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Dril-Quip and Innovex Announce Withdrawal of Charter Amendment Proposal

August 26, 2024 at 7:30 AM EDT

HOUSTON--(BUSINESS WIRE)--Aug. 26, 2024-- Dril-Quip, Inc. (NYSE:DRQ) ("Dril-Quip") and Innovex Downhole Solutions, Inc. ("Innovex") today announced that the parties have agreed to waive the condition to the consummation of Dril-Quip's proposed merger with Innovex requiring the approval of the amendment of Dril-Quip's restated certificate of incorporation (the "charter amendment").

In addition, Dril-Quip and Innovex have agreed to withdraw the submission of the charter amendment proposal (Proposal No. 2) and the related non-binding governance proposals (Proposal Nos. 3A – F) to Dril-Quip stockholders at the special meeting of Dril-Quip's stockholders to be held on September 5, 2024. These actions eliminate the requirement that stockholders approve the charter amendment, which provided for certain post-closing governance related matters, as a condition to the closing of the merger.

Accordingly, Dril-Quip's stockholders will no longer be asked to vote to approve Proposals 2 and 3, relating to the charter amendment, as set forth in Dril-Quip's proxy statement/prospectus dated August 6, 2024 in connection with the upcoming stockholder meeting to be held on September 5, 2024.

John V. Lovoi, Dril-Quip's Chairman of the Board, said: "We have engaged in extensive discussions with our stockholders over the past several weeks. Based on feedback from our investors, we have heard a clear recognition of the strategic rationale and anticipated benefits of our proposed merger with Innovex. However, certain of our stockholders have also expressed concerns regarding some of the governance provisions included in the charter amendment proposal. In response to this feedback, we have worked closely with Innovex and its controlling stockholder to remove these governance provisions in order to address these concerns. This decision reflects our responsiveness to shareholder input and commitment to strong corporate governance practices. We remain confident that this merger will create significant value for all stakeholders, and we look forward to continuing to work towards a successful close."

The proposed merger remains on track, and Dril-Quip and Innovex are committed to completing the merger.

The Dril-Quip Board unanimously recommends that Dril-Quip stockholders vote "FOR" each of the remaining proposals to be considered at the special meeting, which will be held on Thursday, September 5, 2024, at 9:30 a.m. Central Time. Dril-Quip stockholders who have any questions concerning the merger or the proxy statement/prospectus or would like additional copies or need help voting their shares of Dril-Quip common stock, please contact Dril-Quip's proxy solicitor:

Morrow Sodali LLC

333 Ludlow Street, 5th Floor, South Tower
Stamford, Connecticut 06902
Stockholders may call toll-free: (800) 662-5200
Banks and brokers may call collect: (203) 658-9400

About Dril-Quip

Dril-Quip is a leading developer, manufacturer and provider of highly engineered equipment and services for the global offshore and onshore oil and gas industry.

About Innovex Downhole Solutions, Inc.

Innovex designs, manufactures, and installs mission-critical drilling & deployment, well construction, completion, production, and fishing & intervention solutions to support upstream onshore and offshore activities worldwide.

Cautionary Statement Regarding Forward-Looking Statements

Statements contained herein relating to future operations and financial results or that are otherwise not limited to historical facts are forward-looking statements within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended, including, but not limited to, those related to projections as to the anticipated benefits of the proposed transaction, the impact of the proposed transaction on Dril-Quip's and Innovex's businesses and future financial and operating results are based on management's estimates, assumptions and projections, and are subject to significant uncertainties and other factors, many of which are beyond Dril-Quip's and Innovex's control. These factors and risks include, but are not limited to: the impact of actions taken by the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC nations to adjust their production levels, risks related to the proposed transaction, including, the prompt and effective integration of Dril-Quip's and Innovex's businesses and the ability to achieve the anticipated synergies and value-creation contemplated by the proposed transaction; the risk associated with Dril-Quip's ability to obtain the approval of the proposed transaction by its stockholders required to consummate the proposed transaction and the timing of the closing of the proposed transaction, including the risk that the conditions to the transaction are not satisfied on a timely basis or at all and the failure of the transaction to close for any other reason; unanticipated difficulties or expenditures relating to the transaction, the response of business partners and retention as a result of the announcement and pendency of the transaction; and the

diversion of management time on transaction related issues, the impact of general economic conditions, including inflation, on economic activity and on Dril-Quip's and Innovex's operations, the general volatility of oil and natural gas prices and cyclical nature of the oil and gas industry, declines in investor and lender sentiment with respect to, and new capital investments in, the oil and gas industry, project terminations, suspensions or scope adjustments to contracts, uncertainties regarding the effects of new governmental regulations, Dril-Quip's and Innovex's international operations, operating risks, the impact of our customers and the global energy sector shifting some of their asset allocation from fossil fuel production to renewable energy resources, and other factors detailed in Dril-Quip's public filings with the Securities and Exchange Commission (the "SEC"). Investors are cautioned that any such statements are not guarantees of future performance and actual outcomes may vary materially from those indicated.

Important Information for Stockholders

In connection with the proposed merger of Dril-Quip and Innovex, Dril-Quip filed with the SEC a registration statement on Form S-4 (as amended, the "Registration Statement") on May 1, 2024 that included a proxy statement/prospectus (the "Proxy Statement/Prospectus"). The Registration Statement was declared effective by the SEC on August 6, 2024. Dril-Quip filed the definitive proxy statement/prospectus with the SEC on August 6, 2024, and it was first mailed to Dril-Quip's stockholders on August 6, 2024. Dril-Quip has filed other relevant documents with the SEC regarding the proposed merger. This document is not a substitute for the Proxy Statement/Prospectus or Registration Statement or any other document that Dril-Quip has filed with the SEC. STOCKHOLDERS ARE URGED TO CAREFULLY READ THE REGISTRATION STATEMENT, PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER RELEVANT DOCUMENTS THAT HAVE BEEN FILED BY DRIL-QUIP WITH THE SEC IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. Such stockholders can obtain free copies of the Registration Statement and Proxy Statement/Prospectus and other documents containing important information about Dril-Quip, Innovex and the proposed merger through the website maintained by the SEC at <http://www.sec.gov>. Additional information is available on Dril-Quip's website, www.dril-quip.com.

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