

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, 2021

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

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

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

As of May 4, 2021 there were 5,600,367 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,	
	2021	2020
Revenue	\$ 114,517	\$ 182,632
Cost of sales	88,332	160,542
Gross profit	26,185	22,090
Operating expenses		
Selling, general and administrative expenses	41,474	60,161
Impairments of intangible assets, property and equipment	—	17,320
Loss (gain) on disposal of assets and other	(909)	16
Total operating expenses	40,565	77,497
Operating loss	(14,380)	(55,407)
Other expense (income)		
Interest expense	9,162	6,724
Foreign exchange and other losses (gains), net	3,470	(5,007)
Loss (gain) on extinguishment of debt	933	(7,459)
Deferred loan costs written off	—	1,829
Total other expense (income), net	13,565	(3,913)
Loss before income taxes	(27,945)	(51,494)
Income tax expense (benefit)	1,718	(14,350)
Net loss	(29,663)	(37,144)
Weighted average shares outstanding		
Basic	5,613	5,559
Diluted	5,613	5,559
Loss per share		
Basic	\$ (5.28)	\$ (6.68)
Diluted	(5.28)	(6.68)
Other comprehensive income (loss), net of tax:		
Net loss	(29,663)	(37,144)
Change in foreign currency translation, net of tax of \$0	3,152	(8,846)
Gain on pension liability	77	21
Comprehensive loss	\$ (26,434)	\$ (45,969)

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, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 100,810	\$ 128,617
Accounts receivable—trade, net of allowances of \$9,921 and \$9,217	88,624	80,606
Inventories, net	236,427	251,747
Prepaid expenses and other current assets	19,225	19,018
Accrued revenue	1,132	1,687
Costs and estimated profits in excess of billings	9,373	8,516
Total current assets	455,591	490,191
Property and equipment, net of accumulated depreciation	108,740	113,668
Operating lease assets	29,630	31,520
Deferred financing costs, net	125	249
Intangible assets, net	233,711	240,444
Deferred income taxes, net	97	102
Other long-term assets	16,065	13,752
Total assets	\$ 843,959	\$ 889,926
Liabilities and equity		
Current liabilities		
Current portion of long-term debt	\$ 1,054	\$ 1,322
Accounts payable—trade	53,561	46,351
Accrued liabilities	68,195	67,581
Deferred revenue	8,240	7,863
Billings in excess of costs and profits recognized	2,621	1,817
Total current liabilities	133,671	124,934
Long-term debt, net of current portion	267,330	293,373
Deferred income taxes, net	1,913	1,952
Operating lease liabilities	41,603	44,536
Other long-term liabilities	17,883	18,895
Total liabilities	462,400	483,690
Commitments and contingencies		
Equity		
Common stock, \$0.01 par value, 14,800,000 shares authorized, 6,038,225 and 5,992,400 shares issued	60	60
Additional paid-in capital	1,244,477	1,242,720
Treasury stock at cost, 410,877 shares	(134,499)	(134,499)
Retained deficit	(631,319)	(601,656)
Accumulated other comprehensive loss	(97,160)	(100,389)
Total equity	381,559	406,236
Total liabilities and equity	\$ 843,959	\$ 889,926

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,	
	2021	2020
Cash flows from operating activities		
Net loss	\$ (29,663)	\$ (37,144)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation expense	4,953	7,355
Amortization of intangible assets	6,357	6,838
Impairments of intangible assets, property and equipment	—	17,320
Impairments of operating lease assets	—	9,483
Inventory write down	1,410	11,567
Stock-based compensation expense	1,896	3,223
Loss (gain) on extinguishment of debt	933	(7,459)
Deferred loan costs written off	—	1,829
Deferred income taxes	265	1,152
Noncash losses (gains) and other, net	2,065	(734)
Changes in operating assets and liabilities		
Accounts receivable—trade	(8,999)	6,773
Inventories	13,726	6,704
Prepaid expenses and other assets	(2,458)	(11,002)
Cost and estimated profit in excess of billings	(281)	1,374
Accounts payable, deferred revenue and other accrued liabilities	7,692	(14,955)
Billings in excess of costs and estimated profits earned	766	(757)
Net cash provided by (used in) operating activities	\$ (1,338)	\$ 1,567
Cash flows from investing activities		
Capital expenditures for property and equipment	(389)	(958)
Proceeds from sale of property and equipment	1,499	37
Net cash provided by (used in) investing activities	\$ 1,110	\$ (921)
Cash flows from financing activities		
Borrowings on revolving Credit Facility	—	55,000
Repayments on revolving Credit Facility	(13,126)	—
Cash paid to repurchase 2025 Notes and 2021 Notes	(13,711)	(3,362)
Payment of capital lease obligations	(482)	(101)
Repurchases of stock	(139)	(179)
Deferred financing costs	—	(254)
Net cash provided by (used in) financing activities	\$ (27,458)	\$ 51,104
Effect of exchange rate changes on cash	(121)	(712)
Net increase (decrease) in cash, cash equivalents and restricted cash	(27,807)	51,038
Cash, cash equivalents and restricted cash at beginning of period	128,617	57,911
Cash, cash equivalents and restricted cash at end of period	\$ 100,810	\$ 108,949
Noncash activities		
Operating lease right of use assets obtained in exchange for lease obligations	284	688
Finance lease right of use assets obtained in exchange for lease obligations	47	931

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
Balance at December 31, 2020	\$ 60	\$ 1,242,720	\$ (134,499)	\$ (601,656)	\$ (100,389)	\$ 406,236
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)
Balance at March 31, 2021	\$ 60	\$ 1,244,477	\$ (134,499)	\$ (631,319)	\$ (97,160)	\$ 381,559

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, 2020

(in thousands)	Common stock	Additional paid-in capital	Treasury stock	Retained deficit	Accumulated other comprehensive income / (loss)	Total equity
Balance at December 31, 2019	\$ 1,189	\$ 1,231,650	\$ (134,493)	\$ (503,369)	\$ (108,938)	\$ 486,039
Stock-based compensation expense	—	3,223	—	—	—	3,223
Restricted stock issuance, net of forfeitures	5	(178)	—	—	—	(173)
Shares issued in employee stock purchase plan	2	344	—	—	—	346
Adjustment for adoption of ASU 2016-13	—	—	—	(1,398)	—	(1,398)
Treasury stock	—	—	(6)	—	—	(6)
Currency translation adjustment	—	—	—	—	(8,846)	(8,846)
Change in pension liability	—	—	—	—	21	21
Net loss	—	—	—	(37,144)	—	(37,144)
Balance at March 31, 2020	\$ 1,196	\$ 1,235,039	\$ (134,499)	\$ (541,911)	\$ (117,763)	\$ 442,062

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," "Forum," "we," "our," or "us"), a Delaware corporation, is a global products company, serving the oil, natural gas, industrial and renewable energy industries. The Company designs, manufactures and distributes value added solutions that increase the safety and efficiency of energy exploration and production. We also engage in aftermarket parts supply and services that complement our product offering. Forum is headquartered in Houston, Texas with manufacturing and distribution facilities strategically located around the globe.

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. Certain reclassifications have been made to prior year amounts to conform with the current year presentation.

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, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021 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, 2020, which are included in the Company's 2020 Annual Report on Form 10-K filed with the SEC on March 2, 2021.

COVID-19 Impacts

The outbreak of COVID-19 in 2020 has continued to cause significant disruptions in the U.S. and world economies. In response, federal, state and local governments have continued, to varying degrees, the imposition of restrictions on business and social activities, including quarantine and "stay-at-home" orders. As a result of these government orders, there has been an adverse impact on the level of oil and natural gas demand and many companies in these industries have sought protection under Chapter 11 of the U.S. Bankruptcy Code. The timing and extent to which economic and operating conditions recover from the impacts of the COVID-19 outbreak will ultimately depend on the number of vaccinations administered worldwide and actions taken by governmental authorities, customers, suppliers and other third parties, and the level of demand created by a return to a historically normal way of life and business operations. 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 2021

Income Tax. In December 2019, the FASB issued ASU No. 2019-12 Income Taxes (Topic 740) - Disclosure Framework - Simplifying the Accounting for Income Taxes, which simplified the accounting for income taxes by removing certain exceptions to the general principles of Topic 740 and clarifying and amending existing guidance. We adopted this new standard as of January 1, 2021. The adoption of this new standard did not have a material impact on our unaudited condensed consolidated financial statements.

Accounting Standards Issued But Not Yet Adopted

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. Convertible instruments that continue to be subject to separation models are (1)

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

those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in-capital. In addition, this update also makes targeted changes to the disclosures for convertible instruments and earnings-per-share guidance. This guidance may be adopted through either a modified retrospective or fully retrospective method of transition and will take effect for public companies with fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years, and must be adopted as of the beginning of the Company's fiscal year. We are currently evaluating the impact of this new guidance. However, we currently expect that the adoption of this guidance will not have a material impact on our 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 2020 Annual Report on Form 10-K.

Disaggregated Revenue

Refer to Note 11 *Business Segments* for disaggregated revenue by product line and geography.

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, 2021 (in thousands):

			Increase	
			\$	%
	March 31, 2021	December 31, 2020		
Accrued revenue	\$ 1,132	\$ 1,687		
Costs and estimated profits in excess of billings	9,373	8,516		
Contract assets	\$ 10,505	\$ 10,203	\$ 302	3 %
Deferred revenue	\$ 8,240	\$ 7,863		
Billings in excess of costs and profits recognized	2,621	1,817		
Contract liabilities	\$ 10,861	\$ 9,680	\$ 1,181	12 %

During the three months ended March 31, 2021, our contract assets increased by \$0.3 million and our contract liabilities increased by \$1.2 million due to the timing of billings for significant projects within our Subsea and Production Equipment product lines.

During the three months ended March 31, 2021, we recognized \$3.9 million of revenue that was included in the contract liability balance at the beginning of the period.

As substantially 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.

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

4. Dispositions

2020 Disposition of ABZ and Quadrant Valves

On December 31, 2020, we sold certain assets of our ABZ and Quadrant valve brands for cash consideration of \$104.6 million. This transaction was accounted for as a disposition of a business. We recognized a gain on disposition of \$88.4 million based on the difference in cash received less \$15.0 million of net book value of assets sold and a \$1.2 million accrued liability for an estimated working capital settlement. Pro forma results of operations for this disposition have not been presented because the effects were not material to the consolidated financial statements.

5. Inventories

Our significant components of inventory at March 31, 2021 and December 31, 2020 were as follows (in thousands):

	March 31, 2021	December 31, 2020
Raw materials and parts	\$ 124,343	\$ 151,531
Work in process	18,959	15,946
Finished goods	202,589	229,212
Gross inventories	345,891	396,689
Inventory reserve	(109,464)	(144,942)
Inventories	\$ 236,427	\$ 251,747

6. Intangible Assets

Intangible assets consisted of the following as of March 31, 2021 and December 31, 2020, respectively (in thousands):

	March 31, 2021			
	Gross Carrying Amount	Accumulated Amortization	Net Intangibles	Amortization Period (In Years)
Customer relationships	\$ 268,465	\$ (121,645)	\$ 146,820	10 - 15
Patents and technology	89,145	(25,570)	63,575	5 - 19
Non-compete agreements	190	(146)	44	2 - 6
Trade names	42,915	(23,545)	19,370	7 - 19
Trademarks	5,089	(1,187)	3,902	15
Intangible Assets Total	\$ 405,804	\$ (172,093)	\$ 233,711	

	December 31, 2020			
	Gross Carrying Amount	Accumulated Amortization	Net Intangibles	Amortization Period (In Years)
Customer relationships	\$ 272,470	\$ (121,294)	\$ 151,176	10 - 15
Patents and technology	89,626	(24,440)	65,186	5 - 19
Non-compete agreements	190	(137)	53	2 - 6
Trade names	42,984	(22,941)	20,043	7 - 19
Trademarks	5,089	(1,103)	3,986	15
Intangible Assets Total	\$ 410,359	\$ (169,915)	\$ 240,444	

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

7. Impairments of Long-Lived Assets

During the three months ended March 31, 2021, there were no impairments of long-lived assets.

During the three months ended March 31, 2020, the COVID-19 pandemic and associated preventative actions taken around the world to mitigate its spread caused oil demand to deteriorate and economic activity to decrease. As a result, oil prices declined significantly during the period and created an extremely challenging market for all sub-sectors of the oil and natural gas industry. In addition, responses to the spread of COVID-19, including significant government restrictions on movement, resulted in sharp declines in global economic activity.

As a result, during the three months ended March 31, 2020, we determined that certain long-lived assets were impaired as their carrying values exceeded their fair values. The amount of the impairment charges were measured as the difference between the carrying value and the estimated fair value of the assets. The fair value was determined either through analysis of discounted future cash flows or, for certain real estate, based on a third party's sales price estimate (classified within level 3 of the fair value hierarchy).

Following is a summary of impairment charges recognized in our segments during the three months ended March 31, 2020 (in thousands):

Impairments of:	Three Months Ended March 31, 2020			
	Drilling & Downhole	Completions	Production	Total Impairments
Property and equipment ⁽¹⁾	1,076	9,608	1,378	12,062
Intangible assets ⁽²⁾	5,258	—	—	5,258
Operating lease right of use assets ⁽³⁾	1,429	6,139	1,915	9,483
Total impairments	\$ 7,763	\$ 15,747	\$ 3,293	\$ 26,803

⁽¹⁾ These charges are included in *Impairments of intangible assets, property and equipment* in the condensed consolidated statements of comprehensive loss.

⁽²⁾ These charges are included in *Impairments of intangible assets, property and equipment* in the condensed consolidated statements of comprehensive loss and include primarily customer relationships, technology and distributor relationships.

⁽³⁾ \$8.6 million of these charges are included in *Cost of sales and* \$0.9 million are included in *Selling, general and administrative expenses* in the condensed consolidated statements of comprehensive loss.

8. Debt

Notes payable and lines of credit as of March 31, 2021 and December 31, 2020 consisted of the following (in thousands):

	March 31, 2021	December 31, 2020
2025 Notes	300,341	316,863
Unamortized debt discount	(27,132)	(30,248)
Debt issuance cost	(6,660)	(7,318)
Credit Facility	—	13,126
Other debt	1,835	2,272
Total debt	268,384	294,695
Less: current maturities	(1,054)	(1,322)
Long-term debt	<u>\$ 267,330</u>	<u>\$ 293,373</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

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

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. A portion of the 2025 Notes, initially equal to \$150.0 million total principal amount, 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 are 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 repurchase amount of \$15.6 million includes \$13.7 million paid in cash and \$1.9 million payable for bonds repurchased but not yet settled as of March 31, 2021. 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 connection with the issuance of the 2025 Notes, we amended our senior secured revolving credit facility ("Credit Facility"). Following such amendment, our Credit Facility provides revolving credit commitments of \$250.0 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 \$25.0 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 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 \$130.0 million (subject to a quarterly reduction of \$0.5 million that started on October 1, 2020) 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, 2021, our total borrowing base was \$156.8 million, of which no amounts were drawn and \$15.3 million was used for security of outstanding letters of credit, resulting in remaining availability of \$141.5 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 0.75%, plus a margin of 2.50% or (b) a base rate plus a margin of 1.50%. 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 0.75%.

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 0.75%, plus a margin of 2.50% or (b) a base rate plus a margin of 1.50%. 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 0.75%.

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

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%.

The Credit Facility is currently scheduled to mature on October 30, 2022. If excess availability under the Credit Facility falls below the greater of 12.5% of the borrowing base and \$31.3 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 the first quarter of 2020, we wrote-off \$1.8 million of deferred loan costs for the termination of previous discussions related to a potential exchange offer for our 2021 Notes.

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 \$15.3 million and \$15.6 million in total outstanding letters of credit as of March 31, 2021 and December 31, 2020, respectively.

9. 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. We recorded a tax expense of \$1.7 million for the three months ended March 31, 2021, compared to a tax benefit of \$14.4 million for the three months ended March 31, 2020. The estimated annual effective tax rates for the three months ended March 31, 2021 and 2020 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.

The tax benefit for the three months ended March 31, 2020 includes a \$16.6 million benefit related to a carryback claim for U.S. federal tax losses based on provisions in the U.S. Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which was signed into law on March 27, 2020. The CARES Act provided relief to corporate taxpayers by permitting a five-year carryback of 2018-2020 NOLs, increased the 30% limitation on interest expense deductibility to 50% of adjusted taxable income for 2019 and 2020, and accelerated refunds for minimum tax credit carryforwards, among other provisions. The tax effects of changes in tax laws are recognized in the period in which the law is enacted.

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, 2021, 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 Saudi Arabia. As a result, we have certain valuation allowances against our deferred tax assets as of March 31, 2021.

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

10. Fair Value Measurements

The Company had zero and \$13.1 million of borrowings outstanding under the Credit Facility as of March 31, 2021 and December 31, 2020, respectively. 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, 2021, the fair value and the carrying value of our 2025 Notes approximated \$282.4 million and \$266.5 million, respectively. At December 31, 2020, the fair value and the carrying value of our 2025 Notes approximated \$200.3 million and \$279.3 million, respectively.

There were no other outstanding financial assets as of March 31, 2021 and December 31, 2020 that required measuring the amounts at fair value. 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, 2021.

11. 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 31,	
	2021	2020
Revenue:		
Drilling & Downhole	48,656	76,643
Completions	37,843	50,823
Production	28,031	55,605
Eliminations	(13)	(439)
Total revenue	\$ 114,517	\$ 182,632
Operating loss		
Drilling & Downhole	\$ (4,506)	\$ (4,145)
Completions	68	(17,318)
Production	(3,841)	(8,179)
Corporate	(7,010)	(8,429)
Segment operating loss	(15,289)	(38,071)
Impairments of intangible assets, property and equipment	—	17,320
Loss (gain) on disposal of assets and other	(909)	16
Operating loss	\$ (14,380)	\$ (55,407)

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

	March 31, 2021	December 31, 2020
Drilling & Downhole	\$ 305,409	\$ 314,375
Completions	356,303	356,645
Production	89,661	92,949
Corporate	92,586	125,957
Total assets	\$ 843,959	\$ 889,926

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

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,	
	2021	2020
Drilling Technologies	\$ 18,520	\$ 36,638
Downhole Technologies	15,093	24,951
Subsea Technologies	15,043	15,054
Stimulation and Intervention	18,702	24,476
Coiled Tubing	19,141	26,347
Production Equipment	14,394	18,749
Valve Solutions	13,637	36,856
Eliminations	(13)	(439)
Total revenue	\$ 114,517	\$ 182,632

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

	Three Months Ended March 31,	
	2021	2020
United States	\$ 68,314	\$ 123,890
Canada	8,961	7,952
Europe & Africa	12,664	11,146
Middle East	10,341	13,140
Asia-Pacific	8,880	18,793
Latin America	5,357	7,711
Total Revenue	\$ 114,517	\$ 182,632

12. 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, 2021 and December 31, 2020, 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.

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 2020 Annual Report on Form 10-K filed with the SEC on March 2, 2021. There have been no material changes related to these matters during the three months ended March 31, 2021.

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

13. 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):

	Three Months Ended March 31,	
	2021	2020
Net loss	\$ (29,663)	\$ (37,144)
Basic - weighted average shares outstanding	5,613	5,559
Dilutive effect of stock options and restricted stock	—	—
Dilutive effect of convertible notes due 2025	—	—
Diluted - weighted average shares outstanding	5,613	5,559
Loss per share		
Basic	\$ (5.28)	\$ (6.68)
Diluted	\$ (5.28)	\$ (6.68)

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.

14. Stockholders' Equity

Stock-based compensation

During the three months ended March 31, 2021, the Company granted 73,839 restricted stock units that vest ratably over three years. The Company also granted 66,524 contingent restricted stock units that vest ratably over three years dependent upon achieving a minimum stock price of \$23.49 for 20 trading days during each performance period.

Liability-classified awards

During the three months ended March 31, 2021, the Company granted 66,524 cash-settled phantom stock units that vest ratably over three years. These awards have a maximum payout that is calculated based on five times the stock price on the date of grant.

The Company also granted 73,839 cash-settled contingent phantom stock units that vest ratably over three years dependent upon achieving a minimum stock price of \$23.49 for 20 trading days during each performance period. These awards also have a maximum payout that is calculated based on five times the stock price on the date of grant.

Reverse stock split

In order to bring the Company into compliance with the listing requirements of the New York Stock Exchange, our Board of Directors approved a 1-for-20 reverse stock split (the "Reverse Stock Split") of the Company's issued and outstanding shares of common stock, par value \$0.01 per share, accompanied by a corresponding decrease in the Company's authorized shares of common stock. The Company's stockholders previously approved the Reverse Stock Split at the annual meeting of stockholders on May 12, 2020.

The effective time of the Reverse Stock Split was after market close on November 9, 2020, with the common stock trading on a post-split basis under the Company's existing trading symbol, "FET," at the market open on November 10, 2020. No fractional shares of common stock were issued as a result of the Reverse Stock Split. Instead, any stockholder who would have been entitled to a fractional share received a cash payment in lieu of such fractional shares.

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

Following the completion of the Reverse Stock Split, the number of authorized shares of common stock was reduced from 296,000,000 to 14,800,000. Unless otherwise indicated, the number of shares of common stock outstanding and per-share amounts in these consolidated financial statements and accompanying notes have been retroactively adjusted to reflect the effect of the Reverse Stock Split. The par value of our common stock remains at \$0.01 per share.

15. 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 Securities and Exchange Commission (the "SEC") on March 2, 2021, 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 products company, serving the oil, natural gas, and renewable energy industries. We design, manufacture and distribute value added solutions that increase the safety and efficiency of energy exploration and production. We also engage in aftermarket parts supply and services that complement our product offering. Our products include highly engineered capital equipment as well as products that are consumed in the drilling, well construction, production and transportation of oil and natural gas. 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. Our products are aimed at improving the efficiency, safety and environmental and social impact of our customers' operations. For the three months ended March 31, 2021, approximately 80% 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.

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 and services markets as well as other sectors such as 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 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 upstream, midstream, and downstream oil and natural gas customers as well as power generation and other industries.

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 2020, the COVID-19 pandemic and associated actions taken around the world to mitigate the spread of COVID-19 caused unprecedented declines in economic activity, energy demand and oil and natural gas prices. In response, OPEC+ agreed to a significant reduction in oil production and North American exploration and production companies aggressively reduced drilling and completion activities. The extreme volatility and lower price environment in 2020 created a very challenging market for all sub-sectors of the oil and natural gas industry, including those in which the Company competes.

More recently, oil demand and prices have partially rebounded as oil supply and demand have rebalanced at a lower level. The U.S. drilling rig count bottomed at 244 rigs in August 2020 and has since increased to over 400 rigs as of the end of the first quarter of 2021. In addition, the level of active hydraulic fracturing fleets for well completions also increased in the first quarter of 2021 in order to meet increasing oil demand. However, overall activity levels and the North America rig count remain far below pre-pandemic levels.

Due to the challenging market conditions, exploration and production companies in North America are under pressure to generate positive cash flows and constrain capital and maintenance expenditures. In addition, bankruptcies and consolidation of exploration and production and service companies continued through 2020. This trend has led to a reduction in the demand for our products compared to periods prior to the pandemic.

While activity levels in international regions, as well as global offshore and subsea activity, have also been impacted by COVID-19 related activity disruptions, international revenue for our drilling and subsea capital equipment offerings have recently increased due to an improved outlook for our international drilling customers and the diversification of our subsea product line revenue outside of the oil and natural gas industry.

Demand for products in our Valve Solutions product line is driven by capital projects and maintenance spending in the upstream, midstream and downstream markets. As such, revenue for our Valve Solutions product line has also been negatively affected by lower energy prices and the impacts of COVID-19 on the global economy.

On December 31, 2020, we sold assets pertaining to our ABZ and Quadrant valve brands for total consideration of \$104.6 million and recognized a gain on disposition of \$88.4 million. The disposition of these brands resulted in a sequential decrease in our Valve Solutions product line's revenue.

Although we have experienced some operational inefficiencies, our manufacturing facilities and business operations have not experienced work stoppages due to COVID-19 or associated government regulations. However, in response to the decline in demand for our products and decreases in revenue, we implemented significant cost reduction actions, including exiting facilities, lowering headcount, reducing salaries, suspending the Company's matching contribution to the U.S. and Canada defined contribution retirement plans, and furloughing select employee groups. Certain facility closures and headcount reduction efforts continued in the first quarter of 2021 and are expected to be completed during the first half of 2021.

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,
	2021	2020	2020
Average global oil, \$/bbl			
West Texas Intermediate	\$ 58.09	\$ 42.52	\$ 45.34
United Kingdom Brent	\$ 61.04	\$ 44.32	\$ 50.27
Average North American Natural Gas, \$/Mcf			
Henry Hub	\$ 3.50	\$ 2.52	\$ 1.90

The price of oil varied dramatically in 2020 with the spot prices for WTI and Brent falling 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 increased substantially to average \$58.09 and \$61.04 for WTI and Brent, respectively, in the first quarter 2021, a 37% increase from the fourth quarter 2020. In addition, natural gas prices continued to increase in the first quarter 2021 with average price levels approximately 39% higher compared to the fourth quarter 2020 and 84% higher compared to the first quarter 2020.

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,
	2021	2020	2020
Active Rigs by Location			
United States	393	311	785
Canada	145	88	205
International	698	663	1,074
Global Active Rigs	1,236	1,062	2,064
Land vs. Offshore Rigs			
Land	1,052	891	1,796
Offshore	184	171	268
Global Active Rigs	1,236	1,062	2,064
U.S. Commodity Target			
Oil/Gas	302	233	671
Gas	90	76	112
Unclassified	1	2	2
Total U.S. Active Rigs	393	311	785
U.S. Well Path			
Horizontal	353	272	704
Vertical	22	18	34
Directional	18	21	47
Total U.S. Active Rigs	393	311	785

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 2021 was 26% higher compared to the fourth quarter of 2020, but 50% lower compared to the first quarter of 2020. 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 2021 at 417.

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,
	2021	2020	2020
Drilling & Downhole	\$ 57.9	\$ 57.5	\$ 70.0
Completions	47.2	30.3	49.9
Production	32.9	36.3	50.7
Total Orders	\$ 138.0	\$ 124.1	\$ 170.6

Results of operations

Three months ended March 31, 2021 compared with three months ended March 31, 2020

(in thousands of dollars, except per share information)	Three Months Ended March 31,		Change	
	2021	2020	\$	%
Revenue:				
Drilling & Downhole	\$ 48,656	\$ 76,643	\$ (27,987)	(36.5)%
Completions	37,843	50,823	(12,980)	(25.5)%
Production	28,031	55,605	(27,574)	(49.6)%
Eliminations	(13)	(439)	426	*
Total revenue	114,517	182,632	(68,115)	(37.3)%
Operating income (loss):				
Drilling & Downhole	\$ (4,506)	\$ (4,145)	\$ (361)	(8.7)%
<i>Operating margin %</i>	<i>(9.3)%</i>	<i>(5.4)%</i>		
Completions	68	(17,318)	17,386	100.4 %
<i>Operating margin %</i>	<i>0.2 %</i>	<i>(34.1)%</i>		
Production	(3,841)	(8,179)	4,338	53.0 %
<i>Operating margin %</i>	<i>(13.7)%</i>	<i>(14.7)%</i>		
Corporate	(7,010)	(8,429)	1,419	16.8 %
Total segment operating loss	(15,289)	(38,071)	22,782	59.8 %
<i>Operating margin %</i>	<i>(13.4)%</i>	<i>(20.8)%</i>		
Impairments of intangible assets, property and equipment	—	17,320	(17,320)	*
Loss (gain) on disposal of assets and other	(909)	16	(925)	*
Operating loss	(14,380)	(55,407)	41,027	74.0 %
Interest expense	9,162	6,724	2,438	36.3 %
Foreign exchange losses (gains) and other, net	3,470	(5,007)	8,477	*
Loss (gain) on extinguishment of debt	933	(7,459)	8,392	*
Deferred loan costs written off	—	1,829	(1,829)	*
Total other (income) expense, net	13,565	(3,913)	17,478	446.7 %
Loss before income taxes	(27,945)	(51,494)	23,549	45.7 %
Income tax expense (benefit)	1,718	(14,350)	16,068	112.0 %
Net loss	\$ (29,663)	\$ (37,144)	\$ 7,481	20.1 %
Weighted average shares outstanding				
Basic	5,613	5,559		
Diluted	5,613	5,559		
Loss per share				
Basic	\$ (5.28)	\$ (6.68)		
Diluted	\$ (5.28)	\$ (6.68)		
<i>* not meaningful</i>				

We sold certain assets of our ABZ and Quadrant valve brands on December 31, 2020. Therefore, our results of operations for the first quarter of 2021 may not be comparable to the results of operations for the first quarter of 2020. Refer to Note 4 *Dispositions* for additional information.

Revenue

Our revenue for the three months ended March 31, 2021 was \$114.5 million, a decrease of \$68.1 million, or 37.3%, compared to the three months ended March 31, 2020. For the three months ended March 31, 2021, our Drilling & Downhole, Completions, and Production segments comprised 42.5%, 33.0%, and 24.5% of our total revenue, respectively, which compared to 42.0%, 27.6%, and 30.4% of our total revenue, respectively, for the three months ended March 31, 2020. The overall decline in revenue is primarily related to lower sales volumes due to the significant decrease in drilling and completions activity levels. The changes in revenue by operating segment consisted of the following:

Drilling & Downhole segment — Revenue was \$48.7 million for the three months ended March 31, 2021, a decrease of \$28.0 million, or 36.5%, compared to the three months ended March 31, 2020. This decrease was driven by an \$18.1 million, or 49.5%, decline in revenue for our Drilling Technologies product line due to lower sales volumes of consumable products and capital equipment as a result of the 50% year-over-year decline in U.S. rig activity. Revenue for our Downhole Technologies product line decreased by \$9.9 million, primarily due to lower sales volumes of artificial lift products due to the significant decline in the number of well completions in the first quarter 2021 compared to 2020. Revenue for our Subsea Technologies product line was flat compared to the previous year with continued diversification of sales to customers outside the oil and natural gas industry.

Completions segment — Revenue was \$37.8 million for the three months ended March 31, 2021, a decrease of \$13.0 million, or 25.5%, compared to the three months ended March 31, 2020. This decline was driven by a \$7.2 million decrease in sales volumes for our Coiled Tubing product line and a \$5.8 million decrease in revenue for our Stimulation and Intervention product line due to the significant reduction in U.S. hydraulic fracturing and well intervention service activity levels, and the cannibalization of existing excess equipment.

Production segment — Revenue was \$28.0 million for the three months ended March 31, 2021, a decrease of \$27.6 million, or 49.6%, compared to the three months ended March 31, 2020. This decrease includes a \$12.9 million decline from the divestiture of our ABZ and Quadrant valve brands in the fourth quarter 2020. The remaining decline was driven by a \$10.3 million decline in sales volumes of our other valve brands, primarily due to lower sales into the North America upstream and midstream oil and natural gas market, and a \$4.4 million decrease in revenue for our Production Equipment product line from lower sales volumes of our surface production equipment due to lower well completions activity in 2021.

Segment operating income (loss) and segment operating margin percentage

Segment operating loss for the three months ended March 31, 2021 was \$15.3 million, a decline of \$22.8 million compared to a loss of \$38.1 million for the three months ended March 31, 2020. For the three months ended March 31, 2021, segment operating margin percentage was (13.4)% compared to (20.8)% for the three months ended March 31, 2020. Segment operating margin percentage is calculated by dividing segment operating loss by revenue for the period. The change in operating income (loss) for each segment is explained as follows:

Drilling & Downhole segment — Segment operating loss was \$4.5 million, or (9.3)%, for the three months ended March 31, 2021 compared to a loss of \$4.1 million, or (5.4)%, for the three months ended March 31, 2020. The \$0.4 million decline in segment operating results is primarily attributable to lower gross profit from the 36.5% decline in segment revenues, partially offset by lower employee and facility related costs due to headcount, salary and other cost reductions implemented in 2020.

Completions segment — Segment operating income was \$0.1 million, or 0.2%, for the three months ended March 31, 2021 compared to a segment operating loss of \$17.3 million, or (34.1)%, for the three months ended March 31, 2020. Segment operating results were negatively impacted by the reduction in gross profit from the 25.5% decline in revenues discussed above. However, segment operating results improved by \$17.4 million due to a \$7.5 million reduction in inventory write-downs, a \$6.1 million decline from lease impairments recognized in the first quarter 2020, a \$1.9 million reduction in severance and restructuring related costs and lower employee and facility related costs due to headcount, salary and other cost reductions implemented in 2020.

Production segment — Segment operating loss was \$3.8 million, or (13.7)%, for the three months ended March 31, 2021 compared to a loss of \$8.2 million, or (14.7)%, for the three months ended March 31, 2020. Segment operating results were negatively impacted by the reduction in gross profit from the 49.6% decline in revenue discussed above, including the disposition of our ABZ and Quadrant valve brands in the fourth quarter 2020. However, segment operating results improved by \$4.3 million due to a \$2.6 million reduction in inventory write-downs, a \$1.9 million decline from lease impairments recognized in the first quarter 2020 and lower employee and facility related costs due to headcount, salary and other cost reductions implemented in 2020.

Corporate — Selling, general and administrative expenses for Corporate were \$7.0 million for the three months ended March 31, 2021, a \$1.4 million decrease compared to the three months ended March 31, 2020. This decrease was primarily related to lower employee related costs and reductions in professional fees in connection with headcount, salary and other cost reductions implemented in 2020. 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

Several items are not included in segment operating loss, but are included in total operating loss. These items include transaction expenses, impairments of intangible assets, property and equipment, and gain on the disposal of assets and other. Transaction expenses relate to legal and other advisory costs incurred in acquiring or disposing of businesses and are not considered to be part of segment operating income (loss). For further information related to impairments of intangible assets, property and equipment, refer to Note 7 *Impairments of Long-Lived Assets*.

Other income and expense

Other income and expense includes interest expense, foreign exchange losses (gains) and other, loss (gain) on extinguishment of debt, and deferred loan costs written off. We incurred \$9.2 million of interest expense during the three months ended March 31, 2021, an increase of \$2.4 million compared to the three months ended March 31, 2020 primarily due to higher non-cash amortization of debt discount and debt issuance costs associated with our 9.0% convertible secured notes due August 2025 (the “2025 Notes”) and a higher interest rate on our new 2025 Notes compared to our previous notes outstanding.

The foreign exchange losses (gains) are primarily the result of movements in the British pound and Euro 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.

During the three months ended March 31, 2020, we repurchased an aggregate \$10.9 million of principal amount of our 2021 Notes for \$3.4 million and recognized a net gain of \$7.5 million reflecting the difference in the amount paid and the net carrying value of the extinguished debt, including debt issuance costs and unamortized debt premium. In addition, we wrote off \$1.8 million of deferred loan costs due to the termination of discussions related to a potential exchange offer for our 2021 Notes.

Taxes

We recorded a tax expense of \$1.7 million for the three months ended March 31, 2021, compared to a tax benefit of \$14.4 million for the three months ended March 31, 2020. The estimated annual effective tax rates for the three months ended March 31, 2021 and 2020 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.

The tax benefit for the three months ended March 31, 2020 includes a \$16.6 million benefit related to a carryback claim for U.S. federal tax losses based on provisions in the U.S. Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) which was signed into law on March 27, 2020. The CARES Act provided relief to corporate taxpayers by permitting a five-year carryback of 2018-2020 NOLs, increased the 30% limitation on interest expense deductibility to 50% of adjusted taxable income for 2019 and 2020, and accelerated refunds for minimum tax credit carryforwards, among other provisions. The tax effects of changes in tax laws are recognized in the period in which the law is enacted.

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, our Credit Facility and the 2025 Notes. Our primary uses of capital have been for inventories, sales on credit to our customers and maintenance and growth capital expenditures. We continually monitor 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 December 31, 2020, we had \$316.9 million principal amount of 2025 Notes outstanding and \$13.1 million outstanding on our revolving Credit Facility. During the first quarter of 2021, we repurchased an aggregate \$16.5 million principal amount of our 2025 Notes for \$15.6 million. The repurchase amount of \$15.6 million includes \$13.7 million paid in cash and \$1.9 million payable for bonds repurchased but not yet settled as of March 31, 2021. In addition, we repaid the \$13.1 million outstanding on our revolving Credit Facility. Following these transactions, we had \$300.3 million principal amount of 2025 Notes and no borrowings outstanding under our Credit Facility as of March 31, 2021. The Credit Facility is scheduled to mature on October 30, 2022 and the 2025 notes are scheduled to mature in August 2025.

See Note 8 *Debt* for further details related to the terms for our 2025 Notes and Credit Facility.

As of March 31, 2021, we had cash and cash equivalents of \$100.8 million and \$141.5 million of availability under our Credit Facility. We anticipate that our future working capital requirements for our operations will fluctuate directionally with revenues. Furthermore, availability under our 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 2021 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 our 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 or other debt outstanding.

In 2020, we completed one disposition for total consideration of \$104.6 million. For additional information, see Note 4 *Dispositions*. We may pursue 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.

To the extent that access to the capital and other financial markets is adversely affected by the effects of COVID-19, our customers and other counterparties may become unable to make payments to us, on a timely basis or at all, which could adversely affect our business, cash flows, liquidity, financial condition and results of operations.

Our cash flows for the three months ended March 31, 2021 and 2020 are presented below (in millions):

	Three Months Ended March 31,	
	2021	2020
Net cash provided by (used in) operating activities	\$ (1.3)	\$ 1.6
Net cash provided by (used in) investing activities	1.1	(0.9)
Net cash provided by (used in) financing activities	(27.5)	51.1
Effect of exchange rate changes on cash	(0.1)	(0.8)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (27.8)	\$ 51.0

Net cash provided by (used in) operating activities

Net cash used in operating activities was \$1.3 million for the three months ended March 31, 2021 compared to \$1.6 million of cash provided by operating activities for the three months ended March 31, 2020. This decline is primarily attributable to the decline in operating results. Net income adjusted for non-cash items used \$11.8 million of cash for the three months ended March 31, 2021 compared to providing \$13.4 million of cash for the three months ended March 31, 2020. This decline was partially offset by changes in working capital which provided cash of \$10.4 million

for the three months ended March 31, 2021 compared to using \$11.9 million of cash for the three months ended March 31, 2020.

Net cash provided by (used in) investing activities

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. Net cash provided by investing activities was \$0.9 million for the three months ended March 31, 2020, primarily related to \$1.0 million of capital expenditures for property and equipment.

Net cash provided by (used in) financing activities

Net cash used in financing activities was \$27.5 million for the three months ended March 31, 2021 compared to \$51.1 million provided by financing activities for the three months ended March 31, 2020. Net cash used in financing activities for the three months ended March 31, 2021 includes \$13.7 million of cash used to repurchase 2025 Notes and \$13.1 million of repayments on the revolving Credit Facility. Net cash provided by financing activities for the three months ended March 31, 2020 primarily includes \$55.0 million of borrowings on the revolving Credit Facility, partially offset by \$3.4 million of repurchases of our previous 2021 Notes.

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):

Summarized Statements of Operations	Three Months Ended March 31,	
	2021	2020
Revenue	\$ 82,197	\$ 147,384
Cost of sales	66,041	133,195
Operating loss	(18,734)	(51,072)
Net loss	(29,663)	(37,144)

Summarized Balance Sheet	March 31, 2021		December 31, 2020	
	Current assets	\$	347,796	\$
Noncurrent assets		323,907		332,486
Current liabilities	\$	109,541	\$	105,393
Payables to non-guarantor subsidiaries		103,533		102,885
Noncurrent liabilities		297,234		324,954

Off-balance sheet arrangements

As of March 31, 2021, we had no off-balance sheet instruments or financial arrangements, other than letters of credit entered into in the ordinary course of business.

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, 2021. For a detailed discussion of our critical accounting policies and estimates, refer to our 2020 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 ensure 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, 2021. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2021.

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, 2021 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 12 *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 2020 Annual Report on Form 10-K.

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

None.

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**#	— Form of 2021 Phantom Unit Agreement (Chief Executive Officer).
10.2**#	— Form of 2021 Performance Restricted Stock Unit Agreement (Chief Executive Officer).
10.3**#	— Form of 2021 Performance Phantom Unit Agreement (Executive Management).
10.4**#	— Form of 2021 Restricted Stock Unit Agreement (Executive Management).
10.5*	— Asset Purchase Agreement, dated December 31, 2020, by and among Forum US, Inc., Anvil International, LLC and, for the limited purposes set forth therein, Forum Energy Technologies, Inc. (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 4, 2021).
22.1**	— Subsidiary guarantors of the Company's Convertible Secured Notes due 2025.
31.1**	— Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	— Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	— Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	— Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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 7, 2021

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.

2021 PHANTOM UNIT AGREEMENT

This Phantom Unit Agreement (this “Agreement”) is made as of the 19th day of February, 2021 (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 [**number of units**] 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:

<u>Vesting Date</u>	<u>Vesting Percentage</u>
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.
2021 EMPLOYEE PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (this "Agreement") is made as of the 19th day of February, 2021 (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 **[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 \$.01 per share (the "Common Stock"), subject to certain restrictions thereon. 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.** 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:

Vesting Percentage
Time Vesting Date (Rounded Up)

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 \$23.49 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 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 Committee may, subject to satisfaction of the Stock Price Condition and in the Committee's sole and absolute discretion, determine that 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 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 and Delivery of Stock.** 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. Notwithstanding the foregoing, 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, having a Fair Market Value determined in accordance with the Plan, equal to the amount necessary to satisfy the minimum federal, state, local and foreign tax withholding obligation with respect to the settled RSUs. The issuance of shares of Common Stock described in Section 4 and dividend equivalents described in Section 5 will be net of such shares of Common Stock that are 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: _____
Name: John C. Ivascu

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

EMPLOYEE

C. Christopher Gaut

**FORUM ENERGY TECHNOLOGIES, INC.
2021 PHANTOM UNIT AGREEMENT**

This Phantom Unit Agreement (this “Agreement”) is made as of the 19th day of February, 2021 (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**] 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 or failure to satisfy the Stock Price Condition set forth in Section 2(d), 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 as provided in the preceding sentence is herein referred to as the “Forfeiture Restrictions.”

(b) **Lapse of Forfeiture Restrictions.** Forfeiture Restrictions shall lapse and the Phantom Units 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 (each such date, a “Vesting Date”). Except as otherwise provided in Section 3, any Phantom Units 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:

Vesting Percentage
Time Vesting Date (Rounded Up)

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 \$23.49 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 Phantom Units subject to Tranche 1 or Tranche 2 have satisfied the Time Vesting Condition, those outstanding Phantom Units will become vested immediately.

3. **Termination of Employment.**

(a) **Death or Disability.** If the Employee dies or becomes Disabled (as defined below), then the Phantom Units 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 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 Time Vesting Date on which each such unvested Tranche of the Phantom Units would have satisfied the Time Vesting Condition pursuant to Section 2(c). 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 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 Phantom Units 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 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 Time Vesting Date on which each such unvested Tranche of the Phantom Units would have satisfied the Time Vesting Condition pursuant to Section 2(c). The payment in respect of the vested Phantom Units shall be paid 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 Phantom Units 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 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 of Phantom Units.** Except as otherwise provided in Section 2 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: C. Christopher Gaut

Title: Chairman and CEO

EMPLOYEE

FORUM ENERGY TECHNOLOGIES, INC.

2021 EMPLOYEE RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (this “Agreement”) is made as of the ___ day of _____, 2021 (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 \$.01 per share (the “Common Stock”), subject to certain restrictions thereon. 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 up to the nearest whole RSU, determined in accordance with the following schedule:

<u>Vesting Date</u>	<u>Vesting Percentage</u>
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 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 and Delivery of Stock.** 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. Notwithstanding the foregoing, 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, having a Fair Market Value determined in accordance with the Plan, equal to the amount necessary to satisfy the minimum federal, state, local and foreign tax withholding obligation with respect to the settled RSUs. The issuance of shares of Common Stock described in Section 4 and dividend equivalents described in Section 5 will be net of such shares of Common Stock that are 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: _____

C. Christopher Gaut
Chairman and CEO

EMPLOYEE

Forum Energy Technologies, Inc.
List of Issuers and Guarantor

The following subsidiaries of Forum Energy Technologies, Inc. (the "Company") were, as of March 31, 2021, guarantors of the Company's 9.00% Notes due October 2025:

Name of Subsidiary	Jurisdiction of Formation	Role
Forum Energy Technologies, Inc.	Delaware	Issuer
FET Holdings, LLC	Delaware	Guarantor
Forum Energy Services, Inc.	Delaware	Guarantor
Forum Global Holdings, LLC	Delaware	Guarantor
Forum Global Tubing LLC	Delaware	Guarantor
Forum Global Tubing LP	Delaware	Guarantor
Forum International Holdings, Inc.	Delaware	Guarantor
Forum US, Inc.	Delaware	Guarantor
Global Tubing LLC	Delaware	Guarantor
Z Explorations, Inc.	Delaware	Guarantor
Global Flow Technologies, Inc.	Delaware	Guarantor
Z Resources, Inc.	Delaware	Guarantor
Zy-Tech Global Industries, Inc.	Delaware	Guarantor
Houston Global Heat Transfer LLC	Delaware	Guarantor

**Forum Energy Technologies, Inc.
Certification**

I, C. Christopher Gaut, 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 7, 2021

By: /s/ C. Christopher Gaut

C. Christopher Gaut

President, Chief Executive Officer and Chairman of the Board

**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 7, 2021

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, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), C. Christopher Gaut, 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 7, 2021

By: /s/ C. Christopher Gaut

C. Christopher Gaut

President, Chief Executive Officer and Chairman of the Board

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, 2021, 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 7, 2021

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.