

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

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

For the fiscal year ended December 31, 2025

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 001-08604

**TEAM**<sup>®</sup>  
**TEAM, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

13131 Dairy Ashford, Suite 600, Sugar Land, Texas  
(Address of Principal Executive Offices)

74-1765729  
(I.R.S. Employer  
Identification No.)

77478  
(Zip Code)

(281) 331-6154  
(Registrant's Telephone Number, Including Area Code)

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.30 par value	TISI	New York Stock Exchange

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

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

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

The aggregate market value of the voting stock held by non-affiliates on June 30, 2025 was approximately \$41.1 million, determined using the closing price of shares of common stock on the New York Stock Exchange on that date of \$18.20.

For purposes for the foregoing calculation only, all directors, executive officers, the Team, Inc. Salary Deferral Plan and Trust and known 10% or greater beneficial owners have been deemed affiliates.

The Registrant had 4,571,382 shares of common stock, par value \$0.30, outstanding as of March 10, 2026.

**Documents Incorporated by Reference**

Portions of our Definitive Proxy Statement for the 2026 Annual Meeting of Shareholders are incorporated by reference into Part III of this report.

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*Certain items required in Part III of this Annual Report on Form 10-K can be found in our 2026 Proxy Statement and are incorporated herein by reference. A copy of the 2026 Proxy Statement will be provided, without charge, to any person who receives a copy of this Annual Report on Form 10-K and submits a written request to Team, Inc., Attn: Corporate Secretary, 13131 Dairy Ashford, Suite 600, Sugar Land, Texas 77478.*

## **PART I**

### **CAUTIONARY STATEMENT FOR THE PURPOSE OF SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

This report includes 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”). In addition, other written or oral statements that constitute forward-looking statements may be made by us or on our behalf in other materials we release to the public including all statements, other than statements of historical facts, included or incorporated by reference in this Annual Report on Form 10-K, that address activities, events or developments which we expect or anticipate will or may occur in the future. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “expect,” “plan,” “intend,” “estimate,” “project,” “projection,” “predict,” “budget,” “forecast,” “goal,” “guidance,” “target,” “will,” “could,” “should,” “may” and similar expressions.

We based our forward-looking statements on our reasonable beliefs and assumptions, and our current expectations, estimates and projections about ourselves and our industry. We caution that these statements are not guarantees of future performance and involve risks, uncertainties and assumptions about events and circumstances that we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. New risk factors emerge from time to time, and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, forward-looking statements cannot be relied upon as a guarantee of future results and involve a number of risks and uncertainties that could cause actual results to differ materially from those projected in the statements, including, but not limited to the statements under “Risk Factors” included in Part I, Item 1A of this Annual Report on Form 10-K. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in this report. Such risks, uncertainties and other important factors include, among others, risks related to:

- our ability to generate sufficient cash from operations, access our credit facilities or amounts available under our term loans to support our operations, or maintain our compliance with covenants under our debt arrangements and our Certificate of Designation of Series B Preferred Stock, as filed with the Delaware Secretary of State on September 11, 2025 (the “Series B Certificate of Designation”);
- our ability to manage inflationary pressures in our operating costs;
- negative market conditions, including domestic and global inflationary pressures, impact of changes in global trade policies and tariffs, and future economic uncertainties, particularly in industries in which we are heavily dependent;
- delays in the commencement of major projects;
- seasonal and other variations, such as severe weather conditions (including conditions influenced by climate change) and the nature of our customers’ industry affecting the timing of new contracts and terminations of existing contracts which may result in unpredictable fluctuations in our cash flows and financial results;
- our significant debt and high leverage which could have a negative impact on our ability to access capital markets, liquidity position and ability to manage increases in interest rates;
- risk of non-payment and/or delays in payment of receivables from our customers;
- our ability to maintain compliance with the New York Stock Exchange’s (“NYSE”) continued listing requirements and rules;
- our financial forecasts being based upon estimates and assumptions that may materially differ from actual results;
- our incurrence of liabilities and suffering of negative financial or reputational impacts relating to occupational health and safety matters;
- changes in laws or regulations in the local jurisdictions that we conduct our business;
- the inherently uncertain outcome of current and future litigation; and

- acts of terrorism, war or political or civil unrest in the United States or elsewhere, changes in laws and regulations, or the imposition of economic or trade sanctions affecting domestic and international commercial transactions.

## **ITEM 1. BUSINESS**

### **General Development of Business**

**Introduction.** Unless otherwise indicated, the terms “Team,” “the Company,” “we,” “our” and “us” are used in this report to refer to either Team, Inc., to one or more of our consolidated subsidiaries, or to all of them taken as a whole. Our stock is traded on the NYSE under the symbol “TISI”.

We are a global, leading provider of specialty industrial services offering customers access to a full suite of conventional, specialized, and proprietary mechanical, heat-treating, and inspection services. We deploy conventional to highly specialized inspection, condition assessment, maintenance and repair services that result in greater safety, reliability and operational efficiency for our customers’ most critical assets. We conduct operations in two segments: Inspection and Heat-Treating (“IHT”) and Mechanical Services (“MS”). Through the capabilities and resources in these two segments, we believe that we are uniquely qualified to provide integrated solutions involving: inspection to assess condition; engineering assessment to determine fitness for purpose in the context of industry standards and regulatory codes; and mechanical services to repair, rerate or replace based upon the customer’s election. In addition, we are capable of escalating with the customer’s needs, as dictated by the severity of the damage found and the related operating conditions, from standard services to some of the most advanced services and integrated asset integrity and reliability management solutions available in the industry. We also believe that we are unique in our ability to provide these services in three distinct customer demand profiles: (i) turnaround or project services, (ii) call-out services, and (iii) nested or run-and-maintain services.

IHT provides conventional and advanced non-destructive testing services primarily for the process, pipeline and power sectors, pipeline integrity management services, and field heat-treating services, as well as associated engineering and condition assessment services. These services can be offered while facilities are running (onstream), during facility turnarounds or during new construction or expansion activities. In addition, IHT provides comprehensive non-destructive testing services and metallurgical and chemical processing services to the aerospace and other industries covering a range of components including finished machined and in-service components. IHT also provides advanced digital imaging including remote digital video imaging.

MS provides solutions designed to serve customers’ unique needs during both the operational (onstream) and off-line states of their assets. Our onstream services include our range of standard to custom-engineered leak repair and composite solutions; emissions control and compliance; hot tapping and line stopping; and online valve insertion solutions, which are delivered while assets are in an operational condition, which maximizes customer production time. Asset shutdowns can be planned, such as a turnaround maintenance event, or unplanned, such as those due to component failure or equipment breakdowns. Our specialty maintenance, turnaround and outage services are designed to minimize customer downtime and are primarily delivered while assets are off-line, often through the use of cross-certified technicians whose multi-craft capabilities deliver the production needed to achieve tight time schedules. These critical services include on-site field machining; bolted-joint integrity; vapor barrier plug testing; and valve management solutions.

We market our services to companies in a diverse array of heavy industries which include:

- Energy (refining, power, renewables, nuclear, offshore oil and gas, and liquefied natural gas);
- Manufacturing and Process (chemical, petrochemical, pulp and paper industries, automotive and mining);
- Midstream (valves, terminals and storage, and pipeline);
- Infrastructure (construction and building, roads, dams, amusement parks, bridges, ports, and railways); and
- Aerospace and Defense.

### **Description of Business**

#### **Inspection and Heat-Treating Segment:**

IHT offers standard to specialty inspection services as well as heat-treating services and digital imaging services. Heat-treating services are generally associated with turnaround, project and new construction activities. Core IHT services are as follows:

- Non-Destructive Evaluation and Testing Services.
- Radiographic Testing.

- Ultrasonic Testing.
- Magnetic Particle Inspection.
- Liquid Penetrant Inspection.
- Positive Material Identification.
- Electromagnetic Testing.
- Alternating Current Field Measurement.
- Eddy Current Testing.
- Long-Range Guided Ultrasonics.
- Phased Array Ultrasonic Testing.
- Terminals and Storage Inspection and Management Programs.
- Rope Access.
- Mechanical Integrity Services.
- Pipeline Integrity Services.
- Heat-Treating Services.
- Laboratory Services, including Metallurgical and Tensile Services.

#### **Mechanical Services Segment:**

MS provides onstream services engineered to keep customer assets on-line and producing, and specialty maintenance, turnaround and outage services, which are performed while assets are off-line, and are designed to reduce customer downtime. Core MS services listed below are delivered in on-call, project-managed, and full-time nested capacities.

- Leak Repair Services.
- Engineered Composite Repair.
- Emissions Control/Compliance Services.
- Hot Tapping Services.
- Valve Insertion Services.
- Field Machining Services.
- Bolted Joint Integrity Services.
- Vapor Barrier Plug and Weld Testing Services.
- Valve Management Solutions.

#### **Marketing, Customers and Competition**

Our industrial services are marketed principally by personnel based at our service locations. We believe that these service locations are situated to facilitate timely responses to customer needs with on-call expertise, which is an important feature of selling and providing our services. The capacity and capability scope of our discrete and integrated services also allows us to benefit from the procurement trends of many of our customers who are seeking to reduce the number of contractors and vendors in their facilities, as well as to outsource more of such services. No single customer accounted for 10% or more of consolidated revenues during the years ended December 31, 2025 and 2024, respectively.

Generally, customers are billed on a time and materials basis, although some work may be performed pursuant to a fixed-price bid. Services are usually performed pursuant to purchase orders issued under written customer agreements. While most purchase orders provide for the performance of a single job, some provide for services to be performed on a run-and-maintain basis. Substantially all our agreements and contracts may be terminated by either party on short notice. The agreements generally specify the range of services to be performed and the hourly rates for labor and equipment. While many contracts

cover specific plants or locations, we also enter into multiple-site regional or national contracts which cover multiple plants or locations.

In general, competition stems from a large number of other outside service contractors. More than 100 different competitors are currently active in our markets. We believe we have a competitive advantage over most service contractors due to the quality, training and experience of our technicians, our rigorous safety training and procedures, our North America and international service capability, the breadth and depth of our services, our ability to provide such services on an integrated, more turnkey basis, and our technical engineered support coupled with our manufacturing capabilities supporting the service network.

### **Seasonality**

We experience some seasonal fluctuations. Historically, the refining industry has scheduled plant shutdowns (commonly referred to as “turnarounds”) for the fall and spring seasons. The power industry follows a similar seasonal schedule for their plant maintenance. The timing of large turnarounds or outages can significantly impact our revenues. The pipeline industry follows and depends in part on weather conditions where the ability to access pipeline infrastructure for or after inspections may be impeded by more severe cold weather conditions.

### **Compliance with Government Regulations**

A significant portion of our business activities are subject to foreign, federal, state and local laws and regulations. These regulations are administered by various foreign, federal, state and local health and safety and environmental agencies and authorities, including Occupational Safety and Health Administration (“OSHA”) of the U.S. Department of Labor and the U.S. Environmental Protection Agency (the “EPA”). Failure to comply with these laws and regulations may involve civil and criminal liability. From time to time, we are also subject to a wide range of reporting requirements, certifications and compliance as prescribed by various federal and state governmental agencies that include, but are not limited to, the EPA, the Nuclear Regulatory Commission, OSHA, the Department of Transportation and the Federal Aviation Administration. Also, many states where we operate regulate health, safety and environmental activities, such as California Environmental Protection Agency, California OSHA and the Texas Commission on Environmental Quality. Expenditures relating to such regulations are made in the normal course of our business and are neither material nor place us at any competitive disadvantage. We do not currently expect that compliance with such laws and regulations will require us to make material expenditures.

From time to time, during the operation of our environmental consulting and engineering services, the assets of which were sold in 1996, we handled small quantities of certain hazardous wastes or other substances generated by our customers. Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (the “Superfund Act”), the EPA is authorized to take administrative and judicial action to either cause parties who are responsible under the Superfund Act for cleaning up any unauthorized release of hazardous substances to do so, or to clean up such hazardous substances and to seek reimbursement of the costs thereof from the responsible parties, who are jointly and severally liable for such costs under the Superfund Act. The EPA may also bring suit for treble damages from responsible parties who unreasonably refuse to voluntarily participate in such a clean-up or funding thereof. Similarly, private parties who bear the costs of cleanup may seek to recover all or part of their costs from responsible parties in cost recovery or contribution actions. Responsible parties include anyone who owns or operates the facility where the release occurred (either currently and/or at the time such hazardous substances were disposed of), or who by contract arranges for disposal, treatment, transportation for disposal or treatment of a hazardous substance, or who accepts hazardous substances for transport to disposal or treatment facilities selected by such person from which there is a release. We believe that our risk of liability is minimal since our environmental consulting and engineering services consisted solely of maintaining and storing small samples of materials for laboratory analysis that are classified as hazardous. Due to its prohibitive costs, we accordingly do not currently carry insurance to cover any potential liabilities under the Superfund Act or similar environmental statutes.

### **Human Capital**

Due to the seasonal nature of our business, our employee headcount varies during the year. During 2025, we averaged approximately 5,300 employees, with approximately 4,000 employed in the United States and 1,300 internationally. Human capital management, combined with our core values and talent management initiatives, is a key driver of our employee retention program. We invest in our talent by providing our employees with targeted training, mentoring and career development opportunities, all of which enable us to hire and retain skilled, high-performing employees. We work to prioritize our safety-first culture and equal employment opportunity initiatives, and we seek to retain employees through our employee engagement efforts and our competitive compensation and benefits packages.

### *Business ethics and core values*

Our core values anchor every aspect of our business in a set of commonly held beliefs and commitments. They represent what we stand for, the values our employees embody, what our customers can expect in the delivery of our services and what our services and products contribute to the market. These statements are deeply ingrained in our culture, guiding employee behavior and our decisions and actions.

- Safety First/Quality Always – In everything we do;
- Integrity – Uncompromising standards of integrity and ethical conduct;
- Service Leadership – Leading service quality, professionalism and responsiveness;
- Innovation – Supporting continuous growth and improvement;
- Pride and Respect – For our customers, for each other and for all of our stakeholders; and
- Teamwork – Global teamwork and collaboration.

### *Equal employment opportunity*

We believe that an inclusive and engaged workforce is critical to our success, and we work hard to create an environment where our employees feel valued, engaged and inspired to do their best work. We are proud that a group of people from a variety of backgrounds, religions, nationalities, gender identity, sexual orientations and races make up our team. It continues to be our goal to create an inclusive environment and eliminate bias wherever it exists through strategic employee-engaged initiatives.

We are an Equal Employment Opportunity employer and it is our policy to provide equal employment opportunities to all qualified persons. We seek to attract and retain a workforce diverse in experience, skills and backgrounds, in particular for our technician population, which comprises more than 79% of our overall global workforce.

	<b>Corporate Leadership</b>	<b>General &amp; Administrative</b>	<b>Global Workforce<sup>1</sup></b>
Female	14%	56%	11%
Male	86%	44%	89%

<sup>1</sup> Global workforce includes technicians.

We seek to recruit the most qualified candidates, including by recruiting from a broad range of places.

### *Health, safety and training*

We have “12 Life Saving Rules” across our organization to further enhance our safety focused culture. The 12 Life Saving Rules (the “LSRs”) are clear and simple rules designed to address those activities that potentially place Team employees at risk. The LSRs include six behaviors that are always enforced and six behaviors that are never allowed. All Team employees complete online training covering all of the LSRs and expectations and must acknowledge that they have read them. The rules are posted internally, communicated throughout our organization through safety bulletins, and are printed in multiple languages. In 2025 Team established our Shop Life Saving Rules to further differentiate between rules that are more field focused versus those that are more shop focused. The intent of the Shop Life Saving Rules is to define the specific high hazard tasks associated with shop type activities including rotating equipment hazards, fork truck hazards, housekeeping, guarding and other shop specific rules.

We have several online training and distance learning classes as part of our curriculum to help meet the needs of a rapidly changing workplace environment. These are administered and tracked globally through our Learning Management System. In addition, Team Stress and Anxiety Management Program (“STAMP”) provides several tools and resources to help employees effectively manage stress and prevent depression and other mental illnesses. Team also publishes the Health, Safety, Environmental and Quality (“HSEQ”) Gazette on a bi-monthly basis to provide the organization with a wide variety of HSEQ topics and information. The Gazette covers relevant safety topics, HSEQ key performance indicators, employee recognitions, lessons learned from incidents, helpful environmental and vehicle safety information, Team STAMP highlights, best practices, and details on any upcoming initiatives.

We recognize the importance of providing training to continually support career growth and development. Our talent management programs are designed to empower and inspire our team members to personalize their career journeys by building

critical job skills, gaining hands-on experience, providing ongoing access to world class training, assigning relevant career mentors and paving the way toward career paths that provide long-term advancement within our organization.

### *Employee engagement*

Periodically, our employees participate in engagement surveys, which provide us with valuable insight as we seek to improve our overall employee engagement and satisfaction. Acting upon employee feedback generated from our surveys, we review our regional health benefits, communication strategy and training efforts on an ongoing basis. In 2025, TEAM launched a new and improved global employee recognition program with the Achievers platform, designed to recognize outstanding performance and milestones in an employee's tenure with Team. Additionally in 2025, we continued our focus on regular communications with our employees, which included CEO Connection newsletters.

### *Wages and benefits*

Across the globe, we strive to provide our employees with competitive wages, salaries and benefits based upon employee skills, experience and job levels. Additionally, we provide employees with a comprehensive set of benefits, including health and welfare benefits, wellness benefits, employee assistance plans, defined contribution and defined benefit retirement plans (United Kingdom employees only), paid time off, educational support and a variety of other ancillary employee benefits.

## **Environmental, Social and Governance (“ESG”)**

We strive to promote and support business practices that are environmentally sustainable, socially conscious, and aligned with strong corporate governance practices. We are committed to conducting our business in a manner that protects the environment and the health and safety of our employees, our customers, our suppliers and contractors and the general public. To meet this commitment, we maintain management systems designed to ensure compliance with all applicable laws, regulations and internal requirements, as well as to facilitate the continuous improvement of our processes, products, and personnel.

Many of our services, including our inspection, emissions monitoring and leak repair services, are crucial in assisting our customers to identify, assess and reduce their carbon and other emissions. We provide inspection, condition assessment, maintenance and repair services and support our customers' diversification efforts into sources of renewable energy. We work closely with our customers across the world to assist them in meeting their environmental sustainability goals.

Our Company management is responsible for the day-to-day operation of ESG matters. Our Chief Legal Officer, who reports directly to our CEO, has general oversight responsibility with respect to matters of sustainability and social responsibility and is the executive sponsor of our ESG Council. At the Board level, the Corporate Governance and Nominating Committee receives regular updates from our ESG Council regarding the considerations and actions taken by us with respect to ESG.

## **Board Rights**

### *APSC Board Rights*

On November 1, 2022, we entered into the Board Rights Agreement (the “APSC Board Rights Agreement”) with Atlantic Park Strategic Capital Fund, L.P. (“APSC”), pursuant to which APSC, acting as investor representative on behalf of itself and its affiliates (together with APSC, the “APSC Investors”) that beneficially own our common stock (inclusive of the APSC Warrants), may, subject to common stock ownership thresholds and other terms provided in the APSC Board Rights Agreement, designate an individual to serve as a non-voting observer at all meetings of our Board of Directors (the “Board”) and nominate an individual designated by APSC to serve on the Board (the “APSC Investor Director”). The right to nominate the APSC Investor Director is subject to certain qualification requirements and the discretion of our Corporate Governance and Nominating Committee under limited circumstances. The APSC Investors' rights under the APSC Board Rights Agreement are a continuation of existing rights under a prior term loan credit agreement dated December 18, 2020 and a prior commitment letter dated as of November 9, 2021 (the “2021 Commitment Letter”) by and among us, APSC and Corre Partners Management, LLC (“Corre”).

In the event of the resignation, death or removal (for cause or otherwise) of the APSC Investor Director from the Board, APSC, acting on behalf of the APSC Investors, will have the right, but not the obligation, to designate a successor APSC Investor Director to the Board to fill the resulting vacancy on the Board (and any applicable committee thereof), subject to certain qualification requirements specified in the APSC Board Rights Agreement.

### *Corre Board Rights*

Corre was previously granted certain board nomination and observer rights pursuant to the 2021 Commitment Letter and a prior credit agreement dated November 9, 2021. On June 16, 2023, in connection with, and effective upon, the consummation of the transactions contemplated by the A&R Term Loan Credit Agreement and ABL Amendment No.3 (as defined below), we, Corre and the other parties thereto, entered into a new Board Rights Agreement (the “Corre Board Rights Agreement”), pursuant to which Corre, acting on behalf of itself and its affiliates (together with Corre, the “Corre Investors”) that beneficially own our common stock (inclusive of the Corre Warrants), may, subject to common stock ownership thresholds

and/or indebtedness and commitment thresholds and other terms provided in the Corre Board Rights Agreement, designate an individual to serve as a non-voting observer at all meetings of the Board, nominate one individual to serve as Chairman of the Board (the “Chairperson”), and nominate two additional individuals to serve on the Board (such individuals, together with the Chairperson, the “Corre Investor Directors”). The right to nominate the Corre Investor Directors is subject to certain qualification requirements and the discretion of our Corporate Governance and Nominating Committee under limited circumstances.

In the event of the resignation, death or removal (for cause or otherwise) of the Corre Investor Directors from the Board, Corre, acting on behalf of the Corre Investors, will have the right, but not the obligation, to designate a successor Corre Investor Director, as applicable, to the Board to fill the resulting vacancy on the Board (and any applicable committee thereof), subject to certain qualification requirements specified in the Corre Board Rights Agreement.

#### *Stellex Board Rights*

On September 11, 2025, we, InspectionTech Holdings LP (the “Stellex Holder”) and Stellex Capital Management LLC (collectively with the Stellex Holder and its affiliates, “Stellex”) entered into that certain Shareholders Agreement (the “Stellex Shareholders Agreement”). Pursuant to and subject to the terms and conditions of the Stellex Shareholders Agreement, the Board was required to appoint two qualified nominees of Stellex and its affiliates (collectively, the “Stellex Investors”) to the Board, who were each designated by the Stellex Investors and qualified as an independent director (each, a “Stellex Board Nominee”). Pursuant to and subject to the terms and conditions of the Stellex Shareholders Agreement, the Company is required to nominate each initial Stellex Board Nominee, or each successor Stellex Board Nominee chosen by the Stellex Investors, for re-election at each election of the class of directors in which such Stellex Board Nominee is placed. Upon the Stellex Investors ceasing to beneficially own (as defined in Rule 13d-3 under the Exchange Act) (i) more than 50% of the aggregate Stellex Warrants (as defined herein) and common stock issued upon exercise of such Stellex Warrants, the number of Stellex Board Nominees that the Stellex Investors are entitled to shall be reduced by one, and (ii) any of the Series B Preferred Stock (as defined herein), the number of Stellex Board Nominees that the Stellex Investors are entitled to shall be reduced by one.

In the event of the resignation, death or removal (for cause or otherwise) of the Stellex Board Nominees from the Board, the Stellex Investors will have the right, but not the obligation, to designate a successor Stellex Board Nominee, as applicable, to the Board to fill the resulting vacancy on the Board (and any applicable committee thereof), subject to certain qualification requirements specified in the Stellex Shareholders Agreement.

#### **Available Information**

Our internet website address is [www.teaminc.com](http://www.teaminc.com). Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments and exhibits to these reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available on our website, free of charge, as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. Alternatively, you may access these reports at the SEC’s website at <http://www.sec.gov>. We post our code of ethical conduct, our governance principles, our social responsibility policy and the charters of our Board committees on our website. Our governance documents are available in print to any shareholder that submits a written request to Team, Inc., Attn: Corporate Secretary, 13131 Dairy Ashford, Suite 600, Sugar Land, Texas 77478. Information contained on our website is not part of this Annual Report on Form 10-K.

## ITEM 1A. RISK FACTORS

Our business, financial condition, results of operations, cash flows and/or stock price could be materially adversely affected by any of the risks and uncertainties described below, individually or in combination. Such risk factors and uncertainties could also affect whether any forward-looking statements in this Annual Report on Form 10-K ultimately prove to be accurate.

### **Risks Related to Financing Our Business**

*We are subject to risks associated with indebtedness under our credit facilities and the Series B Preferred Stock, including the risk of failure to maintain compliance with financial and other covenants, the risk of being unable to make interest and principal payments when due and the risk of rising interest rates under our credit facilities. Additionally, our significant debt and high leverage could have a negative impact on our financing options and liquidity position.*

We have a significant amount of debt as discussed below, and our overall leverage and the terms of our financing arrangements could:

- limit our ability to obtain additional financing in the future for working capital, capital expenditures, to fund growth or for general corporate purposes;
- make it more difficult for us to satisfy the terms of our debt obligations;
- make it more difficult for us to manage increases in interest rates;
- limit our ability to refinance our existing debt on terms acceptable to us, or at all;
- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments, thereby limiting the availability of our cash flow to fund future investments, capital expenditures, working capital, business activities and other general corporate requirements; and
- create a competitive disadvantage by reducing our flexibility in responding to increased competition from competitors who hold a lower level on indebtedness.

Our ability to meet expenses and debt service obligations and obligations relating to the Series B Preferred Stock will depend on our future performance, which will be affected by financial, business, economic and other factors. If we do not generate enough cash to pay our debt service obligations and obligations relating to the Series B Preferred Stock, we may be required to refinance our capital structure, sell assets, borrow more money or raise additional equity capital.

Disclosure of our debt instruments appears under *Note 11 – Debt* of the consolidated financial statements, and disclosure of our Series B Preferred Stock appears under *Note 16 – Redeemable Preferred Stock* of the consolidated financial statements.

Our ability to maintain compliance with the covenants pursuant to the debt instruments we are party to and the Series B Certificate of Designation is dependent upon our future operating performance and future financial condition, both of which are subject to various risks and uncertainties. Additionally, these risks and uncertainties may, among other factors, impact our ability to generate cash flows from operations, access the capital markets on acceptable terms or at all, and affect our future need or ability to borrow under our credit agreements. In addition to our current sources of funding our business, the effects of such events may impact our liquidity or our need to revise our allocation or sources of capital, implement further cost reduction measures and/or change our business strategy.

We rely primarily on cash flows from our operations to make required interest and principal payments. If we are unable to generate sufficient cash flows from our operations, we may be unable to pay interest and principal obligations when they become due. Failure to comply with these obligations or failure to comply with the covenants discussed above could result in an event of default, which would permit our lenders under our credit facilities to accelerate the repayment of the debt. If our lenders accelerate the repayment of debt, there is no assurance that we could refinance such debt on terms favorable to us or at all.

*Our largest shareholder (Corre and certain of its affiliates) owns a meaningful percentage of our outstanding equity securities, which could limit the ability of other shareholders to influence corporate matters.* As of March 10, 2026, Corre and certain of its affiliates beneficially owned approximately 41.5% of the total voting power held by shareholders of our outstanding common stock (including common stock issued pursuant to the common stock subscription agreement with certain Corre holders and shares issuable upon exercise, subject to beneficial ownership limitation, of certain warrants, as described below, held by our largest shareholder in each case). As a result, this shareholder may be able to exert influence over our management, business plans and policies, as well as matters submitted to our stockholders for approval, such as the selection of directors and amendments of our organizational documents. This concentrated ownership could limit the ability of the remaining shareholders to influence corporate matters, and the interests of the large shareholder may not coincide with our interests or the interests of the remaining shareholders.

### **Risks Related to Our Operations**

***If we are not able to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and results of operations could be materially and adversely affected.*** Competition can place downward pressure on our prices and profitability. Our share of the market for our services is characterized by continual technological developments to provide better and more cost-effective services. If we are not able to implement commercially competitive services and products in a timely manner in response to changes in the market, customer requirements, competitive pressures, inflationary pressures and technology trends, our business and results of operations could be materially and adversely affected. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, we may no longer be competitive, and our business and results of operations could be materially and adversely affected.

***No assurances can be made that we will be successful in hiring or retaining members of a skilled technical workforce.*** We have a skilled technical workforce and an industry recognized technician training program for each of our service lines that prepares new employees as well as further trains our existing employees. The competition for these individuals is intense. The failure to retain these individuals, or failure to attract new employees, could adversely affect our ability to perform our obligations on our customers' projects or maintenance and consequently could negatively impact our ability to meet the demand for our products and services.

***Unsatisfactory quality of service execution, including safety performance, can affect customer relationships, eliminate or reduce revenue streams from our largest customers, result in higher operating costs and negatively impact our ability to hire and retain a skilled technical workforce.*** The services we provide could incur quality of execution issues that may be caused by our workforce personnel and/or components we manufacture or purchase from other manufacturers or suppliers. If the quality of our services does not meet our customers' expectations or satisfaction, then our sales and operating earnings, and, ultimately, our reputation, could be negatively impacted. Additionally, our workers are subject to the normal hazards associated with providing services at industrial facilities. Even with proper safety precautions, these hazards can lead to personal injury, loss of life, destruction of property, plant and equipment, lower employee morale and environmental damage. While we are intensely focused on maintaining a strong safety environment and minimizing the risk of accidents, there can be no assurance that these efforts will be effective. Poor safety performance may limit or eliminate potential revenue streams, including from many of our largest customers, and may materially increase our operating costs, including increasing our required insurance deductibles, self-insured retention and insurance premium costs.

***Our business depends upon the maintenance of our proprietary technologies and information.*** We depend on our proprietary technologies and information, many of which are no longer subject to patent protection. We regularly enter into confidentiality agreements with our key employees, customers, potential customers and other third parties and limit access to and distribution of our trade secrets and other proprietary information. However, these measures may not be adequate to prevent misappropriation of our technologies or to ensure that our competitors will not independently develop technologies that are substantially equivalent or superior to our technologies. In addition, because we operate worldwide, the laws of other countries in which we operate may not protect our proprietary rights to the same extent as the laws of the United States. We are also subject to the risk of adverse claims and litigation alleging infringement of intellectual property rights.

***No assurances can be made that we will be successful in maintaining or renewing our contracts with our customers.*** A significant portion of our contracts and agreements with customers may be terminated by either party on short notice. Although we actively pursue the renewal of our contracts, we cannot assure that we will be able to renew these contracts or that the terms of the renewed contracts will be as favorable as the existing contracts. If we are unable to renew or replace these contracts, or if we renew on less favorable terms, we may suffer a material reduction in revenue and earnings.

***The loss or unavailability of any of our executive officers or other key personnel could have a material adverse effect on our business.*** We depend greatly on the efforts of our executive officers and other key employees to manage and exercise leadership over our operations. The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business operations.

***Additional impairments of our intangible and other long-lived assets, and changes in the estimated useful lives of intangible assets could have a material adverse impact on our results of operations and financial condition.*** Our long-lived assets, including our finite-lived intangible assets, are tested for impairment when circumstances indicate that the carrying amount may not be recoverable. A decrease in our market capitalization or profitability or unfavorable changes in market, economic and industry conditions would increase the risk of impairment.

U.S. GAAP requires that we evaluate the useful lives of our intangible assets subject to amortization each reporting period. If the estimate of an intangible asset's remaining useful life is changed, the remaining carrying amount of the intangible asset is amortized prospectively over that revised remaining useful life. To the extent the revised useful life of an intangible asset is less than originally estimated, our future amortization expense will increase, which could have a material impact on our results of operations and financial condition.

***Improvements in operating results from expected savings in operating costs from workforce reductions and other cost saving and business improvement initiatives may not be realized, may take longer to be realized, or could be realized only for a limited period.*** We continually seek to reduce our operating costs through a more efficient organizational structure, headcount reductions and other steps to better position ourselves to deliver improved margins and cash flow from operations. However, to implement any future cost savings or business improvement initiatives, we expect to incur additional expenses, which could adversely impact our financial results prior to the realization of the expected benefits associated with the initiatives. Due to numerous factors or future developments, we may not achieve cost reductions or other business improvements consistent with our expectations or the benefits may be delayed. These factors or future developments could include (i) the incurrence of higher than expected costs or delays in reassigning and retraining remaining employees or outsourcing or eliminating duties and functions of eliminated employees, (ii) unanticipated delays in discharging employees in eliminated positions as a result of regulatory or legal limitations on employee terminations in certain jurisdictions, (iii) actual savings differing from anticipated cost savings, (iv) anticipated benefits from business improvement initiatives not materializing and (v) disruptions to normal operations or other unintended adverse impacts resulting from the initiatives, including negatively impacting our ability to grow our business.

We may also decide to reduce, suspend or terminate our cost-saving and business improvement initiatives at any time before achieving the estimated benefits or after a limited period of time. The elimination of current employees can also result in increased future costs in hiring, training and mobilizing new employees or rehires in the event of a future increase in demand for our services, resulting in a slower recovery of results from operations. Our initiatives may negatively affect our ability to retain and attract qualified personnel, who may experience uncertainty about their future roles with us.

***Economic, political and other risks associated with international operations could adversely affect our business.*** A portion of our operations are conducted and located outside the U.S., and accordingly, our business is subject to risks associated with doing business internationally, including changes in foreign currency exchange rates, instability in political or economic conditions, difficulty in repatriating cash proceeds, differing employee relations, differing regulatory environments, trade protection measures, and difficulty in administering and enforcing corporate policies which may be different than the normal business practices of local cultures. Further, the presence of our offices and operations throughout the world creates greater financial and operational risks due to the nature of our operations being conducted at various locations. Our international business operations may include projects in countries where corruption is prevalent. Although we have implemented and continue to enforce policies and procedures designed to ensure compliance with the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act, as well as internal controls, policies and procedures, and employee training and compliance programs to deter prohibited practices more generally, there can be no assurance that all of our employees, contractors or agents, including those representing us in countries where practices which violate such anti-corruption laws may be customary, will not take actions in violation of, or circumventing, our policies and procedures. Any violation of foreign or U.S. laws by our employees, contractors or agents, even if such violation is prohibited by our policies and procedures, could have a material adverse effect on our results of operations, financial position or cash flows.

***Business acquisitions and divestitures entail risk for investors.*** From time to time, we seek growth through strategic acquisitions while also evaluating our portfolio for potential divestitures in specialty maintenance and specialty industrial services, including inspection, engineering assessment and mechanical services to complement, diversify or rationalize our existing business. We may also acquire other businesses that enhance our services or geographic scope and/or divest certain businesses or service offerings to rationalize our operations and take advantage of strategic opportunities. We may not be able to expand our market presence through acquisitions, and acquisitions may present unforeseen integration difficulties or costs. No assurances can be made that we will realize the cost savings, synergies or revenue enhancements that we may anticipate from any acquisition or divestiture, or that we will realize such benefits within the time frame that we expect. If we are not able to address the challenges associated with acquisitions and successfully integrate acquired businesses, or if our integrated product and service offerings fail to achieve market acceptance, or if we are not able to successfully separate divested operations, our business could be adversely affected. The transactions may also affect our share price or future financial results depending on the structure of such considerations. To the extent we issue stock or other rights to purchase stock, including options or other rights, existing shareholders may be diluted and earnings per share may decrease. In addition, acquisitions may result in the incurrence of additional debt of the acquired businesses, or we may incur additional debt to finance such acquisitions.

***Our business may be adversely impacted by work stoppages, staffing shortages and other labor matters.*** Although we believe that our relations with our employees are good and we have had no strikes or work stoppages, no assurances can be made that we will not experience these and other types of conflicts with labor unions, works councils, other groups representing employees, or our employees in general, or that any future negotiations with our labor unions will not result in significant increases in the cost of labor.

***We extend credit to customers for purchases of our services which subjects us to potential credit risk that could, if realized, adversely affect our financial condition, results of operations and cash flows.*** If we are unable to collect amounts

owed to us, or retain amounts paid to us, our cash flows would be reduced and we could experience losses. We would also recognize losses with respect to any receivables that are impaired as a result of our customers' financial difficulties or bankruptcies. The risk of loss may increase for capital projects where we provide services over a longer period of time. Credit losses could materially and adversely affect our financial condition, results of operations and cash flows.

***We may experience inflationary pressures in our operating costs and cost overruns on our projects.*** A small portion of our customers are serviced under fixed price contracts or contracts including a combination of fixed and variable elements, where we bear a portion of the risk for cost overruns. Under such contracts, prices are established in part on cost and scheduling estimates, which are based on a number of assumptions, including assumptions about future economic conditions, prices and availability of subcontractors, materials and other exigencies of our services. Our profitability for these contracts depends heavily on our ability to make accurate estimates. Inaccurate estimates, or changes in other circumstances, such as unanticipated technical problems, difficulties obtaining permits or approvals, changes in local laws or labor conditions, changes in trade policies, weather delays, cost of raw materials, trade disputes and tariffs, currency fluctuations, inflation pressures or our suppliers' or subcontractors' inability to perform could result in substantial losses, as such changes adversely affect the revenues and profitability recognized on each project. Current and future inflationary volatility driven by, among other things, supply chain disruptions and governmental stimulus or fiscal policies as well as geopolitical conflicts such as the ongoing military conflict between Russia and Ukraine and in the Middle East, and other geopolitical issues impacting global trade could further impact our ability to make accurate estimates, which could have an adverse impact on our business, cash flows and profitability.

***Increased scrutiny and changing expectations from investors, customers and other market participants with respect to sustainability or environmental, social and governance ("ESG") matters may impose additional costs on us or expose us to reputational or other risks.*** Companies across all industries and around the globe are facing increased scrutiny relating to their ESG policies, initiatives and activities by investors, lenders, regulators, customers and other market participants. While we have policies and initiatives in place related to our ESG practices, the increased focus on ESG matters may impact our access to capital, as investors and lenders may reconsider their capital investment allocation as a result of their assessment of our ESG practices. Our ESG initiatives, intentions and expectations are subject to change and there can be no assurance that our ESG policies and procedures will continue. Further, regulatory requirements related to ESG continue to evolve and may increase our costs of compliance. If we do not adapt to or comply with investor or other stakeholder expectations and standards on ESG matters as they continue to evolve or if we are perceived to have not responded appropriately to concern for ESG issues, regardless of whether there is a regulatory or legal requirement to do so, we may be exposed to the risk of investigation, inquiry, or legal challenges or suffer reputational damage. At the same time, recent "anti-ESG" political developments could subject the Company to increased risk of criticism or litigation risks from certain "anti-ESG" parties including various government agencies. Such sentiment may focus on the Company's environmental or social initiatives, which such anti-ESG parties may assert are unlawful, political or polarizing in nature.

While we may create and publish voluntary disclosures regarding ESG matters from time to time, we could be criticized for the accuracy, adequacy or completeness of the disclosure related to our ESG-related practices and initiatives, commitments and goals, and progress toward those goals. Certain statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and lack of an established, single approach to identifying, measuring and reporting on many ESG issues. If our ESG-related data, processes or reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our ESG-related goals on a timely basis, or at all, our reputation could be adversely affected.

In addition, organizations that provide rating information to investors on ESG matters may assign unfavorable ratings to Team or our industries, which may lead to negative investor sentiment and the diversion of investment to other companies or industries, which could have a negative impact on our stock price and our costs of capital. To the extent ESG matters negatively impact our reputation, we may not be able to compete as effectively to recruit or retain employees, which may adversely affect our operations. Such ESG matters may also impact our customers, which may result in reduced demand for certain of our products and services.

## **Risks Related to Market Conditions**

***Demand for our services is sensitive to oil and gas prices, global oil supply and other factors which impact our customer's current and future spending levels.*** Global oil and gas supply and demand are impacted by several factors including global economic conditions, geopolitical events, widespread public health crises, and domestic and global inflationary pressures which may reduce the availability of liquidity and credit and, in many cases, reduce demand for our customers' products. Disruptions or volatility in these markets could also adversely affect our customers' decisions to fund ongoing maintenance and new capital projects, resulting in contract cancellations or suspensions, capital project delays, repurposing of infrastructure, and infrastructure closures. These factors may also adversely affect our ability to collect payment for work we have previously performed. Such disruptions, should they occur, could materially impact our results of operations, financial position, credit capacity or cash flows.

Extended periods of low prices for crude oil can have a material adverse impact on our results of operations, financial condition, and liquidity. While we continue our efforts to expand our market presence in the areas of aerospace and defense, renewable energy, construction, chemical processing, manufacturing, power generation, and public infrastructure, among other industries, economic downturns within the oil and gas industry including falling crude oil prices, have resulted in, and could in the future, result in reduced demand for our services.

***The price of our outstanding securities may be volatile.*** It is possible that in some future quarter (or quarters) our revenues, operating results or other measures of financial performance will not meet the expectations of investors, which could cause the price of our outstanding securities to decline or be volatile. Historically, our quarterly and annual sales and operating results have fluctuated. We expect fluctuations to continue in the future. In addition to general economic and political conditions, and in addition to the other factors identified under this Item 1A "Risk Factors", the following factors may affect our sales and operating results: the timing of significant customer orders, the timing of planned maintenance projects at customer facilities, changes in competitive pricing, wide variations in profitability by product line, variations in operating expenses, rapid increases in raw material and labor costs, the timing of announcements or introductions of new products or services by us, our competitors or our respective customers, the acceptance of those services, our ability to adequately meet staffing requirements with qualified personnel, relative variations in manufacturing efficiencies and costs, and the relative strength or weakness of international markets. Since our quarterly and annual revenues and operating results vary, we believe that period-to-period comparisons are not necessarily meaningful and should not be relied upon as indicators of our future performance. Additionally, the market for our common stock has been and may continue to be thinly traded, and the price of our common stock may be subject to wide fluctuations as a result.

***Our revenues are heavily dependent on certain industries.*** Sales of our services are dependent on customers in certain industries, particularly the refining and petrochemical industries. As we have experienced in the past, and as we expect to occur in the future, downturns characterized by diminished demand for services in these industries as well as potential changes due to consolidation or changes in customer businesses or governmental regulations, could have a material impact on our results of operations, financial position or cash flows. Certain industries and customers have employees represented by unions and could be subject to temporary work stoppages which could impact our activity level.

***We sell our services in highly competitive markets, which can limit our ability to increase prices and maintain or increase the market share of our services.*** Our competition generally stems from other outside service contractors, many of whom offer similar services. Future economic uncertainty could generally reduce demand for industrial services and thus create a more competitive bidding environment for new and existing work. No assurances can be made that we will continue to maintain our pricing model or increase our market share or profitability.

***Our ongoing investments in new customer markets involve significant risks, could disrupt our current operations and may not produce the long-term benefits that we expect.*** Our ability to compete successfully in new customer markets depends on our ability to continue to deliver innovative, relevant and useful services to our customers in a timely manner. As a result, we have invested, and expect to continue to invest, resources in developing products and services to market to new customers. Such investments may not prioritize short-term financial results and may involve significant risks and uncertainties, including encountering new, well-established competitors. We may fail to generate sufficient revenue, operating margin or other value to justify our investments in such new customer markets, thereby harming our ability to generate revenue.

***We may not be able to maintain compliance with the NYSE's continued listing requirements and rules, and the NYSE may delist our common stock, which could negatively affect the Company, the price of our common stock and our shareholders' ability to sell our common stock.*** The NYSE has several listing requirements set forth in the NYSE Listed Company Manual.

On March 14, 2024, the Company received a written notice (the "Written Notice") from the NYSE that the Company was not in compliance with the continued listing standards set forth in Rule 802.01B of the NYSE Listed Company Manual because its average global market capitalization over a consecutive 30 trading-day period was less than \$50.0 million and, at the same time, its last reported shareholders' equity was less than \$50.0 million. The Written Notice had no immediate impact on the

listing of the Company's common stock, which continued to trade on the NYSE during the applicable cure period and did not result in a default under the Company's material debt or other agreements.

On March 14, 2025, we received notice from the NYSE that we had regained compliance with the NYSE listing standards. There is no assurance that we will remain in compliance with Section 802.01B or other NYSE continued listing standards in the future. If we are unable to list our common stock on an alternate exchange, a delisting of our common stock from the NYSE could negatively impact us by, among other things, reducing the liquidity and market price of our common stock; reducing the number of investors willing to hold or acquire our common stock, which could negatively impact our ability to raise equity financing; limiting our ability to issue additional securities or obtain additional financing in the future; decreasing the amount of news and analyst coverage of us; and causing us reputational harm with investors, our employees, and parties conducting business with us.

### **Risks Related to Information Systems**

***Our business and operations could suffer in the event of computer system failures, cyber-attacks or deficiencies in our cyber-security or those of third-party providers.*** In the ordinary course of our business, we continue to increase dependencies on digital technologies to conduct our business. Sensitive data is also transmitted on our networks and systems, including our intellectual property and proprietary information that is confidential to the business, to our customers and our business partners. We have also outsourced significant elements of our information technology infrastructure and, as a result, third parties may or could have access to our confidential information. The secure maintenance of this information is critical to our business and reputation. Despite the implementation of security measures, our internal computer systems, and those of third parties on which we rely, are vulnerable to damage from computer viruses, malware, ransomware, cyber fraud, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, encrypted, lost or stolen. Any such access, inappropriate disclosure of confidential or proprietary information or other loss of information, including our data being breached at third-party providers, could result in legal claims or proceedings, liability or financial loss under laws that protect the privacy of personal information, disruption of our operations with increases in costs and decline in revenues, damage to intellectual property or our product development programs and damage to our reputation, which could adversely affect our business.

Furthermore, we and our third-party providers rely on electronic communications and information systems to conduct our operations. We and our third-party providers have been, and may continue to be, targeted by parties using fraudulent e-mails and other communications in attempts to misappropriate bank account information, passwords, or other personal information or to introduce viruses or other malware to our information systems.

***Interruptions in the proper functioning of our information systems could disrupt operations and cause increases in costs and/or decreases in revenues.*** The proper functioning of our information systems is critical to the successful operation of our business. Although our information systems are protected through physical and software safeguards, our information systems are still vulnerable to natural disasters, power losses, telecommunication failures and other problems. If critical information systems fail or are otherwise unavailable, our business operations could be adversely affected.

### **Risks Related to Regulations**

***Unanticipated fluctuations in our effective tax rate and our tax obligations, changes in legislation or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial results.*** We are subject to taxes in the U.S. and in various foreign jurisdictions. Significant judgment is required in determining our worldwide income tax provision, which includes assessing the restrictions on tax credits, offset gains or repatriation of cash proceeds, tax assets and accruals for other taxes. There are many transactions and calculations where the ultimate tax determination is uncertain. Our future effective income tax rates could be subject to volatility or adversely affected by our profit levels, changes in our business, reorganization of our business and operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the elections we make or changes in the valuation allowance for deferred tax assets, as well as other factors.

The Organization for Economic Co-operation and Development (the “OECD”), an international association comprised of 38 countries, including the United States, has issued proposals that change long-standing tax principles including via a global minimum tax initiative. On December 12, 2022, the European Union member states agreed to implement the OECD’s Base Erosion and Profit Shifting (BEPS) 2.0 Pillar Two global corporate minimum tax rate of 15% on companies with revenues over a specific threshold, which was scheduled to go into effect in 2024. To date, various jurisdictions have enacted, or are in the process of enacting, legislation on these rules, and the OECD continues to release additional guidance. While it is uncertain whether the U.S. will enact legislation to adopt the minimum tax directive, now or in the future, certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement the minimum tax directive. The OECD also issued guidance in January 2026 that exempts U.S.-based multinational entities from the minimum tax initiative, but non-U.S. jurisdictions must adopt legislation to implement this. Further, the OECD issued administrative guidance providing transition and safe harbor rules that could delay the impact of the minimum tax directive. We will continue to monitor the implementation of these rules by the countries in which we operate.

Our future effective tax rates could also be adversely affected by changes in tax laws, both domestically and internationally, or the interpretation of application thereof. From time to time, the U.S. Congress and foreign, state and local governments consider legislation that could increase our effective tax rate. We cannot determine whether, or in what form, other future tax legislation will ultimately be enacted or what impact any such legislation could have on our profitability.

We are also currently subject to audit in various jurisdictions, and these jurisdictions may assess additional income or other tax liabilities against us. Developments in an audit, litigation, or relevant laws, regulations, administrative practices, principles, and interpretations could have a material effect on our operating results or cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods.

***Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.*** Our ability to use our net operating losses and other tax attributes would be substantially limited if we experience an “ownership change,” as such term is defined in Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). A company generally experiences an ownership change if the percentage of the value of its stock owned by certain “5-percent shareholders,” as such term is defined in Section 382 of the Code, increases by more than 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. Our ability to use net operating losses to reduce future taxable income and liabilities may also be subject to annual limitations as a result of prior ownership changes and ownership changes that may occur in the future. Notwithstanding the foregoing, it is possible that we will not generate taxable income in time to use such net operating losses before their expiration, or at all.

***Our operations and properties are subject to extensive environmental, health and safety regulations.*** We are subject to a variety of U.S. federal, state, local and international laws and regulations relating to the environment and worker health and safety, among other things. These laws and regulations are complex, change frequently, are becoming increasingly stringent, and can impose substantial sanctions for violations or require operational changes that may limit our services. We must conform our operations to comply with applicable regulatory requirements and adapt to changes in such requirements in all locations in which we operate. These requirements can be expected to increase the overall costs of providing our services over time. Some of our services involve handling or monitoring highly regulated materials, including volatile organic compounds or hazardous wastes. Environmental laws and regulations generally impose limitations and standards for the characterization, handling, disposal, discharge or emission of regulated materials and require us to obtain permits and comply with various other requirements. The improper characterization, handling, or disposal of regulated materials or any other failure by us to comply with increasingly complex and strictly-enforced federal, state, local, and international environmental, health and safety laws and regulations or associated permits could subject us to the assessment of administrative, civil and/or criminal penalties, the imposition of investigatory or remedial obligations or capital expenditure requirements, or the issuance of injunctions that could restrict or prevent our ability to operate our business and complete contracted services. A defect in our services or faulty workmanship could result in an environmental liability if, as a result of the defect or faulty workmanship, a contaminant is released into the environment. In addition, the modification or interpretation of existing environmental, health and safety laws or regulations, the more vigorous enforcement of existing laws or regulations, or the adoption of new laws or regulations may also negatively impact industries in which our customers operate, which in turn could have a negative impact on us.

***Our business is subject to risks arising from climate change, including climate change legislation or regulations restricting emissions of greenhouse gases, changes in consumer preferences and technology and physical impacts of climate change, all of which could have a negative impact on our business and results of operations.*** There has been an increased focus on climate change in response to findings that emissions of carbon dioxide, methane and other greenhouse gases present an endangerment to public health and the environment. As a result, there have been a variety of regulatory developments, proposals or requirements and legislative initiatives that have been introduced in the U.S. and other parts of the world that are focused on restricting the emission of greenhouse gases and enhancing greenhouse gas emissions disclosure requirements, including increased fuel efficiency standards, carbon taxes or cap and trade systems, restrictive permitting and incentives for renewable energy. The adoption of new or more stringent legislation or regulatory programs limiting greenhouse gas emissions from customers, particularly those in refining and petrochemical industries, for whom we provide inspection, repair and

maintenance services, or reducing the demand for those customers' products, could in turn affect demand for our products and services. Similarly, changing consumer preferences for goods or services relating to alternative sources of energy or emissions reductions and technological advances in fuel economy and energy generation devices or other technological advances could materially affect our customers, which in turn could negatively impact demand for our services and adversely affect our results of operations, financial condition, and liquidity. Additionally, some of our customers are modifying their plants and facilities and may adopt new technology in efforts to align their operations and products with the energy transition, but there is no assurance that such modified facilities or technological advancements will require the same level of services and products that we currently provide. In addition, our manufacturing centers use electricity generated by burning fossil fuels, which releases carbon dioxide. Increased energy or compliance costs and expenses as a result of any increased legal or regulatory requirements to limit and/or track greenhouse gas emissions may cause disruptions in, or an increase in the costs associated with, the manufacturing and distribution of our products.

Scientists have concluded that increasing greenhouse gas concentrations in the atmosphere may produce physical effects of climate change, such as increased severity and frequency of storms, droughts, floods and other climate events. Such climate events have the potential to adversely affect our operations or those of our customers or suppliers, including by damaging our manufacturing facilities, disrupting our supply chain and causing our suppliers to incur significant costs in responding to such impacts, which in turn could have a negative effect on us, including by adversely impacting our results of operations, financial condition and cash flows. Such events, if increasing in their severity and frequency, may also adversely affect our ability to insure against the risks associated with such events, thus leading to greater financial risk for us in the conduct of our operations against the backdrop of such events.

***We are subject to privacy and data security/protection laws in the jurisdictions in which we operate and may be exposed to substantial costs and liabilities associated with such laws and regulations.*** The regulatory environment surrounding information security and privacy is increasingly demanding, with frequent imposition of new and changing requirements. Compliance with changes in privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes, which could have a material adverse effect on our financial condition and results of operations. In addition, the payment of potentially significant fines or penalties in the event of a breach or other privacy and information security laws, as well as the negative publicity associated with such a breach, could damage our reputation and adversely impact demand for our services and customer relationships.

### **Risks Related to Legal Liability**

***Our insurance coverage will not fully indemnify us against certain claims or losses. Further, our insurance has limits and exclusions and not all losses or claims are insured.*** We perform services in hazardous environments on or around high-pressure, high temperature systems and our employees are exposed to a number of hazards, including exposure to hazardous materials, explosion hazards and fire hazards. Incidents that occur at these large industrial facilities or systems, regardless of fault, may be catastrophic and adversely impact our employees and third parties by causing serious personal injury, loss of life, damage to property or the environment, and interruption of operations. We maintain limited insurance coverage against these and other risks associated with our business. Our contracts typically require us to name a customer as an additional insured under our insurance policies and indemnify our customers for injury, damage or loss and provide for warranties for materials and workmanship. We have a \$1.0 million retention for indemnity coverage, subject to an aggregate annual deductible of \$5.0 million that must be satisfied under our liability insurance policies. This insurance may not protect us against liability for certain events, including events involving pollution, product or professional liability, losses resulting from business interruption or acts of terrorism or damages from our breach of contract. We cannot assure you that our insurance will be adequate in risk coverage or policy limits to cover all losses or liabilities that we may incur. Moreover, in the future, due to evolving market conditions, our higher risk profile due to the nature of our operations and claims history, and expected impact on pricing, we cannot assure that we will be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate. Any future damages caused by our products or services that are not covered by insurance or are in excess of policy limits could have a material adverse effect on our results of operations, financial position or cash flows.

***We are involved and are likely to continue to be involved in legal proceedings or governmental or regulatory inquiries, which will increase our costs and, if adversely determined, could have a material effect on our results of operations, financial position or cash flows.*** We are currently a defendant in legal proceedings arising from the operation of our business and it is reasonable to expect that we will be named in future actions. Most of the legal proceedings against us arise out of the normal course of performing services at customer facilities, and include claims for workers' compensation, personal injury and property damage. Legal proceedings can be expensive to defend and can divert the attention of management and other personnel for significant periods of time, regardless of the ultimate outcome. An unsuccessful defense of a liability claim could have an adverse effect on our business, results of operations, financial position or cash flows.

## **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

## **ITEM 1C. CYBERSECURITY**

### **Overall Process and Governance**

We maintain a cyber risk management program designed to identify, assess, manage, mitigate, and respond to cybersecurity threats. An analysis of the impact, likelihood, and management preparedness of cybersecurity threats to our strategic priorities is integrated into our enterprise risk management program. This provides cross-functional and geographical visibility, as well as executive leadership oversight, to address and mitigate associated risks. We engage third party experts as well as our internal information technology (“IT”) audit group to audit our information security programs, and the results are reported to our executive management and the Audit Committee.

In managing material risks from cybersecurity threats, we require that a security and technical architecture review is conducted for all new software and applications, and for all changes to the underlying IT infrastructure that manages, processes, stores, or transmits our data or data of our customers, vendors, suppliers, joint ventures, or employees. Any deviations from our IT security policies and standards are assessed by our IT security team. Any critical and high-risk levels are identified, documented, addressed and reported to relevant key stakeholders.

We have established an Incident Response Plan that defines and documents procedures for assessing, identifying, and managing a cybersecurity incident. This plan requires the IT Security Director to determine whether a cybersecurity incident has occurred and to communicate such findings to the Incident Response Team. The IT Security Director is responsible for communicating incidents to the Vice President - IT and the other members of management as appropriate. If a cybersecurity incident is determined to be material by our management team, they would notify the Board.

Our Vice President - IT and IT Security Director have developed expertise in cybersecurity, data protection, compliance, enterprise architecture and design, data analytics, and digital transformation through years of experience in the information technology space. Our Vice President - IT is designated as the senior executive responsible for cybersecurity and reports directly to our CFO. She and the IT Security Director have comprehensive information technology background with over 30 years of information technology experience. These individuals are responsible for the day-to-day implementation of our cybersecurity program.

We have an established practice to oversee and manage third-party service providers in order to protect our interests related to cybersecurity threats. We utilize the National Institute of Standards and Technology (NIST) Cybersecurity Framework to identify, assess and manage our cybersecurity risks, including third-party risks. Our risk assessment involves analyzing and minimizing risk associated with outsourcing to third-party vendors or service providers. We continue to evaluate and enhance our systems, controls, and processes where possible, including responses to actual or perceived threats specific to us or experienced by other third-party vendors or service providers.

The Audit Committee is responsible for the oversight of risks from cybersecurity threats. Our Vice President - IT and the IT security Director update the Audit Committee on our cyber risk management program during each of its quarterly meetings. This update includes metrics on the effectiveness of technical and human security controls, cybersecurity training program compliance, internal and third-party cybersecurity incidents, and cybersecurity risks. The Audit Committee also receives a detailed annual update on our cybersecurity program and strategy including cybersecurity risks.

### **Third Party Security Experts**

We engage third party security experts for cyber security assessments, penetration tests and program enhancements, including vulnerability assessments, security framework maturity assessments and identification of areas for continued focus and improvement. In addition, our third-party experts work with us to conduct cybersecurity tabletop exercises and internal phishing awareness campaigns. We use the findings of these exercises to improve our practices, training, procedures, and technologies. We also engage third party security experts to support our cybersecurity threat and incident response management and maintain information security risk insurance coverage.

### **Incidents & Risks**

To date, we have not experienced any material internal or external cybersecurity incidents and although we are subject to ongoing and evolving cybersecurity threats, we are not aware of any material risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations or financial condition. For more information on our cybersecurity risks, see “Risks Related to Information Systems” identified in the “Risk Factors” section of Part 1 of Item 1A herein.

**ITEM 2. PROPERTIES**

We provide our services globally through 139 locations in 13 countries. There are several materially important physical properties used in our operations. We own a facility in Alvin, Texas that consists of our primary training facility, equipment center and International Organization for Standardization-9001 certified manufacturing facility for clamps, enclosures, and sealants. Additionally, we operate two manufacturing facilities in Houston, Texas (one of which is owned and the other is leased), which are included in our MS segment. Further, we lease office space for our corporate headquarters in Sugar Land, Texas. Additional district service locations considered materially important in our IHT and MS segments are as follows: we lease facilities in Mobile, Alabama; Benicia, California; Harbor City, California; Hammond, Indiana; Columbus, Ohio; Pasadena, Texas (two locations); and Edmonton, Alberta, Canada. We own a facility in Pasadena, Texas and three facilities in the United Kingdom in Kendal, Carlisle and Scunthorpe.

We believe that our property and equipment are adequate for our current needs, although additional investments are expected to be made for expansion of property and equipment and replacement of assets at the end of their useful lives.

**ITEM 3. LEGAL PROCEEDINGS**

Information regarding our legal proceedings can be found in *Note 17 - Commitments and Contingencies* to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K and is incorporated herein by reference.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

#### Market Information

Our stock is traded on the NYSE under the symbol "TISI".

#### Holdings

There were 302 holders of record of our common stock as of March 10, 2026, excluding beneficial owners of stock held in street name.

#### Dividends

No cash dividends were declared or paid during the years ended December 31, 2025 or 2024. We are limited in our ability to pay cash dividends without the consent of our lenders and preferred shareholders. Accordingly, we have no present intention of paying cash dividends in the foreseeable future. Additionally, any future dividend payments will continue to depend on our financial condition, market conditions and other matters deemed relevant by the Board.

**ITEM 6.**

**RESERVED**

## **ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

This Management’s Discussion and Analysis of Financial Condition and Results of Operations is provided as a supplement to the accompanying consolidated financial statements and notes to help provide an understanding of our financial condition, changes in financial condition, and results of operations. The following should be read in conjunction with Item 1 “Business,” Item 1A “Risk Factors,” Item 2 “Properties,” and Item 8 “Consolidated Financial Statements and Supplementary Data,” included in this Annual Report on Form 10-K.

### **Forward-Looking Statements**

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such forward-looking statements include those that express plans, anticipation, intent, contingency, goals, targets or future developments and/or otherwise are not statements of historical fact. See Item 1 at the beginning of this Annual Report.

### **Overview of Business**

We are a global, leading provider of specialty industrial services offering customers access to a full suite of conventional, specialized, and proprietary mechanical, heat-treating, and inspection services. We deploy conventional to highly specialized inspection, condition assessment, maintenance and repair services that result in greater safety, reliability and operational efficiency for our customers’ most critical assets. We conduct operations in two segments: Inspection and Heat-Treating (“IHT”) and Mechanical Services (“MS”). Through the capabilities and resources in these two segments, we believe that we are uniquely qualified to provide integrated solutions involving: inspection to assess condition; engineering assessment to determine fitness for purpose in the context of industry standards and regulatory codes; and mechanical services to repair, rerate or replace based upon the customer’s election. In addition, we are capable of escalating with the customer’s needs, as dictated by the severity of the damage found and the related operating conditions, from standard services to some of the most advanced services and integrated asset integrity and reliability management solutions available in the industry. We also believe that we are unique in our ability to provide these services in three distinct customer demand profiles: (i) turnaround or project services, (ii) call-out services, and (iii) nested or run-and-maintain services.

### **Significant Factors Impacting Results and Recent Developments**

Our revenues, gross margins and other results of operations can be influenced by a variety of factors in any given period, including those described in Cautionary Note Regarding Forward-Looking Statements above and Part 1, Item 1A. “Risk Factors” included in this report, and have caused fluctuations in our results in the past and are expected to cause fluctuations in our results in the future. Additional information with respect to certain factors are described below.

#### ***Financing Transactions***

##### ***March 12, 2025 - Debt Refinancing Transactions***

On March 12, 2025, the Company completed a series of refinancing transactions, including entering into the First Lien Term Loan Agreement with HPS Investment Partners, LLC as agent, which provided for a \$225.0 million senior secured first lien term loan consisting of a \$175.0 million initial term loan tranche and a \$50.0 million delayed draw term loan tranche, both maturing on March 12, 2030, with proceeds of the initial term loan tranche used to repay certain then-existing term loans and with future draws subject to certain leverage and liquidity conditions available to repay term loans outstanding under the Second A&R Second Lien Term Loan Agreement. Concurrently, the Company entered into the Second A&R Second Lien Term Loan Agreement with Cantor Fitzgerald Securities as agent, which provided for a \$107.4 million second lien term loan consisting of a \$97.4 million term loan tranche and a \$10.0 million delayed draw term loan tranche, both maturing on June 10, 2030, with proceeds of the term loan tranche used to repay certain then-existing term loans under the Existing A&R Term Loan Agreement, and with future draws subject to certain liquidity conditions available for general corporate and working capital purposes. In connection with these transactions, the Company also executed ABL Amendment No.6 to the 2022 ABL Credit Agreement, which permitted entry into the new term loan agreements, aligned terms across the facilities, and reflected the payoff of previously outstanding term loan tranches under the 2022 ABL Credit Agreement. Each of these agreements includes customary borrowing conditions, financial covenants, and default provisions, including increased interest rates upon certain events of default. Additional information regarding the refinancing transactions is provided in *Note 11 - Debt*.

##### ***September 11, 2025 - Preferred Stock Financing Transaction***

On September 11, 2025, the Company entered into a securities purchase agreement (the “Purchase Agreement”) with the Stellex Holder, an affiliate of Stellex Capital Management LLC, resulting in the issuance of (i) 75,000 shares of Series B Preferred Stock and (ii) warrants to purchase an aggregate of 1,453,260 shares of common stock for total consideration of \$75.0 million (such issuance, along with the use of proceeds therefrom and the other transactions contemplated thereby, the “Series B Transactions”). The warrants issued as part of the Series B Transactions consisted of warrants to purchase 982,371 shares of the Company’s common stock at an initial exercise price of \$23.00 per share (“Tranche A Warrants”) and warrants to purchase 470,889 shares of the Company’s common stock at an initial exercise price of \$50.00 per share (“Tranche B Warrants”). The proceeds of the Series B Transactions were used to repay a portion of the outstanding loans under the Company’s 2022 ABL Credit Agreement and Second A&R Second Lien Term Loan Agreement, as well as to cover transaction expenses.

Through September 11, 2027, subject to certain conditions, the Purchase Agreement also provides the Company with the option to draw upon (a “Series B Delayed Draw”) up to \$30.0 million as a delayed draw, and concurrently issue up to an additional 30,000 shares of Series B Preferred Stock and 581,304 additional warrants. Each draw must be at least \$5.0 million and is subject to satisfying certain conditions, including pro forma compliance with a First Lien Net Leverage Ratio (as defined in the First Lien Term Loan Agreement) of 6.50 to 1.00. For each \$5.0 million draw, the Company will issue 5,000 shares of Series B Preferred Stock and grant an additional 65,491 Tranche A warrants and an additional 31,393 Tranche B warrants. Any additional Tranche A warrants will have an initial exercise price equal to the lesser of \$30.00 or 110% of the 30-day volume weighted average price of the Company’s common stock, subject to adjustment. Any additional Tranche B warrants will have an initial exercise price of \$50.00 per share, subject to adjustment. The Stellex Holder is not required to participate in more than one draw per calendar quarter. Pursuant to the Purchase Agreement, the proceeds from the Series B Delayed Draw may be used only for the following purposes: (i) to finance permitted acquisitions and certain growth initiatives (including the costs of expansion into new markets), (ii) to repay loans outstanding under the Company’s First Lien Term Loan Agreement, and (iii) for up to 20% of such net proceeds, to finance the Company’s transformation plan as mutually agreed between the Company and Stellex. Any undrawn amounts under this option are subject to a 1.0% annual commitment fee. The warrants issued in connection with these transactions (the “Stellex Warrants”) are exercisable for 10 years and include customary anti-dilution and participation rights.

Further details regarding the terms, accounting treatment, and features of the Series B Preferred Stock and warrants are provided in *Note 14 - Shareholders’ Equity* and *Note 16 - Redeemable Preferred Stock*.

In connection with the Series B Transactions, the Company entered into amendments to its First Lien Term Loan Agreement, Second A&R Second Lien Term Loan Agreement, and 2022 ABL Credit Agreement. These amendments provided the Company with increased flexibility to complete the equity issuance and related transactions, including reductions to interest rate margins, and increased flexibility regarding leverage ratio thresholds, covenants, and mandatory prepayment requirements. Additional information regarding the related debt amendments is provided in *Note 11 - Debt*.

## Results of Operations

### Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

The following table sets forth the components of revenue and operating income (loss) from our operations for the twelve months ended December 31, 2025 and 2024 (in thousands):

	Twelve Months Ended December 31,		Favorable (Unfavorable)	
	2025	2024	\$	%
<u>Revenues by business segment:</u>				
IHT	\$ 458,879	\$ 426,722	\$ 32,157	7.5 %
MS	437,604	425,550	12,054	2.8 %
Total revenues	<u>\$ 896,483</u>	<u>\$ 852,272</u>	<u>\$ 44,211</u>	<u>5.2 %</u>
<u>Operating income (loss):</u>				
IHT	43,855	37,012	6,843	18.5 %
MS	26,424	27,287	(863)	(3.2)%
Corporate and shared support services	(56,208)	(54,163)	(2,045)	(3.8)%
Total operating income	<u>\$ 14,071</u>	<u>\$ 10,136</u>	<u>\$ 3,935</u>	<u>38.8 %</u>
Interest expense, net	(44,676)	(47,808)	3,132	6.6 %
Loss on debt extinguishment	(13,136)	—	(13,136)	NM
Other income (expense), net	(2,889)	2,682	(5,571)	(207.7)%
Loss before income taxes	<u>\$ (46,630)</u>	<u>\$ (34,990)</u>	<u>\$ (11,640)</u>	<u>(33.3)%</u>
Provision for income taxes	(2,580)	(3,276)	696	21.2 %
Net loss	<u>\$ (49,210)</u>	<u>\$ (38,266)</u>	<u>\$ (10,944)</u>	<u>(28.6)%</u>

NM - not meaningful

**Revenues.** Total revenues increased by \$44.2 million or 5.2% compared to the prior year. This increase includes a \$2.3 million positive impact from favorable foreign exchange rate movements during 2025. IHT revenues increased by \$32.2 million or 7.5%, primarily attributable to a \$24.3 million increase in U.S. operations driven by higher call-out and turnaround activity with new and existing customers, reflecting increased demand for non-destructive testing services. Aerospace-related revenue increased by \$4.2 million, attributable to growth with existing customers at our Cincinnati facility. Revenue in Canada increased by \$2.5 million driven by growth in non-destructive examination and heat-treating activity from turnaround projects with new and existing customers. MS revenues increased by \$12.1 million or 2.8%, over prior year, driven by a \$14.6 million increase in U.S. operations due to growth from turnaround activities in the oil and refining sectors, and a \$7.4 million increase in Canada mainly from project work. These increases were partially offset by a \$9.9 million decline in revenue from our international operations, primarily in Latin America and the United Kingdom, attributable to lower project activity in call-out and leak repair services.

**Operating income (loss).** Overall operating income increased by \$3.9 million to \$14.1 million in 2025, compared to \$10.1 million in the prior year. IHT's operating income increased by \$6.8 million or 18.5%, driven mainly by a \$5.8 million improvement in the U.S. due to stronger gross margins and a continued focus on cost containment. Operating income in both Canada and other international regions increased by \$0.5 million each, mainly due to the factors described above. MS operating income totaled \$26.4 million, a decrease of \$0.9 million year over year. This decline was mainly attributable to a \$5.4 million decrease in international regions, primarily due to lower project activity levels. The decrease was partially offset by a \$3.9 million improvement in U.S. operating income, due to better margins, and a \$0.6 million increase in Canada. Corporate operating loss increased by \$2.0 million year over year, primarily due to higher professional costs related to debt and equity refinancing activities in the current year.

The operating income for the current year includes net expenses totaling \$11.8 million which we do not believe are connected to our core operating activities, while the same period in the prior year included \$5.6 million of such items.

The detail of operating income excluding non-core expenses is below (in thousands):

	Twelve Months Ended December 31,		Favorable (Unfavorable)	
	2025	2024	\$	%
<b>Operating income</b>	\$ 14,071	\$ 10,136	\$ 3,935	38.8 %
Professional fees and other	8,186	4,111	(4,075)	(99.1) %
Legal costs and litigation reserves	2,120	124	(1,996)	(1609.7) %
Severance charges, net	1,470	1,323	(147)	(11.1) %
Total non-core expenses	<b>11,776</b>	<b>5,558</b>	<b>(6,218)</b>	<b>(111.9) %</b>
<b>Total operating income, excluding non-core expenses</b>	<b>\$ 25,847</b>	<b>\$ 15,694</b>	<b>\$ 10,153</b>	<b>64.7 %</b>

Excluding the impact of these identified non-core expenses in both periods, operating income in 2025 increased year over year by \$10.2 million from \$15.7 million to \$25.9 million. See our non-GAAP reconciliation for additional details of our non-core expenses.

**Interest expense, net.** Interest expense for 2025 was \$44.7 million, a decrease of \$3.1 million compared to the prior year, primarily due to overall lower interest rates on our debt driven mainly by the refinancing completed on March 12, 2025, and amendments to certain debt instruments on September 11, 2025, that lowered the applicable interest rates, and lower overall outstanding debt.

Cash interest paid for the years ended December 31, 2025 and 2024 amounted to \$30.3 million and \$24.9 million, respectively.

**Loss on debt extinguishment.** On March 12, 2025, as part of debt refinancing with existing and new lenders, we repaid the outstanding balances of the ME/RE Loans, Corre Delayed Draw Term Loan, and Corre Incremental Term Loan, and made a partial payment on the Corre Uptiered Loan, including applicable prepayment premiums and accrued interest. These transactions resulted in a loss on debt extinguishment of \$11.9 million, which includes \$7.4 million of non-cash unamortized debt issuance cost written off with the payoffs. Additionally, a \$1.3 million write-off of unamortized debt issuance costs was recognized in connection with the partial prepayment of the 2025 Second Lien Term Loans on September 11, 2025.

**Other income (expense), net.** Other income (expense), net, changed by \$5.6 million, shifting from net income of \$2.7 million in the prior year to a net expense of \$2.9 million in 2025. This was primarily driven by the foreign currency transaction losses in the current year, reflecting unfavorable fluctuations in the value of the U.S. dollar relative to the foreign currencies to which we are exposed.

**Taxes.** The provision for income tax was \$2.6 million on the pre-tax loss of \$46.6 million in the current year compared to a provision for income tax of \$3.3 million on pre-tax loss of \$35.0 million in the prior year. The provision for income tax was primarily driven by jurisdictions outside the United States. The effective tax rate was 5.5% and 9.4% for years ended December 31, 2025 and 2024, respectively.

### Non-GAAP Financial Measures and Reconciliations

We use supplemental non-GAAP financial measures which are derived from the consolidated financial information including adjusted net income (loss); adjusted net income (loss) per share; earnings before interest and taxes (“EBIT”); adjusted EBIT; adjusted earnings before interest, taxes, depreciation, and amortization (“adjusted EBITDA”) and free cash flow to supplement financial information presented on a U.S. GAAP basis.

We define adjusted net income (loss) and adjusted net income (loss) per share to exclude the following items: non-routine legal costs and settlements, non-routine professional fees, (gain) loss on debt extinguishment, certain severance charges, non-routine write-off of assets and certain other items that we believe are not indicative of core operating activities. Consolidated adjusted EBIT, as defined by us, excludes the costs excluded from adjusted net income (loss) as well as income tax expense (benefit), interest charges, foreign currency (gain) loss, pension credit, and items of other (income) expense. Consolidated adjusted EBITDA further excludes depreciation, amortization, and non-cash share-based compensation costs from consolidated adjusted EBIT. Segment adjusted EBIT is equal to segment operating income (loss) excluding costs associated with non-routine

legal costs and settlements, non-routine professional fees, certain severance charges, and certain other items as determined by management. Segment adjusted EBITDA further excludes depreciation, amortization, and non-cash share-based compensation costs from segment adjusted EBIT. Free Cash Flow is defined as net cash provided by (used in) operating activities minus capital expenditures paid in cash.

We believe these non-GAAP financial measures are useful to both management and investors in their analysis of our financial position and results of operations. In particular, adjusted net income (loss), adjusted net income (loss) per share, consolidated adjusted EBIT, and consolidated adjusted EBITDA are meaningful measures of performance which are commonly used by industry analysts, investors, lenders, and rating agencies to analyze operating performance in our industry, perform analytical comparisons, benchmark performance between periods, and measure our performance against externally communicated targets. Our segment adjusted EBITDA is also used as a basis for the Chief Operating Decision Maker (Chief Executive Officer) to evaluate the performance of our reportable segments. Free cash flow is used by our management and investors to analyze our ability to service and repay debt and return value directly to stakeholders.

Non-GAAP measures have important limitations as analytical tools because they exclude some, but not all, items that affect net earnings and operating income. These measures should not be considered substitutes for their most directly comparable U.S. GAAP financial measures and should be read only in conjunction with financial information presented on a U.S. GAAP basis. Further, our non-GAAP financial measures may not be comparable to similarly titled measures of other companies who may calculate non-GAAP financial measures differently, limiting the usefulness of those measures for comparative purposes. The liquidity measure of free cash flow does not represent a precise calculation of residual cash flow available for discretionary expenditures. Reconciliations of each non-GAAP financial measure to its most directly comparable U.S. GAAP financial measure are presented below.

The following tables set forth the reconciliation of adjusted net income (loss), EBIT and EBITDA to their most comparable U.S. GAAP financial measurements on a consolidated and segmented basis:

**TEAM, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(unaudited, in thousands except per share data)

	Twelve Months Ended December 31,	
	2025	2024
<b>Adjusted Net Loss:</b>		
Net loss	\$ (49,210)	\$ (38,266)
Professional fees and other <sup>1</sup>	8,186	4,111
Legal costs and litigation reserves	2,120	124
Severance charges, net	1,470	1,323
Loss on debt extinguishment	13,136	—
Write-off of software cost	45	—
Tax impact of adjustments and other net tax items	(200)	(210)
<b>Adjusted Net Loss</b>	<b>\$ (24,453)</b>	<b>\$ (32,918)</b>
Dividend and accretion to redemption value on redeemable preferred stock	(3,451)	—
<b>Adjusted Net Loss attributable to common shareholders</b>	<b>\$ (27,904)</b>	<b>\$ (32,918)</b>
<b>Adjusted Net Loss attributable to common shareholders per common share:</b>		
Basic and Diluted	\$ (6.20)	\$ (7.43)
<b>Consolidated Adjusted EBIT and Adjusted EBITDA:</b>		
Net loss	\$ (49,210)	\$ (38,266)
Provision for income taxes	2,580	3,276
Interest expense, net	44,676	47,808
Foreign currency loss (gain)	3,274	(2,231)
Gain on sale of assets	(216)	(5)
Professional fees and other <sup>1</sup>	8,186	4,111
Legal costs and litigation reserves	2,120	124
Severance charges, net	1,470	1,323
Loss on debt extinguishment	13,136	—
Write-off of software cost	45	—
Pension credit <sup>2</sup>	(213)	(446)
<b>Consolidated Adjusted EBIT</b>	<b>25,848</b>	<b>15,694</b>
<b>Depreciation and amortization:</b>		
Amount included in operating expenses	12,495	13,730
Amount included in SG&A expenses	21,587	22,565
<b>Total depreciation and amortization</b>	<b>34,082</b>	<b>36,295</b>
Non-cash share-based compensation costs	795	2,273
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 60,725</b>	<b>\$ 54,262</b>
<b>Free Cash Flow:</b>		
Cash provided by (used in) operating activities	\$ (11,348)	\$ 22,767
Capital expenditures	(9,289)	(9,465)
<b>Free Cash Flow</b>	<b>\$ (20,637)</b>	<b>\$ 13,302</b>

<sup>1</sup> The twelve months ended December 31, 2025 include \$1.7 million related to debt financing and \$6.5 million related to support costs. The twelve months ended December 31, 2024 include \$3.8 million related to debt financing and \$0.3 million for lease extinguishment charges, support and other costs.

<sup>2</sup> Represents pension credits for the U.K. pension plan based on the difference between the expected return on plan assets and the amount of the discounted pension liability. The pension plan was frozen in 1994 and no new participants have been added since that date.

**TEAM, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Continued)**  
(unaudited, in thousands)

	Twelve Months Ended December 31,	
	2025	2024
<b>IHT</b>		
Operating income	\$ 43,855	\$ 37,012
Professional fees and other <sup>1</sup>	985	162
Severance charges, net	180	551
Adjusted EBIT	45,020	37,725
Depreciation and amortization	12,032	11,778
Adjusted EBITDA	<u>\$ 57,052</u>	<u>\$ 49,503</u>
<b>MS</b>		
Operating income	\$ 26,424	\$ 27,287
Professional fees and other <sup>1</sup>	71	140
Legal costs	251	41
Severance charges, net	1,260	588
Adjusted EBIT	28,006	28,056
Depreciation and amortization	16,755	18,061
Adjusted EBITDA	<u>\$ 44,761</u>	<u>\$ 46,117</u>
<b>Corporate and shared support services</b>		
Net loss	\$ (119,489)	\$ (102,565)
Provision for income taxes	2,580	3,276
Gain on sale of assets	(216)	(5)
Interest expense, net	44,676	47,808
Foreign currency loss (gain)	3,274	(2,231)
Professional fees and other <sup>1</sup>	7,130	3,809
Legal costs and litigation reserves	1,869	83
Severance charges, net	30	184
Loss on debt extinguishment	13,136	—
Write-off of software cost	45	—
Pension credit <sup>2</sup>	(213)	(446)
Adjusted EBIT	(47,178)	(50,087)
Depreciation and amortization	5,295	6,456
Non-cash share-based compensation costs	795	2,273
Adjusted EBITDA	<u>\$ (41,088)</u>	<u>\$ (41,358)</u>
<b>Consolidated Adjusted EBITDA</b>	<u>\$ 60,725</u>	<u>\$ 54,262</u>

1 The twelve months ended December 31, 2025 include \$1.7 million related to debt financing and \$6.5 million related to support costs. The twelve months ended December 31, 2024 include \$3.8 million related to debt financing and \$0.3 million for lease extinguishment charges, support and other costs.

2 Represents pension credits for the U.K. pension plan based on the difference between the expected return on plan assets and the amount of the discounted pension liability. The pension plan was frozen in 1994 and no new participants have been added since that date.

### Liquidity and Capital Resources

Financing for operations consists primarily of our 2022 ABL Credit Agreement, Second A&R Second Lien Term Loan Agreement, and cash flows from our operations.

We have evaluated our liquidity within one year after the date of issuance of the accompanying audited consolidated financial statements to assess the Company's ability to fund its operations. Based upon such liquidity assessment, we believe that the Company's current working capital, forecasted cash flows from operations, current and expected availability under our

existing debt arrangements and capital expenditure financing is sufficient to fund our operations, service our indebtedness, and maintain compliance with our debt covenants for the next twelve months, and based on current expectations, the long term. We based this assessment on assumptions that may prove to be inaccurate, and we could exhaust our available capital resources sooner than we expect in the event that we fail to meet our current financial performance expectations. See *Note 11 - Debt* of the consolidated financial statements for a further discussion of our liquidity.

We closely monitor the amounts and timing of our sources and uses of funds. Our ability to maintain a sufficient level of liquidity to fund our operations and meet our financial obligations will be dependent upon our future performance, which is subject to general economic conditions, industry cycles and financial, business and other factors affecting our operations, many of which are beyond our control.

Our ability to generate operating cash flow, sell assets, access capital markets or take any other action to improve our liquidity and manage our debt is subject to the risks discussed herein and other risks and uncertainties that exist in our industry, some of which we may not be able to anticipate at this time or control.

See Item 1A “Risk Factors” in this Annual Report on Form 10-K and risk factors included within Cautionary Note Regarding Forward-Looking Statements above, for additional information.

As of December 31, 2025, we had approximately \$63.4 million of available borrowing capacity under our various credit facilities, consisting of \$53.4 million available under the 2022 ABL Credit Agreement and \$10.0 million available under the Second A&R Second Lien Term Loan Agreement. In connection with the Series B Transactions, we have access to up to \$30.0 million in additional liquidity through September 2027 through a delayed draw mechanism, subject to certain conditions under the Purchase Agreement. Our principal uses of cash and liquidity are for working capital needs, capital expenditures and operations.

As of December 31, 2025 we were in compliance with our debt covenants. Our ability to maintain compliance with the financial covenants contained in our credit agreements is dependent upon our future operating performance and future financial condition, both of which are subject to various risks and uncertainties, as described elsewhere herein.

As of March 10, 2026, we had consolidated cash and cash equivalents of \$17.7 million, excluding \$4.4 million of restricted cash used mainly as collateral for outstanding letters of credit and commercial card programs, and approximately \$49.1 million of undrawn availability under our various credit facilities, resulting in total liquidity of \$66.8 million. We also have \$30.0 million of Series B Delayed Draw availability as described above.

Refer to *Note 11 - Debt* for additional information about our debt instruments.

## Cash Flows

The following table summarizes cash flows from Operating, Investing and Financing activities (in thousands):

	Twelve Months Ended December 31,		
	2025	2024	Favorable (Unfavorable)
Cash flows provided by (used in):			
Operating activities	\$ (11,348)	\$ 22,767	\$ (34,115)
Investing activities	(9,061)	(9,298)	237
Financing activities	2,807	(12,747)	15,554
Effect of exchange rate changes on cash	202	(604)	806
Net change in cash and cash equivalents	<u>\$ (17,400)</u>	<u>\$ 118</u>	<u>\$ (17,518)</u>

**Cash and cash equivalents.** Our cash and cash equivalents as of December 31, 2025 totaled \$18.1 million, consisting of \$14.1 million of unrestricted cash on hand and \$4.0 million of restricted cash. International cash balances as of December 31, 2025 were \$4.4 million, and approximately \$1.2 million of such cash is restricted.

Our cash and cash equivalents as of December 31, 2024 totaled \$35.5 million, including \$31.5 million of unrestricted cash on hand, and \$4.0 million of restricted cash. International cash balances as of December 31, 2024 were \$5.1 million, including \$1.1 million of restricted cash.

Our total debt and finance obligations were \$297.2 million (of which \$3.9 million was classified as current at December 31, 2025), compared to total debt of \$325.1 million at December 31, 2024. The \$27.9 million decrease was primarily due to the partial paydown on the 2022 ABL Credit Agreement and Second A&R Second Lien Term Loan Agreement following the Series B Transactions on September 11, 2025, partially offset by new borrowings from the refinancing completed on March 12, 2025.

***Cash flows attributable to our operating activities.*** Our largest source of operating cash inflow is cash collection from customers for work performed. The primary use of operating cash is to pay our suppliers, employees, tax authorities, and others.

Cash flows from operating activities are primarily generated from net income or loss adjusted for certain non-cash items which include depreciation and amortization, PIK interest, and amortization of debt issuance costs. For the twelve months ended December 31, 2025, cash flows from operating activities also included an adjustment to net loss for the non-cash loss on debt extinguishment.

For the year ended December 31, 2025, net cash used in operating activities was \$11.3 million, representing a decrease of \$34.1 million compared to \$22.8 million of cash provided by operating activities in the 2024 period. This change was primarily driven by the impact of working capital. Changes in working capital items - such as the growth of receivables and payment of operating payables - are significant factors affecting operating cash flows and can represent significant uses of cash, particularly during periods of increasing revenue and activity levels. During the twelve months ended December 31, 2025, changes in working capital items used \$31.3 million in cash flows, a \$36.0 million increase compared to the \$4.7 million in cash flows provided by working capital in the corresponding 2024 period.

***Cash flows attributable to our investing activities.*** For the year ended December 31, 2025, net cash used in investing activities was \$9.1 million, consisting of \$9.3 million of capital expenditures partially offset by net proceeds from asset disposals of \$0.2 million.

For the year ended December 31, 2024, net cash used in investing activities was \$9.3 million, consisting of \$9.5 million of capital expenditures partially offset by net proceeds from asset disposals of \$0.2 million.

***Cash flows attributable to our financing activities.*** For the year ended December 31, 2025, net cash provided by financing activities totaled \$2.8 million. This amount primarily reflects cash inflows from the \$175.0 million borrowing under the new First Lien Term Loan and \$75.0 million in proceeds from the issuance of Series B Preferred Stock. These inflows were partially offset by cash outflows, including a partial repayment of the 2025 Second Lien Term Loan of \$41.8 million, net payments of \$19.1 million under the Revolving Credit Loans, and the full repayment of outstanding balances under the Corre Delayed Draw Term Loan, Corre Incremental Term Loan and ME/RE Loans, and the partial paydown of the Corre Uptiered Loan. Additionally, during the period, we incurred \$11.3 million in debt issuance costs related to refinancing transactions completed both with existing and new lenders as of March 12, 2025. We also paid \$7.8 million in costs associated with the issuance of Series B Preferred Stock and warrants.

For the year ended December 31, 2024, net cash used in financing activities was \$12.7 million, consisting primarily of \$8.5 million of debt issuance costs, \$2.8 million of principal payments under the ME/RE Loans and \$1.4 million of principal payments under the Corre Incremental Term Loan, partially offset by the net borrowings on our 2022 ABL Credit Agreement of \$0.5 million.

***Effect of exchange rate changes on cash.*** For the year ended December 31, 2025, the effect of foreign exchange rate changes on cash was a positive impact of \$0.2 million.

For the year ended December 31, 2024, the effect of foreign exchange rate changes on cash was a negative impact of \$0.6 million.

### **Off-Balance Sheet Arrangements**

From time-to-time, we enter into off-balance sheet arrangements and transactions that can give rise to material off-balance sheet obligations. See *Note 11 - Debt* for additional details on our off-balance sheet arrangements.

## Critical Accounting Policies

The process of preparing financial statements in accordance with U.S. GAAP requires us to make estimates and judgments. It is possible that materially different amounts could be recorded if these estimates and judgments change or if actual results differ from these estimates and judgments. We believe that the following critical accounting policies comprise the more significant estimates and assumptions used in the preparation of our consolidated financial statements.

**Income taxes.** We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted rates in effect for the year in which the differences are expected to reverse. The effect of the change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we would be unable to realize our deferred tax assets, we would make an adjustment to the deferred tax asset valuation allowance.

We establish reserves for uncertain tax positions when it is not more likely than not that the position will be sustained upon challenge. When facts and circumstances change, we adjust these reserves through our provision for income taxes. To the extent interest and penalties may be assessed by taxing authorities on any related underpayment of income tax, such amounts have been accrued and are classified as a component of income tax expense.

## New Accounting Principles

For information about newly adopted accounting principles as well as information about new accounting principles pending adoption, see *Note 1 - Summary of Significant Accounting Policies and Practices* to the consolidated financial statements.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item 7A.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

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## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors  
Team, Inc.:

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Team, Inc. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively, 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, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

### *Basis for Opinion*

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

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

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

### *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: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) 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.

#### *Sufficiency of audit evidence over revenue*

As discussed in Note 2 to the consolidated financial statements, and as presented in the consolidated statement of operations, the Company reported revenue of \$896,483 thousand for the year ended December 31, 2025. As discussed in Note 1, the Company recognizes revenue as (or when) the performance obligations are satisfied by transferring control over a service or product to the customer. Most of the Company's performance obligations qualify for recognition over time, and they are generally able to elect the right-to-invoice practical expedient, which permits them to recognize revenue in the amount to which they have a right to invoice the customer.

We identified the evaluation of sufficiency of audit evidence over revenue as a critical audit matter. Subjective auditor judgment was required to determine the nature and extent of procedures to perform over revenue related to the transfer of control to the customer and the Company's right to invoice the customer.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over revenue. We evaluated the design and tested the operating effectiveness of certain internal controls related to the revenue process. We performed a software-assisted data analysis to test relationships among certain revenue transactions. For a sample of transactions, we compared the amounts recognized as revenue for consistency with relevant underlying documentation, including contracts and other third-party evidence. We evaluated the sufficiency of the audit evidence obtained over revenue by assessing the results of the procedures performed, including the appropriateness of the nature and extent of such evidence.

*Accounting for warrants issued in 2025*

As discussed in Note 14 to the consolidated financial statements, on September 11, 2025, in connection with the issuance of the Series B Preferred Stock, the Company issued warrants to purchase 982,371 shares of common stock at an initial exercise price of \$23.00 per share (Tranche A) and 470,889 shares of common stock at an initial exercise price of \$50.00 per share (Tranche B). The Company determined that the warrants meet the criteria for equity classification and were, therefore, recorded in Additional Paid-In-Capital at their estimated fair value of \$20.9 million.

We identified the assessment of the accounting for the Tranche A and Tranche B warrants to purchase common stock as a critical audit matter. Specifically, subjective auditor judgment was required to assess the classification of the warrants as liabilities or equity because of the complexity of the warrant terms and the interpretation of the relevant accounting guidance.

The following is the primary procedure we performed to address the critical audit matter. We assessed management's interpretation and application of the relevant accounting guidance to determine whether the warrants were appropriately classified as liabilities or equity by examining the terms and conditions included within the warrant agreements.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Houston, Texas  
March 12, 2026

**TEAM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share data)

	December 31,	
	2025	2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 18,145	\$ 35,545
Accounts receivable, net of allowance of \$4,585 and \$3,271, respectively	177,884	172,645
Inventory	41,384	37,874
Income tax receivable	1,042	396
Prepaid expenses and other current assets	27,950	58,643
Total current assets	266,405	305,103
Property, plant and equipment, net	110,628	112,835
Intangible assets, net	37,849	50,243
Operating lease right-of-use assets	49,849	40,407
Defined benefit pension asset	5,144	4,768
Other assets, net	14,044	13,427
Deferred tax asset	1,534	1,582
Total assets	<u>\$ 485,453</u>	<u>\$ 528,365</u>
<b>LIABILITIES, REDEEMABLE PREFERRED STOCK AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Current portion of long-term debt and finance lease obligations	\$ 3,858	\$ 6,485
Current portion of operating lease obligations	16,476	14,790
Accounts payable	42,010	42,091
Other accrued liabilities	56,724	105,228
Income tax payable	987	2,654
Total current liabilities	120,055	171,248
Long-term debt and finance lease obligations	293,343	318,626
Operating lease obligations	35,910	28,631
Deferred tax liabilities	4,984	4,965
Other long-term liabilities	3,691	3,157
Total liabilities	457,983	526,627
Commitments and contingencies		
Redeemable preferred stock, par value \$100.00 per share, 75,000 and 0 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	51,951	—
Shareholders' equity (deficit):		
Preferred stock, 500,000 shares authorized, 75,000 (included in redeemable preferred stock) and 0 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	—	—
Common stock, par value \$0.30 per share, 12,000,000 shares authorized; 4,532,240 and 4,493,338 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	1,360	1,348
Additional paid-in capital	475,829	460,186
Accumulated deficit	(464,877)	(415,667)
Accumulated other comprehensive loss	(36,793)	(44,129)
Total shareholders' equity (deficit)	<u>(24,481)</u>	<u>1,738</u>
Total liabilities, redeemable preferred stock and shareholders' equity (deficit)	<u>\$ 485,453</u>	<u>\$ 528,365</u>

See accompanying notes to consolidated financial statements.

**TEAM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)

	Twelve Months Ended December 31,	
	2025	2024
Revenues	\$ 896,483	\$ 852,272
Operating expenses	664,775	629,122
Gross margin	231,708	223,150
Selling, general and administrative expenses	217,637	213,014
Operating income	14,071	10,136
Interest expense, net	(44,676)	(47,808)
Loss on debt extinguishment	(13,136)	—
Other income (expense), net	(2,889)	2,682
Loss before income taxes	(46,630)	(34,990)
Provision for income taxes (see Note 10)	(2,580)	(3,276)
Net loss	(49,210)	(38,266)
Dividend and accretion to redemption value on redeemable preferred stock	(3,451)	—
Net loss attributable to common shareholders	<u>\$ (52,661)</u>	<u>\$ (38,266)</u>
Loss per common share:		
Basic and diluted	(11.70)	(8.64)
Weighted-average number of shares outstanding:		
Basic and diluted	4,501	4,429

See accompanying notes to consolidated financial statements.

**TEAM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(in thousands)**

	Twelve Months Ended December 31,	
	2025	2024
Net loss	\$ (49,210)	\$ (38,266)
Other comprehensive income (loss) before tax:		
Foreign currency translation adjustment	7,797	(7,396)
Defined benefit pension plans:		
Net actuarial loss arising during period	(597)	(261)
Amortization of prior service cost	33	32
Amortization of net actuarial loss	367	319
Other comprehensive income (loss) before tax	7,600	(7,306)
Tax provision (benefit) attributable to other comprehensive income (loss)	(264)	109
Other comprehensive income (loss), net of tax	7,336	(7,197)
Total comprehensive loss	<u>\$ (41,874)</u>	<u>\$ (45,463)</u>

See accompanying notes to consolidated financial statements.

**TEAM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)**  
(in thousands)

	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Shareholders' Equity (Deficit)
Balance as of December 31, 2023	4,415	\$ 1,315	\$ 458,614	\$ (377,401)	\$ (36,932)	\$ 45,596
Net loss	—	—	—	(38,266)	—	(38,266)
Foreign currency translation adjustment, net of tax	—	—	—	—	(7,323)	(7,323)
Defined benefit pension plans, net of tax	—	—	—	—	126	126
Non-cash compensation	—	—	2,273	—	—	2,273
Net settlement of vested stock awards	78	33	(701)	—	—	(668)
Balance as of December 31, 2024	4,493	1,348	460,186	(415,667)	(44,129)	1,738
Net loss	—	—	—	(49,210)	—	(49,210)
Dividend and accretion to redemption value on redeemable preferred stock	—	—	(3,451)	—	—	(3,451)
Foreign currency translation adjustment, net of tax	—	—	—	—	7,473	7,473
Issuance of warrants in connection with Series B Transactions	—	—	18,726	—	—	18,726
Defined benefit pension plans, net of tax	—	—	—	—	(137)	(137)
Non-cash compensation	—	—	795	—	—	795
Net settlement of vested stock awards	39	12	(427)	—	—	(415)
Balance as of December 31, 2025	4,532	\$ 1,360	\$ 475,829	\$ (464,877)	\$ (36,793)	\$ (24,481)

See accompanying notes to consolidated financial statements.

**TEAM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Twelve Months Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (49,210)	\$ (38,266)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	34,082	36,295
Loss on debt extinguishment	13,136	—
Amortization of debt issuance costs, debt discounts, and deferred financing costs	5,065	6,226
Paid-in-kind (PIK) interest	10,650	14,441
Allowance for credit losses	2,606	845
Foreign currency loss (gain)	3,274	(2,231)
Deferred income taxes	(15)	(1,184)
Loss (gain) on asset disposal	(226)	7
Non-cash compensation costs	795	2,273
Other, net	(225)	(345)
Changes in operating assets and liabilities:		
Accounts receivable	(3,641)	3,736
Inventory	(2,636)	(40)
Prepaid expenses and other assets	151	(946)
Accounts payable	(2,932)	6,582
Other accrued liabilities	(19,877)	(6,515)
Income taxes	(2,345)	1,889
Net cash provided by (used in) operating activities	<u>(11,348)</u>	<u>22,767</u>
Cash flows from investing activities:		
Capital expenditures	(9,289)	(9,465)
Proceeds from disposal of assets	228	167
Net cash used in investing activities	<u>(9,061)</u>	<u>(9,298)</u>
Cash flows from financing activities:		
Borrowings under Revolving Credit Loans	188,000	31,500
Payments under Revolving Credit Loans	(207,118)	(32,010)
Borrowings under First Lien Term Loan	175,000	—
Payments under First Lien Term Loan	(1,312)	—
Payments under 2025 Second Lien Term Loan	(41,803)	—
Payments under Corre Incremental Term Loan	(48,015)	(1,425)
Payments under Corre Delayed Draw Term Loan	(35,700)	—
Payments under Corre Uptiered Loan	(55,894)	—
Payments under ME/RE Loans	(23,427)	(2,842)
Proceeds from issuance of Series B Preferred Stock and warrants	75,000	—
Issuance cost related to Series B Preferred Stock and warrants	(7,774)	—
Payments for debt issuance costs	(11,337)	(8,462)
Other	(2,813)	492
Net cash provided by (used in) financing activities	<u>2,807</u>	<u>(12,747)</u>
Effect of exchange rate changes on cash	202	(604)
Net increase (decrease) in cash and cash equivalents	<u>(17,400)</u>	<u>118</u>
Cash and cash equivalents at beginning of period	35,545	35,427
Cash and cash equivalents at end of period	<u>\$ 18,145</u>	<u>\$ 35,545</u>

See accompanying notes to consolidated financial statements.

Supplemental disclosure of cash flow information:

	Twelve Months Ended December 31,	
	2025	2024
Cash paid during the year for:		
Interest	\$ 30,296	\$ 24,851
Income taxes	\$ 2,884	\$ 2,410
Non-cash investing and financing activities:		
Assets acquired under finance lease	\$ 5,274	\$ 1,022
Equipment financed with notes payable	\$ 1,518	\$ —
Accrued capital expenditures	\$ 1,467	\$ 407

See accompanying notes to consolidated financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

**Description of Business.** Unless otherwise indicated, the terms “Team,” “the Company,” “we,” “our” and “us” are used in this report to refer to either Team, Inc., to one or more of our consolidated subsidiaries, or to all of them taken as a whole.

We are a global, leading provider of specialty industrial services offering customers access to a full suite of conventional, specialized, and proprietary mechanical, heat-treating, and inspection services. We deploy conventional to highly specialized inspection, condition assessment, maintenance and repair services that result in greater safety, reliability and operational efficiency for our customers’ most critical assets. We conduct operations in two segments: Inspection and Heat-Treating (“IHT”) and Mechanical Services (“MS”). Through the capabilities and resources in these two segments, we believe that we are uniquely qualified to provide integrated solutions involving: inspection to assess condition; engineering assessment to determine fitness for purpose in the context of industry standards and regulatory codes; and mechanical services to repair, rerate or replace based upon the customer’s election. In addition, we are capable of escalating with the customer’s needs, as dictated by the severity of the damage found and the related operating conditions, from standard services to some of the most advanced services and integrated asset integrity and reliability management solutions available in the industry. We also believe that we are unique in our ability to provide these services in three distinct customer demand profiles: (i) turnaround or project services, (ii) call-out services, and (iii) nested or run-and-maintain services.

IHT provides conventional and advanced non-destructive testing services primarily for the process, pipeline and power sectors, pipeline integrity management services, and field heat-treating services, as well as associated engineering and condition assessment services. These services can be offered while facilities are running (onstream), during facility turnarounds or during new construction or expansion activities. In addition, IHT provides comprehensive non-destructive testing services and metallurgical and chemical processing services to the aerospace and other industries covering a range of components including finished machined and in-service components. IHT also provides advanced digital imaging including remote digital video imaging.

MS provides solutions designed to serve customers’ unique needs during both the operational (onstream) and off-line states of their assets. Our onstream services include our range of standard to custom-engineered leak repair and composite solutions; emissions control and compliance; hot tapping and line stopping; and online valve insertion solutions, which are delivered while assets are in an operational condition, which maximizes customer production time. Asset shutdowns can be planned, such as a turnaround maintenance event, or unplanned, such as those due to component failure or equipment breakdowns. Our specialty maintenance, turnaround and outage services are designed to minimize customer downtime and are primarily delivered while assets are off-line, often through the use of cross-certified technicians whose multi-craft capabilities deliver the production needed to achieve tight time schedules. These critical services include on-site field machining; bolted-joint integrity; vapor barrier plug testing; and valve management solutions.

We market our services to companies in a diverse array of heavy industries which include:

- Energy (refining, power, renewables, nuclear, offshore oil and gas and liquefied natural gas);
- Manufacturing and Process (chemical, petrochemical, pulp and paper industries, automotive and mining);
- Midstream (valves, terminals and storage, and pipeline);
- Infrastructure (construction and building, roads, dams, amusement parks, bridges, ports, and railways); and
- Aerospace and Defense.

**Basis for presentation.** These consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) and the rules and regulations of the Securities and Exchange Commission. In the opinion of management, these consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of results for such periods.

**Consolidation.** The consolidated financial statements include the accounts of our subsidiaries where we have control over operating and financial policies. All material intercompany accounts and transactions have been eliminated in consolidation.

**Related party transactions.** A related party transaction is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including the incurrence or issuance of any indebtedness or the guarantee of indebtedness) in which (1) the Company or any of its subsidiaries is a participant, and (2) any Related Party (as defined herein) has or will have a direct or indirect material interest.

A related party is any person who is, or, at any time since the beginning of the Company’s last fiscal year, was (1) an executive officer, director or nominee for election as a director of the Company or any of its subsidiaries, (2) a person with greater than five percent (5%) beneficial interest in the Company, (3) an immediate family member of any of the individuals or

entities identified in (1) or (2) of this paragraph, and (4) any firm, corporation or other entity in which any of the foregoing individuals or entities is employed or is a general partner or principal or in a similar position or in which such person or entity has a five percent (5%) or greater beneficial interest. Immediate family members include a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone residing in such person's home, other than a tenant or employee.

**Use of estimates.** Our accounting policies conform to GAAP in the United States. The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and judgments that affect our reported financial position and results of operations. We review significant estimates and judgments affecting our consolidated financial statements on a recurring basis and record the effect of any necessary adjustments prior to their publication. Estimates and judgments are based on information available at the time such estimates and judgments are made. Adjustments made with respect to the use of these estimates and judgments often relate to information not previously available. Uncertainties with respect to such estimates and judgments are inherent in the preparation of financial statements. Estimates and judgments are used in, among other things, (1) assessments of all long-lived assets for possible impairment, (2) estimating various factors used to accrue liabilities for workers' compensation, auto, medical and general liability, (3) establishing an allowance for uncollectible accounts receivable, (4) estimating the useful lives of our assets, (5) assessing future tax exposure and the realization of tax assets, (6) selecting assumptions used in the measurement of costs and liabilities associated with defined benefit pension plans, (7) assessments of fair value, and (8) estimating achievement of the milestones for compensation cost recognition on our performance-based stock units. Our most significant accounting policies are described below.

**Revenue recognition.** In accordance with ASC Topic 606, *Revenue from Contracts with Customers*, ("ASC 606"), we follow a five-step process to recognize revenue: 1) identify the contract with the customer, 2) identify the performance obligations, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations and 5) recognize revenue when the performance obligations are satisfied.

Most of our contracts with customers are short-term in nature and billed on a time and materials basis, while certain other contracts are at a fixed price. Certain contracts may contain a combination of fixed and variable elements. We may act as a principal and have performance obligations to provide the service itself or oversee the services provided by any subcontractors. Revenue is measured based on consideration specified in a customer contract and excludes amounts collected on behalf of third parties, such as taxes assessed by governmental authorities. Generally, in contracts where the amount of consideration is variable, the amount is determinable each period based on our right to invoice (as discussed further below) the customer for services performed to date. As most of our contracts contain only one performance obligation, the allocation of a contract's transaction price to multiple performance obligations is generally not applicable. Customers are generally billed as we satisfy our performance obligations and payment terms typically range from 30 to 120 days from the invoice date. Billings under certain fixed-price contracts may be based upon the achievement of specified milestones, while some arrangements may require advance customer payment. Our contracts do not include significant financing components since the contracts typically span less than one year.

Revenue is recognized as (or when) the performance obligations are satisfied by transferring control over a service or product to the customer. Revenue recognition guidance prescribes two recognition methods (over time or point in time). Most of our performance obligations qualify for recognition over time because we typically perform our services on customer facilities or assets and customers receive the benefits of our services as we perform. Where a performance obligation is satisfied over time, the related revenue is also recognized over time using the method deemed most appropriate to reflect the measure of progress and transfer of control. For our time and materials contracts, we are generally able to elect the right-to-invoice practical expedient, which permits us to recognize revenue in the amount to which we have a right to invoice the customer if that amount corresponds directly with the value to the customer of our performance completed to date. For our fixed price contracts, as they are short term in nature, we recognize revenue as jobs are completed or costs are incurred. For contracts where control is transferred at a point in time, revenue is recognized at the time control of the asset is transferred to the customer, which is typically upon delivery and acceptance by the customer.

The timing of revenue recognition, billings, and cash collections results in the recognition of trade accounts receivable, contract assets and contract liabilities on the consolidated balance sheets. Trade accounts receivable include billed and unbilled amounts currently due from customers and represent unconditional rights to receive consideration. The amounts due are stated at their net estimated realizable value. Refer to *Note 3 - Accounts Receivable* for additional information on our trade receivables, unbilled revenue and the allowance for credit losses. Contract assets include unbilled amounts when the revenue recognized exceeds the amount billed to the customer. Amounts may not exceed their net realizable value. Contract assets are included in "Prepaid expenses and other current assets" on our consolidated balance sheet. If we receive advances or deposits from our customers, a contract liability is recorded. Additionally, a contract liability arises if items of variable consideration result in less revenue being recorded than what is billed. We did not have a material amount of contract assets or contract liabilities as of December 31, 2025 and 2024.

We recognize the incremental costs of obtaining contracts as selling, general and administrative expenses when incurred if the amortization period of the asset that otherwise would have been recognized is one year or less. Costs to fulfill a contract are recorded as assets if they relate directly to a contract or a specific anticipated contract, the costs are incurred to generate or enhance resources that will be used in satisfying performance obligations in the future, and the costs are expected to be recovered. Costs to fulfill a contract recognized as assets primarily consist of labor and material costs and generally relate to engineering and set-up costs incurred prior to when the satisfaction of performance obligations begins. Assets recognized for costs to fulfill a contract are included in the “Prepaid expenses and other current assets” line of the consolidated balance sheet and were not material as of December 31, 2025 and 2024. Such assets are recognized as expenses as we transfer the related goods or services to the customer and recognize the related revenue. All other costs to fulfill a contract are expensed as incurred.

**Fair value of financial instruments.** As defined in Financial Accounting Standards Board (“FASB”) ASC 820, *Fair Value Measurements and Disclosure* (“ASC 820”), 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. We utilize market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. We primarily apply the market approach for recurring fair value measurements and endeavor to utilize the best information available. Accordingly, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The use of unobservable inputs is intended to allow for fair value determinations in situations in which there is little, if any, market activity for the asset or liability at the measurement date. We are able to classify fair value balances based on the observability of those inputs. ASC 820 establishes a fair value hierarchy such that “Level 1” measurements include unadjusted quoted market prices for identical assets or liabilities in an active market, “Level 2” measurements include quoted market prices for identical assets or liabilities in an active market which have been adjusted for items such as effects of restrictions for transferability and those that are not quoted but are observable through corroboration with observable market data, including quoted market prices for similar assets, and “Level 3” measurements include those that are unobservable and of a highly subjective measure.

Our financial instruments consist primarily of cash, cash equivalents, accounts receivable, accounts payable, pension assets and debt obligations. The carrying amount of cash, cash equivalents, trade accounts receivable and accounts payable are representative of their respective fair values due to the short-term maturity of these instruments. For additional information regarding our pension assets, see *Note 15 - Employee Benefit Plan*. The fair value of our debt obligations approximates their carrying value due to the respective interest rate terms and management’s opinion that the current rates available to us with the same maturity and security structure are equivalent to that of the debt obligations. For additional information regarding our debt obligations, see *Note 11 - Debt*.

**Cash and cash equivalents.** Cash and cash equivalents consist of all demand deposits and funds invested in highly liquid short-term investments with original maturities of three months or less.

**Inventory.** Except for certain inventories that are valued based on standard cost, we use the first-in, first-out method to value our inventory. Inventory amounts includes material, labor, and certain fixed overhead costs. Inventory is stated at the lower of cost and net realizable value. Inventory quantities on hand are reviewed periodically and carrying value is reduced to net realizable value for inventories for which their cost exceeds their utility. The cost of inventories consumed or products sold are included in operating expenses.

**Property, plant and equipment.** Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Leasehold improvements are amortized over the shorter of their respective useful life or the lease term. Depreciation and amortization of assets are computed by the straight-line method over the following estimated useful lives of the assets:

<u>Classification</u>	<u>Useful Life</u>
Buildings	20-40 years
Enterprise Resource Planning (“ERP”) System	15 years
Leasehold improvements	2-20 years
Machinery and equipment	2-20 years
Furniture and fixtures	2-10 years
Computers and computer software	2-5 years
Automobiles	2-5 years

**Intangible assets.** Intangible assets with finite lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment in accordance with ASC 360-10, *Impairment or Disposal of Long-Lived Assets* (“ASC 360”).

**Cloud-based software arrangements.** The costs incurred to implement cloud computing arrangements hosted by third party vendors are capitalized when incurred during the application development phase and recognized as Prepaid expenses and other current assets for the current portion or Other assets for the long-term portion. Implementation costs are subsequently amortized on a straight-line basis over the expected term of the related cloud service, beginning on the date the related software or module is ready for its intended use. The amortization of cloud-based software implementation costs is recorded as a component of Selling, general, and administrative expenses, the same line item as the expense for the associated hosting arrangement. The carrying value of cloud computing implementation costs are tested for impairment when an event or circumstance indicates that the asset might be impaired. Cloud computing arrangement implementation costs are classified within operating activities in the consolidated statements of cash flows.

**Impairment of long-lived assets.** We review our property, plant and equipment, intangible assets subject to amortization and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset class may not be recoverable. Indicators of potential impairment include: an adverse change in legal factors or in the business climate that could affect the value of the asset in that asset class; an adverse change in the extent or manner in which the asset is used or is expected to be used, or in its physical condition; and current or forecasted operating or cash flow losses demonstrate continuing losses associated with the use of the asset. If indicators of impairment are present, the asset is tested for recoverability by comparing the carrying value of the asset to the related estimated undiscounted future cash flows expected to be derived from the asset. If the expected undiscounted cash flows are less than the carrying value of the asset, then the asset is considered to be impaired and its carrying value is written down to fair value, based on the related estimated discounted cash flows. There were no impairment charges in 2025 or 2024.

**Income taxes.** We follow the guidance of ASC 740, *Income Taxes* (“ASC 740”), which requires that we use the asset and liability method of accounting for deferred income taxes and provide deferred income taxes for all significant temporary differences. As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our actual current tax payable or receivable and related tax expense or benefit together with assessing temporary differences resulting from differing treatment of certain items such as depreciation for tax and accounting purposes. These differences can result in deferred tax assets and liabilities, which are included within our consolidated balance sheets.

In accordance with ASC 740, we are required to assess the likelihood that our deferred tax assets will be realized and, to the extent we believe it is more likely than not (a likelihood of more than 50%) that some portion or all of the deferred tax assets will not be realized, we must establish a valuation allowance. We consider all available evidence to determine whether, based on the weight of the evidence, a valuation allowance is needed. Evidence used includes the reversal of existing taxable temporary differences, taxable income in prior carryback years if carryback is permitted by tax law, information about our current financial position and our results of operations for the current and preceding years, as well as all currently available information about future years, including our anticipated future performance and tax planning strategies.

We regularly assess whether it is more likely than not that we will realize the deferred tax assets in the jurisdictions we operate in. We believe future sources of taxable income, reversing temporary differences and other tax planning strategies will be sufficient to realize the deferred tax assets for which no valuation allowance has been established. Our valuation allowance primarily relates to net operating loss carryforwards. While we have considered these factors in assessing the need for additional valuation allowance, there is no assurance that additional valuation allowance would not need to be established in the future if information about future years change. Any changes in valuation allowance would impact our income tax provision and net income (loss) in the period in which such a determination is made. As of December 31, 2025, our deferred tax assets were \$128.5 million, less a valuation allowance of \$113.5 million. As of December 31, 2025, our deferred tax liabilities were \$18.4 million.

Significant judgment is required in assessing the timing and amounts of deductible and taxable items for tax purposes. In accordance with ASC 740-10, we establish reserves for uncertain tax positions when, despite our belief that our tax return positions are supportable, we believe that it is not more likely than not that the position will be sustained upon challenge. When facts and circumstances change, we adjust these reserves through our provision for income taxes. To the extent interest and penalties may be assessed by taxing authorities on any related underpayment of income tax, such amounts have been accrued and are classified as a component of income tax expense (benefit) in our consolidated statements of operations. As of December 31, 2025, our gross unrecognized tax benefits, excluding penalties and interest related to uncertain tax positions, were \$1.2 million.

**Workers' compensation, auto, medical and general liability accruals.** In accordance with ASC 450, *Contingencies* ("ASC 450"), we record a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. We review our loss contingencies on an ongoing basis to ensure that we have appropriate reserves recorded on our consolidated balance sheet. These reserves are based on historical experience with claims incurred but not received, estimates and judgments made by us, applicable insurance coverage for litigation matters, and are adjusted as circumstances warrant. For workers' compensation, our retention is \$1.0 million and our environmental liability retention is also \$1.0 million. We have retentions of \$1.0 million for automobile liability claims, \$1.0 million for professional liability claims, and \$2.0 million for general liability claims, but we also have an aggregate annual deductible of \$5.0 million for those liability policies. We maintain insurance for claims that exceed such retention limits. In 2023, our health care plan for U.S. employees was self-funded and administered by a third party. We purchased appropriate stop-loss coverage for self-funded insurance in 2023. We moved our U.S. employees to a fully funded healthcare policy in 2024 and no longer self-fund our health care plan for U.S. employees. Our insurance is subject to terms, conditions, limitations, and exclusions that may not fully compensate us for all losses. Our estimates and judgments could change based on new information, changes in laws or regulations, changes in our plans or intentions, or the outcome of legal proceedings, settlements, or other factors. If different estimates and judgments were applied with respect to these matters, it is likely that reserves would be recorded for different amounts.

**Accounts receivable and allowance for credit losses.** In the ordinary course of business, a portion of our accounts receivable are not collected due to billing disputes, customer bankruptcies or other various reasons. We establish an allowance to account for those accounts receivable that we estimate will eventually be deemed uncollectible. The allowance for credit losses is based on a combination of our historical experience and our review of long outstanding accounts receivable.

We measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This applies to financial assets measured at amortized cost, including trade and unbilled accounts receivable, and requires immediate recognition of lifetime expected credit losses. Significant factors that affect the expected collectability of our receivables include macroeconomic trends and forecasts in the oil and gas, refining, power, and petrochemical markets and changes in our forecasts. For unbilled receivables, we consider them as short-term in nature as they are normally converted to trade receivables within 90 days, thus future changes in economic conditions will not have a significant effect on the credit loss estimate. We have identified the following factors that primarily impact the collectability of our receivables and therefore determine the pools utilized to calculate expected credit losses: (i) the aging of the receivable, (ii) any identification of known collectability concerns with specific receivables and (iii) variances in economic risk characteristics across geographic regions.

For trade receivables, customers typically are provided with payment due date terms in the range of 30 to 120 days upon issuance of an invoice. We have tracked historical loss information for our trade receivables and compiled historical credit loss percentages for different aging categories. We believe that the historical loss information we have compiled is a reasonable basis on which to determine expected credit losses for trade receivables because the composition of the trade receivables is consistent with that used in developing the historical credit-loss percentages as typically our customers and payment terms do not change significantly. Generally, the longer a receivable is outstanding the higher the percentage of the outstanding balance is reported as current expected credit losses. We update the historical loss information for current conditions and reasonable and supportable forecasts that affect the expected collectability of the trade receivable using a loss-rate approach. We have not seen a negative trend in the current economic environment that significantly impacts our historical credit-loss percentages; however, we will continue to monitor for changes that would indicate the historical loss information is no longer a reasonable basis for the determination of our expected credit losses. Our forecasted loss rates inherently incorporate expected macroeconomic trends. A loss-rate method for estimating expected credit losses on a pooled basis is applied for each aging category for receivables that continue to exhibit similar risk characteristics.

To measure expected credit losses for individual receivables with specific collectability risk, we identify specific factors based on customer-specific facts and circumstances that are unique to each customer. Customer accounts with different risk characteristics are separately identified and a specific reserve is determined for these accounts based on the assessed credit risk.

We have also identified the following geographic regions in which to distinguish our trade receivables: (i) the United States, (ii) Canada, (iii) the European Union, (iv) the United Kingdom, and (v) other countries. These geographic regions are considered appropriate as they each operate in different economic environments with different foreign currencies and therefore share similar economic risk characteristics. For each geographic region, we evaluate the historical loss information and determine credit-loss percentages to apply to each aging category and individual receivable with specific risk characteristics. We estimate future expected credit losses based on forecasted changes in gross domestic product and oil demand for each region.

We consider one year from the financial statement reporting date as representing a reasonable forecast period as this period aligns with the expected collectability of our trade receivables. Financial distress experienced by our customers could

have an adverse impact on us in the event our customers are unable to remit payment for the products or services we provide or otherwise fulfill their obligations to us. In determining the current expected credit losses, we review macroeconomic conditions, market specific conditions, and internal forecasts to identify potential changes in our assessment.

**Concentration of credit risk.** No single customer accounted for more than 10% of consolidated revenues during the year ended December 31, 2025 or 2024.

**Accounting for warrants.** We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480") and ASC 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether the warrants are freestanding financial instrument meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own ordinary shares, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance.

**Earnings (loss) per share.** The Company computes earnings (loss) per share in accordance with ASC 260-10-45, *Earnings per Share*, which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic earnings (loss) per share is computed by dividing net income (loss) attributable to common shareholders by the weighted-average number of shares of common stock outstanding during the year. Diluted earnings (loss) per share is computed by dividing net income (loss) attributable to common shareholders by the sum of (1) the weighted-average number of shares of common stock outstanding during the period, (2) the dilutive effect of the assumed exercise of share-based compensation using the treasury stock method and (3) the dilutive effect of the assumed exercise of outstanding warrants under the treasury stock method.

For the years ended December 31, 2025, and 2024, all outstanding share-based compensation awards and shares issuable upon the exercise of outstanding warrants were excluded from the calculation of diluted loss per share because their inclusion would be antidilutive due to the loss in those periods. For information on our share-based compensation awards and outstanding warrants refer to *Note 13 - Share-Based Compensation* and *Note 14 - Shareholders' Equity*, respectively.

**Foreign currency.** For subsidiaries whose functional currency is not the U.S. dollar, assets and liabilities are translated at the exchange rates as of end of the period and revenues and expenses are translated at period average exchange rates. Translation adjustments for the asset and liability accounts are included as a separate component of accumulated other comprehensive income (loss) in the consolidated statements of shareholders' equity (deficit). Foreign currency transaction gains and losses are included in our statements of operations.

**Defined benefit pension plans.** Pension benefit costs and liabilities are dependent on assumptions used in calculating such amounts. The primary assumptions include factors such as discount rates, expected investment return on plan assets, mortality rates and retirement rates. These rates are reviewed annually and adjusted to reflect current conditions and are determined based on reference to yields. The expected return on plan assets is derived from detailed periodic studies, which include a review of asset allocation strategies, anticipated future long-term performance of individual asset classes, risks (standard deviations) and correlations of returns among the asset classes that comprise the plans' asset mix. While the studies give appropriate consideration to recent plan performance and historical returns, the assumptions are primarily long-term, prospective rates of return. Mortality and retirement rates are based on actual and anticipated plan experience. In accordance with U.S. GAAP, actual results that differ from the assumptions are accumulated and are subject to amortization over future periods and, therefore, generally affect recognized expense in future periods. While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the pension obligation and future expense.

**Share-based compensation.** We account for share-based compensation to employees in accordance with ASC 718, *Compensation—Stock Compensation* ("ASC 718"). Under ASC 718, we measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and, for those awards subject only to service condition, recognizes the costs on a straight-line basis over the period the employee is required to provide service in exchange for the award, which generally is the vesting period. For awards with performance and service conditions, we begin recording share-based compensation when achieving the performance criteria is probable.

The fair value of restricted stock units and performance of stock units is determined based on the number of shares granted and the quoted price of our common stock. We estimate a forfeiture rate to calculate the share-based compensation expense related to our awards. Estimated forfeitures are determined based on historical data and we continue to evaluate the appropriateness of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover and other factors. Quarterly changes in the estimated forfeiture rate can have a significant impact on our share-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed.

Our performance stock units vest based on certain performance criteria. Achievement of the milestones must be probable before we begin recording share-based compensation expense. When the performance-based vesting criteria is considered

probable, we begin to recognize compensation expense at that time. In the period that achievement of the performance-based criteria is deemed probable, U.S. GAAP requires the immediate recognition of all previously unrecognized compensation since the original grant date. As a result, compensation expense recorded in the period that achievement is deemed probable could include a substantial amount of previously unrecorded compensation expense related to the prior periods. For any share-based awards where performance-based vesting criteria is no longer considered probable, previously recognized compensation cost would be reversed.

**Reclassifications.** Certain amounts in prior periods have been reclassified to conform to the current year presentation. Such reclassifications did not have any effect on our financial condition or results of operations as previously reported.

### ***Newly Adopted Accounting Standards***

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires entities to provide additional information in the rate reconciliation and additional disclosures about income taxes paid. This guidance requires public entities to disclose in their rate reconciliation table additional categories of information about federal, state, and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. ASU 2023-09 is effective for all annual periods beginning after December 31, 2024, and is applied prospectively, while retrospective application is permitted. We elected to adopt ASU 2023-09 retrospectively during the year ended December 31, 2025. The adoption of ASU 2023-09 did not have a material impact on our Consolidated Financial Statements.

### ***Accounting Standards Not Yet Adopted***

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires the disaggregation of certain expenses in the notes of the financials, to provide enhanced transparency into the expense captions presented on the face of the income statement. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027 and may be applied either prospectively or retrospectively. The Company is currently evaluating the impact that ASU 2024-03 will have on its related disclosures, including the adoption date and transition method.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements* ("ASU 2025-12"). ASU 2025-12 addresses suggestions received from stakeholders regarding the Accounting Standards Codification and makes other incremental improvements to U.S. GAAP. The update represents changes to the Codification that clarify, correct errors in or make other improvements to a variety of topics that are intended to make it easier to understand and apply. ASU 2025-12 is effective for fiscal years beginning after December 15, 2026 and interim periods within those fiscal years. Entities are required to apply the amendments to ASC 260 retrospectively. All other amendments may be applied prospectively or retrospectively. Early adoption is permitted. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* ("ASU 2025-11"). ASU 2025-11 is intended to improve the navigability of guidance in ASC 270, Interim Reporting, and clarify when it applies. The amendments also provide additional guidance on what disclosures should be provided in interim reporting periods. ASU 2025-11 is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, and permits prospective or full retrospective adoption. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities* ("ASU 2025-10"). ASU 2025-10 adds guidance on the recognition, measurement and presentation of government grants. ASU 2025-10 is effective for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years, and permits modified prospective, modified retrospective, or full retrospective adoption. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

## 2. REVENUE

**Disaggregation of revenue.** Essentially all of our revenues are associated with contracts with customers. A disaggregation of our revenue from contracts with customers by geographic region, by reportable operating segment and by service type is presented below:

Revenue by geographic area (in thousands):

	Twelve Months Ended December 31, 2025			
	United States	Canada	Other Countries	Total
Revenue:				
IHT	\$ 403,133	\$ 42,187	\$ 13,559	\$ 458,879
MS	277,569	34,624	125,411	437,604
<b>Total</b>	<b>\$ 680,702</b>	<b>\$ 76,811</b>	<b>\$ 138,970</b>	<b>\$ 896,483</b>

  

	Twelve Months Ended December 31, 2024			
	United States	Canada	Other Countries	Total
Revenue:				
IHT	\$ 374,657	\$ 39,699	\$ 12,366	\$ 426,722
MS	263,005	27,241	135,304	425,550
<b>Total</b>	<b>\$ 637,662</b>	<b>\$ 66,940</b>	<b>\$ 147,670</b>	<b>\$ 852,272</b>

Revenue by operating segment and service type (in thousands):

	Twelve Months Ended December 31, 2025				
	Non-Destructive Evaluation and Testing Services	Repair and Maintenance Services	Heat-Treating	Other	Total
Revenue:					
IHT	\$ 359,038	\$ 142	\$ 68,207	\$ 31,492	\$ 458,879
MS	—	426,930	679	9,995	437,604
<b>Total</b>	<b>\$ 359,038</b>	<b>\$ 427,072</b>	<b>\$ 68,886</b>	<b>\$ 41,487</b>	<b>\$ 896,483</b>

  

	Twelve Months Ended December 31, 2024				
	Non-Destructive Evaluation and Testing Services	Repair and Maintenance Services	Heat-Treating	Other	Total
Revenue:					
IHT	\$ 336,582	\$ 154	\$ 67,893	\$ 22,093	\$ 426,722
MS	—	417,699	932	6,919	425,550
<b>Total</b>	<b>\$ 336,582</b>	<b>\$ 417,853</b>	<b>\$ 68,825</b>	<b>\$ 29,012</b>	<b>\$ 852,272</b>

For additional information on our reportable operating segments and geographic information, refer to *Note 18 - Segment and Geographic Disclosures*.

**Remaining performance obligations.** As permitted by ASC 606, *Revenue from Contracts with Customers*, we have elected not to disclose information about remaining performance obligations where (i) the performance obligation is part of a contract that has an original expected duration of one year or less or (ii) when we recognize revenue from the satisfaction of the performance obligation in accordance with the right-to-invoice practical expedient, which permits us to recognize revenue in the amount to which we have a right to invoice the customer if that amount corresponds directly with the value to the customer of our performance completed to date. As most of our contracts with customers are short-term in nature and billed on a time and material basis, there were no material amounts of remaining performance obligations as of December 31, 2025 and 2024.

### 3. ACCOUNTS RECEIVABLE

A summary of accounts receivable as of December 31, 2025 and 2024 is as follows (in thousands):

	December 31,	
	2025	2024
Trade accounts receivable	\$ 143,923	\$ 145,743
Unbilled revenues	38,546	30,173
Allowance for credit losses	(4,585)	(3,271)
<b>Accounts receivable, net</b>	<b>\$ 177,884</b>	<b>\$ 172,645</b>

The following table shows a rollforward of the allowance for credit losses (in thousands):

	Twelve Months Ended December 31,	
	2025	2024
Balance at beginning of period	\$ 3,271	\$ 3,738
Provision for expected credit losses	3,080	1,474
Recoveries collected	(441)	(568)
Write-offs	(1,350)	(1,388)
Foreign exchange effects	25	15
<b>Balance at end of period</b>	<b>\$ 4,585</b>	<b>\$ 3,271</b>

### 4. INVENTORY

A summary of inventory as of December 31, 2025 and 2024 is as follows (in thousands):

	December 31,	
	2025	2024
Raw materials	\$ 9,781	\$ 9,098
Work-in-progress	3,600	2,267
Finished goods	28,003	26,509
<b>Inventory</b>	<b>\$ 41,384</b>	<b>\$ 37,874</b>

### 5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

A summary of prepaid expenses and other current assets as of December 31, 2025 and 2024 is as follows (in thousands):

	December 31,	
	2025	2024
Insurance receivables	\$ 10,000	\$ 39,000
Prepaid expenses	14,039	15,817
Other current assets	3,911	3,826
<b>Prepaid expenses and other current assets</b>	<b>\$ 27,950</b>	<b>\$ 58,643</b>

The insurance receivable represents amounts due from our third-party insurance providers for a legal claim that is recorded in other accrued liabilities, refer to *Note 9 - Other Accrued Liabilities*. Insurance receivables will be collected from our third-party insurance providers for litigation matters that have been settled, or are pending settlement, and where the deductibles have been satisfied. The prepaid expenses primarily relate to prepaid insurance and other expenses that have been paid in advance of the coverage period.

As of December 31, 2025 and 2024, other current assets include deferred financing fees of \$1.5 million and \$1.6 million, respectively, in connection with the Collateral Facility Agreement (as defined below), and the current portion of software implementation cost of \$1.3 million and \$0.9 million, respectively.

## 6. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment as of December 31, 2025 and 2024 is as follows (in thousands):

	December 31,	
	2025	2024
Land	\$ 4,006	\$ 4,006
Buildings and leasehold improvements	61,868	60,642
Machinery and equipment	304,618	289,384
Furniture and fixtures	11,063	10,675
Capitalized ERP system development costs	45,903	45,903
Computers and computer software	19,945	19,067
Automobiles	3,163	2,723
Construction in progress	2,729	757
<b>Total</b>	<b>\$ 453,295</b>	<b>\$ 433,157</b>
Accumulated depreciation and amortization	(342,667)	(320,322)
<b>Property, plant, and equipment, net</b>	<b>\$ 110,628</b>	<b>\$ 112,835</b>

Included in the table above are assets under finance leases of \$13.0 million and \$7.7 million and related accumulated amortization of \$4.8 million and \$3.2 million as of December 31, 2025 and 2024, respectively. Depreciation expense for the years ended December 31, 2025 and 2024 was \$18.6 million and \$20.5 million respectively.

Depreciation expense for the twelve months ended December 31, 2025 and 2024 is included in the table below (in thousands):

	Twelve Months Ended December 31,	
	2025	2024
Depreciation expense:		
Amount included in operating expenses	\$ 12,110	\$ 13,659
Amount included in SG&A expenses	6,468	6,844
<b>Total depreciation expense</b>	<b>\$ 18,578</b>	<b>\$ 20,503</b>

## 7. INTANGIBLE ASSETS

A summary of intangible assets as of December 31, 2025 and 2024 is as follows (in thousands):

	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 162,678	\$ (125,109)	\$ 37,569
Trade names	19,172	(18,930)	242
Technology	2,300	(2,262)	38
Licenses	683	(683)	—
<b>Intangible assets</b>	<b>\$ 184,833</b>	<b>\$ (146,984)</b>	<b>\$ 37,849</b>

  

	December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 162,633	\$ (113,033)	\$ 49,600
Trade names	19,129	(18,754)	375
Technology	2,300	(2,032)	268
Licenses	683	(683)	—
<b>Intangible assets</b>	<b>\$ 184,745</b>	<b>\$ (134,502)</b>	<b>\$ 50,243</b>

Amortization expense on intangible assets for the years ended December 31, 2025 and 2024 was \$12.4 million and \$12.4 million, respectively, and is included in “Selling, general and administrative expenses” on our Consolidated Statements of Operations. Amortization expense for intangible assets is forecasted to be approximately \$12.0 million, \$11.3 million, \$6.4 million, \$5.4 million, and \$2.7 million in 2026, 2027, 2028, 2029 and 2030, respectively.

The weighted-average amortization period for intangible assets subject to amortization was 14.0 years as of December 31, 2025 and 2024. The weighted-average amortization period as of December 31, 2025 is 14.0 years for customer relationships, 14.3 years for trade name and 10.0 years for technology.

## 8. OTHER ASSETS

A summary of other assets as of December 31, 2025 and 2024 is as follows (in thousands):

	December 31,	
	2025	2024
Long-term software implementation costs	\$ 9,441	\$ 9,232
Long-term deposit	1,708	1,552
Escrow fund	1,238	1,350
Deferred financing charges	991	693
Non-current income tax receivable	119	119
Other non-current assets	547	481
<b>Other assets</b>	<b>\$ 14,044</b>	<b>\$ 13,427</b>

As of December 31, 2025, the Company had \$21.1 million of gross capitalized cloud-based software implementation costs and \$10.3 million of related accumulated amortization, for a net balance of \$10.8 million, consisting of \$1.4 million recorded within Prepaid expenses and other current assets, and \$9.4 million recorded within Other assets (included in the table above) on the Company’s consolidated balance sheets.

As of December 31, 2024, the Company had \$19.0 million of gross capitalized cloud-based software implementation costs and \$8.9 million of related accumulated amortization, for a net balance of \$10.1 million, consisting of \$0.9 million

recorded within Prepaid expenses and other current assets, and \$9.2 million recorded within Other assets (included in the table above) on the Company's consolidated balance sheets.

For the years ended December 31, 2025 and 2024, the Company amortized \$1.4 million and \$2.3 million, respectively, of cloud-based software implementation costs.

## 9. OTHER ACCRUED LIABILITIES

A summary of other accrued liabilities as of December 31, 2025 and 2024 is as follows (in thousands):

	December 31,	
	2025	2024
Legal and professional accruals	\$ 13,502	\$ 44,285
Payroll and other compensation expenses	28,647	41,692
Property, sales and other non-income related taxes	5,626	6,379
Accrued interest	1,633	5,516
Insurance accruals	3,782	3,480
Volume discounts	1,938	1,902
Other accruals	1,596	1,974
<b>Other accrued liabilities</b>	<b>\$ 56,724</b>	<b>\$ 105,228</b>

Legal and professional accruals include accruals for legal and professional fees as well as accrued legal claims, refer to *Note 17 - Commitments and Contingencies* for legal claims information. Certain legal claims are covered by our third-party insurance providers and the related insurance receivable for these claims is recorded in prepaid expenses and other current assets, refer to *Note 5 - Prepaid and Other Current Assets*. Payroll and other compensation expenses include all payroll related accruals including, among others, accrued vacation, severance, and bonuses. Property, sales and other non-income related taxes include accruals for items such as sales and use tax, property tax and other related tax accruals. Accrued interest relates to the interest accrued on our long-term debt. Insurance accruals primarily relate to workers compensation costs. Other accruals include various business expense accruals.

## 10. INCOME TAXES

For the years ended December 31, 2025 and 2024, our income tax provision resulted in an effective tax rate of 5.5% and 9.4%, respectively. Our income tax provision for the years ended December 31, 2025 and 2024 was \$2.6 million and \$3.3 million, respectively, and includes federal, state and foreign taxes.

The components of our tax provision and benefit were as follows (in thousands):

	Current	Deferred	Total
Twelve months ended December 31, 2025:			
U.S. Federal	\$ 504	\$ (407)	\$ 97
State & local	373	—	373
Foreign jurisdictions	1,749	361	2,110
<b>Tax provision</b>	<b>\$ 2,626</b>	<b>\$ (46)</b>	<b>\$ 2,580</b>
Twelve months ended December 31, 2024:			
U.S. Federal	\$ 305	\$ (61)	\$ 244
State & local	481	—	481
Foreign jurisdictions	3,514	(963)	2,551
<b>Tax provision</b>	<b>\$ 4,300</b>	<b>\$ (1,024)</b>	<b>\$ 3,276</b>

The components of loss before income taxes for the years ended December 31, 2025 and 2024 were as follows (in thousands):

	Twelve Months Ended December 31,	
	2025	2024
Domestic	\$ (53,056)	\$ (42,477)
Foreign	6,426	7,487
<b>Loss before income taxes</b>	<b>\$ (46,630)</b>	<b>\$ (34,990)</b>

The income tax provision in 2025 and 2024, respectively, differed from the amounts computed by applying the U.S. federal income tax rate of 21% in 2025 and 2024, as a result of the following (in thousands):

	Twelve Months Ended December 31,			
	2025		2024	
<b>Computed income taxes at statutory rate</b>	\$ (9,792)	21.0 %	\$ (7,347)	21.0 %
<b>Domestic:</b>				
State and local income taxes, net of federal income tax effect	239	(0.5)%	320	(0.9)%
Effect of cross-border tax laws				
Subpart F	630	(1.4)%	371	(1.1)%
GILTI	—	— %	576	(1.6)%
Other effects of cross-border tax laws	(103)	0.2 %	(49)	0.1 %
Changes in valuation allowance	10,568	(22.6)%	8,830	(25.3)%
Nontaxable or nondeductible items	483	(1.0)%	185	(0.5)%
<b>Foreign tax effects</b>	619	(1.3)%	431	(1.2)%
<b>Changes in unrecognized tax benefits</b>	(64)	0.1 %	(41)	0.1 %
<b>Total</b>	<b>\$ 2,580</b>	<b>(5.5)%</b>	<b>\$ 3,276</b>	<b>(9.4)%</b>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Accrued compensation and benefits	\$ 3,564	\$ 4,480
Receivables	528	229
Inventory	327	319
Share-based compensation	182	354
Other accrued liabilities	1,171	1,197
Tax credit carryforward	2,887	2,862
Interest expense limitation	61,433	51,414
Goodwill and intangible costs	6,976	8,078
Debt related cost	2,686	2,621
Net operating loss carryforwards	48,228	46,348
Other	518	1,984
Deferred tax assets	128,500	119,886
Less: valuation allowance	(113,516)	(102,201)
<b>Deferred tax assets, net</b>	<b>\$ 14,984</b>	<b>\$ 17,685</b>
Deferred tax liabilities:		
Property, plant and equipment	(13,019)	(14,075)
Unremitted earnings of foreign subsidiaries	(2,588)	(2,837)
Other	(2,827)	(4,156)
<b>Deferred tax liabilities</b>	<b>(18,434)</b>	<b>(21,068)</b>
<b>Net deferred tax liability</b>	<b>\$ (3,450)</b>	<b>\$ (3,383)</b>

As of December 31, 2025, a valuation allowance of \$113.5 million was recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized, primarily attributable to the domestic operations. A significant factor of negative evidence evaluated for the domestic jurisdiction was the cumulative pre-tax loss incurred over the three-year period ended December 31, 2025.

As of December 31, 2025, we had the following tax attributes available to offset future taxable income, subject to certain limitations:

- U.S. federal net operating loss carryforward of \$137.0 million, all of which have an indefinite carryforward period.
- State net operating loss carryforwards of \$265.9 million, of which \$187.4 million will expire on various dates through 2043 and \$78.5 million have an indefinite carryforward period.
- Interest expense carryforward for U.S. income tax purposes of \$275.9 million, all with an indefinite carryforward period.
- Tax credit of \$2.7 million, which will expire on various dates through 2037 if not utilized.
- Foreign net operating loss carryforwards totaling \$17.8 million, of which \$0.8 million will expire on various dates through 2046 and \$17.0 million have an unlimited carryforward period.

As of December 31, 2025, none of our undistributed earnings of foreign operations were considered to be permanently reinvested overseas. As of December 31, 2025, the deferred tax liability related to undistributed earnings of foreign subsidiaries was \$2.6 million.

We file income tax returns in the U.S. federal and state jurisdictions as well as various foreign jurisdictions. With few exceptions, we are no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years prior to 2016. We are currently under audit in one of the states in which we do substantial business. As of December 31, 2025, we recorded a \$0.9 million tax liability in our uncertain positions related to this audit due to retroactive changes included in final regulations issued by the state. Certain Dutch entities were also under audit. We do not anticipate any material adjustments related to these examinations.

Periodic examinations of our tax filings occur by the taxing authorities for the jurisdictions in which we conduct business. These examinations review the significant positions taken on our returns, including the timing and amount of income and deductions reported, as well as the allocation of income among multiple taxing jurisdictions. We do not expect any material adjustments to result from positions taken on our income tax returns.

As of December 31, 2025, \$2.3 million of unrecognized tax benefits would affect our effective tax rate. We estimate the uncertain tax benefits that may be recognized within the next twelve months will not be material. Our policy is to recognize interest and penalties related to unrecognized tax benefits in income tax expense.

The following table summarizes a reconciliation of gross unrecognized tax benefits, excluding penalties and interest, for the years ended December 31, 2025 and 2024 (in thousands):

	Twelve Months Ended December 31,	
	2025	2024
Unrecognized tax benefits - January 1	\$ 1,262	\$ 1,452
Additions based on tax positions related to prior years	42	—
Reductions based on tax positions related to prior years	—	(74)
Reductions resulting from a lapse of the applicable statute of limitations	(129)	(116)
<b>Unrecognized tax benefits - December 31</b>	<b>\$ 1,175</b>	<b>\$ 1,262</b>

We have recorded the unrecognized tax benefits in other long-term liabilities in the consolidated balance sheets. As of December 31, 2025 and 2024, the total amount of accrued interest and penalties related to unrecognized tax benefits was \$1.1 million and \$0.9 million, respectively. There was approximately \$0.2 million and \$0.1 million of interest or penalties related to unrecognized tax benefits that were recorded in income tax expense for the years ended December 31, 2025, and 2024, respectively.

Cash paid for income taxes, net of refunds, for the years ended December 31, 2025 and 2024 was \$2.9 million and \$2.4 million, respectively. Cash paid for income taxes, net of refunds, for the year ended December 31, 2025, were as follows (in thousands):

	December 31,	
	2025	2024
Federal income taxes	\$ 100	\$ (300)
State income taxes:		
Illinois	—	(337)
Texas	331	50
Other	61	(35)
Foreign income taxes:		
Australia	548	201
Belgium	688	155
Brazil	477	498
Canada	(484)	737
New Zealand	29	168
Trinidad	348	957
United Kingdom	557	161
All other foreign	229	155
<b>Total income taxes paid, net of amounts refunded</b>	<b>\$ 2,884</b>	<b>\$ 2,410</b>

## 11. DEBT

As of December 31, 2025 and 2024, our total long-term debt and finance lease obligations are summarized as follows (in thousands):

	December 31,	
	2025	2024
2022 ABL Credit Facility <sup>1</sup>	\$ 58,786	\$ 112,671
First Lien Term Loan <sup>1</sup>	166,241	—
2025 Second Lien Term Loan <sup>1</sup>	62,063	—
ME/RE Loans <sup>1</sup>	—	22,119
Corre Uptiered Loan <sup>1</sup>	—	143,955
Corre Incremental Term Loan <sup>1</sup>	—	39,824
Equipment Financing Loans	1,436	1,399
Total	288,526	319,968
Finance lease obligations <sup>2</sup>	8,675	5,143
Total debt and finance lease obligations	297,201	325,111
Current portion of long-term debt and finance lease obligations	(3,858)	(6,485)
<b>Total long-term debt and finance lease obligations, less current portion</b>	<b>\$ 293,343</b>	<b>\$ 318,626</b>

<sup>1</sup> Comprised of principal amount outstanding, less unamortized debt issuance costs. See below for additional information.

<sup>2</sup> For information on our finance lease obligations see *Note 12 - Leases*.

The following table summarizes scheduled maturities of our debt for the years succeeding December 31, 2025 (in thousands):

<b>December 31</b>	
2026	\$ 2,169
2027	2,560
2028	61,862
2029	3,056
2030	227,958
Thereafter	—
Total <sup>1</sup>	<u>\$ 297,605</u>

<sup>1</sup> The total excludes unamortized debt issuance cost of \$9.1 million.

### **2022 ABL Credit Agreement**

On February 11, 2022, we entered into a credit agreement, with the lender parties thereto, and Eclipse Business Capital, LLC, a Delaware limited liability company, as agent (“Eclipse”) (such agreement, as amended by Amendment No.1 dated as of May 6, 2022, Amendment No.2 dated as of November 1, 2022, Amendment No.3 dated as of June 16, 2023 (“ABL Amendment No.3”), Amendment No.4 dated as of March 6, 2024, Amendment No.5 dated as of September 30, 2024, ABL Amendment No.6 (defined below) and ABL Amendment No.7 (defined below), the “2022 ABL Credit Agreement”).

On March 12, 2025, we entered into Amendment No.6 to the 2022 ABL Credit Agreement with the lenders party thereto and Eclipse (“ABL Amendment No.6”). ABL Amendment No.6 modified the 2022 ABL Credit Agreement to allow the Company to enter into the First Lien Term Loan Agreement (defined below) and grant related liens, aligned certain terms with the First Lien Term Loan Agreement (defined below) and Second A&R Second Lien Term Loan Agreement (defined below), and reflected the repayment of previously outstanding term loan tranches under the 2022 ABL Credit Agreement prior to March 12, 2025.

On September 11, 2025, we entered into Amendment No.7 to the 2022 ABL Credit Agreement with the lenders party thereto and Eclipse (“ABL Amendment No.7”), which further amended the agreement to enhance the Company’s financial flexibility. The amendment extended the maturity date from September 30, 2027 to October 2, 2028, increased the aggregate commitments from \$130.0 million to \$150.0 million, and provided lender consent for the consummation of the Series B Transactions. Additionally, ABL Amendment No.7 reduced the applicable interest rate margin on loans by a range of 0.25% to 0.375% per annum, contingent on the Company’s EBITDA (as defined in the 2022 ABL Credit Agreement) and Average Historical Excess Availability (as defined in the 2022 ABL Credit Agreement), with such reductions effective January 1, 2026. The amendment also modified certain affirmative and negative covenants to provide the Company and its subsidiaries with greater financial flexibility. In connection with and as a condition to the effectiveness of ABL Amendment No.7, the Company used a portion of the proceeds from the Series B Transactions to prepay the loans outstanding under the 2022 ABL Credit Agreement in an aggregate principal amount equal to \$25.0 million (without a corresponding commitment reduction).

Available funding commitments to us under the 2022 ABL Credit Agreement, subject to certain conditions, include a revolving credit line in an amount of up to \$150.0 million with a \$35.0 million sublimit for swingline borrowings, and a \$26.0 million sublimit for issuances of letters of credit (the “Revolving Credit Loans”).

Our obligations under the 2022 ABL Credit Agreement are guaranteed by certain of our direct and indirect subsidiaries referenced below as the “ABL Guarantors” and, together with the Company, the “ABL Loan Parties.” Our obligations under the 2022 ABL Credit Agreement are secured on a first priority basis by, among other things, accounts receivable, deposit accounts, securities accounts and inventory of the ABL Loan Parties (collectively, the “ABL Priority Collateral”) and are secured on a lower priority basis by substantially all of the other assets of the ABL Loan Parties, subject to the terms of the Intercreditor Agreement (as defined below). Availability under the revolving credit line is based on a percentage of the value of qualifying accounts receivable and inventory, reduced by certain reserves.

The terms of the Revolving Credit Loans are described in the table below (dollar amounts are presented in thousands):

Maturity date	10/2/2028
Interest rate	SOFR + applicable margin (or base rate + applicable margin)
Actual interest rate	
12/31/2025	7.86%
12/31/2024	8.92%
Interest payments	monthly
Cash paid for interest	
12/31/2025	\$7,413
12/31/2024	\$7,940
Principal balance	
12/31/2025	\$58,786
12/31/2024	\$77,905
Unamortized balance of deferred financing cost	
12/31/2025	\$991
12/31/2024	\$693
Available amount at 12/31/2025	\$53,396

On March 12, 2025, using a portion of the proceeds from the Initial First Lien Term Loan (defined below), we fully repaid the delayed draw term loan of \$35.0 million (the “Corre Delayed Draw Term Loan”) originally provided by Corre Partners Management, LLC and certain of its affiliates (“Corre”) and the ME/RE Loans (described below) of \$22.3 million provided by Eclipse and in each case previously outstanding under the 2022 ABL Credit Agreement. The unamortized debt issuance cost related to the Corre Delayed Draw Term Loan amounted to \$0.2 million, and the unamortized debt issuance cost related to the ME/RE Loans amounted to \$0.8 million. These amounts were written off and recorded as a loss on debt extinguishment in the consolidated statements of operations.

As of December 31, 2024, the Corre Delayed Draw Term Loan had a net carrying balance of \$34.8 million, which consisted of the principal balance of \$35.0 million less the unamortized balance of debt issuance cost of \$0.2 million. The actual interest rate as of December 31, 2024 was 14.17% and cash paid for interest was \$1.4 million and \$5.5 million, respectively, during the twelve months ended December 31, 2025 and 2024.

The “applicable margin” in the table above is defined as a rate of 2.25%, 2.50% or 2.88% for Base Rate Loans with a 2.00% base rate floor and a rate of 3.25%, 3.50% or 3.88% for Adjusted Term SOFR Loans (effective January 1, 2026 per Amendment No.7) with a 1.00% SOFR floor, in each case depending on the amount of EBITDA (as defined in ABL Amendment No.7 to the 2022 ABL Credit Agreement) as of the most recent measurement period as reported in a monthly compliance certificate. Base rate is used when SOFR is not available. The fee for undrawn revolving amounts is 0.50%.

We may make voluntary prepayments of the loans under the 2022 ABL Credit Agreement from time to time, subject to certain conditions. Mandatory prepayments are also required in certain circumstances.

Amounts repaid under the Revolving Credit Loans may be re-borrowed, subject to compliance with the borrowing base and the other conditions set forth in the 2022 ABL Credit Agreement. Certain permanent repayments of the 2022 ABL Credit Agreement loans are subject to the payment of a premium ranging from 0% to 2% depending on the date of prepayment as specified in the 2022 ABL Credit Agreement. The 2022 ABL Credit Agreement contains customary conditions to borrowings and covenants, including covenants that restrict our ability to sell assets, make changes to the nature of our business, engage in mergers or acquisitions, incur, assume or permit to exist additional indebtedness and guarantees, create or permit to exist liens, pay dividends, issue equity instruments, make distributions or redeem or repurchase capital stock or make other investments, engage in transactions with affiliates and make payments in respect of certain debt. The 2022 ABL Credit Agreement following the execution of Amendment No.3 also requires that we will not exceed \$15.0 million in unfinanced capital expenditures in any CapEx Test Period (as defined therein); provided we shall be permitted to make up to \$25.0 million in unfinanced capital expenditures in any CapEx Test Period (as defined therein) if we maintain a total leverage ratio of less than or equal to 2.00 to 1.00 on a pro forma basis immediately after giving effect to each such unfinanced capital expenditure in excess of the capital expenditure limit. In addition, the 2022 ABL Credit Agreement includes customary events of default, the occurrence of which may require that we pay an additional 2.0% interest on the outstanding loans under the 2022 ABL Credit Agreement and that the debt becomes payable immediately. As of December 31, 2025, we are in compliance with the covenants.

Direct and incremental costs associated with the issuance of the loans under the 2022 ABL Credit Agreement were capitalized as deferred financing costs.

As of December 31, 2025, \$9.5 million in letters of credit were issued under the 2022 ABL Credit Agreement. Such amounts remain undrawn and are off-balance sheet.

### ***ME/RE Loans***

On March 12, 2025, using a portion of the proceeds from the Initial First Lien Term Loan (defined below), we fully repaid the ME/RE Loans of \$22.3 million (“ME/RE Loans”) provided to us pursuant to ABL Amendment No.3. ME/RE Loans were secured by a first priority lien and mortgage on certain real estate and machinery and equipment of the Company.

As of December 31, 2024, the ME/RE Loans had net carrying balance of \$22.1 million, which consisted of the principal balance of \$23.0 million less the unamortized balance of debt issuance cost of \$0.9 million. The actual and effective interest rates at December 31, 2024 were 9.67% and 12.97%, respectively. Cash paid for interest during the twelve months ended December 31, 2025 and 2024 was \$0.6 million and \$2.7 million, respectively.

### ***First Lien Term Loan Agreement***

On March 12, 2025, we entered into a First Lien Term Loan Credit Agreement (as amended by Amendment No.1 (defined below), the “First Lien Term Loan Agreement”) with the lenders party thereto and HPS Investment Partners, LLC. Available funding commitments include a \$225.0 million senior secured first lien term loan (the “First Lien Term Loan”) consisting of a \$175.0 million initial term loan tranche (the “Initial First Lien Term Loan”) and a \$50.0 million delayed draw term loan tranche (the “First Lien Delayed Draw Term Loan”), which is available to be drawn from March 12, 2025 to June 30, 2027, subject to satisfying certain conditions, including pro forma compliance with a First Lien Net Leverage Ratio (as defined in the First Lien Term Loan Agreement) of 3.75 to 1.00 and Liquidity (as defined in the First Lien Term Loan Agreement) of not less than \$40.0 million. All outstanding amounts in respect of the First Lien Term Loan mature and become due and payable on March 12, 2030. Loans borrowed under the First Lien Term Loan Agreement bear interest at an annual rate of the Secured Overnight Financing Rate (“SOFR”) for interest periods of one-, three- or six-months, at the Company’s election, plus an additional margin. The additional margin was fixed at 6.50% per annum for the quarter ending March 31, 2025, and thereafter contingent on the First Lien Net Leverage Ratio (as defined in the First Lien Term Loan Agreement) with a potential range of 7.00% to 6.00% for the quarter ending September 30, 2025, and 5.75% to 6.75% thereafter (pursuant to Amendment No.1 as described below).

The proceeds of the Initial First Lien Term Loan were used to redeem and repay the Corre Delayed Draw Term Loan and the ME/RE Loans under the 2022 ABL Credit Agreement, the Corre Incremental Term Loan and a portion of the outstanding

balance of the Corre Uptiered Loan under the Existing A&R Term Loan Agreement (as defined below). To the extent borrowed, the proceeds of the First Lien Delayed Draw Term Loan will be used solely to repay the obligations under the Second A&R Second Lien Term Loan Agreement (as defined below). As of December 31, 2025, we have not drawn on the First Lien Delayed Draw Term Loan.

On September 11, 2025, we entered into Amendment No.1 to the First Lien Term Loan Agreement (“Amendment No.1”) with the lenders and HPS Investment Partners, LLC, as agent. Amendment No.1 modified the First Lien Term Loan Agreement to provide the Company and its subsidiaries with enhanced financial flexibility. Key terms of Amendment No.1 include:

- lender consent for the consummation of the Series B Transactions;
- a reduction of the interest rate margin applicable to the loans under the First Lien Term Loan Agreement by 0.25% per annum, with such reduction commencing October 1, 2025;
- an increase of the maximum permitted First Lien Net Leverage Ratio (as defined in the First Lien Term Loan Agreement), tested as of the end of each fiscal quarter, to 6.00 to 1.00 from 5.50 to 1.00 through and including the fiscal quarter ending December 31, 2026, with a subsequent reversion to 5.50 to 1.00 for the fiscal quarters ending thereafter; and
- the modification of certain affirmative and negative covenants and mandatory prepayment requirements, in each case, to permit greater financial flexibility for the Company and its subsidiaries.

The terms of the Initial First Lien Term Loan are described in the table below (dollar amounts are presented in thousands):

Maturity date	3/12/2030
Stated interest rate	SOFR+applicable margin (or base+applicable margin)
Principal payments	\$438 quarterly
Effective interest rate	
12/31/2025	11.86%
Actual interest rate	
12/31/2025	10.00%
Interest payments	Last day of borrower-selected interest period, but no later than quarterly
Cash paid for interest	
YTD 12/31/2025	\$14,343
Balances at 12/31/2025	
Principal balance	\$173,688
Unamortized balance of debt discount and issuance cost <sup>1</sup>	\$(7,447)
Net carrying balance	\$166,241

<sup>1</sup> Consists of debt discount of \$3,486 and debt issuance cost of \$3,961.

The First Lien Term Loan Agreement contains certain conditions to borrowings, events of default and affirmative and negative covenants (including a financial covenant prohibiting the Company from exceeding a maximum First Lien Net Leverage Ratio (as defined therein), tested as of the end of each fiscal quarter). Further, the First Lien Term Loan Agreement includes certain events of default, the occurrence of which may require that we pay an additional 2.0% interest on the outstanding loans and other obligations under the First Lien Term Loan Agreement. As of December 31, 2025, we are in compliance with the covenants.

***A&R Term Loan Credit Agreement / Second A&R Second Lien Term Loan Agreement***

On March 12, 2025, we entered into a Second Amended and Restated Second Lien Term Loan Credit Agreement with the lenders party thereto (“Corre and affiliates”) and Cantor Fitzgerald Securities, as Agent (as amended by the Second Lien Amendment (defined below), the “Second A&R Second Lien Term Loan Agreement”), which amended and restated the existing Amended and Restated Term Loan Credit Agreement, dated June 16, 2023 (the “Existing A&R Term Loan Agreement”). The Existing A&R Term Loan Agreement amended and restated a term loan credit agreement entered into on November 9, 2021, as amended through March 29, 2023, to provide for term loans outstanding upon effectiveness of such amendment and restatement consisting of a \$57.5 million senior secured first lien term loan provided by Corre and certain of its affiliates (the “Corre Uptiered Loan”), and included an additional funding commitment, subject to certain conditions, and comprised of a \$37.5 million term loan tranche and a \$20.0 million delayed draw tranche, of which \$10.0 million remained undrawn on March 12, 2025 (together, the “Corre Incremental Term Loan”).

On March 12, 2025, using a portion of the proceeds from the Initial First Lien Term Loan, we fully paid off the outstanding principal balance on the Corre Incremental Term Loan in the amount of \$46.3 million and paid down \$54.1 million of the outstanding principal balance on the Corre Uptiered Loan. The remaining portion of the Corre Uptiered Loan of \$93.9 million, together with certain fees and accrued interest, was rolled into the 2025 Second Lien Term Loans (defined below). The unamortized debt issuance cost related to the Corre Incremental Term Loan amounted to \$6.3 million, and the unamortized debt issuance cost related to the Core Uptiered Loan amounted to \$0.2 million. These amounts were written off and recorded as a loss on debt extinguishment in the consolidated statements of operations.

On September 11, 2025, we entered into Amendment No.1 to the Second A&R Second Lien Term Loan Agreement, with the lenders party thereto, and Cantor Fitzgerald Securities, as Agent, (the “Second Lien Amendment”). As a condition to the effectiveness of the Second Lien Amendment, the Company used a portion of the proceeds from the Series B Transactions to prepay approximately \$42.9 million of principal and accrued and unpaid interest on loans outstanding under the Second A&R Second Lien Term Loan Agreement. The unamortized debt issuance cost associated with the prepayment totaling approximately \$1.3 million was written off and recorded as a loss on debt extinguishment in the consolidated statements of operations. The Second Lien Amendment modifies the Second A&R Second Lien Term Loan Agreement to provide the Company and its subsidiaries with enhanced financial flexibility. Key terms of the Second Amendment include:

- lender consent for the consummation of the Series B Transactions;
- increase the maximum permitted First Lien Net Leverage Ratio (as defined in the Second A&R Second Lien Term Loan Agreement), tested as of the end of each fiscal quarter, to 6.50 to 1.00 from 6.00 to 1.00 through and including the fiscal quarter ending December 31, 2026, with a subsequent reversion to 6.00 to 1.00 for the fiscal quarters ending thereafter; and
- the modification of certain affirmative and negative covenants and mandatory prepayment requirements, in each case, to permit greater financial flexibility for the Company and its subsidiaries.

The Second A&R Second Lien Term Loan Agreement contains certain conditions to borrowings, events of default and affirmative and negative covenants (including a financial covenant prohibiting the Company from exceeding a maximum First Lien Net Leverage Ratio (as defined therein), tested at the end of each fiscal quarter). Further, the Second A&R Second Lien Term Loan Agreement includes certain events of default, the occurrence of which may require that the Company pay an additional 2.0% interest on the outstanding loans and other obligations under the Second A&R Second Lien Term Loan Agreement. As of December 31, 2025, we are in compliance with the covenants.

The amount currently outstanding under the Second A&R Second Lien Term Loan Agreement is a \$63.7 million second lien term loan (the “Second Lien Term Loans”), provided by Corre and certain of its affiliates, consisting of a term loan tranche, including certain interest payments paid in kind (the “2025 Second Lien Term Loans”). The Second A&R Second Lien Term Loan Agreement also includes an additional funding commitment for a \$10.0 million delayed draw term loan tranche (the “Second Lien Delayed Draw Term Loans”) available until April 15, 2026 (the “Delayed Draw Availability Period”), subject to satisfying certain conditions. At our request and with applicable lender consent, the Delayed Draw Availability Period may also be extended or reinstated following the expiration thereof. All outstanding amounts in respect of the Second Lien Term Loans mature and become due and payable on June 10, 2030. To the extent borrowed, the proceeds of the Second Lien Delayed Draw Term Loans are permitted to be used by the Company for general working capital and liquidity purposes. As of December 31, 2025, we have not drawn on the Second Lien Delayed Draw Term Loans.

The Second Lien Term Loans bear interest at an annual rate of 13.5% through the earlier of (i) September 30, 2026, and thereafter, if the outstanding principal balance of the Second Lien Term Loans exceeds 50% of the principal balance on March 12, 2025, the interest rate will increase by 0.25% quarterly, subject to a maximum rate of 14.5% per annum, and (ii) the date on which the Second Lien Delayed Draw Term Loan is borrowed in full, in which case the interest rate will increase to the maximum rate of 14.5% per annum. Interest is payable quarterly and if the First Lien Net Leverage Ratio (as defined in the Second A&R Second Lien Term Loan Agreement) is greater than or equal to 3.50 to 1.00, then all interest shall be paid in kind; if the First Lien Net Leverage Ratio is less than 3.50 to 1.00 and greater than or equal to 3.00 to 1.00, 50% of the interest shall be payable in cash, with the other 50% to be paid in kind; and if the First Lien Net Leverage Ratio is less than 3.00 to 1.00, all interest will be payable in cash.

The terms of the 2025 Second Lien Term Loans are described in the table below (dollar amounts are presented in thousands):

Maturity date	6/10/2030
Principal payments	quarterly <sup>1</sup>
Effective interest rate	
12/31/2025	16.04%
Actual interest rate	
12/31/2025	13.50%
Interest payments	quarterly
Cash paid for interest	
12/31/2025	\$1,129 <sup>2</sup>
PIK interest added to principal balance	
12/31/2025	\$8,086
Balances at 12/31/2025	
Principal balance	\$63,696
Unamortized balance of debt issuance cost	\$(1,633)
Net carrying balance	\$62,063

<sup>1</sup> Principal payments represent a percentage (ranges between 0% and 0.25% based on the First Lien Net Leverage Ratio) of the outstanding principal balance. As of December 31, 2025 we are not making quarterly principal payments.

<sup>2</sup> One-time cash interest payment in connection with the partial prepayment on September 11, 2025.

As of December 31, 2024, the Corre Incremental Term Loan had a net carrying balance of \$39.8 million, which consisted of the principal balance of \$46.6 million less the unamortized balance of debt issuance cost of \$6.8 million. The stated and effective interest rates at December 31, 2024 were 12.00% and 22.96%, respectively. Cash paid for interest during the twelve months ended December 31, 2025 and 2024 was \$2.5 million and \$5.7 million, respectively.

As of December 31, 2024, the Corre Uptiered Loan had a net carrying balance of \$144.0 million, which consisted of the principal balance of \$144.5 million less the unamortized balance of debt issuance cost of \$0.5 million. The stated and effective interest rates at December 31, 2024 were 13.50% and 14.56%, respectively. Cash paid for interest during the twelve months ended December 31, 2025 and 2024 was \$2.7 million and \$2.8 million, respectively.

### ***Equipment Financing Loans***

Equipment finance loans consist of secured borrowings used to acquire machinery and equipment (including office equipment). Under some of the arrangements, the lender pays the equipment vendor directly on behalf of the Company; as a result, no cash proceeds are received by the Company. The loans are secured by the financed equipment and are repaid over fixed terms through scheduled installments. The related assets are recorded in property, plant, and equipment, net of accumulated depreciation. As of December 31, 2025 and December 31, 2024, the outstanding balance of equipment financing loans was \$1.4 million.

### ***Fair Value of Debt***

The fair value of our debt obligations is representative of the carrying value based upon the respective interest rate terms and management's opinion that the current rates available to us with the same maturity and security structure are equivalent to that of the debt obligations.

### ***1970 Group Substitute Insurance Reimbursement Facility***

On September 16, 2024, we entered into an amended and restated substitute insurance reimbursement facility agreement with the 1970 Group Inc. ("1970 Group") (such agreement, the "Substitute Insurance Reimbursement Facility Agreement"). Under this agreement, the 1970 Group extended credit to us in the form of a substitute reimbursement facility (the "Substitute Reimbursement Facility") of approximately \$19.0 million of letters of credit on our behalf in support of our workers' compensation, commercial automotive and general liability insurance policies.

On August 25, 2025, we entered into a new agreement with 1970 Group Originator, Inc., an affiliate of 1970 Group, titled the Substitute Insurance Collateral Facility Program Agreement (the "Collateral Facility Agreement"), which replaced the Substitute Insurance Reimbursement Facility Agreement. The Collateral Facility Agreement establishes a revised framework for collateral and credit support related to our insurance programs, superseding the prior reimbursement facility. As of December 31, 2025, we have \$19.1 million of letters of credit outstanding under the Substitute Reimbursement Facility.

Such letters of credit arranged by the 1970 Group permitted the return of certain existing letters of credit for our account that were outstanding for the purpose of supporting the Insurance Policies and that were required to be collateralized, thereby providing us increased liquidity. Under the Substitute Insurance Reimbursement Facility Agreement, we are required to reimburse the 1970 Group for any draws made under the letters of credit within three business days of notice of any such draw. The Substitute Insurance Reimbursement Facility Agreement is effective through the term of the issued letters of credit; it renews annually upon payment of the extension fee, provided there has not been an event of default.

According to the provisions of ASC 470, *Debt*, the arrangement is a "Substitute Insurance Reimbursement Facility" limited to any amounts drawn under the letters of credit. Therefore, until we use or draw on the Substitute Insurance Reimbursement Facility, the letters of credit are treated as an off-balance sheet credit arrangement. The fees in the amount of \$2.2 million paid by us under this arrangement are deferred and amortized to interest expense over the term of the arrangement. As of December 31, 2025 and 2024, the unamortized balance of \$1.5 million and \$1.6 million was included in other current assets.

### ***Liquidity***

As of December 31, 2025, we had \$14.1 million of unrestricted cash and cash equivalents and \$4.0 million of restricted cash, including \$2.7 million of restricted cash held as collateral for letters of credit and commercial card programs. International cash balances included in total cash as of December 31, 2025 were \$4.4 million, and approximately \$1.2 million of such cash is restricted. As of December 31, 2025, we had approximately \$63.4 million of availability under our various credit facilities, consisting of \$53.4 million available under the Revolving Credit Loans and \$10.0 million available under the Second Lien Delayed Draw Term Loan under the Second A&R Second Lien Term Loan Credit Agreement. We had \$30.4 million in letters of credit and \$1.9 million in surety bonds outstanding. In connection with the Series B Transactions, we also have access to up to \$30.0 million additional liquidity through a delayed draw mechanism, subject to certain conditions under the related Purchase Agreement.

Our cash and cash equivalents as of December 31, 2024 totaled \$31.5 million of unrestricted cash and cash equivalents and \$4.0 million of restricted cash, including \$2.8 million of restricted cash held as collateral for letters of credit and commercial card programs. Additionally, \$5.1 million of the \$31.5 million of cash and cash equivalents was in foreign accounts, primarily in Canada, the U.K. and Europe including \$1.1 million of restricted cash.

## 12. LEASES

We determine if an arrangement is a lease at inception. Operating leases are included in “Operating lease right-of-use (‘ROU’) assets”, “Current portion of operating lease obligations” and “Operating lease obligations” on our consolidated balance sheets. Finance leases are included in “Property, plant and equipment, net”, “Current portion of long-term debt and finance lease obligations” and “Long-term debt and finance lease obligations” on our consolidated balance sheets.

Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Operating lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Variable lease payments and short-term lease payments (leases with initial terms less than twelve months) are expensed as incurred.

We have lease agreements with lease and non-lease components for certain equipment, office, and vehicle leases. We have elected the practical expedient to not separate lease and non-lease components and account for both as a single lease component.

We have operating and finance leases primarily for equipment, real estate, and vehicles. Some of our leases include options to extend the leases for up to 10 years, and some may include options to terminate the leases within 24 months.

The components of lease expense are as follows (in thousands):

	December 31,	
	2025	2024
Operating lease costs	\$ 27,177	\$ 24,512
Variable lease costs	5,857	5,345
Finance lease costs:		
Amortization of right-of-use assets	1,697	1,099
Interest on lease liabilities	764	435
<b>Total lease cost</b>	<b>\$ 35,495</b>	<b>\$ 31,391</b>

Other information related to leases is as follows (in thousands):

	December 31,	
	2025	2024
Supplemental cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 23,672	\$ 19,486
Operating cash flows from finance leases	725	444
Financing cash flows from finance leases	1,330	907
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$ 14,386	\$ 7,519
Finance leases	\$ 5,274	\$ 1,022

Amounts recognized in the consolidated balance sheet are as follows (in thousands):

	December 31,	
	2025	2024
<b>Operating Leases:</b>		
Operating lease right-of-use assets	\$ 49,849	\$ 40,407
Current portion of operating lease obligations	16,476	14,790
Operating lease obligations (non-current)	35,910	28,631
<b>Finance Leases:</b>		
Property, plant and equipment, net	\$ 8,189	\$ 4,507
Current portion of long-term debt and finance lease obligations	1,689	819
Long-term debt and finance lease obligations	6,986	4,324
<b>Weighted average remaining lease term:</b>		
Operating leases	4 years	5 years
Finance leases	5 years	7 years
<b>Weighted average discount rate:</b>		
Operating leases	10.0 %	9.0 %
Finance leases	10.0 %	8.0 %

As of December 31, 2025, we have no material additional operating and finance leases that have not yet commenced.

As of December 31, 2025, future minimum lease payments under non-cancellable (excluding short-term leases) are as follows (in thousands):

Twelve Months Ended December 31,	Operating Leases	Finance Leases
2026	\$ 20,099	\$ 2,410
2027	15,818	2,210
2028	9,750	1,955
2029	6,307	1,647
2030	3,939	871
Thereafter	7,375	1,821
<b>Total future minimum lease payments</b>	<b>\$ 63,288</b>	<b>\$ 10,914</b>
Less: Interest	10,902	2,239
<b>Present value of lease liabilities</b>	<b>\$ 52,386</b>	<b>\$ 8,675</b>

Total rent expense resulting from operating leases, including short-term leases, for the years ended December 31, 2025 and 2024 was \$39.1 million and \$36.9 million, respectively.

### 13. SHARE-BASED COMPENSATION

In June 2018, the Company adopted the 2018 Team, Inc, Equity Incentive Plan (as amended and restated in May 2021 and May 2024, the “2018 Plan”) pursuant to which our Board of Directors may grant stock options, restricted stock, stock units, stock appreciation rights, common stock or performance awards to officers, directors and key employees.

As of December 31, 2025, the 2018 Plan had 490,465 shares available for issuance of which 338,403 performance award shares were granted in 2023 and 2025 which become issuable if 100% of performance target is achieved, and can be settled in shares, cash or a combination thereof when vested. These performance awards are discussed in further detail below.

Compensation expense related to share-based compensation totaled \$0.8 million and \$2.3 million for the years ended December 31, 2025 and 2024, respectively. Share-based compensation expense reflects an estimate of expected forfeitures. As of December 31, 2025, \$0.9 million of unrecognized compensation expense related to share-based compensation is expected to

be recognized over a remaining weighted-average period of 0.9 years. There was no income tax benefit recognized for the years ended December 31, 2025 or 2024.

### ***Restricted Stock Units (RSUs)***

Restricted stock units are settled with common stock upon vesting unless it is not legally feasible to issue shares, in which case the value of the award is settled in cash. We determine the fair value of each stock unit based on the market price on the date of grant. Stock units generally vest in annual installments over three years and the expense associated with the units is recognized ratably over the same vesting period. Compensation expense related to RSUs totaled \$0.5 million and \$1.0 million for the years ended December 31, 2025 and 2024, respectively.

Transactions involving our restricted stock unit grants for the twelve months ended December 31, 2025 are summarized below:

	Twelve Months Ended December 31, 2025	
	No. of Stock Units	Weighted Average Fair Value at Date of Grant
	(in thousands)	
Stock and stock units, beginning of year	145	\$ 8.21
Changes during the year:		
Granted	5	14.48
Vested and settled	(64)	8.21
Cancelled	(34)	8.22
<b>Stock and stock units, end of year</b>	<b>52</b>	<b>\$ 8.88</b>

The intrinsic value of stock units vested during the years ended December 31, 2025 and 2024 was \$1.1 million and \$2.0 million, respectively.

### ***Performance Stock Units (PSUs)***

During the year ended December 31, 2025, the Company granted 11,097 long-term performance stock units to certain executives, in addition to 327,306 units granted in 2023 that remain outstanding as of December 31, 2025. The vesting of these awards is contingent upon the achievement of a non-market condition milestone, specifically related to our adjusted EBITDA performance. For these awards, we recognize compensation expense over the vesting term on a straight-line basis based upon the performance target that is probable of being met, subject to adjustment for changes in the expected or actual performance outcome. For performance awards, we recorded an expense of \$0.3 million and \$1.3 million for the years ended December 31, 2025 and 2024, respectively.

Transactions involving our performance awards during the twelve months ended December 31, 2025 are summarized below:

	Twelve Months Ended December 31, 2025	
	No. of Stock Units <sup>1</sup>	Weighted Average Fair Value at Date of Grant
	(in thousands)	
Performance stock units, beginning of year	445	\$ 8.22
Changes during the period:		
Granted	11	14.48
Cancelled and forfeited	(118)	8.22
<b>Performance stock units, end of year</b>	<b>338</b>	<b>\$ 8.43</b>

<sup>1</sup> Performance units with variable payouts are shown at target level of performance.

There were no performance stock units vested during the years ended December 31, 2025 and 2024.

## 14. SHAREHOLDERS' EQUITY

### Shareholders' Equity (Deficit) and Preferred Stock

As of December 31, 2025 there were 4,532,240 shares of our common stock outstanding and 12,000,000 shares authorized with a par value of \$0.30 per share.

As of December 31, 2025 there were 75,000 shares of preferred stock outstanding, designated as Series B Preferred Stock, and we had 500,000 authorized shares at \$100.00 par value per share of preferred stock (see *Note 16 - Redeemable Preferred Stock* for more detail).

### Warrants

As of December 31, 2025, and December 31, 2024, APSC Holdco II, L.P. held 500,000 warrants and certain affiliates of Corre collectively held 500,000 warrants, in each case providing for the purchase of one share of the Company's common stock per warrant at an exercise price of \$15.00. If not exercised, the warrants will expire on December 8, 2028. The warrants were accounted for as a component of Additional Paid-in Capital and a debt warrant discount. The discount was amortized over the term of the related debt.

On September 11, 2025, in connection with the issuance of the Series B Preferred Stock, the Company issued warrants to the Stellex Holder to purchase:

- 982,371 shares of the Company's common stock at an initial exercise price of \$23.00 per share (Tranche A), and
- 470,889 shares of the Company's common stock at an initial exercise price of \$50.00 per share (Tranche B).

The warrants are classified as equity and were initially recorded in Additional Paid-In Capital at their estimated fair value of \$20.9 million as of the issuance date with no subsequent remeasurement. The warrants are exercisable at any time during the ten-year period following issuance.

The exercise price and the number of shares of our common stock issuable on exercise of the warrants are subject to certain antidilution adjustments, including for stock dividends, stock splits, reclassifications, non-cash distributions, cash dividends, certain equity issuances and business combination transactions. The warrants can be exercised by rendering cash or by means of a cashless option as set forth in the agreement.

### Accumulated Other Comprehensive Income (loss)

A summary of changes in accumulated other comprehensive loss included within shareholders' equity (deficit) is as follows (in thousands):

	Twelve Months Ended December 31, 2025					Twelve Months Ended December 31, 2024				
	Foreign Currency Translation Adjustments	Foreign Currency Hedge	Defined benefit pension plans	Tax Provision	Total	Foreign Currency Translation Adjustments	Foreign Currency Hedge	Defined benefit pension plans	Tax Provision	Total
Balance at beginning of year	\$ (36,237)	\$ 2,988	\$ (10,951)	\$ 71	\$ (44,129)	\$ (28,841)	\$ 2,988	\$ (11,041)	\$ (38)	\$ (36,932)
Other comprehensive income (loss)	7,797	—	(197)	(264)	7,336	(7,396)	—	90	109	(7,197)
<b>Balance at end of year</b>	<b>\$ (28,440)</b>	<b>\$ 2,988</b>	<b>\$ (11,148)</b>	<b>\$ (193)</b>	<b>\$ (36,793)</b>	<b>\$ (36,237)</b>	<b>\$ 2,988</b>	<b>\$ (10,951)</b>	<b>\$ 71</b>	<b>\$ (44,129)</b>

The following table represents the related tax effects allocated to each component of other comprehensive income (loss) (in thousands):

	Twelve Months Ended December 31,					
	2025			2024		
	Gross Amount	Tax Effect	Net Amount	Gross Amount	Tax Effect	Net Amount
Foreign currency translation adjustments	\$ 7,797	\$ (324)	\$ 7,473	\$ (7,396)	\$ 73	\$ (7,323)
Defined benefit pension plan	(197)	60	(137)	90	36	126
<b>Total</b>	<b>\$ 7,600</b>	<b>\$ (264)</b>	<b>\$ 7,336</b>	<b>\$ (7,306)</b>	<b>\$ 109</b>	<b>\$ (7,197)</b>

## 15. EMPLOYEE BENEFIT PLANS

**Defined contribution plan.** Under the Team, Inc. Salary Deferral Plan (the “Plan”), contributions are made to the Plan by qualified employees at their election and our matching contributions to the Plan are made at specified rates. Our contribution for the plan years ended December 31, 2025 and 2024 was approximately \$7.4 million and \$6.0 million, respectively.

**Defined benefit plans.** In connection with our acquisition of Furmanite, we assumed liabilities associated with the defined benefit pension plan covering certain United Kingdom employees (the “U.K. Plan”).

Benefits for the U.K. Plan are based on the average of the employee’s salary for the last three years of employment. The U.K. Plan has had no new participants added since the plan was frozen in 1994 and accruals for future benefits ceased in connection with a plan curtailment in 2013. Plan assets are primarily invested in unitized pension funds managed by U.K. registered fund managers. The most recent valuation of the U.K. Plan was performed as of December 31, 2025.

Pension benefit costs and liabilities are dependent on assumptions used in calculating such amounts. The primary assumptions include factors such as discount rates, expected investment return on plan assets, mortality rates and retirement rates. The discount rate assumption used to determine end of year benefit obligations was 5.5% as of December 31, 2025. These rates are reviewed annually and adjusted to reflect current conditions. These rates are determined appropriate based on reference to yields. The expected return on plan assets of 6.1% for 2025 is derived from detailed periodic studies, which include a review of asset allocation strategies, anticipated future long-term performance of individual asset classes, risks (standard deviations) and correlations of returns among the asset classes that comprise the plans’ asset mix. While the studies give appropriate consideration to recent plan performance and historical returns, the assumptions are primarily long-term, prospective rates of return. Mortality and retirement rates are based on actual and anticipated plan experience. In accordance with U.S. GAAP, actual results that differ from the assumptions are accumulated and are subject to amortization over future periods and, therefore, generally affect recognized expense in future periods. While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the pension obligation and future expense.

Net pension cost (credit) included the following components (in thousands):

	Twelve Months Ended December 31,	
	2025	2024
Interest cost	\$ 2,818	\$ 2,622
Expected return on plan assets	(3,431)	(3,407)
Amortization of prior service cost	33	32
Amortization of net actuarial loss	367	319
<b>Net pension credit</b>	<b>\$ (213)</b>	<b>\$ (434)</b>

The weighted-average assumptions used to determine benefit obligations as of December 31, 2025 and 2024 are as follows:

	December 31,	
	2025	2024
Discount rate	5.5 %	5.5 %
Rate of compensation increase <sup>1</sup>	Not applicable	Not applicable
Inflation	2.9 %	3.1 %

<sup>1</sup> Not applicable due to plan curtailment.

The weighted-average assumptions used to determine net periodic benefit cost (credit) for the years ended December 31, 2025 and 2024 are as follows:

	Twelve Months Ended December 31,	
	2025	2024
Discount rate	5.5 %	4.6 %
Expected long-term return on plan assets	6.1 %	5.5 %
Rate of compensation increase <sup>1</sup>	Not applicable	Not applicable
Inflation	3.1 %	3.1 %

<sup>1</sup> Not applicable due to plan curtailment.

The plan actuary determines the expected return on plan assets based on a combination of expected yields on equity securities and corporate bonds and considering historical returns.

The expected long-term rate of return on invested assets for 2025 is determined based on the weighted average of expected returns on asset investment categories as follows: 5.7% overall, 8.2% for equities and 5.6% for debt securities.

The following table sets forth the changes in the benefit obligation and plan assets for the years ended December 31, 2025 and 2024 (in thousands):

	Twelve Months Ended December 31,	
	2025	2024
<b>Projected benefit obligation:</b>		
Beginning of year	\$ 51,214	\$ 59,327
Interest cost	2,818	2,622
Actuarial (gain) loss	524	(5,273)
Benefits paid	(3,934)	(4,689)
Foreign currency translation adjustment and other	3,747	(773)
<b>End of year</b>	<b>\$ 54,369</b>	<b>\$ 51,214</b>
<b>Fair value of plan assets:</b>		
Beginning of year	55,982	63,650
Actual gain (loss) on plan assets	3,367	(2,132)
Benefits paid	(3,934)	(4,689)
Foreign currency translation adjustment and other	4,098	(847)
<b>End of year</b>	<b>59,513</b>	<b>55,982</b>
<b>Excess of fair value of plan assets over projected obligation at end of year</b>	<b>\$ 5,144</b>	<b>\$ 4,768</b>
<b>Amounts recognized in accumulated other comprehensive loss:</b>		
Net actuarial loss	\$ (12,879)	\$ (11,945)
Prior service cost	(471)	(476)
<b>Total</b>	<b>\$ (13,350)</b>	<b>\$ (12,421)</b>

The accumulated benefit obligation for the U.K. Plan was \$54.4 million and \$51.2 million as of December 31, 2025 and 2024, respectively.

As of December 31, 2025, expected future benefit payments are as follows for the years ended December 31, (in thousands):

2026	\$ 4,256
2027	4,288
2028	4,246
2029	4,404
2030	4,355
2031-2035	21,006
<b>Total</b>	<b>\$ 42,555</b>

The following tables summarize the plan assets of the U.K. Plan measured at fair value on a recurring basis (at least annually) as of December 31, 2025 and 2024 (in thousands):

December 31, 2025				
Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 6,975	\$ 6,975	\$ —	\$ —
Equity securities:				
Diversified growth fund (a)	5,487	—	5,487	—
Fixed income securities:				
U.K. government fixed income securities (b)	5,547	—	5,547	—
U.K. government index-linked securities (c)	5,559	—	5,559	—
Corporate bonds (d)	35,945	—	35,945	—
<b>Total</b>	<b>\$ 59,513</b>	<b>\$ 6,975</b>	<b>\$ 52,538</b>	<b>\$ —</b>

December 31, 2024				
Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2) (a)	Significant Unobservable Inputs (Level 3)
Cash	\$ 6,382	\$ 6,382	\$ —	\$ —
Equity securities:				
Diversified growth fund (a)	5,436	—	5,436	—
Fixed income securities:				
U.K. government fixed income securities (b)	5,374	—	5,374	—
U.K. government index-linked securities (c)	5,251	—	5,251	—
Corporate bonds (d)	33,539	—	33,539	—
<b>Total</b>	<b>\$ 55,982</b>	<b>\$ 6,382</b>	<b>\$ 49,600</b>	<b>\$ —</b>

- a. This category includes investments in a diversified portfolio of equity, alternatives and cash markets that aims to achieve capital growth returns.
- b. This category includes investments in funds with the objective to provide a leveraged return to U.K. government fixed income securities (bonds) that have maturity periods ranging from 2030 to 2060.
- c. This category includes investments in funds with the objective to provide a leveraged return to various U.K. government indexed-linked securities (gilts), with maturity periods ranging from 2027 to 2062. The funds invest in U.K. government bonds and derivatives.
- d. This category includes investments in a diversified pool of debt and debt like assets to generate capital and income returns. Investment objectives for the U.K. Plan, as of December 31, 2025, are to:
- optimize the long-term return on plan assets at an acceptable level of risk;
  - maintain a broad diversification across asset classes; and

- maintain careful control of the risk level within each asset class.

The trustees of the U.K. Plan have established a long-term investment strategy comprising global investment weightings targeted at 10.0% for equity securities/diversified growth funds and 90.0% for debt securities. Diversified growth funds are actively managed absolute return funds that hold a combination of debt and equity securities. Selection of the targeted asset allocation was based upon a review of the expected return and risk characteristics of each asset class, as well as the correlation of returns among asset classes. Actual allocations to each asset class vary from target allocations due to periodic investment strategy changes, market value fluctuations and the timing of benefit payments and contributions.

The following table sets forth the weighted-average asset allocation and target asset allocations as of December 31, 2025 and 2024 by asset category:

	Asset Allocations		Target Asset Allocations	
	2025	2024	2025	2024
Equity securities and diversified growth funds <sup>1</sup>	9.2 %	9.7 %	10.0 %	10.0 %
Debt securities <sup>2</sup>	79.1 %	78.9 %	90.0 %	90.0 %
Cash	11.7 %	11.4 %	— %	— %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

1 Diversified growth funds refer to actively managed absolute return funds that hold a combination of equity and debt securities.

2 Includes investments in funds with the objective to provide leveraged returns to U.K. government fixed income securities, U.K. government indexed-linked securities, global bonds, and corporate bonds.

The following table summarizes the changes in the fair value measurements of Level 3 investments for the pension plans (in thousands):

	December 31, 2025		December 31, 2024	
<b>Balance at beginning of year</b>	\$	—	\$	<b>6,129</b>
Actual return on plan assets		—		146
Purchases/ sales/ settlements		—		(6,300)
Transfer out of level 3		—		—
Changes due to foreign exchange		—		25
<b>Balance at end of year</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>—</b>

The following is a description of the valuation methodologies used to measure plan assets at fair value.

For equity securities and fixed income securities, fair value is based on observable inputs of comparable market transactions. The valuation of certain alternative investments, such as limited partnerships, may require significant management judgment and involves a level of uncertainty. The valuation is generally based on fair value as reported by the asset manager and adjusted for cash flows, if necessary. In making such an assessment, a variety of factors are reviewed by us, including, but not limited to, the timeliness of fair value as reported by the asset manager and changes in general economic and market conditions subsequent to the last fair value reported by the asset manager. The use of different techniques or assumptions to estimate fair value could result in a different fair value measurement at the reporting date. Cash and cash equivalents are valued based on cost, which approximates fair value. Other than those assets that have quoted prices from an active market, investments are generally classified in Level 2 or Level 3 of the fair value hierarchy based on the lowest level input that is significant to the fair value measure in its entirety.

## 16. REDEEMABLE PREFERRED STOCK

On September 11, 2025, the Company entered into the Purchase Agreement with the “Stellex Holder” which provided for, among other things, the issuance of 75,000 shares of preferred stock, \$100.00 par value per share, of the Company designated as Series B Preferred Stock (the “Series B Preferred Stock”), for aggregate gross proceeds of \$75.0 million. In connection with the transaction, the Company also issued the Stellex Holder 1,453,260 warrants (see *Note 14 - Shareholders’ Equity* for additional detail).

**Classification and fair value allocation.** The Series B Preferred Stock is classified as temporary equity in the mezzanine section of the consolidated balance sheets, as it is potentially redeemable for cash if requested by the holder beginning December 31, 2030, and under certain other events outside the Company’s control.

The proceeds from the Series B Transactions were allocated based on relative fair value of the warrants and the Series B Preferred Stock: \$20.9 million was allocated to warrants and \$54.1 million was allocated to the Series B Preferred Stock.

Total issuance costs of \$7.8 million were allocated to the Series B Preferred Stock and warrants based on their relative fair values. Of the total, \$5.6 million was allocated to the Series B Preferred Stock and recorded as a reduction to the initial carrying value with the remaining \$2.2 million allocated to the warrants and recorded as a reduction to Additional Paid-In Capital.

**Delayed Draw Rights.** Pursuant to the Purchase Agreement, the Company has the option, from time to time prior to September 11, 2027, to draw up to \$30.0 million in aggregate additional proceeds through the issuance of up to 30,000 shares of Series B Preferred Stock (the “Delayed Draw Preferred Shares”). Each “Series B Delayed Draw” must be for a minimum of \$5.0 million, and is subject to certain conditions, including pro forma compliance with a First Lien Net Leverage Ratio of 6.50 to 1.00, as defined in the Company’s First Lien Term Loan Agreement. The Stellex Holder is not obligated to fund more than one Series B Delayed Draw per calendar quarter. If the Company exercises its option to issue all of the Delayed Draw Preferred Shares available to be issued under the Purchase Agreement, an aggregate of 581,304 warrants will be issued in connection with such draw. Any additional Tranche A warrants will have an initial exercise price equal to the lesser of \$30.00 or 110% of the 30-day volume weighted average price of the Company’s common stock, subject to adjustment. Any additional Tranche B warrants will have an initial exercise price of \$50.00 per share, subject to adjustment. The Stellex Holder is not required to participate in more than one draw per calendar quarter. Pursuant to the Purchase Agreement, the proceeds from the Series B Delayed Draw may be used only for the following purposes: (i) to finance permitted acquisitions and certain growth initiatives (including the costs of expansion into new markets), (ii) to repay loans outstanding under the Company’s First Lien Term Loan Agreement, and (iii) for up to 20% of such net proceeds, to finance the Company’s transformation plan as mutually agreed between the Company and Stellex.

Undrawn amounts under the Series B Delayed Draw commitment are subject to a 1.0% per annum undrawn commitment fee, payable quarterly in-kind, by adding the fee amount to the Stated Value of the Series B Preferred Stock. These fees are subject to quarterly compounding and are included in the accreted value of the Series B Preferred Stock.

**Terms of the Series B Preferred Stock.** The Series B Preferred Stock does not have a maturity date and ranks senior to the Company’s common stock with respect to both dividends and liquidation preferences. Dividends on the Series B Preferred Stock accrue at an annual rate of 10.5% and are payable quarterly. At the sole discretion of the Company, these dividends may be paid either in cash or in-kind (“PIK”). When paid in-kind, dividends are compounded quarterly and added to the Stated Value of the shares. The term “Stated Value” refers to the Initial Stated Value of \$1,000 per share, which is increased by any accrued (including compounded) PIK dividends and undrawn commitment fees.

The Series B Preferred Stock is redeemable at the Company’s option, from time to time, at the then-applicable Redemption Price (as defined herein) (x) commencing after March 11, 2029, in whole or in part, or (y) after certain change of control transactions or other corporate events, in whole but not in part. Additionally, holders of the Series B Preferred have the right to request the Company to redeem all (but not part) of their shares on or after December 31, 2030, at the then-applicable Redemption Price. Upon redemption, the Company is required to pay the greater of two amounts: either 140% of the Initial Stated Value (applicable only during the first 42 months after issuance and net of any cash returns made), or the Stated Value plus all accrued but un-compounded dividends and undrawn commitment fees.

**Accretion Accounting.** Since the Series B Preferred Stock is redeemable at the request of the holder beginning December 31, 2030, the Company is accreting the carrying value of the Series B Preferred Stock to its expected redemption value on that date using the effective interest method, specifically Method 2 under ASC 480-10-S99-3A. The redemption value encompasses all compounded PIK dividends and undrawn commitment fees, as well as any accrued but un-compounded returns as of the redemption date. The initial carrying value of the Series B Preferred Stock was \$49.0 million, net of allocated issuance costs. The estimated redemption value as of December 31, 2030, assuming all dividends are PIK, is approximately

\$132.0 million, which includes approximately \$57.0 million of PIK dividends and commitment fees. The difference between the initial carrying value and the estimated redemption value is being accreted over the estimated 5.31-year period leading up to the earliest redemption date. The accretion premium is treated as a deemed dividend and is recognized through adjustments to Additional Paid-In Capital.

The following table represents the change in carrying value of the redeemable preferred stock during the period ended December 31, 2025 (in thousands):

Balance at December 31, 2024	\$	—
Additions		48,500
Accrued paid-in-kind dividend		2,462
Accrued paid-in-kind commitment fees		93
Accretion to redemption value		896
Balance at December 31, 2025	\$	<u>51,951</u>

## 17. COMMITMENTS AND CONTINGENCIES

Certain conditions may exist as of the date the financial statements are issued which may result in a loss to the Company, which will only be resolved when one or more future events occur or fail to occur. Team's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against us or unasserted claims that may result in such proceedings, Team's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in our financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

We accrue for contingencies where the occurrence of a material loss is probable and can be reasonably estimated, based on our best estimate of the expected liability. We may increase or decrease our legal accruals in the future, on a matter-by-matter basis, to account for developments in such matters. Because such matters are inherently unpredictable and unfavorable developments or outcomes can occur, assessing contingencies is highly subjective and requires judgments about future events. Notwithstanding the uncertainty as to the outcome and while our insurance coverage might not be available or adequate to cover these claims, based upon the information currently available, we do not believe that any uninsured losses that might arise from these lawsuits and proceedings will have a materially adverse effect on our consolidated financial statements.

***Kelli Most Litigation*** - On November 13, 2018, Kelli Most filed a lawsuit against Team Industrial Services, Inc., individually and as a personal representative of the estate of Jesse Henson, in the 268th District Court of Fort Bend County, Texas (the "Most litigation"). The complaint asserted claims against Team for negligence resulting in the wrongful death of Jesse Henson. A jury trial commenced on this matter on May 4, 2021. On June 1, 2021, the jury rendered a verdict against Team for \$222.0 million in compensatory damages.

On January 25, 2022, the trial court signed a final judgment in favor of the plaintiff and against Team Industrial Services, Inc. Post-judgment motions challenging the judgment were denied by the trial court on April 22, 2022. We appealed the trial court's judgment to the Texas First Court of Appeals.

On May 16, 2024, the Texas First Court of Appeals issued a decision which vacated the trial court's judgment and dismissed the case, holding that the trial court erred in refusing to dismiss the case on forum non conveniens grounds. The plaintiff filed a motion with the Texas First Court of Appeals for rehearing and a motion for en banc reconsideration, which was denied by the Court of Appeals on October 3, 2024. The plaintiff had 45 days to seek review with the Texas Supreme Court but failed to do so. On March 5, 2025, the plaintiff re-filed a lawsuit against the Company in the U.S. District Court, Kansas District in Kansas City. We currently have accrued a liability of \$10.0 million as of December 31, 2025 in other accrued liabilities, and have recorded a related receivable from our third-party insurance providers in other current assets in the same amount. Such amounts are treated as non-cash operating activities. This accrued liability was reduced from a prior amount based on an updated assessment of the lawsuit now under Kansas jurisdiction. The Most litigation is covered by our general liability and excess insurance policies which are occurrence based and subject to an aggregate \$3.0 million self-insured retention and deductible. All retentions and deductibles have been met, and accordingly, we believe pending the final settlement, all further claims will be fully funded by our insurance policies. We will continue to evaluate the possible outcomes of this case in light of future developments and their potential impact on factors relevant to our assessment of any possible loss.

***Notice of repayment of pandemic related government subsidies*** - In response to the widespread COVID-19 health pandemics, certain of our entities based in foreign jurisdictions received governmental funding assistance to compensate for a portion of employee wages between March 2020 and March 2022. Following ongoing compliance reviews of these funding assistance programs, we received notices stating noncompliance with these programs requirements. Accordingly, based on the assessments completed by the government appointed administrative authority and favorable appeals, a net amount of \$1.7 million was accrued as of December 31, 2024, to be repaid over an extended period related to this noncompliance. During the year ended December 31, 2025, we successfully contested an additional \$1.1 million of the assessment, which resulted in the reduction of the accrued liability from \$1.7 million to \$0.6 million as of December 31, 2025.

Accordingly, for all matters discussed within this *Note 17 - Commitments and Contingencies*, we have accrued in the aggregate approximately \$10.6 million as of December 31, 2025, of which approximately \$0.6 million is not covered by our various insurance policies.

In addition to legal matters discussed above, we are subject to various lawsuits, claims and proceedings encountered in the normal conduct of business (“Other Proceedings”). We believe that based on our current knowledge and after consultation with legal counsel that the Other Proceedings, individually or in the aggregate, will not have a material effect on our consolidated financial statements.

## 18. SEGMENT AND GEOGRAPHIC DISCLOSURES

We conduct operations in two segments: IHT and MS. Management’s determination of our reporting segments was made on the basis of our strategic priorities within each segment and the differences in the services we offer. The reportable segments results are reviewed regularly by the chief operating decision maker (“CODM”), who is our Chief Executive Officer, in deciding how to allocate resources and assess performance. Our CODM evaluates the segments’ operating performance based on adjusted EBITDA defined as net income (loss) before income taxes, interest expense, depreciation and amortization, and other non-recurring and non-operational items. Our CODM uses adjusted EBITDA as a measure to make resource allocation decisions for each segment for the budgeting process and reviews budget-to-actual variances to access performance and allocate capital.

Segment data for our two operating segments are as follows (in thousands):

	Twelve Months Ended December 31, 2025		
	IHT	MS	Total
Revenues	\$ 458,879	\$ 437,604	\$ 896,483
Adjusted operating expenses <sup>1</sup>	340,738	311,290	652,028
Adjusted selling, general and administrative expenses <sup>2</sup>	61,089	81,553	142,642
Adjusted EBITDA	<u>\$ 57,052</u>	<u>\$ 44,761</u>	<u>\$ 101,813</u>

	Twelve Months Ended December 31, 2024		
	IHT	MS	Total
Revenues	\$ 426,722	\$ 425,550	\$ 852,272
Adjusted operating expenses <sup>1</sup>	316,831	298,473	615,304
Adjusted selling, general and administrative expenses <sup>2</sup>	60,388	80,960	141,348
Adjusted EBITDA	<u>\$ 49,503</u>	<u>\$ 46,117</u>	<u>\$ 95,620</u>

1 Represent operating expenses excluding indirect depreciation and amortization, and severance cost.

2 Represent segment selling, general and administrative expenses excluding depreciation and amortization, non-cash share-based compensation, professional, legal and other non-recurring costs.

Reconciliation of segment adjusted EBITDA to consolidated loss before income taxes (in thousands):

	Twelve Months Ended December 31,	
	2025	2024
IHT	\$ 57,052	\$ 49,503
MS	44,761	46,117
Segment adjusted EBITDA	101,813	95,620
Segment depreciation and amortization	(28,787)	(29,839)
Segment professional fees, severance and other	(2,747)	(1,482)
Corporate and shared support cost	(56,208)	(54,163)
Consolidated operating income	14,071	10,136
Interest expense	(44,676)	(47,808)
Loss on debt extinguishment	(13,136)	—
Other income/(expense)	(2,889)	2,682
Loss before income taxes	<u>\$ (46,630)</u>	<u>\$ (34,990)</u>

	Twelve Months Ended December 31,	
	2025	2024
Capital expenditures <sup>1</sup> :		
IHT	\$ 6,527	\$ 3,675
MS	4,505	3,691
Corporate and shared support services	836	132
<b>Total capital expenditures</b>	<b>\$ 11,868</b>	<b>\$ 7,498</b>

<sup>1</sup> Excludes finance leases. Totals may vary from amounts presented in the consolidated statements of cash flows due to the timing of cash payments.

	Twelve Months Ended December 31,	
	2025	2024
Depreciation and amortization <sup>1</sup> :		
IHT	\$ 12,032	\$ 11,778
MS	16,755	18,061
Corporate and shared support services	5,295	6,456
<b>Total depreciation and amortization</b>	<b>\$ 34,082</b>	<b>\$ 36,295</b>

<sup>1</sup> Breakdown of depreciation and amortization included in the Consolidated Statements of Operations described below:

	Twelve Months Ended December 31,	
	2025	2024
Depreciation and amortization:		
Amount included in operating expenses	\$ 12,495	\$ 13,730
Amount included in SG&A expenses	21,587	22,565
<b>Total depreciation and amortization</b>	<b>\$ 34,082</b>	<b>\$ 36,295</b>

Separate measures of our assets by operating segment are not produced or utilized by our CODM to evaluate segment performance.

A geographic breakdown of our revenues for the years ended December 31, 2025 and 2024 and our total long-lived assets as of December 31, 2025 and 2024 are as follows (in thousands):

	Total Revenues <sup>1</sup>	Total Long-lived Assets <sup>2</sup>
<b>Twelve months ended December 31, 2025</b>		
United States	\$ 680,702	\$ 171,004
Canada	76,811	5,262
Other countries	138,970	22,060
<b>Total</b>	<b>\$ 896,483</b>	<b>\$ 198,326</b>
<b>Twelve months ended December 31, 2024</b>		
United States	\$ 637,662	\$ 182,971
Canada	66,940	5,221
Other countries	147,670	15,293
<b>Total</b>	<b>\$ 852,272</b>	<b>\$ 203,485</b>

<sup>1</sup> Revenues attributable to individual countries/geographic areas are based on the country of domicile of the legal entity that performs the work.

<sup>2</sup> Excludes financial instruments and deferred tax assets.

## **19. RELATED PARTY TRANSACTIONS**

In connection with our debt transactions, we engaged in transactions with Corre and affiliates and APSC to provide and/or repay funding as described in *Note 11 - Debt*.

In connection with the issuance of Series B Preferred Stock on September 11, 2025, the Company entered into a Purchase Agreement with the Stellex Holder, see *Note 16 - Redeemable Preferred Stock* for further details. On the same date, the Stellex Holder acquired \$10.0 million of the Company's outstanding loan under the Second A&R Second Lien Term Loan Agreement. The terms of the loan remain unchanged following the acquisition.

In September 2025, \$15.0 million of the Company's outstanding loan under the Second A&R Second Lien Term Loan Agreement was acquired by JFL Credit Opportunities Fund II, L.P. and affiliates, in which one of the Company's independent directors is an equity partner. The terms of the loan remain unchanged.

## **20. SUBSEQUENT EVENTS**

As of March 12, 2026, the filing date of this Annual Report on Form 10-K, we evaluated the existence of events occurring subsequent to the end of fiscal year 2025 and determined that there were no events or transactions that would have a material impact on our results of operations or financial position.

## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

There have been no disagreements concerning accounting and financial disclosures with our independent accountants during any of the periods presented.

## ITEM 9A. CONTROLS AND PROCEDURES

**Evaluation of disclosure controls and procedures.** Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (“Exchange Act”), are controls and procedures that are designed to ensure that the information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is appropriately accumulated and communicated to management, including our Chief Executive Officer (“CEO”) and our Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures. This evaluation included consideration of the various processes carried out under the direction of our disclosure committee in an effort to ensure that information required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time periods specified by the SEC. This evaluation also considered the work completed related to our compliance with Section 404 of the Sarbanes-Oxley Act of 2002. Based on this evaluation, our CEO and CFO have concluded that, as of December 31, 2025, our disclosure controls and procedures were effective.

### Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

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 over time.

We have used the framework set forth in the report entitled Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013) to evaluate the effectiveness of our internal control over financial reporting. As a result of this evaluation, Management has concluded that our internal control over financial reporting was effective as of December 31, 2025.

**Changes in internal control over financial reporting.** There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act) that have materially affected or are reasonably likely to materially affect our internal control over financial reporting during the fourth quarter of our fiscal year ended December 31, 2025.

This annual report does not include an attestation report of the company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the company’s registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management’s report in this annual report.

## ITEM 9B. OTHER INFORMATION

a) None.

b) During the year ended December 31, 2025, none of the Company’s directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” (each as defined in Item 408(a) of Regulation S-K under the Exchange Act).

## ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable

## **PART III**

The information for the following items of Part III has been omitted from this Annual Report on Form 10-K since we will file, not later than 120 days following the close of our fiscal year ended December 31, 2025, our Definitive Proxy Statement. The information required by Part III will be included in that proxy statement and such information is hereby incorporated by reference, with the exception of the information under the headings “Compensation Committee Report” and “Audit Committee Report.”

### **Code of Business Conduct and Ethics**

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code of business conduct and ethics is available on the Corporate Governance section of our website, which is located at [www.teaminc.com](http://www.teaminc.com). If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for any officer or director, we will disclose the nature of such amendment or waiver on our website or in a current report on Form 8-K filed with the SEC. The inclusion of our website address in this Annual Report on Form 10-K does not include or incorporate by reference the information on our website into this Annual Report.

### **Insider Trading Policy**

We have adopted a written insider trading policy governing the purchase, sale and/or other dispositions of our securities by our directors, officers and employees. A copy of the insider trading policy is filed as an exhibit to this Annual Report on Form 10-K.

- |                 |                                                                                                       |
|-----------------|-------------------------------------------------------------------------------------------------------|
| <b>ITEM 10.</b> | <b>DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</b>                                         |
| <b>ITEM 11.</b> | <b>EXECUTIVE COMPENSATION</b>                                                                         |
| <b>ITEM 12.</b> | <b>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</b> |
| <b>ITEM 13.</b> | <b>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</b>                      |
| <b>ITEM 14.</b> | <b>PRINCIPAL ACCOUNTING FEES AND SERVICES</b>                                                         |

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- (a) 1) Consolidated Financial Statements filed as part of this report are listed in the Financial Table of Contents included in this report and incorporated by reference in this report in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Item 8, “Consolidated Financial Statements and Supplementary Data.”
- 2) All schedules for which provision is made in the applicable accounting regulations of the SEC are listed in this report in Part II, Item 8, “Consolidated Financial Statements and Supplementary Data.”
- 3) See exhibits listed under Part (b) below.

(b) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3.1	<u>Amended and Restated Certificate of Incorporation of Team, Inc. (filed as Exhibit 3.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on December 2, 2011, incorporated by reference herein).</u>
3.2	<u>Certificate of Amendment of Amended and Restated Certificate of Incorporation of Team, Inc., dated October 24, 2013 (filed as Exhibit 3.2 to Team, Inc.'s Annual Report on Form 10-K (File No. 001-08604) filed on March 7, 2024, incorporated herein by reference).</u>
3.3	<u>Certificate of Amendment to Amended and Restated Certificate of Incorporation of Team, Inc., dated November 28, 2022 (filed as Exhibit 3.3 to Team, Inc.'s Quarterly Report on Form 10-Q/A (File No. 001-08604) filed on November 8, 2023, incorporated herein by reference).</u>
3.4	<u>Certificate of Amendment to Amended and Restated Certificate of Incorporation of Team, Inc. (filed as Exhibit 3.1 to Team, Inc.'s Report on Form 8-K (File No. 001-08604) filed on December 22, 2022, incorporated by reference herein).</u>
3.5	<u>Amended and Restated Bylaws of Team, Inc. (filed as Exhibit 3.3 to Team, Inc.'s Annual Report on Form 10-K for year ended December 31, 2017 (File No. 001-08604), incorporated herein by reference).</u>
3.6	<u>Certificate of Designations of Series A Preferred Stock of Team, Inc., as filed with the Secretary of State of the State of Delaware on February 2, 2022 (filed as Exhibit 3.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on February 2, 2022, incorporated by reference herein).</u>
3.7	<u>Certificate of Designation of Series B Preferred Stock of Team, Inc., as filed with the Secretary of State of the State of Delaware on September 11, 2025 (filed as Exhibit 3.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on September 15, 2025, incorporated by reference herein).</u>
4.1	<u>Description of Securities Registered under Section 12 of Exchange Act.</u>
4.2	<u>Certificate representing shares of common stock of Company (filed as Exhibit 4(1) to Team, Inc.'s Registration Statement on Form S-1, (File No. 2-68928), incorporated by reference herein).</u>
4.3	<u>Form of Second Amended &amp; Restated Warrant No. 1, dated December 8, 2021, between the Company and APSC Holdco II, L.P. (filed as Exhibit 4.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on December 10, 2021, incorporated by reference herein).</u>
4.4	<u>Form of Common Stock Purchase Warrant No. 2, dated December 8, 2021, between the Company and Corre Opportunities Qualified Master Fund, LP (filed as Exhibit 4.2 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on December 10, 2021, incorporated by reference herein).</u>
4.5	<u>Form of Common Stock Purchase Warrant No. 3, dated December 8, 2021, between the Company and Corre Horizon Fund, LP (filed as Exhibit 4.3 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on December 10, 2021, incorporated by reference herein).</u>
4.6	<u>Form of Common Stock Purchase Warrant No. 4, dated December 8, 2021, between the Company and Corre Horizon II Fund, LP (filed as Exhibit 4.4 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on December 10, 2021, incorporated herein by reference).</u>
4.7	<u>Form of Amended and Restated Common Stock Purchase Warrant No. 5, dated September 11, 2025, between Team, Inc. and InspectionTech Holdings LP (filed as Exhibit 4.1 to Team, Inc.'s Quarterly Report on Form 10-Q (File No. 001-08604) filed on November 12, 2025, incorporated by reference herein).</u>
4.8	<u>Form of Amended and Restated Common Stock Purchase Warrant No. 6, dated September 11, 2025, between Team, Inc. and InspectionTech Holdings LP (filed as Exhibit 4.2 to Team, Inc.'s Quarterly Report on Form 10-Q (File No. 001-08604) filed on November 12, 2025, incorporated by reference herein).</u>

<b>Exhibit Number</b>	<b>Description</b>
4.9	<u>Second Amended and Restated Registration Rights Agreement, dated February 11, 2022, by and between the Company, APSC Holdco II, L.P., Corre Opportunities Qualified Master Fund, LP, Corre Horizon Fund, LP and Corre Horizon II Fund, LP. (filed as Exhibit 4.1 to Team, Inc.'s Current Report on Form 8-K filed (File No. 001-08604) on February 15, 2022, incorporated by reference herein).</u>
4.10	<u>Registration Rights Agreement, dated as of September 11, 2025, among Team, Inc. and InspectionTech Holdings LP (filed as Exhibit 10.3 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on September 15, 2025, incorporated by reference herein).</u>
4.11	<u>Team, Inc. Waiver of Anti-Dilution Adjustments and Cash Transaction Exercise, dated February 11, 2022, by and between the Company and APSC Holdco II, L.P. (filed as Exhibit 4.2 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on February 15, 2022, incorporated by reference herein).</u>
4.12	<u>Team, Inc. Waiver of Anti-Dilution Adjustments and Cash Transaction Exercise, dated February 11, 2022, by and between the Company, Corre Opportunities Qualified Master Fund, LP, Corre Horizon Fund, LP and Corre Horizon II Fund, LP. (filed as Exhibit 4.3 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on February 15, 2022, incorporated by reference herein).</u>
10.1*	<u>Securities Purchase Agreement, dated as of September 11, 2025, by and between Team, Inc. and the purchasers named in Schedule I thereto (filed as Exhibit 10.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on September 15, 2025, incorporated by reference herein).</u>
10.2	<u>Shareholders Agreement, dated as of September 11, 2025, by and among Team, Inc., Stellex Capital Management LLC and InspectionTech Holdings LP (filed as Exhibit 10.2 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on September 15, 2025, incorporated by reference herein).</u>
10.3	<u>Voting and Support Agreement, dated as of September 11, 2025, by and among Team, Inc., Corre Partners Management, LLC, Corre Opportunities Qualified Master Fund, LP, Corre Horizon Fund, LP, Corre Horizon II Fund, LP and InspectionTech Holdings LP (filed as Exhibit 10.4 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on September 15, 2025, incorporated by reference herein).</u>
10.4	<u>Subscription Agreement, dated February 11, 2022, by and between the Company, Corre Opportunities Qualified Master Fund, LP, Corre Horizon Fund, LP and Corre Horizon II Fund, LP (filed as Exhibit 10.4 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on February 15, 2022, incorporated by reference herein).</u>
10.5	<u>Board Rights Agreement, dated as of June 16, 2023, by and among Team, Inc., Corre Partners Management, LLC, Corre Opportunities Qualified Master Fund, LP, Corre Horizon Fund, LP and Corre Horizon Fund II, LP. (filed as Exhibit 10.3 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on June 20, 2023, incorporated by reference herein).</u>
10.6	<u>Board Rights Agreement, dated as of November 1, 2022, by and between Team, Inc. and Atlantic Park Strategic Capital Fund L.P. (filed as Exhibit 10.4 to the Current Report on Form 8-K (File No. 001-08604) filed by Team, Inc. on November 7, 2022, incorporated by reference herein).</u>
10.7	<u>Credit Agreement, dated as of February 11, 2022, among Team, Inc., as Borrower, the lenders from time to time party thereto, and Eclipse Business Capital, LLC, as Agent (filed as Exhibit 10.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on February 15, 2022, incorporated by reference herein).</u>
10.8	<u>Amendment No. 1 to Credit Agreement, dated as of May 6, 2022, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and Eclipse Business Capital, LLC, as agent (filed as Exhibit 10.1 to the Current Report on Form 10-Q (File No. 001-08604) filed by Team, Inc. on August 15, 2022, incorporated by reference herein).</u>
10.9	<u>Amendment No. 2 to Credit Agreement, dated as of November 1, 2022, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and Eclipse Business Capital, LLC, as Agent (filed as Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-08604) filed by Team, Inc. on November 07, 2022, incorporated by reference herein).</u>
10.10	<u>Amendment No. 3 to Credit Agreement, dated as of June 16, 2023, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and Eclipse Business Capital LLC, as Agent (filed as Exhibit 10.2 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on June 20, 2023, incorporated by reference herein).</u>
10.11*	<u>Amendment No. 4 to Credit Agreement, dated as of March 6, 2024, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and Eclipse Business Capital LLC, as Agent (filed as Exhibit 10.21 to Team, Inc.'s Annual Report on Form 10-K (File No. 001-08604) filed on March 7, 2024, incorporated herein by reference).</u>

<b>Exhibit Number</b>	<b>Description</b>
10.12*	<u>Amendment No. 5 to Credit Agreement, dated as of September 30, 2024, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and Eclipse Business Capital LLC. as Agent (filed as Exhibit 10.2 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on October 1, 2024, incorporated by reference herein).</u>
10.13*	<u>Amendment No. 6 to Credit Agreement, dated as of March 12, 2025, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and Eclipse Business Capital LLC. as Agent (filed as Exhibit 10.3 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on March 13, 2025, incorporated by reference herein).</u>
10.14*	<u>Amendment No. 7 to Credit Agreement, dated as of September 11, 2025, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and Eclipse Business Capital LLC. as Agent (filed as Exhibit 10.7 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on September 15, 2025, incorporated by reference herein).</u>
10.15*	<u>First Lien Term Loan Credit Agreement, dated March 12, 2025, by and among Team, Inc., as Borrower, the lenders party thereto, the guarantors party thereto and HPS Investment Partners, LLC, as Agent (filed as Exhibit 10.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on March 13, 2025, incorporated by reference herein).</u>
10.16*	<u>Amendment No. 1 to Credit Agreement, dated as of September 11, 2025, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and HPS Investment Partners, LLC, as Agent (filed as Exhibit 10.5 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on September 15, 2025, incorporated by reference herein).</u>
10.17*	<u>Second Amended and Restated Term Loan Credit Agreement, dated March 12, 2025, by and among Team, Inc., as Borrower, the lenders party thereto, the guarantors party thereto and Cantor Fitzgerald Securities, as Agent (filed as Exhibit 10.2 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on March 13, 2025, incorporated by reference herein).</u>
10.18*	<u>Amendment No. 1 to Second Amended and Restated Second Lien Term Loan Credit Agreement, dated as of September 11, 2025, among Team, Inc., as Borrower, the lenders from time to time party thereto, the guarantors party thereto and Cantor Fitzgerald Securities, as Agent (filed as Exhibit 10.6 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on September 15, 2025, incorporated by reference herein).</u>
10.19†	<u>Team, Inc. 2018 Equity Incentive Plan (filed as Exhibit 4.5 to Team, Inc.'s Registration Statement on Form S-8, (File No. 333-225727), filed on June 19, 2018, incorporated by reference herein).</u>
10.20†	<u>Amendment to Team, Inc. 2018 Equity Incentive Plan (filed as Appendix A of Team, Inc.'s Definitive Proxy Statement on Schedule 14A (File No. 001-08604) filed on April 11, 2019, incorporated by reference herein).</u>
10.21†	<u>Form of Restricted Stock Unit Award Agreement for the Stock Units awarded under the Team, Inc. 2018 Equity Incentive Plan (filed as Exhibit 10.11 to Team, Inc.'s Annual Report on Form 10-K (File No. 001-08604) filed on March 19, 2019, incorporated by reference herein).</u>
10.22†	<u>Compensation Letter by and between Team, Inc. and Keith D. Tucker (filed as Exhibit 10.15 to Team, Inc.'s Annual Report on Form 10-K (File No. 001-08604) filed on March 7, 2024, incorporated herein by reference).</u>
10.23†	<u>Form of Executive Restricted Stock Unit Award Agreement under the Team, Inc. 2018 Equity Incentive Plan (filed as Exhibit 10.16 to Team, Inc.'s Annual Report on Form 10-K (File No. 001-08604) filed on March 7, 2024, incorporated herein by reference).</u>
10.24†	<u>Form of Performance Unit Award Agreement under the Team, Inc. 2018 Equity Incentive Plan (filed as Exhibit 10.17 to Team, Inc.'s Annual Report on Form 10-K (File No. 001-08604) filed on March 7, 2024, incorporated herein by reference).</u>
10.25†	<u>Form of Indemnification Agreement (filed as Exhibit 10.2 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on February 9, 2018, incorporated by reference herein).</u>
10.26†	<u>Team, Inc. Corporate Executive Officer Compensation and Benefits Continuation Policy (filed as Exhibit 4.2 to Team, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022 (File No. 001-08604) filed on May 11, 2022, incorporated by reference herein).</u>
10.27†	<u>Team, Inc. Second Amended and Restated 2018 Equity Incentive Plan (filed as Exhibit 4.7 to Team, Inc.'s Registration Statement on Form S-8, (File No. 333-281395), filed on August 8, 2024, incorporated by reference herein).</u>
10.28†	<u>Letter Agreement re Offer of Employment, dated January 22, 2026, between Gary Hill and Team, Inc. (filed as Exhibit 10.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on January 26, 2026, incorporated by reference herein).</u>

<b>Exhibit Number</b>	<b>Description</b>
10.29†	<u>Severance and Consulting Agreement and Release, dated as of February 6, 2026, by and between Keith Tucker and Team, Inc. (filed as Exhibit 10.1 to Team, Inc.'s Current Report on Form 8-K (File No. 001-08604) filed on February 9, 2026, incorporated by reference herein).</u>
10.30†	<u>Indemnification Agreement, dated as of October 24, 2025, by and between Michael Stewart and Team, Inc.</u>
19.1	<u>Team, Inc. Insider Trading Policy (filed as Exhibit 19.1 to Team, Inc.'s Annual Report on Form 10-K (File No. 001-08604) filed on March 19, 2025, incorporated herein by reference).</u>
21	<u>Subsidiaries of Team, Inc.</u>
23.1	<u>Consent of Independent Registered Public Accounting Firm-KPMG LLP.</u>
31.1	<u>Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.3	<u>Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1	<u>Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2	<u>Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.3	<u>Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
97.1	<u>Team, Inc. Compensation Recovery Policy (filed as Exhibit 97.1 to Team, Inc.'s Annual Report on Form 10-K (File No. 001-08604) filed on March 7, 2024, incorporated herein by reference).</u>
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).

† Management contract or compensation plan or arrangement.

\* Certain schedules and similar attachments have been omitted in reliance on Item 601(a)(5) of Regulation S-K. Team, Inc. will provide, on a supplemental basis, a copy of any omitted schedule or attachment to the SEC or its staff upon request.

Note: Unless otherwise indicated, documents incorporated by reference are located under SEC file number 001-08604.

## 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, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized March 12, 2026.

TEAM, INC.

/S/ GARY L. HILL

**Gary L. Hill**  
**Chief Executive Officer**  
**(Principal Executive Officer)**

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

<u>/S/ GARY L. HILL</u> <b>(Gary L. Hill)</b>	Chief Executive Officer (Principal Executive Officer)	March 12, 2026
<u>/S/ NELSON M. HAIGHT</u> <b>(Nelson M. Haight)</b>	Chief Financial Officer (Principal Financial Officer)	March 12, 2026
<u>/S/ MATTHEW E. ACOSTA</u> <b>(Matthew E. Acosta)</b>	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 12, 2026
<u>/S/ J. MICHAEL ANDERSON</u> <b>(J. Michael Anderson)</b>	Director	March 12, 2026
<u>/S/ MICHAEL J. CALIEL</u> <b>(Michael J. Caliel)</b>	Director, Chairman	March 12, 2026
<u>/S/ ANTHONY R. HORTON</u> <b>(Anthony R. Horton)</b>	Director	March 12, 2026
<u>/S/ EVAN S. LEDERMAN</u> <b>(Evan. S. Lederman)</b>	Director	March 12, 2026
<u>/S/ PAMELA J. MCGINNIS</u> <b>(Pamela J. McGinnis)</b>	Director	March 12, 2026
<u>/S/ TED STENGER</u> <b>(Ted Stenger)</b>	Director	March 12, 2026
<u>/S/ MICHAEL D. STEWART</u> <b>(Michael D. Stewart)</b>	Director	March 12, 2026
<u>/S/ NICLAS K. YTTERDAHL</u> <b>(Niclas K. Ytterdahl)</b>	Director	March 12, 2026

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