

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2022

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 001-35504

**FORUM ENERGY TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

61-1488595

(I.R.S. Employer Identification No.)

10344 Sam Houston Park Drive Suite 300 Houston Texas 77064

(Address of Principal Executive Offices)

(Zip Code)

(281) 949-2500

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	FET	New York Stock Exchange

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 2, 2022 there were 5,720,957 common shares outstanding.

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**PART I — FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Loss**  
(Unaudited)

(in thousands, except per share information)	Three Months Ended March 31,	
	2022	2021
Revenue	\$ 155,174	\$ 114,517
Cost of sales	116,555	88,332
Gross profit	38,619	26,185
<b>Operating expenses</b>		
Selling, general and administrative expenses	44,305	41,474
Loss (gain) on disposal of assets and other	22	(909)
Total operating expenses	44,327	40,565
<b>Operating loss</b>	(5,708)	(14,380)
<b>Other expense (income)</b>		
Interest expense	7,624	9,162
Foreign exchange and other losses (gains), net	(5,986)	3,470
Loss on extinguishment of debt	—	933
Total other expense	1,638	13,565
<b>Loss before income taxes</b>	(7,346)	(27,945)
Income tax expense	1,853	1,718
<b>Net loss</b>	(9,199)	(29,663)
<b>Weighted average shares outstanding</b>		
Basic	5,683	5,613
Diluted	5,683	5,613
<b>Loss per share</b>		
Basic	\$ (1.62)	\$ (5.28)
Diluted	(1.62)	(5.28)
<b>Other comprehensive income (loss), net of tax:</b>		
Net loss	(9,199)	(29,663)
Change in foreign currency translation, net of tax of \$0	(6,992)	3,152
Gain on pension liability	30	77
<b>Comprehensive loss</b>	\$ (16,161)	\$ (26,434)

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

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(Unaudited)

(in thousands, except share information)	March 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 20,602	\$ 46,858
Accounts receivable—trade, net of allowances of \$9,965 and \$11,114	132,211	123,903
Inventories, net	263,779	241,740
Prepaid expenses and other current assets	23,417	23,702
Accrued revenue	1,240	2,245
Costs and estimated profits in excess of billings	15,020	8,285
Total current assets	456,269	446,733
Property and equipment, net of accumulated depreciation	91,162	94,005
Operating lease assets	24,733	25,431
Deferred financing costs, net	1,404	1,484
Intangible assets, net	210,874	217,405
Deferred income taxes, net	460	203
Other long-term assets	6,027	6,075
Total assets	\$ 790,929	\$ 791,336
<b>Liabilities and equity</b>		
Current liabilities		
Current portion of long-term debt	\$ 751	\$ 860
Accounts payable—trade	115,177	99,379
Accrued liabilities	62,426	58,436
Deferred revenue	7,904	7,276
Billings in excess of costs and profits recognized	5,851	9,705
Total current liabilities	192,109	175,656
Long-term debt, net of current portion	233,742	232,370
Deferred income taxes, net	1,188	834
Operating lease liabilities	32,763	34,745
Other long-term liabilities	16,371	18,605
Total liabilities	476,173	462,210
Commitments and contingencies		
<b>Equity</b>		
Common stock, \$0.01 par value, 14,800,000 shares authorized, 6,188,106 and 6,100,886 shares issued	62	61
Additional paid-in capital	1,251,752	1,249,962
Treasury stock at cost, 467,153 shares	(135,562)	(135,562)
Retained deficit	(693,506)	(684,307)
Accumulated other comprehensive loss	(107,990)	(101,028)
Total equity	314,756	329,126
Total liabilities and equity	\$ 790,929	\$ 791,336

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

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

(in thousands)	Three Months Ended March 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (9,199)	\$ (29,663)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	3,423	4,953
Amortization of intangible assets	6,218	6,357
Inventory write down	194	1,410
Stock-based compensation expense	2,151	1,896
Loss on extinguishment of debt	—	933
Deferred income taxes	(266)	265
Noncash losses and other, net	2,283	2,065
Changes in operating assets and liabilities		
Accounts receivable—trade	(9,168)	(8,999)
Inventories	(23,031)	13,726
Prepaid expenses and other assets	1,298	(2,458)
Cost and estimated profit in excess of billings	(6,871)	(281)
Accounts payable, deferred revenue and other accrued liabilities	11,851	7,692
Billings in excess of costs and estimated profits earned	(3,758)	766
Net cash used in operating activities	\$ (24,875)	\$ (1,338)
<b>Cash flows from investing activities</b>		
Capital expenditures for property and equipment	(860)	(389)
Proceeds from sale of property and equipment	118	1,499
Net cash provided by (used in) investing activities	\$ (742)	\$ 1,110
<b>Cash flows from financing activities</b>		
Borrowings on revolving Credit Facility	95,883	—
Repayments on revolving Credit Facility	(95,883)	(13,126)
Cash paid to repurchase 2025 Notes	—	(13,711)
Payment of capital lease obligations	(239)	(482)
Repurchases of stock	(360)	(139)
Net cash used in financing activities	\$ (599)	\$ (27,458)
Effect of exchange rate changes on cash	(40)	(121)
Net decrease in cash, cash equivalents and restricted cash	(26,256)	(27,807)
Cash, cash equivalents and restricted cash at beginning of period	46,858	128,617
Cash, cash equivalents and restricted cash at end of period	\$ 20,602	\$ 100,810
<b>Noncash activities</b>		
Operating lease right of use assets obtained in exchange for lease obligations	1,320	284
Finance lease right of use assets obtained in exchange for lease obligations	100	47

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

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Changes in Stockholders' Equity**  
(Unaudited)

Three Months Ended March 31, 2022

(in thousands)	Common stock	Additional paid-in capital	Treasury stock	Retained deficit	Accumulated other comprehensive income / (loss)	Total equity
<b>Balance at December 31, 2021</b>	<b>\$ 61</b>	<b>\$ 1,249,962</b>	<b>\$ (135,562)</b>	<b>\$ (684,307)</b>	<b>\$ (101,028)</b>	<b>\$ 329,126</b>
Stock-based compensation expense	—	2,151	—	—	—	2,151
Restricted stock issuance, net of forfeitures	1	(361)	—	—	—	(360)
Currency translation adjustment	—	—	—	—	(6,992)	(6,992)
Change in pension liability	—	—	—	—	30	30
Net loss	—	—	—	(9,199)	—	(9,199)
<b>Balance at March 31, 2022</b>	<b>\$ 62</b>	<b>\$ 1,251,752</b>	<b>\$ (135,562)</b>	<b>\$ (693,506)</b>	<b>\$ (107,990)</b>	<b>\$ 314,756</b>

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

**Forum Energy Technologies, Inc. and subsidiaries**  
**Condensed Consolidated Statements of Changes in Stockholders' Equity**  
(Unaudited)

Three Months Ended March 31, 2021

(in thousands)	Common stock	Additional paid-in capital	Treasury stock	Retained deficit	Accumulated other comprehensive income / (loss)	Total equity
<b>Balance at December 31, 2020</b>	<b>\$ 60</b>	<b>\$ 1,242,720</b>	<b>\$ (134,499)</b>	<b>\$ (601,656)</b>	<b>\$ (100,389)</b>	<b>\$ 406,236</b>
Stock-based compensation expense	—	1,896	—	—	—	1,896
Restricted stock issuance, net of forfeitures	—	(139)	—	—	—	(139)
Currency translation adjustment	—	—	—	—	3,152	3,152
Change in pension liability	—	—	—	—	77	77
Net loss	—	—	—	(29,663)	—	(29,663)
<b>Balance at March 31, 2021</b>	<b>\$ 60</b>	<b>\$ 1,244,477</b>	<b>\$ (134,499)</b>	<b>\$ (631,319)</b>	<b>\$ (97,160)</b>	<b>\$ 381,559</b>

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

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(Unaudited)**

## 1. Organization and Basis of Presentation

Forum Energy Technologies, Inc. (the "Company," "FET," "we," "our," or "us"), a Delaware corporation, is a global company serving the oil, natural gas, industrial and renewable energy industries. FET provides value added solutions that increase the safety and efficiency of energy exploration and production. We are an environmentally and socially responsible company headquartered in Houston, Texas with manufacturing, distribution and service facilities strategically located throughout the world.

### ***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements of the Company include the accounts of the Company and its subsidiaries. All intercompany transactions have been eliminated in consolidation.

In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for the fair statement of the Company's financial position, results of operations and cash flows have been included. Operating results for the three months ended March 31, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022 or any other interim period.

These interim financial statements are unaudited and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America ("GAAP") for complete consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021, which are included in the Company's 2021 Annual Report on Form 10-K filed with the SEC on March 4, 2022.

### ***COVID-19 Impacts***

The outbreak of COVID-19 in 2020 caused significant disruptions in the U.S. and world economies which led to significant reductions in demand for crude oil. During 2021, distribution of vaccines resulted in reopening of certain economies and increasing demand for oil and natural gas. However, ongoing COVID-19 outbreaks and related work restrictions continue to contribute to disruptions in global supply chains which have led to inflationary pressures for certain goods and services. We anticipate that our liquidity, financial condition and future results of operations will continue to be impacted by ongoing developments from the COVID-19 pandemic.

## 2. Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB"), which we adopt as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on our consolidated financial statements upon adoption.

### **Accounting Standards Adopted in 2022**

***Convertible Debt.*** In August 2020, the FASB issued ASU No. 2020-06 Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This update reduces the number of accounting models for convertible debt instruments resulting in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. In addition, this update also makes targeted changes to the disclosures for convertible instruments and earnings-per-share guidance. We adopted this new standard as of January 1, 2022. The adoption of this new standard did not have a material impact on our unaudited condensed consolidated financial statements.

## 3. Revenue

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to receive in exchange for those goods or services. For a detailed discussion of our revenue recognition policies, refer to the Company's 2021 Annual Report on Form 10-K.

### **Disaggregated Revenue**

Refer to Note 10 *Business Segments* for disaggregated revenue by product line and geography.



**Forum Energy Technologies, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(Unaudited)**

### Contract Balances

Contract balances are determined on a contract by contract basis. Contract assets represent revenue recognized for goods and services provided to our customers when payment is conditioned on something other than the passage of time. Similarly, we record a contract liability when we receive consideration, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of a sales contract. Such contract liabilities typically result from billings in excess of costs incurred on construction contracts and advance payments received on product sales.

The following table reflects the changes in our contract assets and contract liabilities balances for the three months ended March 31, 2022 (in thousands):

			<b>Increase / (Decrease)</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>\$</b>	<b>%</b>
Accrued revenue	\$ 1,240	\$ 2,245		
Costs and estimated profits in excess of billings	15,020	8,285		
Contract assets	\$ 16,260	\$ 10,530	\$ 5,730	54 %
Deferred revenue	\$ 7,904	\$ 7,276		
Billings in excess of costs and profits recognized	5,851	9,705		
Contract liabilities	\$ 13,755	\$ 16,981	\$ (3,226)	(19)%

During the three months ended March 31, 2022, our contract assets increased by \$5.7 million due to increasing project activity for process oil treatment equipment in our Production Equipment product line and our contract liabilities decreased by \$3.2 million primarily due to lower customer advance payments for projects in our Subsea product line.

During the three months ended March 31, 2022, we recognized \$10.8 million of revenue that was included in the contract liability balance at the beginning of the period.

As all of our contracts are less than one year in duration, we have elected to apply the practical expedient which allows an entity to exclude disclosures about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

## 4. Acquisitions

### 2021 Acquisition of Hawker Equipment Solutions

On December 20, 2021, we acquired certain assets of Hawker Equipment Solutions, LLC ("Hawker") for total cash consideration of \$5.1 million, of which, \$3.4 million was paid in the fourth quarter of 2021 with the balance expected to be paid over the next five years. Hawker is a manufacturer of hydraulic pickup and laydown units. This acquisition is included in the Drilling product line within the Drilling and Downhole segment. The fair values of the assets acquired and liabilities assumed, as well as the pro forma results of operations for this acquisition, have not been presented because they are not material to the consolidated financial statements.

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(Unaudited)**

## 5. Inventories

Our significant components of inventory at March 31, 2022 and December 31, 2021 were as follows (in thousands):

	March 31, 2022	December 31, 2021
Raw materials and parts	\$ 103,917	\$ 97,053
Work in process	30,045	24,618
Finished goods	189,523	182,954
Gross inventories	323,485	304,625
Inventory reserve	(59,706)	(62,885)
<b>Inventories</b>	<b>\$ 263,779</b>	<b>\$ 241,740</b>

## 6. Intangible Assets

Intangible assets consisted of the following as of March 31, 2022 and December 31, 2021, respectively (in thousands):

	March 31, 2022			
	Gross Carrying Amount	Accumulated Amortization	Net Intangibles	Amortization Period (In Years)
Customer relationships	\$ 268,946	\$ (137,072)	\$ 131,874	10 - 15
Patents and technology	89,213	(31,129)	58,084	5 - 19
Non-compete agreements	190	(181)	9	2 - 6
Trade names	43,027	(25,682)	17,345	7 - 19
Trademarks	5,089	(1,527)	3,562	15
<b>Intangible Assets Total</b>	<b>\$ 406,465</b>	<b>\$ (195,591)</b>	<b>\$ 210,874</b>	

  

	December 31, 2021			
	Gross Carrying Amount	Accumulated Amortization	Net Intangibles	Amortization Period (In Years)
Customer relationships	\$ 269,589	\$ (133,451)	\$ 136,138	10 - 15
Patents and technology	89,449	(29,785)	59,664	5 - 19
Non-compete agreements	191	(173)	18	2 - 6
Trade names	43,125	(25,187)	17,938	7 - 19
Trademarks	5,089	(1,442)	3,647	15
<b>Intangible Assets Total</b>	<b>\$ 407,443</b>	<b>\$ (190,038)</b>	<b>\$ 217,405</b>	

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(Unaudited)**

## 7. Debt

Notes payable and lines of credit as of March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
2025 Notes	256,970	256,970
Unamortized debt discount	(18,909)	(20,035)
Debt issuance cost	(4,641)	(4,918)
Credit Facility	—	—
Other debt	1,073	1,213
Total debt	234,493	233,230
Less: current maturities	(751)	(860)
Long-term debt	<u>\$ 233,742</u>	<u>\$ 232,370</u>

### 2025 Notes

In August 2020, we exchanged \$315.5 million principal amount of our previous 6.25% unsecured notes due 2021 (“2021 Notes”) for new 9.00% convertible secured notes due August 2025 (the “2025 Notes”). This transaction was accounted for as an extinguishment of the 2021 Notes with the new 2025 Notes recorded at fair value on the transaction date. We estimated the fair value of the 2025 Notes to be \$282.6 million at the issuance date, resulting in a \$32.9 million discount (“Debt Discount”) at issuance. As a result, we recognized a \$28.7 million gain on extinguishment of debt that reflects the difference in the \$314.8 million net carrying value of the 2021 Notes exchanged, including debt issuance costs and unamortized debt premium, less the \$282.6 million estimated fair value of 2025 Notes and a \$3.5 million early participation fee paid to bondholders that participated in the exchange. The Debt Discount is being amortized as non-cash interest expense over the term of the 2025 Notes using the effective interest method.

The 2025 Notes pay interest at the rate of 9.00%, of which 6.25% is payable in cash and 2.75% is payable in cash or additional notes, at the Company’s option. The 2025 Notes are secured by a first lien on substantially all of the Company’s assets, except for Credit Facility priority collateral, which secures the 2025 Notes on a second lien basis. As of March 31, 2022, approximately \$116.0 million principal amount of the 2025 Notes is mandatorily convertible into shares of our common stock at a conversion rate of 37.0370 shares per \$1,000 principal amount of 2025 Notes converted, equivalent to a conversion price of \$27.00 per share, subject, however, to the condition that the average of the daily trading prices for the common stock over the preceding 20-trading day period is at least \$30.00 per share. Holders of the 2025 Notes also have optional conversion rights in the event that the Company elects to redeem the 2025 Notes in cash and at the final maturity of the new notes. Any interest that the Company elects to pay in additional notes is also subject to the mandatory and optional conversion rights.

During the three months ended March 31, 2021, we repurchased an aggregate \$16.5 million of principal amount of our 2025 Notes for \$15.6 million. The net carrying value of the extinguished debt, including unamortized debt discount and debt issuance costs, was \$14.7 million, resulting in a \$0.9 million loss on extinguishment of debt.

### Credit Facility

In September 2021, we amended our senior secured revolving credit facility (“Credit Facility”) to, among other things, extend the maturity date to September 2026, reduce the aggregate amount of the commitment under the Credit Facility, and change the interest rate applicable to outstanding loans. Following such amendment, our Credit Facility provides revolving credit commitments of \$179.0 million (with a sublimit of up to \$45.0 million available for the issuance of letters of credit for the account of the Company and certain of its domestic subsidiaries) (the “U.S. Line”), of which up to \$20.0 million is available to certain of our Canadian subsidiaries for loans in U.S. or Canadian dollars (with a sublimit of up to \$3.0 million available for the issuance of letters of credit for the account of our Canadian subsidiaries) (the “Canadian Line”).

Availability under the Credit Facility is subject to a borrowing base calculated by reference to eligible accounts receivable in the U.S., Canada and certain other jurisdictions (subject to a cap) and eligible inventory in the U.S. and Canada. Such eligible accounts receivable and eligible inventory serve as priority collateral for the Credit

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(Unaudited)**

Facility, which is also secured on a second lien basis by substantially all of the Company's other assets. The amount of eligible inventory included in the borrowing base is restricted to the lesser of \$127.0 million (subject to a quarterly reduction of \$0.5 million) and 80.0% of the total borrowing base. Our borrowing capacity under the Credit Facility could be reduced or eliminated, depending on future fluctuations in our receivables and inventory. As of March 31, 2022, our total borrowing base was \$158.8 million, of which no amounts were drawn and \$17.6 million was used for security of outstanding letters of credit, resulting in remaining availability of \$141.2 million.

Borrowings under the U.S. Line bear interest at a rate equal to, at our option, either (a) the LIBOR rate, subject to a floor of 0.00%, plus a margin of 2.25% to 2.75%, or (b) a base rate plus a margin of 1.25% to 1.75%, in each case based upon the Company's quarterly total net leverage ratio. The U.S. Line base rate is determined by reference to the greatest of (i) the federal funds rate plus 0.50% per annum, (ii) the one-month adjusted LIBOR plus 1.00% per annum, and (iii) the rate of interest announced, from time to time, by Wells Fargo at its principal office in San Francisco as its prime rate, subject to a floor of 0.00%.

Borrowings under the Canadian Line bear interest at a rate equal to, at Forum Canada's option, either (a) the CDOR rate, subject to a floor of 0.00%, plus a margin of 2.25% to 2.75%, or (b) a base rate plus a margin of 1.25% to 1.75%, in each case based upon the Company's quarterly net leverage ratio. The Canadian line base rate is determined by reference to the greater of (i) the one-month CDOR rate plus 1.00% and (ii) the prime rate for Canadian dollar commercial loans made in Canada as reported by Thomson Reuters, subject to a floor of 0.00%.

The Credit Facility also provides for a commitment fee in the amount of (a) 0.375% on the unused portion of commitments if average usage of the Credit Facility is greater than 50% and (b) 0.500% on the unused portion of commitments if average usage of the Credit Facility is less than or equal to 50%.

If excess availability under the Credit Facility falls below the greater of 12.5% of the borrowing base and \$22.4 million, we will be required to maintain a fixed charge coverage ratio of at least 1.00:1.00 as of the end of each fiscal quarter until excess availability under the Credit Facility exceeds such thresholds for at least 60 consecutive days. Furthermore, the Credit Facility includes an obligation to prepay outstanding loans with cash on hand in excess of certain thresholds and includes a cross-default to the 2025 Notes.

#### ***Deferred Loan Costs***

We have incurred loan costs that have been deferred and are amortized to interest expense over the term of the 2025 Notes and the Credit Facility. In connection with the September 2021 Credit Facility amendment, we deferred approximately \$1.6 million of loan costs that will be amortized over the facility's remaining life.

#### ***Other Debt***

Other debt consists primarily of various finance leases of equipment.

#### ***Letters of Credit and Guarantees***

We execute letters of credit in the normal course of business to secure the delivery of product from specific vendors and also to guarantee our fulfillment of performance obligations relating to certain large contracts. We had \$17.6 million and \$18.7 million in total outstanding letters of credit as of March 31, 2022 and December 31, 2021, respectively.

## **8. Income Taxes**

For interim periods, our income tax expense or benefit is computed based on our estimated annual effective tax rate and any discrete items that impact the interim periods. For the three months ended March 31, 2022 and March 31, 2021, we recorded tax expense of \$1.9 million and \$1.7 million, respectively. The estimated annual effective tax rates for the three months ended March 31, 2022 and 2021 were impacted by losses in jurisdictions where the recording of a tax benefit is not available. Furthermore, the tax expense or benefit recorded can vary from period to period depending on the Company's relative mix of earnings and losses by jurisdiction.

We have deferred tax assets related to net operating loss and other tax carryforwards in the U.S. and in certain states and foreign jurisdictions. We recognize deferred tax assets to the extent that we believe 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 and recent operating results. As of March 31, 2022, we do not anticipate being able to fully utilize all of the losses prior to their expiration in the following jurisdictions: the U.S., the U.K., Germany, Singapore, China and

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(Unaudited)**

Saudi Arabia. As a result, we have certain valuation allowances against our deferred tax assets as of March 31, 2022.

## 9. Fair Value Measurements

The Company had no borrowings outstanding under the Credit Facility as of March 31, 2022 and December 31, 2021. The Credit Facility incurs interest at a variable interest rate, and therefore, the carrying amount approximates fair value. The fair value of the debt is classified as a Level 2 measurement because interest rates charged are similar to other financial instruments with similar terms and maturities.

The fair value of our 2025 Notes is estimated using Level 2 inputs in the fair value hierarchy and is based on quoted prices for those or similar instruments. At March 31, 2022, the fair value and the carrying value of our 2025 Notes approximated \$250.5 million and \$233.4 million, respectively. At December 31, 2021, the fair value and the carrying value of our 2025 Notes approximated \$225.0 million and \$232.0 million, respectively.

There were no other significant outstanding financial instruments as of March 31, 2022 and December 31, 2021 that required measuring the amounts at fair value on a recurring basis. We did not change our valuation techniques associated with recurring fair value measurements from prior periods, and there were no transfers between levels of the fair value hierarchy during the three months ended March 31, 2022.

## 10. Business Segments

The Company reports results of operations in the following three reporting segments: Drilling & Downhole, Completions and Production. The amounts indicated below as "Corporate" relate to costs and assets not allocated to the reportable segments. Summary financial data by segment follows (in thousands):

	Three Months Ended March	
	2022	2021
<b>Revenue:</b>		
Drilling & Downhole	71,260	48,656
Completions	52,542	37,843
Production	31,505	28,031
Eliminations	(133)	(13)
<b>Total revenue</b>	<b>\$ 155,174</b>	<b>\$ 114,517</b>
<b>Operating income (loss):</b>		
Drilling & Downhole	\$ 5,986	\$ (4,506)
Completions	(715)	68
Production	(1,752)	(3,841)
Corporate	(9,205)	(7,010)
<b>Segment operating loss</b>	<b>(5,686)</b>	<b>(15,289)</b>
Loss (gain) on disposal of assets and other	22	(909)
<b>Operating loss</b>	<b>\$ (5,708)</b>	<b>\$ (14,380)</b>

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(Unaudited)**

A summary of consolidated assets by reportable segment is as follows (in thousands):

	March 31, 2022	December 31, 2021
Drilling & Downhole	\$ 313,151	\$ 313,493
Completions	365,450	351,908
Production	88,011	83,150
Corporate	24,317	42,785
<b>Total assets</b>	<b>\$ 790,929</b>	<b>\$ 791,336</b>

Corporate assets primarily include cash and certain prepaid assets.

The following table presents our revenues disaggregated by product line (in thousands):

	Three Months Ended March 31,	
	2022	2021
Drilling Technologies	\$ 29,235	\$ 18,520
Downhole Technologies	19,564	15,093
Subsea Technologies	22,461	15,043
Stimulation and Intervention	30,159	18,702
Coiled Tubing	22,383	19,141
Production Equipment	15,167	14,394
Valve Solutions	16,338	13,637
Eliminations	(133)	(13)
<b>Total revenue</b>	<b>\$ 155,174</b>	<b>\$ 114,517</b>

The following table presents our revenues disaggregated by geography (in thousands):

	Three Months Ended March 31,	
	2022	2021
United States	\$ 97,232	\$ 68,314
Canada	11,389	8,961
Europe & Africa	15,377	12,664
Middle East	11,153	10,341
Asia-Pacific	9,059	8,880
Latin America	10,964	5,357
<b>Total Revenue</b>	<b>\$ 155,174</b>	<b>\$ 114,517</b>

## 11. Commitments and Contingencies

In the ordinary course of business, the Company is, and in the future could be, involved in various pending or threatened legal actions, some of which may or may not be covered by insurance. Management reviewed such pending judicial and legal proceedings, the reasonably anticipated costs and expenses in connection with such proceedings, and the availability and limits of insurance coverage, and has established reserves that are believed to be appropriate in light of those outcomes that are believed to be probable and can be estimated. The reserves accrued at March 31, 2022 and December 31, 2021, respectively, are immaterial. In the opinion of management, the Company's ultimate liability, if any, with respect to these actions is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

**Forum Energy Technologies, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Continued)**  
**(Unaudited)**

For further disclosure regarding certain litigation matters, refer to Note 13 of the notes to the consolidated financial statements included in Item 8 of the Company's 2021 Annual Report on Form 10-K filed with the SEC on March 4, 2022. There have been no material changes related to these matters during the three months ended March 31, 2022.

## 12. Loss Per Share

The calculation of basic and diluted earnings per share for each period presented was as follows (dollars and shares in thousands, except per share amounts):

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Net loss	(9,199)	(29,663)
Basic - weighted average shares outstanding	5,683	5,613
Dilutive effect of stock options and restricted stock	—	—
Dilutive effect of convertible notes due 2025	—	—
Diluted - weighted average shares outstanding	5,683	5,613
<b>Loss per share</b>		
Basic	\$ (1.62)	\$ (5.28)
Diluted	\$ (1.62)	\$ (5.28)

For all periods presented, we excluded all potentially dilutive restricted shares, stock options and the assumed conversion of the 2025 Notes in calculating diluted earnings per share as the effect was anti-dilutive due to net losses incurred for these periods.

## 13. Stockholders' Equity

### **Stock-based compensation**

During the three months ended March 31, 2022, the Company granted 101,111 restricted stock units to employees that vest ratably over three years.

### **Liability-classified awards**

During the three months ended March 31, 2022, the Company granted 101,111 cash-settled contingent restricted stock units to employees that vest ratably over three years dependent upon achieving a minimum stock price of \$23.68 for 20 trading days during each performance period.

## 14. Related Party Transactions

The Company has sold and purchased inventory, services and fixed assets to and from certain affiliates of certain directors. The dollar amounts of these related party activities are not significant to the Company's unaudited condensed consolidated financial statements.

## Item 2. Management's discussion and analysis of financial condition and results of operations

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

*This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control. All statements, other than statements of historical fact, included in this Quarterly Report on Form 10-Q regarding our strategy, future operations, financial position, estimated revenues and*

losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Quarterly Report on Form 10-Q, the words “will,” “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “may,” “continue,” “predict,” “potential,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. We disclaim any obligation to update or revise these statements unless required by law, and you should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this Quarterly Report on Form 10-Q are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K filed with the SEC on March 4, 2022, and elsewhere in this Quarterly Report on Form 10-Q. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

## Overview

We are a global company serving the oil, natural gas, industrial and renewable energy industries. FET provides value added solutions aimed at improving the safety, efficiency and environmental impact of our customers' operations. We are an environmentally and socially responsible company headquartered in Houston, Texas with manufacturing, distribution and service facilities strategically located throughout the world. Our products include highly engineered capital equipment as well as consumable products. These consumable products are used in drilling, well construction and completions activities, within the supporting infrastructure, and at processing centers and refineries. Our engineered capital products are directed at drilling rig equipment for new rigs, upgrades and refurbishment projects, subsea construction and development projects, pressure pumping equipment, the placement of production equipment on new producing wells, downstream capital projects and capital equipment for renewable energy projects. For the three months ended March 31, 2022, approximately 76% of our revenue was derived from consumable products and activity-based equipment, while the balance was primarily derived from capital products with a small amount from rental and other services.

We design, manufacture and supply high quality reliable products that create value for our diverse customer base, which includes, among others, oil and natural gas operators, land and offshore drilling contractors, oilfield service companies, subsea construction and service companies, and pipeline and refinery operators. In addition, we offer some of our products to renewable energy and new energy companies.

We expect that the world's long-term energy demand will continue to rise. We also expect hydrocarbons will continue to play a vital role in meeting the world's long-term energy needs while renewable energy sources continue to develop. As such, we remain focused on serving our customers in both oil and natural gas as well as renewable energy applications. We are also continuing to develop products to help oil and natural gas operators lower their current emissions while also deploying our existing product technologies in renewable energy applications and seeking to develop innovative equipment.

A summary of the products and services offered by each segment is as follows:

- **Drilling & Downhole.** This segment designs, manufactures and supplies products and provides related services to the drilling, well construction, artificial lift and subsea energy construction markets, including applications in oil and natural gas, renewable energy, defense, and communications. The products and related services consist primarily of: (i) capital equipment and a broad line of expendable products consumed in the drilling process; (ii) well construction casing and cementing equipment and protection products for artificial lift equipment and cables; and (iii) subsea remotely operated vehicles and trenchers, submarine rescue vehicles, specialty components and tooling, and complementary subsea technical services.
- **Completions.** This segment designs, manufactures and supplies products and provides related services to the coiled tubing, well stimulation and intervention markets. The products and related services consist primarily of: (i) capital and consumable products sold to the pressure pumping, hydraulic fracturing and flowback services markets, including hydraulic fracturing pumps, cooling systems, high-pressure flexible



hoses and flow iron as well as wireline cable and pressure control equipment used in the well completion and intervention service markets; and (ii) coiled tubing strings and coiled line pipe and related services.

- *Production.* This segment designs, manufactures and supplies products and provides related equipment and services for production and infrastructure markets. The products and related services consist primarily of: (i) engineered process systems, production equipment, as well as specialty separation equipment; and (ii) a wide range of industrial valves focused on serving oil and natural gas customers as well as power generation, renewable energy and other general industrial applications.

## Market Conditions

The level of demand for our products is directly related to the activity levels and the capital and operating budgets of our customers, which in turn are heavily influenced by energy prices and expectations as to future price trends. In addition, the availability of existing capital equipment adequate to serve exploration and production requirements, or lack thereof, drives demand for our capital equipment products.

In 2021, distribution of vaccines and reopening of certain economies led to an increase in demand for oil and natural gas following the unprecedented decline in demand that resulted from the COVID-19 pandemic. At the same time, the supply of oil and natural gas was impacted by ongoing capacity constraints by OPEC+ and North American exploration and production companies. As a result of these supply and demand factors, commodity prices increased substantially in 2021. During the first quarter of 2022, the supply of oil and natural gas was further impacted by political and social responses to the Russia and Ukraine war resulting in further increases in energy prices, especially in Europe. In addition, ongoing COVID-19 related shutdowns in China and worldwide labor constraints continue to cause disruptions in global supply chains, which have led to inflationary pressures for certain goods and services.

Our revenues are highly correlated to the U.S. drilling rig count, which has increased to 670 rigs as of the end of the first quarter 2022 from a low of 244 rigs in August 2020. The level of active hydraulic fracturing fleets has also increased substantially in order to meet increasing oil demand. Despite these improvements, drilling and completions activity remains below pre-pandemic levels. In addition, publicly owned exploration and production companies in North America remain under pressure by investors to generate positive cash flows and constrain capital expenditures. In contrast, privately owned exploration and production companies in North America have increased their drilling and completions activity in response to the higher oil and natural gas price environment.

Activity levels have also increased in international markets, as well as in global offshore and subsea activity. As a result, demand for our drilling and subsea equipment offerings has increased due to an improved outlook for our international drilling and subsea customers.

The table below shows average crude oil and natural gas prices for West Texas Intermediate crude oil ("WTI"), United Kingdom Brent crude oil ("Brent"), and Henry Hub natural gas:

	Three Months Ended		
	March 31,	December 31,	March 31,
	2022	2021	2021
<b>Average global oil, \$/bbl</b>			
West Texas Intermediate	\$ 95.18	\$ 77.33	\$ 58.09
United Kingdom Brent	\$ 100.87	\$ 79.61	\$ 61.04
<b>Average North American Natural Gas, \$/Mcf</b>			
Henry Hub	\$ 4.67	\$ 4.75	\$ 3.50

The price of oil has varied dramatically over the last several years. The spot prices for WTI and Brent fell from \$61.14 and \$67.77 per barrel, respectively, as of December 31, 2019 to lows below \$15.00 per barrel in April 2020. Since that time, oil prices have rebounded to an average of \$95.18 and \$100.87 for WTI and Brent, respectively, in the first quarter of 2022. In addition, natural gas prices have increased more than 30% comparing the first quarter 2022 to the first quarter 2021.

The table below shows the average number of active drilling rigs, based on the weekly Baker Hughes Incorporated rig count, operating by geographic area and drilling for different purposes.

	Three Months Ended		
	March 31,	December 31,	March 31,
	2022	2021	2021
<b>Active Rigs by Location</b>			
United States	633	559	393
Canada	198	160	145
International	823	817	698
<b>Global Active Rigs</b>	<b>1,654</b>	<b>1,536</b>	<b>1,236</b>
<b>Land vs. Offshore Rigs</b>			
Land	1,446	1,337	1,052
Offshore	208	199	184
<b>Global Active Rigs</b>	<b>1,654</b>	<b>1,536</b>	<b>1,236</b>
<b>U.S. Commodity Target</b>			
Oil/Gas	510	457	302
Gas	122	102	90
Unclassified	1	—	1
<b>Total U.S. Active Rigs</b>	<b>633</b>	<b>559</b>	<b>393</b>
<b>U.S. Well Path</b>			
Horizontal	575	502	353
Vertical	24	26	22
Directional	34	31	18
<b>Total U.S. Active Rigs</b>	<b>633</b>	<b>559</b>	<b>393</b>

A substantial portion of our revenue is impacted by the level of rig activity and the number of wells completed. The average U.S. rig count for the first quarter 2022 was 13% and 61% higher compared to the fourth quarter of 2021 and first quarter of 2021, respectively. The U.S. rig count started 2020 at 805 working rigs and fell 70% to a low of 244 rigs in August 2020. Since that time, the number of active rigs has partially recovered, ending the first quarter 2022 at 670 rigs. Despite this improvement, the U.S. drilling rig count remains below pre-pandemic levels.

The table below shows the amount of total inbound orders by segment:

(in millions of dollars)	Three Months Ended		
	March 31,	December 31,	March 31,
	2022	2021	2021
Drilling & Downhole	\$ 70.9	\$ 60.8	\$ 57.9
Completions	53.7	52.8	47.2
Production	40.4	46.1	32.9
<b>Total Orders</b>	<b>\$ 165.0</b>	<b>\$ 159.7</b>	<b>\$ 138.0</b>

## Results of operations

Three months ended March 31, 2022 compared with three months ended March 31, 2021

(in thousands of dollars, except per share information)	Three Months Ended March 31,		Change	
	2022	2021	\$	%
<b>Revenue:</b>				
Drilling & Downhole	\$ 71,260	\$ 48,656	\$ 22,604	46.5 %
Completions	52,542	37,843	14,699	38.8 %
Production	31,505	28,031	3,474	12.4 %
Eliminations	(133)	(13)	(120)	*
<b>Total revenue</b>	<b>155,174</b>	<b>114,517</b>	<b>40,657</b>	<b>35.5 %</b>
<b>Operating income (loss):</b>				
Drilling & Downhole	\$ 5,986	\$ (4,506)	\$ 10,492	232.8 %
Operating margin %	8.4 %	(9.3)%		
Completions	(715)	68	(783)	(1,151.5)%
Operating margin %	(1.4)%	0.2 %		
Production	(1,752)	(3,841)	2,089	54.4 %
Operating margin %	(5.6)%	(13.7)%		
Corporate	(9,205)	(7,010)	(2,195)	(31.3)%
<b>Total segment operating loss</b>	<b>(5,686)</b>	<b>(15,289)</b>	<b>9,603</b>	<b>62.8 %</b>
Operating margin %	(3.7)%	(13.4)%		
Loss (gain) on disposal of assets and other	22	(909)	931	*
<b>Operating loss</b>	<b>(5,708)</b>	<b>(14,380)</b>	<b>8,672</b>	<b>60.3 %</b>
Interest expense	7,624	9,162	(1,538)	(16.8)%
Foreign exchange losses (gains) and other, net	(5,986)	3,470	(9,456)	*
Loss on extinguishment of debt	—	933	(933)	*
<b>Total other expense</b>	<b>1,638</b>	<b>13,565</b>	<b>(11,927)</b>	<b>(87.9)%</b>
<b>Loss before income taxes</b>	<b>(7,346)</b>	<b>(27,945)</b>	<b>20,599</b>	<b>73.7 %</b>
Income tax expense	1,853	1,718	135	7.9 %
<b>Net loss</b>	<b>\$ (9,199)</b>	<b>\$ (29,663)</b>	<b>\$ 20,464</b>	<b>69.0 %</b>
<b>Weighted average shares outstanding</b>				
Basic	5,683	5,613		
Diluted	5,683	5,613		
<b>Loss per share</b>				
Basic	\$ (1.62)	\$ (5.28)		
Diluted	\$ (1.62)	\$ (5.28)		
* not meaningful				

## **Revenue**

Our revenue for the three months ended March 31, 2022 was \$155.2 million, an increase of \$40.7 million, or 35.5%, compared to the three months ended March 31, 2021. For the three months ended March 31, 2022, our Drilling & Downhole, Completions, and Production segments comprised 45.9%, 33.8%, and 20.3% of our total revenue, respectively, which compared to 42.5%, 33.0%, and 24.5% of our total revenue, respectively, for the three months ended March 31, 2021. The overall increase in revenue is primarily related to higher sales volumes due to higher drilling and completions activity levels in the first quarter 2022 compared to the first quarter 2021. The changes in revenue by operating segment consisted of the following:

*Drilling & Downhole segment* — Revenue was \$71.3 million for the three months ended March 31, 2022, an increase of \$22.6 million, or 46.5%, compared to the three months ended March 31, 2021. This increase was led by a \$10.7 million, or 57.9%, increase in revenue for our Drilling Technologies product line due to higher sales volumes of consumable products and capital equipment from the 34% year-over-year increase in global rig count. Revenue for our Subsea Technologies product line increased by \$7.4 million, or 49.3%, due to higher sales of ROVs and related support systems into international markets. Revenue for our Downhole Technologies product line increased by \$4.5 million, or 29.6%, primarily due to higher sales volumes of artificial lift products due to the increase in the number of well completions and workover activity in the first quarter 2022 compared to the first quarter 2021.

*Completions segment* — Revenue was \$52.5 million for the three months ended March 31, 2022, an increase of \$14.7 million, or 38.8%, compared to the three months ended March 31, 2021. This significant improvement includes a revenue increase of \$11.5 million, or 61.3%, for our Stimulation & Intervention product line primarily due to higher capital equipment sales to pressure pumping customers to support increasing demand for hydraulic fracturing services. Revenue for our Coiled Tubing product line increased by \$3.2 million, or 16.9%, driven by increasing U.S. hydraulic fracturing activity levels in the first quarter 2022 compared to the first quarter 2021.

*Production segment* — Revenue was \$31.5 million for the three months ended March 31, 2022, an increase of \$3.5 million, or 12.4%, compared to the three months ended March 31, 2021. This increase includes a \$2.7 million, or 19.8%, increase in sales of our valve products, primarily due to higher sales volumes into the North America downstream market, and a \$0.8 million, or 5.4%, increase in revenue for our Production Equipment product line from higher sales volumes of surface production equipment for new producing wells.

## **Segment operating income (loss) and segment operating margin percentage**

Segment operating loss for the three months ended March 31, 2022 was \$5.7 million, a \$9.6 million improvement compared to a loss of \$15.3 million for the three months ended March 31, 2021. For the three months ended March 31, 2022, segment operating margin percentage was (3.7)% compared to (13.4)% for the three months ended March 31, 2021. Segment operating margin percentage is calculated by dividing segment operating income (loss) by revenue for the period. The change in operating income (loss) for each segment is explained as follows:

*Drilling & Downhole segment* — Segment operating income was \$6.0 million, or 8.4%, for the three months ended March 31, 2022 compared to a loss of \$4.5 million, or (9.3)%, for the three months ended March 31, 2021. The \$10.5 million improvement in segment operating results is primarily attributable to higher gross profit from the 46.5% increase in segment revenues. In addition, segment operating income increased due to a \$2.8 reduction in inventory write-downs.

*Completions segment* — Segment operating loss was \$0.7 million, or (1.4)%, for the three months ended March 31, 2022 compared to segment operating income of \$0.1 million, or 0.2%, for the three months ended March 31, 2021. Results were flat year-over-year as higher gross profit from the 38.8% increase in revenues discussed above was offset by increases in raw material, freight, and employee related costs.

*Production segment* — Segment operating loss was \$1.8 million, or (5.6)%, for the three months ended March 31, 2022 compared to a loss of \$3.8 million, or (13.7)%, for the three months ended March 31, 2021. The \$2.1 million improvement in segment operating results was driven by the 12.4% increase in revenues discussed above as well as lower compensation, depreciation and other facility costs in connection with cost reductions implemented in 2021. These improvements were partially offset by higher freight and material costs as a result of inflationary pressures from global supply chains.

*Corporate* — Selling, general and administrative expenses for Corporate were \$9.2 million for the three months ended March 31, 2022, a \$2.2 million increase compared to the three months ended March 31, 2021. This increase was primarily related to a \$2.7 million charge recognized in the three months ended March 31, 2022 related to a modification of long-term incentive awards associated with the recent executive leadership transition. Corporate costs include, among other items, payroll related costs for management, administration, finance, legal, and human resources personnel; professional fees for legal, accounting and related services; and marketing costs.

**Other items not included in segment operating loss**

Loss (gain) on the disposal of assets and other is not included in segment operating loss, but is included in total operating loss.

**Other income and expense**

Other income and expense includes interest expense, foreign exchange losses (gains) and other, and loss (gain) on extinguishment of debt. We incurred \$7.6 million of interest expense during the three months ended March 31, 2022, a decrease of \$1.5 million compared to the three months ended March 31, 2021 due to lower debt balances outstanding in the three months ended March 31, 2022 compared to the three months outstanding March 31, 2021.

The foreign exchange losses (gains) are primarily the result of movements in the British pound, Euro and Canadian dollar relative to the U.S. dollar. These movements in exchange rates create foreign exchange gains or losses when applied to monetary assets or liabilities denominated in currencies other than the location's functional currency, primarily U.S. dollar denominated cash, trade account receivables and net intercompany receivable balances for our entities using a functional currency other than the U.S. dollar.

During the three months ended March 31, 2021, we repurchased an aggregate \$16.5 million of principal amount of our 2025 Notes for \$15.6 million. The net carrying value of the extinguished debt, including unamortized debt discount and debt issuance costs, was \$14.7 million, resulting in a \$0.9 million loss on extinguishment of debt.

**Taxes**

We recorded tax expense of \$1.9 million and \$1.7 million for the three months ended March 31, 2022 and March 31, 2021, respectively. The estimated annual effective tax rates for the three months ended March 31, 2022 and 2021 were impacted by losses in jurisdictions where the recording of a tax benefit is not available. Furthermore, the tax expense or benefit recorded can vary from period to period depending on the Company's relative mix of earnings and losses by jurisdiction.

## Liquidity and capital resources

### Sources and uses of liquidity

Our internal sources of liquidity are cash on hand and cash flows from operations, while our primary external sources include trade credit, the Credit Facility and the 2025 Notes. Our primary uses of capital have been for inventory, sales on credit to our customers, maintenance and growth capital expenditures, and debt repayments. We continually monitor other potential capital sources, including equity and debt financing, to meet our investment and target liquidity requirements. Our future success and growth will be highly dependent on our ability to generate positive operating cash flow and access outside sources of capital.

As of March 31, 2022, we had \$257.0 million principal amount of 2025 Notes outstanding and no borrowings outstanding under our revolving Credit Facility. The 2025 Notes mature in August 2025 and the Credit Facility matures in September 2026. See Note 7 *Debt* for further details related to the terms for our 2025 Notes and Credit Facility.

As of March 31, 2022, we had cash and cash equivalents of \$20.6 million and \$141.2 million of availability under the Credit Facility. We anticipate that our future working capital requirements for our operations will fluctuate directionally with revenues. Furthermore, availability under the Credit Facility will fluctuate directionally based on the level of our eligible accounts receivable and inventory subject to applicable sublimits. In addition, we expect total 2022 capital expenditures to be less than \$10.0 million, consisting of, among other items, replacing end of life machinery and equipment.

We expect our available cash on-hand, cash generated by operations, and estimated availability under the Credit Facility to be adequate to fund current operations during the next 12 months. In addition, based on existing market conditions and our expected liquidity needs, among other factors, we may use a portion of our cash flows from operations, proceeds from divestitures, securities offerings or other eligible capital to reduce the principal amount of our 2025 Notes outstanding.

In November 2021, our board of directors approved a program for the repurchase of outstanding shares of our common stock with an aggregate purchase amount of up to \$10.0 million. Shares may be repurchased under the program from time to time, in amounts and at prices that the company deems appropriate, subject to market and business conditions, applicable legal requirements and other considerations. To date, we have repurchased approximately 56,000 shares of our common stock for aggregate consideration of approximately \$1.1 million. Remaining authorization under this program is \$8.9 million.

In the fourth quarter of 2021, we completed the acquisition of Hawker for total cash consideration of \$5.1 million, of which, \$3.4 million was paid in the fourth quarter of 2021 with the balance expected to be paid over the next five years. For additional information, see Note 4 Acquisitions. We may pursue other acquisitions in the future, which may be funded with cash and/or equity. Our ability to make significant acquisitions for cash may require us to pursue additional equity or debt financing, which we may not be able to obtain on terms acceptable to us or at all.

Our cash flows for the three months ended March 31, 2022 and 2021 are presented below (in millions):

	Three Months Ended March 31,	
	2022	2021
Net cash used in operating activities	\$ (24.9)	\$ (1.3)
Net cash provided by (used in) investing activities	(0.7)	1.1
Net cash used in financing activities	(0.6)	(27.5)
Effect of exchange rate changes on cash	(0.1)	(0.1)
Net decrease in cash, cash equivalents and restricted cash	\$ (26.3)	\$ (27.8)

**Net cash used in operating activities**

Net cash used in operating activities was \$24.9 million and \$1.3 million for the three months ended March 31, 2022 and March 31, 2021, respectively. This decline in operating cash flows is primarily attributable to net increases in working capital, primarily inventory and accounts receivable, which used cash of \$29.7 million for the three months ended March 31, 2022 compared to providing cash of \$10.4 million for the three months ended March 31, 2021. This decline was partially offset by an improvement in net income adjusted for non-cash items which provided \$4.8 million of cash for the three months ended March 31, 2022 compared to using \$11.8 million for the three months ended March 31, 2021.

**Net cash provided by (used in) investing activities**

Net cash used in investing activities was \$0.7 million for the three months ended March 31, 2022 including \$0.9 million of capital expenditures, partially offset by \$0.1 million of proceeds from the sale of property and equipment. Net cash provided by investing activities was \$1.1 million for the three months ended March 31, 2021 including \$1.5 million of proceeds from the sale of property and equipment, partially offset by \$0.4 million of capital expenditures for property and equipment.

**Net cash used in financing activities**

Net cash used in financing activities was \$0.6 million and \$27.5 million for the three months ended March 31, 2022 and March 31, 2021, respectively. The decrease in net cash used in financing activities primarily resulted from \$13.7 million of cash used to repurchase 2025 Notes and \$13.1 million of repayments on the revolving Credit Facility during the three months ended March 31, 2021.

**Supplemental Guarantor Financial Information**

The Company's 2025 Notes are guaranteed by our domestic subsidiaries which are 100% owned, directly or indirectly, by the Company. The guarantees are full and unconditional, joint and several.

The guarantees of the 2025 Notes are (i) pari passu in right of payment with all existing and future senior indebtedness of such guarantor, including all obligations under our Credit Facility; (ii) secured by certain collateral of such guarantor, subject to permitted liens under the indenture governing the 2025 Notes; (iii) effectively senior to all unsecured indebtedness of that guarantor, to the extent of the value of the collateral securing the 2025 Notes (after giving effect to the liens securing our Credit Facility and any other senior liens on the collateral); and (v) senior in right of payment to any future subordinated indebtedness of that guarantor.

In the event of a bankruptcy, liquidation or reorganization of any of the non-guarantor subsidiaries of the 2025 Notes, the non-guarantor subsidiaries of such notes will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company or to any guarantors.

The 2025 Notes guarantees shall each be released upon (i) any sale or other disposition of all or substantially all of the assets of such guarantor (by merger, consolidation or otherwise) to a person that is not (either before or after giving effect to such transaction) the Company or a subsidiary, if the sale or other disposition does not violate the applicable provisions of the indenture governing such notes; (ii) any sale, exchange or transfer (by merger, consolidation or otherwise) of the equity interests of such guarantor after which the applicable guarantor is no longer a subsidiary, which sale, exchange or transfer does not violate the applicable provisions of the indenture governing such notes; (iii) legal or covenant defeasance or satisfaction and discharge of the indenture governing such notes; or (iv) dissolution of such guarantor, provided no default or event of default has occurred that is continuing.

The obligations of each guarantor of the 2025 Notes under its guarantee will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such guarantor (including, without limitation, any guarantees under the Credit Facility) and any collections from or payments made by or on behalf of any other guarantor in respect of the obligations of such other guarantor under its guarantee or pursuant to its contribution obligations under the applicable indenture, result in the obligations of such guarantor under its guarantee not constituting a fraudulent conveyance, fraudulent preference or fraudulent transfer or otherwise reviewable transaction under applicable law. Nonetheless, in the event of the bankruptcy, insolvency or financial difficulty of a guarantor, such guarantor's obligations under its guarantee may be subject to review and avoidance under applicable fraudulent conveyance, fraudulent preference, fraudulent transfer and insolvency laws.

We are presenting the following summarized financial information for the Company and the subsidiary guarantors (collectively referred to as the "Obligated Group") pursuant to Rule 13-01 of Regulation S-X, Guarantors and Issuers of Guaranteed Securities Registered or Being Registered. For purposes of the following summarized financial information, transactions between the Company and the subsidiary guarantors, presented on a combined basis, have been eliminated and information for the non-guarantor subsidiaries have been excluded. Amounts due to the

non-guarantor subsidiaries and other related parties, as applicable, have been separately presented within the summarized financial information below.

Summarized financial information for the year-to-date interim period and the most recent annual period was as follows (in thousands):

<b>Summarized Statements of Operations</b>	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Revenue	\$ 116,360	\$ 82,197
Cost of sales	90,525	66,041
Operating loss	(2,643)	(18,734)
Net loss	(9,199)	(29,663)

  

<b>Summarized Balance Sheet</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	Current assets	\$ 342,073
Non-current assets	290,616	298,172
Current liabilities	\$ 162,606	\$ 144,487
Payables to non-guarantor subsidiaries	131,956	125,281
Non-current liabilities	257,315	259,622

### **Critical accounting policies and estimates**

There have been no material changes in our critical accounting policies and procedures during the three months ended March 31, 2022. For a detailed discussion of our critical accounting policies and estimates, refer to our 2021 Annual Report on Form 10-K. For recent accounting pronouncements, refer to Note 2 *Recent Accounting Pronouncements*.

### **Item 3. Quantitative and qualitative disclosures about market risk**

Not required under Regulation S-K for “smaller reporting companies.”

### **Item 4. Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures as defined under Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Our disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures include controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of March 31, 2022. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2022.

#### **Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



## **PART II — OTHER INFORMATION**

### **Item 1. Legal Proceedings**

Information related to Item 1. Legal Proceedings is included in Note 11 *Commitments and Contingencies*, which is incorporated herein by reference.

### **Item 1A. Risk Factors**

For additional information about our risk factors, see “Risk Factors” in Item 1A of our 2021 Annual Report on Form 10-K.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

In November 2021, our board of directors approved a program for the repurchase of outstanding shares of our common stock with an aggregate purchase amount of up to \$10 million. Shares may be repurchased under the program from time to time, in amounts and at prices that the company deems appropriate, subject to market and business conditions, applicable legal requirements and other considerations. The program may be executed using open market purchases pursuant to Rule 10b-18 under the Exchange Act in privately negotiated agreements, by way of issuer tender offers, Rule 10b5-1 plans or other transactions. From the inception of the program through March 31, 2022, we have repurchased approximately 56 thousand shares of our common stock for aggregate consideration of approximately \$1.1 million at an average price of \$18.87 per share. Remaining authorization under this program is \$8.9 million. There is no expiration date for the program.

No shares were purchased during the three months ended March 31, 2022.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

None

### Item 6. Exhibits

Exhibit Number	DESCRIPTION
10.1**#	— <a href="#">Form of 2022 Restricted Stock Unit Agreement (Executive Management).</a>
10.2**#	— <a href="#">Form of 2022 Performance Restricted Stock Unit Agreement (Executive Management).</a>
10.3#	— <a href="#">Letter Agreement between Mr. C. Christopher Gaut and the Company (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on February 2, 2022).</a>
10.4**#	— <a href="#">Forum Energy Technologies, Inc. Amended and Restated 2021 Phantom Unit Agreement between Mr. C. Christopher Gaut and the Company.</a>
10.5**#	— <a href="#">Forum Energy Technologies, Inc. 2022 Phantom Unit Agreement between Mr. C. Christopher Gaut and the Company.</a>
22.1*	— <a href="#">Subsidiary guarantors of the Company's Convertible Secured Notes due 2025.</a>
31.1**	— <a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2**	— <a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	— <a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	— <a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS**	— Inline XBRL Instance Document
101.SCH**	— Inline XBRL Taxonomy Extension Schema Document.
101.CAL**	— Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB**	— Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	— Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF**	— Inline XBRL Taxonomy Extension Definition Linkbase Document.
104**	— Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\*Previously filed.

\*\*Filed herewith.

#Identifies management contracts and compensatory plans or arrangements.

## SIGNATURES

As required by Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has authorized this report to be signed on its behalf by the undersigned authorized individuals.

### FORUM ENERGY TECHNOLOGIES, INC.

Date: May 6, 2022

By: /s/ D. Lyle Williams, Jr.

\_\_\_\_\_

D. Lyle Williams, Jr.

Executive Vice President and Chief Financial Officer

(As Duly Authorized Officer and Principal Financial Officer)

By: /s/ John McElroy

\_\_\_\_\_

John McElroy

Vice President and Chief Accounting Officer

(As Duly Authorized Officer and Principal Accounting Officer)

## FORUM ENERGY TECHNOLOGIES, INC.

## 2022 RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (this "Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 2022 (the "Date of Grant"), between Forum Energy Technologies, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Employee").

1. **Award.** Pursuant to the Forum Energy Technologies, Inc. 2016 Second Amended and Restated Stock and Incentive Plan (the "Plan"), the Employee is hereby awarded [**number of units**] restricted stock units (the "RSUs") evidencing the right to receive an equivalent number of shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), subject to certain restrictions thereon and the Committee's ability to elect to cash-settle such RSUs in its sole discretion. The Employee acknowledges receipt of a copy of the Plan, and agrees that this award of RSUs shall be subject to all of the terms and provisions of the Plan, including future amendments thereto, if any, pursuant to the terms thereof. Capitalized terms used in this Agreement that are not defined herein shall have the meanings given to them in the Plan.

2. **Forfeiture Restrictions and Assignment.**

(a) **Restrictions.** The RSUs may not be sold, assigned, alienated, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, and except as otherwise provided in Section 3, in the event of the Employee's termination of employment for any reason whatsoever, the Employee shall, for no consideration, forfeit all unvested RSUs and such unvested RSUs shall be cancelled. The obligation to forfeit unvested RSUs upon termination of employment as provided in the preceding sentence is herein referred to as the "Forfeiture Restrictions."

(b) **Lapse of Forfeiture Restrictions.** Provided that the Employee has been continuously employed by the Company or any of its Affiliates (collectively, the "Company Group") from the Date of Grant through the lapse date set forth in the following schedule, the Forfeiture Restrictions shall lapse and the RSUs shall otherwise become vested with respect to a percentage of the RSUs, rounded to the nearest whole RSU, determined in accordance with the following schedule:

<b>Additional Percentage of Total Number of RSUs</b>	
<b><u>Vesting Date</u></b>	<b><u>Vesting on Vesting Date</u></b>
First Anniversary of Date of Grant	33%
Second Anniversary of Date of Grant	33%
Third Anniversary of Date of Grant	Remainder

Except as otherwise provided in Section 3, any RSUs with respect to which the Forfeiture Restrictions do not lapse in accordance with the preceding provisions of this Section 2(b) shall be cancelled and forfeited to the Company for no consideration as of the date of the termination of the Employee's employment with the Company.

3. **Termination of Employment.**

(a) **Death or Disability.** If the Employee dies or becomes Disabled (as defined below), to the extent not previously vested pursuant to Section 2(b) above, each one-third of the

RSUs described in Section 2(b) that are unvested as of the date of the Employee's death or Disability, as applicable, shall become vested in a pro rata amount determined by a fraction with respect to each unvested one-third of the RSUs, the numerator of which shall be the number of months (not including any partial months) that have elapsed for the period beginning on the Date of Grant and ending on the date of the Employee's death or Disability, as applicable, and the denominator of which shall be the number of months for the period beginning on the Date of Grant and ending on the corresponding Vesting Date on which each such unvested one-third of the RSUs would have vested pursuant to Section 2(b). Any remaining unvested RSUs shall be cancelled and forfeited. The shares of Common Stock in respect of the vested RSUs shall be issued to the Employee within thirty (30) days after the Employee's death or Disability, as applicable. For purposes of this Section 3(a), an Employee shall become "Disabled" or have a "Disability" on the date that the Employee becomes eligible for long-term disability benefits pursuant to the Company's long-term disability plan.

(b) **Retirement.** If the Employee's employment with the Company Group is terminated by reason of Retirement (as defined below), to the extent not previously vested pursuant to Section 2(b) above, each one-third of the RSUs described in Section 2(b) that are unvested as of the date of the Employee's Retirement shall become vested in a pro rata amount determined by a fraction with respect to each unvested one-third of the RSUs, the numerator of which shall be the number of months (not including any partial months) that have elapsed for the period beginning on the Date of Grant and ending on the date of the Employee's Retirement, and the denominator of which shall be the number of months for the period beginning on the Date of Grant and ending on the corresponding Vesting Date on which each such unvested one-third of the RSUs would have vested pursuant to Section 2(b). The shares of Common Stock in respect of the vested RSUs shall be issued to the Employee within thirty (30) days after the date of the Employee's Retirement. For purposes of this Section 3(b), "Retirement" shall mean termination of the Employee's service relationship with all members of the Company Group which is specifically determined by the Committee in its sole and absolute discretion to constitute Retirement.

(c) **Good Reason.** In lieu of the definition of "Good Reason" set forth in the Plan, "Good Reason" for purposes of this Agreement shall mean the occurrence of any of the following events without the Employee's express written consent:

- (i) a change in the Employee's status, title or position with the Company Group, including as an officer of the Company, which, in the Employee's good faith judgment, does not represent a promotion, with commensurate adjustment of compensation, from the Employee's status, title or position as in effect immediately prior thereto; the assignment to the Employee of any duties or responsibilities which, in the Employee's good faith judgment, are inconsistent with the Employee's status, title or position in effect immediately prior to such assignment; the withdrawal from the Employee of any of the Employee's duties or responsibilities which, in the Employee's good faith judgment, are consistent with the Employee's status, title or position in effect immediately prior to such withdrawal; or any removal of the Employee from or any failure to reappoint or reelect the Employee to any position; provided that the circumstances described in this item (i) do not apply as a result of the Employee's death, Retirement, or Disability or following receipt by the Employee of written notice from the Company of the termination of the Employee's employment for Cause;
- (ii) a reduction by the Company in the Employee's then current base salary;
- (iii) the failure by the Company to continue in effect any benefit or compensation plan in which the Employee was participating immediately prior to such failure other than as

a result of the normal expiration or amendment of any such plan in accordance with its terms; or the taking of any action, or the failure to act, by the Company which would adversely affect the Employee's continued participation in any benefit or compensation plan on at least as favorable a basis to the Employee as is the case immediately prior to the action or failure to act or which would materially reduce the Employee's benefits under any such plan or deprive the Employee of any material benefit enjoyed by the Employee immediately prior to the action or failure to act;

- (iv) the relocation of the principal place of the Employee's employment to a location 25 miles further from the Employee's then current principal residence;
- (v) the failure by the Company upon a Change in Control to obtain an agreement, satisfactory to the Employee, from any successor or assign of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no succession or assignment had taken place; or
- (vi) any material default by the Company in the performance of its obligations under this Agreement.

Any event or condition described in this Section 3(c) which occurs prior to the effective date of any Change in Control, but which the Employee reasonably demonstrates (x) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control, or (y) otherwise arose in connection with or in anticipation of a Change in Control, shall constitute Good Reason for purposes of this Agreement notwithstanding that it occurred prior to such effective date. The Employee's continued employment or failure to give the Company any notice of termination for Good Reason shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder. For purposes of this Section 3(c), any good faith determination of Good Reason made by the Employee shall be conclusive.

4. **Settlement.** Except as otherwise provided in Section 2(b) or 3, settlement of RSUs shall be made no later than 15 days after the lapse of Forfeiture Restrictions. Settlement will be made by issuance of shares of Common Stock, unless the Committee determines, in its sole discretion to cash-settle the RSUs. In such event, settlement will be made by the Company delivering to the Employee a lump sum cash payment equal to the product of (i) the Fair Market Value per share of Common Stock on the applicable Vesting Date (or the most-recently-completed trading day preceding the Vesting Date if the Vesting Date is not a trading day), multiplied by (ii) the number of RSUs vesting on such Vesting Date. The Company shall not be obligated to issue any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Stock is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement.

5. **Shareholder Rights.** The Employee shall have no rights to dividends, voting rights or any other rights of a shareholder with respect to shares of Common Stock subject to this award of RSUs unless and until such time as the award has been settled by the issuance of shares of Common Stock to the Employee. The Employee shall have the right to receive a cash dividend equivalent payment with respect to any RSUs that vest hereunder for the period beginning on the Date of Grant and ending on the date the shares of Common Stock are issued to the Employee in settlement of the RSUs, which dividend equivalents shall (i) be accrued in a

notional bookkeeping account as and when cash dividends on Common Stock are paid to Company stockholders and (ii) be payable to Employee in cash upon settlement of the associated RSUs.

6. **Corporate Acts.** The existence of the RSUs shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding. The prohibitions of Section 2(a) hereof shall not apply to the transfer of RSUs pursuant to a plan of reorganization of the Company, but the stock, securities or other property received in exchange therefor shall also become subject to the Forfeiture Restrictions.

7. **Withholding of Tax.** To the extent that the settlement of RSUs and associated dividend equivalents results in compensation income or wages to the Employee for federal, state, local or foreign tax purposes, the Company shall withhold an appropriate number of shares of Common Stock (or equivalent cash amount), having a Fair Market Value determined in accordance with the Plan, equal to the amount necessary to satisfy the applicable federal, state, local and foreign tax withholding obligation with respect to the settled RSUs. The settlement of the RSUs as described in Section 4 and dividend equivalents described in Section 5 will be net of such amount that is withheld to satisfy applicable taxes pursuant to this Section 7. In lieu of withholding of shares of Common Stock, the Committee may, in its discretion, authorize tax withholding to be satisfied by a cash payment to the Company, by withholding an appropriate amount of cash from base pay, or by such other method as the Committee determines may be appropriate to satisfy all obligations for withholding of such taxes. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the RSUs, the lapse of any Forfeiture Restrictions or the issuance of shares of Common Stock pursuant thereto, or the forfeiture of any RSUs pursuant to the Forfeiture Restrictions.

8. **Employment Relationship.** For purposes of this Agreement, the Employee shall be considered to be in the employment of the Company as long as the Employee remains an employee of the Company Group. Without limiting the scope of the preceding sentence, it is specifically provided that the Employee shall be considered to have terminated employment with the Company Group at the time of the termination of the "Affiliate" status of the entity or other organization that employs the Employee. Nothing in the adoption of the Plan, nor the award of the RSUs thereunder pursuant to this Agreement, shall confer upon the Employee the right to continued employment by the Company Group or affect in any way the right of the Company Group to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Employee's employment by the Company shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Employee or the Company Group for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and its determination shall be final.

9. **Section 409A.** The award of RSUs is intended to be (i) exempt from Section 409A of the Code ("Section 409A") including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of this Agreement shall be administered, interpreted and construed accordingly. Payments under this Agreement in a series of installments shall be treated as a right to receive a series of separate payments for purposes of Section 409A. If the Employee is identified by the Company as a "specified employee" within

the meaning of Section 409A(a)(2)(B)(i) of the Code on the date on which the Employee has a “separation from service” (other than due to death) within the meaning of Section 1.409A-1(h) of the Treasury Regulations, notwithstanding the provisions of Sections 2 or 3 hereof, any transfer of shares payable on account of a separation from service that are deferred compensation shall take place on the earlier of (i) the first business day following the expiration of six months from the Employee’s separation from service or (ii) such earlier date as complies with the requirements of Section 409A. To the extent required to comply with Section 409A, the Employee shall be considered to have terminated employment with the Company Group when the Employee incurs a “separation from service” with a member of the Company Group within the meaning of Section 409A(a)(2)(A)(i) of the Code. The Company makes no commitment or guarantee to the Employee that any federal or state tax treatment shall apply or be available to any person eligible for benefits under this Agreement.

10. **Binding Effect; Survival.** This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under the Employee.

11. **Amendment.** Any modification of this Agreement be effective only if it is in writing and signed by both the Employee and an authorized officer of the Company.

12. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of law principles thereof.



**IN WITNESS WHEREOF**, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Employee has executed this Agreement, all as of the date first above written.

**FORUM ENERGY TECHNOLOGIES, INC.**

By: \_\_\_\_\_  
Neal Lux  
President and CEO

**EMPLOYEE**

\_\_\_\_\_

**FORUM ENERGY TECHNOLOGIES, INC.**  
**2022 PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT**

This Restricted Stock Unit Agreement (this “Agreement”) is made as of the \_\_\_\_ day of \_\_\_\_\_, 2022 (the “Date of Grant”), between Forum Energy Technologies, Inc., a Delaware corporation (the “Company”), and \_\_\_\_\_ (the “Employee”).

1. **Award**. Pursuant to the Forum Energy Technologies, Inc. 2016 Second Amended and Restated Stock and Incentive Plan (the “Plan”), the Employee is hereby awarded [**number of units**] restricted stock units (the “RSUs”) evidencing the right to receive an equivalent number of shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”), subject to certain restrictions thereon and the Committee’s ability to elect to cash-settle such RSUs in its sole discretion. The Employee acknowledges receipt of a copy of the Plan, and agrees that this award of RSUs shall be subject to all of the terms and provisions of the Plan, including future amendments thereto, if any, pursuant to the terms thereof. Capitalized terms used in this Agreement that are not defined herein shall have the meanings given to them in the Plan.

2. **Forfeiture Restrictions and Assignment**.

(a) **Restrictions**. The RSUs may not be sold, assigned, alienated, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, and except as otherwise provided in Section 3, in the event of the Employee’s termination of employment for any reason whatsoever or failure to satisfy the Stock Price Condition set forth in Section 2(d), the Employee shall, for no consideration, forfeit all unvested RSUs and such unvested RSUs shall be cancelled. The obligation to forfeit unvested RSUs as provided in the preceding sentence is herein referred to as the “Forfeiture Restrictions.”

(b) **Lapse of Forfeiture Restrictions**. The Forfeiture Restrictions shall lapse and the RSUs shall become vested immediately upon the date that both the applicable Time Vesting Condition and Stock Price Condition set forth in Sections 2(c) and 2(d) below have been met. Except as otherwise provided in Section 3, any RSUs with respect to which the Forfeiture Restrictions do not lapse in accordance with the provisions of this Section 2 shall be cancelled and forfeited to the Company for no consideration upon the earlier of: (i) the date of the termination of the Employee’s employment with the Company, and (ii) the third anniversary of the Date of Grant if the Stock Price Condition has not been met.

(c) **Time Vesting Condition**. The “Time Vesting Condition” shall be met on the date that the Employee has been continuously employed by the Company or any of its Affiliates (collectively, the “Company Group”) from the Date of Grant through the anniversary date set forth in the following schedule:

**Percentage of  
Total Number of RSUs**

<u>Time Vesting Date</u>	<u>Time Vesting</u>
First Anniversary of Date of Grant	33% (“ <u>Tranche 1</u> ”)
Second Anniversary of Date of Grant	33% (“ <u>Tranche 2</u> ”)
Third Anniversary of Date of Grant	Remainder (“ <u>Tranche 3</u> ”)

(d) **Stock Price Condition.** The “Stock Price Condition” will be met if the Fair Market Value of the Common Stock meets or exceeds the Threshold Price for twenty trading days (whether or not consecutive) during the period (i) commencing on the Date of Grant and ending on the third anniversary with respect to Tranche 1, (ii) commencing on the first anniversary of the Date of Grant and ending on the third anniversary with respect to Tranche 2, and (iii) commencing on the second anniversary of the Date of Grant and ending on the third anniversary with respect to Tranche 3. The “Threshold Price” is a Fair Market Value of \$[●] per share, adjusted as deemed appropriate by the Committee to reflect any recapitalization, reclassification, stock dividend or other similar change in capital structure. For the avoidance of doubt, (x) if the Stock Price Condition is satisfied prior to the first anniversary of the Date of Grant it will be deemed satisfied only with respect to Tranche 1, (y) if the Stock Price Condition is satisfied during twenty trading days on or after the first anniversary but prior to the second anniversary of the Date of Grant it will be deemed satisfied only with respect to Tranche 1 and Tranche 2, and (z) if the Stock Price Condition is satisfied only by including twenty trading days that cover more than one such vesting year, then it will only be applicable to a Tranche that has met the Time Vesting Condition prior to the date the twentieth trading day occurs.

If the Stock Price Condition is satisfied for the first time after any outstanding RSUs subject to Tranche 1 or Tranche 2 have satisfied the Time Vesting Condition, those outstanding RSUs will become vested immediately.

3. **Termination of Employment.**

(a) **Death or Disability.** If the Employee dies or becomes Disabled (as defined below), then the RSUs that have not satisfied the Time Vesting Condition as of the date of the Employee’s death or Disability, as applicable, shall be deemed to have satisfied the Time Vesting Condition in a pro rata amount, and will become vested subject to satisfaction of the Stock Price Condition. The pro rata amount will be determined by a fraction (not to exceed 1.0) with respect to each unvested Tranche of the RSUs, the numerator of which shall be the number of months (not including any partial months) that have elapsed for the period beginning on the Date of Grant and ending on the date of the Employee’s death or Disability, as applicable, and the denominator of which shall be the number of months for the period beginning on the Date of Grant and ending on the corresponding Time Vesting Date on which each such unvested Tranche of the RSUs would have satisfied the Time Vesting Condition pursuant to Section 2(c). Any remaining unvested RSUs shall be cancelled and forfeited. Subject to satisfaction of the Stock Price Condition, the shares of Common Stock in respect of the vested RSUs (or any applicable cash payment) shall be issued to the Employee within thirty (30) days after the later of the Employee’s death or Disability, as applicable, or the satisfaction of the Stock Price Condition for the applicable Tranche. For purposes of this Section 3(a), an Employee shall become “Disabled” or have a “Disability” on the date that the Employee becomes eligible for long-term disability benefits pursuant to the Company’s long-term disability plan.

(b) **Retirement.** If the Employee’s employment with the Company Group is terminated by reason of Retirement (as defined below), the RSUs that have not satisfied the Time Vesting Condition as of the date of the Employee’s Retirement shall be deemed to have satisfied the Time Vesting Condition in a pro rata amount determined by a fraction (not to exceed 1.0)

with respect to each unvested Tranche of the RSUs, the numerator of which shall be the number of months (not including any partial months) that have elapsed for the period beginning on the Date of Grant and ending on the date of the Employee's Retirement, and the denominator of which shall be the number of months for the period beginning on the Date of Grant and ending on the corresponding Time Vesting Date on which each such unvested Tranche of the RSUs would have satisfied the Time Vesting Condition pursuant to Section 2(c). Subject to satisfaction of the Stock Price Condition, the shares of Common Stock in respect of the vested RSUs (or any applicable cash payment) shall be issued to the Employee within thirty (30) days after the later of the date of the Employee's Retirement or the satisfaction of the Stock Price Condition for the applicable Tranche. For purposes of this Section 3(b), "Retirement" shall mean termination of the Employee's service relationship with all members of the Company Group which is specifically determined by the Committee in its sole and absolute discretion to constitute Retirement.

(c) **Change in Control**. In the event of a Change in Control, the Stock Price Condition shall be deemed to have been satisfied with respect to all outstanding RSUs as of the date of the Change in Control.

(d) **Good Reason**. In lieu of the definition of "Good Reason" set forth in the Plan, "Good Reason" for purposes of this Agreement shall mean the occurrence of any of the following events without the Employee's express written consent:

- (i) a change in the Employee's status, title or position with the Company Group, including as an officer of the Company, which, in the Employee's good faith judgment, does not represent a promotion, with commensurate adjustment of compensation, from the Employee's status, title or position as in effect immediately prior thereto; the assignment to the Employee of any duties or responsibilities which, in the Employee's good faith judgment, are inconsistent with the Employee's status, title or position in effect immediately prior to such assignment; the withdrawal from the Employee of any of the Employee's duties or responsibilities which, in the Employee's good faith judgment, are consistent with the Employee's status, title or position in effect immediately prior to such withdrawal; or any removal of the Employee from or any failure to reappoint or reelect the Employee to any position; provided that the circumstances described in this item (i) do not apply as a result of the Employee's death, Retirement, or Disability or following receipt by the Employee of written notice from the Company of the termination of the Employee's employment for Cause;
- (ii) a reduction by the Company in the Employee's then current base salary;
- (iii) the failure by the Company to continue in effect any benefit or compensation plan in which the Employee was participating immediately prior to such failure other than as a result of the normal expiration or amendment of any such plan in accordance with its terms; or the taking of any action, or the failure to act, by the Company which would adversely affect the Employee's continued participation in any benefit or compensation plan on at least as favorable a basis to the Employee as is the case immediately prior to the action or failure to act or which would materially reduce the Employee's benefits under any such plan or deprive the Employee of any material benefit enjoyed by the Employee immediately prior to the action or failure to act;
- (iv) the relocation of the principal place of the Employee's employment to a location 25 miles further from the Employee's then current principal residence;
- (v) the failure by the Company upon a Change in Control to obtain an agreement, satisfactory to the Employee, from any successor or assign of the Company (whether

direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no succession or assignment had taken place; or

(vi) any material default by the Company in the performance of its obligations under this Agreement.

Any event or condition described in this Section 3(d) which occurs prior to the effective date of any Change in Control, but which the Employee reasonably demonstrates (x) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control, or (y) otherwise arose in connection with or in anticipation of a Change in Control, shall constitute Good Reason for purposes of this Agreement notwithstanding that it occurred prior to such effective date. The Employee's continued employment or failure to give the Company any notice of termination for Good Reason shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder. For purposes of this Section 3(d), any good faith determination of Good Reason made by the Employee shall be conclusive.

4. **Settlement.** Except as otherwise provided in Section 2 or 3, settlement of RSUs shall be made no later than 15 days after the lapse of Forfeiture Restrictions. Settlement will be made by issuance of shares of Common Stock, unless the Committee determines, in its sole discretion to cash-settle the RSUs. In such event, settlement will be made by the Company delivering to the Employee a lump sum cash payment equal to the product of (i) the Fair Market Value per share of Common Stock on the applicable date that both the Time Vesting Condition and Stock Price Condition have been satisfied (or the most-recently-completed trading day preceding such date if such date is not a trading day), multiplied by (ii) the number of RSUs vesting on such date. The Company shall not be obligated to issue any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Stock is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement.

5. **Shareholder Rights.** The Employee shall have no rights to dividends, voting rights or any other rights of a shareholder with respect to shares of Common Stock subject to this award of RSUs unless and until such time as the award has been settled by the issuance of shares of Common Stock to the Employee. The Employee shall have the right to receive a cash dividend equivalent payment with respect to any RSUs that vest hereunder for the period beginning on the Date of Grant and ending on the date the shares of Common Stock are issued to the Employee in settlement of the RSUs, which dividend equivalents shall (i) be accrued in a notional bookkeeping account as and when cash dividends on Common Stock are paid to Company stockholders and (ii) be payable to Employee in cash upon settlement of the associated RSUs.

6. **Corporate Acts.** The existence of the RSUs shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding. The prohibitions of Section 2(a) hereof shall not apply to the transfer of RSUs pursuant to a plan of reorganization of the Company, but the stock, securities or other property received in exchange therefor shall also become subject to the Forfeiture Restrictions.

7. **Withholding of Tax.** To the extent that the settlement of RSUs and associated dividend equivalents results in compensation income or wages to the Employee for federal, state, local or foreign tax purposes, the Company shall withhold an appropriate number of shares of Common Stock (or equivalent cash amount), having a Fair Market Value determined in accordance with the Plan, equal to the amount necessary to satisfy the applicable federal, state, local and foreign tax withholding obligation with respect to the settled RSUs. The settlement of the RSUs as described in Section 4 and dividend equivalents described in Section 5 will be net of such amount that is withheld to satisfy applicable taxes pursuant to this Section 7. In lieu of withholding of shares of Common Stock, the Committee may, in its discretion, authorize tax withholding to be satisfied by a cash payment to the Company, by withholding an appropriate amount of cash from base pay, or by such other method as the Committee determines may be appropriate to satisfy all obligations for withholding of such taxes. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the RSUs, the lapse of any Forfeiture Restrictions or the issuance of shares of Common Stock pursuant thereto, or the forfeiture of any RSUs pursuant to the Forfeiture Restrictions.

8. **Employment Relationship.** For purposes of this Agreement, the Employee shall be considered to be in the employment of the Company as long as the Employee remains an employee of the Company Group. Without limiting the scope of the preceding sentence, it is specifically provided that the Employee shall be considered to have terminated employment with the Company Group at the time of the termination of the “Affiliate” status of the entity or other organization that employs the Employee. Nothing in the adoption of the Plan, nor the award of the RSUs thereunder pursuant to this Agreement, shall confer upon the Employee the right to continued employment by the Company Group or affect in any way the right of the Company Group to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Employee’s employment by the Company shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Employee or the Company Group for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and its determination shall be final.

9. **Section 409A.** The award of RSUs is intended to be (i) exempt from Section 409A of the Code (“Section 409A”) including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of this Agreement shall be administered, interpreted and construed accordingly. Payments under this Agreement in a series of installments shall be treated as a right to receive a series of separate payments for purposes of Section 409A. If the Employee is identified by the Company as a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date on which the Employee has a “separation from service” (other than due to death) within the meaning of Section 1.409A-1(h) of the Treasury Regulations, notwithstanding the provisions of Sections 2 or 3 hereof, any transfer of shares payable on account of a separation from service that are deferred compensation shall take place on the earlier of (i) the first business day following the expiration of six months from the Employee’s separation from service or (ii) such earlier date as complies with the requirements of Section 409A. To the extent required to comply with Section 409A, the Employee shall be considered to have terminated employment with the Company Group when the Employee incurs a “separation from service” with a member of the Company Group within the meaning of Section 409A(a)(2)(A)(i) of the Code. The Company makes no commitment or guarantee to the Employee that any federal or state tax treatment shall apply or be available to any person eligible for benefits under this Agreement.

10. **Binding Effect; Survival.** This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under the Employee.

11. **Amendment.** Any modification of this Agreement shall be effective only if it is in writing and signed by both the Employee and an authorized officer of the Company.

12. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of law principles thereof.

**IN WITNESS WHEREOF**, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Employee has executed this Agreement, all as of the date first above written.

**FORUM ENERGY TECHNOLOGIES, INC.**

By: \_\_\_\_\_  
Neal Lux  
President and CEO

**EMPLOYEE**

\_\_\_\_\_

**AMENDED AND RESTATED FORUM ENERGY TECHNOLOGIES, INC.**

**2021 PHANTOM UNIT AGREEMENT**

This Amended and Restated Phantom Unit Agreement (this “Agreement”) is made effective as of the 19<sup>th</sup> day of February, 2021 (the “Date of Grant”), between Forum Energy Technologies, Inc., a Delaware corporation (the “Company”), and C. Christopher Gaut (the “Employee”) and replaces and supersedes in its entirety that certain Phantom Unit Agreement dated as of the Grant Date by and between the Company and the Employee.

1. **Award.** Pursuant to the Forum Energy Technologies, Inc. 2016 Second Amended and Restated Stock and Incentive Plan (the “Plan”), the Employee is hereby awarded 33,476 cash-settled restricted stock units (the “Phantom Units”) evidencing the right to receive a cash payment based on the Fair Market Value of the Company’s common stock, par value \$.01 per share (the “Common Stock”), subject to certain restrictions thereon and the Committee’s ability to elect to share-settle such Phantom Units in its sole discretion. In no event will the Employee be entitled to receive Common Stock in respect of the Phantom Units unless determined otherwise by the Committee. The Employee acknowledges receipt of a copy of the Plan, and agrees that this award of Phantom Units shall be subject to all of the terms and provisions of the Plan, including future amendments thereto, if any, pursuant to the terms thereof. Capitalized terms used in this Agreement that are not defined herein shall have the meanings given to them in the Plan.

2. **Forfeiture Restrictions and Assignment.**

(a) **Restrictions.** The Phantom Units may not be sold, assigned, alienated, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, and except as otherwise provided in Section 3, in the event of the Employee’s termination of employment for any reason whatsoever, the Employee shall, for no consideration, forfeit all unvested Phantom Units and such unvested Phantom Units shall be cancelled. The obligation to forfeit unvested Phantom Units upon termination of employment as provided in the preceding sentence is herein referred to as the “Forfeiture Restrictions.”

(b) **Lapse of Forfeiture Restrictions.** Provided that the Employee has been continuously employed by the Company or any of its Affiliates (collectively, the “Company Group”) from the Date of Grant through the lapse date set forth in the following schedule, the Forfeiture Restrictions shall lapse and the Phantom Units shall otherwise become vested with respect to a percentage of the Phantom Units, rounded up to the nearest whole Phantom Unit, determined in accordance with the following schedule:

<b><u>Vesting Date</u></b>	<b><u>Vesting Percentage</u></b>
First Anniversary of Date of Grant	33%
Second Anniversary of Date of Grant	33%
Third Anniversary of Date of Grant	Remainder

Except as otherwise provided in Section 3, any Phantom Units with respect to which the Forfeiture Restrictions do not lapse in accordance with the preceding provisions of this Section 2(b) shall be cancelled and forfeited to the Company for no consideration as of the date of the termination of the Employee’s employment with the Company.

3. **Termination of Employment.**



(a) **Death or Disability.** If the Employee dies or becomes Disabled (as defined below), to the extent not previously vested pursuant to Section 2(b) above, each one-third of the Phantom Units described in Section 2(b) that are unvested as of the date of the Employee's death or Disability, as applicable, shall become vested in a pro rata amount determined by a fraction with respect to each unvested one-third of the Phantom Units, the numerator of which shall be the number of months (not including any partial months) that have elapsed for the period beginning on the Date of Grant and ending on the date of the Employee's death or Disability, as applicable, and the denominator of which shall be the number of months for the period beginning on the Date of Grant and ending on the corresponding Vesting Date on which each such unvested one-third of the Phantom Units would have vested pursuant to Section 2(b). Any remaining unvested Phantom Units shall be cancelled and forfeited. The payment in respect of the vested Phantom Units shall be paid to the Employee within thirty (30) days after the Employee's death or Disability, as applicable. For purposes of this Section 3(a), an Employee shall become "Disabled" or have a "Disability" on the date that the Employee becomes eligible for long-term disability benefits pursuant to the Company's long-term disability plan.

(b) **Retirement.** If the Employee's employment with the Company Group is terminated by reason of Retirement (as defined below), to the extent not previously vested pursuant to Section 2(b) above, each one-third of the Phantom Units described in Section 2(b) that are unvested as of the date of the Employee's Retirement shall become vested in a pro rata amount determined by a fraction with respect to each unvested one-third of the Phantom Units, the numerator of which shall be the number of months (not including any partial months) that have elapsed for the period beginning on the Date of Grant and ending on the date of the Employee's Retirement, and the denominator of which shall be the number of months for the period beginning on the Date of Grant and ending on the corresponding Vesting Date on which each such unvested one-third of the Phantom Units would have vested pursuant to Section 2(b). The payment in respect of the vested Phantom Units shall be paid to the Employee within thirty (30) days after the date of the Employee's Retirement. For purposes of this Section 3(b), "Retirement" shall mean termination of the Employee's service relationship with all members of the Company Group which is specifically determined by the Committee in its sole and absolute discretion to constitute Retirement.

(c) **Good Reason.** In lieu of the definition of "Good Reason" set forth in the Plan, "Good Reason" for purposes of this Agreement shall mean the occurrence of any of the following events without the Employee's express written consent:

- (i) a change in the Employee's status, title or position with the Company Group, including as an officer of the Company, which, in the Employee's good faith judgment, does not represent a promotion, with commensurate adjustment of compensation, from the Employee's status, title or position as in effect immediately prior thereto; the assignment to the Employee of any duties or responsibilities which, in the Employee's good faith judgment, are inconsistent with the Employee's status, title or position in effect immediately prior to such assignment; the withdrawal from the Employee of any of the Employee's duties or responsibilities which, in the Employee's good faith judgment, are consistent with the Employee's status, title or position in effect immediately prior to such withdrawal; or any removal of the Employee from or any failure to reappoint or reelect the Employee to any position;]provided that the circumstances described in this item (i) do not apply as a result of the Employee's death, Retirement, or Disability or following receipt by the Employee of written notice from the Company of the termination of the Employee's employment for Cause;
- (ii) a reduction by the Company in the Employee's then current base salary;

- (iii) the failure by the Company to continue in effect any benefit or compensation plan in which the Employee was participating immediately prior to such failure other than as a result of the normal expiration or amendment of any such plan in accordance with its terms; or the taking of any action, or the failure to act, by the Company which would adversely affect the Employee's continued participation in any benefit or compensation plan on at least as favorable a basis to the Employee as is the case immediately prior to the action or failure to act or which would materially reduce the Employee's benefits under any such plan or deprive the Employee of any material benefit enjoyed by the Employee immediately prior to the action or failure to act;
- (iv) the relocation of the principal place of the Employee's employment to a location 25 miles further from the Employee's then current principal residence;
- (v) the failure by the Company upon a Change in Control to obtain an agreement, satisfactory to the Employee, from any successor or assign of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no succession or assignment had taken place; or
- (vi) any material default by the Company in the performance of its obligations under this Agreement.

Any event or condition described in this Section 3(c) which occurs prior to the effective date of any Change in Control, but which the Employee reasonably demonstrates (x) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control, or (y) otherwise arose in connection with or in anticipation of a Change in Control, shall constitute Good Reason for purposes of this Agreement notwithstanding that it occurred prior to such effective date. The Employee's continued employment or failure to give the Company any notice of termination for Good Reason shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder. For purposes of this Section 3(c), any good faith determination of Good Reason made by the Employee shall be conclusive.

4. **Settlement of Phantom Units.** Except as otherwise provided in Section 2(b) or 3, settlement of vested Phantom Units shall be made no later than 15 days after the lapse of Forfeiture Restrictions. Settlement will be made by the Company delivering to the Employee a lump sum cash payment equal to the product of (i) the Fair Market Value per share of Common Stock on the applicable Vesting Date (or the most-recently-completed trading day preceding the Vesting Date if the Vesting Date is not a trading day), multiplied by (ii) the number of Phantom Units vesting on such Vesting Date (the "Cash Payments"), less applicable taxes and withholdings. Notwithstanding the foregoing, the Fair Market Value payable for each Phantom Unit shall not exceed \$93.95. Notwithstanding the foregoing, the Company shall also have the right, in the sole discretion of the Committee, to settle vested Phantom Units by the issuance of a number of shares of Common Stock equal to the number of Phantom Units vesting on such Vesting Date. Upon settlement of any vested Phantom Units, such Phantom Units will be cancelled and the Employee shall have no further rights to payment of any kind in respect of such Phantom Units.

5. **Shareholder Rights.** The Employee shall have no rights to dividends, voting rights or any other rights of a shareholder with respect to this award of Phantom Units; provided; however, that the Employee shall have the right to receive a cash dividend equivalent payment with respect to any Phantom Units that vest hereunder for the period beginning on the Date of

Grant and ending on the date such Phantom Units are settled, which dividend equivalents shall (i) be accrued in a notional bookkeeping account as and when cash dividends on Common Stock are paid to Company stockholders and (ii) be payable to Employee in cash, less applicable taxes and withholdings, upon settlement of the associated Phantom Units.

6. **Corporate Acts.** The existence of the Phantom Units shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding. The prohibitions of Section 2(a) hereof shall not apply to the transfer of Phantom Units pursuant to a plan of reorganization of the Company, but the cash or other property received in exchange therefor shall also become subject to the Forfeiture Restrictions.

7. **Withholding of Tax.** The Company shall withhold from any amounts otherwise payable in connection with the vesting and/or settlement of the Phantom Units and associated dividend equivalents the amount necessary to satisfy the minimum federal, state, local and foreign tax withholding obligation with respect to such Phantom Units. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the Phantom Units, the lapse of any Forfeiture Restrictions or the vesting or settlement of the Phantom Units, or the forfeiture of any Phantom Units pursuant to the Forfeiture Restrictions.

8. **Employment Relationship.** For purposes of this Agreement, the Employee shall be considered to be in the employment of the Company as long as the Employee remains an employee of the Company Group. Without limiting the scope of the preceding sentence, it is specifically provided that the Employee shall be considered to have terminated employment with the Company Group at the time of the termination of the "Affiliate" status of the entity or other organization that employs the Employee. Nothing in the adoption of the Plan, nor the award of the Phantom Units thereunder pursuant to this Agreement, shall confer upon the Employee the right to continued employment by the Company Group or affect in any way the right of the Company Group to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Employee's employment by the Company shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Employee or the Company Group for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and its determination shall be final.

9. **Section 409A.** The award of Phantom Units is intended to be (i) exempt from Section 409A of the Code ("Section 409A") including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of this Agreement shall be administered, interpreted and construed accordingly. Payments under this Agreement in a series of installments shall be treated as a right to receive a series of separate payments for purposes of Section 409A. If the Employee is identified by the Company as a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date on which the Employee has a "separation from service" (other than due to death) within the meaning of Section 1.409A-1(h) of the Treasury Regulations, notwithstanding the provisions of Sections 2 or 3 hereof, any transfer of shares payable on account of a separation from service that are deferred compensation shall take place on the earlier of (i) the first business day following the expiration of six months from the Employee's separation from service or (ii) such earlier date as complies with the requirements of Section 409A. To the extent required to comply with Section 409A, the

Employee shall be considered to have terminated employment with the Company Group when the Employee incurs a “separation from service” with a member of the Company Group within the meaning of Section 409A(a)(2)(A)(i) of the Code. The Company makes no commitment or guarantee to the Employee that any federal or state tax treatment shall apply or be available to any person eligible for benefits under this Agreement.

10. **Binding Effect; Survival.** This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under the Employee.

11. **Amendment.** Any modification of this Agreement shall be effective only if it is in writing and signed by both the Employee and an authorized officer of the Company.

12. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of law principles thereof.

**IN WITNESS WHEREOF**, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Employee has executed this Agreement, all as of the date first above written.

**FORUM ENERGY TECHNOLOGIES, INC.**

By: \_\_\_\_\_

Name: John C. Ivascu

Title: Executive Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary

**EMPLOYEE**

\_\_\_\_\_  
C. Christopher Gaut

**FORUM ENERGY TECHNOLOGIES, INC.  
2022 PHANTOM UNIT AGREEMENT**

This Phantom Unit Agreement (this “Agreement”) is made as of the 18<sup>th</sup> day of February, 2022 (the “Date of Grant”), between Forum Energy Technologies, Inc., a Delaware corporation (the “Company”), and C. Christopher Gaut (the “Employee”).

1. **Award.** Pursuant to the Forum Energy Technologies, Inc. 2016 Second Amended and Restated Stock and Incentive Plan (the “Plan”), the Employee is hereby awarded 33,054 cash-settled restricted stock units (the “Phantom Units”) evidencing the right to receive a cash payment based on the Fair Market Value of the Company’s common stock, par value \$.01 per share (the “Common Stock”), subject to certain restrictions thereon and the Committee’s ability to elect to share-settle such Phantom Units in its sole discretion. In no event will the Employee be entitled to receive Common Stock in respect of the Phantom Units unless determined otherwise by the Committee. The Employee acknowledges receipt of a copy of the Plan, and agrees that this award of Phantom Units shall be subject to all of the terms and provisions of the Plan, including future amendments thereto, if any, pursuant to the terms thereof. Capitalized terms used in this Agreement that are not defined herein shall have the meanings given to them in the Plan.

2. **Forfeiture Restrictions and Assignment.**

(a) **Restrictions.** The Phantom Units may not be sold, assigned, alienated, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of, and except as otherwise provided in Section 3, in the event of the Employee’s termination of employment for any reason whatsoever, the Employee shall, for no consideration, forfeit all unvested Phantom Units and such unvested Phantom Units shall be cancelled. The obligation to forfeit unvested Phantom Units upon termination of employment as provided in the preceding sentence is herein referred to as the “Forfeiture Restrictions.”

(b) **Lapse of Forfeiture Restrictions.** Provided that the Employee has been continuously employed by the Company or any of its Affiliates (collectively, the “Company Group”) from the Date of Grant through the lapse date set forth in the following schedule, the Forfeiture Restrictions shall lapse and the Phantom Units shall otherwise become vested with respect to a percentage of the Phantom Units, rounded up to the nearest whole Phantom Unit, determined in accordance with the following schedule:

<b><u>Vesting Date</u></b>	<b><u>Vesting Percentage</u></b>
First Anniversary of Date of Grant	50%
Second Anniversary of Date of Grant	50%

Except as otherwise provided in Section 3, any Phantom Units with respect to which the Forfeiture Restrictions do not lapse in accordance with the preceding provisions of this Section 2(b) shall be cancelled and forfeited to the Company for no consideration as of the date of the termination of the Employee’s employment with the Company.

3. **Termination of Employment.**

(a) **Death or Disability.** If the Employee dies or becomes Disabled (as defined below), to the extent not previously vested pursuant to Section 2(b) above, each one half of the Phantom Units described in Section 2(b) that are unvested as of the date of the Employee’s death or Disability, as applicable, shall become vested in a pro rata amount determined by a fraction with respect to each unvested one half of the Phantom Units, the numerator of which shall be the

number of months (not including any partial months) that have elapsed for the period beginning on the Date of Grant and ending on the date of the Employee's death or Disability, as applicable, and the denominator of which shall be the number of months for the period beginning on the Date of Grant and ending on the corresponding Vesting Date on which each such unvested one half of the Phantom Units would have vested pursuant to Section 2(b). Any remaining unvested Phantom Units shall be cancelled and forfeited. The payment in respect of the vested Phantom Units shall be paid to the Employee within thirty (30) days after the Employee's death or Disability, as applicable. For purposes of this Section 3(a), an Employee shall become "Disabled" or have a "Disability" on the date that the Employee becomes eligible for long-term disability benefits pursuant to the Company's long-term disability plan.

(b) **Retirement.** If the Employee's employment with the Company Group is terminated by reason of Retirement (as defined below), to the extent not previously vested pursuant to Section 2(b) above, each one half of the Phantom Units described in Section 2(b) that are unvested as of the date of the Employee's Retirement shall become vested in a pro rata amount determined by a fraction with respect to each unvested one half of the Phantom Units, the numerator of which shall be the number of months (not including any partial months) that have elapsed for the period beginning on the Date of Grant and ending on the date of the Employee's Retirement, and the denominator of which shall be the number of months for the period beginning on the Date of Grant and ending on the corresponding Vesting Date on which each such unvested one half of the Phantom Units would have vested pursuant to Section 2(b). The payment in respect of the vested Phantom Units shall be paid to the Employee within thirty (30) days after the date of the Employee's Retirement. For purposes of this Section 3(b), "Retirement" shall mean termination of the Employee's service relationship with all members of the Company Group which is specifically determined by the Committee in its sole and absolute discretion to constitute Retirement.

(c) **Good Reason.** In lieu of the definition of "Good Reason" set forth in the Plan, "Good Reason" for purposes of this Agreement shall mean the occurrence of any of the following events without the Employee's express written consent:

- (i) a change in the Employee's status, title or position with the Company Group, including as an officer of the Company, which, in the Employee's good faith judgment, does not represent a promotion, with commensurate adjustment of compensation, from the Employee's status, title or position as in effect immediately prior thereto; the assignment to the Employee of any duties or responsibilities which, in the Employee's good faith judgment, are inconsistent with the Employee's status, title or position in effect immediately prior to such assignment; the withdrawal from the Employee of any of the Employee's duties or responsibilities which, in the Employee's good faith judgment, are consistent with the Employee's status, title or position in effect immediately prior to such withdrawal; or any removal of the Employee from or any failure to reappoint or reelect the Employee to any position;]provided that the circumstances described in this item (i) do not apply as a result of the Employee's death, Retirement, or Disability or following receipt by the Employee of written notice from the Company of the termination of the Employee's employment for Cause;
- (ii) a reduction by the Company in the Employee's then current base salary;
- (iii) the failure by the Company to continue in effect any benefit or compensation plan in which the Employee was participating immediately prior to such failure other than as a result of the normal expiration or amendment of any such plan in accordance with its terms; or the taking of any action, or the failure to act, by the Company which would adversely affect the Employee's continued participation in

any benefit or compensation plan on at least as favorable a basis to the Employee as is the case immediately prior to the action or failure to act or which would materially reduce the Employee's benefits under any such plan or deprive the Employee of any material benefit enjoyed by the Employee immediately prior to the action or failure to act;

- (iv) the relocation of the principal place of the Employee's employment to a location 25 miles further from the Employee's then current principal residence;
- (v) the failure by the Company upon a Change in Control to obtain an agreement, satisfactory to the Employee, from any successor or assign of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no succession or assignment had taken place; or
- (vi) any material default by the Company in the performance of its obligations under this Agreement.

Any event or condition described in this Section 3(c) which occurs prior to the effective date of any Change in Control, but which the Employee reasonably demonstrates (x) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control, or (y) otherwise arose in connection with or in anticipation of a Change in Control, shall constitute Good Reason for purposes of this Agreement notwithstanding that it occurred prior to such effective date. The Employee's continued employment or failure to give the Company any notice of termination for Good Reason shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder. For purposes of this Section 3(c), any good faith determination of Good Reason made by the Employee shall be conclusive.

4. **Settlement of Phantom Units.** Except as otherwise provided in Section 2(b) or 3, settlement of vested Phantom Units shall be made no later than 15 days after the lapse of Forfeiture Restrictions. Settlement will be made by the Company delivering to the Employee a lump sum cash payment equal to the product of (i) the Fair Market Value per share of Common Stock on the applicable Vesting Date (or the most-recently-completed trading day preceding the Vesting Date if the Vesting Date is not a trading day), multiplied by (ii) the number of Phantom Units vesting on such Vesting Date (the "Cash Payments"), less applicable taxes and withholdings. Notwithstanding the foregoing, the Company shall also have the right, in the sole discretion of the Committee, to settle vested Phantom Units by the issuance of a number of shares of Common Stock equal to the number of Phantom Units vesting on such Vesting Date. Upon settlement of any vested Phantom Units, such Phantom Units will be cancelled and the Employee shall have no further rights to payment of any kind in respect of such Phantom Units.

5. **Shareholder Rights.** The Employee shall have no rights to dividends, voting rights or any other rights of a shareholder with respect to this award of Phantom Units; provided; however, that the Employee shall have the right to receive a cash dividend equivalent payment with respect to any Phantom Units that vest hereunder for the period beginning on the Date of Grant and ending on the date such Phantom Units are settled, which dividend equivalents shall (i) be accrued in a notional bookkeeping account as and when cash dividends on Common Stock are paid to Company stockholders and (ii) be payable to Employee in cash, less applicable taxes and withholdings, upon settlement of the associated Phantom Units.

6. **Corporate Acts.** The existence of the Phantom Units shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any



adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding. The prohibitions of Section 2(a) hereof shall not apply to the transfer of Phantom Units pursuant to a plan of reorganization of the Company, but the cash or other property received in exchange therefor shall also become subject to the Forfeiture Restrictions.

7. **Withholding of Tax.** The Company shall withhold from any amounts otherwise payable in connection with the vesting and/or settlement of the Phantom Units and associated dividend equivalents the amount necessary to satisfy the minimum federal, state, local and foreign tax withholding obligation with respect to such Phantom Units. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the Phantom Units, the lapse of any Forfeiture Restrictions or the vesting or settlement of the Phantom Units, or the forfeiture of any Phantom Units pursuant to the Forfeiture Restrictions.

8. **Employment Relationship.** For purposes of this Agreement, the Employee shall be considered to be in the employment of the Company as long as the Employee remains an employee of the Company Group. Without limiting the scope of the preceding sentence, it is specifically provided that the Employee shall be considered to have terminated employment with the Company Group at the time of the termination of the "Affiliate" status of the entity or other organization that employs the Employee. Nothing in the adoption of the Plan, nor the award of the Phantom Units thereunder pursuant to this Agreement, shall confer upon the Employee the right to continued employment by the Company Group or affect in any way the right of the Company Group to terminate such employment at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Employee's employment by the Company shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Employee or the Company Group for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and its determination shall be final.

9. **Section 409A.** The award of Phantom Units is intended to be (i) exempt from Section 409A of the Code ("Section 409A") including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of this Agreement shall be administered, interpreted and construed accordingly. Payments under this Agreement in a series of installments shall be treated as a right to receive a series of separate payments for purposes of Section 409A. If the Employee is identified by the Company as a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date on which the Employee has a "separation from service" (other than due to death) within the meaning of Section 1.409A-1(h) of the Treasury Regulations, notwithstanding the provisions of Sections 2 or 3 hereof, any transfer of shares payable on account of a separation from service that are deferred compensation shall take place on the earlier of (i) the first business day following the expiration of six months from the Employee's separation from service or (ii) such earlier date as complies with the requirements of Section 409A. To the extent required to comply with Section 409A, the Employee shall be considered to have terminated employment with the Company Group when the Employee incurs a "separation from service" with a member of the Company Group within the meaning of Section 409A(a)(2)(A)(i) of the Code. The Company makes no commitment or

guarantee to the Employee that any federal or state tax treatment shall apply or be available to any person eligible for benefits under this Agreement.

10. **Binding Effect; Survival**. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under the Employee.

11. **Amendment**. Any modification of this Agreement shall be effective only if it is in writing and signed by both the Employee and an authorized officer of the Company.

12. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of law principles thereof.

**IN WITNESS WHEREOF**, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Employee has executed this Agreement, all as of the date first above written.

**FORUM ENERGY TECHNOLOGIES, INC.**

By: \_\_\_\_\_

Name: John C. Ivascu

Title: Executive Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary

**EMPLOYEE**

\_\_\_\_\_  
C. Christopher Gaut

**Forum Energy Technologies, Inc.  
Certification**

I, Neal Lux, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Forum Energy Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2022

By: /s/ Neal Lux

Neal Lux  
President and Chief Executive Officer

**Forum Energy Technologies, Inc.  
Certification**

I, D. Lyle Williams, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Forum Energy Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2022

By: /s/ D. Lyle Williams, Jr.

D. Lyle Williams, Jr.

Executive Vice President and Chief Financial Officer

Certification Pursuant to 18 U.S.C. Section 1350  
(Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of Forum Energy Technologies, Inc. (the "Company") for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Neal Lux, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2022

By: /s/ Neal Lux

Neal Lux

President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification shall not be deemed filed by the Company for purposes of § 18 of the Exchange Act.

Certification Pursuant to 18 U.S.C. Section 1350  
(Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q of Forum Energy Technologies, Inc. (the "Company") for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), D. Lyle Williams, Jr., as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2022

By: /s/ D. Lyle Williams, Jr.

D. Lyle Williams, Jr.

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification shall not be deemed filed by the Company for purposes of § 18 of the Exchange Act.