors of our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023.

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

Non-GAAP Financial Measures. This presentation contains certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP"), including Adjusted Gross Margin, Adjusted Gross Margin Percentage, Adjusted EBITDA, Adjusted EBITDA Percentage, Discretionary Cash Flow and Free Cash Flow. Such non-GAAP measures should not be considered an alternative to, or more meaningful than, the most directly comparable measure of financial performance presented in accordance with GAAP. Moreover, such non-GAAP measures may not be comparable to similarly titled measures of other companies. However, we believe these non-GAAP financial measures provide useful information to investors because, when viewed with our GAAP results and the accompanying reconciliation, they provide a more complete understanding of our performance than GAAP results alone.

Industry & Market Data. The market data and certain other statistical information used throughout this presentation are based on independent industry publications, government publications or other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates and our management's understanding of industry conditions. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in these publications.

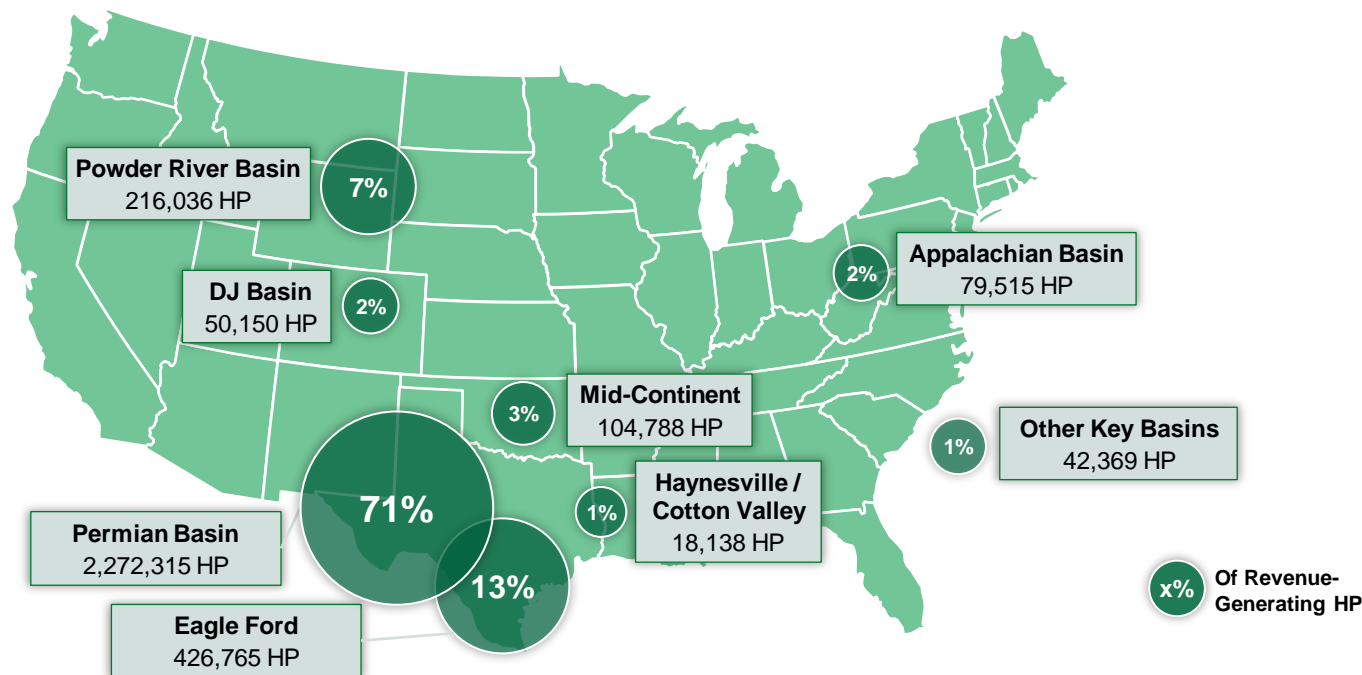
This presentation contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

GAS COMPRESSION IS MISSION-CRITICAL TO NATURAL GAS & OIL PRODUCTION

- Leading provider of domestic energy infrastructure, enabling the reliable and secure flow of natural gas and oil to feed growing global demand
- Purpose-built fleet of over 3.2 million revenue-generating horsepower¹
 - Large horsepower focused – average of 1,058 HP/unit
 - Market leader in the Permian Basin, the lowest cost-to-produce basin that is expected to be a major long-term natural gas supply source for growing LNG exports
- Long-term fixed-revenue contracts - minimal commodity price exposure

AT-A-GLANCE

- NYSE: KGS (June 2023 IPO)
- Dividend Yield: 8.6%²
- Market Cap: \$1.4 billion²
- Shares Outstanding: 77.4 million
- Enterprise Value: \$3.2 billion²
- Adj. EBITDA: \$440.3 million³



Source: Company filings, Bloomberg; ¹ Revenue-generating HP as of September 30, 2023; ² Based on KGS stock price as of 11/10/23, dividend yield based on third quarter 2023 dividend of \$0.38 per share annualized; ³ Adjusted EBITDA is a non-GAAP financial measure; see Supplemental Slides for reconciliation, Quarter ended September 30, 2023 annualized

Centralized Gas Lift



Large horsepower, centralized facilities used to pressurize gas lift systems for field-wide reinjection to lift oil

Gathering Systems



Large scale gathering facilities to collect natural gas and boost pressure into processing facilities or trunk lines

Gas Processing



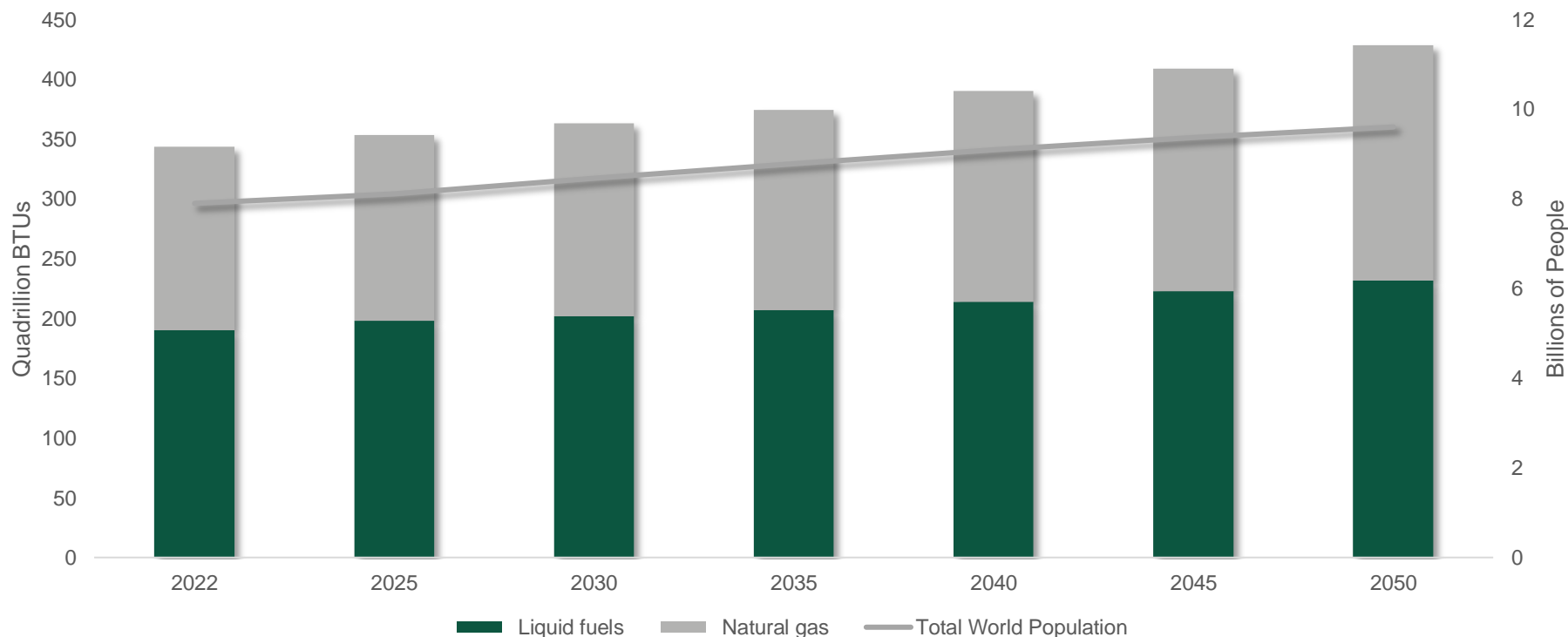
Compress natural gas to processing facility pressures

Recompress natural gas at plant outlet for transmission to end-users

GLOBAL DEMAND FOR NATURAL GAS & OIL EXPECTED TO OUTPACE POPULATION GROWTH

- EIA projects that population growth combined with increased per capita energy consumption will drive a 34% increase in global energy consumption from 2022 to 2050¹
- Renewables will play a role, but **natural gas and oil consumption are projected to increase 25%** over this period and outpace population growth¹

Global Natural Gas and Liquid Fuels Consumption and Population, 2022 - 2050

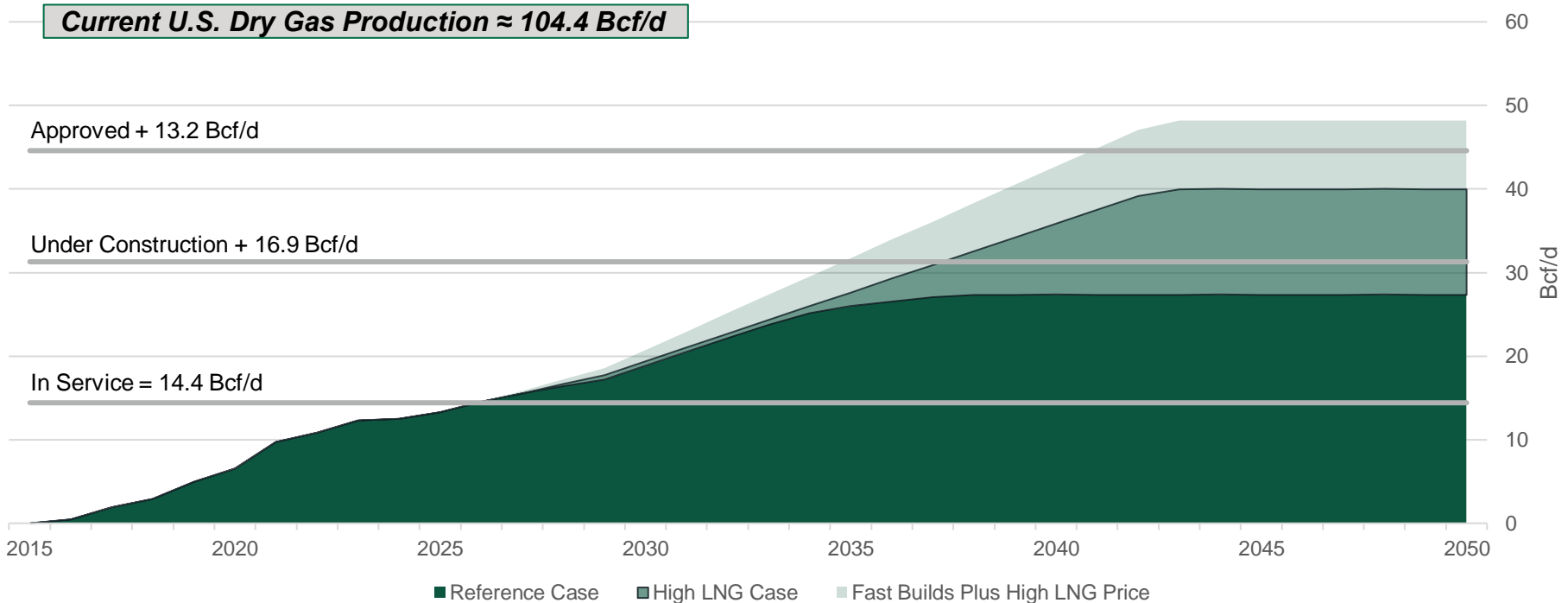


Source: U.S. Energy Information Administration ("EIA"); ¹ International Energy Outlook 2023 (Reference case)

U.S. LNG – CLEAN, SECURE AND AFFORDABLE ENERGY FOR THE WORLD

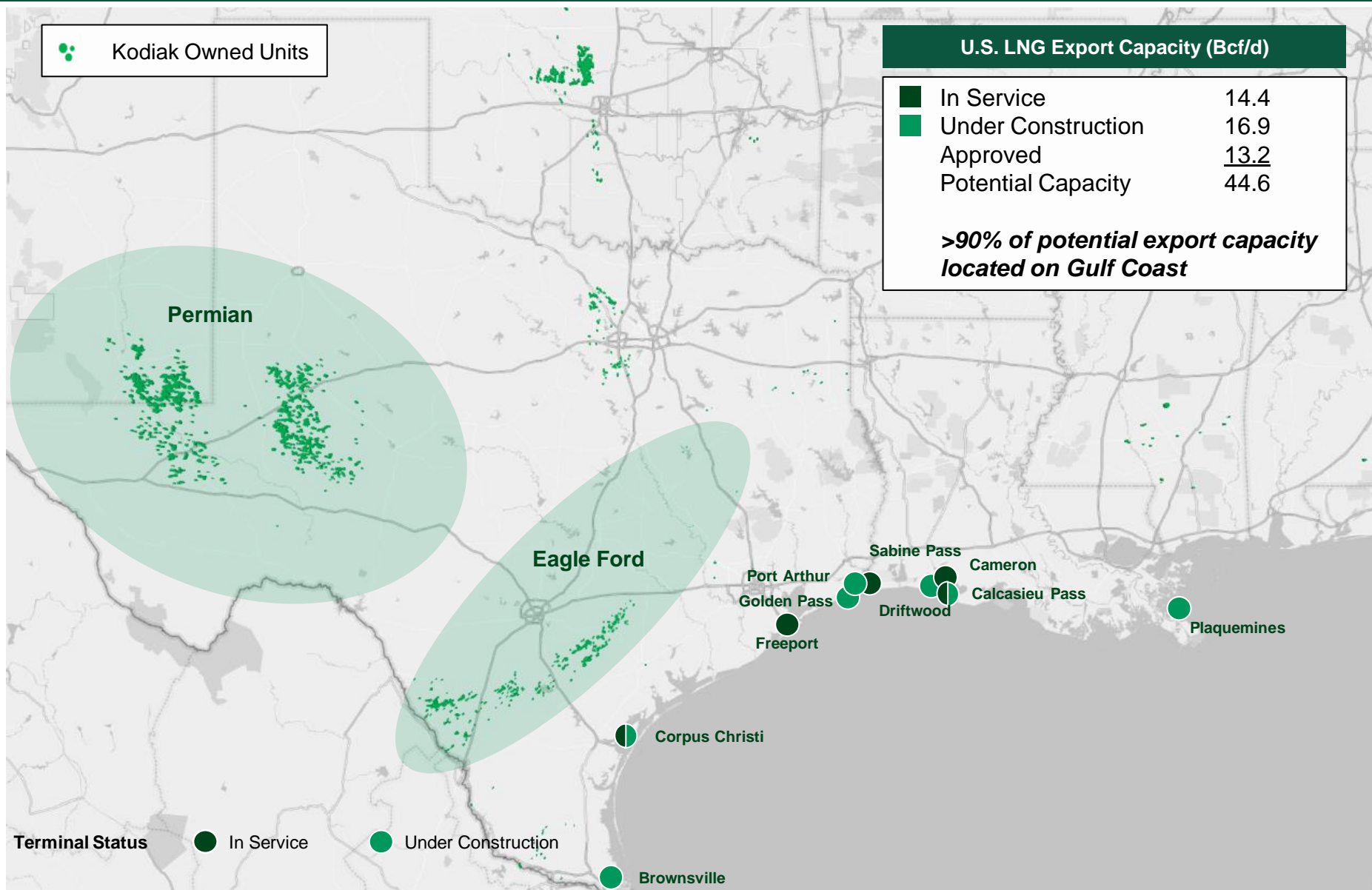
- Abundant reserves position the U.S. to supply the world's growing gas needs
- New export terminals have increased U.S. liquefied natural gas (LNG) exports every year since 2016
- Germany, the Philippines and Vietnam imported LNG for the first time in 1H '23
- China plans to expand import capacity by over 8 Bcf/d in 2023-2024
- US LNG export capacity poised to more than double over the next decade

U.S. LNG Exports, 2015 - 2050, LNG Export Capacity



Source: Federal Energy Regulatory Commission (FERC); EIA

Kodiak Compression Fleet is Well-Positioned

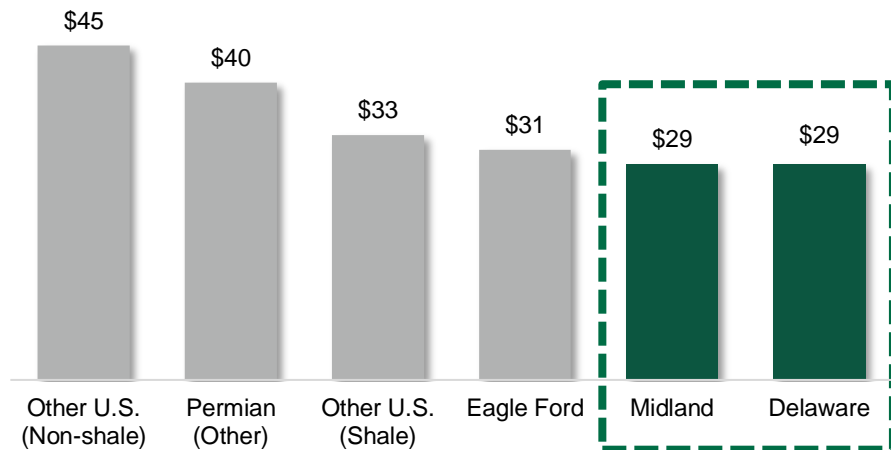


Source: FERC, management estimates

Permian Basin is THE Growth Engine of U.S. Production

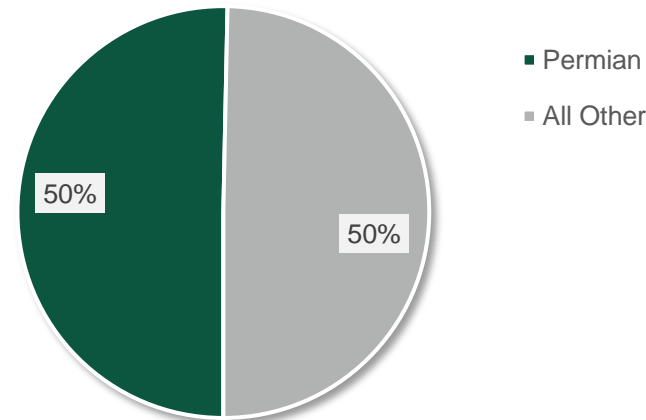
BEST WELL ECONOMICS ATTRACT OUTSIZED SHARE OF INVESTMENT

WTI Price to Cover Operating Expenses



Source: Dallas Federal Reserve Energy Slideshow August 18, 2023, Survey March 2023

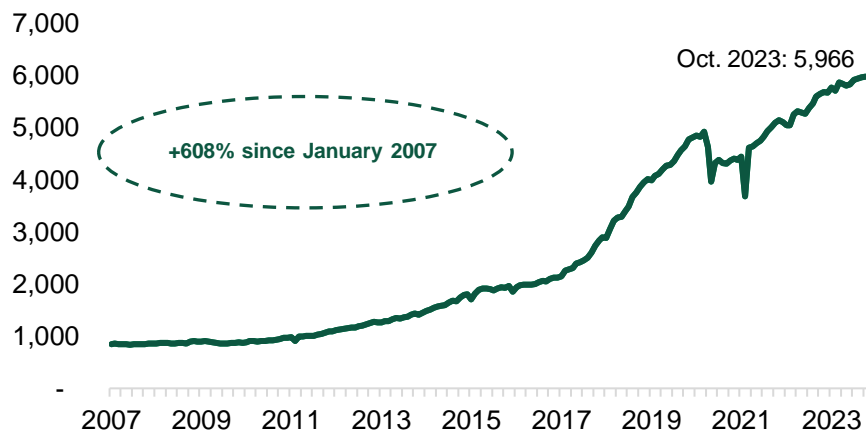
Permian Share of U.S. Land Rigs



Source: Baker Hughes, as of November 10, 2023

Permian Basin Oil Production

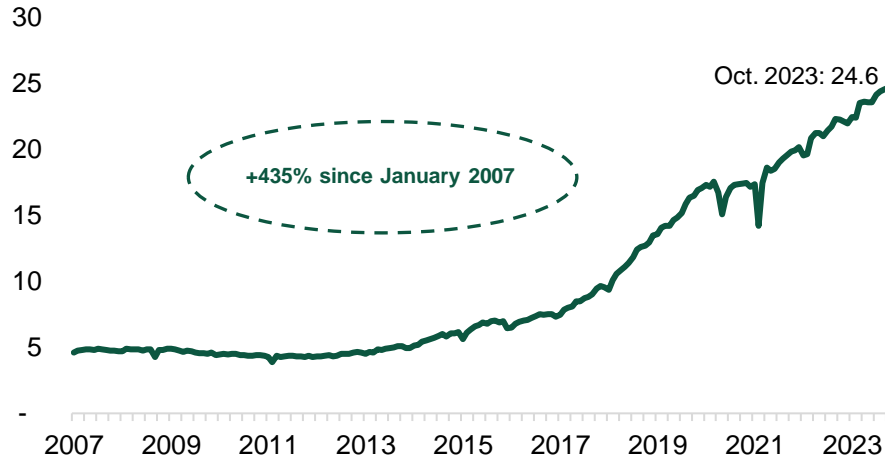
Thousands of barrels per day, monthly



Source: EIA Drilling Productivity Report

Permian Basin Natural Gas Production

Billions of cubic feet per day, monthly



Source: EIA Drilling Productivity Report

Kodiak's Fleet Was Purpose-Built for the Permian Basin

THE RIGHT EQUIPMENT FOR TODAY'S HIGHEST-DEMAND APPLICATIONS

- Large horsepower focus - average of **1,058 HP/unit**¹
- Youngest fleet among public peers – average fleet age of **~4 years**¹
- Compression systems designed for liquids-rich basins
- Suitable for both upstream and midstream applications
- Uniform design - **93% of units are CAT/Ariel**¹
- >95% meet the most stringent U.S. regulatory emissions requirements



Source: Company filings, management estimates; ¹ as of September 30, 2023

RIGOROUS ENGINE AND COMPRESSOR MAINTENANCE

- Data-driven, preventative maintenance strategy
- Program systemically ensures that unit engines are effectively “zero-houred” every ~10 years
- Standardized equipment optimizes efficiency of maintenance program

Investing in the Capabilities of our Teammates



~16,000

Hours of Technical Training in 2022



~6,000

Hours of Professional Training in 2022



~1,450

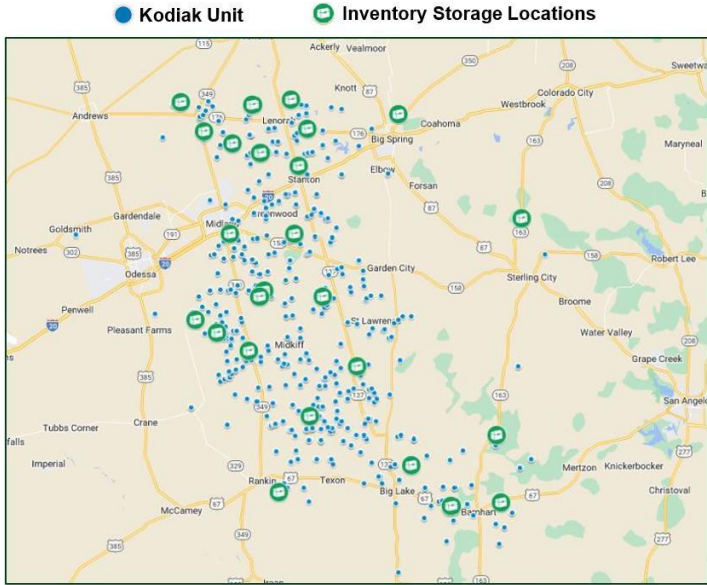
Hours of Compliance Training in 2022



~8,650

Hours of Safety Training in 2022

Inventory System Designed to Minimize Downtime



Positioning spare parts in close proximity to units maximizes run-time

1 **FIXED MONTHLY REVENUE** with multi-year terms

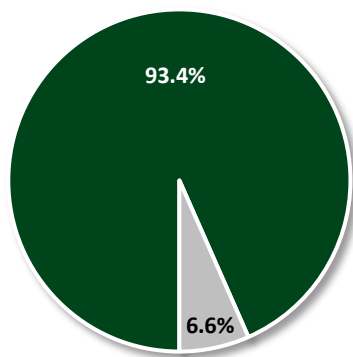
2 **Annual Producer Price Index** rate adjustments

3 **Advance billing** improves working capital cycle

4 **98% mechanical availability** guarantee

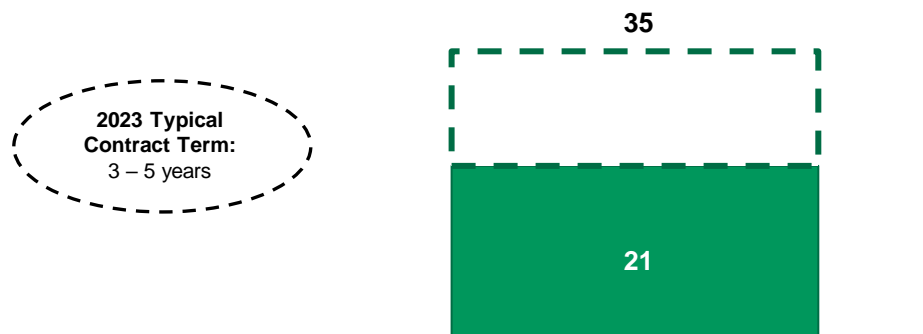
5 **Customer bears mobilization and demobilization** costs

Percent of Month-to-Month Contracts¹



■ HP with Remaining Contract Term ■ HP on Month-to-Month Contract

Weighted Average Contract Term (months)¹



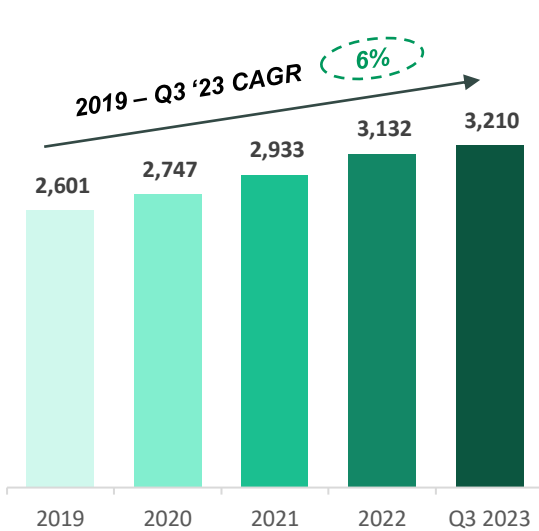
■ Remaining Contract Term ■ Initial Contract Term

¹ As of September 30, 2023

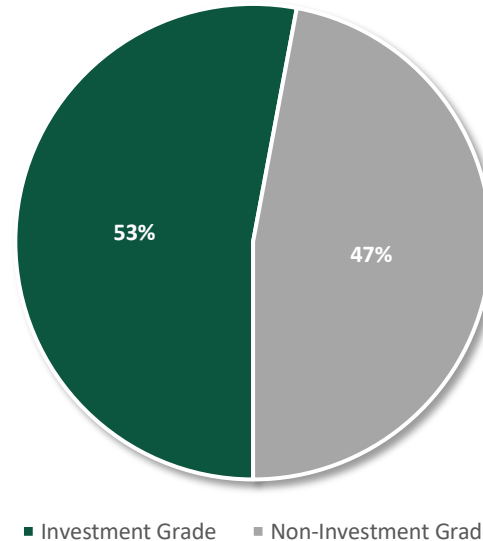
Premier Customer Base Supports Superior Growth



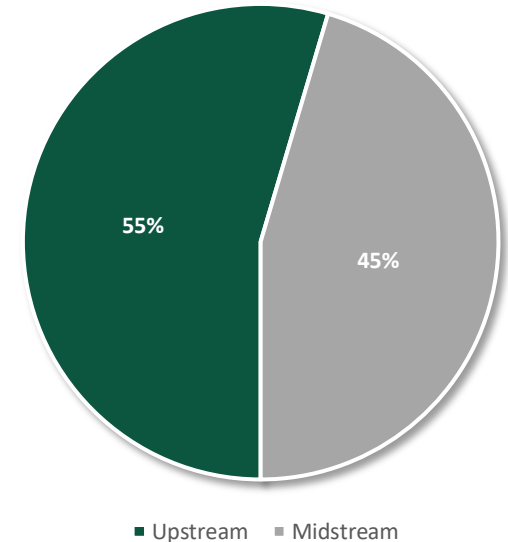
Continuous HP Growth¹



Customers by Credit Rating²



Customers by Type³



¹ Reflects end-of-period revenue-generating HP, in thousands; ² Based on 3Q 2023 Compression Operations revenues; ³ By HP as of September 30, 2023

Best Workforce in the Industry

~800 DEDICATED EMPLOYEES

- Emphasis on training and career advancement
- Multiple local and national top workplace awards
- All employees are shareholders



Experienced and Diverse Leadership Team



Mickey McKee
President & Chief Executive Officer
Industry experience: 20 years

- Formed Kodiak in 2010
- Previously held positions as the SVP of Sales and Marketing / Engineering and Fleet Management for CDM Resource Management



John Griggs
Chief Financial Officer
Industry experience: 23 years

- Served as CFO since joining Kodiak in January 2023
- Previous CFO roles at Circulus Holdings, Conquest Completion Services and Rubicon Oilfield International
- Prior roles in energy private equity, energy lending, and energy investment banking



Chad Lenamon
Chief Operations Officer
Industry experience: 25 years

- Served as COO since October 2022
- Joined Kodiak from Pegasus in 2019
- Prior to Kodiak, was the CEO of Pegasus Optimization Managers and, prior to that, President of CDM Resource Management



Kelly Battle
*Chief Legal Officer,
Chief Compliance Officer &
Corporate Secretary*
Industry experience: 19 years

- Served as EVP and Chief Legal Officer since joining Kodiak in November 2022
- Previously was VP and General Counsel at Exterran in Houston, Texas, where she worked for 18 years



Cory Roclawski
Chief Human Resource Officer
Industry experience: 17 years

- Served as Chief Human Resource Officer since joining Kodiak in February 2020
- Previously held various senior HR positions at Rubicon Oilfield International and Exterran



Pedro Buhigas
Chief Information Officer
Industry experience: 18 years

- Served as Chief Information Officer since joining Kodiak in September 2021
- Previously held senior IT leadership positions at Basic Energy Services, TETRA Technologies, and Stallion Oilfield Services

Key Milestones and Awards

2020

Established formal ESG Committee

Published inaugural sustainability report

Hart Energy recognizes Kodiak as first-ever ESG Top Performer Award winner¹

Launched ecoView, providing real-time emissions data

Recognized as one of the best places to work by the Houston Business Journal, Oklahoman, and Houston Chronicle

2023

Received Top Workplaces USA Award²

Environmental Highlights

Low Emissions Fleet

>95%

of fleet is lower emissions capable



Renewable Sourced Electricity

100%

of our offices are powered by electricity produced from renewable sources backed by Energy Attribute Certificates



Social Highlights

Prioritize Diverse Workplace

45%

Workforce Diversity



Disciplined Approach to Safety

0.68

TRIR for 12 Months Ended September 2023



Governance Highlights

Board Diversity

56%

Gender, Race and Ethnic Diversity



Board Objectivity in Long-Term Strategy

8 of 9

Board Members Independent

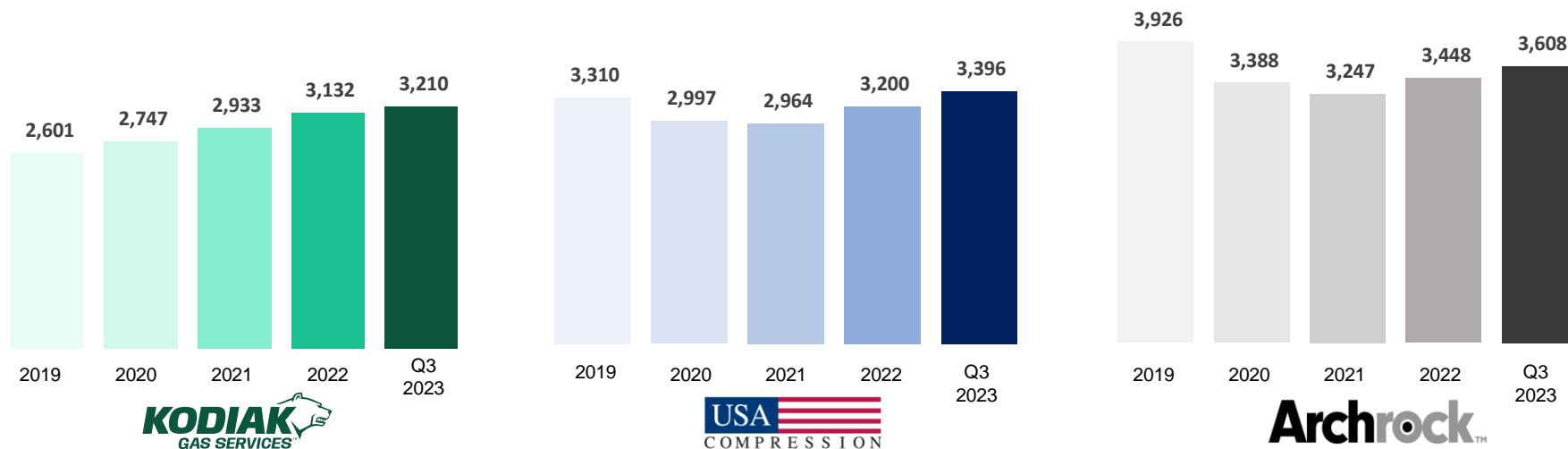


¹Kodiak was considered in the Private Midstream Category; ²Kodiak placed 91st nationally among mid-size companies with 500 to 999 employees

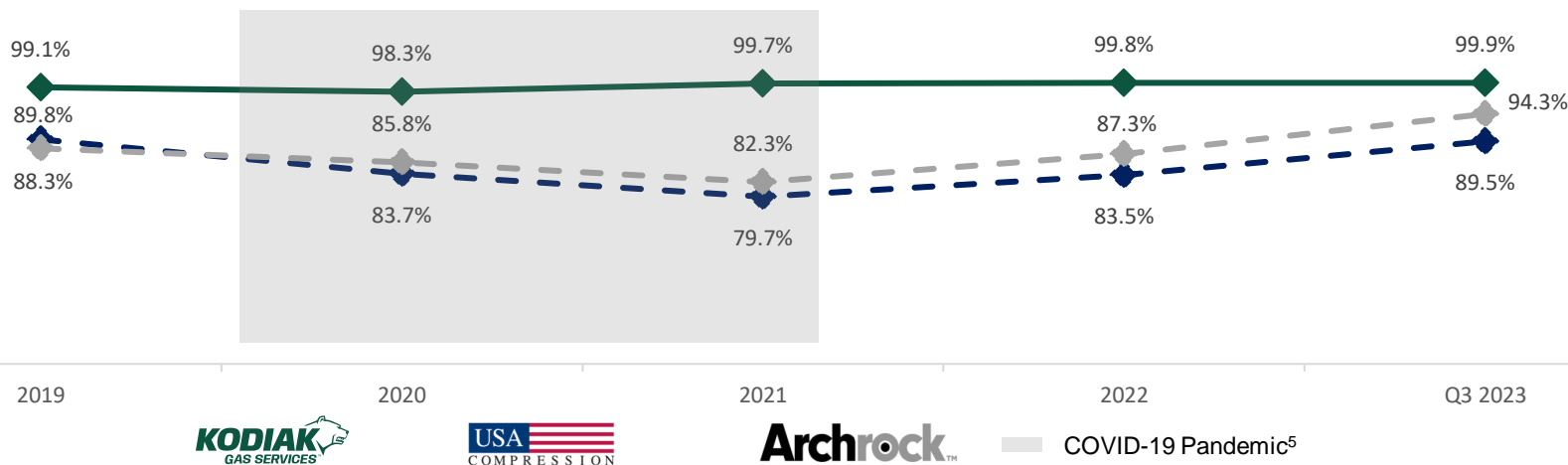
Strategy Translates Into Industry Leading Growth And Utilization



End-of-period Revenue-Generating HP by Company (in thousands)^{1,2}



Average Annual HP Utilization by Company^{3,4}

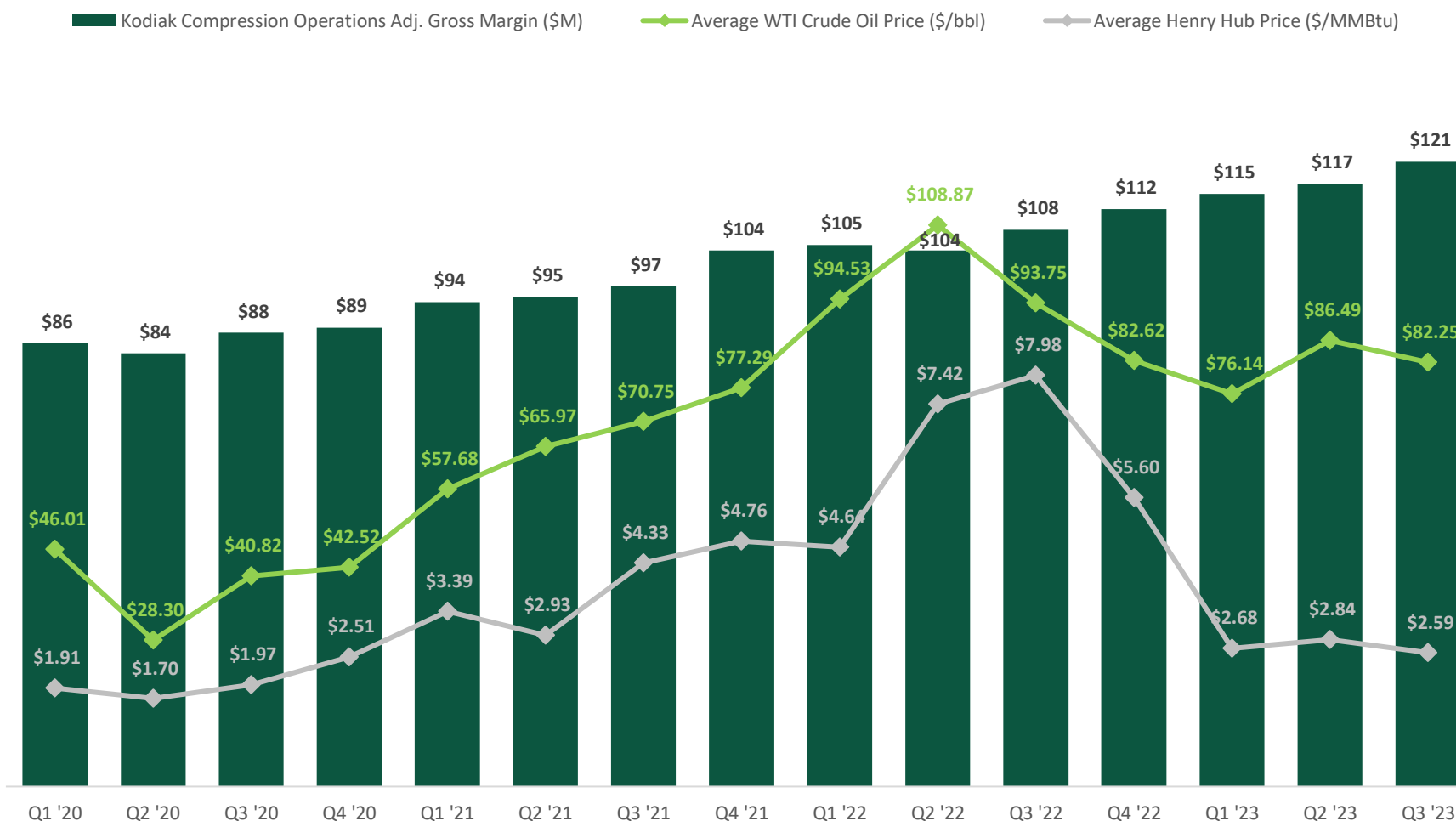


¹ Kodiak's 2019 HP shown pro forma for Pegasus acquisition; ² AROC HP reflects total operating HP (at period end) since revenue-generating HP is not provided in public filings; ³ AROC does not calculate average revenue-generating HP utilization, so an average of reported quarterly HP utilization average is used for the corresponding years in the graph; ⁴ USAC average HP utilization based on revenue-generating HP and fleet HP; ⁵ COVID-19 Pandemic is defined as Q1 2020 through Q2 2021

Steady Business in Any Commodity Price Environment



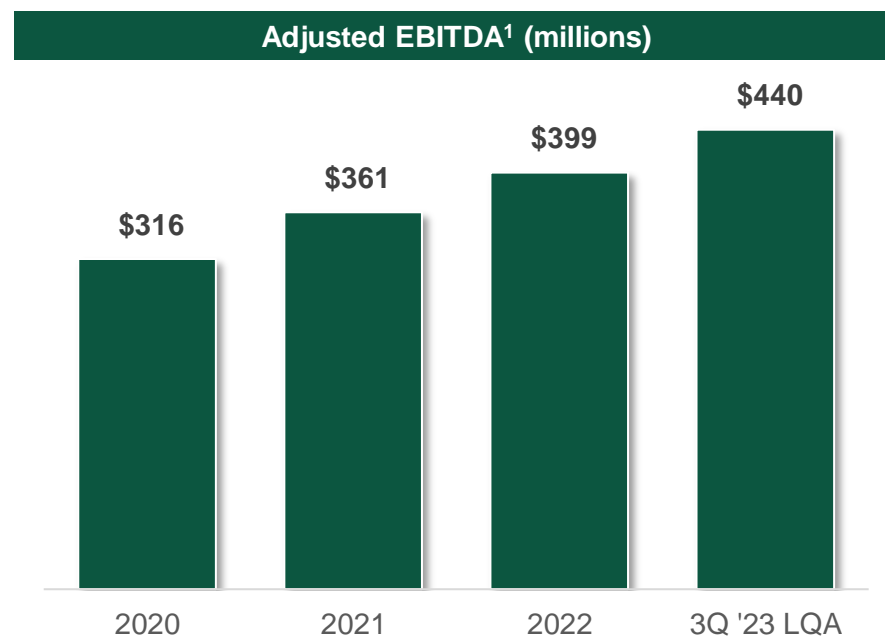
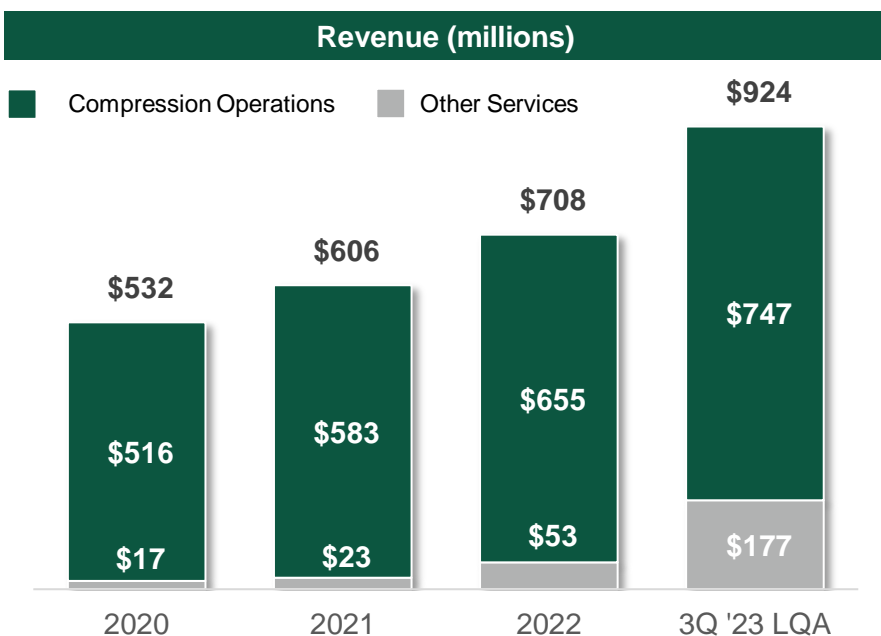
Quarterly Compression Operations Adjusted Gross Margin (\$M)



Source: Company filings; FactSet; Note: Adjusted Gross Margin is a non-GAAP financial measure; see Supplemental Slides for reconciliation

2023 Third Quarter Financial Highlights

- **Significant de-levering through IPO**
 - Reduced debt by \$1 billion in July 2023; covenant leverage of 4.07x at 9/30/23
 - Hedged ~70% of interest rate exposure through June 2025; next debt maturity is March 2028
- **Large horsepower/Permian focus has yielded strong and steady growth**
 - Compression Operations revenues for Q3-23 up 14.1% over Q3-22
 - Q3-23 revenue-generating horsepower grew 3.6% y/y
- **Adjusted EBITDA¹ of \$110.1 million, an increase of 8.4% y/y**
- **Maintained industry-leading utilization rate of 99.9%**



Source: Company filings; ¹ Adjusted EBITDA is a non-GAAP financial measure; see Supplemental Slides for reconciliation

Adjusted EBITDA¹

Stable and growing cash flow base insulated from short-cycle commodity price swings

(-) Cash Interest

~70% of floating exposure hedged

(-) Cash Taxes

~\$2B NOLs provide tax shield through 2030

(-) Maintenance Capex

Predictable based on fleet age and hours

(=) Discretionary Cash Flow¹

(-) Cash Dividend²

Target recurring dividend ~35% – 40% of DCF; Yield based on current dividend annualized = 8.6%³

(-) Growth Capex

New units generating < 5-year cash paybacks and > 20% unlevered IRRs

(-) Debt Paydown

(=) Cash Flow Positive

Strategic M&A

Share Repurchases

¹ Adjusted EBITDA and Discretionary Cash Flow are non-GAAP financial measures; see Supplemental Slides for reconciliation; ² The declaration and payment of dividends, if any, is at the discretion of our board of directors; ³ Dividend yield based on third quarter 2023 dividend of \$0.38 per share annualized and KGS stock price as of 11/10/23

Full-Year 2023 Guidance



(All amounts below are in thousands except per share amounts and percentages)

	Full-Year 2023 Guidance	
	Low	High
Adjusted EBITDA (1)	\$ 430,000	\$ 440,000
Discretionary Cash Flow (1)(2)	\$ 235,000	\$ 245,000
Dividends per share (3)	\$ 0.38	\$ 0.38
Segment Information		
Compression Operations revenues	\$ 730,000	\$ 740,000
Compression Operations Adjusted Gross Margin Percentage	64.0%	65.0%
Other Services revenues	\$ 95,000	\$ 115,000
Other Services Adjusted Gross Margin Percentage	15.0%	17.0%
Selling, General & Administrative, Adjusted (4)	\$ 52,000	\$ 56,000
Capital Expenditures		
Growth capital expenditures (5)	\$ 165,000	\$ 175,000
Maintenance capital expenditures	\$ 34,000	\$ 38,000

(1) The Company is unable to reconcile projected Adjusted EBITDA to projected net income (loss) and Discretionary Cash Flow to projected net cash provided by operating activities, the most comparable financial measures calculated in accordance with GAAP, respectively, without unreasonable efforts because components of the calculations are inherently unpredictable, such as 4 changes to current assets and liabilities, unknown future events, and estimating certain future GAAP measures. The inability to project certain components of the calculation would significantly affect the accuracy of the reconciliations.

(2) Discretionary Cash Flow includes a non-recurring \$25.8 million realized gain on derivatives and assumes no change to Secured Overnight Financing Rate futures.

(3) \$1.52 per share annualized. The Company expects to pay one dividend in 2023.

(4) Selling, General and Administrative, Adjusted excludes transaction expenses, equity compensation expense and \$2.0 million of bad debt expense related to the collectability of outstanding receivables.

(5) Growth capital expenditures include approximately \$15 million in non-unit growth capital expenditures and exclude approximately \$10 million in capital expenditures related to the purchase and expansion of previously-leased operations facilities during the fourth quarter of 2023.

TM



KODIAK
GAS SERVICES

KGS
LISTED
NYSE

THANK YOU!

CONTACT:
GRAHAM SONES | VP, IR
IR@KODIAKGAS.COM



KGS
LISTED
NYSE

SUPPLEMENTAL SLIDES

Reconciliation of Non-GAAP Financial Measures



Gross Margin to Adjusted Gross Margin

(in thousands)	3Q 2022	3Q 2023
Total revenues	\$182,645	\$230,983
Cost of operations (exclusive of D&A)	(69,909)	(104,290)
Depreciation and amortization	(44,111)	(46,087)
Gross margin	\$68,625	\$80,606
Depreciation and amortization	44,111	46,087
Adjusted Gross Margin	\$112,736	\$126,693

Net Income to Adjusted EBITDA

(in thousands)	3Q 2022	3Q 2023
Net income	\$45,900	\$21,766
Interest expense, net	49,859	39,710
Income tax expense	14,337	7,904
Depreciation and amortization	44,111	46,087
Loss on extinguishment of debt	-	6,757
Gain on derivatives	(51,862)	(15,141)
Equity compensation expense ¹	-	2,544
Transaction expenses ²	-	440
Gain on sale of capital assets	(818)	-
Adjusted EBITDA	\$101,527	\$110,067

Net Cash Provided by Operating Activities to DCF and FCF

(in thousands)	3Q 2022	3Q 2023
Net cash provided by operating activities	\$59,207	\$85,731
Maintenance capital expenditures	(10,340)	(12,312)
Loss on extinguishment of debt	-	2,398
Transaction expenses ²	-	440
Gain on sale of capital assets	(818)	-
Change in operating assets and liabilities	(6,969)	(9,697)
Other ³	(7)	(3,516)
Discretionary Cash Flow	\$41,073	\$63,044
Growth capital expenditures	(36,572)	(55,671)
Proceeds from sale of capital assets	8,010	-
Free Cash Flow	\$12,511	\$7,373

Net income to DCF and FCF

(in thousands)	3Q 2022	3Q 2023
Net income	\$45,900	\$21,766
Depreciation and amortization	44,111	46,087
Change in fair value of derivatives	(53,854)	(7,978)
Loss on extinguishment of debt	-	6,757
Deferred tax provision	11,833	5,551
Amortization of debt issuance costs	4,241	189
Equity compensation expense ¹	-	2,544
Transaction expenses ²	-	440
Gain on sale of capital assets	(818)	-
Maintenance capital expenditures	(10,340)	(12,312)
Discretionary Cash Flow	\$41,073	\$63,044
Growth capital expenditures	(36,572)	(55,671)
Proceeds from sale of capital assets	8,010	-
Free Cash Flow	\$12,511	\$7,373

Source: Company filings; ¹For the three months ended September 30, 2023, there was \$2.5 million of non-cash adjustments for equity compensation expense. For the three months ended September 30, 2022, there was no such adjustment; ² Represents certain costs associated with non-recurring professional services, our equity owners' expenses and other costs; ³ Includes amortization of debt issuance costs, non-cash lease expense, provision for credit losses and inventory reserve

Reconciliation of Non-GAAP Financial Measures (cont'd)

Gross Margin to Adjusted Gross Margin

(in thousands)	2020	2021	2022
Total revenues	\$532,420	\$606,375	\$707,913
Cost of operations (exclusive of D&A)	(179,313)	(210,177)	(267,351)
Depreciation and amortization	(145,632)	(160,045)	(174,463)
Gross margin	\$207,475	\$236,153	\$266,099
Depreciation and amortization	145,632	160,045	174,463
Adjusted Gross Margin	\$353,107	\$396,198	\$440,562

Net Income to Adjusted EBITDA

(in thousands)	2020	2021	2022
Net Income	\$(2,185)	\$180,963	\$106,265
Interest expense, net	113,440	107,293	170,114
Tax expense (benefit)	7,519	(58,573)	33,092
Depreciation and amortization	145,632	160,045	174,463
Unrealized loss (gain) on derivatives	50,662	(40,827)	(87,363)
Equity compensation expense ¹	-	1,224	971
Transaction expenses ²	2,221	1,351	2,370
Loss (gain) on sale of assets	(982)	426	(874)
Impairment of compression equipment ³	-	9,107	-
Adjusted EBITDA	\$316,307	\$361,009	\$399,038

Net Cash Provided by Operating Activities to DCF and FCF

(in thousands)	2020	2021	2022
Net cash provided by operating activities	\$243,981	\$249,978	\$219,846
Maintenance capital expenditures	(40,731)	(38,088)	(48,313)
Transaction expenses ²	2,221	1,351	2,370
Loss (gain) on sale of assets	(982)	426	(874)
Change in operating assets and liabilities	(32,495)	6,394	18,047
Other ⁴	(4,990)	112	(2,529)
Discretionary Cash Flow	\$167,004	\$220,173	\$188,547
Growth capital expenditures	(256,664)	(163,845)	(211,035)
Proceeds from sale of capital assets	1,045	13	8,082
Change in accrued capital expenditures	75,359	(6,961)	(1,918)
Free Cash Flow	\$(13,256)	\$49,380	\$(16,324)

Net Income to DCF and FCF

(in thousands)	2020	2021	2022
Net Income	\$(2,185)	\$180,963	\$106,265
Depreciation and amortization	145,632	160,045	174,463
Unrealized loss (gain) on derivatives	50,662	(40,827)	(87,363)
Deferred tax provision (benefit)	5,540	(60,972)	27,301
Amortization of debt issuance costs	6,847	6,944	13,727
Equity compensation expense ¹	-	1,224	971
Transaction expenses ²	2,221	1,351	2,370
Loss (gain) on sale of assets	(982)	426	(874)
Impairment of compression equipment ³	-	9,107	-
Maintenance capital expenditures	(40,731)	(38,088)	(48,313)
Discretionary Cash Flow	\$167,004	\$220,173	\$188,547
Growth capital expenditures	(256,664)	(163,845)	(211,035)
Proceeds from sale of capital assets	1,045	13	8,082
Change in accrued capital expenditures	75,359	(6,961)	(1,918)
Free Cash Flow	\$(13,256)	\$49,380	\$(16,324)

Source: Company filings; ¹ For the years ended December 31, 2022 and 2021, there were \$1.0 million and \$1.2 million, respectively, of non-cash adjustments for equity compensation expense related to the time-based vested shares; ² Represents certain costs associated with non-recurring professional services, our equity owners' expenses and other costs; ³ Represents non-cash charges incurred to write down long-lived assets with recorded values that are not expected to be recovered through future cash flows; ⁴ Includes non-cash lease expense, provision for bad debt, inventory reserve and (gain) loss on sale of assets

Reconciliation of Non-GAAP Financial Measures (cont'd)



Compression Operations Gross Margin to Compression Operations Adjusted Gross Margin

(in thousands)	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
Total Revenues	\$131,616	\$123,499	\$128,355	\$132,259	\$137,445	\$142,622	\$148,595	\$154,408	\$157,495	\$162,808	\$163,662	\$170,992	\$177,697	\$181,619	\$186,673
Cost of Operations (excluding D&A)	(45,899)	(39,045)	(39,897)	(43,110)	(43,269)	(47,929)	(51,124)	(50,491)	(52,937)	(58,336)	(55,872)	(58,570)	(62,770)	(65,017)	(65,470)
Depreciation and Amortization	(32,751)	(38,147)	(37,567)	(37,167)	(38,049)	(39,126)	(40,789)	(42,081)	(42,405)	(43,396)	(44,111)	(44,551)	(44,897)	(45,430)	(46,087)
Gross Margin	\$52,966	\$46,307	\$50,891	\$51,982	\$56,127	\$55,567	\$56,682	\$61,836	\$62,153	\$61,076	\$63,679	\$67,871	\$70,030	\$71,172	\$75,116
Depreciation and Amortization	32,751	38,147	37,567	37,167	38,049	39,126	40,789	42,081	42,405	43,396	44,111	44,551	44,897	45,430	46,087
Adjusted Gross Margin	\$85,717	\$84,454	\$88,458	\$89,149	\$94,176	\$94,693	\$97,471	\$103,917	\$104,558	\$104,472	\$107,790	\$112,422	\$114,927	\$116,602	\$121,203

Source: Kodiak management