

**ADMISSION DOCUMENT**



**FORUM ENERGY TECHNOLOGIES, INC. 10.50% SENIOR SECURED USD 250,000,000 BONDS 2024/2029**

**ISIN NO0013339036**

**Admission Document**

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This admission document (the **Admission Document**) has been prepared by Forum Energy Technologies, Inc. (the **Company**), a corporation organised under the laws the State of Delaware with file no. 3966995, in connection with the registration of the Company's 10.50% senior secured USD 250,000,000 bonds 2024/2029 with ISIN NO0013339036 (the **Bonds**) issued on 7 November 2024 on Nordic ABM, a list of registered bonds operated by Oslo Børs ASA (the **Registration**).

The Bonds are guaranteed by the following entities: FET Holdings, LLC, Forum US, Inc., Forum Canada ULC, GT Coiled Tubing of Canada ULC, Global Flow Technologies, Inc., Forum International Holdings, Inc., Forum Energy Services, Inc., Forum Global Holdings, LLC, Forum Global Tubing LLC, Forum Global Tubing LP, Houston Global Heat Transfer LLC, Global Tubing LLC, Z Resources, Inc., Z Explorations, Inc., ZY-Tech Global Industries, Inc., Pro-Tech Valve Sales, Inc., Pacific Perforating, Inc., Variperem Holdings Ltd., 2357835 Alberta Ltd., Variperem Energy Services Inc., Forum Energy Technologies (UK) Limited, and Forum B+V Oil Tools GmbH.

This Admission Document does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007. No 75 (the **Prospectus Regulations**) and has not been prepared to comply with the Prospectus Regulations nor with any other rules or regulations relating to prospectuses. This Admission Document has been inspected by Oslo Børs as part of the Registration process and has not been reviewed or approved by the Norwegian Financial Supervisory Authority or any other public authority.

Distribution of this Admission Document may be restricted by local securities legislation and failure to comply with these restrictions may constitute a violation of applicable securities legislation. Persons who come in possession of this Admission Document are required to inform themselves about and to observe any such restrictions.

**The Admission Document has been prepared solely for the purposes of the Registration, and does not constitute an offer of, or an invitation to purchase, subscribe or sell any of the securities described herein, and no Bonds or other securities are being offered or sold in any jurisdiction pursuant to this Admission Document.**

The information included in this Admission Document is as of the date hereof. Any publication or distribution of this Admission Document after such date shall not be taken as a representation that the information included herein is still correct and accurate.

This Admission Document is subject to Norwegian law. Any dispute arising in respect of this Admission Document is subject to the exclusive jurisdiction of Norwegian courts, with Oslo District Court (*Nw.: Oslo Tingrett*) as legal venue.

**The date of this Admission Document is 22 May 2025**

**1. STATEMENT OF RESPONSIBILITY**

Forum Energy Technologies, Inc. confirms, after having taken all reasonable care to ensure that such is the case, that the information contained in this Admission Document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

22 May 2025

Forum Energy Technologies, Inc.

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John C. Ivascu

Executive Vice President, General Counsel, Chief Compliance Officer & Corporate Secretary

## **2. FINANCIAL REPORTS, BUSINESS DESCRIPTION AND LOAN DOCUMENTATION**

This Admission Document has been prepared in accordance with the section 2.7 of the ABM Rules to address the minimum requirements for the Admission Document set out in section 2.7.2.2 (1) of the ABM Rules for Nordic ABM, as the shares of the Company are listed on the New York Stock Exchange (NYSE):

### **2.1. Financial reports**

The Company has prepared annual financial statements for the financial year ended 31 December 2024 (the "**Annual Financial Statements**") in accordance with accounting principles generally accepted in the United States of America (US GAAP). The Annual Financial Statements are attached hereto as Appendix 1. Further, the Company has prepared interim financial statements for Q1 2025 in accordance with US GAAP (the "**Q1 2025 Interim Financial Statements**"). The Q1 2025 Interim Financial Statements are attached hereto as Appendix 2.

### **2.2. Business description**

The Company is a global manufacturing company serving the oil, natural gas, industrial and renewable energy industries. The Company's common shares are listed on the New York Stock Exchange (NYSE) under the symbol "FET." The Company's principal executive offices are located at 10344 Sam Houston Park Drive, Houston, Texas 77064, its telephone number is (713) 351-7900 and its website is [www.f-e-t.com](http://www.f-e-t.com).

The Company is a global manufacturing company serving the oil, natural gas, industrial and renewable energy industries. With headquarters in Houston, Texas, the Company provides value added solutions aimed at improving the safety, efficiency, and environmental impact of its customers' operations. The Company's highly engineered products include capital equipment and consumable products. The Company's customers include oil and natural gas operators, land and offshore drilling contractors, oilfield service companies, pipeline and refinery operators, and renewable energy and new energy companies. Consumable products are used by the Company's customers in drilling, well construction and completion activities and at processing centers and refineries. The Company's capital products are directed at drilling rig equipment for constructing new or upgrading existing rigs, 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. In 2024, approximately 80% of the Company's 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.

For further information about the Company's business activities, operations, assets and legal structure, please see the Annual Financial Statements attached hereto as Appendix 1.

### **APPENDICES:**

The following documents are attached to this Admission Document:

**Appendix 1:** The Company's Annual Financial Statements for 2024

**Appendix 2:** The Company's Q1 2025 Interim Financial Statements

**Appendix 3:** Loan description, cf. section 2.7.2.4 of the ABM Rules

**Appendix 4:** Bond Terms for the Bonds

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**Form 10-K**

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

**For the Fiscal Year Ended December 31, 2024**

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)*

**Registrant's telephone number, including area code: (713) 351-7900**

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

(Title of Each Class)	(Trading Symbol)	(Name of Each Exchange on Which Registered)
<b>Common stock, \$0.01 par value</b>	<b>FET</b>	<b>New York Stock Exchange</b>

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or 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  Accelerated filer  Non-accelerated filer   
Smaller reporting company  Emerging growth company

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

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

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

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

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

The aggregate market value of Common Stock held by non-affiliates on June 30, 2024, determined using the per share closing price on the New York Stock Exchange Composite tape of \$16.86 on June 30, 2024, was approximately \$195.7 million. For this purpose, our executive officers and directors are considered affiliates.

As of February 21, 2025, there were 12,349,129 common shares outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of our Proxy Statement for the 2025 Annual Meeting of Stockholders are incorporated by reference into Part III of this report.

**Forum Energy Technologies, Inc.**  
**Index to Form 10-K**

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## **PART I**

### **Item 1. Business**

Forum Energy Technologies, Inc., a Delaware corporation (the “Company,” “FET,” “we,” “our” or “us”), is a global manufacturing company serving the oil, natural gas, industrial and renewable energy industries. Our common shares are listed on the New York Stock Exchange (“NYSE”) under the symbol “FET.” Our principal executive offices are located at 10344 Sam Houston Park Drive, Houston, Texas 77064, our telephone number is (713) 351-7900, and our website is [www.f-e-t.com](http://www.f-e-t.com). Our Annual Reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and all amendments thereto, are available free of charge in the “Investors” section of our website as soon as reasonably practicable after such reports are electronically filed with or furnished to the Securities and Exchange Commission (“SEC”). These reports are also available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Information contained on or accessible from our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this report or any other filing that we make with the SEC.

#### **Overview**

We are a global manufacturing company serving the oil, natural gas, industrial and renewable energy industries. With headquarters in Houston, Texas, FET provides value added solutions aimed at improving the safety, efficiency, and environmental impact of our customers’ operations. Our highly engineered products include capital equipment and consumable products. FET’s customers include oil and natural gas operators, land and offshore drilling contractors, oilfield service companies, pipeline and refinery operators, and renewable energy and new energy companies. Consumable products are used by our customers in drilling, well construction and completion activities and at processing centers and refineries. Our capital products are directed at drilling rig equipment for constructing new or upgrading existing rigs, 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. In 2024, 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 expect that the world’s long-term energy demand will continue to rise for many decades. We also expect hydrocarbons will continue to play a vital role in meeting the world’s long-term energy needs while renewable energy sources develop to scale. As such, we remain focused on serving our customers in both oil and natural gas as well as renewable energy applications. We are continuing to develop products to help oil and gas operators lower expenses, increase production, and reduce their emissions while also deploying our technologies in renewable energy applications.

In the first quarter 2024, following the acquisition (the “Variperem Acquisition”) of Variperem Holdings Ltd. (“Variperem”), we aligned our reportable segments with business activity drivers, our customer base, and the manner in which management reviews and evaluates operating performance. FET now operates in the following two reportable segments: (1) Drilling and Completions and (2) Artificial Lift and Downhole. Refer to Note 17 *Business Segments* for the product lines making up each segment. Our historical results of operations were recast retrospectively to reflect these changes in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

We incorporate by reference the segment and geographic information for the last two years set forth in Note 17 *Business Segments*, and the information with respect to the Variperem Acquisition set forth in Note 4 *Acquisition*.

#### **DRILLING AND COMPLETIONS SEGMENT**

Our Drilling and Completions segment designs, manufactures and supplies products and solutions to the drilling, subsea, coiled tubing, well stimulation and intervention markets, including applications in the oil and natural gas, renewable energy, defense and communications industries. The products and solutions consist primarily of (i) capital equipment and consumable products used in the drilling process; (ii) capital equipment and aftermarket products including subsea remotely operated vehicles (“ROVs”) and trenchers, submarine rescue vehicles, specialty components and tooling, and technical services; (iii) capital equipment and consumable products sold to the pressure pumping market, including hydraulic fracturing pumps, cooling systems, and high-pressure flexible hoses and flow iron; (iv) wireline cable and pressure control equipment used in the well completion and intervention service markets; and (v) coiled tubing strings and pressure control equipment used in coiled tubing operations, as well as coiled line pipe and related services.

There are several factors that drive demand for our Drilling and Completions segment. Our Drilling product line is influenced by global drilling activity, the level of capital investment in drilling rigs and equipment replacement as drilling contractors modify or replace existing rigs to improve capability, efficiency or safety, and the number of rigs in use, and the severity of operating conditions. Our Subsea product line is affected by global offshore activity, defense spending, subsea equipment and pipeline installation, repair and maintenance expenditures, and growth in offshore windfarm development. Demand for our Stimulation & Intervention and Coiled Tubing product lines is impacted by the level of shale or tight sand basin hydraulic fracturing activity and the level of workover and intervention activity.

**Drilling.** We provide both drilling capital equipment and consumables, with a focus on products that enhance our customers' handling of tubulars and drilling fluids on the drilling rig. Our product offering includes powered and manual tubular handling equipment; customized offline crane systems; drilling data acquisition management systems; pumps, pump parts, valves, and manifolds; drilling fluid end components; and, a broad line of items consumed in the drilling process.

*Drilling capital equipment.* We design and manufacture a range of powered and manual tubular handling tools used on onshore and offshore drilling rigs. Our Forum B+V Oil Tools and Wrangler™ branded tools reduce direct human involvement in the handling of pipe during drilling operations, improving safety, speed and efficiency of operations. Our tubular handling tools include elevators, clamps, rotary slips, rotary tongs, powered slips, spiders and kelly spinners. Our make-up and break-out tools, called Forum Roughneck™, automate a dangerous rig floor task and improve rig drilling speed and safety. Our hydraulic catwalks mechanize the lifting and lowering of tubulars to and from the drill floor, eliminating or reducing the need for traditional drill pipe and casing "pick-up and lay-down" operations with associated personnel. We also design and manufacture a range of rig-based offline activity cranes and multi-purpose cranes.

In addition to powered tubular handling equipment, we design and manufacture drilling manifold systems and high-pressure piping packages. Finally, we repair and service drilling equipment for both land and offshore rigs. Many of our service employees work in the field to address problems at the rig site.

*Consumable products.* We manufacture a range of consumable products used on drilling rigs and well servicing rigs. Our consumable products include valves, centrifugal pumps, mud pump fluid end components, including P-Quip™ mud pump modules, Forumlok™, rig sensors, inserts, and dies. We are also a supplier of oilfield bearings to original equipment manufacturers and repair businesses for use in drilling and well stimulation equipment.

Our primary customers in this product line include domestic and international drilling rig contractors operating land and offshore based drilling rigs.

**Subsea.** We design and manufacture capital equipment and specialty components used in the subsea sector and provide a broad suite of complementary technical services. We have a core focus on the design and manufacture of ROV systems, other specialty subsea vehicles, and rescue submarines, as well as critical components of these vehicles. Many of our related technical services complement our vehicle offerings.

*Subsea vehicles.* We are a leading designer and manufacturer of a wide range of ROVs that we supply to the offshore subsea construction, observation and related service markets. The market for ROVs can be segmented into three broad classes of vehicles based on size and category of operations: (1) large work-class vehicles and trenchers for construction and installation activities, (2) drilling-class vehicles deployed from and for use around an offshore rig and (3) observation-class vehicles for inspection and light manipulation. We are a leading provider of work-class and observation class vehicles.

We design and manufacture large work-class ROVs through our highly respected Perry® brand. These vehicles are principally used in deepwater construction applications. In addition to work-class ROVs, we design and manufacture large trenchers that travel along the sea floor for trenching, installation and burial operations. The largest of these trenchers is able to cut over three meters deep into the seafloor to lay pipelines, power cables or communications cables for customers in the pipeline, offshore wind power and telecom markets.

Our Forum Sub-Atlantic® branded observation-class vehicles are electrically powered and are principally used for inspection, survey and light manipulation, and serve a wide range of industries.

In addition to ROVs, we design and manufacture subsea rescue vehicles capable of a range of tasks, including submarine rescue operations, diver support, seabed survey, port security, under hull search and a variety of other tasks.

Our subsea vehicle customers are primarily large offshore service companies that serve the oil and natural gas, telecommunications, offshore wind power, and other industries operating in marine environments. In addition, we sell products to a range of governmental organizations including naval, maritime science and geoscience research organizations.

*Subsea products and technical services.* We are also a leading designer and manufacturer of subsea products and components utilized in conjunction with ROVs for the oil and natural gas, renewables, telecommunications and defense markets. We manufacture Dynacon® branded ROV launch and recovery systems, linear cable engines, Sub-Atlantic® branded ROV thrusters, and a wide range of hydraulic power units and valve packs. We design and manufacture these ROV components for incorporation into our own vehicles as well as for sale to other ROV manufacturers. We also provide a broad suite of subsea tooling and technical services.

**Stimulation and Intervention.** We provide a broad range of high-pressure pumps and flow equipment used by pressure pumping companies during stimulation, intervention (principally plug and perforation activity) and flowback processes. We sell power end assemblies, industrial heat exchanger and cooling systems, manifolds and manifold trailers, high-pressure flexible hoses and flow iron. Frequent refurbishment and recertification of flow equipment is critical to ensuring the reliable and safe operation of a pressure pumping company's fleet. We perform these services and position inventory in strategic locations in North America.

We also manufacture pressure control products that are used for well intervention operations and sold domestically and internationally to oilfield service companies and equipment rental companies. Products we supply include blowout preventers for coiled tubing and wireline units, and our Hydraulic Latch Assembly and FASTConnect units, which are used to facilitate efficient zipper fracturing operations. We also manufacture electro-mechanical wireline cables as well as innovative EnviroLite branded (greaseless) cables. We also conduct aftermarket refurbishment and recertification services for pressure control equipment.

Our primary customers in the Stimulation and Intervention product line are pressure pumping, wireline and flowback service companies. In addition, we sell directly to pressure pumping original equipment manufacturers.

**Coiled Tubing.** We manufacture Global Tubing® branded coiled tubing strings, including DURACOIL (quench and temper), and coiled line pipe, and provide related services. Coiled tubing strings are consumable components utilized to perform well completion and intervention activities. Our coiled line pipe offering serves as an alternative to conventional line pipe and flexible composite alternatives in onshore and offshore applications. In addition, our coiled line pipe offering can be utilized to transport carbon dioxide for injection into underground storage.

The product line's primary customers are domestic and international service companies that provide coiled tubing services and oil and gas operators.

## **ARTIFICIAL LIFT AND DOWNHOLE SEGMENT**

Our Artificial Lift and Downhole segment designs, manufactures and supplies products and solutions for the artificial lift, well construction, production and infrastructure markets. The products and solutions consist primarily of: (i) products designed to safeguard artificial lift equipment and downhole cables; (ii) well construction casing and cementing equipment; (iii) customized downhole technology solutions, providing sand and flow control products for heavy oil applications; (iv) engineered process systems, production equipment, as well as specialty separation equipment; and (v) a wide range of industrial valves focused on oil and natural gas as well as power generation, renewable energy and other general industrial applications.

There are several factors that drive demand for our Artificial Lift and Downhole segment. Our Downhole product line is impacted by the level of well completion activity and complexity of well construction and completion. Our Production Equipment product line's primary market driver is the level of spending associated with new producing wells as well as spending on midstream and downstream projects. In addition, demand for our Valve Solutions products is affected by activity levels in the power generation, process, petrochemical and mining industries.

**Downhole.** We manufacture a broad line of downhole products that are consumed during the construction, completion and production phases of a well's lifecycle.

*Downhole protection systems.* We offer a full selection of downhole protection solutions and artificial lift accessories through our various brands such as Cannon Services™ and Multilift. Our Cannon Services protectors are used to shield downhole control lines, cables and gauges during installation and to provide protection during production enhancement operations. We design and manufacture a variety of downhole protection solutions for electrical

submersible pump (“ESP”) cabling, encapsulated control lines, sub-surface safety valves and permanent downhole gauges. We provide both standard and customized protection systems, and we utilize a range of materials in our products for various downhole environments. SandGuard™ and Cyclone™ branded completion tools extend the useful life of an ESP by protecting it against sand and other solids during shutdown and startup. Forum’s GasGuard™ branded product also extends the useful life of an ESP by breaking down gas slugs, creating an uninterrupted flow of liquid.

*Casing and cementing tools.* Through our Davis-Lynch™ branded downhole well construction operations, we design and manufacture products used in the construction of oil, natural gas and geothermal wells. We supply a full portfolio of centralizers, float equipment, stage cementing tools, inflatable packers, flotation collars, cementing plugs and surge reduction equipment. Our products are used globally in the construction of onshore and offshore wells.

*Sand and flow control solutions.* Through our Variper™ branded tools we provide sand and flow control products for heavy oil applications. The Company’s suite of differentiated technology is designed, engineered, and custom-manufactured to meet the stringent requirements of producers. Customers utilize our sand control and near wellbore physics experts who have specific expertise in areas such as physical modelling, experimental testing, petroleum geomechanics, rock mechanics, and geotechnics. Our technical team designs unique and well-specific sand control strategies, based on sand characterization, near wellbore conditions, and screen evaluation.

Our primary customers in this product line are oil and natural gas producers, and service companies providing completions, artificial lift and other intervention services to producers.

**Production Equipment.** Our Production Equipment product line provides engineered process systems for capital equipment used at the wellsite and for production processing in the U.S. Once a well has been drilled, completed and brought on stream, we provide the well operator with process equipment necessary to make the oil or natural gas ready for transmission. We engineer, fabricate and install separators, packaged production systems and pressure vessels, skidded vessels with gas measurement, modular process plants, header and manifold skids, process and flow control equipment and separators to help clean and process oil or natural gas as it travels from the wellhead and along the transmission line to the refinery. Our customers are principally U.S. oil and natural gas operators or producers.

We also design and provide process oil treatment equipment, including EDGE® and NU-STATIC® branded desalters and dehydrator technologies, used in refineries and other process applications worldwide. We have a team of highly trained technicians and field service engineers for repair and installation, and we supply a broad range of replacement parts for our equipment and other manufacturers. This equipment removes sand, water and suspended solids from hydrocarbons prior to their transmission or refining.

**Valve Solutions.** We provide a wide range of industrial valves that principally serve the upstream, midstream and downstream markets of the oil and natural gas industry. Our valves also serve general industrial, power generation and process industry customers as well as the mining industry. In addition, our Canadian operations provide significant exposure to heavy oil projects. We provide ball, gate, globe and check valves across a range of sizes and applications.

We market our valves to our customers and end users through our recognized brands: PBV®, DSI® and Accuseal®. Much of our production is sold through distribution supply companies, with our marketing efforts targeting end users for pull through of our valve products.

Our supply chain systems enable us to design and sell high-quality engineered valves, as well as provide standardized products, while maintaining competitive pricing and minimizing capital requirements. We utilize our international manufacturing partners to produce completed products and components for the majority of our valve products.

### **Business history**

FET was incorporated in 2005 and on April 17, 2012, we completed our initial public offering. Since then, we have completed acquisitions to round out our offering in certain product lines and to build our Coiled Tubing and Stimulation and Intervention product lines.

## **Backlog**

As we provide a mix of consumable products, capital goods, and repair parts and services, the majority of orders and commitments included in our backlog as of December 31, 2024 are scheduled to be delivered within six months. Our backlog was approximately \$213.5 million and \$241.6 million at December 31, 2024 and 2023, respectively. Substantially all of the projects currently in our backlog are subject to change and our customers may seek to terminate these orders. However, customers are generally required to pay us for work performed as well as other costs and fees as a result of such changes or termination. It is difficult to predict how much of our current backlog may be delayed or terminated, or subject to changes, as well as our ability to collect termination or change fees.

Our consumable and repair products are predominantly off-the-shelf items requiring short lead-times, generally less than six months, and our related refurbishment or other services are also not contracted with significant lead time. The composition of our backlog is reflective of our mix of capital equipment, consumable products, aftermarket and other related items. Our bookings, which consist of written orders or commitments for our products or related services, during the years ended December 31, 2024 and 2023 were approximately \$780.3 million and \$724.3 million, respectively.

## **Customers**

No customer represented more than 10% of consolidated revenue in any of the last two years.

## **Seasonality**

Our business is not significantly impacted by seasonality. However, our customers are susceptible to exhausting their capital and operating budgets in the fourth quarter. As a result, we may experience decreased demand for our products in the fourth quarter. In addition, given the geographic proximity of a number of our facilities to the Gulf Coast, we are subject to business interruptions caused by hurricanes and tropical storms. Furthermore, a portion of the revenue we generate from Canadian operations often benefits from higher first quarter activity levels, as operators take advantage of the winter freeze to gain access to remote drilling and production areas; however, these Canadian operations are also subject to decreased activity levels in the second quarter due to the winter thaw.

## **Competition**

The markets in which we operate are highly competitive. We compete with a number of companies of varying sizes, including large national and multinational companies, as well as smaller competitors on a regional or local basis. We have no single competitor across all of our product lines. Some of our more significant competitors include manufacturing companies such as NOV Inc. and Tenaris S.A., and the manufacturing arms of SLB, TechnipFMC plc and Weatherford International PLC.

## **Patents, trademarks and other intellectual property**

We currently hold multiple U.S. and international patents and trademarks, have a number of pending patent and trademark applications and have developed a significant amount of trade secrets or other know how in the areas where we compete. Although our patents, trademarks, licenses, trade secrets and know how are material to us in the aggregate, we do not regard any single piece of intellectual property to be material to our business as a whole.

## **Raw materials**

We acquire component parts, products and raw materials from suppliers, including foundries, forge shops, and original equipment manufacturers. The prices we pay for our raw materials may be affected by, among other things, energy, steel and other commodity prices, inflationary pressures, tariffs and duties on imported materials, and foreign currency exchange rates. Certain of our component parts, products or raw materials, such as bearings, are only available from a limited number of suppliers. Please see "Risk factors—Risks related to our business—We rely on relationships with key suppliers to operate and maintain our business."

Timely receipt of raw materials is critical to our business and we may not be able to continue purchasing raw materials on a timely basis or at acceptable prices in the future. We generally try to purchase raw materials from multiple suppliers so that we are not dependent on any one supplier, but this is not always possible.

### ***Working Capital***

An important consideration for many of our customers in selecting a vendor is timely availability of the product. Customers may pay a premium for earlier or immediate availability because of the cost of delays in critical operations. We stock our consumable products in regional warehouses or on consignment around the world so that these products are available for our customers when needed. This availability is especially critical for certain consumable products, causing us to carry substantial inventories for these products. For critical capital items in which demand is expected to be strong, we often build certain items before we have a firm order. Our having such goods available on short notice can be of great value to our customers. We also stock raw materials and components in order to be in a position to build products in response to market demand.

We typically offer our customers standard payment terms of 30 days, although customers often take 65 days or more to settle accounts. For sales into certain countries or for select customers, we might require payment upfront or credit support through a letter of credit. For longer term projects, we typically require progress payments as important milestones are reached. On average, we collect our receivables in about 70 days from shipment resulting in a substantial investment in accounts receivable. Standard terms with our vendors are 60 days. For critical items sourced from significant vendors, we have settled accounts more quickly, sometimes in exchange for early payment discounts.

### ***Governmental regulation***

Our operations are subject to numerous stringent and complex foreign, federal, provincial, state and local laws and regulations governing the discharge of materials into the environment, health and safety aspects of our operations, or otherwise relating to human health and environmental protection. In addition to environmental and worker safety regulations, we are subject to regulation by numerous other governmental regulatory agencies, including the U.S. Department of Labor and other state, local and international bodies regulating worker rights and labor conditions. In addition, we are subject to certain requirements to contribute to retirement funds or other benefit plans and laws in some jurisdictions in which we operate restrict our ability to dismiss employees. Failure to comply with these laws or regulations or to obtain or comply with permits may result in the assessment of administrative, civil and criminal penalties, imposition of remedial or corrective action requirements, the imposition of injunctions to prohibit certain activities or force future compliance, and even criminal prosecution.

The trend in environmental regulation has been to impose increasingly stringent restrictions and limitations on activities that may impact the environment, and thus, any changes in environmental laws and regulations or in enforcement policies that result in more stringent and costly waste handling, storage, transport, disposal, or remediation requirements could have a material adverse effect on our operations and financial position. Moreover, accidental releases or spills of regulated substances may occur in the course of our operations, and if so, we may incur significant costs and liabilities as a result of such releases or spills, including any third-party claims for damage to property, natural resources or persons.

The following is a summary of the more significant existing environmental, health and safety laws and regulations to which our business operations are subject and for which compliance may have a material adverse impact on our capital expenditures, results of operations or financial position.

#### ***Hazardous substances and waste***

The Resource Conservation and Recovery Act ("RCRA") and comparable state statutes, regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the Environmental Protection Agency ("EPA"), individual states administer some or all of the provisions of the RCRA, sometimes in conjunction with their own, more stringent requirements. We are required to manage the transportation, storage and disposal of hazardous and non-hazardous wastes in compliance with the RCRA.

The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), also known as the Superfund law, imposes joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible parties for the release of a hazardous substance into the environment. These persons include the owner or operator of the site where the release occurred, and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. We currently own, lease, or operate numerous properties that have been used for manufacturing and other operations for many years. We also contract with waste removal services and landfills. These properties and the substances disposed or released on them may be subject to the CERCLA, RCRA and analogous state laws. Under such laws, we could be required to remove previously disposed substances and wastes, remediate contaminated property, perform remedial operations to prevent future contamination, or to contribute financially to efforts to do the same. In addition, it is not uncommon for neighboring landowners and other third-parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment.

#### *Hydraulic fracturing*

A significant percentage of our customers' oil and natural gas production is being developed from unconventional sources, such as hydrocarbon shales. These formations require hydraulic fracturing completion processes to release the oil or natural gas from the rock so that it can flow through the formations. Hydraulic fracturing involves the injection of water, sand and chemicals under pressure into the formation to stimulate production. A number of federal agencies, including the EPA and the U.S. Department of Energy, are analyzing, or have been requested to review, a variety of environmental issues associated with shale development, including hydraulic fracturing. Moreover, various political groups and officials are requesting or have discussed implementing a ban on hydraulic fracturing, or oil and gas extraction generally, on federal lands. For more information, please see "Risk Factors-Potential legislation or regulations restricting the use of hydraulic fracturing could reduce demand for our products."

#### **Operating risk and insurance**

We maintain insurance coverage of types and amounts that we believe to be customary and reasonable for companies of our size and with similar operations. In accordance with industry practice, however, we do not maintain insurance coverage against all of the operating risks to which our business is exposed. Therefore, there is a risk our insurance program may not be sufficient to cover any particular loss or all losses. Currently, our insurance program includes coverage for, among other things, general liability, umbrella liability, sudden and accidental pollution, personal property, vehicles, workers' compensation, and employer's liability coverage.

#### **Employees**

As of December 31, 2024, we had approximately 1,800 employees. Of our total employees, approximately 1,100 were in the U.S., 200 were in the United Kingdom, 100 were in Germany, 300 were in Canada and 100 were in other locations. We are not a party to any collective bargaining agreements, other than in our Hamburg, Germany facility. We consider our relations with our employees to be satisfactory.

## Item 1A. Risk Factors

The following summarizes the principal factors that make an investment in our company speculative or risky, all of which are more fully described in the Risk Factors section below. This summary should be read in conjunction with the Risk Factors section and should not be relied upon as an exhaustive summary of the material risks facing our business.

### Risks Related to our Business and Operations:

- The success of our business largely depends on activity levels in the oil and natural gas industry, which can be affected by the amount and volatility of oil and natural gas prices.
- The markets in which we operate are highly competitive, including some companies that hold substantial market share and have substantially greater resources than we do, as well as a number of regional or local competitors for certain of our product lines. We may not be able to compete successfully in this environment.
- Given the uncertainty related to long-term commodity prices and associated customer demand, we may hold excess or obsolete inventory, and as a result, may experience a reduction in gross margins and financial results.
- We may not realize revenue on our current backlog due to customer order reductions, cancellations or acceptance delays, which may negatively impact our financial results.
- The industry in which we operate is undergoing continuing consolidation and seeking opportunities to participate in the energy transition, which may impact our results of operations.
- A greater focus on budgetary discipline and technological advances have caused a decline in customer spending that may remain at a low level despite an increase in commodity prices.
- We may be unable to employ a sufficient number of skilled and qualified workers.
- We rely on relationships with key suppliers to operate and maintain our business.
- Our business depends upon our ability to obtain key raw materials and specialized equipment from suppliers. Increased costs of raw materials and other components, and inflationary pressure, may result in increased operating expenses.
- A deterioration of global economic conditions could adversely affect our financial condition and results of operations.
- We may not be able to satisfy technical requirements, testing requirements, code requirements or other specifications under contracts and contract tenders.
- Our information technology systems infrastructure could be subject to disruption, compromise or failure and our data protection measures may be insufficient to protect our information, including as a result of cyber incidents adversely impacting our business.
- Our success depends on our ability to implement new technologies and services more efficiently and quickly than our competitors.
- Our success will be affected by the use and protection of our proprietary technology. Due to the limitations of our intellectual property rights, our ability to exclude others from the use of our proprietary technology may be reduced. Furthermore, we may be adversely affected by disputes regarding intellectual property rights.
- We may incur liabilities, fines, penalties or additional costs, or we may be unable to sell to certain customers if we do not maintain safe operations.
- If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.
- The impact and effects of public health crises, pandemics and epidemics could have a material adverse effect on our business, financial condition and results of operations.
- Facility consolidations or expansions may subject us to risks of operating inefficiencies, construction delays and cost overruns.
- Our acquisitions and dispositions may not result in anticipated benefits and may present risks not originally contemplated.
- A natural disaster, catastrophe or other event could result in severe property damage, which could curtail our operations.

### **Legal and Regulatory Risks:**

- Our operations and our customers' operations are subject to a variety of governmental laws and regulations that affect our and our customers' costs, prohibit or curtail our customers' operations in certain areas, limit the demand for our products and services or restrict our operations.
- Potential legislation or regulations restricting the use of hydraulic fracturing could reduce demand for our products.
- Our financial results could be adversely impacted by changes in regulation of oil and natural gas exploration and development activity in response to significant environmental incidents or climate change actions.
- Our operations are subject to environmental and operational safety laws and regulations that may expose us to significant costs and liabilities.
- Tariffs imposed by the U.S. government could have a further severe adverse effect on our results of operations.
- We are subject to litigation risks that may not be covered by insurance.
- The number and cost of our current and future asbestos claims could be substantially higher than we have estimated and the timing of payment of claims could be sooner than we have estimated.
- Our products are used in operations that are subject to potential hazards inherent in the oil and natural gas industry and, as a result, we are exposed to potential liabilities that could affect our financial condition and reputation.
- Climate change legislation or regulations restricting emissions of greenhouse gases ("GHGs") and related divestment and other efforts could increase our operating costs or reduce demand for our products.

### **Risks Related to our International Operations**

- Our business operations worldwide are subject to a number of U.S. federal laws and regulations, including restrictions imposed by the U.S. Foreign Corrupt Practices Act ("FCPA") as well as trade sanctions administered by the Office of Foreign Assets Control and the Commerce Department, as well as similar laws in non-U.S. jurisdictions that govern our operations by virtue of our presence or activities there.
- Our exposure to currency exchange rate fluctuations may result in fluctuations in our cash flows and could have an adverse effect on our results of operations.

### **Risks Related to our Common Stock, Indebtedness and Financial Condition:**

- Our common stock price has been volatile, and we expect it to continue to remain volatile in the future.
- Our debt agreements contain operating and financial restrictions that restrict our business and financing activities.
- Our variable rate indebtedness may subject us to interest rate risk, which could cause our debt service obligations to increase significantly.
- Our ability to access the capital and credit markets to raise capital on favorable terms is limited by our debt level, industry conditions and credit rating.
- Provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our company, which could adversely affect the price of our common stock.
- During the year ended December 31, 2024, we incurred impairment charges and we may incur additional impairment charges in the future.

## Risks Related to our Business and Operations:

***The success of our business largely depends on activity levels in the oil and natural gas industry, which can be affected by the amount and volatility of oil and natural gas prices.***

We have experienced, and will continue to experience, fluctuations in revenues and operating results due to economic and business cycles. The willingness of oil and natural gas operators to make capital expenditures to explore for and produce oil and natural gas, the need of oilfield services companies to replenish consumable parts and the willingness of these customers to invest in capital equipment depends largely upon prevailing industry conditions that are influenced by numerous factors over which we have no control. Such factors include:

- domestic and foreign supply of and demand for oil and natural gas;
- prices, and expectations about future prices, of oil and natural gas;
- ability or willingness of the Organization of Petroleum Exporting Countries and other allied producing countries (“OPEC+”) and other major producers to set and maintain production limits;
- cost of exploring for, developing, producing and delivering oil and natural gas;
- levels of drilling and completions activity;
- expected decline in rates of current and future production, or faster than anticipated declines in production;
- discovery rates of new oil and natural gas reserves;
- the occurrence or threat of epidemic or pandemic diseases and any government response to such occurrence or threat;
- ability of our customers to access new markets or areas of production or to continue to access current markets, including as a result of trade restrictions;
- weather conditions, including hurricanes and tornadoes, that can affect oil and natural gas operations;
- natural disasters, catastrophes or other events resulting in severe property damage;
- governmental regulations, including those instituted in connection with a response to climate change;
- prohibitions, moratoriums or similar limitations on drilling or hydraulic fracturing activity resulting in a cessation or disruption of operations;
- domestic and worldwide economic and political conditions, including inflationary pressures, further increases in interest rates and the cost of capital, a general economic slowdown or recession, political tensions and war (including future developments in the ongoing Russia-Ukraine conflict);
- financial stability of our customers and other industry participants;
- political instability in oil and natural gas producing countries;
- increased pressures to invest in sustainable energy sources, shareholder activism or activities by non-governmental organizations to restrict the exploration, development and production of oil and natural gas;
- investors reducing, or ceasing to provide, funding to the oil and natural gas industry in response to initiatives to limit climate change;
- conservation measures and technological advances affecting energy consumption;
- price and availability of alternative energy resources and fuels;
- uncertainty in capital and commodities markets, and the ability of oil and natural gas companies to raise equity capital and debt financing;  
and
- merger and divestiture activity among oil and natural gas producers, drilling contractors and oilfield service companies.

The oil and natural gas industry has historically experienced periodic reductions in the overall level of exploration and development activities in connection with declines in commodity prices. As a result, there are periodic reductions in the demand for our products and services, downward pressure on the prices that we charge and ultimately an adverse impact on our business. Although during 2023 and 2024, oil and gas prices and demand remained relatively steady, it is uncertain whether prices will maintain current levels, decline or increase. Furthermore, there can be no assurance that the demand or pricing for oil and natural gas will follow historic

patterns, including as a result of increased availability of alternative energy sources. Declines in oil and natural gas prices, decreased levels of exploration, development, and production activity, use of alternative sources of energy, and the willingness of customers to invest in their equipment relative to historical norms may negatively affect:

- revenues, cash flows, and profitability;
- the ability to maintain or increase borrowing capacity;
- the ability to obtain additional capital to finance our business and the cost of that capital;
- the ability to collect outstanding amounts from our customers; and
- the ability to attract and retain skilled personnel to maintain our business or that will be needed in the event of an upturn in the demand for our products.

***The markets in which we operate are highly competitive, including some companies that hold substantial market share and have substantially greater resources than we do, as well as a number of regional or local competitors for certain of our product lines. We may not be able to compete successfully in this environment.***

The markets in which we operate are highly competitive and our products and services are subject to competition from significantly larger businesses. We have several competitors that are large national and multinational companies that have longer operating histories, and greater financial, technical and other resources than we do. In addition, we compete with many small companies on a regional or local basis. Our competitors may be able to respond more quickly to new or emerging technologies and services and changes in customer requirements. In addition, several of our competitors provide a much broader array of services, and have a stronger presence in more geographic markets and, as such, may be better positioned to withstand an extended downturn. Our larger competitors are able to use their size and purchasing power to seek economies of scale and pricing concessions. Furthermore, some of our customers are our competitors and have in the past ceased buying from us, and may do the same in the future. We also have competitors outside of the U.S. with lower structural costs due to labor and raw material cost in and around their manufacturing centers, and prices based on foreign currencies. Accordingly, currency fluctuations may cause U.S. dollar-priced products to be less competitive than our competitors' products that are priced in other currencies. Moreover, our competitors may utilize available capacity during a period of depressed energy prices to gain market share.

New competitors have also entered the markets in which we compete. We consider product quality, price, breadth of product offering, availability of products and services, performance, distribution capabilities, technical expertise, responsiveness to customer needs, reputation for service and intellectual property rights to be the primary competitive factors. Competitors may be able to offer more attractive pricing, duplicate strategies, or develop enhancements to products that offer performance features that are superior to our products. In addition, we may not be able to retain key employees of entities that we acquire in the future and those employees may choose to compete against us following a contractually agreed period of non-competition that is permitted under the law. Competitive pressures, including those described above, and other factors could adversely affect our competitive position, resulting in a loss of market share or decreases in prices. For more information about our competitors, please read "Business—Competition."

***Given the uncertainty related to long-term commodity prices and associated customer demand, we may hold excess or obsolete inventory, and as a result, may experience a reduction in gross margins and financial results.***

We cannot accurately predict what or how many products our customers will need in the future. Orders are placed with our suppliers based on forecasts of customer demand and, in some instances, we may establish buffer inventories to accommodate anticipated demand. At certain times, we have built capital equipment before receiving customer orders. Our forecasts of customer demand are based on multiple assumptions, which have introduced errors into the estimates. In addition, many of our suppliers, such as those for certain of our standardized valves, require a longer lead time to provide products than our customers demand for delivery of our finished products. If we underestimate customer demand or if insufficient manufacturing capacity is available, we would miss revenue opportunities and potentially lose market share and damage our customer relationships. Conversely, if we overestimate customer demand, we would allocate resources to the purchase of material or manufactured products that we are not be able to sell when we expect to, if at all. As a result, we would hold excess or obsolete inventory, which would reduce gross margin and adversely affect financial results upon writing down the value of inventory. In addition, any future significant cancellations or deferrals of product orders or the return of previously sold products could materially and adversely affect profit margins, increase product obsolescence and restrict our ability to fund our operations.

***We may not realize revenue on our current backlog due to customer order reductions, cancellations or acceptance delays, which may negatively impact our financial results.***

Uncertainty regarding demand for our customers' services has resulted in order reductions, cancellations and acceptance delays, and we may experience more of these in the future. We may be unable to collect revenue for all of the orders reflected in our backlog, or we may be unable to collect cancellation penalties, to the extent we have the right to impose them, or the revenues may be pushed into future periods. In addition, customers who are more highly leveraged or otherwise unable to pay their creditors in the ordinary course of business may become insolvent or be unable to operate as a going concern. We may be unable to collect amounts due or damages we are awarded from these customers, and our efforts to collect such amounts may damage our customer relationships. Our results of operations and overall financial condition may be negatively impacted by a reduction in revenue as a result of these circumstances.

***The industry in which we operate is undergoing continuing consolidation and seeking opportunities to participate in the energy transition, which may impact our results of operations.***

Some of our customers have consolidated and are seeking to achieve economies of scale and pricing concessions. In addition, they are making investments in non-traditional oil and gas markets as part of the energy transition. As a result, we may be unable to supply our traditional oil and gas products to these customers if we do not develop new technology that meets their changing needs. In addition, the consolidation of customers and focus on non-traditional energy investments could result in reduced spending by such companies or decreased demand for our existing products and services. Therefore, to counteract these pressures, any reduced spending or decreased demand for traditional energy products will need to be offset at the same or greater pace by sales to other customers or increased sales of renewable energy technologies that we develop. If we are not successful in offsetting such sales, there could be a significant negative impact on our results of operations or financial condition. We are unable to predict what effect consolidations and the energy transition in the industry may have on prices, spending by customers, selling strategies, competitive position, customer retention or our ability to negotiate favorable agreements with customers.

***A greater focus on budgetary discipline and technological advances have caused a decline in customer spending that may remain at a low level despite an increase in commodity prices.***

A portion of our business is driven by our customers' spending on capital equipment such as drilling rigs. Our customers and their investors have adopted business strategies placing significant emphasis on capital discipline that has limited the level of their spending. In addition, new techniques and technological advances have reduced the number of days required to drill wells. The number of days required for a drilling rig to be on a site to drill a well has in many areas been reduced by at least half over the last several years. Given these factors, we cannot provide any assurance that our capital equipment sales will increase if there is an increase in commodity prices.

***We may be unable to employ a sufficient number of skilled and qualified workers.***

The delivery of our products and services requires personnel with specialized skills and experience. Our ability to be productive and profitable depends upon our ability to employ and retain skilled workers. During periods of increasing activity in our industry, our ability to expand our operations depends in part on our ability to increase the size of our skilled labor force. In addition, during those periods, the demand for skilled workers is high, the supply is limited and the cost to attract and retain qualified personnel increases, especially for skilled workers. For example, we have recently experienced shortages of engineers, mechanical assemblers, machinists and welders, which in some instances slowed the productivity of certain of our operations. Furthermore, a significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. During periods of low activity in our industry, we have reduced the size of our labor force to match declining revenue levels, and other employees have chosen to leave in order to find more stable employment. This causes us to lose skilled personnel, the absence of which could cause us to incur quality, efficiency and deliverability issues in our operations, or delay our response to an upturn in the market. We are also exposed to the impact of labor cost increases resulting from other factors such as high employment levels, increased wages offered by employers in other industries, and government regulations. If any of these events were to occur, our ability to respond quickly to customer demands may be inhibited and our growth potential could be impaired.

***We rely on relationships with key suppliers to operate and maintain our business.***

Certain of our product lines depend on a limited number of third-party suppliers. In some cases, the suppliers own the intellectual property rights to the products we sell, or possess the technology or specialized tooling required to manufacture them. As a result of this concentration in part of our supply chain, our business and operations may be negatively affected if our key suppliers were to experience significant disruptions affecting the price, quality,

availability or timely delivery of their products, or if they were to decide to terminate their relationships with us. For example, we have a limited number of suppliers for our bearings product lines and certain of our valve product lines. The limited number of these suppliers can restrict the quantity and timeliness of customer deliveries. In addition, some of our suppliers have imposed more stringent payment terms and conditions on us based on our perceived risk as a counterparty. The partial or complete loss of any one of our key suppliers, a significant adverse change in the relationship with any of these suppliers, through consolidation or otherwise, would limit our ability to manufacture and sell certain of our products.

***Our business depends upon our ability to obtain key raw materials and specialized equipment from suppliers. Increased costs of raw materials and other components, and inflationary pressure, may result in increased operating expenses.***

Should our suppliers be unable to provide the necessary raw materials or finished products or otherwise fail to deliver such materials and products timely and in the quantities required, resulting delays in the provision of products or services to customers could have a material adverse effect on our business. For example, our Coiled Tubing product line was unable to source a sufficient amount of steel during the third and fourth quarters of 2021 to satisfy customer orders on a timely basis. In addition, because many of our products are manufactured out of steel, we are particularly susceptible to fluctuations in steel prices and tariffs. Our results of operations may be adversely affected by our inability to manage the rising costs and availability of raw materials and components used in our products. The availability and cost of raw materials and finished products may be impacted by macroeconomic demand, various national, regional, local, economic and political factors, supply chain disruptions and inflationary pressures.

Some of our contracts require us to compensate customers if we do not meet specified delivery obligations. We rely on suppliers to provide required materials and in many instances these materials must meet certain specifications. Managing a geographically diverse supply base poses inherently significant logistical challenges. Furthermore, the ability of third-party suppliers to deliver materials to our specifications may be affected by events beyond our control. As a result, there is a risk that we could experience diminished supplier performance resulting in longer than expected lead times and/or product quality issues. For example, in the past, we have experienced issues with the quality of certain forgings used to produce materials utilized in our products. As a result, we were required to seek alternative suppliers for those forgings, which resulted in increased costs and a disruption in our supply chain. We have also been required in certain circumstances to provide better economic terms to some of our suppliers in exchange for their agreement to increase their capacity to satisfy our supply needs. The occurrence of any of the foregoing factors would have a negative impact on our ability to deliver products to customers within committed time frames.

***A deterioration of global economic conditions could adversely affect our financial condition and results of operations.***

A deterioration in global economic conditions, including an economic slowdown or recession in the United States or in any other country that significantly affects the supply of or demand for oil or natural gas, inflation, geopolitical issues such as the continuing conflict between Russia and Ukraine, the availability and cost of credit and supply chain disruptions, could adversely affect our financial condition and results of operations. Global economic conditions have a significant impact on oil and natural gas prices, and any stagnation or deterioration in these conditions could result in less demand for our products and services and could cause our customers to reduce their planned capital spending. Adverse global economic conditions also may cause our customers, vendors and/or suppliers to lose access to the financing necessary to sustain or increase their current level of operations, fulfill their commitments and/or fund future operations and obligations. Additionally, if inflation increases, we may be unable to raise pricing for our products and services at or above the rate of inflation, which could reduce our profit margins. In the past, global economic conditions, and expectations for future global economic conditions, have sometimes experienced significant deterioration in a relatively short period of time and there can be no assurance that global economic conditions or expectations for future global economic conditions will recover in the near term or not quickly deteriorate again due to one or more factors.

***We may not be able to satisfy technical requirements, testing requirements, code requirements or other specifications under contracts and contract tenders.***

Many of our products are used in harsh environments and severe service applications. Our contracts with customers and customer requests for bids often set forth detailed specifications or technical requirements (including that they meet certain industrial code requirements, such as API, ASME or similar codes, or that our processes and facilities maintain ISO or similar certifications) for our products and services, which may also include extensive testing requirements. We anticipate that such code testing requirements will become more common in our

contracts. We cannot assure that our products or facilities will be able to satisfy the specifications or requirements, or that we will be able to perform the full-scale testing necessary to prove that the product specifications are satisfied in future contract bids or under existing contracts, or that the costs of modifications to our products or facilities to satisfy the specifications and testing will not adversely affect our results of operations. If our products or facilities are unable to satisfy such requirements, or we are unable to perform or satisfy any required full-scale testing, we may suffer reputational harm and our customers may cancel their contracts and/or seek new suppliers, and our business, results of operations or financial position may be adversely affected.

***Our information technology infrastructure could be subject to disruption, compromise or failure and our data protection measures may be insufficient to protect our information, including as a result of cyber incidents adversely impacting our business.***

The efficient operation of our business is dependent on our information technology (“IT”) systems (“systems”). Accordingly, we rely upon the capacity, reliability and security of our IT hardware and software infrastructure, much of which are outsourced to third parties, including in “cloud”-based platforms. Furthermore, we continuously expand and update our IT infrastructure to ensure it is secured from outside threats. Despite our implementation of security measures, which we believe are reasonable to mitigate the risks of a cybersecurity threat, our systems, and those of the third parties we engage, are vulnerable to computer viruses, malware, incursions by intruders or hackers, cyber terrorists, failures in hardware or software, power fluctuations, natural disasters, and other similar disruptions. Geopolitical tensions or conflicts may further heighten the risk of cyber threats. In certain instances, our systems have failed to perform as anticipated, resulting in disruptions in operations and other adverse consequences. Should our systems, or those of the third parties we rely on, materially fail or be subject to disruption or compromise in the future, it may result in numerous other adverse consequences, including reduced effectiveness and efficiency of our operations, inappropriate disclosure or loss of confidential or sensitive information, increased overhead costs, and loss of intellectual property, which could lead to liability to third parties or otherwise and have a material adverse effect on our business and results of operations. While we carry cyber insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. In addition, we may be required to incur significant costs to prevent or mitigate damage caused by these disruptions or security incidents in the future. Further, cyber incidents on a communications network could cause operational disruption resulting in loss of revenues.

In addition, laws and regulations governing data protection and the unauthorized disclosure of confidential information, including the European Union General Data Protection Regulation and laws enacted in certain U.S. jurisdictions, are evolving, can vary significantly by jurisdiction, and pose increasingly complex compliance challenges and may potentially elevate our compliance costs. Any failure by us to comply with these laws and regulations, including as a result of a cybersecurity or data protection incident, could result in a loss of sensitive information, regulatory inquiries, litigation, and significant penalties and liabilities for us. Additionally, if we acquire a company that has violated or is not in compliance with applicable data protection laws, we may incur significant liabilities and penalties.

In the past we have experienced, and in the future we may again experience, cybersecurity incidents. The preventive actions we take to reduce exposure to, and the risks associated with, cybersecurity incidents may be insufficient to prevent or mitigate the effects of material cybersecurity incidents in the future. Because the tools and methods used by threat actors to damage or obtain unauthorized access to networks, systems, and data change frequently, and are often not known until used against a target, we may be unable to anticipate these tools or methods or implement adequate preventative measures. It is impossible to eliminate all cybersecurity threats and exposure to cybersecurity incidents, and thus our networks and systems, as well as those of our service providers, suppliers, customers and other third parties, remain potentially vulnerable to known or unknown threats. In the event of a cybersecurity incident, we may be required to expend additional resources in order to enhance our cybersecurity measures and to investigate and remediate any vulnerabilities, which would increase our cybersecurity costs. We also may incur large expenditures to recover data, to repair or replace networks or information systems or to protect against similar future events.

***Our success depends on our ability to implement new technologies and services more efficiently and quickly than our competitors.***

Our success depends on our ability to develop and implement new product designs and improvements that meet our customers’ needs in a manner equal to or more effective than those offered by our competitors. If we are not able to continue to provide new and innovative services and technologies in a manner that allows us to meet evolving industry requirements, including the focus on renewable energy opportunities, at prices acceptable to our customers, our financial results would be negatively affected. In addition, some of our competitors are large national

and multinational companies that we believe are able to devote greater financial, technical, manufacturing and marketing resources to research and develop more or better systems, services and technologies than we are able to do. Moreover, as a result of the currently depressed levels of customer activity, we may be unable to allocate sufficient amounts of capital to research and new product development activities, which may limit our ability to compete in the market and generate revenue.

***Our success will be affected by the use and protection of our proprietary technology. Due to the limitations of our intellectual property rights, our ability to exclude others from the use of our proprietary technology may be reduced. Furthermore, we may be adversely affected by disputes regarding intellectual property rights.***

Our success will be affected by our development and implementation of new product designs and improvements and by our ability to protect and maintain intellectual property assets related to these developments. Although in many cases our products are not protected by any registered intellectual property rights, in some cases we rely on a combination of patents and trade secret laws to establish and protect this proprietary technology.

We currently hold multiple U.S. and international patents and have several pending patent applications associated with our products and processes. Some work is conducted in international waters and, therefore, does not fall within the scope of any country's patent jurisdiction. As a result, we would be limited in the degree to which we can enforce our patents against infringement occurring in international waters and other "non-covered" territories. Also, we do not have patents in every jurisdiction in which we conduct business and our patent portfolio will not protect all aspects of our business and may relate to obsolete or unusual methods, which would not prevent third parties from entering the same market.

From time to time, our competitors have infringed upon, misappropriated, circumvented, violated or challenged the validity or enforceability of our intellectual property. In the future, we may not be able to adequately protect or enforce our intellectual property rights. Our failure or inability to protect our proprietary information or successfully oppose intellectual property challenges against us could materially and adversely affect our competitive position. Moreover, third parties from time to time may initiate litigation against us by asserting that the conduct of our business infringes, misappropriates or otherwise violates their intellectual property rights. We may not prevail in any such legal proceedings, and our products and services may be found to infringe, impair, misappropriate, dilute or otherwise violate the intellectual property rights of others. Any legal proceeding concerning intellectual property is likely to be protracted and costly and is inherently unpredictable, and could have a material adverse effect on our business, regardless of its outcome. Further, our intellectual property rights may not have the value expected and such value is expected to change over time as new products are designed and improved.

***We may incur liabilities, fines, penalties or additional costs, or we may be unable to sell to certain customers if we do not maintain safe operations.***

If we fail to comply with safety regulations or maintain an acceptable level of safety at our facilities, we may incur fines, penalties or other liabilities, or we may be held criminally liable. In addition, a portion of our workforce is made up of newer employees who are less experienced and therefore more prone to injury. As a result, new employees require ongoing training and a higher degree of oversight. We incur additional costs to encourage training and ensure proper oversight of these shorter service employees. Moreover, we incur costs in connection with equipment upgrades, or other costs to facilitate our compliance with safety regulations. Failure to maintain safe operations or achieve certain safety performance metrics could disqualify us from doing business with certain customers, particularly major oil companies.

***If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.***

Effective internal controls over financial processes and reporting are necessary for us to provide reliable financial reports that effectively prevent fraud and operate successfully. Our efforts to maintain internal control systems have not been successful in the past. The existence of a material weakness in the future or a failure of our internal controls could affect our ability to obtain financing or increase the cost of any such financing. The identification of a material weakness in the future could also cause investors to lose confidence in the reliability of our financial statements and could result in a decrease in the value of our common stock. In addition, the entities that we acquire in the future may not maintain effective systems of internal control or we may encounter difficulties integrating our system of internal controls with those of acquired entities. If we are unable to maintain effective internal controls and, as a result, fail to provide reliable financial reports and effectively prevent fraud, our reputation and operating results would be harmed.

***The impact and effects of public health crises, pandemics and epidemics could have a material adverse effect on our business, financial condition and results of operations.***

Public health crises, pandemics and epidemics and fear of such events have adversely impacted and may continue to adversely impact our operations, the operations of our customers and the global economy, including the worldwide demand for oil and natural gas and the level of demand for our products and services. Other effects of such public health crises, pandemics and epidemics have included and may continue to include significant volatility and disruption of the global financial markets; continued volatility of oil and natural gas prices and related uncertainties around OPEC+ production; disruption of our operations; impact to costs; loss of workers; labor shortages; operational and supply chain disruptions; material or equipment shortages; logistics constraints; customer demand for our products and services and industry demand generally; capital spending by oil and natural gas companies; our liquidity; the price of our securities and trading markets with respect thereto; our ability to access capital markets; asset impairments and other accounting changes; certain of our customers experiencing bankruptcy or otherwise becoming unable to pay vendors, including us; and employee impacts from illness, travel restrictions, including border closures and other community response measures. Such public health crises, pandemics and epidemics are continuously evolving and the extent to which our business operations and financial results continue to be affected depends on various factors beyond our control.

***Facility consolidations or expansions may subject us to risks of operating inefficiencies, construction delays and cost overruns.***

We may consolidate facilities to achieve operating efficiencies and reduce costs. These facility consolidations may be delayed and cause us to incur increased costs, product or service delivery delays, decreased responsiveness to customer needs, liabilities under terms and conditions of sale or other operational inefficiencies, or may not provide the benefits we anticipate. We may lose key personnel and operational knowledge that might lead to quality issues, delays in production or other competitive disadvantages.

In the future, we may grow our businesses through the construction of new facilities and expansions of our existing facilities. These projects, and any other capital asset construction projects that we may commence, are subject to similar risks of delay or cost overruns inherent in any construction project resulting from numerous factors, including the following:

- difficulties or delays in obtaining land;
- shortages of key equipment, materials or skilled labor;
- unscheduled delays in the delivery of ordered materials and equipment;
- unanticipated cost increases;
- weather interferences; and
- difficulties in obtaining necessary permits or in meeting permit conditions.

***Our acquisitions and dispositions may not result in anticipated benefits and may present risks not originally contemplated.***

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or sales of assets, businesses, investments, or joint venture interests. These transactions are intended to (but may not) result in the realization of savings, the creation of efficiencies, the offering of new products or services, the generation of cash or income, or the reduction of risk. Acquisition transactions may use cash on hand or be financed by additional borrowings or by the issuance of our common stock. These transactions may also affect our business, consolidated results of operations and consolidated financial condition. These transactions also involve risks, and we cannot ensure that:

- any acquisitions we attempt will be completed on the terms announced, or at all;
- any acquisitions would result in an increase in income or provide an adequate return of capital or other anticipated benefits;
- any acquisitions would be successfully integrated into our operations and internal controls;
- the due diligence conducted prior to an acquisition would uncover situations that could result in financial or legal exposure, including under the FCPA, or that we will appropriately quantify the exposure from known risks;
- any disposition would not result in decreased earnings, revenue, or cash flow;

- use of cash for acquisitions would not adversely affect our cash available for capital expenditures and other uses; or
- any dispositions, investments, or acquisitions, including integration efforts, would not divert management resources.

***A natural disaster, catastrophe or other event could result in severe property damage, which could curtail our operations.***

Adverse weather conditions, such as hurricanes, tornadoes, ice or snow may damage or destroy our facilities, interrupt or curtail our operations, or our customers' operations, cause supply disruptions and result in a loss of revenue, which may or may not be insured. For example, certain of our facilities located in Oklahoma and Pennsylvania have experienced suspensions in operations due to tornado activity or extreme cold weather conditions.

Some of our operations involve risks of, among other things, property damage, which could curtail our operations. Disruptions in operations or damage to a manufacturing plant could reduce our ability to produce products and satisfy customer demand. In particular, we have offices and manufacturing facilities in Houston, Texas, and in various places throughout the U.S. Gulf Coast region. These offices and facilities are particularly susceptible to severe tropical storms and hurricanes, which may disrupt our operations. Damage to one or more of our manufacturing facilities by severe weather or any other disaster, accident, catastrophe or event, could significantly interrupt our operations. Similar interruptions could result from damage to production or other facilities that provide supplies or other raw materials to our plants or other stoppages arising from factors beyond our control. These interruptions might involve significant damage to property, among other things, and repairs might take a significant amount of time. For example, in the third quarter 2017, we were impacted by idled facilities and operations directly related to Hurricane Harvey's widespread damage in Texas and Louisiana. As a result, our financial results were negatively impacted by foregone revenue and under-absorption of manufacturing costs, and, indirectly, due to supplier and logistical delays.

**Legal and Regulatory Risks:**

***Our operations and our customers' operations are subject to a variety of governmental laws and regulations that affect our and our customers' costs, prohibit or curtail our customers' operations in certain areas, limit the demand for our products and services or restrict our operations.***

Our business and our customers' businesses may be significantly affected by:

- federal, state and local U.S. and non-U.S. laws and other regulations relating to oilfield operations, worker safety and protection of the environment;
- changes in these laws and regulations;
- the level of enforcement of these laws and regulations; and
- interpretation of existing laws and regulations.

In addition, we depend on the demand for our products and services from the oil and natural gas industry. This demand is affected by changing taxes, price controls and other laws and regulations relating to the oil and natural gas industry in general. For example, the adoption of laws and regulations curtailing exploration and development drilling for oil and natural gas for economic or other policy reasons could adversely affect our operations by limiting demand for our products. In addition, some non-U.S. countries adopt regulations or practices that provide an advantage to local oil companies in bidding for oil leases, or require local companies to perform oilfield services currently supplied by international service companies. To the extent that such companies are not our customers, or we are unable to develop relationships with them, our business may suffer. We cannot determine the extent to which our future operations and earnings may be affected by new legislation, new regulations or changes in existing regulations.

Because of our non-U.S. operations and sales, we are also subject to changes in non-U.S. laws and regulations that encourage or require hiring of local contractors or require non-U.S. contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. If we fail to comply with any applicable law or regulation, our business, results of operations or financial condition may be adversely affected.

***Potential legislation or regulations restricting the use of hydraulic fracturing could reduce demand for our products.***

Certain environmental advocacy groups and politicians have suggested that additional federal, state and local laws and regulations may be needed to more closely regulate the hydraulic fracturing process, and have made claims that hydraulic fracturing techniques are harmful to surface water and drinking water resources. Various governmental entities (within and outside the U.S.) are in the process of studying, restricting, regulating or preparing to regulate hydraulic fracturing, directly or indirectly.

The EPA has asserted federal authority over hydraulic fracturing using fluids that contain “diesel fuel” under the federal Safe Drinking Water Act (“SDWA”) Underground Injection Control Program and has issued permitting guidance for hydraulic fracturing operations involving the use of diesel fuel in fracturing fluids in those states where the EPA is the permitting authority. Additionally, in March 2015, the Department of the Interior’s Bureau of Land Management (“BLM”) issued final rules, including new requirements relating to public disclosure, wellbore integrity and handling of flowback water, to regulate hydraulic fracturing on federal and Indian lands. These rules were rescinded by rule in December 2017; however, in January 2018, California and a coalition of environmental groups filed a lawsuit in the Northern District of California to challenge the BLM’s rescission of the rules. The Northern District of California upheld the rescission in 2020, but this decision was then appealed to the Ninth Circuit Court of Appeals. These challenges remain ongoing and future implementation of the BLM rules is uncertain at this time.

In past sessions, Congress has considered, but not passed, the adoption of legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. Some states have adopted, and other states are considering adopting, legal requirements that could impose more stringent permitting, public disclosure or well construction requirements on hydraulic fracturing activities or impose bans or moratoria on these activities altogether. Local governments also may seek to adopt ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general or hydraulic fracturing activities in particular, in some cases banning hydraulic fracturing entirely. For example, the Colorado state legislature passed a package of hydraulic fracturing regulations in April 2019. Under the new law, the state oil and natural gas agency must review well locations for environmental protection criteria. In addition, the legislation broadened the authority for local governments to further regulate or restrict hydraulic fracturing. In April 2021, the California Governor’s Office directed state regulators to end the issuance of new permits for hydraulic fracturing, rules effective October 2024. In February 2018, the Oklahoma Corporation Commission released a protocol that requires operators to suspend hydraulic fracturing well completion operations in response to certain levels of seismic activity.

If new or more stringent federal, state or local legal restrictions relating to the hydraulic fracturing process are adopted in areas where our oil and natural gas exploration and production customers operate, they could incur potentially significant added costs to comply with such requirements, experience delays or curtailment in the pursuit of exploration, development, and production activities, and perhaps even be precluded from drilling wells, some or all of which could adversely affect demand for our products and services from those customers.

***Our financial results could be adversely impacted by changes in regulation of oil and natural gas exploration and development activity in response to significant environmental incidents or climate change actions.***

Environmental incidents such as the Macondo well incident could result in drilling moratoria, and could result in increased federal, state, and international regulation of our and our customers’ operations that could negatively impact our earnings, prospects and the availability and cost of insurance coverage. Any additional regulation of the exploration and production industry as a whole could result in fewer companies being financially qualified to operate offshore or onshore in the U.S. or in non-U.S. jurisdictions, resulting in higher operating costs for our customers and reduced demand for our products and services.

In January 2021, President Biden signed an executive order that, among other things, instructed the Secretary of the Interior to pause new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of federal oil and natural gas permitting and leasing practices. Following that executive order, the acting Secretary of the Interior issued an order imposing a 60 day pause on the issuance of new leases, permits and right-of-way grants for oil and gas drilling on federal lands, unless approved by senior officials at the Department of the Interior. In March 2021, prior to the expiration of the Secretary of the Interior’s order, President Biden announced that career staff at the Department of the Interior would resume processing oil and gas drilling permits. In August 2022, a federal judge for the U.S. District Court of the Western District of Louisiana issued a permanent injunction against the pause of oil and natural gas leasing on public lands or in offshore waters of the thirteen plaintiff states that brought the lawsuit, which followed a June 2021 nationwide

preliminary injunction by the district court that was subsequently vacated by the U.S. Court of Appeals for the Fifth Circuit. The full impact of these federal actions remains unclear, and if other restrictions or prohibitions become effective in the future, they could have an adverse impact on our business, financial condition, results of operations and cash flows. Further, there exists the potential that the Trump Administration pursues new or amended laws, regulations, executive actions, or other initiatives that may alter restrictions on hydraulic fracturing activities and states may act to further regulate such activities in the absence of federal regulations or in light of regulatory uncertainty.

***Our operations are subject to environmental and operational safety laws and regulations that may expose us to significant costs and liabilities.***

Our operations are subject to numerous stringent and complex laws and regulations governing the discharge of materials into the environment, health and safety aspects of our operations, or otherwise relating to human health and environmental protection. These laws and regulations may, among other things, regulate the management and disposal of hazardous and nonhazardous wastes; require acquisition of environmental permits related to our operations; restrict the types, quantities, and concentrations of various materials that can be released into the environment; limit or prohibit operational activities in certain ecologically sensitive and other protected areas; regulate specific health and safety criteria addressing worker protection; require compliance with operational and equipment standards; impose testing, reporting and record keeping requirements; and require remedial measures to mitigate pollution from former and ongoing operations. Failure to comply with these laws and regulations or to obtain or comply with permits may result in the inability to conduct certain operational activities, assessment of administrative, civil and criminal penalties, imposition of remedial or corrective action requirements and the imposition of injunctions to prohibit certain activities or force future compliance. Certain environmental laws may impose joint and several liability, without regard to fault or legality of conduct, on classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. In addition, these risks may be greater for us because the companies we acquire or have acquired may not have allocated sufficient resources and management focus to environmental compliance, potentially requiring rehabilitative efforts during the integration process or exposing us to liability before such rehabilitation occurs.

The trend in environmental regulation has been to impose increasingly stringent restrictions and limitations on activities that may impact the environment. The implementation of new laws and regulations could result in materially increased costs, stricter standards and enforcement, larger fines and liability and increased capital expenditures and operating costs, particularly for our customers.

***Tariffs imposed by the U.S. government could have a further severe adverse effect on our results of operations.***

The U.S. government imposed global tariffs on certain imported steel and aluminum products pursuant to Section 232 of the Trade Expansion Act of 1962, as well as tariffs on imports of various Chinese product (including steel) pursuant to Section 301 of the Trade Act of 1974. In response, China and other countries have imposed retaliatory tariffs on a wide range of U.S. products, including those containing steel and aluminum. In 2019, the U.S. government entered into tariff agreements with Mexico and Canada to remove Section 232 tariffs, and, in 2021 and 2022, the U.S. government entered into tariff agreements with the European Union, Japan, and the United Kingdom to ease Section 232 tariffs on the close allies and trade partners, but Section 232 tariffs still remain in effect with respect to the other nations. In addition, the U.S. government issued a final determination pursuant to an anti-dumping duty order on certain hot-rolled steel products from Japan, in which it found imports of the subject merchandise were sold in the United States at prices below normal value during the October 2019 to September 2020 time period. As a result, the U.S. government assessed a dumping margin of 24.07% for imports from Japan of the subject steel products. Further, the U.S. government conducted a sunset review on its existing anti-dumping duty on certain hot-rolled steel products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom that was issued in 2016, and determined to continue the anti-dumping duty order on all subject steel products except for those from Brazil. More recently, the Trump Administration has proposed significantly increased tariffs on foreign imports into the U.S., particularly from China, which may impact our cost of raw materials. Our efforts to mitigate the impact of tariffs on raw materials through the diversification of our supply chain, exemption requests and other measures may not be sufficiently successful. Furthermore, a prolonged imposition of tariffs on our goods could have a significant adverse effect on our results of operations.

***We are subject to litigation risks that may not be covered by insurance.***

In the ordinary course of business, we become the subject of claims, lawsuits and administrative proceedings seeking damages or other remedies concerning our commercial operations, products, employees and other matters, including occasional claims by individuals alleging exposure to hazardous materials as a result of our

products or operations. Some of these claims relate to the activities of businesses that we have acquired, even though these activities may have occurred prior to our acquisition of such businesses. Our insurance does not cover all of our potential losses, and we are subject to various self-insured retentions and deductibles under our insurance. A judgment may be rendered against us in cases in which we could be uninsured or which exceed the amounts that we currently have reserved or anticipate incurring for such matters.

***The number and cost of our current and future asbestos claims could be substantially higher than we have estimated and the timing of payment of claims could be sooner than we have estimated.***

One of our subsidiaries has been and continues to be named as a defendant in asbestos related product liability actions. The actual amounts expended on asbestos-related claims in any year may be impacted by the number of claims filed, the nature of the allegations asserted in the claims, the jurisdictions in which claims are filed, and the number of settlements. As of December 31, 2024, our subsidiary has a net liability of \$0.3 million for the estimated indemnity cost associated with the resolution of its current open claims and future claims anticipated to be filed during the next five years.

Due to a number of uncertainties, the actual costs of resolving these pending claims could be substantially higher than the current estimate. Among these are uncertainties as to the ultimate number and type of lawsuits filed, the amounts of claim costs, the impact of bankruptcies of other companies with asbestos suits or of our insurers, and potential legislative changes and uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case. In addition, future claims beyond the five-year forecast period are possible, but the accrual does not cover losses that may arise from such additional future claims. Therefore, any such future claims could result in a loss.

Significant costs are incurred in defending asbestos claims and these costs are recorded at the time incurred. Receipt of reimbursement from our insurers may be delayed for a variety of reasons. In particular, if our primary insurers claim that certain policy limits have been exhausted, we may be delayed in receiving reimbursement due to the transition from one set of insurers to another. Our excess insurers may also dispute the claims of exhaustion, or may rely on certain policy requirements to delay or deny claims. Furthermore, the various per occurrence and aggregate limits in different insurance policies may result in extended negotiations or the denial of reimbursement for particular claims. For more information on the cost sharing agreements related to this risk, refer to Note 12 *Commitments and Contingencies*.

***Our products are used in operations that are subject to potential hazards inherent in the oil and natural gas industry and, as a result, we are exposed to potential liabilities that could affect our financial condition and reputation.***

Our products are used in potentially hazardous completion, production and drilling applications in the oil and natural gas industry where an accident or a failure of a product can potentially have catastrophic consequences. Risks inherent to these applications, such as equipment malfunctions; failures; explosions; blowouts or uncontrollable flows of oil, natural gas or well fluids; and natural disasters on land or in deepwater or shallow-water environments, can cause personal injury; loss of life; suspension of operations; damage to formations; damage to facilities; business interruption and damage to or destruction of property, surface water and drinking water resources, equipment and the environment. These risks can be caused or contributed to by failure of, defects in or misuse of our products. In addition, we provide certain services that could cause, contribute to or be implicated in these events. If our products or services fail to meet specifications or are involved in accidents or failures, we could face warranty, contract or other litigation claims, which could expose us to substantial liability for personal injury, wrongful death, property damage, loss of oil and natural gas production, and pollution or other environmental damages. In addition, failure of our products to operate properly or to meet specifications may increase costs by requiring additional engineering resources and services, replacement of parts and equipment or monetary reimbursement to a customer. Our insurance policies may not be adequate to cover all liabilities. Further, insurance may not be generally available in the future or, if available, insurance premiums may make such insurance commercially unjustifiable. Moreover, even if we are successful in defending a claim, it could be time-consuming and costly to defend.

In addition, the frequency and severity of such incidents could affect operating costs, insurability and relationships with customers, employees and regulators. In particular, our customers may elect not to purchase our products or services if they view our safety record as unacceptable, which could cause us to lose customers and revenues. In addition, these risks may be greater for us because we may acquire companies that have not allocated significant resources and management focus to quality or safety, requiring rehabilitative efforts during the integration process. We may incur liabilities for losses associated with these newly acquired companies before we are able to rehabilitate such companies' quality, safety and environmental programs.

***Climate change legislation or regulations restricting emissions of GHGs and related divestment and other efforts could increase our operating costs or reduce demand for our products.***

Environmental advocacy groups and regulatory agencies in the U.S. and other countries have focused considerable attention on the emissions of carbon dioxide, methane and other GHGs and their potential role in climate change. In response to scientific studies suggesting that emissions of GHGs, including carbon dioxide and methane, are contributing to the warming of the Earth's atmosphere and other climatic conditions, the U.S. Congress has considered adopting comprehensive legislation to reduce emissions of GHGs, and approximately half of the states have already taken legal measures to reduce emissions of GHGs, primarily through measures to promote the use of renewable energy and/or regional GHG cap-and-trade programs. The EPA has attempted to regulate GHG emissions under the federal Clean Air Act:

- In December 2009, the EPA determined that emissions of carbon dioxide, methane and certain other GHGs endanger public health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the Earth's atmosphere and other climatic changes. In October 2015, the EPA finalized the Clean Power Plan ("CPP"), which tried to impose additional obligations on the power generation sector to reduce GHG emissions. In August 2019, the EPA finalized the repeal of the 2015 regulations and replaced them with the Affordable Clean Energy rule ("ACE"), which designates heat rate improvement, or efficiency improvement, as the best system of emissions reduction for carbon dioxide from existing coal-fired electric utility generating units. In 2021, the U.S. Court of Appeals for the District of Columbia struck down the ACE rule but did not reinstate the former CPP regulation. In June 2022, the CPP was struck down by the U.S. Supreme Court, which held that Congress did not grant EPA the authority to devise emissions caps based on the generation-shifting approach the EPA took in the CPP. In May 2023, the EPA proposed to vacate the ACE rule and establish control methods to reduce the GHG emissions of power generation sector through control methods that include carbon capture and storage, low-GHG hydrogen co-firing and natural gas co-firing. In April 2024, the EPA published rules to regulate greenhouse gas emissions from fossil fuel-fired power plants (Clean Power Plan 2.0), which faced immediate criticism and challenges.
- In August 2020, the EPA rescinded methane and volatile organic compound emissions standards for new and modified oil and gas transmission and storage infrastructure previously promulgated in 2016, as well as methane limits for new and modified oil and gas production and processing equipment. The EPA also relaxed requirements for oil and gas operators to monitor emissions leaks. However, in November 2021, the EPA proposed new source performance standards ("NSPS") updates and emission guidelines to reduce methane and other pollutants from the oil and gas industry. In December 2022, the EPA issued a supplemental proposal to update, strengthen, and expand the November 2021 NSPS updates and further reduce methane and other pollutants from the oil and gas industry. The final rule was issued in December 2023. The EPA has also adopted rules requiring the reporting of GHG emissions from specified large GHG emission sources in the U.S., including oil and natural gas systems. In July 2023, the EPA proposed to add reporting that would capture "other large release events" such as abnormal methane emission events that are not fully accounted for using existing methods. There is ongoing D.C. Circuit litigation for these standards, and in October 2024, the U.S. Supreme Court denied industry and state petitioners' applications to stay the implementation of the rule while merits of the challenges are litigated. Additionally, at the end of 2024, EPA announced proposed amendment to the NSPS with additional emissions standards and limitations for GHGs and other hazardous air pollutants.

The White House has also taken actions targeting emissions of GHGs. In August 2022, President Biden signed into law the Inflation Reduction Act, which contains tax inducements and other provisions that incentivize investment, development, and deployment of alternative energy sources and technologies, which could increase operating costs within the oil and gas industry and accelerate the transition away from fossil fuels.

Efforts have also been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. In November 2021, the U.S. and other countries entered into the Glasgow Climate Pact, which includes a range of measures designed to address climate change, including but not limited to the phase-out of fossil fuel subsidies, reducing methane emissions 30% by 2030, and cooperating toward the advancement of the development of clean energy. Although the Biden Administration officially reentered the U.S. into the Paris Agreement in February 2021, the Trump Administration signed an executive order withdrawing the U.S. from the agreement in January 2025. While it is not possible at this time to predict how any such actions may impact our business, such actions could reduce activity from federal, state, and local legislative bodies and administrative agencies and the number of GHG laws, regulations, and other binding commitments.

The adoption of additional legislation or regulatory programs to reduce emissions of GHGs could require us to incur increased operating costs to comply with new emissions-reduction or reporting requirements. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, hydrocarbons that certain of our customers produce and reduce revenues by other of our customers who provide services to those exploration and production customers. Consequently, legislation and regulatory programs to reduce emissions of GHGs could have a material adverse effect on our business, financial condition and results of operations.

In addition to the regulatory efforts described above, there have also been efforts in recent years aimed at the investment community, including investment advisers, sovereign wealth funds, public pension funds, universities and other groups, promoting the divestment of fossil fuel equities as well as to pressure lenders and other financial services companies to limit or curtail activities with companies engaged in the extraction of fossil fuel reserves. In connection with such developments, numerous market participants, including certain New York State pension and public employee retirement funds, have announced plans to completely or partially divest from fossil fuel and related stocks or otherwise pursue net-zero portfolio strategies. If these efforts are successful, our ability to access capital markets may be limited and our stock price may be negatively impacted.

Members of the investment community have recently increased their focus on sustainability practices, including practices related to GHGs and climate change, in the oil and natural gas industry. As a result, we and our customers have come under increasing pressure to improve our sustainability and other Environmental, Social and Governance (“ESG”) performance and to increase our public reporting and disclosure on our ESG practices. Some of our customers have begun to screen their service providers, including us, for compliance with sustainability metrics and we may incur additional costs to comply with ESG reporting expectations and ESG-linked contracting policies for our customers and suppliers.

Additionally, members of the investment community have begun to screen companies such as ours for sustainability performance before investing in our stock. If we are unable to establish adequate sustainability practices, we may lose customers, our stock price may be negatively impacted, our reputation may be negatively affected, and it may be more difficult for us to compete effectively. Our efforts to improve our sustainability practices in response to these pressures may increase our costs, and we may be forced to implement technologies that are not economically viable in order to improve our sustainability performance and to perform services for certain customers. Finally, some scientists have concluded that increasing concentrations of GHGs in the Earth’s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events.

Finally, increasing attention to the risks of climate change has resulted in an increased possibility of lawsuits or investigations brought by public and private entities against oil and natural gas companies in connection with their GHG emissions. Should we be targeted by any such litigation or investigations, we may incur liability, which, to the extent that societal pressures or political or other factors are involved, could be imposed without regard to the causation of or contribution to the asserted damage, or to other mitigating factors.

**Risks Related to Our International Operations:**

***Our business operations worldwide are subject to a number of U.S. federal laws and regulations, including restrictions imposed by the FCPA as well as trade sanctions administered by the Office of Foreign Assets Control and the Commerce Department, as well as similar laws in non-U.S. jurisdictions that govern our operations by virtue of our presence or activities there.***

We rely on a large number of agents in non-U.S. countries that have been identified as posing a high risk of corrupt activities and whose local laws and customs differ significantly from those in the U.S. In many countries, particularly in those with developing economies, it is common to engage in business practices that are prohibited by the regulations applicable to us. The FCPA and similar anti-corruption laws in other jurisdictions, including the UK Bribery Act 2010, (“anti-corruption laws”) prohibit corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity. We may be held responsible for violations by our employees, contractors and agents for violations of anti-corruption laws. We may also be held responsible for violations by an acquired company that occur prior to an acquisition, or subsequent to an acquisition but before we are able to institute our compliance procedures. In addition, our non-U.S. competitors that are not subject to the FCPA or similar anti-corruption laws may be able to secure business or other preferential treatment in such countries by means that such laws prohibit with respect to us. The UK Bribery Act 2010 is broader in scope than the FCPA, applies to public and private sector corruption, and contains no facilitating payments exception. A violation of any of these laws, even if prohibited by our policies, could have a material adverse effect on our business. Actual or alleged violations could damage our reputation, be expensive to defend, impair our ability to do business, and cause us to incur civil and criminal fines, penalties and sanctions.

Compliance with regulations relating to export controls, trade sanctions and embargoes administered by the countries in which we operate, including the U.S. Department of the Treasury's Office of Foreign Assets Control and similar regulations in non-U.S. jurisdictions also pose a risk to us. We cannot provide products or services to certain countries, companies or individuals subject to U.S. and other countries' trade sanctions. Furthermore, the laws and regulations concerning import activity, export record keeping and reporting, export controls and economic sanctions are complex and constantly changing. Any failure to comply with applicable legal and regulatory trading obligations could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges.

***Our exposure to currency exchange rate fluctuations may result in fluctuations in our cash flows and could have an adverse effect on our results of operations.***

Fluctuations in currency exchange rates could be material to us depending upon, among other things, our manufacturing locations and the sourcing for our raw materials and components. In particular, we are sensitive to fluctuations in currency exchange rates between the U.S. dollar and each of the Canadian dollar, the British pound sterling, the Euro, and, to a lesser degree, the Mexican peso, the Chinese yuan, the Singapore dollar, and the Saudi riyal. There may be instances in which costs and revenue will not be matched with respect to currency denomination. As a result, to the extent that we expand on a global basis, higher portions of revenue, costs, assets and liabilities will be subject to fluctuations in foreign currency valuations. We may experience economic loss and a negative impact on earnings or net assets solely as a result of foreign currency exchange rate fluctuations. Further, the markets in which we operate could restrict the removal or conversion of the local currency, resulting in our inability to hedge against these risks.

**Risks Related to Our Common Stock, Indebtedness and Financial Condition:**

***Our common stock price has been volatile, and we expect it to continue to remain volatile in the future.***

The market price of common stock of companies engaged in the oil and natural gas equipment manufacturing and services industry has been volatile. Likewise, the market price of our common stock has varied significantly in the past. For example, in 2024, the market price of our common stock reached a high of \$23.21 per share on January 2, 2024, and a low of \$12.83 per share on November 1, 2024. We expect our stock price to continue to remain volatile given the cyclical nature of our industry and our limited public float.

***Our debt agreements contain operating and financial restrictions that restrict our business and financing activities.***

Our debt agreements contain, and any future indebtedness we incur may contain, a number of restrictive covenants that will impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

- pay dividends on, purchase or redeem our common stock;
- make certain investments;
- incur or guarantee additional indebtedness or issue certain types of equity securities;
- create certain liens;
- sell assets, including equity interests in our restricted subsidiaries;
- redeem or prepay subordinated debt or debt that is unsecured or secured on a basis junior to our notes;
- restrict dividends or other payments of our restricted subsidiaries;
- consolidate, merge or transfer all or substantially all of our assets;
- engage in transactions with affiliates;
- create unrestricted subsidiaries; or
- execute our acquisition strategy.

Our senior secured asset-based lending facility (the "Credit Facility") and the bond terms (the "Bond Terms") that govern our outstanding 10.50% senior secured bonds (the "2029 Bonds") also contain covenants, which, among other things, require us in certain circumstances, on a consolidated basis, to maintain specified financial ratios or conditions. As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. Our ability to borrow under the Credit Facility and comply with some of the covenants, ratios or tests contained in our debt

agreements may be affected by events beyond our control. If market or other economic conditions deteriorate, and there is a decrease in our accounts receivable and inventory, our ability to borrow under our Credit Facility will be reduced and our ability to comply with these covenants, ratios or tests may be impaired. A failure to comply with the covenants, ratios or tests would result in an event of default, which, if not cured or waived, would cause some or all of our indebtedness to become immediately due and payable and have a material adverse effect on our business, financial condition and results of operations.

The restrictions in our debt agreements may have significant consequences for our future prospects, including limiting our liquidity and flexibility in obtaining additional financing, increasing our vulnerability to general adverse economic and industry conditions, and reducing our flexibility to plan for, and react to, changes in the economy and in our industry. Our ability to pay our expenses, and fund our working capital needs and debt obligations, will depend on our future performance, which will be affected by financial, business, economic, regulatory and other factors that are outside of our control. As a result of these factors, our business may not generate sufficient cash flow from operations to enable us to meet our debt obligations.

***Our variable rate indebtedness may subject us to interest rate risk, which could cause our debt service obligations to increase significantly.***

Any borrowings under our Credit Facility would be at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on such variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. Assuming borrowings under our amended Credit Facility outstanding as of December 31, 2024, each quarter point change in interest rates would result in an approximately \$0.2 million change in annual interest expense on our indebtedness under our Credit Facility. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

***Our ability to access the capital and credit markets to raise capital on favorable terms is limited by our debt level, industry conditions and credit rating.***

Our ability to access the capital and credit markets is limited by, among other things, oil and natural gas prices, our existing capital structure, our credit ratings, the state of the economy, the health of the drilling and overall oil and natural gas industry, trends among investors to avoid companies associated with the production of hydrocarbon products, and the liquidity of the capital markets. Many of the factors that affect our ability to access capital markets are outside of our control and may be negatively impacted by market events. Recent trends and conditions in the capital and credit markets with respect to the energy sector, including environmental and climate change related divestment campaigns, limit our ability to access these markets or may significantly increase our cost of capital. Low levels of exploration and drilling activity have caused and may continue to cause lenders to increase the interest rates under our credit facilities, enact tighter lending standards, refuse to refinance existing debt on acceptable terms or at all and may reduce or cease to provide funding. If we are unable to access the capital or credit markets on terms acceptable to us, it could have a material adverse effect on our business, financial condition, results of operations, cash flows and liquidity, particularly in respect of our ability to repay or refinance our debt.

***Provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our company, which could adversely affect the price of our common stock.***

The existence of some provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our company that a stockholder may consider favorable, which could adversely affect the price of our common stock. Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for a third party to acquire control of our company, even if the change of control would be beneficial to our stockholders. These provisions include:

- a classified board of directors, so that only approximately one-third of our directors are elected each year;
- authority of our board to fill vacancies and determine its size;
- the ability of our board of directors to issue preferred stock without stockholder approval;
- limitations on the removal of directors; and
- limitations on the ability of our stockholders to call special meetings.

In addition, our amended and restated bylaws establish advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders.

***During the year ended December 31, 2024, we incurred impairment charges and we may incur additional impairment charges in the future.***

For goodwill, an assessment for impairment is performed annually or when there is an indication an impairment may have occurred. Goodwill is reviewed for impairment by comparing the carrying value of each reporting unit's net assets, including allocated goodwill, to the estimated fair value of the reporting unit. We determine the fair value of each of our seven reporting units using a discounted cash flow approach. Determining the fair value of a reporting unit requires the use of estimates and assumptions. If the reporting unit's carrying value is greater than its calculated fair value, we recognize a goodwill impairment charge for the amount by which the carrying value of goodwill exceeds its fair value.

There was no impairment of goodwill during the year ended December 31, 2024.

There are significant inherent uncertainties and management judgment in estimating the fair value of each reporting unit. While we believe we have made reasonable estimates and assumptions to estimate the fair value of our reporting units, it is possible that a material change could occur. If actual results are not consistent with our current estimates and assumptions, or if changes in macroeconomic conditions outside the control of management change such that it results in a significant negative impact to our estimated fair values, the fair value of these reporting units may decrease below their net carrying value, which could result in a material impairment of our goodwill.

We evaluate our long-lived assets, including property and equipment, intangible assets with definite lives and operating lease right of use assets for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. In performing our review for impairment, future cash flows expected to result from the use of the asset and its eventual value upon disposal are estimated. If the undiscounted future cash flows are less than the carrying amount of the assets, there is an indication that the asset may be impaired. The amount of the impairment is measured as the difference between the carrying value and the estimated fair value of the asset. The fair value is determined either through the use of an external valuation, or by means of an analysis of discounted future cash flows based on expected utilization.

For the year ended December 31, 2024, we recognized intangible asset impairment charges totaling \$119.1 million, which are included in "Impairment of intangible assets" in the consolidated statements of comprehensive loss. See Note 7 *Goodwill and Intangible Assets* for further information related to these charges. There was no impairment of intangible assets during the year ended December 31, 2023.

If we determine that the carrying value of our long-lived assets is less than their fair value, we would be required to record additional charges in the future, which could adversely affect our financial condition and results of operations.

**Item 1B. Unresolved Staff Comments**

None.

**Item 1C. Cybersecurity**

We maintain a cybersecurity program designed to protect our information, and that of our customers, suppliers and other third parties we engage with, against cybersecurity threats that may result in adverse effects on the confidentiality, integrity, and availability of our information systems.

**Internal Cybersecurity Team and Governance**

Board of Directors

Our board of directors has delegated the primary responsibility to oversee cybersecurity matters to the Audit Committee. The Audit Committee regularly reviews the measures implemented by the Company to identify and mitigate data protection and cybersecurity risks. As part of such reviews, the Audit Committee receives reports and presentations from members of our team responsible for overseeing the Company's cybersecurity risk management, including senior members of our IT, Finance and Accounting, and Legal teams. We have protocols by which certain cybersecurity incidents are escalated within the Company and, where appropriate, reported to the Audit Committee and/or Board.

## Management

The executive management team, including our Chief Executive Officer, Chief Financial Officer and General Counsel, receives periodic reports from the IT Director regarding cybersecurity objectives and risk management measures being implemented by the Company and discusses these updates to identify and mitigate data protection and cybersecurity risks. The cybersecurity objectives established by the IT Director are based on industry best practices and are designed to further develop the security IT infrastructure.

Our IT Director has cybersecurity knowledge and skills gained from over 15 years of information technology experience at the Company and elsewhere. Under his supervision, the IT Department, with the advice of outside consultants, is responsible for developing, implementing, monitoring and maintaining cybersecurity and data protection practices across our business and reports directly to the Company's Vice President of Operations. The IT Director receives regular reports on cybersecurity threats from the internal cybersecurity team and reviews risk management measures designed and implemented by the Company to identify and mitigate data protection and cybersecurity threats. Our IT Director works with the General Counsel and other members of the Legal Department to ensure compliance with legal, regulatory and contractual security requirements. The IT Director also periodically attends the Board's Audit Committee meetings to report on developments impacting the IT Department and discuss annual cybersecurity goals and initiatives.

## Internal Cybersecurity Team

Our internal cybersecurity team is responsible for the development, implementation, monitoring, and maintenance of the cybersecurity and data protection practices across the Company. Reporting to our IT Director are experienced personnel who assist with managing cybersecurity objectives and to implement related policies and tools. Also, the internal cybersecurity team conducts periodic security awareness training for employees. In addition to our internal cybersecurity capabilities, we also regularly engage consultants to assist with assessing, identifying, and managing cybersecurity risks and optimize infrastructure.

## **Risk Management and Strategy**

Assessing, identifying and managing cybersecurity risks are integral to our enterprise risk management activities. Our cybersecurity program leverages people, processes, and technology to timely identify and respond to cybersecurity threats. The Company has access control systems to limit physical and virtual access into our system to authorized users. In addition, we utilize services and software from third-party providers to monitor the Company's network and obtain expeditious alerts of anomalous activity. The Company takes a risk-based approach to manage cybersecurity risks and reviews third-party reports to oversee and identify cybersecurity threats.

The Company maintains cybersecurity insurance to defray costs associated with a cybersecurity incident.

## Security Policy and Requirements

The Company has information security policies to (i) protect information processed and stored by the Company in accordance with applicable laws; (ii) protect the Company's information from current and emerging threats to computing systems and the energy industry in particular; and (iii) establish appropriate levels of protection for the Company's information systems. The IT Department is responsible for designing and implementing information system controls, procedures and solutions to accomplish the Company's cybersecurity and data protection objectives. The executive management team, including our Chief Executive Officer, Chief Financial Officer and General Counsel, is responsible for (i) approving and reviewing any changes to the policies; (ii) ensuring necessary resources; (iii) defining information that is considered strategically important; (iv) reviewing and approving information security objectives on annual basis; and (v) driving continued improvement and communicating the importance of information security to the organization. All Company employees, contractors, managers and partners are responsible for (i) following applicable information security controls and (ii) reporting violations of controls or suspicious incidents to their business manager or directly to the IT Department. We are regularly audited by certain customers to assess the adequacy of our cybersecurity controls.

## Incident Response

We have implemented a Cybersecurity Incident Response Plan (the "IRP") that applies in the event of a cybersecurity incident to provide a standardized framework for responses. The IRP sets out a coordinated approach to investigating, containing, documenting and mitigating incidents, including reporting findings and keeping senior management and other key stakeholders informed and involved as appropriate. In general, our incident response process follows the National Institute of Standards and Technology framework and focuses on four phases:

preparation; detection and analysis; containment, eradication and recovery; and post-incident remediation. The IRP applies to all Company personnel, including third-party contractors, vendors and partners, that perform functions or services require access to secure Company information, and to all devices and network services that are owned or managed by the Company.

#### Material Cybersecurity Risks, Threats and Incidents

Due to evolving cybersecurity threats, it has and will continue to be difficult to prevent, detect, mitigate, and remediate cybersecurity incidents.

While we have not experienced any material cybersecurity threats or incidents, there can be no guarantee that we will not be the subject of future successful threats or incidents.

We also rely on information technology and third party vendors to support our operations, including our secure processing of personal, confidential, sensitive, proprietary and other types of information. Despite ongoing efforts to continuously improve our and our vendors' ability to protect against cyber incidents, we may not be able to protect all information systems. Cybersecurity incidents may lead to reputational harm, revenue and client loss, legal actions, and statutory penalties, among other consequences. Additional information on cybersecurity risks we face are discussed in Item 1A "Risk Factors," which should be read in conjunction with the foregoing information.

## Item 2. Properties

The following table describes the significant facilities owned or leased by us as of December 31, 2024, for our Drilling and Completions (“D&C”) and Artificial Lift and Downhole (“A&D”) segments:

Country	Location	Number of facilities	Description	Leased or Owned	Segments
Canada	Red Deer	2	Service/Distribution	Leased	D&C
	Calgary	1	Manufacturing	Leased	D&C
	Calgary	1	Manufacturing/Service/Distribution	Leased	A&D
	Edmonton	2	Service/Distribution	Leased	D&C
	Edmonton	2	Manufacturing/Service/Distribution	Leased	A&D
Germany	Hamburg	1	Manufacturing	Leased	D&C
Saudi Arabia	Dammam	1	Manufacturing/Distribution	Owned	Shared
UAE	Jebel Ali	1	Service/Distribution	Leased	Shared
United Kingdom	Aberdeen	1	Service/Distribution	Leased	D&C
	Kirkbymoorside	1	Manufacturing	Owned	D&C
United States	Broussard, LA	1	Manufacturing/Service/Distribution	Leased	D&C
	Bryan, TX	1	Manufacturing	Leased	D&C
	Clearfield, PA	1	Manufacturing/Service/Distribution	Owned	A&D
	Dayton, TX	1	Manufacturing	Leased	D&C
	Fort Worth, TX	1	Manufacturing/Service	Leased	D&C
	Guthrie, OK	1	Manufacturing	Leased	A&D
	Houston, TX	2	Corporate/Manufacturing	Leased	Shared
	Humble, TX	1	Manufacturing	Leased	D&C
	Midland, TX	1	Service/Distribution	Leased	D&C
	Odessa, TX	1	Service/Distribution	Leased	D&C
	Odessa, TX	1	Service/Distribution	Leased	A&D
	Pearland, TX	1	Manufacturing/Distribution	Owned	A&D
	Plantersville, TX	1	Manufacturing/Distribution	Leased	D&C
	Smock, PA	1	Service	Leased	D&C
	Stafford, TX	2	Manufacturing/Distribution	Leased	A&D
Tyler, TX	1	Distribution	Leased	D&C	
Williston, ND	1	Service/Distribution	Leased	Shared	

We believe our facilities are suitable for their present and intended purposes, and are adequate for our current and anticipated level of operations.

We incorporate by reference the information set forth in Item 1 and Item 7 of this Annual Report on Form 10-K and the information set forth in Note 6 *Property and Equipment*, Note 9 *Leases* and Note 12 *Commitments and Contingencies*.

**Item 3. Legal Proceedings**

Information related to Item 3. Legal Proceedings is included in Note 12 *Commitments and Contingencies*, which is incorporated herein by reference. In addition to these matters, we are involved in other legal proceedings incidental to the conduct of our business. We do not believe that any of these legal proceedings will have a material adverse effect on our financial condition, results of operation or cash flows.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Information About Our Executive Officers**

The following table indicates the names, ages and positions of the executive officers of FET as of February 21, 2025:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Neal A. Lux	49	President, Chief Executive Officer and Director
D. Lyle Williams	55	Executive Vice President and Chief Financial Officer
John C. Ivascu	47	Executive Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary
Michael D. Danford	62	Senior Vice President and Chief Human Resources Officer
Katherine C. Keller	41	Senior Vice President and Chief Accounting Officer
Mark Brookes	49	Senior Vice President – Operations
Steven Pounds	52	Senior Vice President – Operations

*Neal A. Lux.* Mr. Lux was appointed as President and Chief Executive Officer of FET and as a director on FET's board of directors effective February 18, 2022. Mr. Lux previously served as the Company's Executive Vice President and Chief Operating Officer from December 2020 to February 2022. From January 2009 to February 2022, Mr. Lux held various operations roles of increasing responsibility with the Company and its subsidiaries, including Executive Vice President - Operations; Senior Vice President - Completions; Managing Director - Global Tubing; and President, Global Tubing. He holds a B.S. in Industrial Engineering from Purdue University.

*D. Lyle Williams, Jr.* Mr. Williams has served as Executive Vice President and Chief Financial Officer since June 2020. Since January 2007, Mr. Williams has held various financial and operations roles, including Senior Vice President - Operations; Vice President - Corporate Development and Treasurer; Vice President - Operations Finance; Vice President - Finance and Accounting, Drilling and Subsea Segment; Senior Vice President - Downhole Technologies; Vice President - Subsea Products; and Vice President - Capital Equipment. Prior to joining FET, Mr. Williams held various operations positions with Cooper Cameron Corporation, including Director of Operations - Engineering Products. He holds a B.A. in Economics and English from Rice University and an M.B.A. from Harvard University Graduate School of Business Administration.

*John C. Ivascu.* Mr. Ivascu has served as Executive Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary since June 2020. Since June 2011, Mr. Ivascu has held various legal roles of increasing responsibility, including Senior Vice President, General Counsel, Chief Compliance Officer and Secretary; Senior Vice President, General Counsel and Secretary; Vice President, Deputy General Counsel and Secretary; Vice President, Associate General Counsel and Assistant Secretary; and Assistant General Counsel. From 2006 to June 2011, Mr. Ivascu practiced corporate law at Vinson & Elkins L.L.P., representing public and private companies and investment banking firms in capital markets offerings, mergers and acquisitions, and corporate governance and bankruptcy matters. From 2004 to 2006, Mr. Ivascu served as an attorney for the U.S. Securities & Exchange Commission, Division of Enforcement. Mr. Ivascu holds a B.B.A. from the Stephen M. Ross School of Business at the University of Michigan, and a J.D. from Brooklyn Law School.

*Michael D. Danford.* Mr. Danford has served as Senior Vice President and Chief Human Resources Officer since June 2020. Prior to that, Mr. Danford served as Senior Vice President - Human Resources from February 2015 to June 2020; and Vice President - Human Resources from November 2007 to February 2015. Prior to joining FET, from August 2007 through November 2007, he worked at Trico Marine Services Inc., a privately held provider of subsea and marine support vessels and services to the oil and natural gas industry, as Vice President - Human Resources. From 1997 through July 2007, Mr. Danford served as Director of Human Resources and Vice President

- Human Resources for Hydril Company, a publicly traded manufacturer of connections used for oil and natural gas drilling and production. From 1991 to 1997, Mr. Danford served in various human resources roles for Baker Hughes Incorporated, a publicly traded oilfield services company. Prior to joining Baker Hughes, from 1990 to 1991, Mr. Danford served as a recruiter and as an employee relations representative in the human resources department for Compaq Computer, a publicly traded developer and manufacturer of computer systems. Mr. Danford holds a B.S. degree in Computer Science from the University of Louisiana at Monroe (formerly Northeast Louisiana University).

*Katherine C. Keller.* Ms. Keller has served as Senior Vice President and Chief Accounting Officer since February 2024. Prior to that, she acted as the Company's Vice President and Principal Accounting Officer from August 2022 to January 2024. From January 2012 to December 2015, and March 2018 to July 2022, she held various accounting roles of increasing responsibility, most recently Corporate Controller. Prior to joining the Company, Ms. Keller held positions of increasing responsibility with the Apollo Education Group from May 2009 to January 2012, most recently serving as Financial Reporting & Equity Accounting Manager. From July 2005 to May 2009, she served as a Senior Auditor for Ernst and Young LLP. She holds a B.S. in Accounting from Bucknell University and is a Certified Public Accountant in Pennsylvania.

*Mark Brookes.* Mr. Brookes has served as the Company's Senior Vice President – Operations since February 2022. From November 2017 to January 2022, Mr. Brookes served as the Company's Vice President – Subsea Products and Services. Prior to joining the Company, Mr. Brookes was employed by Oceaneering International from February 2012 to November 2017 in various roles, including General Manager – Specialty Connection Systems and General Manager – Subsea Field Development. From June 2007 to January 2012, Mr. Brookes held various roles as a Project and Operations Director for Cameron International. Mr. Brookes earned a Master of Industrial Engineering and Management from Oklahoma State University and a B.S. in Engineering and Management from Brunel University, London.

*Steven Pounds.* Mr. Pounds has served as the Company's Senior Vice President – Operations since February 2022. From January 2018 to January 2022, Mr. Pounds held various positions of increasing responsibility, most recently Vice President – Production. Mr. Pounds served as Chief Operating Officer of Top-Co Inc. from October 2014 until its merger with Rubicon Oilfield International in November 2016, and continued as a Senior Advisor until January 2017. Prior to that, Mr. Pounds held various positions of increasing responsibility with Baker Hughes International, most recently as Senior Director – Strategic Sourcing. Mr. Pounds holds a B.S. in Mechanical Engineering from The University of Texas at Austin.

## PART II

### **Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock trades on the NYSE under the trading symbol “FET.” As of February 21, 2025, there were approximately 26 common stockholders of record. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

No dividends were declared or issued during 2024 or 2023, and we do not currently have any plans to pay cash dividends in the future. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our results of operations, financial condition, capital requirements, investment opportunities, and restrictions under our loan agreements.

#### **Purchase of Equity Securities**

Our board of directors approved programs for the repurchase of outstanding shares of our common stock with an aggregate purchase amount of up to \$10.0 million (the “November 2021 Program”) and \$75.0 million (the “December 2024 Program”), in November 2021 and December 2024, respectively. The December 2024 Program replaced the authority granted under the November 2021 Program. Shares may be repurchased under the December 2024 Program from time to time, in amounts and at prices that the Company deems appropriate, subject to market and business conditions, applicable legal requirements and other considerations. The program may be executed using open market purchases pursuant to Rule 10b-18 under the Securities Exchange Act of 1934 (the “Exchange Act”), in privately negotiated agreements or by way of issuer tender offers, Rule 10b5-1 plans or other transactions. From the inception of the November 2021 Program through December 2024, we repurchased approximately 298 thousand shares of our common stock for aggregate consideration of \$7.6 million.

No shares were purchased during the three months ended December 31, 2024 under our November 2021 Program or our December 2024 Program. As of December 31, 2024, remaining authorization under the December 2024 Program is \$75.0 million.

Subsequent to December 31, 2024, we repurchased approximately 105 thousand shares of our common stock for aggregate consideration of \$2.0 million.

### **Item 6. Reserved.**

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes included under Item 8 of this Annual Report on Form 10-K. This discussion contains forward-looking statements based on our current expectations, estimates and projections about our operations and the industry in which we operate. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a variety of risks and uncertainties, including those described in "Risk Factors" and "Cautionary note regarding forward-looking statements" and elsewhere in this Annual Report on Form 10-K. We assume no obligation to update any of these forward-looking statements.

### Overview

We are a global manufacturing company serving the oil, natural gas, industrial and renewable energy industries. With headquarters in Houston, Texas, FET provides value added solutions aimed at improving the safety, efficiency, and environmental impact of our customers' operations. Our highly engineered products include capital equipment and consumable products. FET's customers include oil and natural gas operators, land and offshore drilling contractors, oilfield service companies, pipeline and refinery operators, and renewable energy and new energy companies. Consumable products are used by our customers in drilling, well construction and completion activities and at processing centers and refineries. Our capital products are directed at drilling rig equipment for constructing new or upgrading existing rigs, 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. In 2024, 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 expect that the world's long-term energy demand will continue to rise for many decades. We also expect hydrocarbons will continue to play a vital role in meeting the world's long-term energy needs while renewable energy sources develop to scale. As such, we remain focused on serving our customers in both oil and natural gas as well as renewable energy applications. We are continuing to develop products to help oil and gas operators lower expenses, increase production, and reduce their emissions while also deploying our technologies in renewable energy applications.

In the first quarter 2024, following the Variperm Acquisition, we aligned our reportable segments with business activity drivers, our customer base, and the manner in which management reviews and evaluates operating performance. FET now operates in the following two reportable segments: (1) Drilling and Completions and (2) Artificial Lift and Downhole. Refer to Note 17 *Business Segments* for the product lines making up each segment. Our historical results of operations were recast retrospectively to reflect these changes in accordance with U.S. GAAP.

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

- **Drilling and Completions.** This segment designs, manufactures and supplies products and solutions to the drilling, subsea, coiled tubing, well stimulation and intervention markets, including applications in the oil and natural gas, renewable energy, defense and communications industries. The products and solutions consist primarily of (i) capital equipment and consumable products used in the drilling process; (ii) capital equipment and aftermarket products including subsea ROVs and trenchers, submarine rescue vehicles, specialty components and tooling, and technical services; (iii) capital equipment and consumable products sold to the pressure pumping market, including hydraulic fracturing pumps, cooling systems, and high-pressure flexible hoses and flow iron; (iv) wireline cable and pressure control equipment used in the well completion and intervention service markets; and (v) coiled tubing strings and pressure control equipment used in coiled tubing operations, as well as coiled line pipe and related services.
- **Artificial Lift and Downhole.** This segment designs, manufactures and supplies products and solutions for the artificial lift, well construction, production and infrastructure markets. The products and solutions consist primarily of: (i) products designed to safeguard artificial lift equipment and downhole cables; (ii) well construction casing and cementing equipment; (iii) customized downhole technology solutions, providing sand and flow control products for heavy oil applications; (iv) engineered process systems, production equipment, as well as specialty separation equipment; and (v) a wide range of industrial valves focused on oil and natural gas as well as power generation, renewable energy and other general industrial applications.

## Market Conditions

Generally, demand for our products and services is directly related to our customers' capital and operating budgets. These budgets are heavily influenced by current and expected energy prices. In addition, demand for our capital products is driven by the utilization of service company equipment. Utilization is a function of equipment capacity and durability in demanding environments.

Oil and natural gas average prices were lower in 2024 compared to 2023 full year average prices. This decline can be attributed to anticipated increases in production by OPEC+, geopolitical uncertainty in Ukraine and the Middle East and slowing global oil demand growth.

In the future, volatile macroeconomic conditions, including potential tariffs imposed by U.S. or foreign governments, could disrupt world energy markets and international supply chains. Although near-term events may present challenges, we expect that the world's long-term energy demand will continue to rise and may outpace global supply. We expect that hydrocarbons will continue to play a vital role in meeting the world's long-term energy needs while renewable energy sources become increasingly prominent.

Our revenues, over the long-term, are highly correlated to the global drilling rig count, which decreased 4.3% in 2024 compared to average global rig count in 2023. The decrease was mainly driven by a decline in U.S. rig count of 12.8%. In the U.S., publicly owned exploration and production companies are expected to continue to exercise disciplined capital spending while privately owned exploration and production companies fluctuate their activity in response to changes in oil and natural gas prices.

The table below shows average crude oil and natural gas prices for WTI, Brent, and Henry Hub:

	2024	2023
<b>Average global oil, \$/bbl</b>		
West Texas Intermediate	\$ 76.45	\$ 77.58
Brent	\$ 80.52	\$ 82.49
<b>Average North American Natural Gas, \$/Mcf</b>		
Henry Hub	\$ 2.19	\$ 2.53

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

	2024	2023
<b>Active Rigs by Location</b>		
United States	599	687
Canada	187	177
International	948	948
<b>Global Active Rigs</b>	<b>1,734</b>	<b>1,812</b>
<b>Land vs. Offshore Rigs</b>		
Land	1,496	1,566
Offshore	238	246
<b>Global Active Rigs</b>	<b>1,734</b>	<b>1,812</b>
<b>U.S. Commodity Target</b>		
Oil	491	549
Gas	105	135
Other	3	3
<b>Total U.S. Active Rigs</b>	<b>599</b>	<b>687</b>
<b>U.S. Well Path</b>		
Horizontal	536	620
Vertical	15	17
Directional	48	50
<b>Total U.S. Active Rigs</b>	<b>599</b>	<b>687</b>

The table below shows the amount of total inbound orders by segment for the years ended December 31, 2024 and 2023:

(in millions of dollars)	2024	2023
<b>Orders:</b>		
Drilling and Completions	\$ 459.2	\$ 497.0
Artificial Lift and Downhole	321.1	227.3
<b>Total Orders</b>	<u>\$ 780.3</u>	<u>\$ 724.3</u>

## Results of operations

(in thousands of dollars, except per share information)	Year ended December 31,		Change	
	2024	2023	\$	%
<b>Revenue</b>				
Drilling and Completions	\$ 470,767	\$ 502,622	\$ (31,855)	(6.3)%
Artificial Lift and Downhole	345,680	236,312	109,368	46.3%
Eliminations	(22)	(70)	48	*
<b>Total revenue</b>	\$ 816,425	\$ 738,864	\$ 77,561	10.5%
<b>Cost of sales</b>				
Drilling and Completions	\$ 348,878	\$ 376,882	\$ (28,004)	(7.4)%
Artificial Lift and Downhole	212,536	157,899	54,637	34.6%
Eliminations	(22)	(70)	48	*
<b>Total cost of sales</b>	\$ 561,392	\$ 534,711	\$ 26,681	5.0%
<b>Gross profit</b>				
Drilling and Completions	\$ 121,889	\$ 125,740	\$ (3,851)	(3.1)%
Artificial Lift and Downhole	133,144	78,413	54,731	69.8%
<b>Total gross profit</b>	\$ 255,033	\$ 204,153	\$ 50,880	24.9%
<b>Selling, general and administrative expenses</b>				
Drilling and Completions	\$ 104,123	\$ 106,306	\$ (2,183)	(2.1)%
Artificial Lift and Downhole	84,250	46,830	37,420	79.9%
Corporate	30,952	27,253	3,699	13.6%
<b>Total selling, general and administrative expenses</b>	\$ 219,325	\$ 180,389	\$ 38,936	21.6%
<b>Segment operating income (loss)</b>				
Drilling and Completions	\$ 17,766	\$ 19,434	\$ (1,668)	(8.6)%
<i>Operating margin %</i>	3.8%	3.9%		
Artificial Lift and Downhole	48,894	31,583	17,311	54.8%
<i>Operating margin %</i>	14.1%	13.4%		
Corporate	(30,952)	(27,253)	(3,699)	(13.6)%
<b>Total segment operating income</b>	\$ 35,708	\$ 23,764	\$ 11,944	50.3%
<i>Operating margin %</i>	4.4%	3.2%		
Transaction expenses	7,728	2,892	4,836	*
Impairment of intangible assets	119,123	—	119,123	*
Gain on sale-leaseback transactions	(4,860)	—	(4,860)	*
Loss on disposal of assets and other	484	156	328	*
<b>Operating income (loss)</b>	(86,767)	20,716	(107,483)	(518.8)%
Interest expense	31,490	18,297	13,193	72.1%
Loss on extinguishment of debt	2,854	—	2,854	*
Foreign exchange losses and other, net	7,315	10,233	(2,918)	*
<b>Total other expense</b>	41,659	28,530	13,129	*
<b>Loss before income taxes</b>	(128,426)	(7,814)	(120,612)	(1,543.5)%
Income tax expense	6,900	11,062	(4,162)	*
<b>Net loss</b>	\$ (135,326)	\$ (18,876)	\$ (116,450)	(616.9)%
<b>Weighted average shares outstanding</b>				
Basic	12,299	10,212		
Diluted	12,299	10,212		
<b>Loss per share</b>				
Basic	\$ (11.00)	\$ (1.85)		
Diluted	\$ (11.00)	\$ (1.85)		

\* not meaningful

## Revenues

Our revenue for the year ended December 31, 2024 was \$816.4 million, an increase of \$77.6 million, or 10.5%, compared to the year ended December 31, 2023. For the year ended December 31, 2024, our Drilling and Completions segment and Artificial Lift and Downhole segment comprised of 57.7% and 42.3% of our total revenues, respectively, compared to 68.0% and 32.0%, respectively, for the year ended December 31, 2023. The overall increase in revenue is primarily related to the revenue contributed from the acquired Variperms business, increased revenues in the Subsea product line and increased downhole equipment sales, partially offset by the decline in drilling and completions capital products sales in 2024 compared to 2023. The changes in revenues by operating segment consisted of the following:

*Drilling and Completions segment* — Revenue was \$470.8 million for the year ended December 31, 2024, a decrease of \$31.9 million, or 6.3%, compared to the year ended December 31, 2023. This decrease includes a \$25.3 million, or 15.0%, decrease from the Drilling product line, a \$13.4 million, or 8.5%, decrease from Stimulation and Intervention product line and a \$2.8 million, or 2.6%, decrease from Coiled Tubing product line, primarily the result of declining U.S. drilling and completions activity. These decreases were partially offset by a \$9.6 million, or 14.1%, increase in our Subsea product line due to higher project revenue recognized from ROVs.

*Artificial Lift and Downhole segment* — Revenue was \$345.7 million for the year ended December 31, 2024, an increase of \$109.4 million, or 46.3%, compared to the year ended December 31, 2023. Revenue for our Downhole product line increased by \$117.0 million, or 129.3%, primarily due to revenue contributed from the acquired Variperms business and an increase in downhole equipment sales. This increase was partially offset by a \$5.7 million, or 7.0%, decrease in surface production equipment and a \$1.9 million, or 2.9%, decrease in sales of our valve products.

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

Segment operating income for the year ended December 31, 2024 was \$35.7 million compared to \$23.8 million for the year ended December 31, 2023. For the year ended December 31, 2024, segment operating margin percentage was 4.4% compared to 3.2% for the year ended December 31, 2023. Segment operating margin percentage is calculated by dividing segment operating income (loss) by revenues for the period. The change in operating income (loss) and operating margin percentage for each segment is explained as follows:

*Drilling and Completions segment* — Segment operating income was \$17.8 million, or 3.8%, for the year ended December 31, 2024 compared to \$19.4 million, or 3.9%, for the year ended December 31, 2023. The \$1.7 million decrease in segment operating results was primarily due to the overall decline in segment revenues.

*Artificial Lift and Downhole segment* — Segment operating income was \$48.9 million, or 14.1%, for the year ended December 31, 2024 compared to \$31.6 million, or 13.4%, for the year ended December 31, 2023. The \$17.3 million increase in segment operating results was primarily driven by the acquisition of Variperms.

*Corporate* — Selling, general and administrative expenses for Corporate were \$31.0 million for the year ended December 31, 2024, a \$3.7 million increase compared to the year ended December 31, 2023. This increase was primarily related to higher variable compensation costs. 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 income (loss)**

Several items are not included in segment operating income (loss), but are included in the total operating income (loss). These items include Transaction expenses, Impairment of intangible assets, Gain on sale-leaseback transactions and Loss on disposal of assets and other. For further information related to Impairment of intangible assets, see Note 7 *Goodwill and Intangible Assets*. For further information related to Gain on sale-leaseback transactions, see Notes 6 *Property and Equipment* and 9 *Leases*.

### **Other income and expense**

Other income and expense includes interest expense, foreign exchange gains (losses) and other, and loss on extinguishment of debt.

We incurred \$31.5 million of interest expense during the year ended December 31, 2024, an increase of \$13.2 million compared to the year ended December 31, 2023 due to the increased borrowings under our revolving Credit Facility and borrowings under the Seller Term Loan entered into in connection with the Variperem Acquisition. See Note 8 *Debt* for further details related to the Credit Facility, our second lien seller term loan credit agreement that we entered into to fund a portion of the purchase price of the Variperem Acquisition (the "Seller Term Loan"), the 2025 Notes and the 2029 Bonds.

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

During 2024, we redeemed in full the \$134.2 million aggregate principal amount outstanding of our 9.00% Senior Convertible Secured Notes due 2025 ("2025 Notes") at par value, and we discharged our obligations under the indenture governing the 2025 Notes. The net carrying value of the extinguished debt, including unamortized debt discount and debt issuance costs, was \$130.6 million, resulting in a \$3.6 million loss on extinguishment of debt.

During 2024, we repaid in full our Seller Term Loan at par value. The net carrying value of the extinguished debt, including debt issuance costs, was \$59.2 million, resulting in a \$0.8 million gain on extinguishment of debt.

### **Taxes**

We recorded tax expense of \$6.9 million for the year ended December 31, 2024 compared to a tax expense of \$11.1 million for the year ended December 31, 2023. The estimated annual effective tax rates for the years ended December 31, 2024 and 2023 were impacted by losses in jurisdictions where the recording of a tax benefit is not available. Furthermore, the tax expense or benefit recorded can vary from period to period depending on the Company's relative mix of earnings and losses by jurisdiction.

## **Liquidity and capital resources**

### **Sources and uses of liquidity**

Our internal sources of liquidity are cash on hand and cash flows from operations, while our primary external sources include trade credit, the Credit Facility and the 2029 Bonds. Our primary uses of capital have been for inventory, sales on credit to our customers, maintenance and growth capital expenditures, debt repayments and the acquisition of Variperem. We continually monitor other potential capital sources, including equity and debt financing, to meet our investment and target liquidity requirements. Our future success and growth will be highly dependent on our ability to generate positive operating cash flow and access outside sources of capital.

As of December 31, 2024, we had \$90.4 million of borrowings under our Credit Facility and \$100.0 million outstanding principal amount of 2029 Bonds. In January 2024, we entered into the Seller Term Loan in connection with the closing of the Variperem Acquisition, which had an initial principal amount of \$60.0 million and a maturity date in December 2026. In June and August 2024, we repurchased and redeemed \$13.0 million and \$60.0 million in aggregate principal amount of 2025 Notes, respectively. In November 2024, we closed \$100.0 million aggregate principal amount of 2029 Bonds, the net proceeds of which, together with cash on hand of \$10.2 million and borrowings from our Credit Facility of \$15.0 million, were used to repay in full the 2025 Notes and the Seller Term Loan.

In 2024, we borrowed \$90.0 million under the Credit Facility to fund a portion of the purchase price of the Variperem Acquisition. The Credit Facility matures on the earliest of (a) September 8, 2028 and (b) the date that is 91 days prior to the maturity of 2029 Bonds (which will not apply if the 2029 Bonds are repaid prior to such 91st day). See Note 8 *Debt* for further details related to the terms for our debt agreements.

As of December 31, 2024, we had cash and cash equivalents of \$44.7 million and \$61.2 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 the Credit Facility will fluctuate directionally based on the level of our eligible accounts receivable and inventory subject to applicable sublimits. In addition, we expect total 2025 capital expenditures to be approximately \$10.0 million, primarily for replacement of end of life machinery and equipment.

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

In December 2024, our board of directors approved a program for the repurchase of outstanding shares of our common stock with an aggregate purchase amount of up to \$75.0 million. Shares may be repurchased under the program from time to time, in amounts and at prices that the company deems appropriate, subject to market and business conditions, applicable legal requirements and other considerations. Subsequent to December 31, 2024, we repurchased approximately 105 thousand shares of our common stock for aggregate consideration of \$2.0 million.

In January 2024, we completed the Variperm Acquisition for consideration of \$150.0 million of cash (subject to customary purchase price adjustments) and 2.0 million shares of our common stock. We may pursue additional acquisitions in the future, which may be funded with cash and/or equity.

Our cash flows for the years ended December 31, 2024 and 2023 are presented below (in thousands):

	Year ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 92,191	\$ 8,183
Net cash used in investing activities	(137,526)	(6,573)
Net cash provided by (used in) financing activities	45,242	(7,582)
Effect of exchange rate changes on cash	(1,411)	1,108
Net decrease in cash, cash equivalents and restricted cash	\$ (1,504)	\$ (4,864)

#### **Net cash provided by operating activities**

Net cash provided by operating activities was \$92.2 million for the year ended December 31, 2024 compared to net cash provided by operating activities of \$8.2 million for the year ended December 31, 2023. During the year ended December 31, 2024, net working capital provided cash of \$57.6 million, compared to net working capital cash usage of \$21.5 million for the year ended December 31, 2023. This change is primarily due to improved inventory management.

#### **Net cash used in investing activities**

Net cash used in investing activities was \$137.5 million for the year ended December 31, 2024, mainly related to the Variperm Acquisition of \$150.4 million and capital expenditures of \$8.1 million, partially offset by \$20.3 million proceeds from sale-leaseback. Net cash used in investing activities of \$6.6 million for the year ended December 31, 2023 included \$7.9 million of capital expenditures, partially offset by \$1.4 million of proceeds from the sale of property and equipment.

#### **Net cash provided by (used in) financing activities**

Net cash provided by financing activities was \$45.2 million for the year ended December 31, 2024 and included \$54.9 million of net proceeds from debt mainly due to Variperm Acquisition, partially offset by \$8.5 million of paid financing costs. Net cash used in financing activities was \$7.6 million for the year ended December 31, 2023 and included \$6.0 million of cash used to repurchase our common stock and \$1.3 million of net repayments of debt.

#### **Off-balance sheet arrangements**

As of December 31, 2024, we had no off-balance sheet instruments or financial arrangements, other than letters of credit entered into in the ordinary course of business. For additional information, refer to Note 12 *Commitments and Contingencies*.

## Critical accounting policies and estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. In preparing our consolidated financial statements, we make judgments, estimates and assumptions affecting the amounts reported. We base our estimates on factors including historical experience and various assumptions that we believe are reasonable under the circumstances. These factors form the basis for making estimates about the carrying values of assets and liabilities that are not readily apparent from other sources. Certain accounting policies involve judgments and uncertainties to such an extent that there is a reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. Actual results may differ from these estimates and assumptions used in preparation of our consolidated financial statements.

In order to provide a better understanding of how we make judgments, and develop estimates and assumptions about future events, we have described our most critical accounting policies and estimates used in preparation of our consolidated financial statements below.

### **Revenue recognition**

Revenue is recognized in accordance with Accounting Standards Codification Topic (“ASC”) 606, 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 in exchange for those goods or services. For the year ended December 31, 2024, approximately 94% of our revenue was recognized from goods transferred to customers at a point in time while 6% of our revenue was recognized from goods transferred to customers over time.

Although terms of our contracts may vary considerably, the 6% of revenues recognized over time relate to certain contracts in our Subsea and Production Equipment product lines which are typically based on a fixed amount for the entire contract. Recognition over time for these contracts is supported by our assessment of the products supplied as having no alternative use to us and by clauses in the contracts that provide us with an enforceable right to payment for performance completed to date. We use the cost-to-cost method to measure progress for these contracts because it best depicts the transfer of assets to the customer which occurs as costs are incurred on the contract. The amount of revenue recognized is calculated based on the ratio of costs incurred to date compared to total estimated costs which requires management to calculate reasonably dependable estimates of total contract costs. Whenever revisions of estimated contract costs and contract values indicate that the contract costs will exceed estimated revenues, thus creating a loss, a provision for the total estimated loss is recorded in that period. We recognize revenue and cost of sales each period based upon the advancement of the work-in-progress unless the stage of completion is insufficient to enable a reasonably certain forecast of profit to be established. In such cases, no profit is recognized during the period.

Accounting estimates during the course of projects may change. The effect of such a change, which can be upward as well as downward, is accounted for in the period of change, and the cumulative income recognized to date is adjusted to reflect the latest estimates. These revisions to estimates are accounted for on a prospective basis.

Contracts are sometimes modified to account for changes in product specifications or requirements. Most of our contract modifications are for goods and services that are not distinct from the existing contract. As such, these modifications are accounted for as if they were part of the existing contract, and therefore, the effect of the modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue on a cumulative catch-up basis.

### **Inventories**

Inventories, consisting of finished goods and materials and supplies held for resale, are carried at the lower of cost or net realizable value. We evaluate our inventories based on an analysis of stocking levels, historical sales levels and future sales forecasts, to determine obsolete, slow-moving and excess inventory. While we have policies for calculating and recording reserves against inventory carrying values, we exercise judgment in establishing and applying these policies.

As of December 31, 2024 and 2023, our inventory reserve balances were \$35.7 million and \$38.2 million, respectively. For the years ended December 31, 2024 and 2023, we recognized inventory write downs totaling \$2.7 million and \$2.8 million, respectively. These charges are all included in “Cost of sales” in the consolidated statements of comprehensive loss. See Note 5 *Inventories* for further information related to these charges.

**Business combinations**

We account for business combinations using the acquisition method of accounting, and accordingly, the assets and liabilities of the acquired business are recorded at their fair values at the date of acquisition. Goodwill acquired in connection with business combinations represents the excess of consideration over the fair value of net assets acquired. Certain assumptions and estimates are employed in evaluating the fair value of assets acquired and liabilities assumed. These estimates may be affected by factors such as changing market conditions, technological advances in the oil and natural gas industry or changes in regulations governing that industry. The most significant assumptions requiring judgment involve identifying and estimating the fair value of intangible assets and the associated useful lives for establishing amortization periods. To finalize purchase accounting for significant acquisitions, we utilize the services of independent valuation specialists to assist in the determination of the fair value of acquired intangible assets.

**Goodwill**

An assessment for impairment is performed annually or when there is an indication an impairment may have occurred. Goodwill is reviewed for impairment by comparing the carrying value of the reporting unit's net assets, including allocated goodwill, to the estimated fair value of the reporting unit. We determine the fair value of the reporting unit using a combination of a discounted cash flows approach and a guideline public company method. We selected these valuation approaches because we believe they, combined with our best judgment regarding underlying assumptions and estimates, provides the best estimate of fair value for the reporting unit. Determining the fair value of a reporting unit requires the use of estimates and assumptions. Such estimates and assumptions include revenue growth rates, future operating margins, the weighted average cost of capital, a terminal growth value, and future market conditions, among others. We believe that the estimates and assumptions used in our impairment assessments are reasonable. If the reporting unit's carrying value is greater than its calculated fair value, we recognize a goodwill impairment charge for the amount by which the carrying value of goodwill exceeds its fair value.

We determined our Downhole product line consists of a single reporting unit and, accordingly, goodwill acquired from the Variperm acquisition was allocated to that reporting unit.

At October 1, 2024, we performed our annual impairment test and concluded that there had been no impairment because the estimated fair value exceeded its carrying value by approximately 20%. There are significant inherent uncertainties and management judgment in estimating the fair value of the reporting unit. While we believe we have made reasonable estimates and assumptions to estimate the fair value of the reporting unit, it is possible that a material change could occur.

**Long-lived assets**

As of December 31, 2024, our long-lived assets included property and equipment, definite lived intangibles, and operating lease right of use assets with balances of \$63.4 million, \$109.2 million and \$70.4 million, respectively. Key estimates related to long-lived assets include useful lives and recoverability of carrying values and changes in such estimates could have a significant impact on financial results.

We review long-lived assets with definite lives for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. In 2024, an impairment loss of \$119.1 million was recorded on intangible assets within the Coiled Tubing product line. Refer to Note 7 *Goodwill and Intangible Assets* for further discussion. No impairments to property equipment or operating lease right of use assets were recorded in 2024. No impairments to property and equipment, definite lived intangibles, and operating lease right of use assets were recorded in 2023.

## **Income taxes**

We follow the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based upon temporary differences between the carrying amounts and tax bases of our assets and liabilities at the balance sheet date, and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. 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 temporary differences, projected future taxable income, tax-planning and recent operating results. Any changes in our judgment as to the realizability of our deferred tax assets are recorded as an adjustment to the deferred tax asset valuation allowance in the period the change occurs. For the year ended December 31, 2024, we recognized tax expense for valuation allowances totaling \$25.1 million related to the net increase in our valuation allowance provided against our deferred tax assets to write down our deferred tax assets in these jurisdictions to what is more likely than not realizable. We increased our valuation allowance related to our U.S. deferred tax assets by \$29.5 million along with a \$6.9 million increase to certain non-U.S. deferred tax assets in the U.K. Singapore and China. In addition, we released \$11.3 million of valuation allowance on our deferred tax assets generated from operations in Germany and Saudi Arabia as the Company determined they were no longer required. See Note 10 Income Taxes for further information related to these charges.

The accounting guidance for income taxes requires that we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. If a tax position meets the “more likely than not” recognition criteria, the accounting guidance requires the tax position be measured at the largest amount of benefit greater than 50% likely of being realized upon ultimate settlement. If management determines that likelihood of sustaining the realization of the tax benefit is less than or equal to 50%, then the tax benefit is not recognized in the consolidated financial statements.

We have operations in countries other than the U.S. Consequently, we are subject to the jurisdiction of a number of taxing authorities. The final determination of tax liabilities involves the interpretation of local tax laws, tax treaties, and related authorities in each jurisdiction. Changes in the operating environment, including changes in tax law or interpretation of tax law and currency repatriation controls, could impact the determination of our tax liabilities for a given tax year.

## **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. Refer to Note 2 *Summary of Significant Accounting Policies* for information related to recent accounting pronouncements.

## **Cautionary note regarding forward-looking statements**

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of 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 Annual Report on Form 10-K 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 Annual Report on Form 10-K, 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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K are reasonable, forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual results to differ materially from our plans, intentions or expectations. This may be the result of various factors, including, but not limited to, those factors discussed in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Annual Report on Form 10-K.

## **Item 7A. Quantitative and qualitative disclosures about market risk**

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

## Item 8. Consolidated Financial Statements and Supplementary Data

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Forum Energy Technologies, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Forum Energy Technologies, Inc. and subsidiaries (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of comprehensive loss, changes in stockholders’ equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 3, 2025, expressed an unqualified opinion on the Company’s internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

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

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### Goodwill — Downhole Reporting Unit — Refer to Notes 2 and 7 to the financial statements

#### *Critical Audit Matter Description*

The Company completed its annual impairment test for goodwill as of October 1 using the combination of discounted cash flow model (“income approach”) and guideline public company method (“market approach”). The Company performed a quantitative impairment evaluation of the \$61.7 million in goodwill for the Downhole reporting unit by comparing the estimated fair value of the reporting unit to its carrying value. The fair value exceeded its carrying value as of the measurement date and, therefore, no impairment was recognized.

We identified the Company's goodwill impairment assessment for the Downhole reporting unit as a critical audit matter because of the significant judgments made by management to estimate the fair value of the reporting unit. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions utilized in the income approach related to forecasts of future revenues and profitability margins, long-term growth rate and discount rate, among others.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to management's forecasts and the selection of discount rates used by management to determine the fair value of the Downhole reporting unit and included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over management's selection of the discount rate and forecasts of future revenue and operating margin.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate, including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rate selected by management.
- We evaluated management's ability to accurately forecast future revenue and operating margin by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's revenue and operating margin forecasts by comparing the forecasts to (1) historical results and (2) internal communications to management and the Board of Directors.

**Business Combination — Variperem — Refer to Note 4 to the financial statements**

*Critical Audit Matter Description*

The Company completed the acquisition of Variperem on January 4, 2024 (the "Variperem Acquisition"). The purchase price was allocated to the assets acquired and liabilities assumed based on their respective estimated fair values. The largest asset classes acquired included customer relationships, trade name, and backlog ("Intangible Assets"); and property, plant and equipment ("PP&E"). The fair value for trade name was estimated using the income approach, customer relationships and backlog were estimated using the multi-period excess earnings method and PP&E was valued using the cost approach.

We identified the valuation of Intangible Assets and PP&E arising out of the Variperem Acquisition as a critical audit matter because of the estimates made by management to determine the fair value of these assets. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our valuation specialists when performing audit procedures to determine the fair value of acquired assets.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the fair value of Intangible Assets and PP&E acquired as part of the Variperem Acquisition included the following, among others:

- We tested the effectiveness of controls over the purchase price allocation, including management's controls over the assumptions used in the income approach for Intangible Assets as well as in the cost approach for PP&E. In addition, we evaluated the work of management's third-party specialists.
- With the assistance of our fair value specialists, and in respect to the PP&E acquired, we evaluated the reasonableness of the valuation methodology, current market data, and the cost to replace or reproduce comparable assets and developed a range of independent estimates and compared to those used by management.
- With the assistance of our fair value specialists, and in respect to the Intangible Assets acquired, we evaluated the estimates used in the relief-from-royalty method for trade name and estimates used in the multi-period excess earnings method for customer relationship and backlog and developed a range of independent estimates and compared those to those selected by management.
- We considered any events or transactions occurring after the Variperem Acquisition closing date that may indicate a different valuation for the acquired Intangible Assets and PP&E.

## **Long-lived Assets — Impairment of Intangibles Assets — Refer to Notes 2 and 7 to the financial statements**

### *Critical Audit Matter Description*

Long-lived assets, which consists of property and equipment, intangible assets with finite useful lives (“intangible assets”), and right-of-use assets, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. During the fiscal year ended December 31, 2024, the company determined the carrying value of intangibles assets in the Coiled Tubing product line was impaired. As a result, the Company recorded an impairment charge on intangible assets of \$119.1 million in 2024.

We identified impairment for intangibles assets in the Coiled Tubing product line as a critical audit matter because of the estimates made by management to determine the fair value of these assets. This required a high degree of auditor judgment and an increased extent of effort including the need to involve fair value specialists when performing audit procedures to evaluate the reasonableness of management’s estimates and assumptions related to forecasts of future revenues and profitability margins, long term growth rate and discount rate.

### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the evaluation of the Company’s impairment analysis for the coiled tubing product line included the following, among others:

- We tested the effectiveness of controls over the determination of fair value, including controls related to management’s development of forecasts of revenues and profitability margins, long-term growth rate and discount rate.
- Assessed the reasonableness of management’s estimates of future projections of revenues and cash flows within the undiscounted future net cash flows and discounted future net cash flows for the Coiled tubing asset group by:
  - Compared historical results to the Company’s strategic plans.
  - Made inquiries of management and corroborating inquiries with the Company’s strategic planning group.
  - Read internal communications to management and the Board of Directors.
  - With the assistance of our fair value specialists, we evaluated reasonableness of the discount rates and developed a range of independent estimates and compared those to the discount rates selected by management.
  - Compared long-term growth rate by comparing them with projected nominal gross domestic product growth rates of the economies and the industry in which the entity operates.
- Evaluated the reasonableness of key assumptions used by management in determining the undiscounted and discounted future net cash flows.

/s/ Deloitte & Touche LLP

Houston, Texas

March 3, 2025

We have served as the Company’s auditor since 2019.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Consolidated statements of comprehensive loss**

(in thousands, except per share information)	Year ended December 31,	
	2024	2023
Revenue	\$ 816,425	\$ 738,864
Cost of sales	561,392	534,711
Gross profit	255,033	204,153
<b>Operating expenses</b>		
Selling, general and administrative expenses	219,325	180,389
Transaction expenses	7,728	2,892
Impairment of intangible assets	119,123	—
Gain on sale-leaseback transactions	(4,860)	—
Loss on disposal of assets and other	484	156
Total operating expenses	341,800	183,437
<b>Operating income (loss)</b>	<b>(86,767)</b>	<b>20,716</b>
<b>Other expense (income)</b>		
Interest expense	31,490	18,297
Loss on extinguishment of debt	2,854	—
Foreign exchange losses and other, net	7,315	10,233
<b>Total other expense, net</b>	<b>41,659</b>	<b>28,530</b>
<b>Loss before income taxes</b>	<b>(128,426)</b>	<b>(7,814)</b>
Income tax expense	6,900	11,062
<b>Net loss</b>	<b>\$ (135,326)</b>	<b>\$ (18,876)</b>
<b>Weighted average shares outstanding</b>		
Basic	12,299	10,212
Diluted	12,299	10,212
<b>Loss per share</b>		
Basic	\$ (11.00)	\$ (1.85)
Diluted	\$ (11.00)	\$ (1.85)
<b>Other comprehensive income (loss), net of tax of \$0:</b>		
Net loss	\$ (135,326)	\$ (18,876)
Change in foreign currency translation	(8,168)	12,757
Gain (loss) on pension liability	157	(508)
<b>Comprehensive loss</b>	<b>\$ (143,337)</b>	<b>\$ (6,627)</b>

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

**Forum Energy Technologies, Inc. and subsidiaries**  
**Consolidated balance sheets**

(in thousands, except share information)	December 31, 2024	December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 44,661	\$ 46,165
Accounts receivable—trade, net of allowances of \$9,529 and \$10,850	153,926	146,747
Inventories, net	265,487	299,639
Prepaid expenses and other current assets	19,179	21,887
Costs and estimated profits in excess of billings	11,632	13,365
Accrued revenue	752	1,801
<b>Total current assets</b>	<b>495,637</b>	<b>529,604</b>
Property and equipment, net of accumulated depreciation	63,421	61,401
Operating lease assets	70,389	55,399
Deferred financing costs, net	2,154	1,159
Goodwill	61,653	—
Intangible assets, net	109,230	167,970
Deferred tax assets, net	11,445	368
Other long-term assets	2,025	5,160
<b>Total assets</b>	<b>\$ 815,954</b>	<b>\$ 821,061</b>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 1,866	\$ 1,186
Accounts payable—trade	109,651	125,918
Accrued liabilities	77,239	62,463
Deferred revenue	8,584	10,551
Billings in excess of costs and profits recognized	4,516	4,221
<b>Total current liabilities</b>	<b>201,856</b>	<b>204,339</b>
Long-term debt, net of current portion	186,525	129,567
Deferred tax liabilities, net	23,678	940
Operating lease liabilities	73,145	61,450
Other long-term liabilities	10,850	12,132
<b>Total liabilities</b>	<b>496,054</b>	<b>408,428</b>
<b>Commitments and contingencies</b>		
<b>Equity</b>		
Common stock, \$0.01 par value, 14,800,000 shares authorized, 12,999,246 and 10,901,878 shares issued	130	109
Additional paid-in capital	1,419,871	1,369,288
Treasury stock at cost, 708,900 and 708,900 shares	(142,057)	(142,057)
Retained deficit	(834,797)	(699,471)
Accumulated other comprehensive loss	(123,247)	(115,236)
<b>Total equity</b>	<b>319,900</b>	<b>412,633</b>
<b>Total liabilities and equity</b>	<b>\$ 815,954</b>	<b>\$ 821,061</b>

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

**Forum Energy Technologies, Inc. and subsidiaries**  
**Consolidated statements of cash flows**

(in thousands, except share information)	Year ended December 31,	
	2024	2023
<b>Cash flows from operating activities</b>		
Net loss	\$ (135,326)	\$ (18,876)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation expense	16,896	10,799
Amortization of intangible assets	36,821	23,929
Impairment of intangible assets	119,123	—
Stock-based compensation expense	7,137	4,571
Inventory write downs	2,716	2,784
Provision for doubtful accounts	389	1,527
Deferred income taxes	(17,574)	(204)
Loss on extinguishment of debt	2,854	—
Gain on sale-leaseback transactions	(4,860)	—
Other	6,441	5,116
<i>Changes in operating assets and liabilities</i>		
Accounts receivable—trade	13,590	6,678
Inventories	41,467	(31,928)
Prepaid expenses and other current assets	8,132	2,686
Cost and estimated profits in excess of billings	1,615	2,144
Accounts payable, deferred revenue and other accrued liabilities	(7,668)	(4,894)
Billings in excess of costs and profits recognized	438	3,851
Net cash provided by operating activities	92,191	8,183
<b>Cash flows from investing activities</b>		
Capital expenditures for property and equipment	(8,145)	(7,944)
Proceeds from sale of property and equipment	703	1,371
Acquisition of businesses, net of cash acquired	(150,408)	—
Proceeds from sale-leaseback transactions	20,324	—
Net cash used in investing activities	(137,526)	(6,573)
<b>Cash flows from financing activities</b>		
Borrowings on revolving Credit Facility	714,643	451,738
Repayments on revolving Credit Facility	(624,250)	(451,738)
Proceeds from issuance of 2029 Bonds	100,000	—
Payments of 2025 Notes	(134,208)	—
Proceeds from issuance of Seller Term Loan	59,677	—
Payments of Seller Term Loan	(59,677)	—
Payment of capital lease obligations	(1,319)	(1,275)
Repurchases of stock	—	(5,996)
Payments of withheld taxes on stock-based compensation plans	(1,090)	—
Deferred financing costs	(8,534)	(311)
Net cash provided by (used in) financing activities	45,242	(7,582)
Effect of exchange rate changes on cash	(1,411)	1,108
Net decrease in cash, cash equivalents and restricted cash	(1,504)	(4,864)
Cash, cash equivalents and restricted cash at beginning of period	46,165	51,029
Cash, cash equivalents and restricted cash at end of period	\$ 44,661	\$ 46,165
<b>Supplemental cash flow disclosures</b>		
Cash paid for interest	\$ 26,764	\$ 17,088
Cash paid for income taxes	23,119	8,804
<b>Noncash investing and financing activities</b>		
Operating lease assets obtained in exchange for lease obligations	\$ 26,205	\$ 7,535
Finance lease assets obtained in exchange for lease obligations	2,098	2,108
Accrued purchases of property and equipment	1,345	6
Stock issued related to business acquisition	44,220	—
Liability awards converted to shares settled	337	—

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

**Forum Energy Technologies, Inc. and subsidiaries**  
**Consolidated statements of changes in stockholders' equity**

(in thousands)	Common stock	Additional paid-in capital	Treasury stock	Retained deficit	Accumulated other comprehensive income / (loss)	Total common stockholders' equity
<b>Balance at December 31, 2022</b>	\$ 62	\$ 1,253,613	\$ (138,560)	\$ (680,595)	\$ (127,485)	\$ 307,035
Restricted stock issuance, net of forfeitures	1	(2,500)	—	—	—	(2,499)
Stock-based compensation expense	—	4,571	—	—	—	4,571
Treasury stock	—	—	(3,497)	—	—	(3,497)
Conversion of debt to common stock	46	113,604	—	—	—	113,650
Change in pension liability	—	—	—	—	(508)	(508)
Currency translation adjustment	—	—	—	—	12,757	12,757
Net loss	—	—	—	(18,876)	—	(18,876)
<b>Balance at December 31, 2023</b>	\$ 109	\$ 1,369,288	\$ (142,057)	\$ (699,471)	\$ (115,236)	\$ 412,633
Restricted stock issuance, net of forfeitures	1	(1,091)	—	—	—	(1,090)
Stock-based compensation expense	—	7,137	—	—	—	7,137
Stock issued related to business acquisition	20	44,200	—	—	—	44,220
Liability awards converted to shares settled	—	337	—	—	—	337
Change in pension liability	—	—	—	—	157	157
Currency translation adjustment	—	—	—	—	(8,168)	(8,168)
Net loss	—	—	—	(135,326)	—	(135,326)
<b>Balance at December 31, 2024</b>	\$ 130	\$ 1,419,871	\$ (142,057)	\$ (834,797)	\$ (123,247)	\$ 319,900

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

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements**

## **1. Nature of Operations**

Forum Energy Technologies, Inc. (the "Company," "FET," "we," "our," or "us"), a Delaware corporation, is a global manufacturing company serving the oil, natural gas, industrial and renewable energy industries. With headquarters located in Houston, Texas, FET provides value added solutions that increase the safety and efficiency of energy exploration and production.

## **2. Summary of Significant Accounting Policies**

### ***Basis of presentation***

The Company's accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Certain reclassifications have been made to prior year amounts to conform with the current year presentation.

### ***Principles of consolidation***

The consolidated financial statements include the accounts of the Company and its wholly and majority owned subsidiaries after elimination of intercompany balances and transactions.

### ***Use of estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

In the preparation of these consolidated financial statements, estimates and assumptions have been made by management including, among others, an assessment of percentage of completion of projects based on costs to complete contracts, the selection of useful lives of tangible and intangible assets, expected future cash flows from long lived assets to support impairment tests, provisions necessary for trade receivables, amounts of deferred taxes and income tax contingencies. Actual results could differ from these estimates.

The financial reporting of contracts depends on estimates, which are assessed continually during the term of those contracts. The amounts of revenues and income recognized are subject to revisions as the contract progresses to completion and changes in estimates are reflected in the period in which the facts that give rise to the revisions become known. Additional information that enhances and refines the estimating process that is obtained after the balance sheet date, but before issuance of the consolidated financial statements, is reflected in the consolidated financial statements.

### ***Cash and cash equivalents***

Cash and cash equivalents consist of cash on deposit and high quality, short-term money market instruments with an original maturity of three months or less. Cash equivalents are based on quoted market prices, a Level 1 fair value measure.

### ***Accounts receivable-trade***

Trade accounts receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus receivables do not bear interest, although a finance charge may be applied to amounts past due. We maintain an allowance for doubtful accounts for estimated losses that may result from the inability of our customers to make required payments. Such allowances are based upon several factors including, but not limited to, credit approval practices, industry and customer historical experience as well as the current and projected financial condition of the specific customer. Accounts receivable outstanding longer than contractual terms are considered past due. We write-off accounts receivable to the allowance for doubtful accounts when they become uncollectible. Any payments subsequently received on receivables previously written-off are credited to bad debt expense.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

The changes in allowance for doubtful account during the years ended December 31, 2024 and 2023 were as follows (in thousands):

Period ended	Balance at beginning of period	Charged to expense	Deductions or other	Balance at end of period
December 31, 2023	10,690	1,527	(1,367)	10,850
December 31, 2024	10,850	389	(1,710)	9,529

***Inventories***

Inventories, consisting of finished goods and materials and supplies held for resale, are carried at the lower of cost or net realizable value. For certain operations, cost, which includes the cost of raw materials and labor for finished goods, is determined using standard cost which approximates a first-in first-out basis. For other operations, this cost is determined on an average cost, first-in first-out or specific identification basis. Net realizable value means estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation. We continuously evaluate inventories based on an analysis of inventory levels, historical sales experience and future sales forecasts, to determine obsolete, slow-moving and excess inventory.

For the years ended December 31, 2024 and 2023, we recognized inventory write downs totaling \$2.7 million and \$2.8 million, respectively. These charges are all included in cost of sales in the consolidated statements of comprehensive loss. See Note 5 *Inventories* for further information related to these charges.

***Property and equipment***

Property and equipment are stated at cost less accumulated depreciation. Finance leases of property and equipment are stated at the present value of future minimum lease payments. Expenditures for property and equipment and for items which substantially increase the useful lives of existing assets are capitalized at cost and depreciated over their estimated useful life utilizing the straight-line method. Routine expenditures for repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method based on the estimated useful lives of assets, generally two to 30 years. Property and equipment held under finance leases are amortized straight-line over the shorter of the lease term or estimated useful life of the asset. Gains or losses resulting from the disposition of assets are recognized in income with the related asset cost and accumulated depreciation removed from the balance sheet. Assets acquired in connection with business combinations are recorded at fair value.

We review property and equipment for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. In performing the review for impairment, future cash flows expected to result from the use of the asset and its eventual disposal are estimated. If the undiscounted future cash flows are less than the carrying amount of the assets, there is an indication that the asset may be impaired. The amount of the impairment is measured as the difference between the carrying value and the estimated fair value of the asset. The fair value is determined either through the use of an external valuation, or by means of an analysis of discounted future cash flows based on expected utilization.

***Lease obligations***

We determine if an arrangement is a lease at inception. Leases with an initial term of 12 months or less are not recorded in our consolidated balance sheets. Leases with an initial term greater than 12 months are recognized in our consolidated balance sheets based on lease classification as either operating or financing. Operating leases are included in operating lease assets, accrued liabilities and operating lease liabilities. Finance leases are included in property and equipment, current portion of long-term debt, and long-term debt. Some of our lease agreements include lease and non-lease components for which we have elected to not separate for all classes of underlying assets. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. We sublease certain real estate to third parties when we have no future use for the property.

Our lease portfolio primarily consists of operating leases for certain manufacturing facilities, warehouses, service facilities, office spaces, equipment and vehicles. Operating lease assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments at the commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. Our leases have

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

remaining terms of one to 15 years and may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. The operating lease assets also include any upfront lease payments made and exclude lease incentives and initial direct costs incurred. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

We review operating lease assets for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. In performing the review for impairment, future cash flows expected to result from the use of the asset and its eventual disposal are estimated. If the undiscounted future cash flows are less than the carrying amount of the asset, there is an indication that the asset may be impaired. The amount of the impairment is measured as the difference between the carrying value and the estimated fair value of the asset. The fair value is determined by means of an analysis of discounted future cash flows based on expected utilization.

***Goodwill and intangible assets***

For goodwill, an assessment for impairment is performed annually or when there is an indication an impairment may have occurred. The Company completes its annual impairment test for goodwill using an assessment date of October 1. Goodwill is reviewed for impairment by comparing the carrying value of the reporting unit's net assets (including allocated goodwill) to the fair value of the reporting unit. The fair value of the reporting unit is determined using a combination of a discounted cash flows approach and a guideline public company method. Determining the fair value of a reporting unit requires the use of estimates and assumptions. Such estimates and assumptions include revenue growth rates, operating margins, weighted average costs of capital, a terminal growth rate, and future market conditions, among others. The Company believes that the estimates and assumptions used in impairment assessments are reasonable.

We determined our Downhole product line consists of a single reporting unit and, accordingly, goodwill acquired from the Variperim acquisition was allocated to that reporting unit.

The Company recognizes a goodwill impairment charge for the amount by which the carrying value of goodwill exceeds the reporting unit's fair value. Any impairment losses are reflected in operating income. At October 1, 2024, we performed our annual impairment test and concluded that there had been no impairment because the estimated fair value exceeded its carrying value by approximately 20%.

Intangible assets with definite lives are comprised of customer and distributor relationships, patents and technology, trade names, trademarks and non-compete agreements which are amortized on a straight-line basis over the life of the intangible asset, generally two to 19 years. These assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. In performing the review for impairment, future cash flows expected to result from the use of the asset are estimated. If the undiscounted future cash flows are less than the carrying amount of the asset, there is an indication that the asset may be impaired. The amount of the impairment is measured as the difference between the carrying value and the estimated fair value of the asset. The fair value is determined either through the use of an external valuation, or by means of an analysis of discounted future cash flows. The impairment loss recognized represents the excess of an asset's carrying value as compared to its estimated fair value. In 2024, an impairment loss of \$119.1 million was recorded on intangible assets within the Coiled Tubing product line. No impairments to intangible assets were recorded in 2023. Refer to Note 7 *Goodwill and Intangible Assets* for further discussion.

***Recognition of provisions for contingencies***

In the ordinary course of business, we are subject to various claims, suits and complaints. We, in consultation with internal and external legal advisors, will provide for a contingent loss in the consolidated financial statements if, at the date of the consolidated financial statements, it is probable that a liability has been incurred and the amount can be reasonably estimated. If it is determined that the reasonable estimate of the loss is a range and that there is no best estimate within that range, a provision will be made for the lower amount of the range. Legal costs are expensed as incurred.

An assessment is made of the areas where potential claims may arise under contract warranty clauses. Where a specific risk is identified, and the potential for a claim is assessed as probable and can be reasonably estimated, an appropriate warranty provision is recorded. Warranty provisions are eliminated at the end of the warranty period except where warranty claims are still outstanding. The liability for product warranty is included in accrued liabilities in the consolidated balance sheets.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

***Revenue recognition and deferred revenue***

Revenue is recognized in accordance with Accounting Standards Codification Topic ("ASC") 606, 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 in exchange for those goods or services.

***Contract Identification.*** We account for a contract when it is approved, both parties are committed, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collection of consideration is probable.

***Performance Obligations.*** A performance obligation is a promise in a contract to transfer a distinct good or service to the customer under ASC 606. The majority of our contracts with customers contain a single performance obligation to provide agreed-upon products or services. For contracts with multiple performance obligations, we allocate revenue to each performance obligation based on its relative standalone selling price. In accordance with ASC 606, we do not assess whether promised goods or services are performance obligations if they are immaterial in the context of the contract with the customer. We have elected to apply the practical expedient to account for shipping and handling costs associated with outbound freight after control of a product has transferred to a customer as a fulfillment cost which is included in cost of sales. Furthermore, since our customer payment terms are short-term in nature, we have also elected to apply the practical expedient which allows an entity to not adjust for the effects of a significant financing component if it expects that the customer's payment period will be less than one year in duration.

***Contract Value.*** Revenue is measured based on the amount of consideration specified in the contracts with our customers and excludes any amounts collected on behalf of third parties. We have elected the practical expedient to exclude amounts collected from customers for all sales (and other similar) taxes.

The estimation of total revenue from a customer contract is subject to elements of variable consideration. Certain customers may receive rebates or discounts which are accounted for as variable consideration. We estimate variable consideration as the most likely amount to which we expect to be entitled, and we include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved. Our estimate of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (historic, current, forecast) that is reasonably available to us.

***Timing of Recognition.*** We recognize revenue when we satisfy a performance obligation by transferring control of a product or service to a customer. Our performance obligations are satisfied at a point in time or over time as work progresses.

Revenue from goods transferred to customers at a point in time accounted for 94% of revenues for the year ended December 31, 2024. The majority of this revenue is product sales, which are generally recognized when items are shipped from our facilities and title passes to the customer. The amount of revenue recognized for products is adjusted for expected returns, which are estimated based on historical data.

Revenue from goods transferred to customers over time accounted for 6% of revenues for the year ended December 31, 2024, which is related to certain contracts in our Subsea and Production Equipment product lines. Recognition over time for these contracts is supported by our assessment of the products supplied as having no alternative use to us and by clauses in the contracts that provide us with an enforceable right to payment for performance completed to date. We use the cost-to-cost method to measure progress for these contracts because it best depicts the transfer of assets to the customer which occurs as costs are incurred on the contract. The amount of revenue recognized is calculated based on the ratio of costs incurred to-date compared to total estimated costs which requires management to calculate reasonably dependable estimates of total contract costs. Whenever revisions of estimated contract costs and contract values indicate that the contract costs will exceed estimated revenues, thus creating a loss, a provision for the total estimated loss is recorded in that period. We recognize revenue and cost of sales each period based upon the advancement of the work-in-progress unless the stage of completion is insufficient to enable a reasonably certain forecast of profit to be established. In such cases, no profit is recognized during the period.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

Accounting estimates during the course of projects may change, primarily related to our remotely operated vehicles (“ROVs”) which may take longer to manufacture. The effect of such a change, which can be upward as well as downward, is accounted for in the period of change, and the cumulative income recognized to date is adjusted to reflect the latest estimates. These revisions to estimates are accounted for on a prospective basis.

Contracts are sometimes modified to account for changes in product specifications or requirements. Most of our contract modifications are for goods and services that are not distinct from the existing contract. As such, these modifications are accounted for as if they were part of the existing contract, and therefore, the effect of the modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue on a cumulative catch-up basis. No adjustment to any one contract was material to our consolidated financial statements for the years ended December 31, 2024 and 2023.

We sell our products through a number of channels including a direct sales force, marketing representatives, and distributors. We have elected to expense sales commissions when incurred as the amortization period would be less than one year. These costs are recorded within cost of sales.

***Portfolio Approach.*** We have elected to apply ASC 606 to a portfolio of contracts with similar characteristics as we reasonably expect that the effects on the financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio.

***Disaggregated Revenue.*** Refer to Note 17 *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, 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, we record a contract liability. Such contract liabilities typically result from billings in excess of costs incurred and advance payments received on product sales.

#### ***Concentration of credit risk***

Trade accounts receivable are financial instruments which potentially subject the Company to credit risk. Trade accounts receivable consist of uncollateralized receivables from domestic and international customers. For the years ended December 31, 2024 and 2023, no customer accounted for 10% or more of the total revenue or 10% or more of the total accounts receivable balance at the end of the respective period.

#### ***Stock-based compensation***

We measure all stock-based compensation awards at fair value on the date they are granted to employees and directors, and recognize compensation cost over the requisite service period for awards with only a service condition, and over a graded vesting period for awards with service and performance or market conditions.

The fair value of stock-based compensation awards with market conditions is measured using a Monte Carlo Simulation model and, in accordance with ASC 718, is not adjusted based on actual achievement of the performance goals. The Black-Scholes option pricing model is used to measure the fair value of options. Forfeitures are accounted for as they occur.

#### ***Income taxes***

We follow the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based upon temporary differences between the carrying amounts and tax bases of our assets and liabilities at the balance sheet date, and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period in which the change occurs. We record a valuation allowance in each reporting period when management believes that it is more likely than not that any deferred tax asset created will not be realized. See Note 10 *Income Taxes* for more information on valuation allowances recognized.

Accounting guidance for income taxes requires that we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. If a tax position meets the “more likely than not” recognition criteria, accounting guidance requires the tax position be measured at the largest amount of benefit greater than 50% likely of being realized upon ultimate settlement.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

**Non-U.S. local currency translation**

We have global operations and the majority of our non-U.S. operations have designated the local currency as the functional currency. Realized and unrealized gains and losses resulting from re-measurements of monetary assets and liabilities denominated in a currency other than the local entity's functional currency are included in the consolidated statements of comprehensive loss as incurred.

Financial statements of our foreign operations where the functional currency is not the U.S. dollar are translated into U.S. dollars using the current rate method whereby assets and liabilities are translated at the balance sheet rate and income and expenses are translated at the average exchange rates in effect during the period. The resultant translation adjustments are reported as a component of accumulated other comprehensive loss within equity in our consolidated balance sheets.

**Fair value**

The carrying amounts for financial instruments classified as current assets and current liabilities approximate fair value, due to the short maturity of such instruments. The book values of other financial instruments, such as our debt related to the Credit Facility, approximates fair value because interest rates charged are similar to other financial instruments with similar terms and maturities and the rates vary in accordance with a market index.

For financial assets and liabilities disclosed at fair value, fair value is determined as the exit price, or the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The established fair value hierarchy divides fair value measurement into three broad levels:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs are unobservable for the asset or liability, which reflect the best judgment of management.

The financial assets and liabilities that are disclosed at fair value for disclosure purposes are categorized in one of the above three levels based on the lowest level input that is significant to the fair value measurement in its entirety. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment.

**Recent accounting pronouncements**

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB"), which the Company adopts 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 the Company's consolidated financial statements upon adoption.

**Accounting Standards Adopted in 2024**

**Segment Reporting (Topic 280).** In November 2023, FASB issued ASU 2023-07, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. This update is effective retrospectively for fiscal years beginning after December 15, 2023, and interim periods within fiscal years after December 15, 2024. Early adoption is permitted. The Company adopted this accounting standard effective January 1, 2024, and the adoption resulted in additional segment disclosures in our consolidated financial statements.

**Accounting Standards Issued But Not Yet Adopted**

**Income Taxes (Topic 740).** In December 2023, FASB issued ASU 2023-09, which improves income tax disclosures. This update is effective for fiscal years beginning after December 15, 2025. Early adoption is permitted. This update should be applied prospectively but retrospective application is permitted. The Company is in the process of evaluating the impact it may have on our consolidated financial statements.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

**Disaggregation of Income Statement Expenses (Subtopic 220-40).** In November 2024, FASB issued ASU 2024-03 to improve financial reporting by requiring entities to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. This update is effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. This update should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this update or (2) retrospectively to any or all prior periods presented in the financial statements. The Company is in the process of evaluating the impact it may have on our consolidated financial statements.

### 3. Revenues

#### Disaggregated revenues

Refer to Note 17 *Business Segments* for disaggregated revenues by product line and geography.

#### Contract balances

The following table reflects the changes in our contract assets and contract liabilities balances for the years ended December 31, 2024 and 2023:

	December 31,		December 31,		Decrease	
	2024		2023		\$	%
Accrued revenue	\$	752	\$	1,801		
Costs and estimated profits in excess of billings		11,632		13,365		
Contract assets - current		12,384		15,166		
Contract assets - non-current		—		1,828		
<b>Contract assets</b>	<b>\$</b>	<b>12,384</b>	<b>\$</b>	<b>16,994</b>	<b>\$ (4,610)</b>	<b>(27)%</b>
Deferred revenue	\$	8,584	\$	10,551		
Billings in excess of costs and profits recognized		4,516		4,221		
<b>Contract liabilities</b>	<b>\$</b>	<b>13,100</b>	<b>\$</b>	<b>14,772</b>	<b>\$ (1,672)</b>	<b>(11)%</b>

During the year ended December 31, 2024, our contract assets decreased by \$4.6 million and our contract liabilities decreased by \$1.7 million primarily due to the timing of milestone billings in our Subsea product line. The noncurrent portion of contract assets is recorded on the consolidated balance sheets as other long-term assets.

During the year ended December 31, 2024, we recognized revenue of \$10.4 million that was included in the contract liabilities balance at the beginning of the period.

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

### 4. Acquisition

On January 4, 2024, the Company and its wholly owned subsidiary acquired all of the issued and outstanding common shares of Variper in the Variper Acquisition. Variper, headquartered in Canada, is a manufacturer of downhole technology solutions, providing sand and flow control products for heavy oil applications.

Total consideration for the Variper Acquisition included approximately \$150.0 million of cash and 2.0 million shares of the Company's common stock, which was subject to customary purchase price adjustments. In connection with the closing, to fund the cash portion of the purchase price, the Company borrowed \$90.0 million under its senior secured asset-based lending facility ("Credit Facility") on January 2, 2024 and entered into a \$60.0 million second lien seller term loan credit agreement ("Seller Term Loan") on January 4, 2024. In March 2024, in connection with the finalization of working capital adjustments, the principal amount of the Seller Term Loan was reduced by \$0.3 million. In September 2024, the Company finalized the purchase price allocation resulting in an adjustment to goodwill of \$2.8 million. Adjustments primarily related to deferred income taxes.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

During 2024, the Company recognized acquisition-related costs of \$7.7 million, for consulting fees and other costs expensed as transaction expenses. The acquisition of business on the statement of cash flow is presented net of the cash and cash equivalents acquired.

The following table summarizes the fair value of identified assets acquired and liabilities assumed at the date of acquisition. The allocation of consideration transferred is based on management's estimates, judgments and assumptions. Management estimated that consideration paid exceeded the fair value of the net assets acquired. Therefore, goodwill of \$66.8 million was recorded, most of which is not expected to be deductible for income tax purposes. The Company has estimated the useful lives of customer relationships, backlog and trade names as approximately eight years, two years and eight years, respectively.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of the acquisition (in thousands):

Cash and cash equivalents	\$	4,388
Accounts receivable—trade		24,036
Inventories		13,422
Property and equipment		26,213
Intangible assets		104,600
Prepaid expenses and other assets		3,718
<b>Total assets acquired</b>		<b>176,377</b>
Current liabilities		11,760
Long-term liabilities		32,379
<b>Total liabilities assumed</b>		<b>44,139</b>
<b>Total identifiable net assets acquired</b>		<b>132,238</b>
Goodwill		66,778
<b>Total purchase consideration</b>	<b>\$</b>	<b>199,016</b>

The excess of the total equity value of Variperem based on the purchase consideration over net assets acquired was recorded as goodwill. The goodwill is primarily attributable to revenue synergies and assembled workforce expected to be realized from the acquisition. Intangible assets acquired as a result of the Variperem Acquisition are amortized on a straight-line basis to reflect the pattern in which the economic benefits of the intangible assets are realized. Acquired goodwill and intangibles relate to our Downhole reporting unit and Downhole asset group.

The fair value for trade names were estimated using the income approach, specifically the relief-from-royalty method which estimates the cost savings that accrue to the owner of the intangible assets that would otherwise be payable as royalties or licenses fees on revenues earned through the use of the asset. The fair value of customer relationships and backlog were estimated using the multi-period excess earnings method. The excess earning method model estimates revenues and cash flows derived from the asset and then deducts portions of the cash flow that can be attributed to supporting assets. The resulting cash flow, which is attributable solely to the asset acquired, is then discounted at a rate of return commensurate with the risk of the asset to calculate the present value.

**Unaudited Pro Forma Financial Information**

The contributed revenues and net income to the Company of the acquired Variperem business, for the period from January 4, 2024 to December 31, 2024 were \$109.3 million and \$19.0 million, respectively.

The following unaudited pro forma summary presents the results of operations of the Company as if the acquisition of Variperem occurred on January 1, 2023 (in thousands):

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Revenue	\$ 816,425	\$ 868,015
Net income (loss)	(135,326)	(14,131)

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

The amounts have been calculated after applying the Company's accounting policies and adjusting the results of Variperm to reflect additional depreciation, amortization, and other purchase accounting adjustments assuming the fair value adjustments to the property, plant and equipment and intangibles assets and other purchase accounting adjustments have been applied on January 1, 2023. The pro forma amounts do not include any potential cost savings or other expected benefits of the acquisition and are presented for illustrative purposes only. Further, the pro forma amounts are not necessarily indicative of results that would have been achieved if the acquisition had occurred as of January 1, 2023 or of future operating performance.

## 5. Inventories

The Company's significant components of inventories at December 31, 2024 and 2023 were as follows (in thousands):

	December 31,	
	2024	2023
Raw materials and parts	\$ 99,185	\$ 92,563
Work in process	27,880	28,693
Finished goods	174,114	216,570
Total Inventories	301,179	337,826
Less: inventory reserve	(35,692)	(38,187)
<b>Inventories, net</b>	<b>\$ 265,487</b>	<b>\$ 299,639</b>

The changes in inventory reserve during the two-year period ended December 31, 2024 were as follows (in thousands):

Period ended	Balance at beginning of period	Charged to expense	Deductions or other	Balance at end of period
December 31, 2023	\$ 39,291	\$ 2,784	\$ (3,888)	\$ 38,187
December 31, 2024	38,187	2,716	(5,211)	35,692

## 6. Property and Equipment

Property and equipment consisted of the following (in thousands):

	Estimated useful lives	December 31,	
		2024	2023
Land		\$ 2,394	\$ 4,843
Buildings and leasehold improvements	5-30	26,354	46,596
Computer equipment	3-7	44,690	44,944
Machinery & equipment	5-10	136,600	119,687
Other	2-10	22,533	18,115
Construction in progress		5,329	1,562
		237,900	235,747
Less: accumulated depreciation		(174,479)	(174,346)
<b>Property and equipment, net</b>		<b>\$ 63,421</b>	<b>\$ 61,401</b>

Depreciation expense was \$16.9 million and \$10.8 million for the years ended December 31, 2024 and 2023, respectively.

In November 2024, the Company disposed land and buildings related to sale-leaseback transactions with a net book value of approximately \$15.5 million and received net proceeds of \$20.3 million. The Company recognized a gain of \$4.9 million as a result, which is reported in operating income in the consolidated statements of comprehensive loss.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

## 7. Goodwill and Intangible Assets

### Goodwill

The changes in the carrying amount of goodwill from December 31, 2023 to December 31, 2024, were as follows (in thousands):

	<b>Artificial Lift and Downhole</b>
<b>Goodwill, December 31, 2023</b>	\$ —
Acquisitions	66,778
Impact on non-U.S. local currency translation	(5,125)
<b>Goodwill, December 31, 2024</b>	<u>\$ 61,653</u>

We perform our annual test of goodwill as of October 1 or when events and circumstances indicate that the fair value may be below its carrying value. There was no impairment of goodwill during the year ended December 31, 2024.

### Intangible Assets

At December 31, 2024 and 2023, intangible assets consisted of the following (in thousands):

	<b>December 31, 2024</b>			
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>	<b>Amortization period (in years)</b>
Customer relationships	\$ 212,990	\$ (121,405)	\$ 91,585	2 - 15
Patents and technology	29,166	(17,867)	11,299	10 - 19
Trade names and other	\$ 28,913	\$ (22,567)	\$ 6,346	8 - 19
<b>Total intangible assets</b>	<u>\$ 271,069</u>	<u>\$ (161,839)</u>	<u>\$ 109,230</u>	

	<b>December 31, 2023</b>			
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>	<b>Amortization period (in years)</b>
Customer relationships	\$ 267,838	\$ (164,672)	\$ 103,166	10 - 35
Patents and technology	89,151	(41,189)	47,962	5 - 19
Trade names and other	43,037	(29,164)	13,873	7 - 19
Trademark	5,089	(2,120)	2,969	15
<b>Total intangible assets</b>	<u>\$ 405,115</u>	<u>\$ (237,145)</u>	<u>\$ 167,970</u>	

Intangible assets with definite lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

The Coiled Tubing product line has faced headwinds since 2019, including tariffs on raw materials, lower sales volumes in 2020 and 2021 due to the pandemic, and inflation-driven steel price increases since 2022. During 2024, the Coiled Tubing product line faced further cost headwinds due to increased importation duties. Given these factors, the Company performed an impairment test and determined that the carrying value of intangibles assets in the Coiled Tubing product line was impaired. As a result, the Company recorded an impairment charge of \$119.1 million in 2024.

The fair values used in the impairment analysis were determined using the net present value of the expected future cash flows for the asset group (classified within level 3 of the fair value hierarchy). The Company determine the fair value of the reporting unit using a discounted cash flow analysis, which requires significant assumptions and estimates about the future operations of the reporting unit. The assumptions about future cash flows and growth rates are based on the Company's current estimates, strategic plans and management's estimates for future activity levels. Forecasted cash flows in future periods were estimated using a terminal value calculation, which considered long-term earnings growth rates.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

Amortization expense was \$36.8 million and \$23.9 million for the years ended December 31, 2024 and 2023, respectively. The estimated future amortization expense for the next five years is as follows (in thousands):

Year ending December 31,	Amount
2025	\$ 19,516
2026	16,819
2027	15,487
2028	14,188
2029	13,817

## 8. Debt

Debt as of December 31, 2024 and December 31, 2023 consisted of the following (in thousands):

	December 31,	
	2024	2023
2029 Bonds	\$ 100,000	\$ —
2025 Notes	—	134,208
Credit Facility	90,392	—
Other debt	3,373	2,864
Long-term debt, principal amount	193,765	137,072
Unamortized debt discount	—	(5,074)
Debt issuance cost	(5,374)	(1,245)
Long-term debt, carrying value	188,391	130,753
Less: current portion	(1,866)	(1,186)
<b>Long-term debt, net of current portion</b>	<b>\$ 186,525</b>	<b>\$ 129,567</b>

### 2025 Notes

Our 9.00% Convertible Senior Secured Notes due 2025 (“2025 Notes”), of which no principal amount was outstanding at December 31, 2024, paid interest at the rate of 9.00%, of which 6.25% was payable in cash and 2.75% was payable in cash or additional notes, at the Company’s option. The 2025 Notes were secured by a first lien on substantially all of the Company’s assets, except for Credit Facility priority collateral, which secured the 2025 Notes on a second lien basis. During January 2023, \$122.8 million or 48% of the then-outstanding principal amount of the 2025 Notes mandatorily converted into approximately 4.5 million shares of common stock.

In June 2024, we repurchased \$13.0 million in aggregate principal amount of our 2025 Notes for \$13.0 million. The net carrying value of the extinguished debt, including unamortized debt discount and debt issuance costs, was \$12.5 million, resulting in a \$0.5 million loss on extinguishment of debt.

In August 2024, we redeemed \$60.0 million in aggregate principal amount of our 2025 Notes for \$60.0 million. The net carrying value of the extinguished debt, including unamortized debt discount and debt issuance costs, was \$58.2 million, resulting in a \$1.8 million loss on extinguishment of debt.

In November 2024, we redeemed the remaining \$61.2 million outstanding principal amount of our 2025 Notes at par, and we discharged our obligations under the indenture governing the 2025 Notes. The net carrying value of the extinguished debt, including unamortized debt discount and debt issuance costs, was \$59.9 million, resulting in a \$1.3 million loss on extinguishment of debt.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

**Seller Term Loan**

On January 4, 2024, the Company entered into the Seller Term Loan in connection with the closing of the Variperm Acquisition, which had an initial principal amount of \$60.0 million and a maturity date in December 2026. In March 2024, in connection with the finalization of purchase price adjustments, the principal amount of the Seller Term Loan was reduced by \$0.3 million. The Seller Term Loan bore interest at the rate of (i) 11.00% per year for the period commencing on the Closing Date to (but excluding) the first anniversary of the Closing Date, (ii) 17.00% per annum for the period commencing on the first anniversary of the Closing Date to (but excluding) the second anniversary of the Closing Date and (iii) 17.50% per annum for the period commencing on the second anniversary of the Closing Date to (but excluding) the maturity date. The Company had an option to prepay the Seller Term Loan anytime without premium or penalty.

Subject to customary exceptions, all obligations under the Seller Term Loan were guaranteed, jointly and severally, by our wholly owned U.S. and Canadian subsidiaries and were secured by substantially all assets of each such entity and the Company, subject to customary exclusions pursuant to certain intercreditor arrangements.

The Seller Term Loan also contained customary representations and warranties and affirmative and negative covenants, as well as customary events of default, with corresponding grace periods, including, without limitation, payment defaults, cross-defaults to other agreements evidencing indebtedness and bankruptcy-related defaults.

In November 2024, we repaid in full our Seller Term Loan for \$58.4 million. The net carrying value of the extinguished debt, including unamortized debt issuance costs, was \$59.2 million, resulting in a \$0.8 million gain on extinguishment of debt.

**Credit Facility**

Our Credit Facility matures on the earliest of (a) September 8, 2028 and (b) the date that is 91 days prior to the maturity of 2029 Bonds (which will not apply if the 2029 Bonds are repaid prior to such 91st day). The Credit Facility provides revolving credit commitments of \$250.0 million (with a sublimit of up to \$70.0 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 \$50.0 million is available to certain of our Canadian subsidiaries for loans in U.S. or Canadian dollars (with a sublimit of up to \$10.0 million available for the issuance of letters of credit for the account of our Canadian subsidiaries) (the "Canadian Line"). Lender commitments under the Credit Facility, subject to certain limitations, may be increased by an additional \$100.0 million.

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. Our borrowing capacity under the Credit Facility could be reduced or eliminated, depending on future fluctuations in our receivables and inventory. As of December 31, 2024, our total borrowing base was \$169.4 million, of which \$90.4 million amount was drawn and \$17.8 million was used as security for outstanding letters of credit, resulting in remaining availability of \$61.2 million.

Borrowings under the U.S. Line bear interest at a rate equal to, at our option, either (a) the Secured Overnight Financing Rate ("SOFR"), subject to a floor of 0.00%, plus a margin of 2.25% to 2.75%, or (b) a base rate plus a margin of 1.25% to 1.75%, in each case based upon the Company's quarterly total net leverage ratio. The U.S. Line base rate is determined by reference to the greatest of (i) the federal funds rate plus 0.50% per annum, (ii) the one-month adjusted term SOFR plus 1.00% per annum, and (iii) the "prime rate" of interest announced by Wells Fargo Bank, National Association, subject to a floor of 0.00%.

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

The weighted average interest rate under the Credit Facility was approximately 8.17% and 8.36% for the years ended December 31, 2024 and 2023, respectively.

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

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

If excess availability under the Credit Facility falls below the greater of 12.5% of the borrowing base and \$31.25 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 threshold for 60 consecutive days.

Subject to customary exceptions, all obligations under the Credit Facility are guaranteed, jointly and severally, by our wholly-owned U.S. subsidiaries and, in the case of the Canadian Line, our wholly-owned Canadian subsidiaries, and are secured by substantially all assets of each such entity and the Company, subject to customary exclusions.

The Credit Facility contains various covenants that, among other things, limit our ability (none of which are absolute) to incur additional indebtedness or issue certain preferred shares, grant certain liens, make certain loans and investments, pay dividends, make distributions or make other restricted payments, enter into mergers or acquisitions unless certain conditions are satisfied, change our lines of business, prepay certain indebtedness, enter into certain affiliate transactions or engage in certain asset dispositions.

If an event of default exists under the Credit Facility, the lenders will have the right to accelerate the maturity of the obligations outstanding under the Credit Facility and exercise other rights and remedies. Obligations outstanding under the Credit Facility, however, will be automatically accelerated upon an event of default arising from a bankruptcy or insolvency event. An event of default includes, among other things, nonpayment of principal, interest, fees or other amounts within certain grace periods; representations and warranties proving to be untrue in any material respect; failure to perform or otherwise comply with covenants in the Credit Facility or other loan documents, subject, in certain instances, to grace periods; cross-defaults to certain other indebtedness if such default occurs at the final maturity of such indebtedness or if the effect of such default is to cause, or permit the holders of such indebtedness to cause, the acceleration of such indebtedness; bankruptcy or insolvency events; material monetary judgment defaults; invalidity or unenforceability of the Credit Facility or any other loan document; and the occurrence of a Change of Control (as defined in the Credit Facility).

As of December 31, 2024, the Company was in compliance with all of its Credit Facility financial covenants.

In October 2024, we entered into an amendment (the "Credit Agreement Amendment") to our Credit Facility. Pursuant to the Credit Agreement Amendment, the Credit Agreement was, in November 2024, modified to (i) permit the issuance of the 2029 Bonds (as defined below), (ii) permit, subject to specified conditions and up to specified amounts, redemption of the 2029 Bonds in certain circumstances and (iii) specify the extent to which collateral will be granted to secure Credit Agreement obligations by subsidiaries of Forum organized or domiciled under the laws of the United Kingdom, Germany or any territory or county thereof.

### **2029 Bonds**

On November 8, 2024 (the "Closing Date"), we completed the offering of \$100.0 million aggregate principal amount of 10.50% senior secured bonds (the "2029 Bonds"). The 2029 Bonds were privately placed, at an issue price of par. The net proceeds of approximately \$96.0 million from the offering, together with cash on hand of \$10.2 million and borrowings from our Credit Facility of \$15.0 million, were used to repay all borrowings outstanding under the Seller Term Loan issued in connection with the acquisition of Variperm and were used to redeem in full all outstanding 2025 Notes.

The 2029 Bonds were issued pursuant to the Bond Terms, dated as of November 5, 2024 (the "Bond Terms"), between the Company and Nordic Trustee AS, as bond trustee and security agent (the "Bond Trustee"). An application will be made for the 2029 Bonds to be listed on the Nordic ABM or another specified exchange. The 2029 Bonds are the Company's senior secured obligations and are jointly and severally guaranteed on a senior secured basis by each of the Company's present and future direct and indirect domestic subsidiaries that guarantees its Credit Facility and certain of the Company's foreign subsidiaries.

The 2029 Bonds will mature on November 7, 2029. Interest on the 2029 Bonds will accrue at a rate of 10.50% per annum payable semi-annually in arrears on May 7 and November 7 of each year in cash, beginning May 7, 2025. Prepayment of the 2029 Bonds prior to May 7, 2027 requires the payment of make-whole amounts, and prepayments on or after that date are subject to prepayment premiums that decline over time.

The 2029 Bonds contain the following financial covenants: (i) a maximum leverage ratio of 4.0x; and (ii) a minimum liquidity test equal to \$25.0 million, in each case, for the Company and its consolidated subsidiaries. The Bond Terms also contain certain equity cure rights with respect to such financial covenants. The 2029 Bonds are also subject to negative covenants as set forth in the Bond Terms. As of December 31, 2024, the Company was in compliance with all of its 2029 Bonds financial covenants.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

Upon the occurrence of certain change of control events, as specified in the Bond Terms, each holder of the 2029 Bonds will have the right to require that the Company repurchase all or some of such holder's 2029 Bonds in cash at a purchase price equal to 101% of the aggregate principal amount thereof.

The Bond Terms contain certain customary events of default, including, among other things: (i) default in the payment of any amount when due; (ii) default in the performance or breach of any other covenant in the Finance Documents, as defined in the Bond Terms, which default continues uncured for a period of 20 business days after the earlier of (1) the Company's actual knowledge of such event or (2) the Company's receipt of notice from the Bond Trustee; and (iii) certain voluntary or involuntary events of bankruptcy, insolvency or reorganization of the Company.

**Other Debt**

Other debt consists of various finance leases of equipment.

Future principal payments under long-term debt for each of the years ending December 31 are as follows (in thousands):

Year ending December 31,	Amount
2025	\$ 2,045
2026	1,135
2027	444
2028	90,406
2029	100,000
Total future payment	\$ 194,030
Less: debt issuance cost	(5,374)
Less: present value discount on finance leases	(265)
<b>Total debt</b>	<b>\$ 188,391</b>

**9. Leases**

Our lease portfolio primarily consists of operating leases for certain manufacturing facilities, warehouses, service facilities, office spaces, equipment and vehicles. The following table summarizes the supplemental consolidated balance sheet information related to leases as of December 31, 2024 and 2023 (in thousands):

	Classification	December 31,	
		2024	2023
<b>Assets</b>			
Operating lease assets	Operating lease assets	\$ 70,389	\$ 55,399
Finance lease assets	Property and equipment, net	3,579	3,063
<b>Total lease assets</b>		<b>\$ 73,968</b>	<b>\$ 58,462</b>
<b>Liabilities</b>			
Current			
Operating	Accrued liabilities	\$ 11,056	\$ 9,200
Finance	Current portion of long-term debt	1,866	1,186
Noncurrent			
Operating	Operating lease liabilities	73,145	61,450
Finance	Long-term debt, net of current portion	1,507	1,678
<b>Total lease liabilities</b>		<b>\$ 87,574</b>	<b>\$ 73,514</b>

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

The following table summarizes the components of lease expenses (in thousands):

Lease Cost	Classification	Year ended December 31,	
		2024	2023
Operating lease cost	Cost of sales and Selling, general and administrative expenses	\$ 16,622	\$ 14,641
Finance lease cost			
Amortization of leased assets	Selling, general and administrative expenses	1,720	1,265
Interest on lease liabilities	Interest expense	269	180
Sublease income	Cost of sales and Selling, general and administrative expenses	(875)	(1,238)
<b>Net lease cost</b>		<u>\$ 17,736</u>	<u>\$ 14,848</u>

The maturities of lease liabilities as of December 31, 2024 are as follows (in thousands):

	Operating Leases	Finance Leases	Total
2025	\$ 16,721	\$ 2,045	\$ 18,766
2026	14,699	1,135	15,834
2027	13,608	444	14,052
2028	11,746	14	11,760
2029	10,698	—	10,698
Thereafter	46,759	—	46,759
<b>Total lease payments</b>	<u>114,231</u>	<u>3,638</u>	<u>117,869</u>
Less: present value discount	(30,030)	(265)	(30,295)
<b>Present value of lease liabilities</b>	<u>\$ 84,201</u>	<u>\$ 3,373</u>	<u>\$ 87,574</u>

The following table summarizes the weighted-average remaining term and weighted average discount rates related to leases as of December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
<b>Weighted-average remaining lease term (years)</b>		
Operating leases	8.8	7.9
Financing leases	1.9	2.3
<b>Weighted-average discount rate</b>		
Operating leases	6.85 %	6.60 %
Financing leases	7.51 %	6.89 %

The following table summarizes the supplemental cash flow information related to leases for the years ended December 31, 2024 and 2023 (in thousands):

	Year ended December 31,	
	2024	2023
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	\$ 15,904	\$ 14,027
Operating cash flows from finance leases	269	180
Financing cash flows from finance leases	1,725	1,247

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

**Sale-leaseback transactions**

In November 2024, the Company sold and leased back land and buildings for net proceeds of \$20.3 million. The initial annual rent for the assets is \$1.7 million with initial term of 15 years, subject to annual increase. The transactions met the requirements of sale-leaseback accounting. The related assets were removed from property and equipment and the appropriate operating lease assets and liabilities of approximately \$19.1 million were recorded in the consolidated balance sheets.

**10. Income Taxes**

The components of income (loss) before income taxes were as follows (in thousands):

	Year ended December 31,	
	2024	2023
U.S.	\$ (170,901)	\$ (43,450)
Non-U.S.	42,475	35,636
<b>Income (loss) before income taxes</b>	<b>\$ (128,426)</b>	<b>\$ (7,814)</b>

The components of income tax expense (benefit) were as follows (in thousands):

	Year ended December 31,	
	2024	2023
<b>Current</b>		
U.S. federal and state	\$ 1,545	\$ 101
Non-U.S.	22,929	11,165
<b>Total current</b>	<b>24,474</b>	<b>11,266</b>
<b>Deferred</b>		
U.S. federal and state	(752)	85
Non-U.S.	(16,822)	(289)
<b>Total deferred</b>	<b>(17,574)</b>	<b>(204)</b>
<b>Income tax expense</b>	<b>\$ 6,900</b>	<b>\$ 11,062</b>

The reconciliation between the actual provision for income taxes and that computed by applying the U.S. statutory rate to loss before income taxes are outlined below (in thousands):

	Year ended December 31,			
	2024		2023	
Income tax benefit at the statutory rate	\$ (26,970)	(21.0)%	\$ (1,641)	(21.0)%
State taxes, net of federal tax benefit	(115)	(0.1)%	(114)	(1.5)%
Non-U.S. operations	3,143	2.4 %	(274)	(3.5)%
Domestic incentives	(402)	(0.3)%	448	5.7 %
Prior year federal, non-U.S. and state tax	3,488	2.7 %	3,536	45.3 %
Nondeductible expenses	2,124	1.7 %	806	10.3 %
Valuation allowance	25,137	19.6 %	8,313	106.4 %
Other	495	0.4 %	(12)	(0.1)%
<b>Income tax expense</b>	<b>\$ 6,900</b>	<b>5.4 %</b>	<b>\$ 11,062</b>	<b>141.6 %</b>

Our effective tax rate was 5.4% and 141.6% for the years ended December 31, 2024 and 2023, respectively.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

The Organization for Economic Co-operation and Development introduced Base Erosion and Profit Shifting (“BEPS”) Pillar 2 rules that impose a global minimum tax rate of 15%. As of January 1, 2024, numerous countries, including European Union member states, have enacted a global minimum tax and more countries are expected to enact similar minimum tax regimes in 2025. Based on current enacted legislation, we do not expect a material impact on our future effective tax rate.

The primary components of deferred taxes include (in thousands):

	December 31,	
	2024	2023
<b>Deferred tax assets</b>		
Reserves and accruals	\$ 5,579	\$ 3,821
Operating lease liabilities	20,086	17,384
Inventories	8,894	10,170
Stock awards	935	1,829
Net operating loss and other tax carryforwards	186,118	160,127
Goodwill and intangible assets	19,513	20,091
Fair value discount on 2025 Notes	12,188	19,751
Property and equipment	—	6,619
Other	10,114	5,896
<b>Gross deferred tax assets</b>	<b>263,427</b>	<b>245,688</b>
Valuation allowance	(254,515)	(231,907)
<b>Total deferred tax assets</b>	<b>\$ 8,912</b>	<b>\$ 13,781</b>
<b>Deferred tax liabilities</b>		
Property and equipment	\$ (3,771)	\$ —
Operating lease assets	(16,924)	(13,903)
Prepaid expenses and other	(450)	(450)
<b>Total deferred tax liabilities</b>	<b>(21,145)</b>	<b>(14,353)</b>
<b>Net deferred tax liabilities</b>	<b>\$ (12,233)</b>	<b>\$ (572)</b>

Goodwill from certain acquisitions is tax deductible due to the acquisition structure as an asset purchase or due to tax elections made by the Company and the respective sellers at the time of acquisition.

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.

At December 31, 2024, we had \$334.6 million of gross U.S. net operating loss carryforwards and \$10.4 million of state net operating losses. Of these losses, \$33.7 million will expire no later than 2037 if they are not utilized prior to that date. The remaining \$311.3 million will not expire. We also had \$65.3 million of gross non-U.S. net operating loss carryforwards with indefinite expiration dates. In addition to our net operating loss carryforwards, we also had gross U.S. interest limitation carryforwards of \$206.5 million and gross non-U.S. interest limitation carryforwards of \$200.3 million, all with indefinite expiration dates. The ultimate realization of income tax benefits for these net operating loss and interest limitation carryforwards depends on our ability to generate sufficient taxable income in the respective taxing jurisdictions. Because of the change of ownership provisions of the Tax Reform Act of 1986, use of a portion of our domestic net operating losses may be limited in future periods depending upon future changes in ownership. Where we have unrecognized tax benefits in jurisdictions with existing net operating losses, we utilize the unrecognized tax benefits as a source of income to offset such losses. 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, Singapore and China.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

During 2024, we recognized \$25.1 million of tax expense related to the net increase in our valuation allowance provided against our deferred tax assets to write down our deferred tax assets in these jurisdictions to what is more likely than not realizable. We increased our valuation allowance related to our U.S. deferred tax assets by \$29.5 million along with a \$6.9 million increase to certain non-U.S. deferred tax assets in the U.K. Singapore and China. In addition, we released \$11.3 million of valuation allowance on our deferred tax assets generated from operations in Germany and Saudi Arabia. In making such a determination for each of these jurisdictions, we considered all available positive and negative evidence, including our recent history of pretax losses over the prior three year period, the goodwill and intangible asset impairments for various reporting units, the future reversals of existing taxable temporary differences, the projected future taxable income or loss and tax-planning. We intend to continue maintaining a full valuation allowance on our deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances.

Deferred tax liabilities arising from the difference between the financial reporting and income tax bases inherent in our foreign subsidiaries, referred to as outside basis differences, have not been provided for U.S. income tax purposes because we do not intend to sell, liquidate or otherwise trigger the recognition of U.S. taxable income with regard to our investment in these foreign subsidiaries. Determining the amount of U.S. deferred tax liabilities associated with outside basis differences is not practicable at this time.

We file income tax returns in the U.S. as well as in various states and non-U.S. jurisdictions. With few exceptions, we are no longer subject to income tax examination by tax authorities in these jurisdictions prior to 2017.

We account for uncertain tax positions in accordance with guidance in ASC Topic 740, which prescribes the minimum recognition threshold a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. A reconciliation of the beginning and ending amount of uncertain tax positions is as follows (in thousands):

<b>2024 Activity</b>	<b>Amount</b>
Balance at January 1, 2024	\$ 10,903
Additional based on tax positions related to prior years	259
Additional based on tax positions related to current year	3,040
Lapse of statute of limitations	(1,448)
<b>Balance at December 31, 2024</b>	<b>\$ 12,754</b>

The total amount of unrecognized tax benefits at December 31, 2024 was \$12.8 million, of which it is reasonably possible that \$4.4 million could be settled during the next twelve-month period as a result of the conclusion of various tax audits or due to the expiration of the applicable statute of limitations. We estimate that \$9.8 million of the unrecognized tax benefits at December 31, 2024, excluding consideration of valuation allowance, would impact our future effective income tax rate, if recognized.

We recognize interest and penalties related to uncertain tax positions within the provision for income taxes in the consolidated statements of comprehensive loss. As of December 31, 2024 and 2023, we had accrued approximately \$0.6 million and \$0.3 million in interest and penalties, respectively. During the years ended December 31, 2024 and 2023, we recognized no material change in the interest and penalties related to uncertain tax positions.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

## **11. Fair Value Measurements**

The Company had \$90.4 million and no outstanding balance under the Credit Facility at December 31, 2024 and December 31, 2023, 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 values of the Company's 2029 Bonds and 2025 Notes were estimated using Level 2 inputs in the fair value hierarchy and were based on quoted prices for those or similar instruments. At December 31, 2024, the fair value and the carrying value of the Company's 2029 Bonds approximated \$99.5 million and \$94.6 million, respectively. At December 31, 2023, the fair value and the carrying value of the Company's 2025 Notes approximated \$130.9 million and \$127.9 million, respectively.

There were no other significant outstanding financial instruments as of December 31, 2024 and 2023 that required measuring the amounts at fair value on a recurring basis. The Company did not change its 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 years ended December 31, 2024 and 2023.

The carrying values of goodwill, intangible assets and other long-lived assets are tested annually or more frequently if an event occurs that indicates an impairment loss may have been incurred, using fair value measurements with unobservable inputs (Level 3). Refer to Note 7 *Goodwill and Intangible Assets* for further discussion.

## **12. Commitments and Contingencies**

### ***Litigation***

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 has 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 December 31, 2024 and 2023 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.

### ***Asbestos litigation***

One of our subsidiaries has been named as one of many defendants in a number of product liability claims for alleged exposure to asbestos used in valves. These lawsuits are typically filed on behalf of plaintiffs who allege exposure to asbestos, against numerous defendants, often forty or more, who are alleged to have manufactured or distributed products containing asbestos. The injuries alleged by plaintiffs in these cases range from mesothelioma and other cancers to asbestosis. The earliest claims against our subsidiary were filed in New Jersey in 1998, and our subsidiary currently has active cases in New Jersey, New York, and Illinois. These complaints do not typically include requests for a specific amount of damages. Our subsidiary acquired the trademark for the product line in question in 1985. To date, most of the claims against our subsidiary alleging illnesses due to asbestos have generally been based on products manufactured by the previous owner prior to 1985 that are alleged to have contained asbestos. Many claimants alleging illnesses due to asbestos sue on the basis of exposure prior to 1985, as by that date the hazards of asbestos exposure were well known and asbestos had begun to fall into disuse. Our subsidiary has been successful in obtaining dismissals in most lawsuits without any cash contribution including because the "successor liability" law in most states does not hold a purchaser in good faith liable for the actions of the seller prior to the acquisition date unless the purchaser contractually assumed the liabilities, which our subsidiary did not. There are exceptions to the successor liability doctrine in many states, so there are no assurances that our subsidiary will not be found liable for the actions of its predecessor. The law in other states on so called "successor liability" may be different or ambiguous in this regard, and could also expose our subsidiary to liability. Our subsidiary could also be found liable should a trier of fact reject our subsidiary's position that it is not responsible for the alleged asbestos injuries, such as in a case where a plaintiff alleges post-1985 exposure. To date, asbestos claims had no material adverse effect on our business, financial condition, results of operations, or cash flow, as our annual out-of-pocket costs over the last five years have been less than \$300,000. There were an average of approximately 29 new cases filed against our subsidiary in each of last two years, and a significant number of existing cases were dismissed, settled or otherwise disposed of over the last year. We currently have

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**Notes to consolidated financial statements (continued)**

approximately 112 lawsuits pending against this subsidiary. Our subsidiary has over \$17 million in face amount of insurance per occurrence and over \$23 million of aggregate primary insurance coverage. In addition, our subsidiary has over \$950 million in face amount of excess coverage applicable to the claims. There can be no guarantee that all of this can be collected due to policy terms and conditions and insurer insolvencies in the past or in the future. In January 2011, we entered into an agreement with seven of our primary insurers under which they have agreed to pay 80% of the costs of handling and settling each asbestos claim against the affected subsidiary. The insurers' portion of the settlements is funded by our primary insurance limits, which are eroded only by settlements and not legal fees. Approximately \$2.1 million in settlements has been paid by insurers and our subsidiary to date, with approximately \$45,000 paid over the course of the last two years. Our subsidiary and the subscribing insurers have the right to withdraw from this agreement, but to date, no party has exercised this right or expressed an intent to do so.

***Tenaris litigation***

In October of 2017, one of our subsidiaries, Global Tubing LLC ("Global Tubing"), filed suit against Tenaris Coiled Tubes, LLC and Tenaris, S.A. (together "Tenaris") in the United States District Court for the Southern District of Texas seeking a declaration that its DURACOIL™ products do not infringe certain Tenaris patents related to coiled tubing. Tenaris filed counterclaims against Global Tubing alleging DURACOIL™ products infringe three patents. Tenaris sought unspecified damages and a permanent injunction. In response, Global Tubing alleged that its products do not infringe and the Tenaris patents are invalid and unenforceable. On March 20, 2023, the court agreed with Global Tubing, finding all patents unenforceable and dismissing all Tenaris infringement claims. Global Tubing intends to seek an award of its attorneys' fees and costs incurred as a result of the litigation. Tenaris has appealed the final judgment and Global Tubing has filed a cross-appeal.

***Portland Harbor Superfund***

One of the Company's dormant subsidiaries is one of several named defendants in a suit filed by the Port of Portland, Oregon in May 2009 seeking reimbursement of costs related to an environmental study at the Port of Portland, and in March 2010, was identified as a potentially responsible party by the EPA with respect to the Portland Harbor Superfund Site. The subsidiary is indemnified for environmental contamination losses by a third party that has assumed responsibility and is providing a defense of the claims. Based on information currently available, the Company does not believe that these matters will have a material adverse effect on the financial condition, results of operations, cash flows or capital expenditures of the Company.

***Operating leases***

The Company has operating leases for warehouses, office space, manufacturing facilities and equipment. The leases generally require the Company to pay certain expenses including taxes, insurance, maintenance, and utilities. See Note 9 *Leases* for further information.

***Letters of credit and guarantees***

The Company executes letters of credit in the normal course of business to secure the delivery of product from specific vendors and also to guarantee the Company fulfills certain performance obligations relating to certain large contracts. At December 31, 2024 and 2023, the Company had \$17.8 million and \$20.3 million in letters of credit outstanding, respectively.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

### 13. Earnings (Loss) Per Share

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

	Year ended December 31,	
	2024	2023
<b>Net loss attributable to common stockholders</b>	\$ (135,326)	\$ (18,876)
Basic - weighted average shares outstanding	12,299	10,212
Dilutive effect of stock options and restricted stock	—	—
Dilutive effect of convertible 2025 Notes	—	—
Diluted - weighted average shares outstanding	12,299	10,212
<b>Earnings (loss) per share</b>		
Basic	\$ (11.00)	\$ (1.85)
Diluted	\$ (11.00)	\$ (1.85)

For the years ended December 31, 2024 and 2023, we excluded all potentially dilutive restricted shares and stock options in calculating diluted earnings per share as the effect was anti-dilutive due to net losses incurred for the period. Diluted earnings per share was calculated using treasury stock method for the restricted shares and stock options.

### 14. Employee Benefits

We sponsor a 401(k) savings plan for U.S. employees and similar savings plans for certain non-U.S. employees. These plans benefit eligible employees by allowing them the opportunity to make contributions up to certain limits. We contribute by matching a percentage of each employee's contributions. Subsequent to the closing of all acquisitions, employees of those acquired entities will generally be eligible to participate in the Company's 401(k) savings plan. We also have the discretion to provide a profit sharing contribution to each participant depending on the Company's performance for the applicable year. The expense under the Company's retirement plan was \$5.4 million and \$4.4 million for the years ended December 31, 2024 and 2023, respectively.

### 15. Long-Term Incentive Compensation

#### *Stock-based compensation*

In August 2010, we adopted the 2010 Stock Incentive Plan ("2010 Plan") to allow for employees, directors and consultants of the Company and its subsidiaries to share in stock ownership in the Company through the award of stock options, restricted stock, restricted stock units, performance shares or any combination thereof. Under the terms of the 2010 Plan, a total of 925 thousand shares were authorized for issuance pursuant to awards.

In connection with the adoption of the 2016 Plan (as described below), no further awards will be granted under the 2010 Plan, but outstanding awards under the 2010 Plan will continue to be governed by its terms. In May 2016, we adopted a new 2016 Stock and Incentive Plan (the "2016 Plan"), under which we initially reserved a total of 285 thousand shares. Our stockholders approved amendments to the 2016 Plan in May 2019, May 2020 and May 2022, increasing the shares authorized for issuance thereunder to 605 thousand shares. On May 10, 2024, shareholders approved an additional 800 thousand shares added to the 2016 Plan. Approximately 582 thousand shares remained available under the 2016 Plan for future grants as of December 31, 2024.

The total amount of stock based compensation expense recorded was \$7.1 million and \$4.6 million for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, the Company expects to record stock based compensation expense of approximately \$6.6 million over a weighted average remaining term of approximately two years. Future grants will result in additional compensation expense.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

**Stock options**

The exercise price of each option is based on the fair market value of the Company's stock at the date of grant. Options generally have a ten-year life and vest annually in equal increments over four years. Our policy for issuing stock upon a stock option exercise is to issue new shares. Compensation expense is recognized on a straight line basis over the vesting period. The following table provides additional information related to stock options:

<b>2024 Activity</b>	<b>Number of shares (in thousands)</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining term (in years)</b>	<b>Aggregate intrinsic value (in millions)</b>
Outstanding at December 31, 2023	46	\$ 322.88	1.9	\$ —
Granted	—	\$ —		
Exercised	—	\$ —		
Forfeited/expired	(36)	\$ 336.72		
<b>Outstanding at December 31, 2024</b>	<b>10</b>	<b>\$ 273.86</b>	<b>1.6</b>	<b>\$ —</b>
<b>Exercisable at December 31, 2024</b>	<b>10</b>	<b>\$ 273.86</b>	<b>1.6</b>	<b>\$ —</b>

The intrinsic value is the amount by which the fair value of the underlying share exceeds the exercise price of the stock option. No stock options were exercised in 2024 or 2023.

As of December 31, 2024 and 2023, the share price of the Company was less than the exercise price for all outstanding stock options. Therefore, the intrinsic value for stock options outstanding and exercisable was zero as of each such date. No stock options were granted in 2024 or 2023.

**Restricted stock**

Restricted stock generally vests over a period of one year from the date of grant. The following table provides additional information related to our restricted stock:

<b>2024 Activity</b>	<b>Restricted stock (shares in thousands)</b>
Nonvested at December 31, 2023	7
Granted	40
Vested	—
Forfeited	(7)
<b>Nonvested at December 31, 2024</b>	<b>40</b>

The weighted average grant date fair value of restricted stock granted during the year ended December 31, 2024 and 2023 was \$18.81 and \$22.47 per share, respectively. No restricted stock was vested during 2024 and 2023.

**Restricted stock units**

Restricted stock units generally vest over a one to three year period from the date of grant. The following table provides additional information related to our restricted stock units:

<b>2024 Activity</b>	<b>Restricted stock units (shares in thousands)</b>
Nonvested at December 31, 2023	348
Granted	237
Vested	(141)
Forfeited	(115)
<b>Nonvested at December 31, 2024</b>	<b>329</b>

Of the restricted stock units granted during 2024, 29 thousand and 169 thousand shares vest ratably over one year and three years, respectively. The remaining 39 thousand shares vest after two years.

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

The weighted average grant date fair value of the restricted stock units was \$19.73 and \$31.70 per share during the years ended December 31, 2024, and 2023, respectively. The total grant date fair value of units vested was \$3.0 million and \$3.8 million during 2024 and 2023, respectively.

***Performance share awards***

During 2024, the Company granted 169 thousand shares of performance restricted stock units to employees (assuming target performance) that vest based upon the total shareholder return of the Company's common stock as compared to a group of peer companies over three different performance periods. The performance periods run from January 1, 2024 through December 31, 2024, January 1, 2024 through December 31, 2025 and January 1, 2024 through December 31, 2026, and 1/3 of each award is allocated to each performance period. The performance restricted stock units may settle for between 0% and 200% of the target units granted in shares of the Company's common stock.

The weighted average grant date fair value of the performance restricted stock units was \$19.79 during the year ended December 31, 2024.

**16. Related Party Transactions**

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

**17. Business Segments**

In the first quarter 2024, following the Variperm Acquisition, we aligned our reportable segments with business activity drivers, our customer base, and the manner in which management reviews and evaluates operating performance. FET now operates in the following two reportable segments: (1) Drilling and Completions and (2) Artificial Lift and Downhole. Our historical results of operations were recast retrospectively to reflect these changes in accordance with U.S. GAAP.

The Drilling and Completions segment designs, manufactures and supplies products and solutions to the drilling, subsea, coiled tubing, well stimulation and intervention markets, including applications in oil and natural gas, renewable energy, defense and communications. The Artificial Lift and Downhole segment designs, manufactures and supplies products and solutions for the artificial lift, production and infrastructure markets.

The Company's reportable segments are strategic units that offer distinct products and services. They are managed separately since each business segment requires different marketing strategies. Operating segments have not been aggregated as part of a reportable segment. The Company evaluates the performance of its reportable segments based on operating income. This segmentation is representative of the manner in which our Chief Operating Decision Maker and our board of directors make decisions on how to allocate resources and assess performance. We consider the Chief Operating Decision Maker to be the Chief Executive Officer.

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**Notes to consolidated financial statements (continued)**

Summary financial data by reportable segment follows (in thousands):

<b>Year ended December 31, 2024</b>	<b>Drilling and Completions</b>	<b>Artificial Lift and Downhole</b>	<b>Total</b>
Revenue from external customers	\$ 470,767	345,680	\$ 816,447
Intersegment revenue	(22)	—	(22)
<b>Total revenue</b>	<b>470,745</b>	<b>345,680</b>	<b>816,425</b>
Less:			
Cost of sales	348,878	212,536	561,414
Selling, general and administrative expenses	104,123	84,250	188,373
<b>Segment operating income</b>	<b>17,744</b>	<b>48,894</b>	<b>66,638</b>

**Reconciliation to income (loss) before income taxes**

Elimination of intersegment expenses	(22)
Other corporate expenses	30,952
Transaction expenses	7,728
Impairment of intangible assets	119,123
Gain on sale-leaseback transactions	(4,860)
Loss on disposal of assets and other	484
Interest expense	31,490
Foreign exchange losses and other, net	7,315
Loss on extinguishment of debt	2,854
<b>Loss before income taxes</b>	<b>\$ (128,426)</b>

<b>Year ended December 31, 2023</b>	<b>Drilling and Completions</b>	<b>Artificial Lift and Downhole</b>	<b>Total</b>
Revenue from external customers	\$ 502,622	236,312	\$ 738,934
Intersegment revenue	(70)	—	(70)
<b>Total revenue</b>	<b>502,552</b>	<b>236,312</b>	<b>738,864</b>
Less:			
Cost of sales	376,882	157,899	534,781
Selling, general and administrative expenses	106,306	46,830	153,136
<b>Segment operating income</b>	<b>19,364</b>	<b>31,583</b>	<b>50,947</b>

**Reconciliation to income (loss) before income taxes**

Elimination of intersegment expenses	(70)
Other corporate expenses	27,253
Transaction expenses	2,892
Loss on disposal of assets and other	156
Interest expense	18,297
Foreign exchange losses and other, net	10,233
<b>Loss before income taxes</b>	<b>\$ (7,814)</b>

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

	Year ended December 31,	
	2024	2023
<b>Depreciation and amortization</b>		
Drilling and Completions	\$ 28,181	\$ 29,164
Artificial Lift and Downhole	25,349	5,318
Corporate	187	246
<b>Total depreciation and amortization</b>	<b>\$ 53,717</b>	<b>\$ 34,728</b>

A summary of capital expenditures by reportable segment is as follows (in thousands):

	Year ended December 31,	
	2024	2023
<b>Capital expenditures</b>		
Drilling and Completions	\$ 5,974	\$ 6,444
Artificial Lift and Downhole	1,413	753
Corporate	758	747
<b>Total capital expenditures</b>	<b>\$ 8,145</b>	<b>\$ 7,944</b>

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

	Year ended December 31,	
	2024	2023
<b>Assets</b>		
Drilling and Completions	\$ 418,583	\$ 615,033
Artificial Lift and Downhole	371,178	178,785
Corporate	26,193	27,243
<b>Total assets</b>	<b>\$ 815,954</b>	<b>\$ 821,061</b>

Corporate assets primarily include cash, certain prepaid expenses and deferred loan costs.

A summary of long-lived assets by geography is as follows (in thousands):

	December 31,	
	2024	2023
<b>Long-lived assets</b>		
United States	\$ 125,373	\$ 251,901
Canada	172,740	11,131
Europe & Africa	19,196	24,846
Middle East	2,951	3,508
Asia-Pacific	53	67
Latin America	4	4
<b>Total long-lived assets</b>	<b>\$ 320,317</b>	<b>\$ 291,457</b>

**Forum Energy Technologies, Inc. and subsidiaries**  
**Notes to consolidated financial statements (continued)**

The following table presents our revenues disaggregated by geography based on shipping destination (in thousands):

Revenue	Year ended December 31,			
	2024		2023	
	\$	%	\$	%
United States	\$ 415,132	50.9 %	\$ 455,871	61.7 %
Canada	152,168	18.6 %	52,833	7.2 %
Middle East	91,500	11.2 %	89,346	12.1 %
Europe & Africa	76,712	9.4 %	64,245	8.7 %
Asia-Pacific	43,971	5.4 %	38,624	5.2 %
Latin America	36,942	4.5 %	37,945	5.1 %
<b>Total Revenue</b>	<b>\$ 816,425</b>	<b>100.0 %</b>	<b>\$ 738,864</b>	<b>100.0 %</b>

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

Revenue	Year ended December 31,			
	2024		2023	
	\$	%	\$	%
Drilling	\$ 143,269	17.6 %	\$ 168,547	22.9 %
Subsea	78,118	9.6 %	68,478	9.3 %
Stimulation and Intervention	144,879	17.7 %	158,296	21.4 %
Coiled Tubing	104,501	12.8 %	107,301	14.5 %
Downhole	207,430	25.4 %	90,448	12.2 %
Production Equipment	76,251	9.3 %	81,989	11.1 %
Valve Solutions	61,999	7.6 %	63,875	8.6 %
Eliminations	(22)	— %	(70)	— %
<b>Total revenue</b>	<b>\$ 816,425</b>	<b>100.0 %</b>	<b>\$ 738,864</b>	<b>100.0 %</b>

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

### **Item 9A. 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). The Company's disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures include controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of December 31, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2024.

#### **Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process 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.

Our management performed an assessment of the overall effectiveness of our internal control over financial reporting as of December 31, 2024, utilizing the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that the Company's internal control over financial reporting is effective as of December 31, 2024.

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

Except as described below, there have been no changes in internal control over financial reporting during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

In January 2024, we completed the acquisition of Variperm. We are currently integrating Variperm into our internal control over financial reporting. Because we acquired Variperm during the current fiscal year, we excluded Variperm from the scope of our assessment of the effectiveness of our internal control over financial reporting as of December 31, 2024. This exclusion is in accordance with the general guidance published by the Staff of the SEC that an assessment of a recent business combination may be omitted from management's report on internal control over financial reporting in the first year of consolidation. Variperm's total assets and total revenue represented 25% and 13%, respectively, of the Company's consolidated financial statements as of and for the year ended December 31, 2024.

### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and the Board of Directors of Forum Energy Technologies, Inc.

#### **Opinion on Internal Control over Financial Reporting**

We have audited the internal control over financial reporting of Forum Energy Technologies, Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated March 3, 2025 expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control Over Financial Reporting, appearing in Item 9A, management excluded from its assessment the internal control over financial reporting at Variperem Holdings Ltd., which was acquired on January 4, 2024, and whose financial statements constitute 25% and 13% of total assets and revenues, respectively of the consolidated financial statement amounts as of and for the year ended December 31, 2024. Accordingly, our audit did not include the internal control over financial reporting at Variperem Holdings Ltd.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Houston, Texas

March 3, 2025

### **Item 9B. Other information**

#### ***Rule 10b5-1 Trading Plan***

During the three months ended December 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## **Item 10. Directors, executive officers and corporate governance**

Information required by this item is incorporated herein by reference to our Proxy Statement for the 2025 Annual Meeting of Stockholders.

### **Code of Ethics**

We have adopted a Financial Code of Ethics, which applies to our Chief Executive Officer, Chief Financial Officer (or other principal financial officer), Chief Accounting Officer (or other principal accounting officer) and other senior financial officers. We have posted a copy of the code under "Corporate Governance" in the "Investors" section of our website at [www.f-e-t.com](http://www.f-e-t.com). Copies of the code may be obtained free of charge on our website. Any waivers of the code must be approved by our board of directors or a designated committee of our board of directors. Any change to, or waiver from, the Code of Ethics will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of the NYSE.

## **Item 11. Executive compensation**

Information required by this item is incorporated herein by reference to our Proxy Statement for the 2025 Annual Meeting of Stockholders.

## **Item 12. Security ownership of certain beneficial owners and management and related stockholder matters**

Information required by this item is incorporated herein by reference to our Proxy Statement for the 2025 Annual Meeting of Stockholders.

## **Item 13. Certain Relationships and Related Transactions, and Director Independence**

Information required by this item is incorporated herein by reference to our Proxy Statement for the 2025 Annual Meeting of Stockholders.

## **Item 14. Principal accountant fees and services**

Our independent registered public accounting firm is Deloitte & Touche LLP, Houston, Texas, PCAOB ID No. 34.

Information required by this item is incorporated herein by reference to our Proxy Statement for the 2025 Annual Meeting of Stockholders.

## **Item 15. Exhibits**

(a) The following documents are filed as part of this Annual Report on Form 10-K:

### **1. Financial Statements filed as part of this report**

<a href="#">Index to Consolidated Financial Statements</a>	<u>Page</u>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	<u>46</u>
<a href="#">Consolidated Statements of Comprehensive Loss</a>	<u>49</u>
<a href="#">Consolidated Balance Sheets</a>	<u>50</u>
<a href="#">Consolidated Statements of Cash Flows</a>	<u>51</u>
<a href="#">Consolidated Statements of Changes in Stockholders' Equity</a>	<u>52</u>
<a href="#">Notes to Consolidated Financial Statements</a>	<u>53</u>

### **2. Financial Statement Schedules**

All financial statement schedules have been omitted since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included on the Consolidated Financial Statements and Notes thereto.

### 3. Exhibits

#### Index to Exhibits

Exhibit Number	DESCRIPTION
2.1*	<a href="#">Stock Purchase Agreement, dated as of November 1, 2023, by and among Forum Energy Technologies, Inc., Forum Canada ULC, Variperm Holdings Ltd., Variperm Energy Services Partnership, Jamie Olson, Elise Robertson, Slotting RemainCo Limited Partnership and Variperm Energy Services Partnership as the Sellers' Representative (incorporated herein by reference to Exhibit 2.1 on the Company's Current Report on Form 8-K, filed on November 3, 2023).</a>
3.1*	<a href="#">Third Amended and Restated Certificate of Incorporation of Forum Energy Technologies, Inc. dated March 28, 2011 (incorporated herein by reference to Exhibit 3.2 to Amendment No. 5 to the Registration Statement, filed on March 29, 2012).</a>
3.2*	<a href="#">Amendment to the Third Amended and Restated Certificate of Incorporation of Forum Energy Technologies, Inc., effective November 9, 2020 (incorporated herein by reference to Exhibit 3.1 on the Company's Current Report on Form 8-K, filed on November 9, 2020).</a>
3.3*	<a href="#">Third Amended and Restated Bylaws of Forum Energy Technologies, Inc. dated May 12, 2023 (incorporated herein by reference to Exhibit 3.1 on the Company's Current Report on Form 8-K, filed on May 17, 2023).</a>
4.1*	<a href="#">Form of Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 to Amendment No. 3 to the Company's Registration Statement, filed on December 29, 2011).</a>
4.2*	<a href="#">Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated herein by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K, filed February 25, 2020).</a>
4.3*	<a href="#">Bond Terms for 10.50% Senior Secured Bonds due 2029, dated November 5, 2024, by and between Forum Energy Technologies, Inc. and Nordic Trustee AS, as bond trustee and security agent (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on November 12, 2024).</a>
10.1*#	<a href="#">Form of Nonstatutory Stock Option Agreement (Employees and Consultants) (incorporated herein by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, filed on April 29, 2014).</a>
10.2*#	<a href="#">Form of Nonstatutory Stock Option Agreement (Employees and Consultants) (incorporated herein by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q, filed on May 1, 2015).</a>
10.3*#	<a href="#">Form of Nonstatutory Stock Option Agreement - Three Year Cliff Vesting (Employees and Consultants) (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed on October 30, 2015).</a>
10.4*#	<a href="#">Indemnification Agreement dated as of August 2, 2010 between Forum Energy Technologies and C. Christopher Gaut (incorporated herein by reference to Exhibit 10.9 to the Company's Registration Statement, filed on August 31, 2011).</a>
10.5*#	<a href="#">Form of Indemnification Agreement between Forum Energy Technologies, Inc. and the executive officers identified on Annex A thereto (incorporated herein by reference to Exhibit 10.10 to the Company's Registration Statement, filed on August 31, 2011).</a>
10.6*#	<a href="#">Form of Indemnification Agreement between Forum Energy Technologies and each of the directors identified on Annex A thereto (incorporated herein by reference to Exhibit 10.11 to the Company's Registration Statement, filed on August 31, 2011).</a>
10.7*#	<a href="#">Form of Indemnification Agreement (as of December 2023) between Forum Energy Technologies and its directors and executive officers party thereto (incorporated herein by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K, filed on March 5, 2024).</a>
10.8*#	<a href="#">Forum Energy Technologies, Inc. Severance Plan (incorporated herein by reference to Exhibit 10.15 to the Company's Registration Statement, filed on August 31, 2011).</a>
10.9*#	<a href="#">Forum Energy Technologies, Inc. 2010 Stock Incentive Plan (as amended and restated effective August 15, 2012) (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 10-Q, filed on November 6, 2012).</a>
10.10*#	<a href="#">Severance Agreement dated as of February 16, 2018 between Forum Energy Technologies, Inc. and Michael D. Danford (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on February 21, 2018).</a>

- 10.11\*# [Severance Agreement dated as of December 19, 2018 between Forum Energy Technologies, Inc. and C. Christopher Gaut \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K/A, filed on December 21, 2018\).](#)
- 10.12\*# [Severance Agreement dated as of September 1, 2018 between Forum Energy Technologies, Inc. and D. Lyle Williams \(incorporated herein by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K, filed on February 28, 2019\).](#)
- 10.13\*# [Form of Nonstatutory Stock Option Agreement \(Employees and Consultants\) \(incorporated herein by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, filed on May 2, 2017\).](#)
- 10.14\*# [Amended and Restated Employee Stock Purchase Plan, dated as of July 1, 2017 \(incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed on August 1, 2017\).](#)
- 10.15\*# [Form of Nonstatutory Stock Option Agreement \(Employees and Consultants\) \(incorporated herein by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q, filed on May 2, 2018\).](#)
- 10.16\*# [Severance Agreement dated as of February 15, 2019 between Forum Energy Technologies, Inc. and John C. Ivascu \(incorporated herein by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q, filed on May 1, 2019\).](#)
- 10.17\* [Registration Rights Agreement, dated as of October 2, 2017, by and between Forum Energy Technologies, Inc. and Q-GT \(V\) Investment Partners, LLC \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on October 3, 2017\).](#)
- 10.18\* [Third Amended and Restated Credit Agreement, dated as of October 30, 2017, by and among Forum Energy Technologies, Inc., Forum Canada ULC, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on November 2, 2017\).](#)
- 10.19\* [Amendment No. 1 to the Third Amended and Restated Credit Agreement, dated as of February 3, 2020, among Forum Energy Technologies, Inc., the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other borrowers and guarantors party thereto \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on February 5, 2020\).](#)
- 10.20\* [Master Assignment Agreement and Amendment No. 3 to Third Amended and Restated Credit Agreement, dated as of September 8, 2021, among the Company, as borrower, the other borrowers party thereto, the guarantors party thereto, the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, and the other parties named therein \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on September 8, 2021\).](#)
- 10.21\*# [Amendment No. 4 to Third Amended and Restated Credit Agreement, dated as of March 30, 2023, by and among Forum Energy Technologies, Inc., Forum Canada ULC, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto \(incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed on August 4, 2023\).](#)
- 10.22\*# [Master Assignment Agreement and Amendment No. 5 to Third Amended and Restated Credit Agreement, dated November 1, 2023, by and among Forum Energy Technologies, Inc., Forum Canada ULC, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto \(incorporated herein by reference to Exhibit 10.1 on the Company's Current Report on Form 8-K, filed on November 3, 2023\).](#)
- 10.23\* [Amendment No. 6 to Third Amended and Restated Credit Agreement, dated October 14, 2024, by and among Forum Energy Technologies, Inc., Forum Canada ULC, GT Coiled Tubing of Canada ULC, the guarantors party thereto, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on October 18, 2024\).](#)
- 10.24\*# [Forum Energy Technologies, Inc. Second Amended and Restated 2016 Stock and Incentive Plan \(incorporated by reference to Appendix B to the Company's Proxy Statement on Schedule 14A filed on April 2, 2020\).](#)
- 10.25\*# [First Amendment to Forum Energy Technologies, Inc. Second Amended and Restated 2016 Stock and Incentive Plan \(incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8, filed on May 13, 2022\).](#)
- 10.26\*# [Forum Second Amended and Restated 2016 Stock and Incentive Plan \(As amended through May 10, 2024\) \(incorporated by reference to Exhibit 10.1 to Forum's Current Report on Form 8-K filed on May 15, 2024\).](#)

10.27**	<a href="#">Form of 2022 Restricted Stock Unit Agreement (Executive Management) (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed on May 6, 2022).</a>
10.28**	<a href="#">Form of 2022 Performance Restricted Stock Unit Agreement (Executive Management) (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed on May 6, 2022).</a>
10.29**	<a href="#">Form of 2023 Performance Restricted Stock Unit Agreement (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed on May 5, 2023).</a>
10.30**	<a href="#">Form of 2023 Restricted Stock Unit Agreement (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed on May 5, 2023).</a>
10.31**	<a href="#">Form of 2023 Employee Cash Award (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed on November 3, 2023).</a>
10.32**	<a href="#">Form of 2023 Non-Employee Director Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K, filed on March 5, 2024).</a>
10.33**	<a href="#">Form of 2024 Performance Restricted Stock Unit Agreement – Executive (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024).</a>
10.34**	<a href="#">Form of 2024 Restricted Stock Unit Agreement – Executive (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024).</a>
10.35**	<a href="#">Form of 2024 Performance Restricted Stock Unit Agreement (with Cash Settlement Option) – Executive (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024).</a>
10.36**	<a href="#">Form of 2024 Restricted Stock Unit Agreement (with Cash Settlement Option) – Executive (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024).</a>
10.37**	<a href="#">Form of 2024 Restricted Stock Unit Agreement - Non Executive Director (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024).</a>
10.38**	<a href="#">Form of 2024 Restricted Stock Award Agreement - Non Executive Director (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024).</a>
10.39**	<a href="#">Form of 2024 Cash Award Agreement – Executive (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024).</a>
10.40**	<a href="#">C. Gaut Letter Agreement, dated December 1, 2023 (Non-Executive Chair Transition) (incorporated by reference to Exhibit 10.36 to the Company's Annual Report on 10-K, filed on March 5, 2024).</a>
10.41*	<a href="#">Investor Rights Agreement, dated as of January 4, 2024, by and among Forum Energy Technologies, Inc., the Sellers and James Nurcombe (incorporated by reference to Exhibit 10.2 to Forum's Current Report on Form 8-K filed on January 8, 2024).</a>
19.1**	<a href="#">Forum Energy Technologies, Inc. Insider Trading Policy</a>
21.1**	<a href="#">Subsidiaries of Forum Energy Technologies, Inc.</a>
23.1**	<a href="#">Consent of Deloitte &amp; Touche LLP.</a>
31.1**	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2**	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
97.1*	<a href="#">Forum Energy Technologies, Inc. Clawback Policy (incorporated by reference to Exhibit 97.1 to Forum's Annual Report on Form 10-K filed on March 5, 2024).</a>
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.

101.DEF\*\* 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.

**Item 16. Form 10-K Summary**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**FORUM ENERGY TECHNOLOGIES, INC.**

March 3, 2025	By: <u>/s/ D. Lyle Williams, Jr.</u> D. Lyle Williams, Jr. Executive Vice President and Chief Financial Officer (As Duly Authorized Officer and Principal Financial Officer)
March 3, 2025	By: <u>/s/ Katherine C. Keller</u> Katherine C. Keller Senior Vice President and Chief Accounting Officer (As Duly Authorized Officer and Principal Accounting Officer)

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

<b><u>Signature</u></b>	<b><u>Title</u></b>	<b><u>Date</u></b>
<u>/s/ Neal A. Lux</u> Neal A. Lux	President, Chief Executive Officer and Director (Principal Executive Officer)	March 3, 2025
<u>/s/ D. Lyle Williams, Jr.</u> D. Lyle Williams, Jr.	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 3, 2025
<u>/s/ Katherine C. Keller</u> Katherine C. Keller	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 3, 2025
<u>/s/ C. Christopher Gaut</u> C. Christopher Gaut	Chairman of the Board	March 3, 2025
<u>/s/ Evelyn M. Angelle</u> Evelyn M. Angelle	Director	March 3, 2025
<u>/s/ Leslie A. Beyer</u> Leslie A. Beyer	Director	March 3, 2025
<u>/s/ John A. Carrig</u> John A. Carrig	Director	March 3, 2025
<u>/s/ Michael McShane</u> Michael McShane	Director	March 3, 2025
<u>/s/ Louis A. Raspino</u> Louis A. Raspino	Director	March 3, 2025
<u>/s/ Paul E. Rowsey III</u> Paul E. Rowsey III	Director	March 3, 2025

**FORUM ENERGY TECHNOLOGIES, INC.****INSIDER TRADING POLICY****I. Introduction**

Federal and state securities laws prohibit trading in securities of publicly traded companies by persons who have “material non-public information” about that company or its securities (commonly known as “insider trading”), or when a person provides that information to others who then trade (an activity known as “tipping”).

The purpose of this Insider Trading Policy (this “**Policy**”) is to promote compliance with applicable securities laws by Forum Energy Technologies, Inc. and its subsidiaries (together, the “**Company**”) and all directors, officers and employees thereof, in order to preserve the reputation and integrity of the Company as well as that of all persons affiliated with it.

The policies and procedures described below are the Company’s policy. However, you have a responsibility to understand and comply with both the Policy and the insider trading laws.

**II. Applicability**

This Policy is applicable to (i) all directors, officers, and employees of the Company, whether located in or outside the United States and (ii) independent contractors or consultants who have access to material, non-public information regarding the Company and/or any other publicly traded company obtained in the course of the person’s employment or association with the Company, whom the Company has notified as such (collectively, the “**Company Personnel**”). This Policy is also applicable to the foregoing persons’ Related Persons (as defined in Section IV.D.)

This Policy applies to transactions in the Company’s securities, including common stock, stock options, warrants, bonds, notes, debentures, convertible instruments, as well as derivative securities that are not issued by the Company (e.g., exchange-traded put or call options or swaps relating to securities issued by the Company), or other similar instruments (collectively, “**Company Securities**”). This Policy also applies to transactions in the securities of another company if a member of Company Personnel becomes aware of material nonpublic information about that company in the course of the person’s employment or association with the Company (see Section V.B).

Except as otherwise specified in the Policy, transactions subject to this Policy include purchases, sales or other transactions to acquire, transfer or dispose of securities, such as loans, pledges, gifts, charitable donations and other contributions of securities (each of the foregoing transactions is also referred to as a “**trade**” or “**trading**” in this Policy).

The Company reserves the right to amend or rescind this Policy or any portion thereof at any time and to adopt different policies and procedures at any time. In the event of any conflict or

inconsistency between this Policy and any other materials distributed by the Company, this Policy shall govern. If a law conflicts with this Policy, you must comply with the law. Questions regarding this Policy or applicable laws should be directed to the Company's General Counsel.

### **III. Policy**

It is the Company's policy that if a member of Company Personnel has material, nonpublic information relating to the Company, neither that person nor any Related Person (as defined below) may trade securities of the Company (the "*Company Securities*") or engage in any other action to take advantage of, or pass on to others, that information. Moreover, if a member of Company Personnel comes into possession of material, nonpublic information about another company (as described in Section V.B) by virtue of his or her employment or association with the Company, that person is prohibited from trading securities of that other company, or engaging in any other action to take advantage of, or pass on to others, that information.

To avoid even the appearance of impropriety, additional restrictions on trading Company Securities described in Section VI apply to directors, members of executive management and other designated employees who are routinely in possession of material, nonpublic information.

### **IV. Definitions/Explanations**

#### **A. Who is an "Insider?"**

Any person who possesses material, nonpublic information is considered an insider as to that information. Insiders with respect to material, nonpublic information concerning the Company include Company Personnel and their Related Persons. The definition of insider is transaction specific; that is, an individual is an insider with respect to each material, nonpublic item of which he or she is aware.

#### **B. What is "Material" Information?**

The materiality of information is based on an assessment of all of the facts and circumstances. Information is generally considered "*material*" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security. Information that is likely to affect the price of a company's securities is almost always considered material. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security.

There are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of material information include, but are not limited to:

- Unpublished financial results (annual, quarterly or otherwise) or projections of future earnings or losses;
- News of pending or proposed company transactions;

- Significant changes in corporate objectives;
- Changes in dividend policies or proposed or contemplated issuance, redemption, or repurchase of securities;
- Declaration of a stock split;
- Financings, borrowings, and other events involving the Company's debt instruments and securities (e.g., defaults on loans or debt securities, calls of securities for redemption, refinancings or amendments);
- Significant developments in litigation or regulatory proceedings;
- Significant cybersecurity events or incidents;
- Changes in management; and
- Financial liquidity problems.

The above list is only illustrative; many other types of information may be considered material, depending on the circumstances. The materiality of particular information is subject to reassessment on a regular basis. If a securities transaction becomes the subject of scrutiny, they will be viewed after-the-fact and with the benefit of hindsight. Therefore, before engaging in any securities transaction, you should consider carefully how the Department of Justice, the U.S. Securities and Exchange Commission and others might view your transaction in hindsight and with all of the facts disclosed.

If you are unsure whether particular nonpublic information is material, you should always err on the side of deciding that the information is material and not trade or consult the Company's General Counsel before making any decision to trade or disclose such information. You should keep in mind that the SEC rules and regulations provide that the mere fact that a person is aware of the information is a bar to trading. It is no excuse that such person's reasons for trading were not based on the information.

### C. What is "Nonpublic" Information?

Information is "**nonpublic**" if it is not available to the general public. For purposes of this Policy, in order for information to be considered public, it must be widely disseminated in a manner making it generally available to the investing public, such as through a press release over the wire and/or a filing with the Securities and Exchange Commission (the "SEC") or by means of a Regulation FD-compliant webcast, and the investing public must have had enough time to absorb the information fully.

In addition, even after a public announcement of material information, a reasonable period of time must elapse in order for the market to react to the information. Generally, information should not be considered fully absorbed by the marketplace until two full trading days have elapsed following publication.

#### D. Who is a “Related Person?”

For purposes of this Policy, a “**Related Person**” includes your spouse, minor children and anyone else living in your household; partnerships in which you are a general partner; trusts of which you are a trustee; estates of which you are an executor; and other equivalent legal entities that you control or manage. Although a person’s parent or sibling may not be considered a Related Person (unless living in the same household), a parent or sibling may be a “tippee” for securities laws purposes. See Section V.C. below for a discussion on the prohibition on “tipping.”

Company Personnel are responsible for ensuring the transactions of their Related Persons comply with this Policy and should treat them as if they were for the Company Personnel’s own account for the purposes of this Policy and applicable securities laws.

### V. **Guidelines**

#### A. Non-disclosure of Material Nonpublic Information

Company Personnel who have access to material, nonpublic information must take special precautions to keep it confidential and must not disclose such information to anyone, except to other persons within the Company who have a legitimate business need to know to perform their jobs or third parties, such as investment banking advisors or outside legal counsel, whose positions require them to know it and who also have an obligation to maintain such confidentiality, or when such disclosures are authorized by the Company as necessary to facilitate negotiations with customers or vendors or other third parties or when such persons are subject to contractual confidentiality restrictions, until such information has been publicly released by the Company.

#### B. No Trading on Material Nonpublic Information

No Company Personnel and Related Persons may trade the Company Securities at any time when he or she has material nonpublic information concerning the Company or its securities, except as otherwise specified in this Policy under Section V.D and Section VII.

Moreover, no Company Personnel and Related Persons may trade securities of another company that has a business relationship with the Company, such as customers, vendors, suppliers, or joint venture or strategic partners, or a company that is involved in a potential transaction or business relationship with the Company at any time when the person has material, nonpublic information about that company or its securities which was obtained as a result of his or her employment or association with the Company.

In certain situations, U.S. or other securities laws may also prohibit trading (or recommending or suggesting that anyone else trade) in the securities of any other company while the person has material nonpublic information obtained in the course of the person’s employment or service with the Company that, even if not directly about the other company, could materially affect the market price for securities of that other company.

### C. No “Tipping” of Material Nonpublic Information

Under the federal securities laws, insiders may be liable for communicating or disclosing (“*tip*”) material nonpublic information to any third party (“*tippee*”), not limited to just Related Persons, who then trades on the basis of the information. Further, insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material, nonpublic information tipped to them and individuals who trade on material, nonpublic information which has been misappropriated.

Tippees inherit an insider’s duties and are liable for trading on material, nonpublic information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee’s liability for insider trading is no different from that of an insider. Tippees can obtain material, nonpublic information by receiving overt tips from others or through, among other things, conversations at social, business or other gatherings.

Accordingly, no Company Personnel and Related Persons may tip material nonpublic information to any other person (including family and friends), and no Company Personnel and Related Persons may make trading recommendations while in possession of material nonpublic information. In addition, Company Personnel and Related Persons should take care before trading on the recommendation of others to ensure that the recommendation is not the result of an illegal “tip.”

### D. Certain Exceptions

The prohibition on trading in the Company Securities set forth in this Policy does not apply to:

The exercise of stock options (including any net-settled stock option exercise to cover exercise price and tax withholding) pursuant to our stock plans if there is no market sale of the underlying shares (including as part of a broker-assisted cashless exercise of an option); provided, however, any exercise of stock options is subject to pre-clearance under Section VI.B. below for persons subject to the pre-clearance requirement.

The vesting or settlement, as applicable, of restricted stock or restricted stock units or other equity-based awards granted under the Company’s stock plans or the withholding (whether mandated by the Company or pursuant to a tax withholding right) of shares of restricted stock or shares underlying restricted stock units, as applicable, to satisfy tax withholding requirements; however, the sale of any stock for the purpose of generating cash needed to satisfy tax withholding requirements is subject to this Policy.

The execution of transactions pursuant to a Rule 10b5-1 Trading Plan (as defined in Section VII) that has been approved by the Company.

Sales of the Company Securities as a selling stockholder in a registered public offering, including a “synthetic secondary” offering, in accordance with applicable securities laws.

Transactions in mutual funds or exchange-traded funds that are invested in Company Securities so long as (a) the Covered Person does not control the investment decisions on individual stocks within the fund and (b) Company securities do not represent a substantial portion of the assets of the fund.

E. Prohibited Transactions and Other Special Transactions

**Short sales; speculative transactions.** Directors, officers and employees, and their Related Persons may not trade in options, warrants, puts and calls or similar instruments on Company Securities or sell Company Securities “short” (selling securities that a person does not own, with the intention of buying the securities at a lower price in the future). Investing in Company Securities provides an opportunity to share in the future growth of the Company. Investment in the Company and sharing in the growth of the Company, however, does not mean short-range speculation based on fluctuations in the market. Such activities may put the personal gain of the director, officer or employee in conflict with the best interests of the Company and its security holders. Anyone may, of course, in accordance with this Policy and other Company policies, exercise options granted to them by the Company.

**Hedging.** For the avoidance of doubt, directors, officers and employees, and their Related Persons are prohibited from engaging in hedging transactions involving Company Securities. Certain forms of hedging or monetization transactions (such as zero-cost collars and forward sale contracts) allow a person to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential upside appreciation in the stock. These transactions would allow a person to continue to own Company Securities, but without the full risks and rewards of ownership. Thus, a person who engaged in these transactions would no longer have the same objectives as the Company’s other stockholders.

**Pledging or purchasing Company Securities on margin.** Company Securities purchased on margin may be sold by the broker without the customer’s consent if the customer fails to meet a margin call. Similarly, Company Securities held in an account which may be borrowed against or are otherwise pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A margin sale or a foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities during quarterly blackout periods. Therefore, it is the Company’s policy that directors, officers and employees, and their Related Persons, are prohibited from purchasing Company Securities on margin, borrowing against Company Securities, and/or otherwise pledging Company Securities as collateral for a loan.

**Limit orders.** Insiders are highly discouraged from placing standing or limit orders with a broker (other than under an approved Rule 10b5-1 Trading Plan as described in Part VII below). Such open orders may result in the execution of a trade by a broker at a time when the person is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities (e.g., during a blackout period), which may result in

inadvertent insider trading violations, violations of Section 16 (in the case of directors and executive officers) and violations of this Policy. If a standing order or limit order must be placed (outside of an approved Rule 10b5-1 Trading Plan), the order should be used only for a brief period of time and must be terminated prior to the start of a blackout period (if applicable) or if the person subsequently obtains material nonpublic information and must otherwise comply with the restrictions and procedures in this Policy.

## VI. Additional Restrictions and Requirements for Directors and Officers

### A. Trading Window

In addition to being subject to all of the other limitations in this Policy, the Company's directors, officers (as such term is defined in Rule 16a-1(f) of the Securities Exchange Act, as amended (the "*Exchange Act*") ("*Officers*") and certain other individuals designated by the General Counsel from time to time and their Related Persons may only buy or sell Company Securities in the public market during the period beginning two full trading days after the public announcement of the Company's quarterly earnings and ending fifteen days prior to the end of the next fiscal quarter (except as otherwise specified by this Policy). For purposes of this Policy, public announcement is the first to occur of the earnings press release being publicly available or the end of the public conference call relating to such results.

It is recommended that any employee of the Company who trades in Company Securities do so only during the trading window set forth above. Doing so will lessen the risk that an employee is accused of trading while in possession of material, nonpublic information. As provided in Section III, even during an open trading window, if any director, officer or employee of the Company is in possession of material, nonpublic information about the Company, that person is prohibited from trading in the Company Securities.

From time to time, the Company may require that directors, officers and selected employees and their Related Persons suspend trading in Company Securities during quarterly trading windows because of developments that have not yet been disclosed to the public (so called "*special blackout*"). The Company's General Counsel will notify all affected persons, and persons subject to a special blackout may not trade in Company Securities while the special blackout is in effect and may not disclose to others that the Company has implemented a special blackout because the existence of a special blackout may be material nonpublic information about the Company. Although these blackouts generally will arise because the Company is involved in a highly-sensitive transaction, they may be declared for any reason.

### B. Pre-Clearance

Directors and Officers must obtain prior clearance from the General Counsel, or his or her designee (or in the case of the General Counsel, the Chief Executive Officer), before he, she or a Related Person trades in Company Securities (except for trades under a pre-approved Rule 10b5-1 Trading Plan). As noted in Section III, the term "trade" broadly includes any sale,

purchase, gift, pledge, hedge, or any other acquisition, disposition or transfer of Company Securities, including any exercise of stock options.

Pre-clearance requests will only be granted during an open trading window. [Pre-clearance requests must be made in writing (including email), specifying the securities and the proposed transaction.][Pre-clearance request forms are available from the office of the General Counsel.] Each request for pre-clearance will be evaluated to determine if the proposed transaction raises insider trading concerns or other concerns under the federal or state securities laws and regulations. Any advice will relate solely to the restraints imposed by law and restrictions under this Policy and will not constitute advice regarding the investment aspects of any transaction. Clearance of a transaction is valid only for a 48-hour period or such other period of time designated by the General Counsel, or his or her designee. If the transaction is not effected within the authorized period, clearance of the transaction must be re-requested. Regardless of clearance, the transaction cannot be effected if the person comes into possession of material nonpublic information before the transaction is completed. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.

#### C. Restriction on Selling Company Stock Acquired by Option Exercise

Officers are prohibited from selling Company stock acquired by exercising stock options or the vesting of restricted stock until such Officer is in compliance with the Company's Stock Ownership Requirements Policy.

### **VII. Use of 10b5-1 Trading Plans**

Rule 10b5-1 under the Exchange Act provides an affirmative defense against insider trading liability for trades that are executed pursuant to a pre-established written plan, contract or instruction or arrangement that was established at a time when the insider was not aware of material nonpublic information and meets all the other specified conditions in Rule 10b5-1 (a "***Rule 10b5-1 Trading Plan***"). Transactions under a Rule 10b5-1 Trading Plan may occur even when the person who has entered into the plan is aware of material nonpublic information at the time of transaction.

Directors and Officers are encouraged to utilize Rule 10b5-1 Trading Plans for trading in Company Securities but may do so only with the prior approval of the General Counsel or his or her designee. In addition to complying with the requirements of Rule 10b5-1 under the Exchange Act, under this Policy, the adoption, amendment/modification or termination of a Rule 10b5-1 Trading Plan must be approved in advance by the General Counsel and meet the other requirements set forth in Appendix A, "Guidelines for Rule 10b5-1 Trading Plans." Please contact the General Counsel for any questions regarding Rule 10b5-1 Trading Plans, or if you are considering any similar plan or trading arrangement, as 10b5-1 rules are complex.

### **VIII. Post-Termination Transactions**

This Policy will continue to apply, even after termination of employment or service with the Company if the Company Personnel is in possession of material nonpublic information about the

Company or any other company obtained in the course of employment or service with the Company at the time of termination from the Company until such information becomes public or ceases to be material.

## **IX. Company Transactions**

From time to time, the Company may engage in transactions in its own securities. It is the Company's policy to comply with all applicable securities and state laws (including appropriate approvals by the Board of Directors or appropriate committee, if required) when engaging in transactions in Company securities (and/or in compliance with the Company's equity plans and award agreements, if applicable).

## **X. Potential Liability and/or Disciplinary Action**

Persons who engage in insider trading or tipping may be subject to criminal penalties, including imprisonment of up to 20 years, criminal fines up to \$5 million and civil penalties up to three times the profits gained or losses avoided.

Violations of this Policy can also result in a range of Company disciplinary action up to and including termination, whether or not the person's failure to comply with the Policy results in a violation of the applicable laws. Violations of the securities laws may be reported to the appropriate authorities.

## **XI. Complaint Procedures**

Any employee who has observed conduct that may violate this Policy has an obligation to report the suspected violation to the General Counsel or the Company's Compliance and Ethics Hotline (the telephone number and web address for which may be found in the Code of Conduct, the hotline policy or on hotline posters at all Forum facilities).

### Guidelines for Rule 10b5-1 Trading Plans

As discussed in the Policy, Rule 10b5-1 under the Exchange Act provides an affirmative defense from insider trading liability. In order to be eligible to rely on this defense, Company Personnel and Related Persons (for purposes of this Appendix, the “*Insiders*”) must enter into a Rule 10b5-1 Trading Plan for transactions in the Company Securities that meets certain conditions specified in Rule 10b5-1. Capitalized terms used in these guidelines without definition have the meaning set forth in the Policy.

These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. The General Counsel or his or her designee will interpret and administer these guidelines for compliance with Rule 10b5-1, the Policy and the requirements below. No personal legal or financial advice is being provided by the General Counsel regarding any Rule 10b5-1 Trading Plan or proposed trades. The person adopting the plan remains ultimately responsible for ensuring that their Rule 10b5-1 Trading Plan and contemplated transactions fully comply with applicable securities laws.

It is recommended that Insiders consult with their own attorneys or other advisors about any contemplated Rule 10b5-1 Trading Plan. Note that for any directors and Officers, the Company is required to disclose the material terms of his or her Rule 10b5-1 Trading Plan (and may be required to disclose the material terms of Rule 10b5-1 Trading Plans of Related Parties of such persons), other than with respect to price, in its periodic report for the quarter in which the Rule 10b5-1 Trading Plan is adopted or terminated or amended (as described below).

- A. Pre-Clearance Requirement.** The Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the General Counsel (or, in the case of the General Counsel, by the Chief Executive Officer) prior to the entry into the plan in accordance with the procedures set forth in the Policy and these guidelines.
- B. Time of Adoption.** Subject to pre-clearance requirements described above, Insiders may enter into a Rule 10b5-1 Trading Plan only at a time:
  - 1. When the Insider is not aware of any material nonpublic information concerning the Company; and
  - 2. When the Insider is not subject to any blackout period.
- C. Plan Instructions.** Any Rule 10b5-1 Trading Plan must be in writing, signed, and either: (i) specify the amount, price and date of the sales (or purchases) of Company Securities to be effected; (ii) provide a written formula or algorithm, or computer program, for determining the amount of securities to be purchased or sold and the price at which and the date on which to sell (or purchase) the securities; or (iii) delegate decision-making authority with regard to these transactions to a broker or other agent without any material nonpublic information about the Company or its securities.

For the avoidance of doubt, Insiders may not subsequently influence how, when, or whether to effect purchases or sales with respect to the securities subject to an approved and adopted Rule 10b5-1 Trading Plan.

- D. No Hedging.** Insiders may not have entered into or altered a corresponding or hedging transaction or position with respect to the securities subject to the Rule 10b5-1 Trading Plan and must agree not to enter into any such transaction while the Rule 10b5-1 Trading Plan is in effect.
- E. Good Faith Requirements.** Insiders must enter into the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rules 10b-5 and 10b5-1, and Insiders must act in good faith with respect to the Rule 10b5-1 Trading Plan for the entirety of its duration.
- F. Certifications for Section 16 Persons.** Section 16 Persons and their Related Persons that enter into Rule 10b5-1 Trading Plans must certify that they are: (1) not aware of any material nonpublic information about the Company or the Company Securities and (2) adopting the Rule 10b5-1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rules 10b-5 and 10b5-1 under the Exchange Act.
- G. Cooling Off Periods.** The first trade under the Rule 10b5-1 Trading Plan may not occur until the expiration of a cooling-off period as follows:
  - 1. For Section 16 Persons (as well as their Related Parties), the later of (1) two business days following the filing of the Company's Form 10-Q or Form 10-K for the completed fiscal quarter in which the Rule 10b5-1 Trading Plan was adopted and (2) 90 calendar days after adoption of the Rule 10b5-1 Trading Plan; provided, however, that the required cooling-off period shall in no event exceed 120 days; or
  - 2. For all other persons, 30 days after adoption of the Rule 10b5-1 Trading Plan.
- H. No Overlapping Rule 10b5-1 Trading Plans.** Insiders may not enter into overlapping Rule 10b5-1 Trading Plans (subject to certain exceptions specified under Rule 10b5-1). Please consult the General Counsel with any questions regarding overlapping Rule 10b5-1 Trading Plans.
- I. Single Transaction Plans.** Insiders may not enter into more than one Rule 10b5-1 Trading Plan designed to effect the open-market purchase or sale of the total amount of securities as a single transaction during any rolling 12-month period (subject to certain exceptions specified under Rule 10b5-1). Please consult the General Counsel with any questions regarding overlapping Rule 10b5-1 Trading Plans.
- J. Modifications and Terminations.** Modifications and terminations of an existing Rule 10b5-1 Trading Plan are strongly discouraged due to legal risks, and can affect the validity of trades that have taken place under the plan prior to such modification or

termination. Under Rule 10b5-1 and these guidelines, any modification to the amount, price, or timing of the purchase or sale of the securities underlying a Rule 10b5-1 Trading Plan (a “material amendment”) will be deemed to be a termination of the current Rule 10b5-1 Trading Plan and adoption of a new Rule 10b5-1 Trading Plan. Insiders considering administrative changes to a Rule 10b5-1 Trading Plan, such as changing the account information, should consult with the General Counsel in advance to confirm that any such change does not constitute an effective termination of the plan and adoption of a new plan.

As such, any material amendment of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the General Counsel in accordance with pre-clearance procedures set forth in Section A above and will be subject to all the other requirements set forth in Sections A - I of these guidelines regarding the adoption of a new Rule 10b5-1 Trading Plan.

The termination (other than through an amendment or modification) of an existing Rule 10b5-1 Trading Plan must be reviewed and approved in advance by the General Counsel in accordance with pre-clearance procedures set forth in Section A of these guidelines. Except in limited circumstances, the General Counsel will not approve the termination of a Rule 10b5-1 Trading Plan unless:

1. the Insider that has entered into the plan is not aware of any material nonpublic information; and
2. the Insider is not otherwise subject to a blackout period at the time of termination.

**List of Subsidiaries of Forum Energy Technologies, Inc.**  
**December 31, 2024**

<b>Name</b>	<b>Jurisdiction</b>
Forum B+V Oil Tools GmbH	Germany
FET Global L.P.	United Kingdom
FET Global Holdings Limited	United Kingdom
FET Holdings LLC	Delaware
FET Worldwide L.P.	United Kingdom
Forum Canada ULC	Canada
Forum Global Tubing L.P.	Delaware
Forum Global Tubing LLC	Delaware
Forum International Holdings, Inc.	Delaware
Forum US, Inc.	Delaware
Forum Worldwide Holdings Limited	United Kingdom
Global Tubing LLC	Delaware
Variperm Holdings Ltd.	Canada

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements on Form S-3 (No. 333-278284) and on Form S-8 (Nos. 333-213158, 333-218789, 333-231525, 333-239257, 333-264934, 333-276390, 333-279837) of our report dated March 3, 2025 relating to the financial statements of Forum Energy Technologies, Inc. and subsidiaries (“the Company”) and the effectiveness of the Company’s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Houston, Texas  
March 3, 2025

**Forum Energy Technologies, Inc.  
Certification**

I, Neal A. Lux, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: March 3, 2025

By: /s/ Neal A. Lux  
Neal A. Lux  
President and Chief Executive Officer

**Forum Energy Technologies, Inc.  
Certification**

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

1. I have reviewed this Annual Report on Form 10-K 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: March 3, 2025

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 Annual Report on Form 10-K of Forum Energy Technologies, Inc. (the "Company") for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Neal A. Lux, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

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

Dated: March 3, 2025

By: /s/ Neal A. Lux

Neal A. Lux

President and Chief Executive Officer

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

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

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

In connection with the Annual Report on Form 10-K of Forum Energy Technologies, Inc. (the "Company") for the year ended December 31, 2024, 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.

Dated: March 3, 2025

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.



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**PART I — FINANCIAL INFORMATION**

**Item 1. Financial Statements**

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

(in thousands, except per share information)	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 193,279	\$ 202,392
Cost of sales	134,918	138,633
Gross profit	58,361	63,759
<b>Operating expenses</b>		
Selling, general and administrative expenses	49,383	54,666
Transaction expenses	51	5,921
Loss (gain) on disposal of assets and other	123	(28)
Total operating expenses	49,557	60,559
<b>Operating income</b>	8,804	3,200
<b>Other expense (income)</b>		
Interest expense	4,983	8,760
Foreign exchange losses (gains) and other, net	(1,068)	1,227
Total other expense	3,915	9,987
<b>Income (loss) before income taxes</b>	4,889	(6,787)
Income tax expense	3,767	3,528
<b>Net income (loss)</b>	\$ 1,122	\$ (10,315)
<b>Weighted average shares outstanding</b>		
Basic	12,303	12,201
Diluted	12,568	12,201
<b>Earnings (loss) per share</b>		
Basic	\$ 0.09	\$ (0.85)
Diluted	\$ 0.09	\$ (0.85)
<b>Other comprehensive income (loss), net of tax of \$0:</b>		
Net income (loss)	\$ 1,122	\$ (10,315)
Change in foreign currency translation	484	(804)
Gain (loss) on pension liability	36	(15)
<b>Comprehensive income (loss)</b>	\$ 1,642	\$ (11,134)

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, 2025	December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 31,143	\$ 44,661
Accounts receivable—trade, net of allowances of \$9,305 and \$9,529	153,512	153,926
Inventories, net	263,600	265,487
Prepaid expenses and other current assets	18,251	19,179
Costs and estimated profits in excess of billings	11,752	11,632
Accrued revenue	311	752
Total current assets	478,569	495,637
Property and equipment, net of accumulated depreciation	61,896	63,421
Operating lease assets	68,077	70,389
Deferred financing costs, net	2,011	2,154
Goodwill	61,703	61,653
Intangible assets, net	104,155	109,230
Deferred income taxes, net	11,851	11,445
Other long-term assets	1,848	2,025
Total assets	<u>\$ 790,110</u>	<u>\$ 815,954</u>
<b>Liabilities and equity</b>		
Current liabilities		
Current portion of long-term debt	\$ 1,830	\$ 1,866
Accounts payable—trade	106,947	109,651
Accrued liabilities	71,097	77,239
Deferred revenue	9,025	8,584
Billings in excess of costs and profits recognized	5,787	4,516
Total current liabilities	194,686	201,856
Long-term debt, net of current portion	169,549	186,525
Deferred income taxes, net	22,532	23,678
Operating lease liabilities	70,727	73,145
Other long-term liabilities	12,574	10,850
Total liabilities	470,068	496,054
Commitments and contingencies		
<b>Equity</b>		
Common stock, \$0.01 par value, 14,800,000 shares authorized, 13,183,778 and 12,999,246 shares issued	132	130
Additional paid-in capital	1,420,366	1,419,871
Treasury stock at cost, 814,153 and 708,900 shares	(144,054)	(142,057)
Retained deficit	(833,675)	(834,797)
Accumulated other comprehensive loss	(122,727)	(123,247)
Total equity	320,042	319,900
Total liabilities and equity	<u>\$ 790,110</u>	<u>\$ 815,954</u>

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,	
	2025	2024
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 1,122	\$ (10,315)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation expense	3,689	4,072
Amortization of intangible assets	5,286	9,766
Inventory write down	390	534
Stock-based compensation expense	1,818	1,573
Deferred income taxes	(1,559)	(1,002)
Other	334	1,299
Changes in operating assets and liabilities		
Accounts receivable—trade	1,113	8,783
Inventories	2,850	8,577
Prepaid expenses and other current assets	1,740	2,694
Cost and estimated profit in excess of billings	(27)	2,822
Accounts payable, deferred revenue and other accrued liabilities	(8,587)	(24,071)
Billings in excess of costs and profits recognized	1,157	291
Net cash provided by operating activities	9,326	5,023
<b>Cash flows from investing activities</b>		
Capital expenditures for property and equipment	(2,110)	(2,910)
Proceeds from sale of property and equipment	14	177
Payments related to business acquisition, net of cash acquired	—	(150,086)
Net cash used in investing activities	(2,096)	(152,819)
<b>Cash flows from financing activities</b>		
Borrowings on Credit Facility	132,038	245,167
Repayments on Credit Facility	(148,585)	(148,696)
Proceeds from issuance of Seller Term Loan	—	59,677
Payment of capital lease obligations	(455)	(147)
Deferred financing costs	(693)	(3,070)
Repurchases of stock	(1,997)	—
Payment of withheld taxes on stock-based compensation plans	(1,321)	(1,090)
Net cash provided by (used in) financing activities	(21,013)	151,841
Effect of exchange rate changes on cash	265	(1,722)
Net increase (decrease) in cash, cash equivalents and restricted cash	(13,518)	2,323
Cash, cash equivalents and restricted cash at beginning of period	44,661	46,165
Cash, cash equivalents and restricted cash at end of period	\$ 31,143	\$ 48,488
<b>Supplemental cash flow disclosures</b>		
Cash paid for interest	\$ 1,942	\$ 1,764
Cash paid for income taxes	1,585	7,047
<b>Noncash activities</b>		
Operating lease assets obtained in exchange for lease obligations	\$ 629	\$ 2,775
Finance lease assets obtained in exchange for lease obligations	262	750
Accrued purchases of property and equipment	814	—
Stock issuance related to business acquisition	—	44,220

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, 2025**

(in thousands)	Common stock	Additional paid-in capital	Treasury stock	Retained deficit	Accumulated other comprehensive income / (loss)	Total equity
<b>Balance at December 31, 2024</b>	<b>\$ 130</b>	<b>\$ 1,419,871</b>	<b>\$ (142,057)</b>	<b>\$ (834,797)</b>	<b>\$ (123,247)</b>	<b>\$ 319,900</b>
Stock-based compensation expense	—	1,818	—	—	—	1,818
Restricted stock issuance, net of forfeitures	2	(1,323)	—	—	—	(1,321)
Treasury stock	—	—	(1,997)	—	—	(1,997)
Currency translation adjustment	—	—	—	—	484	484
Change in pension liability	—	—	—	—	36	36
Net income	—	—	—	1,122	—	1,122
<b>Balance at March 31, 2025</b>	<b>\$ 132</b>	<b>\$ 1,420,366</b>	<b>\$ (144,054)</b>	<b>\$ (833,675)</b>	<b>\$ (122,727)</b>	<b>\$ 320,042</b>

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

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

**Three Months Ended March 31, 2024**

(in thousands)	Common stock	Additional paid-in capital	Treasury stock	Retained deficit	Accumulated other comprehensive income / (loss)	Total equity
<b>Balance at December 31, 2023</b>	<b>\$ 109</b>	<b>\$ 1,369,288</b>	<b>\$ (142,057)</b>	<b>\$ (699,471)</b>	<b>\$ (115,236)</b>	<b>\$ 412,633</b>
Stock-based compensation expense	—	1,573	—	—	—	1,573
Restricted stock issuance, net of forfeitures	1	(1,091)	—	—	—	(1,090)
Stock issuance related to business acquisition	20	44,200	—	—	—	44,220
Currency translation adjustment	—	—	—	—	(804)	(804)
Change in pension liability	—	—	—	—	(15)	(15)
Net loss	—	—	—	(10,315)	—	(10,315)
<b>Balance at March 31, 2024</b>	<b>\$ 130</b>	<b>\$ 1,413,970</b>	<b>\$ (142,057)</b>	<b>\$ (709,786)</b>	<b>\$ (116,055)</b>	<b>\$ 446,202</b>

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

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

## 1. Organization and Basis of Presentation

Forum Energy Technologies, Inc. (the "Company," "FET®," "we," "our," or "us"), a Delaware corporation, is a global manufacturing company serving the oil, natural gas, industrial and renewable energy industries. With headquarters located in Houston, Texas, FET provides value added solutions that increase the safety and efficiency of energy exploration and production.

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

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

In management's opinion, 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, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025 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 ("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 ("U.S. GAAP") for complete consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, which are included in the Company's 2024 Annual Report on Form 10-K filed with the SEC on March 3, 2025.

## 2. Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB"), which the Company adopts 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 the Company's consolidated financial statements upon adoption.

### **Accounting Standards Issued But Not Yet Adopted**

***Income Taxes (Topic 740).*** In December 2023, FASB issued ASU 2023-09, which improves income tax disclosures. This update is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. This update should be applied prospectively but retrospective application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

***Disaggregation of Income Statement Expenses (Subtopic 220-40).*** In November 2024, FASB issued ASU 2024-03 to improve financial reporting by requiring entities to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. This update is effective for fiscal years beginning after December 15, 2026. Early adoption is permitted, and this update may be applied either prospectively or retrospectively. The Company is currently evaluating the impact of this standard on its 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 2024 Annual Report on Form 10-K.

### ***Disaggregated Revenue***

Refer to Note 9 *Business Segments* for disaggregated revenue by product line and geography.

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

**Contract Balances**

Contract balances are determined on a contract by contract basis. Contract assets represent revenue recognized for goods and services provided to our customers when payment is conditioned on something other than the passage of time. Similarly, the Company records 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, 2025 (in thousands):

			Increase (Decrease)	
			\$	%
	March 31, 2025	December 31, 2024		
Accrued revenue	\$ 311	\$ 752		
Costs and estimated profits in excess of billings	11,752	11,632		
<b>Contract assets</b>	<b>\$ 12,063</b>	<b>\$ 12,384</b>	<b>\$ (321)</b>	<b>(3)%</b>
Deferred revenue	\$ 9,025	\$ 8,584		
Billings in excess of costs and profits recognized	5,787	4,516		
<b>Contract liabilities</b>	<b>\$ 14,812</b>	<b>\$ 13,100</b>	<b>\$ 1,712</b>	<b>13 %</b>

During the three months ended March 31, 2025, our contract assets decreased by \$0.3 million and our contract liabilities increased \$1.7 million primarily due to the timing of milestone billings for projects in our Subsea product line.

During the three months ended March 31, 2025, we recognized \$5.4 million of revenue that was included in the contract liabilities balance at the beginning of the period.

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

**4. Inventories**

The Company's significant components of inventory at March 31, 2025 and December 31, 2024 were as follows (in thousands):

	March 31, 2025	December 31, 2024
Raw materials and parts	\$ 97,368	\$ 99,185
Work in process	29,694	27,880
Finished goods	171,839	174,114
Total inventories	298,901	301,179
Less: inventory reserve	(35,301)	(35,692)
<b>Inventories, net</b>	<b>\$ 263,600</b>	<b>\$ 265,487</b>

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

## 5. Goodwill and Intangible Assets

### Goodwill

The changes in the carrying amount of goodwill from December 31, 2024 to March 31, 2025, were as follows (in thousands):

	<b>Artificial Lift and Downhole</b>
<b>Goodwill, December 31, 2024</b>	\$ 61,653
Impact on non-U.S. local currency translation	50
<b>Goodwill, March 31, 2025</b>	<u>\$ 61,703</u>

Goodwill is not amortized and is tested for impairment at least annually or when events and circumstances indicate that fair value may be below its carrying value.

### Intangible Assets

Intangible assets consisted of the following as of March 31, 2025 and December 31, 2024, respectively (in thousands):

	<b>March 31, 2025</b>			<b>Amortization Period (In Years)</b>
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Intangibles</b>	
Customer relationships	\$ 214,050	\$ (127,055)	\$ 86,995	2 - 15
Patents and technology	29,503	(18,509)	10,994	10 - 19
Trade names and other	29,086	(22,920)	6,166	8 - 19
<b>Total intangible assets</b>	<u>\$ 272,639</u>	<u>\$ (168,484)</u>	<u>\$ 104,155</u>	

	<b>December 31, 2024</b>			<b>Amortization Period (In Years)</b>
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Intangibles</b>	
Customer relationships	\$ 212,990	\$ (121,405)	\$ 91,585	2 - 15
Patents and technology	29,166	(17,867)	11,299	10 - 19
Trade names and other	28,913	(22,567)	6,346	8 - 19
<b>Total intangible assets</b>	<u>\$ 271,069</u>	<u>\$ (161,839)</u>	<u>\$ 109,230</u>	

Intangible assets with definite lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

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

## 6. Debt

Debt as of March 31, 2025 and December 31, 2024 consisted of the following (in thousands):

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
2029 Bonds	\$ 100,000	\$ 100,000
Credit Facility	73,844	90,392
Other debt	3,427	3,373
Long-term debt, principal amount	177,271	193,765
Debt issuance cost	(5,892)	(5,374)
Long-term debt, carrying value	171,379	188,391
Less: current portion	(1,830)	(1,866)
<b>Long-term debt, net of current portion</b>	<b>\$ 169,549</b>	<b>\$ 186,525</b>

### 2029 Bonds

The 10.5% senior secured bonds due 2029 (“2029 Bonds”) were issued pursuant to the Bond Terms, dated as of November 5, 2024 (“Bond Terms”), between the Company and Nordic Trustee AS, as bond trustee and security agent (“Bond Trustee”). The 2029 Bonds are the Company’s senior secured obligations and are jointly and severally guaranteed on a senior secured basis by each of the Company’s direct and indirect domestic subsidiaries that guarantees its Credit Facility and certain of the Company’s foreign subsidiaries.

The 2029 Bonds will mature on November 7, 2029. Interest on the 2029 Bonds will accrue at a rate of 10.5% per annum payable semi-annually in arrears on May 7 and November 7 of each year in cash, beginning May 7, 2025. Prepayment of the 2029 Bonds prior to May 7, 2027 requires the payment of make-whole amounts, and prepayments on or after that date are subject to prepayment premiums that decline over time.

The 2029 Bonds contain the following financial covenants: (i) a maximum leverage ratio of 4.0x; and (ii) a minimum liquidity test equal to \$25.0 million, in each case, for the Company and its consolidated subsidiaries. The Bond Terms also contain certain equity cure rights with respect to such financial covenants. The 2029 Bonds are also subject to negative covenants as set forth in the Bond Terms. As of March 31, 2025, the Company was in compliance with all of its 2029 Bonds financial covenants.

Upon the occurrence of certain change of control events, as specified in the Bond Terms, each holder of the 2029 Bonds will have the right to require that the Company repurchase all or some of such holder’s 2029 Bonds in cash at a purchase price equal to 101% of the aggregate principal amount thereof.

The Bond Terms contain certain customary events of default, including, among other things: (i) default in the payment of any amount when due; (ii) default in the performance or breach of any other covenant in the Finance Documents, as defined in the Bond Terms, which default continues uncured for a period of 20 business days after the earlier of (1) the Company’s actual knowledge of such event or (2) the Company’s receipt of notice from the Bond Trustee; and (iii) certain voluntary or involuntary events of bankruptcy, insolvency or reorganization of the Company.

### Credit Facility

Our senior secured asset-based lending facility (“Credit Facility”) matures on the earliest of (a) September 8, 2028 and (b) the date that is 91 days prior to the maturity of the 2029 Bonds (which will not apply if the 2029 Bonds are repaid prior to such 91st day). The Credit Facility provides revolving credit commitments of \$250.0 million (with a sublimit of up to \$70.0 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 \$50.0 million is available to certain of our Canadian subsidiaries for loans in U.S. or Canadian dollars (with a sublimit of up to \$10.0 million available for the issuance of letters of credit for the account of our Canadian subsidiaries) (the “Canadian Line”). Lender commitments under the Credit Facility, subject to certain limitations, may be increased by an additional \$100.0 million.

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

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. 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, 2025, our total borrowing base was \$168.5 million, of which \$73.8 million amount was drawn and \$17.3 million was used as security for outstanding letters of credit, resulting in remaining availability of \$77.4 million.

Borrowings under the U.S. Line bear interest at a rate equal to, at our option, either (a) the Secured Overnight Financing Rate ("SOFR"), subject to a floor of 0.00%, plus a margin of 2.25% to 2.75%, or (b) a base rate plus a margin of 1.25% to 1.75%, in each case based upon the Company's quarterly total net leverage ratio. The U.S. Line base rate is determined by reference to the greatest of (i) the federal funds rate plus 0.50% per annum, (ii) the one-month adjusted term SOFR plus 1.00% per annum, and (iii) the "prime rate" of interest announced by Wells Fargo Bank, National Association, subject to a floor of 0.00%.

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

The weighted average interest rate under the Credit Facility was approximately 7.55% and 8.34% for the three months ended March 31, 2025 and 2024, respectively.

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

If excess availability under the Credit Facility falls below the greater of 12.5% of the borrowing base and \$31.25 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 threshold for 60 consecutive days.

Subject to customary exceptions, all obligations under the Credit Facility are guaranteed, jointly and severally, by our wholly-owned U.S. subsidiaries and, in the case of the Canadian Line, our wholly-owned Canadian subsidiaries, and are secured by substantially all assets of each such entity and the Company, subject to customary exclusions.

The Credit Facility contains various covenants that, among other things, limit our ability (none of which are absolute) to incur additional indebtedness or issue certain preferred shares, grant certain liens, make certain loans and investments, pay dividends, make distributions or make other restricted payments, enter into mergers or acquisitions unless certain conditions are satisfied, change our lines of business, prepay certain indebtedness, enter into certain affiliate transactions or engage in certain asset dispositions.

If an event of default exists under the Credit Facility, the lenders will have the right to accelerate the maturity of the obligations outstanding under the Credit Facility and exercise other rights and remedies. Obligations outstanding under the Credit Facility, however, will be automatically accelerated upon an event of default arising from a bankruptcy or insolvency event. An event of default includes, among other things, nonpayment of principal, interest, fees or other amounts within certain grace periods; representations and warranties proving to be untrue in any material respect; failure to perform or otherwise comply with covenants in the Credit Facility or other loan documents, subject, in certain instances, to grace periods; cross-defaults to certain other indebtedness if such default occurs at the final maturity of such indebtedness or if the effect of such default is to cause, or permit the holders of such indebtedness to cause, the acceleration of such indebtedness; bankruptcy or insolvency events; material monetary judgment defaults; invalidity or unenforceability of the Credit Facility or any other loan document; and the occurrence of a Change of Control (as defined in the Credit Facility).

As of March 31, 2025, the Company was in compliance with all of its Credit Facility financial covenants.

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

**Other Debt**

Other debt consists 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. The Company had \$17.3 million and \$17.8 million in total outstanding letters of credit as of March 31, 2025 and December 31, 2024, respectively.

**7. Income Taxes**

For interim periods, our income tax expense or benefit is computed based on our estimated annual effective tax rate and any discrete items that impact the interim periods. For the three months ended March 31, 2025 and 2024, the Company recorded a tax expense of \$3.8 million and \$3.5 million, respectively. The estimated annual effective tax rates for all periods 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. Finally, the Company believes that it is reasonably possible that a decrease of approximately \$1.5 million of noncurrent unrecognized tax benefits may occur by the end of 2025 as a result of a lapse of the statute of limitations.

The Organization for Economic Co-operation and Development introduced Base Erosion and Profit Shifting ("BEPS") Pillar 2 rules that impose a global minimum tax rate of 15%. Numerous countries, including European Union member states, have enacted a global minimum tax and more countries are expected to enact similar minimum tax regimes in 2025. Based on current enacted legislation, we do not expect a material impact on our future effective tax rate.

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, but not limited to, our recent history of pretax losses over the prior three year period, the goodwill and intangible asset impairments for various reporting units, the future reversals of existing taxable temporary differences, the projected future taxable income or loss and tax-planning. As of March 31, 2025, 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., Singapore and China. As a result, we have certain valuation allowances against our deferred tax assets as of March 31, 2025.

**8. Fair Value Measurements**

The Company had \$73.8 million and \$100.0 million borrowings outstanding under the Credit Facility and 2029 Bonds as of March 31, 2025, 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 2029 Bonds 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, 2025, the fair value and the carrying value of our 2029 Bonds approximated \$102.0 million and \$94.1 million, respectively. At December 31, 2024, the fair value and the carrying value of our 2029 Bonds approximated \$99.5 million and \$94.6 million, respectively.

There were no other significant outstanding financial instruments as of March 31, 2025 and December 31, 2024 that required measuring the amounts at fair value on a recurring basis. We did not change our valuation techniques associated with recurring fair value measurements from prior periods, and there were no transfers between levels of the fair value hierarchy during the three months ended March 31, 2025.

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

## 9. Business Segments

The Company operates in the following two reportable segments: (1) Drilling and Completions and (2) Artificial Lift and Downhole. The Drilling and Completions segment designs, manufactures and supplies products and solutions to the drilling, subsea, coiled tubing, well stimulation and intervention markets, including applications in oil and natural gas, renewable energy, defense and communications. The Artificial Lift and Downhole segment designs, manufactures and supplies products and solutions for the artificial lift, production and infrastructure markets.

The Company's reportable segments are strategic units that offer distinct products and services. They are managed separately since each business segment requires different marketing strategies. Operating segments have not been aggregated as part of a reportable segment. The Company evaluates the performance of its reportable segments based on operating income. This segmentation is representative of the manner in which our Chief Operating Decision Maker and our board of directors make decisions on how to allocate resources and assess performance. We consider the Chief Operating Decision Maker to be the Chief Executive Officer.

Summary financial data by segment follows (in thousands):

<b>Three Months Ended March 31, 2025</b>	<b>Drilling and Completions</b>	<b>Artificial Lift and Downhole</b>	<b>Total</b>
Revenue from external customers	\$ 115,483	\$ 77,796	\$ 193,279
Intersegment revenue	86	—	86
Segment revenue	115,569	77,796	193,365
Elimination of intersegment revenue			(86)
<b>Total consolidated revenue</b>			<b>193,279</b>
<b>Less:</b>			
Cost of sales	84,354	50,650	135,004
Selling, general and administrative expenses	21,836	19,849	41,685
<b>Segment operating income</b>	<b>\$ 9,379</b>	<b>\$ 7,297</b>	<b>\$ 16,676</b>
<b>Three Months Ended March 31, 2024</b>	<b>Drilling and Completions</b>	<b>Artificial Lift and Downhole</b>	<b>Total</b>
Revenue from external customers	\$ 119,050	\$ 83,342	\$ 202,392
Intersegment revenue	21	—	21
Segment revenue	119,071	83,342	202,413
Elimination of intersegment revenue			(21)
<b>Total consolidated revenue</b>			<b>202,392</b>
<b>Less:</b>			
Cost of sales	88,036	50,618	138,654
Selling, general and administrative expenses	26,476	20,938	47,414
<b>Segment operating income</b>	<b>\$ 4,559</b>	<b>\$ 11,786</b>	<b>\$ 16,345</b>

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

A reconciliation of segment operating income to income (loss) before income taxes is as follows (in thousands):

	Three Months Ended	
	March 31,	
	2025	2024
<b>Segment operating income</b>	\$ 16,676	\$ 16,345
Less:		
Other corporate expenses	7,698	7,252
Transaction expenses	51	5,921
Loss (gain) on disposal of assets and other	123	(28)
Interest expense	4,983	8,760
Foreign exchange losses (gains) and other, net	(1,068)	1,227
<b>Income (loss) before income taxes</b>	<u>\$ 4,889</u>	<u>\$ (6,787)</u>

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

	March 31, 2025	December 31, 2024
Drilling and Completions	\$ 410,785	\$ 418,583
Artificial Lift and Downhole	352,790	371,178
Corporate	26,535	26,193
<b>Total assets</b>	<u>\$ 790,110</u>	<u>\$ 815,954</u>

Corporate assets primarily include cash, certain prepaid assets and deferred loan costs.

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

	Three Months Ended	
	March 31,	
	2025	2024
Drilling	\$ 32,113	\$ 36,472
Subsea	22,140	21,835
Stimulation and Intervention	37,428	38,560
Coiled Tubing	23,888	22,204
Downhole	47,668	52,243
Production Equipment	19,059	18,482
Valve Solutions	11,069	12,617
Eliminations	(86)	(21)
<b>Total revenue</b>	<u>\$ 193,279</u>	<u>\$ 202,392</u>

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

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

	Three Months Ended March 31,	
	2025	2024
United States	\$ 103,903	\$ 111,317
Canada	31,437	35,639
Europe & Africa	19,788	21,602
Middle East	19,645	17,355
Asia-Pacific	10,443	10,168
Latin America	8,063	6,311
<b>Total revenue</b>	<b>\$ 193,279</b>	<b>\$ 202,392</b>

## 10. 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 has 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, 2025 and December 31, 2024, 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 12 of the notes to the consolidated financial statements included in Item 8 of the Company's 2024 Annual Report on Form 10-K filed with the SEC on March 3, 2025.

## 11. Earnings (Loss) Per Share

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

	Three Months Ended March 31,	
	2025	2024
Net income (loss)	\$ 1,122	\$ (10,315)
Weighted average shares outstanding - basic	12,303	12,201
Dilutive effect of stock options and restricted stock	265	—
Weighted average shares outstanding - diluted	12,568	12,201
<b>Earnings (loss) per share</b>		
Basic	\$ 0.09	\$ (0.85)
Diluted	\$ 0.09	\$ (0.85)

For the three months ended March 31, 2025, the diluted earnings per share excludes approximately nine thousand shares because they were anti-dilutive. For the three months ended 2024, we excluded all potentially dilutive stock options and restricted stock in calculating diluted earnings per share as the effect was anti-dilutive due to net losses incurred for the period. Diluted earnings per share was calculated using treasury stock method for the stock options and restricted stock.

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

## **12. Stock-based Compensation**

### ***Restricted Stock and Time-Based Restricted Stock Units***

During the three months ended March 31, 2025, the Company granted 190,392 time-based restricted stock units to employees that vest after three years. Also, during the three months ended March 31, 2025, the Company granted 34,228 time-based restricted stock and 8,557 time-based restricted stock units to non-employee members of the Board of Directors that vest after one year.

### ***Performance Share Awards***

During the three months ended March 31, 2025, the Company granted 95,197 performance restricted stock units (assuming target performance) to employees that vest based upon the Company's total shareholder return compared to the total shareholder return of a group of peer companies over three different performance periods. The performance periods run from January 1, 2025 through December 31, 2025, January 1, 2025 through December 31, 2026 and January 1, 2025 through December 31, 2027, and one-third of each award is allocated to each performance period. The performance restricted stock units may settle for between 0% and 200% of the target units granted.

During the three months ended March 31, 2025, the Company granted 95,197 performance restricted stock units (assuming target performance) to employees that vest based upon the Company's free cash flow over three different performance periods. The performance periods run from January 1, 2025 through December 31, 2025, January 1, 2025 through December 31, 2026 and January 1, 2025 through December 31, 2027, and one-third of each award is allocated to each performance period. The performance restricted stock units may settle for between 0% and 200% of the target units granted.

During the three months ended March 31, 2025, the Company granted 114,000 performance restricted stock units (assuming target performance) to employees that vest based upon the Company's minimum stock price threshold of \$21.91 per share, for 20 consecutive trading days during the period commencing on grant date of March 5, 2025 and ending on the third anniversary thereof.

## **13. Related Party Transactions**

The Company has sold and purchased inventory, services and fixed assets to and from 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, forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual results to differ materially from our plans, intentions or expectations. This may be the result of various factors, including, but not limited to, those factors discussed in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K filed with the SEC on March 3, 2025, 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 manufacturing company serving the oil, natural gas, industrial and renewable energy industries. With headquarters in Houston, Texas, FET provides value added solutions aimed at improving the safety, efficiency, and environmental impact of our customers’ operations. Our highly engineered products include capital equipment and consumable products. FET’s customers include oil and natural gas operators, land and offshore drilling contractors, oilfield service companies, pipeline and refinery operators, and renewable energy and new energy companies. Consumable products are used by our customers in drilling, well construction and completion activities and at processing centers and refineries. Our capital products are directed at drilling rig equipment for constructing new or upgrading existing rigs, subsea construction and development projects, pressure pumping equipment, the placement of production equipment on new producing wells, downstream capital projects and capital equipment for renewable energy projects. For the three months ended March 31, 2025, 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 expect that the world’s long-term energy demand will continue to rise for many decades. We also expect hydrocarbons will continue to play a vital role in meeting the world’s long-term energy needs while renewable energy sources develop to scale. As such, we remain focused on serving our customers in both oil and natural gas as well as renewable energy applications. We are continuing to develop products to help oil and gas operators lower expenses, increase production, and reduce their emissions while also deploying our technologies in renewable energy applications.

The Company operates in the following two reportable segments: (1) Drilling and Completions and (2) Artificial Lift and Downhole. Refer to Note 9 *Business Segments* for the product lines making up each segment.

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

- **Drilling and Completions.** This segment designs, manufactures and supplies products and solutions to the drilling, subsea, coiled tubing, well stimulation and intervention markets, including applications in the oil and natural gas, renewable energy, defense and communications industries. The products and solutions consist primarily of (i) capital equipment and consumable products used in the drilling process; (ii) capital equipment and aftermarket products including subsea remotely operated vehicles ("ROVs") and trenchers, submarine rescue vehicles, specialty components and tooling, and technical services; (iii) capital equipment and consumable products sold to the pressure pumping market, including hydraulic fracturing pumps, cooling systems, and high-pressure flexible hoses and flow iron; (iv) wireline cable and pressure control equipment used in the well completion and intervention service markets; and (v) coiled tubing strings and pressure control equipment used in coiled tubing operations, as well as coiled line pipe and related services.
- **Artificial Lift and Downhole.** This segment designs, manufactures and supplies products and solutions for the artificial lift, well construction, production and infrastructure markets. The products and solutions consist primarily of: (i) products designed to safeguard artificial lift equipment and downhole cables; (ii) well construction casing and cementing equipment; (iii) customized downhole technology solutions, providing sand and flow control products for heavy oil applications; (iv) engineered process systems, production equipment, as well as specialty separation equipment; and (v) a wide range of industrial valves focused on oil and natural gas as well as power generation, renewable energy and other general industrial applications.

## Market Conditions

Generally, demand for our products and services is directly related to our customers' capital and operating budgets. These budgets are heavily influenced by current and expected energy prices. In addition, demand for our capital products is driven by the utilization of service company equipment. Utilization is a function of equipment capacity and durability in demanding environments.

Average oil prices were lower in the first quarter 2025 compared to the first quarter 2024, while average natural gas prices nearly doubled. The decline in average oil prices is attributable to a faster than expected return of the Organization of Petroleum Exporting Countries and its allies ("OPEC+") production combined with global recessionary fears triggered by the expected imposition of broad based trade policy changes by the Trump Administration. The increase in average natural gas prices is attributable to strong demand, tightening supply and geopolitical uncertainty.

Subsequent to March 31, 2025, the Trump Administration's newly imposed trade policies and the uncertainty around their imposition led to concerns regarding ongoing consumer spending and the overall health of the world economy. This uncertainty coupled with increased supply from OPEC+ led to a further decrease in oil and natural gas prices. We will continue to monitor market conditions and assess risks, including macroeconomic uncertainty, trade policy, oil price volatility, and changes in regulations.

Our revenues, over the long-term, are highly correlated to the global drilling rig count, which decreased 5.0% during the first quarter 2025 compared to average global rig count during first quarter 2024. The decrease was mainly driven by a decline in U.S. rig count of 5.6%. In the U.S., publicly owned exploration and production companies are expected to continue to exercise disciplined capital spending while privately owned exploration and production companies fluctuate their activity in response to changes in oil and natural gas prices.

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

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
<b>Average global oil, \$/bbl</b>			
WTI	\$ 71.78	\$ 70.73	\$ 77.50
Brent	\$ 75.87	\$ 74.66	\$ 82.92
<b>Average North American Natural Gas, \$/Mcf</b>			
Henry Hub	\$ 4.14	\$ 2.44	\$ 2.15

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

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
<b>Active Rigs by Location</b>			
United States	588	586	623
Canada	216	196	208
International	902	926	965
<b>Global Active Rigs</b>	<b>1,706</b>	<b>1,708</b>	<b>1,796</b>
<b>Land vs. Offshore Rigs</b>			
Land	1,498	1,482	1,547
Offshore	208	226	249
<b>Global Active Rigs</b>	<b>1,706</b>	<b>1,708</b>	<b>1,796</b>
<b>U.S. Commodity Target</b>			
Oil	482	480	502
Gas	101	101	118
Unclassified	5	5	3
<b>Total U.S. Active Rigs</b>	<b>588</b>	<b>586</b>	<b>623</b>
<b>U.S. Well Path</b>			
Horizontal	525	521	560
Vertical	13	15	13
Directional	50	50	50
<b>Total U.S. Active Rigs</b>	<b>588</b>	<b>586</b>	<b>623</b>

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

	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
(in millions of dollars)			
Drilling and Completions	\$ 132.1	\$ 103.0	\$ 116.6
Artificial Lift and Downhole	68.6	87.0	87.8
<b>Total Orders</b>	<b>\$ 200.7</b>	<b>\$ 190.0</b>	<b>\$ 204.4</b>

## Results of operations

Three months ended March 31, 2025 compared with three months ended March 31, 2024

(in thousands of dollars, except per share information)	Three Months Ended March 31,		Change	
	2025	2024	\$	%
<b>Revenue</b>				
Drilling and Completions	\$ 115,569	\$ 119,071	\$ (3,502)	(2.9)%
Artificial Lift and Downhole	77,796	83,342	(5,546)	(6.7)%
Eliminations	(86)	(21)	(65)	*
<b>Total revenue</b>	<b>193,279</b>	<b>202,392</b>	<b>(9,113)</b>	<b>(4.5)%</b>
<b>Segment operating income</b>				
Drilling and Completions	9,379	4,559	4,820	105.7 %
Operating margin %	8.1 %	3.8 %		
Artificial Lift and Downhole	7,297	11,786	(4,489)	(38.1)%
Operating margin %	9.4 %	14.1 %		
Corporate	(7,698)	(7,252)	(446)	(6.2)%
<b>Total segment operating income</b>	<b>8,978</b>	<b>9,093</b>	<b>(115)</b>	<b>(1.3)%</b>
Operating margin %	4.6 %	4.5 %		
Transaction expenses	51	5,921	(5,870)	*
Loss (gain) on disposal of assets and other	123	(28)	151	*
<b>Operating income</b>	<b>8,804</b>	<b>3,200</b>	<b>5,604</b>	<b>175.1 %</b>
Interest expense	4,983	8,760	(3,777)	(43.1)%
Foreign exchange losses (gains) and other, net	(1,068)	1,227	(2,295)	*
<b>Total other expense</b>	<b>3,915</b>	<b>9,987</b>	<b>(6,072)</b>	<b>(60.8)%</b>
<b>Income (loss) before income taxes</b>	<b>4,889</b>	<b>(6,787)</b>	<b>11,676</b>	<b>172.0 %</b>
Income tax expense	3,767	3,528	239	6.8 %
<b>Net income (loss)</b>	<b>\$ 1,122</b>	<b>\$ (10,315)</b>	<b>\$ 11,437</b>	<b>110.9 %</b>
<b>Weighted average shares outstanding</b>				
Basic	12,303	12,201		
Diluted	12,568	12,201		
<b>Earnings (loss) per share</b>				
Basic	\$ 0.09	\$ (0.85)		
Diluted	\$ 0.09	\$ (0.85)		

\* not meaningful

## Revenue

Our revenue for the three months ended March 31, 2025 was \$193.3 million, a decrease of \$9.1 million, or 4.5%, compared to the three months ended March 31, 2024. For the three months ended March 31, 2025, our Drilling and Completions and our Artificial Lift and Downhole segments comprised 59.8% and 40.2% of our total revenue, respectively, compared to 58.8% and 41.2% of our total revenue, respectively, for the three months ended March 31, 2024. The overall decrease in revenue is primarily related to the decline in global drilling and completions activity in 2025 compared to 2024. The changes in revenue by operating segment consisted of the following:

*Drilling and Completions segment* — Revenue was \$115.6 million for the three months ended March 31, 2025, a decrease of \$3.5 million, or 2.9%, compared to the three months ended March 31, 2024. The decrease in segment revenue included a \$4.4 million, or 12.0%, decrease from the Drilling product line and a \$1.1 million, or 2.9%, decrease from the Stimulation and Intervention product line, primarily the result of declining global drilling and completions activity. These decreases were partially offset by an increase of \$1.7 million, or 7.6%, in our Coiled Tubing product line due to the completion of coiled line pipe projects in the U.S. and Latin America.

*Artificial Lift and Downhole segment* — Revenue was \$77.8 million for the three months ended March 31, 2025, a decrease of \$5.5 million, or 6.7%, compared to the three months ended March 31, 2024. Revenue for our Downhole product line decreased by \$4.6 million, or 8.8%, primarily due to decreased U.S. activity, partially offset by an increase in sales of international casing equipment hardware. Also, there was a \$1.5 million, or 12.3%, decrease in sales volumes of our valve products, particularly sales into the North America downstream oil and natural gas market.

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

Segment operating income for the three months ended March 31, 2025 was \$9.0 million, a \$0.1 million decrease, compared to \$9.1 million for the three months ended March 31, 2024. For the three months ended March 31, 2025, segment operating margin percentage was 4.6%, compared to 4.5%, for the three months ended March 31, 2024. Segment operating margin percentage is calculated by dividing segment operating income by revenue for the period. The change in operating income for each segment is explained as follows:

*Drilling and Completions segment* — Segment operating income was \$9.4 million, or 8.1%, for the three months ended March 31, 2025 compared to \$4.6 million, or 3.8%, for the three months ended March 31, 2024. The \$4.8 million increase in segment operating results due to reduction in amortization expense following intangible asset impairments recognized in the fourth quarter of 2024.

*Artificial Lift and Downhole segment* — Segment operating income was \$7.3 million, or 9.4%, for the three months ended March 31, 2025 compared to \$11.8 million, or 14.1%, for the three months ended March 31, 2024. The \$4.5 million decrease in segment operating results was due to unfavorable product mix.

*Corporate* — Selling, general and administrative expenses for Corporate were \$7.7 million for the three months ended March 31, 2025 compared to \$7.3 million for the three months ended March 31, 2024. This increase was primarily related to higher compensation costs and professional fees.

### **Other items not included in segment operating income (loss)**

Transaction expenses, gain (loss) on the disposal of assets and other are not included in segment operating income (loss), but are included in total operating income.

### **Other income and expense**

Other income and expense includes interest expense and foreign exchange gains (losses) and other. We incurred \$5.0 million of interest expense during the three months ended March 31, 2025, a decrease of \$3.8 million compared to the three months ended March 31, 2024, due to decreased borrowings. See Note 6 *Debt* for further details related to debt.

The foreign exchange gains and losses are primarily the result of movements in the British pound, Canadian dollar 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.

## Taxes

We recorded tax expense of \$3.8 million and \$3.5 million for the three months ended March 31, 2025 and 2024, respectively. The estimated annual effective tax rates for the three months ended March 31, 2025 and 2024 were impacted by losses in jurisdictions where the recording of a tax benefit is not available. Furthermore, the tax expense or benefit recorded can vary from period to period depending on the Company's relative mix of earnings and losses by jurisdiction.

## Liquidity and capital resources

### Sources and uses of liquidity

Our internal sources of liquidity are cash on hand and cash flows from operations, while our primary external sources include trade credit, the Credit Facility, and 2029 Bonds. Our primary uses of capital have been for inventory, sales on credit to our customers, maintenance and growth capital expenditures and debt repayments. We continually monitor other potential capital sources, including equity and debt financing, to meet our investment and target liquidity requirements. Our future success and growth will be highly dependent on our ability to generate positive operating cash flow and access outside sources of capital.

As of March 31, 2025, we had \$73.8 million of borrowings under our revolving Credit Facility and \$100.0 million principal amount of the 2029 Bonds outstanding. See Note 6 *Debt* for further details related to the terms for our debt arrangements.

As of March 31, 2025, we had cash and cash equivalents of \$31.1 million and \$77.4 million of availability under the Credit Facility. We anticipate that our future working capital requirements for our operations will fluctuate directionally with revenues. Furthermore, availability under the Credit Facility will fluctuate directionally based on the level of our eligible accounts receivable and inventory subject to applicable sublimits. In addition, we expect total 2025 capital expenditures to be approximately \$10.0 million, primarily for replacement of end of life machinery and equipment.

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

In December 2024, our board of directors approved a program for the repurchase of outstanding shares of our common stock with an aggregate purchase amount of up to \$75.0 million. Shares may be repurchased under the program from time to time, in amounts and at prices that the company deems appropriate, subject to market and business conditions, applicable legal requirements and other considerations. During the three months ended March 31, 2025, we repurchased 105 thousand shares of our common stock for approximately \$2.0 million and the remaining authorization under this program is \$73.0 million.

Our cash flows for the three months ended March 31, 2025 and 2024 are presented below (in millions):

	Three Months Ended March 31,	
	2025	2024
Net cash provided by operating activities	\$ 9.3	\$ 5.0
Net cash used in investing activities	(2.1)	(152.8)
Net cash provided by (used in) financing activities	(21.0)	151.8
Effect of exchange rate changes on cash	0.3	(1.7)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>\$ (13.5)</b>	<b>\$ 2.3</b>

**Net cash provided by operating activities**

Net cash provided by operating activities was \$9.3 million for the three months ended March 31, 2025 compared to net cash provided by operating activities of \$5.0 million for the three months ended March 31, 2024. This improvement in operating cash flows is primarily attributable to increase in net income adjusted for non-cash items which provided \$11.1 million of cash for the three months ended March 31, 2025 compared to \$5.9 million for the three months ended March 31, 2024.

**Net cash used in investing activities**

Net cash used in investing activities was \$2.1 million for the three months ended March 31, 2025, mainly related to capital expenditures. Net cash used in investing activities was \$152.8 million for the three months ended March 31, 2024, mainly related to the acquisition of Variperem Holdings Ltd. ("Variperem") of \$150.1 million and \$2.9 million of capital expenditures.

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

Net cash used in financing activities was \$21.0 million for the three months ended March 31, 2025 compared to \$151.8 million of cash provided by financing activities for the three months ended March 31, 2024. The change in net cash used in financing activities primarily resulted from \$16.5 million in net repayments from the revolving Credit Facility during the three months ended March 31, 2025 compared to a \$96.5 million in net borrowings on the revolving Credit Facility and \$59.7 million proceeds from the second lien seller term loan related to the Variperem acquisition, during the three months ended March 31, 2024.

**Critical accounting policies and estimates**

There have been no material changes in our critical accounting policies and estimates during the three months ended March 31, 2025. For a detailed discussion of our critical accounting policies and estimates, refer to our 2024 Annual Report on Form 10-K. For recent accounting pronouncements, refer to Note 2 *Recent Accounting Pronouncements*.

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

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

**Item 4. Controls and Procedures****Evaluation of Disclosure Controls and Procedures**

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

Our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of March 31, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2025.

**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, 2025 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 10 *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 2024 Annual Report on Form 10-K.

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

Our board of directors approved programs for the repurchase of outstanding shares of our common stock with an aggregate purchase amount of up to \$10.0 million (the “November 2021 Program”) and \$75.0 million (the “December 2024 Program”), in November 2021 and December 2024, respectively. The December 2024 Program replaced the authority granted under the November 2021 Program. Shares may be repurchased under the December 2024 Program from time to time, in amounts and at prices that the Company deems appropriate, subject to market and business conditions, applicable legal requirements and other considerations. The December 2024 Program may be executed using open market purchases pursuant to Rule 10b-18 under the Securities Exchange Act of 1934 (the “Exchange Act”), in privately negotiated agreements or by way of issuer tender offers, Rule 10b5-1 plans or other transactions. From the inception of the November 2021 Program through March 31, 2025, we have repurchased approximately 403 thousand shares of our common stock for aggregate consideration of approximately \$9.6 million. Remaining authorization under the December 2024 Program is \$73.0 million.

The following table is a summary of our repurchases of our common stock during the three months ended March 31, 2025.

Period	Total number of shares purchased (a)	Average price paid per share	Total number of shares purchased as part of publicly announced plan or programs (a)	Maximum value of shares that may yet be purchased under the plan or program (in thousands) (a)
January 1, 2025 - January 31, 2025	105,253	\$ 18.97	105,253	\$ 73,003
February 1, 2025 - February 28, 2025	—	\$ —	—	73,003
March 1, 2025 - March 31, 2025	—	\$ —	—	73,003
Total	<u>105,253</u>	<u>\$ 18.97</u>	<u>105,253</u>	

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

#### **Rule 10b5-1 Trading Plan**

During the quarter ended March 31, 2025, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements.

**Item 6. Exhibits**

Exhibit Number	DESCRIPTION
10.1*#	— <a href="#">Form of 2025 Restricted Stock Unit Agreement - Executive.</a>
10.2*#	— <a href="#">Form of 2025 Performance Restricted Stock Unit Agreement (Relative TSR) - Executive.</a>
10.3*#	— <a href="#">Form of 2025 Performance Restricted Stock Unit Agreement (Free Cash Flow) - Executive.</a>
10.4*#	— <a href="#">Form of 2025 Performance Restricted Stock Unit Agreement (Stock Price Hurdle) - Executive.</a>
10.5*#	— <a href="#">Form of 2025 Restricted Stock Unit Agreement - Non Executive Director.</a>
10.6*#	— <a href="#">Form of 2025 Restricted Stock Award Agreement - Non Executive Director.</a>
31.1**	— <a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2**	— <a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	— <a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	— <a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	— Inline XBRL Instance Document.
101.SCH*	— Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	— Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	— Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	— Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF*	— Inline XBRL Taxonomy Extension Definition Linkbase Document.
104*	— Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\*Filed herewith.

\*\*Furnished 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 2, 2025

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/ Katherine C. Keller

\_\_\_\_\_

Katherine C. Keller

Senior Vice President and Chief Accounting Officer

(As Duly Authorized Officer and Principal Accounting Officer)

**FORUM ENERGY TECHNOLOGIES, INC.**

**2025 RESTRICTED STOCK UNIT AGREEMENT**

This Restricted Stock Unit Agreement (this “Agreement”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025 (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 (as amended, the “Plan”), the Employee is hereby awarded [**number of units**] restricted stock units (the “RSUs”) evidencing the right to receive an equivalent number of shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”), subject to certain restrictions thereon. The Employee acknowledges receipt of a copy of the Plan, and agrees that this award of RSUs shall be subject to all of the terms and provisions of the Plan, including future amendments thereto, if any, pursuant to the terms thereof. Capitalized terms used in this Agreement that are not defined herein shall have the meanings given to them in the Plan.

2. **Forfeiture Restrictions and Assignment.**

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

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

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

(c) Except as otherwise provided in Section 3, any RSUs with respect to which the Forfeiture Restrictions do not lapse in accordance with the preceding provisions of this Section 2(b) shall be

cancelled and forfeited to the Company for no consideration as of the date of the termination of the Employee's employment with the Company.

3. **Termination of Employment.**

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

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

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

(i) a change in the Employee's status, title or position with the Company Group, including as an officer of the Company, which, in the Employee's good faith judgment, does not represent a promotion, with commensurate adjustment of compensation, from the Employee's status, title or position as in effect immediately prior thereto; the assignment to the Employee of any duties or responsibilities which, in the Employee's good faith judgment, are inconsistent with the Employee's status, title or position in effect immediately prior to such assignment; the withdrawal from the Employee of any of the Employee's duties or responsibilities which, in the Employee's good faith judgment, are consistent with the Employee's status, title or position in effect immediately prior to such withdrawal; or any removal of the Employee from or any failure to reappoint or reelect the Employee to any position; provided that the circumstances described in this item (i) do not apply as a result of the Employee's death,

Retirement, or Disability or following receipt by the Employee of written notice from the Company of the termination of the Employee's employment for Cause;

(ii) a reduction by the Company in the Employee's then current base salary;

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

(iv) the relocation of the principal place of the Employee's employment to a location 25 miles further from the Employee's then current principal residence;

(v) the failure by the Company upon a Change in Control to obtain an agreement, satisfactory to the Employee, from any successor or assign of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to expressly assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no succession or assignment had taken place; or

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

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

4. **Settlement.** Except as otherwise provided in Section 2(b) or 3, settlement of RSUs shall be made no later than 15 days after the lapse of Forfeiture Restrictions. Settlement will be made by issuance of shares of Common Stock. 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 applicable federal, state, local and foreign tax withholding obligation with respect to the settled RSUs. The settlement of the RSUs as described in Section 4 and dividend equivalents described in Section 5 will be net of such amount that is withheld to satisfy applicable taxes pursuant to this Section 7. In lieu of withholding of shares of Common Stock, the Committee may, in its discretion, authorize tax withholding to be satisfied by a cash payment to the Company, by withholding an appropriate amount of cash from base pay, or by such other method as the Committee determines may be appropriate to satisfy all obligations for withholding of such taxes. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the RSUs, the lapse of any Forfeiture Restrictions or the issuance of shares of Common Stock pursuant thereto, or the forfeiture of any RSUs pursuant to the Forfeiture Restrictions.

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

9. **Section 409A.** The award of RSUs is intended to be (i) exempt from Section 409A of the Code ("Section 409A") including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4);

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

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

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

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

13.

**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: \_\_\_\_\_  
John C. Ivascu

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

**EMPLOYEE**

\_\_\_\_\_

**FORUM ENERGY TECHNOLOGIES, INC.**  
**2025 PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT**  
**(RELATIVE TSR)**

This Restricted Stock Unit Agreement (this "Agreement") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025 (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 (as amended, the "Plan"), the Employee is hereby awarded [**number of units**] restricted stock units ("RSUs" and such number of RSUs, the "Target RSUs"). The RSUs represent the right to receive a number of shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), of between 0% and 200% of the Target RSUs with the final number of RSUs that become "Earned RSUs" determined based on the "Payout Multiplier" as set forth in Exhibit A. 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 performance conditions set forth in Exhibit A (the "Relative TSR Condition"), the Employee shall, for no consideration, forfeit all unvested RSUs and such unvested RSUs shall be cancelled. The obligation to forfeit unvested RSUs as provided in the preceding sentence is herein referred to as the "Forfeiture Restrictions."

(b) **Lapse of Forfeiture Restrictions**. The Forfeiture Restrictions shall lapse and the RSUs shall become vested immediately upon the date that the Relative TSR Condition set forth in Exhibit A has been met, subject to the Employee's continuous employment by the Company or any of its Affiliates (collectively, the "Company Group") from the Date of Grant through the applicable Determination Date (as defined in Exhibit A) (such condition, the "Service Condition"). Except as otherwise provided in Section 3, any RSUs with respect to which the Forfeiture Restrictions do not lapse in accordance with this Section 2(b) and Exhibit A 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 applicable Determination Date.

3. **Termination of Employment**.

(a) **Death or Disability**. If the Employee's employment with the Company Group is terminated by reason of the Employee's death or Disability (as defined below), then (i) a pro rata amount of the unvested RSUs will be deemed to satisfy the Service Condition and remain eligible to vest subject to satisfaction of the Relative TSR Condition in accordance with Exhibit A, with such pro rata amount determined by a fraction (not to exceed 1.0) with respect to each unvested Tranche (as defined in Exhibit A) of the RSUs, the numerator of which shall be the number of whole months that have elapsed for the period beginning on the first date of the applicable Performance Period (as defined in Exhibit A) and ending on the date of the Employee's death or Disability, as applicable, and the denominator of which shall be the number of whole months in the applicable Performance Period for such Tranche and (ii) the remaining unvested RSUs shall be cancelled and forfeited to the Company for no consideration. Such pro

rata amount of the unvested RSUs that become Earned RSUs shall be settled within thirty (30) days after the applicable Determination Date (but in no event later than March 15 of the calendar year following the calendar year in which the end of the applicable Performance Period occurs). For purposes of this Section 3(a), an Employee shall 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), then (i) a pro rata amount of the unvested RSUs will be deemed to satisfy the Service Condition and remain eligible to vest subject to satisfaction of the Relative TSR Condition in accordance with Exhibit A, with such 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 whole months that have elapsed for the period beginning on the first date of the applicable Performance Period and ending on the date of the Employee’s Retirement, and the denominator of which shall be the number of whole months in the applicable Performance Period for such Tranche and (ii) the remaining unvested RSUs shall be cancelled and forfeited to the Company for no consideration. Such pro rata amount of the unvested RSUs that become Earned RSUs shall be settled within thirty (30) days after the applicable Determination Date (but in no event later than March 15 of the calendar year following the calendar year in which the end of the applicable Performance Period occurs). 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 Relative TSR Condition with respect to all outstanding RSUs shall be deemed to have been satisfied as of the date of the Change in Control at the greater of (i) target performance (i.e. a Payout Multiplier of 1.00) or (ii) actual performance determined in accordance with Exhibit A assuming each applicable Performance Period ended on the date of such Change in Control. The Earned RSUs under this Section 3(c) shall remain subject to the Service Condition through the original end of the applicable Performance Period, notwithstanding such deemed earlier end to such Performance Period under this Section 3(c). For the avoidance of doubt, following a Change in Control the Earned RSUs shall also remain subject to earlier deemed satisfaction of the Service Condition under Sections 3(a), 3(b), 3(d) and the Plan, in which case settlement of the Earned RSUs shall be accelerated and the date of satisfaction of the Service Condition (and lapse of all Forfeiture Restrictions) shall be considered the “Determination Date” hereunder.

(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.

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

4. **Settlement.** Except as otherwise provided in Section 2 or 3, settlement of Earned RSUs shall be made no later than 15 days after the applicable Determination Date. Settlement will be made by issuance of a number of shares of Common Stock equal to the Earned RSUs. 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 applicable federal, state, local and foreign tax withholding obligation with respect to the settled RSUs. The settlement of the RSUs as described in Section 4 and dividend equivalents described in Section 5 will be net of such amount that is withheld to satisfy applicable taxes pursuant to this Section 7. In lieu of withholding of shares of Common Stock, the Committee may, in its discretion, authorize tax withholding to be satisfied by a cash payment to the Company, by withholding an appropriate amount of cash from base pay, or by such other method as the Committee determines may be appropriate to satisfy all obligations for withholding of such taxes. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the RSUs, the lapse of any Forfeiture Restrictions or the issuance of shares of Common Stock pursuant thereto, or the forfeiture of any RSUs pursuant to the Forfeiture Restrictions.

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

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

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

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

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

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

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

**FORUM ENERGY TECHNOLOGIES, INC.**

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

John C. Ivascu

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

**EMPLOYEE**

\_\_\_\_\_

## Exhibit A

### Relative TSR Condition

1. **Definitions.** For purposes of this Exhibit A, the following definitions shall apply:

(a) “Ending Share Price” means the average closing price of the applicable shares over the last 10 trading days of the applicable Performance Period.

(b) “Peer Group” means NOV Inc. (NOV), Cactus, Inc. (WHD), Oceaneering International, Inc. (OII), Expro Group Holdings N.V. (XPRO), Innovex International Inc. (INVX), Core Laboratories N.V. (CLB), Hunting plc (HTG), Oil States International, Inc. (OIS), DMC Global Inc. (BOOM), and PHLX Oil Service Sector Index (OSX).

(c) “Performance Period” means (i) with respect to Tranche 1 RSUs, January 1, 2025 through December 31, 2025, (ii) with respect to Tranche 2 RSUs, January 1, 2025 through December 31, 2026, and (iii) with respect to Tranche 3 RSUs, January 1, 2025 through December 31, 2027.

(d) “Starting Share Price” means the average closing price of the applicable shares over the first 10 trading days of the applicable Performance Period.

(e) “Total Shareholder Return” means common stock price growth for each applicable entity over the applicable Performance Period, as measured by dividing (i) the sum of (A) the cumulative amount of dividends for the Performance Period, assuming dividend reinvestment, and (B) the difference between the entity’s Ending Share Price and the Starting Share Price; by (ii) the entity’s Starting Share Price. In the event of a spin-off or similar divestiture during the Performance Period by an entity that is a member of the Peer Group, the Committee may make such adjustments to the calculation of such entity’s Total Shareholder Return as it determines may be appropriate, including, without limitation, taking into account the common stock price growth for both the entity that is the member of the Peer Group and the divested entity over the Performance Period. In calculating Total Shareholder Return, the share prices and dividends of Peer Group entities that trade in foreign currency shall be converted to U.S. dollars.

(f) “Tranche 1 RSUs” means **[33% of units]** of the Target RSUs.

(g) “Tranche 2 RSUs” means **[33% of units]** of the Target RSUs.

(h) “Tranche 3 RSUs” means **[remaining units]** of the Target RSUs.

2. **Relative TSR Methodology.** For purposes of determining the “Payout Multiplier” and the number of Earned RSUs for each Tranche of RSUs, as soon as administratively practicable following the end of the applicable Performance Period, the Committee shall:

(a) Calculate the Total Shareholder Return for the Company and each company in the Peer Group for the applicable Performance Period.

(b) Rank the Company and each member of the Peer Group based on Total Shareholder Return with the company having the highest Total Shareholder Return ranking in the first position and the company with the lowest Total Shareholder Return ranking in the 9th position.

(c) Determine the number of Earned RSUs by multiplying the Tranche 1 RSUs, Tranche 2 RSUs or Tranche 3 RSUs, as applicable, by the Payout Multiplier in the Nine Company Payout Schedule below:

<b>Eleven Company Payout Schedule</b>	
<b>Company Ranking</b>	<b>Payout Multiplier</b>
1	2.00
2	1.80
3	1.60
4	1.40
5	1.20
6	1.00
7	0.80
8	0.60
9	0.40
10	0.20
11	0.00

(d) Notwithstanding the Payout Multiplier determined pursuant to Section 2(c) above, (i) in the event the Total Shareholder Return for the Company is less than -15%, the Payout Multiplier shall not be more than 1.00; and (ii) in the event the Total Shareholder Return for the Company is less than 0% but greater than -15%, any portion of the Payout Multiplier that exceeds 1.00 shall be reduced by half (i.e., if the Payout Multiplier is 1.60 and the Total Shareholder Return for the Company is less than 0% but greater than -15%, the final Payout Multiplier will be 1.30).

(e) Notwithstanding the Payout Multiplier determined pursuant to Section 2(c) above, in the event the Total Shareholder Return for the Company is greater than or equal to 15% (with respect to the Tranche 1 RSUs), 17.5% (with respect to the Tranche 2 RSUs) or 20% (with respect to the Tranche 3 RSUs), the Payout Multiplier shall not be less than 1.00.

(f) If any calculation with respect to the Earned RSUs would result in a fractional share, the number of Earned RSUs shall be rounded up to the nearest whole share.

(g) The date on which the Committee makes the determinations under this Section 2 shall be the applicable “Determination Date.”

### **3. Peer Group Changes; Relative TSR Methodology Adjustments.**

(a) If, as a result of merger, acquisition or a similar corporate transaction, the Committee determines that a member of the Peer Group shall cease to be a member of the Peer Group (an “Affected Peer Company”), the Nine Company Payout Schedule shall not be used and an alternative schedule shall be used in its place whereby the lowest ranking (excluding the Affected Peer Company) results in a Payout Multiplier of 0.00, the highest ranking results in a Payout Multiplier of 2.00, and the Payout Multiplier for the other rankings will be linearly interpolated on a straight-line basis.

(b) If a member of the Peer Group declares bankruptcy or is otherwise delisted from a nationally recognized stock exchange, it shall be deemed to remain in the Peer Group until the end of each applicable Performance Period and shall occupy the lowest ranking in the Payout Schedule.

(c) If, as a result of mergers, acquisitions or similar corporate transactions, there are five or more Affected Peer Companies, the Committee may, in its sole discretion, revise the makeup of the Peer Group and make adjustments to the Payout Multipliers, as it determines to be equitable and appropriate.

**FORUM ENERGY TECHNOLOGIES, INC.**  
**2025 PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT**  
**(FREE CASH FLOW)**

This Performance Restricted Stock Unit Agreement (this “Agreement”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025 (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 (as amended, the “Plan”), the Employee is hereby awarded [**number of units**] restricted stock units (“RSUs” and such number of RSUs, the “Target RSUs”). The RSUs represent the right to receive a number of shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”), of between 0% and 200% of the Target RSUs with the final number of RSUs that become “Earned RSUs” determined based on the “Payout Multiplier” as set forth in Exhibit A. 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 performance conditions set forth in Exhibit A (the “Free Cash Flow Condition”), the Employee shall, for no consideration, forfeit all unvested RSUs and such unvested RSUs shall be cancelled. The obligation to forfeit unvested RSUs as provided in the preceding sentence is herein referred to as the “Forfeiture Restrictions.”

(b) **Lapse of Forfeiture Restrictions**. The Forfeiture Restrictions shall lapse and the RSUs shall become vested immediately upon the date that the Free Cash Flow Condition set forth in Exhibit A has been met, subject to the Employee’s continuous employment by the Company or any of its Affiliates (collectively, the “Company Group”) from the Date of Grant through the applicable Determination Date (as defined in Exhibit A) (such condition, the “Service Condition”). Except as otherwise provided in Section 3, any RSUs with respect to which the Forfeiture Restrictions do not lapse in accordance with this Section 2(b) and Exhibit A 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 applicable Determination Date.

3. **Termination of Employment**.

(a) **Death or Disability**. If the Employee’s employment with the Company Group is terminated by reason of the Employee’s death or Disability (as defined below), then (i) a pro rata amount of the unvested RSUs will be deemed to satisfy the Service Condition and remain eligible to vest subject to satisfaction of the Free Cash Flow Condition in accordance with Exhibit A, with such pro rata amount determined by a fraction (not to exceed 1.0) with respect to each unvested Tranche (as defined in Exhibit A) of the RSUs, the numerator of which shall be the number of whole months that have elapsed for the period beginning on the first date of the applicable Performance Period (as defined in Exhibit A) and ending on the date of the Employee’s death or Disability, as applicable, and the denominator of which shall be the number of whole months in the applicable Performance Period for such Tranche and (ii) the remaining unvested RSUs shall be cancelled and forfeited to the Company for no consideration. Such pro

rata amount of the unvested RSUs that become Earned RSUs shall be settled within thirty (30) days after the applicable Determination Date (but in no event later than March 15 of the calendar year following the calendar year in which the end of the applicable Performance Period occurs). For purposes of this Section 3(a), an Employee shall 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), then (i) a pro rata amount of the unvested RSUs will be deemed to satisfy the Service Condition and remain eligible to vest subject to satisfaction of the Free Cash Flow Condition in accordance with Exhibit A, with such 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 whole months that have elapsed for the period beginning on the first date of the applicable Performance Period and ending on the date of the Employee’s Retirement, and the denominator of which shall be the number of whole months in the applicable Performance Period for such Tranche and (ii) the remaining unvested RSUs shall be cancelled and forfeited to the Company for no consideration. Such pro rata amount of the unvested RSUs that become Earned RSUs shall be settled within thirty (30) days after the applicable Determination Date (but in no event later than March 15 of the calendar year following the calendar year in which the end of the applicable Performance Period occurs). 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 Free Cash Flow Condition with respect to all outstanding RSUs shall be deemed to have been satisfied as of the date of the Change in Control at the greater of (i) target performance (i.e. a Payout Multiplier of 1.00) or (ii) actual performance determined in accordance with Exhibit A assuming each applicable Performance Period ended on the date of such Change in Control. The Earned RSUs under this Section 3(c) shall remain subject to the Service Condition through the original end of the applicable Performance Period, notwithstanding such deemed earlier end to such Performance Period under this Section 3(c). For the avoidance of doubt, following a Change in Control the Earned RSUs shall also remain subject to earlier deemed satisfaction of the Service Condition under Sections 3(a), 3(b), 3(d) and the Plan, in which case settlement of the Earned RSUs shall be accelerated and the date of satisfaction of the Service Condition (and lapse of all Forfeiture Restrictions) shall be considered the “Determination Date” hereunder.

(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.

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

4. **Settlement.** Except as otherwise provided in Section 2 or 3, settlement of Earned RSUs shall be made no later than 15 days after the applicable Determination Date. Settlement will be made by issuance of a number of shares of Common Stock equal to the Earned RSUs. 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 applicable federal, state, local and foreign tax withholding obligation with respect to the settled RSUs. The settlement of the RSUs as described in Section 4 and dividend equivalents described in Section 5 will be net of such amount that is withheld to satisfy applicable taxes pursuant to this Section 7. In lieu of withholding of shares of Common Stock, the Committee may, in its discretion, authorize tax withholding to be satisfied by a cash payment to the Company, by withholding an appropriate amount of cash from base pay, or by such other method as the Committee determines may be appropriate to satisfy all obligations for withholding of such taxes. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the RSUs, the lapse of any Forfeiture Restrictions or the issuance of shares of Common Stock pursuant thereto, or the forfeiture of any RSUs pursuant to the Forfeiture Restrictions.

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

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

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

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

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

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

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

**FORUM ENERGY TECHNOLOGIES, INC.**

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

John C. Ivascu

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

**EMPLOYEE**

\_\_\_\_\_

## Exhibit A

### Free Cash Flow Condition

1. **Definitions.** For purposes of this Exhibit A, the following definitions shall apply:

(a) “Free Cash Flow” means cash flow from operations less net capital expenditures, each as reported in the Company’s audited financial statements. The Committee may, in its discretion, make appropriate adjustments to the final Free Cash Flow results to reflect any changes in the business of the Company during the Performance Period or other unanticipated events or occurrences, including without limitation, (i) any or all mergers, acquisitions or divestitures, (ii) restructurings, and (iii) changes in accounting requirements or tax laws.

(b) “Performance Period” means (i) with respect to Tranche 1 RSUs, January 1, 2025 through December 31, 2025, (ii) with respect to Tranche 2 RSUs, January 1, 2025 through December 31, 2026, and (iii) with respect to Tranche 3 RSUs, January 1, 2025 through December 31, 2027.

(c) “Tranche 1 RSUs” means [**33% of units**] of the Target RSUs.

(d) “Tranche 2 RSUs” means [**33% of units**] of the Target RSUs.

(e) “Tranche 3 RSUs” means [**remaining units**] of the Target RSUs.

2. **Free Cash Flow Methodology.** For purposes of determining the “Payout Multiplier” and the number of Earned RSUs for each Tranche of RSUs, as soon as administratively practicable following the end of the applicable Performance Period, the Committee shall:

(a) Calculate the Free Cash Flow for the Company for the applicable Performance Period.

(b) Determine the number of Earned RSUs by multiplying the Tranche 1 RSUs, Tranche 2 RSUs or Tranche 3 RSUs, as applicable, by the Payout Multiplier for the level of Free Cash Flow earned by the Company (rounded to the nearest level) in the applicable Performance Period. For example, if Tranche 1 free cash flow is \$61,500,000, a multiplier of 1.20 would be applied.

Tranche 1		Tranche 2		Tranche 3	
FCF	Multiplier	FCF	Multiplier	FCF	Multiplier
\$25,000,000	0.00	\$50,000,000	0.00	\$75,000,000	0.00
\$30,000,000	0.20	\$60,000,000	0.20	\$90,000,000	0.20
\$35,000,000	0.40	\$70,000,000	0.40	\$105,000,000	0.40
\$40,000,000	0.60	\$80,000,000	0.60	\$120,000,000	0.60
\$45,000,000	0.80	\$90,000,000	0.80	\$135,000,000	0.80
\$59,000,000	1.00	100,000,000	1.00	\$150,000,000	1.00
\$63,000,000	1.20	\$110,000,000	1.20	\$165,000,000	1.20
\$66,000,000	1.40	\$120,000,000	1.40	\$180,000,000	1.40
\$69,000,000	1.60	\$130,000,000	1.60	\$195,000,000	1.60
\$72,000,000	1.80	140,000,000	1.80	\$210,000,000	1.80
\$75,000,000	2.00	\$150,000,000	2.00	\$225,000,000	2.00

(c)

(d) If any calculation with respect to the Earned RSUs would result in a fractional share, the number of Earned RSUs shall be rounded up to the nearest whole share.

(e) The date on which the Committee makes the determinations under this Section 2 shall be the applicable “Determination Date.”

**FORUM ENERGY TECHNOLOGIES, INC.**  
**2025 PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT**  
**(STOCK PRICE HURDLE)**

This Performance Restricted Stock Unit Agreement (this "Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 2025 (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 (as amended, the "Plan"), the Employee is hereby awarded [**number of units**] restricted stock units ("RSUs"). The RSUs represent the right to receive an equivalent number of shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), subject to the terms and conditions herein. 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 performance conditions set forth in Exhibit A (the "Stock Price Condition"), the Employee shall, for no consideration, forfeit all unvested RSUs and such unvested RSUs shall be cancelled. The obligation to forfeit unvested RSUs as provided in the preceding sentence is herein referred to as the "Forfeiture Restrictions."

(b) **Lapse of Forfeiture Restrictions.** The Forfeiture Restrictions shall lapse and the RSUs shall become vested immediately upon the third anniversary of the Date of Grant (the "Vesting Date"), provided that the Stock Price Condition set forth in Exhibit A has been met, and subject to the Employee's continuous employment by the Company or any of its Affiliates (collectively, the "Company Group") from the Date of Grant through the Vesting Date (such condition, the "Service Condition"). Except as otherwise provided in Section 3, any RSUs with respect to which the Forfeiture Restrictions do not lapse in accordance with this Section 2(b) and Exhibit A 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 Vesting Date.

3. **Termination of Employment.**

(a) **Death or Disability.** If the Employee's employment with the Company Group is terminated by reason of the Employee's death or Disability (as defined below), then (i) a pro rata amount of the unvested RSUs will be deemed to satisfy the Service Condition and remain eligible to vest subject to satisfaction of the Stock Price Condition in accordance with Exhibit A, with such pro rata amount determined by a fraction (not to exceed 1.0), the numerator of which shall be the number of whole 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 36 and (ii) the remaining unvested RSUs shall be cancelled and forfeited to the Company for no consideration. Such pro rata amount of the unvested RSUs that become Earned RSUs shall be settled 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 purposes of this Section 3(a), an Employee shall 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), then (i) a pro rata amount of the unvested RSUs will be deemed to satisfy the Service Condition and remain eligible to vest subject to satisfaction of the Stock Price Condition in accordance with Exhibit A, with such pro rata amount determined by a fraction (not to exceed 1.0), the numerator of which shall be the number of whole 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 36 and (ii) the remaining unvested RSUs shall be cancelled and forfeited to the Company for no consideration. Such pro rata amount of the unvested RSUs that become Earned RSUs shall be settled within thirty (30) days after the later of the date of the Employee's Retirement or the satisfaction of the Stock Price Condition. 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 with respect to all outstanding RSUs shall be deemed to have been satisfied as of the date of the Change in Control. The RSUs shall remain subject to the Service Condition through the Vesting Date. For the avoidance of doubt, following a Change in Control the RSUs shall also remain subject to earlier deemed satisfaction of the Service Condition under Sections 3(a), 3(b), 3(d) and the Plan.

(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.

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

4. **Settlement.** Except as otherwise provided in Section 2 or 3, settlement of Earned RSUs shall be made no later than 15 days after the Vesting Date. Settlement will be made by issuance of a number of shares of Common Stock equal to the Earned RSUs. 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 applicable federal, state, local and foreign tax withholding obligation with respect to the settled RSUs. The settlement of the RSUs as described in Section 4 and dividend equivalents described in Section 5 will be net of such amount that is withheld to satisfy applicable taxes pursuant to this Section 7. In lieu of withholding of shares of Common Stock, the Committee may, in its discretion, authorize tax withholding to be satisfied by a cash payment to the Company, by withholding an appropriate amount of cash from base pay, or by such other method as the Committee determines may be appropriate to satisfy all obligations for withholding of such taxes. The Employee acknowledges and agrees that the Company is making no representation or warranty as to the tax consequences to the Employee as a result of the receipt of the RSUs, the lapse of any Forfeiture Restrictions or the issuance of shares of Common Stock pursuant thereto, or the forfeiture of any RSUs pursuant to the Forfeiture Restrictions.

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

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

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

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

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

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

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

**FORUM ENERGY TECHNOLOGIES, INC.**

By: \_\_\_\_\_  
John C. Ivascu

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

**EMPLOYEE**

\_\_\_\_\_

## **Exhibit A**

### **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 consecutive trading days during the period commencing on the Date of Grant and ending on the third anniversary thereof. The "Threshold Price" is a Fair Market Value of \$[ ] per share, adjusted as deemed appropriate by the Committee to reflect any recapitalization, reclassification, stock dividend or other similar change in capital structure. Once the Stock Price Condition has been satisfied the RSUs granted hereunder shall be considered "Earned RSUs."

**FORUM ENERGY TECHNOLOGIES, INC.  
2016 STOCK AND INCENTIVE PLAN**

**2025 NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AGREEMENT**

This Restricted Stock Unit Agreement (this "Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 2025 (the "Date of Grant"), between Forum Energy Technologies, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Director").

1. **Award.** Pursuant to the Forum Energy Technologies, Inc. 2016 Second Amended and Restated Stock and Incentive Plan (as amended, the "Plan"), the Director is hereby awarded [**number of units**] restricted stock units (the "RSUs") evidencing the right to receive an equivalent number of shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), subject to certain restrictions thereon. The Director 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 in the event of termination of the Director's service on the Board for any reason whatsoever, the Director shall, for no consideration, forfeit all unvested RSUs and such unvested RSUs shall be cancelled. The obligation to forfeit unvested RSUs upon termination of service as provided in the preceding sentence is herein referred to as the "Forfeiture Restrictions."

(b) **Lapse of Forfeiture Restrictions.** Provided that the Director has served continuously on the Board from the Date of Grant through \_\_\_\_\_, 2026, the Forfeiture Restrictions shall lapse. Notwithstanding the foregoing, if a Change in Control occurs and the Director has served continuously on the Board from the Date of Grant to the date upon which such Change in Control occurs, then the Forfeiture Restrictions shall lapse with respect to the RSUs on the date upon which such Change in Control occurs.

3. **Settlement and Delivery of Stock.** 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.

4. **Shareholder Rights.** The Director 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 Director. The Director 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 Director in settlement of the RSUs, which such 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 the Director in cash upon settlement of the associated RSUs.

5. **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.

6. **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. To the extent required to comply with Section 409A, Director shall be considered to have terminated service with the Company when Director incurs a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code. The Company makes no commitment or guarantee to Director that any federal or state tax treatment shall apply or be available to any person eligible for benefits under this Agreement.

7. **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 Director.

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

9. **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.

10.

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

**FORUM ENERGY TECHNOLOGIES, INC.**

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

Neal Lux  
President and CEO

**DIRECTOR**

\_\_\_\_\_

**FORUM ENERGY TECHNOLOGIES, INC.  
2016 STOCK AND INCENTIVE PLAN**

**2025 NON-EMPLOYEE DIRECTOR RESTRICTED STOCK AGREEMENT**

This Restricted Stock Agreement (this "Agreement") is made as of the \_\_\_\_ day of \_\_\_\_\_, 2025 (the "Date of Grant"), between Forum Energy Technologies, Inc., a Delaware corporation (the "Company"), and \_\_\_\_\_ (the "Director").

1. **Award.** Pursuant to the Forum Energy Technologies, Inc. 2016 Second Amended and Restated Stock and Incentive Plan (as amended, the "Plan"), the Director is hereby awarded [**number of units**] shares (the "Restricted Shares") of the Company's common stock, par value \$0.01 per share, subject to certain restrictions thereon. The Director acknowledges receipt of a copy of the Plan, and agrees that this award of Restricted Shares shall be subject to all of the terms and provisions of the Plan, including future amendments thereto, if any, pursuant to the terms thereof.

2. **Definitions.** Capitalized terms used in this Agreement that are not defined below or in the body of this Agreement shall have the meanings given to them in the Plan. In addition to the terms defined in the body of this Agreement, the following capitalized words and terms shall have the meanings indicated below:

(a) "Earned Shares" means the Restricted Shares after the lapse of the Forfeiture Restrictions without forfeiture.

(b) "Securities Act" means the Securities Act of 1933, as amended.

3. **Restricted Shares.** The Director hereby accepts the Restricted Shares when issued and agrees with respect thereto as follows:

(a) (a) **Forfeiture Restrictions.** The Restricted Shares may not be sold, assigned, alienated, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of and in the event of termination of the Director's service on the Board for any reason whatsoever, the Director shall, for no consideration, forfeit all unvested Restricted Shares. The obligation to forfeit and surrender Restricted Shares to the Company upon termination of service as provided in the preceding sentence is herein referred to as the "Forfeiture Restrictions." The Forfeiture Restrictions shall be binding upon and enforceable against any transferee of Restricted Shares.

(b) **Lapse of Forfeiture Restrictions.** Provided that the Director has served continuously on the Board from the Date of Grant through \_\_\_\_\_, 2026, the Forfeiture Restrictions shall lapse. Notwithstanding the foregoing, if a Change in Control occurs and the Director has served continuously on the Board from the Date of Grant to the date upon which such Change in Control occurs, then the Forfeiture Restrictions shall lapse with respect to the Restricted Shares on the date upon which such Change in Control occurs.

(c) **Certificates.** A certificate evidencing the Restricted Shares shall be issued by the Company in the Director's name, pursuant to which the Director shall have all of the rights of a

stockholder of the Company with respect to the Restricted Shares, including, without limitation, voting rights and the right to receive dividends; provided, however, that dividends paid in shares of the Company's stock shall be subject to the Forfeiture Restrictions and further provided that dividends that are paid other than in shares of the Company's stock shall be paid within 60 days following the date on which such Forfeiture Restrictions lapse. Notwithstanding the foregoing, the Company may, in its discretion, elect to complete the delivery of the Restricted Shares by means of electronic, book-entry statement, rather than issuing physical share certificates. The Director may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the stock until the Forfeiture Restrictions have expired, and a breach of the terms of this Agreement shall cause a forfeiture of the Restricted Shares. The certificate, if any, shall be delivered upon issuance to the Secretary of the Company or to such other depository as may be designated by the Committee as a depository for safekeeping until the forfeiture of such Restricted Shares occurs or the Forfeiture Restrictions lapse pursuant to the terms of the Plan and this Agreement. At the Company's request, the Director shall deliver to the Company a stock power, endorsed in blank, relating to the Restricted Shares. Upon the lapse of the Forfeiture Restrictions without forfeiture, the Company shall cause a new certificate or certificates to be issued without legend (except for any legend required pursuant to applicable securities laws or any agreement to which the Director is a party) in the name of the Director in exchange for the certificate evidencing the Restricted Shares or, as may be the case, the Company shall issue appropriate instructions to the transfer agent if the electronic, book-entry method is utilized.

(d) **Corporate Acts.** The existence of the Restricted Shares 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 3(a) hereof shall not apply to the transfer of Restricted Shares 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 and provisions governing the lapsing of such Forfeiture Restrictions applicable to the original Restricted Shares for all purposes of this Agreement, and the certificates, if any, representing such stock, securities or other property shall be legended to show such restrictions.

4. **Status of Stock.** The Director understands that at the time of the execution of this Agreement the sale of the Restricted Shares has not been registered under the Securities Act or any state securities law and that the Company does not currently intend to effect any such registration.

The Director agrees that the Restricted Shares and the Earned Shares when issued under this Agreement are being acquired for investment without a view to distribution, within the meaning of the Securities Act, and shall not be sold, transferred, assigned, pledged or hypothecated in the absence of (a) an effective registration statement for the sale of such shares under the Securities Act and applicable state securities laws or (b) if requested by the Company, the delivery by the Director to the Company of a written opinion of legal counsel,

who shall be satisfactory to the Company, addressed to the Company and satisfactory in form and substance to the Company's counsel, to the effect that an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws is available. The Director also agrees that the Restricted Shares and Earned Shares issued under this Agreement will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable federal or state securities laws.

In addition, the Director agrees that (a) the certificates, if any, representing the Restricted Shares and Earned Shares may bear such legend or legends as the Committee deems appropriate in order to reflect the Forfeiture Restrictions and to assure compliance with applicable securities laws, (b) the Company may refuse to register the transfer of the Restricted Shares or Earned Shares on the stock transfer records of the Company if such proposed transfer would constitute a violation of the Forfeiture Restrictions or, in the opinion of counsel satisfactory to the Company, of any applicable securities law, and (c) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Restricted Shares.

5. **Notices.** Any notices or other communications provided for in this Agreement shall be sufficient if in writing. In the case of the Director, such notices or communications shall be effectively delivered if hand delivered to the Director at the Director's principal place of service or if sent by registered or certified mail to the Director at the last address the Director has filed with the Company. In the case of the Company, such notices or communications shall be effectively delivered if sent by registered or certified mail to the Company at its principal executive offices.

6. **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 Director. The provisions of Section 4 shall survive the lapse of the Forfeiture Restrictions without forfeiture.

7. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the Restricted Shares granted hereby. Without limiting the scope of the preceding sentence, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. Any modification of this Agreement shall be effective only if it is in writing and signed by both the Director and an authorized officer of the Company.

8. **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 Director has executed this Agreement, all as of the date first above written.

**FORUM ENERGY TECHNOLOGIES, INC.**

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

**DIRECTOR**

\_\_\_\_\_

**Forum Energy Technologies, Inc.  
Certification**

I, Neal A. Lux, certify that:

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

Date: May 2, 2025

By: /s/ Neal A. Lux

Neal A. Lux  
President and Chief Executive Officer

**Forum Energy Technologies, Inc.  
Certification**

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

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

Date: May 2, 2025

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, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Neal A. Lux, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

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

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

Date: May 2, 2025

By: /s/ Neal A. Lux

Neal A. Lux

President and Chief Executive Officer

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

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

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

In connection with the Quarterly Report on Form 10-Q of Forum Energy Technologies, Inc. (the "Company") for the quarter ended March 31, 2025, 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 2, 2025

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.



## Forum Energy Technologies, Inc. 10.50% senior secured USD 250,000,000 bonds 2024/2029

### Terms:

#### Documentation:

The Bond Terms <sup>1)</sup> are described more closely in Standard Terms

Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Bond Terms and the Issuer's financial accounts and articles of association and if relevant, admission document, cf. ABM-rules section 2.7.2.3. The documents are available with the Issuer and in Relevant Places. In the case of any discrepancies between the Bond Terms and this term sheet, the Bond Terms will apply.

#### Relevant places:

<https://f-e-t.com/>

#### Issuer:

Forum Energy Technologies, Inc.

#### Borrowing Limit – Tap Issue:

USD 250,000,000

#### First Tranche / Loan Amount : <sup>2)</sup>

USD 100,000,000

#### Disbursement Date: <sup>3)</sup>

7 November 2024

#### Maturity Date: <sup>4)</sup>

7 November 2029

#### Interest Rate:

10.50 percentage points per annum

#### Day Count Fraction– Interest rate: <sup>5)</sup>

30/360

#### Business Day Convention: <sup>6)</sup>

If the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

#### Interest Payment Date(s): <sup>7)</sup>

7 May and 7 November each year, with the first Interest Payment Date being 7 May 2025 and the last Interest Payment Date being 7 November 2029 (Maturity Date)

#### Interest accrual date:

Interest will start to accrue on 7 November 2024 (being the issue date for the bonds).

#### Date until which interest accrues:

7 November 2029

#### Status of the loan: <sup>8)</sup>

The bonds will constitute senior secured unsubordinated debt obligations of the Issuer and will rank pari passu between themselves and at least pari passu with all other senior obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

#### Issue Price: <sup>9)</sup>

100 per cent of the Nominal Amount.

#### Nominal Amount:

The bonds have a nominal value of USD 50,000 each.

#### Minimum subscription and allocation amount Call: <sup>10)</sup>

The minimum subscription and allocation amount in the bond issue was USD 200,000 (but in no event less than the equivalent of EUR 100,000).

#### Redemption dates:

#### Price:

the Issue Date to, but not including, the First Call Date

Make Whole Amount

the First Call Date to, but not including, the Interest Payment Date in November 2027

105.25 per cent. of the Nominal Amount for each redeemed bond

the Interest Payment Date in November 2027 to, but not including, the Interest Payment Date in May 2028

104.20 per cent. of the Nominal Amount for each redeemed bond

the Interest Payment Date in May 2028 to, but not including, the Interest Payment Date in November 2028

103.15 per cent. of the Nominal Amount for each redeemed bond

the Interest Payment Date in November 2028 to, but not including, the Interest Payment Date in May 2029

102.10 per cent. of the Nominal Amount for each redeemed bond

the Interest Payment Date in May 2029 to, but not including, the Maturity Date

100.50 per cent. of the Nominal Amount for each redeemed bond

<b>Issuer's org. number/LEI number:</b>	3966995 / 549300SF93HLCR1REE27
<b>Usage of funds:</b>	<p>The net proceeds from the Initial Bond Issue shall be applied towards:</p> <p>(i) first, towards repayment in full of the Existing Debt; and</p> <p>(ii) the surplus (if any) for general corporate purposes of the Group.</p> <p>The Issuer will use the net proceeds from the issuance of any Additional Bonds towards, if not otherwise stated, general corporate purposes of the Group.</p>
<b>Approvals / Permissions</b>	<p>The final resolution for the approval of the bond issuance was made by the board of directors of the Issuer on 5 November 2024.</p> <p>The admission document has been inspected by Oslo Børs, cf. section 2.7 of the ABM Rules.</p>
<b>Trustee:</b>	Nordic Trustee AS, Kronprinsesse Märthas plass 1, 0160 Oslo, Norway
<b>Arranger(s):</b>	ABG Sundal Collier ASA
<b>Paying Agent:</b>	Nordic Trustee Services AS
<b>Securities Depository:</b>	Verdipapirsentralen ASA (VPS)
<b>FISN- and CFI-code</b>	<p>FISN: Forum Energy Te/10.5 BD 20291107</p> <p>CFI: DBFGGR</p>
<b>Market Making:</b>	Not applicable
<b>MiFiD II target market of end clients:</b>	<p>Eligible counterparties and professional clients (not retail clients) and who</p> <p>a) have at least a common/normal understanding of the capital markets, b) are able to bear the losses of their invested amount, c) are willing to accept risks connected with the bonds, and d) have an investment horizon which takes into consideration the liquidity of the bonds.</p>
<b>Withholding tax: <sup>11)</sup></b>	Gross-up
<b>Special (distinct) conditions:</b>	<p>The Issuer shall comply with the following financial covenants:</p> <p>The Issuer shall ensure that:</p> <p>(i) it maintains a Leverage Ratio of maximum 4.0x; and</p> <p>(ii) it maintains a Liquidity of minimum USD 25,000,000.</p> <p>The Issuer undertakes to comply with the above financial covenants on a consolidated basis for the Group at all times, such compliance to be measured on each Quarter Date and certified by the Issuer in each Compliance Certificate. Calculation of the Financial Covenants shall be made in accordance with the calculations and calculation adjustments set out in Clause 13.21 of the Bond Terms.</p> <p>Subject to the Agreed Security Principles, including the exclusion of the Excluded Property, and the Intercreditor Agreement, the Issuer shall procure that the following Transaction Security is granted to the Security Agent, on behalf of the Secured Parties:</p> <p><u>Disbursement Security:</u></p> <p>(i) a first priority pledge over all shares owned by the Issuer in FET Holdings, LLC; and</p> <p>(ii) a first priority assignment of the right to repayment and other obligations owing in respect of any Intercompany Loans granted by the Issuer to FET Holdings, LLC (other than any intercompany loan, obligation, instrument or general intangible arising from the sale or transfer of ABL First Priority Security).</p> <p><u>Post-Disbursement Security</u></p> <p>(iii) with respect to any entity incorporated in the United States and Canada, first priority Transaction Security shall be granted by the Issuer and each Guarantor over the following assets held by it:</p> <p>(A) all rights, priorities and privileges relating to intellectual property, including all copyrights, patents, trademarks, trade secrets and intellectual property licenses and any other intellectual property rights, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom;</p> <p>(B) all of the capital stock and other equity interests of each Subsidiary owned by the Guarantors and any other investment property;</p> <p>(C) equipment;</p> <p>(D) fixtures;</p> <p>(E) all farm products;</p> <p>(F) all cash and cash equivalents that are, and all deposit accounts and securities accounts that contain only, proceeds of the foregoing items (a)(i) through (a)(iii)(E);</p> <p>(G) to the extent related to, substituted or exchanged for, evidencing, supporting or arising from any of the items referred to in the preceding clauses (a)(iii) through (a)(iii)(E), all General Intangibles, Chattel Paper, Documents, Letter of Credit Rights, Instruments (each as defined in the Uniform Commercial Code of the relevant jurisdiction) and rights to payment evidenced thereby, Payment Intangibles, Supporting Obligations (each as defined in the Uniform Commercial Code of the relevant jurisdiction) and books and records pertaining to the foregoing,</p> <p>(H) to the extent attributed or pertaining to any First Priority Transaction Security, all Commercial Tort Claims (as defined in the Uniform Commercial Code of the relevant jurisdiction);</p> <p>(I) all future real property owned by any Guarantor with a fair market value (in the reasonable opinion of the Issuer) in excess of USD 5,000,000;</p> <p>(J) all substitutions, replacements, accessions, products, or proceeds of any of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to, or</p>
<b>Supplementary information about status of the loan and collateral: <sup>8)</sup></b>	

- destruction of, or other involuntary conversion (including claims in respect of condemnation or expropriation) of any kind or nature of any or all of the foregoing; and
- (iv) with respect to any entity incorporated in Scotland, first priority Transaction Security shall be granted by the Issuer and each Guarantor over the following assets held by it:
- (A) a floating charge over all the property and assets of such Guarantor;
  - (B) a pledge of all shares issued by such Guarantor;
  - (C) an assignment of the right to repayment and other obligations owing in respect of any loan granted to such Guarantor (other than any loan, obligation, instrument or general intangible arising from the sale or transfer of ABL First Priority Security (unless granted by an Obligor incorporated in the United States or Canada)); and
- (v) with respect to any entity incorporated in Germany, first priority Transaction Security shall be granted by the Issuer and each Guarantor over the following assets held by it:
- (A) global assignment (*Globalzession*) covering intercompany, trade and insurance receivables of the German Guarantor (other than any intercompany loan, obligation, instrument or general intangible arising from the sale or transfer of ABL First Priority Security;
  - (B) a pledge over the entire issued share capital (*Geschäftsanteile*) in the German Guarantor;
  - (C) a pledge over the German Guarantor's bank accounts in Germany; and
  - (D) an assignment of the right to repayment and other obligations owing in respect of any loan granted to the German Guarantor (unless granted by an Obligor incorporated in the United States or Canada);
- (vi) second priority Transaction Security shall be granted by the Issuer and each Guarantor incorporated in the United States and Canada, over the following assets held by it:
- (A) all accounts receivable, credit card receivables and all amounts payable in respect of the sale, lease, assignment, license or other disposition of Inventory (as defined below) or services rendered or to be rendered (collectively, the "Receivables") (in each case, excluding accounts and credit card receivables arising solely from the sale, lease, license, assignment or other disposition of first priority Transaction Security or Bond Separate Collateral);
  - (B) all inventory as defined in the Uniform Commercial Code of the relevant jurisdiction ("Inventory");
  - (C) all cash, cash equivalents, deposit accounts and securities accounts (other than Excluded Accounts) which are or into which any proceeds of (i) Receivables, (ii) Inventory, (iii) "Loans" (or analogous concept) under and as defined in the ABL Facility, (iv) settlement payments, refunds and other netting arrangements under or resulting from the settlement, termination or other similar transactions under cash management arrangements with the ABL Facility lenders or their affiliates, and (v) other ABL First Priority Security are deposited (including any cash and other funds or other property held in or on deposit therein);
  - (D) to the extent related to, substituted or exchanged for, evidencing, supporting or arising from any of the items referred to in the preceding clauses (m) through (o), all General Intangibles, Chattel Paper, Documents, Letter of Credit Rights, Instruments (each as defined in the Uniform Commercial Code of the relevant jurisdiction) and rights to payment evidenced thereby, Payment Intangibles, Supporting Obligations (each as defined in the Uniform Commercial Code of the relevant jurisdiction) and books and records, including customer lists;
  - (E) to the extent attributed or pertaining to any ABL First Priority Security, all Commercial Tort Claims (as defined in the Uniform Commercial Code of the relevant jurisdiction);
  - (F) business interruption proceeds;
  - (G) all substitutions, replacements, accessions, products, or proceeds of any of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to, or destruction of, or other involuntary conversion (including claims in respect of condemnation or expropriation) of any kind or nature of any or all of the foregoing; and
- (vii) The Guarantees (being joint and several unconditional Norwegian law guarantee and indemnity (*Norwegian: "selvskyldnerkausjon"*)) by each of the Guarantors in respect of the Secured Obligations)

**Standard terms:** *If any discrepancy should occur between this Loan description and the Bond Terms, then the Bond Terms should apply.*

<b>Bond Terms:</b> <sup>1)</sup>	The Bond Terms will be entered into between the Issuer and the Trustee prior to Disbursement Date. The Bond Terms regulate the Bondholder's rights and obligations in relations with the Issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms. When bonds are subscribed/purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms. For tap issues, the Bond Terms will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
<b>Open / Close:</b> <sup>3)4)</sup>	Tap Issues will be closed no later than five bank days before Maturity Date.
<b>Disbursement date:</b> <sup>3)</sup>	Payment of the First Tranche / Loan Amount took place on 7 November 2024.
<b>Expansions – Tap Issues:</b> <sup>2)</sup>	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. The bonds issued in a Tap Issue shall be subject to the terms and conditions of the Bond Terms and have the same rights as the bonds issued under the initial bond issue. For Tap Issues not falling on an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market.
<b>Issue price – Tap Issues:</b> <sup>9)</sup>	Any additional bonds issued in a Tap Issue may be issued at par or at a discount or at a premium relative to the Issue Price.
<b>Interest Period:</b> <sup>7)</sup>	Interest will start to accrue on the Issue Date and shall be payable semi-annually in arrears on 7 May and 7 November of each year and on the Maturity Date, or if the Interest Payment Date does not fall on a Business Day, on the first subsequent Business Day.
<b>Day Count Fraction– Interest rate:</b> <sup>5)</sup>	Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:

	<ul style="list-style-type: none"> <li>i. the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or</li> <li>ii. the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.</li> </ul>
<b>Business Day Convention</b> <sup>6)</sup>	If the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.
<b>Accrued interest:</b>	Accrued Interest rates for trades in the secondary bond market are calculated on the basis of current recommendations of Norske Finansanalytikerers Forening ( <i>The Norwegian Society of Financial Analysts</i> ).
<b>Condition – Call:</b> <sup>10)</sup>	<p>Exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee at least ten Business Days prior to the relevant repayment date for the Call Option.</p> <p>Partial exercise of Call shall be carried out pro rata between the Bonds (according to the procedures in the Securities Register).</p>
<b>Registration:</b>	The loan must prior to disbursement be registered in the Securities Depository. The bonds are being registered on each Bondholders account or nominee account in the Securities Depository.
<b>Issuer's acquisition of bonds:</b>	The Issuer has the right to acquire Bonds and to retain and sell, but not discharge such Bonds.
<b>Amortisation:</b> <sup>4)</sup>	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not called the bonds.
<b>Redemption:</b>	Matured interest rate and matured principal will be credited each Bondholder directly from the Securities Registry. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18, 1979 no 18, per today 3 years for interest rates and 10 years for principal.
<b>Sale:</b>	The Loan Amount has been sold by the Arranger. Later taps can also take place by other authorized investment firms.
<b>Legislation:</b>	The Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions. The City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with the Bond Terms.
<b>Fees and expenses:</b>	Any public fees payable in connection with the Bond Agreement and fulfilling of the obligations pursuant to the Bond Terms shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
<b>Withholding tax:</b> <sup>11)</sup>	The issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the bonds. In case of Gross up, the issuer shall be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes. In case of no gross up, the issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes.



22 May 2025



**BOND TERMS**

**FOR**

**Forum Energy Technologies, Inc. 10.50% senior secured USD 250,000,000  
bonds 2024/2029**

**ISIN NO0013339036 (after the Distribution Compliance Period)**

**ISIN NO0013339044 (during the Distribution Compliance Period)**

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE

ATTACHMENT 3 AGREED SECURITY PRINCIPLES

ATTACHMENT 4 TAXATION

<b>BOND TERMS between:</b>	
ISSUER:	Forum Energy Technologies, Inc., a corporation organised under the laws the State of Delaware with file no. 3966995 and LEI-code 549300SF93HLCR1REE27; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	5 November 2024
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

## 1. INTERPRETATION

### 1.1 Definitions

The following terms will have the following meanings:

“**ABL Creditors**” means the finance parties under the ABL Finance Documents.

“**ABL Facility**” means the existing USD 250,000,000 asset backed loan facility entered into between, inter alia, the Issuer, Forum Canada ULC and GT Coiled Tubing of Canada ULC as borrowers and Wells Fargo Bank, National Association, as facility agent and any refinancing of the same entered into by any other Obligor.

“**ABL First Priority Security**” means the first priority security granted to secure the ABL Facility over the assets which are covered by the Second Priority Transaction Security.

“**ABL Finance Documents**” means the agreement(s) for the ABL Facility and any ancillary facilities or letters of credit or other document entered into in relation thereto.

“**ABL Second Priority Security**” means the second priority security granted to secure the ABL Facility over the assets which are covered by the First Priority Transaction Security (other than Bond Separate Collateral).

“**Accounting Standard**” means GAAP.

“**Additional Bonds**” means the debt instruments issued under a Tap Issue.

“**Adjusted EBITDA**” means, in relation to a Relevant Period, EBITDA for that Relevant Period adjusted by:

- (a) including the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) of a Group Company (or attributable to a business or assets) acquired during the Relevant Period for that part of the Relevant

Period prior to its becoming a Group Company or (as the case may be) prior to the acquisition of the business or asset; and

- (b) excluding the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) attributable to any Group Company (or to any business or assets) disposed of during the Relevant Period for that part of the Relevant Period.

**“Adjusted Net Cash Flow to Equity”** means, for any financial year, an amount, calculated on a consolidated basis for the Group (without double counting) equal to the aggregate of:

- (a) cash-flow from operations; plus
- (b) the net amount of any new equity raised by the Issuer; plus
- (c) any interest income; plus
- (d) the amount of any cash and cash equivalents released from a blocked account (i.e. accounts where funds are not available for withdrawal) or credited to an account that became unblocked in the relevant period; less
- (e) capital expenditures incurred; less
- (f) cash investments and acquisitions incl. contingent payments made (excluding the acquisition of Variperm Holdings Ltd. in 2024) in each case unless and to the extent such investment or acquisition was funded by any Financial Indebtedness made available to the Group; less
- (g) debt service incl. cash hedging costs (i.e., interest and scheduled instalments/repayments paid by any Group Company) other than any principal payment or cash hedging costs refinanced or rolled into new debt or hedging arrangements; less
- (h) any lease payments (to the extent not taken into account in the cash-flow from operations or debt service); less
- (i) any other financing cost not reflected in (a), (e), (g) or (h); less
- (j) the amount of any cash and cash equivalents transferred to a blocked account (accounts where funds are not available for withdrawal) or credited to an account that became blocked in the relevant period; less
- (k) the net amount of stock purchases and payment of withheld taxes on stock-based compensation plans; less
- (l) taxes paid.

**“Affiliate”** means, in relation to any person:

- (a) any person which is a Subsidiary of that person;

- (b) any person with Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

“**Agreed Security Principles**” means the security principles set out in Attachment 3 (*Agreed Security Principles*) hereto.

“**Annual Financial Statements**” means the audited consolidated annual financial statements of the Issuer in the English language for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet and cash flow statement.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Currency**” means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Bond Separate Collateral**” means security granted pursuant to Clause 2.5 (a)(iii)(I) and Clause 2.5 (a)(v)(A) through (a)(v)(C) (both inclusive) and all to the extent the ABL Creditors have not elected to take such security on priority after the Transaction Security.

“**Bond Terms**” means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“**Bondholders’ Meeting**” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“**Bonds**” means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and the relevant settlement system for the Bond Currency is open.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

“**Call Option**” has the meaning ascribed to such term in Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Cash and Cash Equivalents**” means at any time:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with a reputable bank; and
- (b) time deposits with reputable banks and certificates of deposit issued, and bills of exchange accepted, by a reputable bank,

in each case to which the Obligors are beneficially entitled at the time and to which it has free and unrestricted access and which is not subject to any Security (other than any Transaction Security and ABL Second Priority Security and, to the extent such funds are not blocked for access or transfer by the relevant Group Company, the ABL First Priority Security).

“**Change of Control Event**” means a person or group of persons acting in concert gaining Decisive Influence over the Issuer.

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 1 hereto.

“**CSD**” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**Default Notice**” has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Distribution**” means:

- (a) payment of dividend, charge or fee or other distribution (whether in cash or in kind) on or in respect of share capital, other than dividends or distributions payable in common equity or preferred equity that has no mandatory cash redemption features issued by the Issuer or any warrants, options or rights to purchase or acquire such equity);

- (b) repayment or distribution of dividend or share premium reserve;
- (c) redemption, repurchase or repayment of share capital or other restricted equity with repayment to shareholders;
- (d) repayment or service of any Subordinated Loan (other than capitalising accrued interest);  
or
- (e) other similar distributions or transfers of value to the direct and indirect shareholders of any Group Company or the Affiliates of such direct and indirect shareholders.

“**Distribution Compliance Period**” has the meaning assigned to that term in Rule 902 of Regulation S.

“**EBITDA**” means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation:

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that period;
- (b) not including any accrued interest owing to any member of the Group;
- (c) excluding any Transaction Costs;
- (d) after adding back any amount attributable to the amortisation, depreciation, depletion or impairment of assets of members of the Group;
- (e) before taking into account any exceptional, one off, non-recurring or extraordinary items for up to a total amount equal to 10.00 per cent. of EBITDA in respect of such Relevant Period in aggregate for the Group;
- (f) before taking into account any unrealised gains or losses on any financial or derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);
- (g) after deducting any gain over book value and after adding back any loss arising on the disposal of any asset of any member of the Group (other than the sale of trading stock) during such period;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (i) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group;
- (j) after adding back any charge to profit represented by the expensing of stock options and costs and provisions relating to share incentive schemes of the Group or other long-term management incentive programs;

(k) after deducting any operating lease expenses which are not included in the operating profit, including any expenses under any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalised as an asset and booked as a corresponding liability in the balance sheet and which would have been characterized, classified or reclassified as an operating lease in accordance with the Accounting Standard prior to the date of the Issuer's adoption of Accounting Standards Codification 842 (or any other Accounting Standards Codification having a similar result or effect) (and related interpretations) (whether or not such lease was in effect on such date); and

(l) gains and losses due solely to fluctuations in currency values and the related tax effects,

in each case, to the extent added, deducted or taken into account (as the case may be) for the purpose of determining operating profits of the Group before taxation.

**“Event of Default”** means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

**“Exchange”** means:

- (a) Nordic ABM, a self-regulated marketplace organised and operated by Oslo Børs;
- (b) Oslo Børs (the Oslo Stock Exchange); or
- (c) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

**“Excluded Accounts”** means (A) deposit accounts and securities accounts with an aggregate amount on deposit therein of not more than USD 250,000 at any one time for all such deposit accounts and securities accounts, and (B) deposit accounts and securities accounts that are exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the Issuer's or its Subsidiaries employees.

**“Excluded Equity Interests”** means the equity interests owned by the Issuer or any Guarantor in a joint venture to the extent (but only to the extent) (a) the organizational documents of such joint venture (to the extent such joint venture is not wholly-owned, directly or indirectly, by the Issuer) prohibits the granting of Lien on such equity interests or (b) such equity interests of such joint venture are otherwise pledged as collateral to secure (i) obligations to the other holders of the equity interests in such joint venture (other than a holder that is a Subsidiary of Issuer) or (ii) indebtedness of such joint venture that is non-recourse to the Issuer and the Guarantors and to the Issuer's or any of the Guarantor's assets; provided however that, if any of the foregoing conditions cease to be in effect for any reason, then the equity interest in such joint venture shall cease to be an “Excluded Equity Interest” and shall automatically be subject to the Transaction Security; provided further, that any proceeds received by the Issuer or any Guarantor from the sale, transfer or other disposition of Excluded Equity Interest shall constitute Transaction Security unless any property constituting such proceeds are themselves subject to the exclusions set forth above.

**“Excluded Governmental Approvals”** means any consent, or approval of any governmental authority to the extent (but only to the extent) that the Issuer or any Guarantor is prohibited from granting a security interest in, pledge of, or charge, mortgage or lien upon any such property by reason of (a) a negative pledge, anti-assignment provision or other contractual restriction or (b) applicable law to which the Issuer or any Guarantor or such property is subject; provided, however, to the extent that (i) either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective or unenforceable under Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code of the relevant jurisdiction or under any other applicable law or is otherwise no longer in effect or enforceable, or (ii) the Issuer or such Guarantor has obtained the consent of the applicable governmental authority to the creation of a lien and security interest in, such Excluded Governmental Approval, then such approval or consent shall cease to be an Excluded Governmental Approval and shall automatically be subject to the Transaction Security; provided further, that any proceeds received by the Issuer or any Guarantor from the sale, transfer or other disposition of Excluded Governmental Approval shall constitute Transaction Security unless any property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Property.

**“Excluded PMSI Collateral”** means any property and proceeds thereof (including insurance proceeds) of the Issuer or any Guarantor that is at any time subject to a Lien securing purchase money indebtedness or a capitalized lease obligation to the extent (and only to the extent) that (a) the Financial Indebtedness associated with such Lien is permitted hereunder and (b) the documents evidencing such Financial Indebtedness prohibit or restrict the granting of a Lien in such property; provided, however, to the extent that either of the prohibitions discussed in clause (a) and (b) above is ineffective or subsequently rendered ineffective or unenforceable under Sections 9-406, 9-407, 9-408 or 9-409 of the applicable Uniform Commercial Code or under any other applicable law or is otherwise no longer in effect, then such property and proceeds thereof shall cease to be Excluded PMSI Collateral and shall automatically be subject to the lien and security interests granted to the Secured Parties; provided, further, that any proceeds received by the Issuer or any Grantor from the sale, transfer or other disposition of Excluded PMSI Collateral shall constitute Collateral unless any property constituting such proceeds are themselves subject to the exclusions set forth above or otherwise constitute Excluded Property.

**“Excluded Real Property”** means all leased real property of the Issuer or any Guarantor and all insurance proceeds thereof.

**“Existing Debt”** means the Financial Indebtedness under:

- (a) the currently outstanding (as of September 1, 2024) approximately USD 61.2 million senior secured notes due 2025 issued by the Issuer; and
- (b) the currently outstanding (as of September 1, 2024) approximately USD 59.7 million secured seller credit note issued by the Issuer,

which shall be refinanced using part of the proceeds of the Initial Bond Issue.

**“Finance Documents”** means these Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Agreement, any Transaction Security Document and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

**“Finance Lease”** means lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalised as an asset and booked as a corresponding liability in the balance sheet, provided that any lease (or similar arrangement) that would have been characterized, classified or reclassified as an operating lease in accordance with the Accounting Standard prior to the date of the Issuer’s adoption of Accounting Standards Codification 842 (or any other Accounting Standards Codification having a similar result or effect) (and related interpretations) (whether or not such lease was in effect on such date) shall not constitute a Finance Lease, and any such lease shall be treated as though it were reflected on the Financial Reports in the same manner as an operating lease would have been reflected prior to Issuer’s adoption of Accounting Standards Codification 842.

**“Financial Covenants”** has the meaning ascribed to such term in Clause 13.18 (*Financial Covenants*).

**“Financial Indebtedness”** means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and, when calculating the value of any derivative transaction, only the mark to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;

- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“**Financial Reports**” means the Annual Financial Statements and the Interim Accounts.

“**First Call Date**” means the Interest Payment Date falling in May 2027.

“**First Call Price**” means the meaning ascribed to such term in paragraph (a)(ii) of Clause 10.2 (*Voluntary early redemption – Call Option*).

“**First Priority Transaction Security**” means the Transaction Security listed in paragraph (a)(iii) to (a)(v) of Clause 2.5 (*Transaction Security*).

“**GAAP**” means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

“**German Guarantor**” means Forum B+V Oil Tools GmbH, a company registered under the laws of Germany.

“**Group**” means the Issuer and all its Subsidiaries from time to time.

“**Group Company**” means any person which is a member of the Group.

“**Guarantee**” means the joint and several unconditional Norwegian law guarantee and indemnity (Norwegian: “*selvskyldnerkausjon*”) issued by each of the Guarantors in respect of the Secured Obligations.

“**Guarantor**” means each Original Guarantor and from time to time each Material Group Company and each Group Company which is a guarantor under the ABL Facility.

“**IFRS**” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“**Incurrence Test**” has the meaning ascribed to such term in Clause 13.20 (*Incurrence Test*).

“**Initial Bond Issue**” means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**“Initial Nominal Amount”** means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**“Insolvent”** means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

**“Intercompany Loan”** means any loan or credit granted by a Group Company to any other Group Company.

**“Intercreditor Agreement”** means the New York law intercreditor agreement to be dated on or about 7 November 2024 between, inter alia, the Issuer and the Bond Trustee.

**“Interest Payment Date”** means the last day of each Interest Period, the first Interest Payment Date being 7 May 2025 and the last Interest Payment Date being the Maturity Date.

**“Interest Period”** means, subject to adjustment in accordance with the Business Day Convention, the periods between 7 May and 7 November each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

**“Interest Rate”** means 10.50 percentage points per annum.

**“Interim Accounts”** means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on 31 March, 30 June or 30 September each year, in the English language, prepared in accordance with the Accounting Standard.

**“ISIN”** means International Securities Identification Number.

**“Issue Date”** means 7 November 2024.

**“Issuer”** means the company designated as such in the preamble to these Bond Terms.

**“Issuer’s Bonds”** means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

**“Leverage Ratio”** means the ratio of Net Debt to Adjusted EBITDA.

**“Listing Failure Event”** means:

- (a) that the Bonds have not been admitted to listing on an Exchange within nine (9) months following the Issue Date; or

- (b) in the case of a successful admission to listing, that a period of three (3) months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

“**Liquidity**” means the sum of:

- (a) any Cash and Cash Equivalents of any Group Company; plus
- (b) any amount of undrawn and available borrowing base under the ABL Facility, which is available for immediately drawing to be applied for working capital or general corporate purposes of the Group (subject only to customary conditions for utilisation) and provided that there is no less than 6 months until the maturity date of the ABL Facility.

“**Make Whole Amount**” means an amount equal to the sum of the present value on the Repayment Date of:

- (a) the Nominal Amount of the redeemed Bonds at the First Call Price as if such payment originally had taken place on the First Call Date; and
- (b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Repayment Date) to the First Call Date,

where the present value shall be calculated by using a discount rate of 4.55 per cent. per annum.

“**Manager**” means ABG Sundal Collier ASA.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Issuer or any Guarantor to perform and comply with its obligations under any Finance Document; or
- (b) the validity or enforceability of any Finance Document.

“**Material Group Company**” means the Guarantors and any Group Company which is designated as a Material Group Company by the Issuer pursuant to Clause 13.17 (*Designation of Material Group Companies*).

“**Maturity Date**” means 7 November 2029, adjusted according to the Business Day Convention.

“**Maximum Issue Amount**” means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Net Debt**” means, at any time, the aggregate amount of all Financial Indebtedness of the Group but:

- (a) excluding any such obligations to any other Group Company;
- (b) excluding any such obligations in respect of any Subordinated Loan;
- (c) including, in the case of any Finance Lease, their capitalised value; and

(d) deducting the aggregate amount of Cash and Cash Equivalents at that time,

and so that no amount shall be included or excluded more than once.

“**Net Proceeds**” means the proceeds from the issuance of the Bonds (net of fees and legal cost of the Manager and, if required by the Bond Trustee, the Bond Trustee fee, and any other cost and expenses incurred in connection with the issuance of the Bonds).

“**Nominal Amount**” means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

“**Obligor**” means the Issuer, each Security Provider and each Guarantor.

“**Offshore Transaction**” has the meaning assigned to that term in Rule 902 of Regulation S.

“**Original Guarantors**” means each of:

- (a) FET Holdings, LLC, a limited liability company organized under the laws of the State of Delaware with file no. 5081660;
- (b) Forum US, Inc., a corporation organized under the laws of the State of Delaware with file no. 4623178;
- (c) Forum Canada ULC, an Alberta unlimited liability corporation;
- (d) GT Coiled Tubing of Canada ULC, an Alberta unlimited liability corporation
- (e) Global Flow Technologies, Inc., a corporation organized under the laws of the State of Delaware with file no. 3987975;
- (f) Forum International Holdings, Inc., a corporation organized under the laws of the State of Delaware with file no. 4129244;
- (g) Forum Energy Services, Inc., a corporation organized under the laws of the State of Delaware with file no. 5073886;
- (h) Forum Global Holdings, LLC, a limited liability company organized under the laws of the State of Delaware with file no. 5583494;
- (i) Forum Global Tubing LLC, a limited liability company organized under the laws of the State of Delaware with file no. 4348809;
- (j) Forum Global Tubing LP, a limited partnership organized under the laws of the State of Delaware with file no. 4340489;
- (k) Houston Global Heat Transfer LLC, a limited liability company organized under the laws of the State of Delaware with file no. 6285295;

- (l) Global Tubing LLC, a limited liability company organized under the laws of the State of Delaware with file no. 4338760;
- (m) Z Resources, Inc., a corporation organized under the laws of the State of Delaware with file no. 2730633;
- (n) Z Explorations, Inc., a corporation organized under the laws of the State of Delaware with file no. 2730624;
- (o) ZY-Tech Global Industries, Inc., a corporation organized under the laws of the State of Delaware with file no. 2730627;
- (p) Pro-Tech Valve Sales, Inc., an Alberta corporation;
- (q) Pacific Perforating, Inc., a corporation organized under the laws of the State of Delaware with file no. 5939570;
- (r) Variperem Holdings Ltd., an Alberta corporation;
- (s) 2357835 Alberta Ltd., an Alberta corporation;
- (t) Variperem Energy Services Inc., an Alberta corporation;
- (u) Forum Energy Technologies (UK) Limited, a company registered under the laws of Scotland; and
- (v) the German Guarantor.

**“Outstanding Bonds”** means any Bonds not redeemed or otherwise discharged.

**“Overdue Amount”** means any amount required to be paid by an Obligor under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

**“Partial Payment”** means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

**“Paying Agent”** means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

**“Payment Date”** means any Interest Payment Date or any Repayment Date.

**“Permitted Distribution”** means:

- (a) any Distribution by the Issuer, provided that the Incurrence Test is met with respect to such Distribution, of up to fifty per cent. (50.00%) of Adjusted Net Cash Flow to Equity of the Group in the previous calendar year, and where any unutilised portion of such net profit may not be carried forward;

- (b) any Distributions by the Issuer or any entity becoming a Group Company after the Issue Date, in respect of any management equity plan, stock option plan or any other management or employee benefit plan, agreement, or trust;
- (c) repurchases or redemptions of shares or warrants (i) upon the cashless exercise of stock options settled through the issuance of new shares, (ii) in satisfaction of customary indemnification and purchase price adjustment obligations under business acquisition arrangements in which shares of the Issuer were issued as consideration for such acquisition and where such repurchase or redemption is without any cash effect, or (iii) out of the net cash proceeds received by the Group from a substantially concurrent (but prior) sale of shares in the Issuer made (in whole or in part) for such purpose (and which equity injection shall not count for any other purpose (including equity cure) in the Bond Terms);
- (d) any Distribution by a Group Company (other than the Issuer), if such Distribution is made to another Group Company and, if made by a Group Company which is not wholly-owned, is made pro rata to its shareholders on the basis of their respective ownership at the time; and
- (e) any Distribution not permitted by the preceding paragraphs in any financial year not exceeding USD 1,000,000 in that year,

in each case, provided that no Event of Default has occurred and is continuing or would result by making such Distribution.

**“Permitted Financial Indebtedness”** means any Financial Indebtedness:

- (a) arising under the Finance Documents;
- (b) arising under the ABL Facility;
- (c) arising under any unsecured bonds issued by the Issuer provided that (i) the Incurrence Test is met and (ii) such bonds does not have any scheduled amortisation, mandatory or voluntary redemptions (other than in respect of change of control) or maturity until at least 6 months after the Maturity Date other than in the event that the Bonds have been redeemed in full;
- (d) arising under any secured debt incurred by the Issuer provided by any bank provided that (i) the Incurrence Test is met, (ii) such debt does not have any scheduled amortisation, mandatory or voluntary redemptions (other than in respect of change of control) or maturity until at least 6 months after the Maturity Date other than in the event that the Bonds have been redeemed in full, and (iii) the relevant creditor representative for such financing has acceded to the Intercreditor Agreement as “Pari Passu Liabilities”;
- (e) constituting Permitted Hedging Obligations;
- (f) of any person acquired by a Group Company after the Issue Date which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or

having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of three (3) months following the date of acquisition;

- (g) financing of real property in an amount outstanding which does not exceed USD 5,000,000 (or its equivalent) in aggregate for the Group at any time;
- (h) arising under any Intercompany Loans provided that any such loan made by a Group Company which is not a Guarantor to a Guarantor must be subordinated to the liabilities under the Finance Documents pursuant to a subordination statement addressed to the Bond Trustee;
- (i) incurred under any existing and future importation-, bid-, payment-, surety- (other than in respect of indebtedness for borrowed money) and performance bonds and letters of credit in the ordinary course of business, including any counter-indemnity obligation arising under any guarantee granted by a commercial bank for any of the foregoing;
- (j) arising under supplier credits on normal commercial terms in the ordinary course of business;
- (k) arising as a result of a contemplated refinancing of the Bonds in full provided that (i) a call notice has been served on the Bonds or will be served in connection with the refinancing (in full and any conditions precedent have been satisfied or waived) and (ii) the proceeds of such debt issuance are held in escrow until full repayment of the Bonds;
- (l) incurred in respect of any liabilities for pensions, deferred employee compensation or tax, or in connection with the financing of insurance premiums, in each case incurred in the ordinary course of business;
- (m) arising under Subordinated Loans; and
- (n) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed USD 10,000,000 (or its equivalent) in aggregate for the Group at any time.

**“Permitted Guarantee”** means:

- (a) any Guarantee or indemnity granted under the Finance Documents;
- (b) any Guarantee or indemnity granted in respect of the ABL Facility provided that the relevant guarantor also becomes a Guarantor;
- (c) any guarantee or indemnity for the benefit of third parties in the ordinary course of business or guarantees by the Issuer for liabilities of any Obligor which liabilities are not Financial Indebtedness;
- (d) any guarantee for the obligations of another Group Company;
- (e) any guarantee given in respect of netting or set-off arrangements permitted pursuant to paragraph e) of the definition of Permitted Security; or

- (f) not otherwise permitted by the preceding paragraphs and in the ordinary course of business so long as the aggregate amount of the guaranteed liabilities does not exceed USD 10,000,000 (or its equivalent in other currencies) at any time.

**“Permitted Hedging Obligation”** means any liabilities of any Group Company under a derivative transaction entered into with one or more hedge counterparties in connection with protection against or benefit from fluctuation in any rate or price, where such exposure arises in respect of payments to be made in the ordinary course of business (but not a derivative transaction for investment or speculative purposes).

**“Permitted Loan”** means:

- (a) any trade credit extended by any Group Company on normal commercial terms and in the ordinary course of trading;
- (b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes Permitted Financial Indebtedness; and
- (c) any loan so long as the aggregate amount of the Financial Indebtedness under any such loans does not exceed USD 5,000,000 (or its equivalent in other currencies) at any time.

**“Permitted Security”** means:

- (a) any Transaction Security created under the Finance Documents;
- (b) any ABL First Priority Security and any ABL Second Priority Security, in each case subject to the Intercreditor Agreement, securing the obligations of the Group under the ABL Facility and any Permitted Hedging Obligation;
- (c) any security securing financial indebtedness incurred under paragraph d) of “Permitted Financial Indebtedness” provided that such security is shared on a pari passu basis with the Bonds;
- (d) any Security provided by or over the relevant property owning company in respect of the financing referred to in paragraph g) of “Permitted Financial Indebtedness”;
- (e) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (f) cash collateral for taxes, assessments, government charges or claims not yet due and payable or which are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and if a reserve or other appropriate provisions, if any, as shall be required in conformity with GAAP, shall have been made therefor;
- (g) easements, rights-of-way, licenses, covenants, reservations, precautionary financing statement filings in connection with operating leases, restrictions and other similar charges or encumbrances not interfering in any material respect with the business of the Issuer or any other Group Company incurred in the ordinary course of business;

- (h) any Security in respect of the Existing Debt so long as the Security is irrevocably released or discharged by no later than the date of initial disbursement of the Net Proceeds;
- (i) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group (including a multi-account overdraft);
- (j) any Security over or affecting any asset or company acquired by a Group Company after the Issue Date if the Security was not created in contemplation of the acquisition of that asset or company, the principal amount secured has not been increased in contemplation of or since the acquisition of that asset or company by a Group Company and the Security is removed or discharged within three (3) months of the date of acquisition of such asset or company;
- (k) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any Group Company;
- (l) any Security arising as a consequence of any lease agreement permitted pursuant to the definition of "Permitted Financial Indebtedness"; or
- (m) any Security (excluding over assets covered by Transaction Security) securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any Group Company other than any permitted under the preceding paragraphs) does not exceed USD 10,000,000 (or its equivalent in other currencies).

**"Planned Property Lease"** means the sale by the Group of real property located in Pearland, Texas; Stafford, Texas; Dayton, Texas and Clearfield, Pennsylvania whereby such properties will be leased back to the Group by the purchaser.

**"Put Option"** has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

**"Put Option Event"** means a Change of Control Event or a Take Private Event.

**"Put Option Repayment Date"** means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

**"Quarter Date"** means, in each financial year, 31 March, 30 June, 30 September and 31 December.

**"Regulation S"** means Regulation S under the Securities Act.

**"Release Notice"** means the notice with a request for release of funds in a form as set out in Attachment 2 hereto.

**"Relevant Jurisdiction"** means the country in which the Bonds are issued, being Norway.

**“Relevant Period”** means each period of twelve (12) consecutive calendar months ending on the last day of the preceding Quarter Date.

**“Relevant Record Date”** means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

**“Repayment Date”** means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

**“Restricted Period”** means the period from the Issue Date until the date that is one year (or such shorter period then required under Rule 144 under the Securities Act or its successor rule), after the later of the Issue Date and the last date that the Issuer or any of its affiliates was the owner of the Bonds or any predecessor of the Bonds.

**“Second Priority Transaction Security”** means the Security listed in paragraph (a)(vi) of Clause 2.5 (*Transaction Security*).

**“Secured Obligations”** means all present and future liabilities and obligations of the Obligor to any of the Secured Parties under the Finance Documents.

**“Secured Parties”** means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

**“Securities Act”** means the Securities Act of 1933, as amended.

**“Securities Trading Act”** means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

**“Security”** means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**“Security Agent”** means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

**“Security Agent Agreement”** means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

**“Security Provider”** means any person granting Transaction Security.

“**Subordinated Loan**” means any loan granted to the Issuer which is fully subordinated to the Secured Obligations to the satisfaction of the Bond Trustee, which falls due no earlier than after the Maturity Date, which does not have any right to enforce on any assets or against the Issuer and where any servicing of interest or principal of such loan is subject to all present and future obligations and liabilities under the Secured Obligations having been discharged in full.

“**Subsidiary**” means a person over which another person has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Take Private Event**” means an event where, as a result of a de-listing application filed by the Issuer or a merger or other transaction involving the Issuer approved by the Issuer, the shares in the Issuer are no longer listed on the New York Stock Exchange or the Nasdaq Stock Market.

“**Tap Issue**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tap Issue Addendum**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“**Transaction Costs**” means all third party advisory fees, costs and expenses and taxes incurred by the Issuer or any other member of the Group in connection with any refinancing (whether successfully completed or discontinued), the establishment of any credit facility, the reorganisation or listing of the shares in the Issuer and any future acquisitions (whether successfully completed or discontinued).

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means any Guarantee and each other document entered into by any Group Company creating or expressed to create any Transaction Security over all or any part of its assets in respect of the Secured Obligations.

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

## 1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;

- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European Time unless otherwise stated;
- (e) references to a provision of “**law**” are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*);
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

## 2. THE BONDS

### 2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds up to USD 250,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of USD 100,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).
- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 50,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN and (ii) any

Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.

- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders' Meeting*).

## **2.2 Tenor of the Bonds**

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

## **2.3 Use of proceeds**

- (a) The Net Proceeds from the Initial Bond Issue shall be applied towards:
  - (i) first, towards repayment in full of the Existing Debt; and
  - (ii) the surplus (if any) for general corporate purposes of the Group.
- (b) The Issuer will use the Net Proceeds from the issuance of any Additional Bonds towards, if not otherwise stated, general corporate purposes of the Group.

## **2.4 Status of the Bonds**

- (a) The Bonds shall constitute senior debt obligations of the Issuer. The Bonds will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
- (b) The Bonds will be secured by the Transaction Security and the Guarantees.

## **2.5 Transaction Security**

- (a) Subject to the Agreed Security Principles, including the exclusion of the Excluded Property (as defined therein), and the Intercreditor Agreement, the Issuer shall procure that the following Transaction Security is granted to the Security Agent, on behalf of the Secured Parties:

### Disbursement Security:

- (i) a first priority pledge over all shares owned by the Issuer in FET Holdings, LLC.; and
- (ii) a first priority assignment of the right to repayment and other obligations owing in respect of any Intercompany Loans granted by the Issuer to FET Holdings, LLC (other than any intercompany loan, obligation, instrument or general intangible arising from the sale or transfer of ABL First Priority Security).

### Post-Disbursement Security

- (iii) with respect to any entity incorporated in the United States and Canada, first priority Transaction Security shall be granted by the Issuer and each Guarantor over the following assets held by it:

- (A) all rights, priorities and privileges relating to intellectual property, including all copyrights, patents, trademarks, trade secrets and intellectual property licenses and any other intellectual property rights, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom;
  - (B) all of the capital stock and other equity interests of each Subsidiary owned by the Guarantors and any other investment property;
  - (C) equipment;
  - (D) fixtures;
  - (E) all farm products;
  - (F) all cash and cash equivalents that are, and all deposit accounts and securities accounts that contain only, proceeds of the foregoing items (a)(i) through (a)(iii)(E);
  - (G) to the extent related to, substituted or exchanged for, evidencing, supporting or arising from any of the items referred to in the preceding clauses (a)(iii) through (a)(iii)(E), all General Intangibles, Chattel Paper, Documents, Letter of Credit Rights, Instruments (each as defined in the Uniform Commercial Code of the relevant jurisdiction) and rights to payment evidenced thereby, Payment Intangibles, Supporting Obligations (each as defined in the Uniform Commercial Code of the relevant jurisdiction) and books and records pertaining to the foregoing,
  - (H) to the extent attributed or pertaining to any First Priority Transaction Security, all Commercial Tort Claims (as defined in the Uniform Commercial Code of the relevant jurisdiction);
  - (I) all future real property owned by any Guarantor with a fair market value (in the reasonable opinion of the Issuer) in excess of USD 5,000,000;
  - (J) all substitutions, replacements, accessions, products, or proceeds of any of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to, or destruction of, or other involuntary conversion (including claims in respect of condemnation or expropriation) of any kind or nature of any or all of the foregoing; and
- (iv) with respect to any entity incorporated in Scotland, first priority Transaction Security shall be granted by the Issuer and each Guarantor over the following assets held by it:
- (A) a floating charge over all the property and assets of such Guarantor;
  - (B) a pledge of all shares issued by such Guarantor;

- (C) an assignment of the right to repayment and other obligations owing in respect of any loan granted to such Guarantor (other than any loan, obligation, instrument or general intangible arising from the sale or transfer of ABL First Priority Security (unless granted by an Obligor incorporated in the United States or Canada)); and
- (v) with respect to any entity incorporated in Germany, first priority Transaction Security shall be granted by the Issuer and each Guarantor over the following assets held by it:
  - (A) global assignment (*Globalzession*) covering intercompany, trade and insurance receivables of the German Guarantor (other than any intercompany loan, obligation, instrument or general intangible arising from the sale or transfer of ABL First Priority Security);
  - (B) a pledge over the entire issued share capital (*Geschäftsanteile*) in the German Guarantor;
  - (C) a pledge over the German Guarantor's bank accounts in Germany; and
  - (D) an assignment of the right to repayment and other obligations owing in respect of any loan granted to the German Guarantor (unless granted by an Obligor incorporated in the United States or Canada);
- (vi) second priority Transaction Security shall be granted by the Issuer and each Guarantor incorporated in the United States and Canada, over the following assets held by it:
  - (A) all accounts receivable, credit card receivables and all amounts payable in respect of the sale, lease, assignment, license or other disposition of Inventory (as defined below) or services rendered or to be rendered (collectively, the "Receivables") (in each case, excluding accounts and credit card receivables arising solely from the sale, lease, license, assignment or other disposition of first priority Transaction Security or Bond Separate Collateral);
  - (B) all inventory as defined in the Uniform Commercial Code of the relevant jurisdiction ("**Inventory**");
  - (C) all cash, cash equivalents, deposit accounts and securities accounts (other than Excluded Accounts) which are or into which any proceeds of (i) Receivables, (ii) Inventory, (iii) "Loans" (or analogous concept) under and as defined in the ABL Facility, (iv) settlement payments, refunds and other netting arrangements under or resulting from the settlement, termination or other similar transactions under cash management arrangements with the ABL Facility lenders or their affiliates, and (v) other ABL First Priority Security are deposited (including any cash and other funds or other property held in or on deposit therein);

- (D) to the extent related to, substituted or exchanged for, evidencing, supporting or arising from any of the items referred to in the preceding clauses (m) through (o), all General Intangibles, Chattel Paper, Documents, Letter of Credit Rights, Instruments (each as defined in the Uniform Commercial Code of the relevant jurisdiction) and rights to payment evidenced thereby, Payment Intangibles, Supporting Obligations (each as defined in the Uniform Commercial Code of the relevant jurisdiction) and books and records, including customer lists;
  - (E) to the extent attributed or pertaining to any ABL First Priority Security, all Commercial Tort Claims (as defined in the Uniform Commercial Code of the relevant jurisdiction);
  - (F) business interruption proceeds;
  - (G) all substitutions, replacements, accessions, products, or proceeds of any of the foregoing, in any form, including insurance proceeds and all claims against third parties for loss or damage to, or destruction of, or other involuntary conversion (including claims in respect of condemnation or expropriation) of any kind or nature of any or all of the foregoing; and
- (vii) the Guarantees.
- (b) Subject to any mandatory limitations under applicable law and subject to the Agreed Security Principles, the Issuer shall ensure that in the event that any Group Company becomes the owner of any new shares in an Obligor, any Obligor becomes the owner of such assets which are included as Transaction Security, the Issuer shall, to the extent that a lien on such assets is not automatically attached pursuant to the existing security documents, promptly notify the Bond Trustee thereof in writing and shall procure that no later than sixty (60) Business Days of the relevant Group Company becoming the owner of such assets (or such Subordinated Loan arising) equivalent Transaction Security over those assets is granted.
  - (c) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
  - (d) The Bond Trustee (in its capacity as Security Agent) shall pursuant to the terms of the Intercreditor Agreement be permitted to release:
    - (i) any Transaction Security (A) over assets which are sold or otherwise disposed of in connection with any merger, de-merger, disposal or other transaction permitted by the Bond Terms, or (B) in connection with any enforcement or insolvency; and
    - (ii) any Transaction Security or Guarantee provided by a Guarantor which ceases to be a Material Group Company.

### **3. THE BONDHOLDERS**

#### **3.1 Bond Terms binding on all Bondholders**

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

#### **3.2 Limitation of rights of action**

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

#### **3.3 Bondholders' rights**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

### **4. ADMISSION TO LISTING**

The Issuer shall:

- (a) use reasonable endeavours to ensure that the Bonds are listed on the Frankfurt Stock Exchange Open Market within sixty (60) days after the Issue Date, and with the intention to complete such listing within thirty (30) days after the Issue Date; and
- (b) ensure that the Bonds are listed on an Exchange within nine (9) months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

## **5. REGISTRATION OF THE BONDS**

### **5.1 Registration in the CSD**

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

### **5.2 Obligation to ensure correct registration**

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

### **5.3 Country of issuance**

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

## **6. CONDITIONS FOR DISBURSEMENT**

### **6.1 Conditions precedent for disbursement to the Issuer**

- (a) Issuance of the Bonds and payment of the Net Proceeds from the issuance of the Bonds to the Issuer in accordance with the purpose of the Bonds shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
  - (i) Bond Terms duly executed by all parties hereto;
  - (ii) copies of all necessary corporate resolutions of each relevant Obligor to issue the Bonds, provide Transaction Security and execute the Finance Documents to which it is a party;
  - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from each relevant Obligor to relevant individuals for their execution of the Finance Documents to which it is a party;
  - (iv) copies of each relevant Obligor's articles of association (or equivalent) and a full extract from the relevant company register in respect of the Issuer evidencing that it is validly existing;
  - (v) copies of the Issuer's latest Financial Reports (if any);
  - (vi) confirmation that the applicable prospectus requirements (cf. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
  - (vii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;

- (viii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
  - (ix) confirmation of acceptance from any process agent;
  - (x) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
  - (xi) the Bond Trustee Fee Agreement duly executed by all parties thereto;
  - (xii) a duly executed Release Notice from the Issuer (including a written confirmation from the Issuer to the Bond Trustee confirming that (i) the amount to be released to the Issuer shall be applied in accordance with Clause 2.3 of the Bond Terms and (ii) no Event of Default has occurred and is continuing or will result from the release);
  - (xiii) the Transaction Security Documents (for the Disbursement Security) duly executed by all parties thereto and evidence of the establishment and perfection of such Transaction Security in accordance with the Closing Procedure;
  - (xiv) copies of subordination agreements in respect of any Intercompany Loans which are required to be subordinated;
  - (xv) the Intercreditor Agreement duly executed by all parties thereto;
  - (xvi) evidence that (i) the Existing Debt will be repaid in full as soon as reasonably practicable after first disbursement and (ii) any guarantee or security created in respect thereof will be released and discharged in full, in each case subject to the Closing Procedure;
  - (xvii) a list of the Group Companies that constitute Material Group Companies on the Issue Date, including reasonable calculations evidencing compliance with Clause 13.17 (*Designation of Material Group Companies*); and
  - (xviii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Bond Terms and the other Finance Documents and Transaction Security).
- (b) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1, waive the requirements for documentation or decide that delivery of certain conditions precedent set out in paragraph (a) above shall be made subject to a closing procedure (the “**Closing Procedure**”) agreed between the Bond Trustee and the Issuer. Perfection of the Transaction Security shall be established as soon as possible in accordance with the terms of the Closing Procedure subject to the Agreed Security Principles on or immediately after the release of funds, including to allow for certain matters to be handled post disbursement, as customary or required for practical reasons.

- (c) Without limiting the generality of the foregoing, the Issuer and the Bond Trustee may, under the terms of the Closing Procedure, agree that any conditions precedent (including the grant of Transaction Security and accession to the Intercreditor Agreement) which are to be delivered by or in respect of any Obligor (other than the Issuer) may be delivered as conditions subsequent, however such conditions may in no event be delivered later than ten (10) Business Days after first release of funds.
- (d) Upon settlement of the Bonds and fulfilment of the conditions precedent set out in paragraph (a) above, the Net Proceeds shall be transferred directly to the Issuer (or as directed by the Issuer) for application in accordance with the purpose of the Bonds (in accordance with the funds flow and Closing Procedure), without the use of any interim bond escrow account.

## **6.2 Conditions subsequent**

- (a) No later than 60 Business Days after the first disbursement of any Net Proceeds to the Issuer, the Issuer shall deliver to the Bond Trustee each of the following documents, in form and substance satisfactory to the Bond Trustee:
  - (i) unless delivered as pre-settlement conditions precedent:
    - (A) copies of all necessary corporate resolutions of each relevant Obligor required to provide Transaction Security (*Post-Disbursement Security*) and execute the Finance Documents to which it is a party;
    - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each relevant Obligor to relevant individuals for their execution of the Finance Documents to which it is a party;
    - (C) copies of each relevant Obligor's articles of association and of a full extract from the relevant company register in respect of each such Obligor evidencing that it is validly existing, and with respect to any Obligor incorporated or established in Germany, a copy of the current constitutional documents of such Obligor which shall include a commercial register excerpt (*Handelsregisterauszug*) of recent date (no older than 14 days), the articles of association (*Gesellschaftsvertrag*), a list of its shareholders (*Gesellschafterliste*) and, if applicable, any by-laws;
    - (D) the Transaction Security Documents (for the Post-Disbursement Security) duly executed by all parties thereto and evidence of the establishment and perfection of such Transaction Security in accordance with the Closing Procedure;
  - (ii) copies of loan agreements governing any Subordinated Loans; and
  - (iii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Finance Documents and Transaction Security).

- (b) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.2, waive the requirements for documentation or decide that delivery of certain documents shall be made subject to the Closing Procedure.

### **6.3 Tap Issues**

The Issuer may issue Additional Bonds if:

- (a) a Tap Issue Addendum has been duly executed by all parties thereto;
- (b) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds;
- (c) the Bond Trustee receives evidence satisfactory to the Bond Trustee that the Issuer meets the Incurrence Test tested pro forma including the new Financial Indebtedness incurred as a result of issuing such Additional Bonds;
- (d) copies of corporate resolutions required for the Tap Issue and any power of attorney or other authorisation required for execution of the Tap Issue Addendum and any other Finance Documents; and
- (e) the Bond Trustee receives legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Tap Issue Addendum and any other Finance Documents (if applicable)).

The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.3 (*Tap Issues*), waive the requirements or postpone the delivery of the documentation and the Bond Trustee may (on behalf of the Bondholders) agree on a closing procedure with the Issuer.

## **7. REPRESENTATIONS AND WARRANTIES**

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and Warranties*), in respect of itself and in respect of each Group Company to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) on the date of these Bond Terms;
- (b) on the Issue Date;
- (c) on each date of disbursement of proceeds from the Bonds; and
- (d) on the date of issuance of any Additional Bonds:

### **7.1 Status**

It is a corporation or limited company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

## **7.2 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

## **7.3 Valid, binding and enforceable obligations**

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

## **7.4 Non-conflict with other obligations**

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

## **7.5 No Event of Default**

- (a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

## **7.6 Authorisations and consents**

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

## **7.7 Litigation**

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

## **7.8 Financial Reports**

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

## **7.9 No Material Adverse Effect**

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

## **7.10 No misleading information**

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

## **7.11 No withholdings**

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

## **7.12 Pari passu ranking**

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

## **7.13 Security**

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

# **8. PAYMENTS IN RESPECT OF THE BONDS**

## **8.1 Covenant to pay**

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

## **8.2 Default interest**

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.
- (c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum.

## **8.3 Partial Payments**

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
  - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
  - (ii) secondly, towards accrued interest due but unpaid; and
  - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
  - (i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or
  - (ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

## **8.4 Taxation**

- (a) Each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) Except as otherwise provided in Attachment 4 (*Taxation*) hereto, if the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance

Documents, the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required.

- (c) The Obligors shall, if any tax is withheld in respect of the Bonds under the Finance Documents at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (d) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (e) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

## **8.5 Currency**

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

## **8.6 Set-off and counterclaims**

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

## **9. INTEREST**

### **9.1 Calculation of interest**

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.
- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:

- (i) the last day in the relevant Interest Period is the 31<sup>st</sup> calendar day but the first day of that Interest Period is a day other than the 30<sup>th</sup> or the 31<sup>st</sup> day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
- (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

## **9.2 Payment of interest**

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

## **10. REDEMPTION AND REPURCHASE OF BONDS**

### **10.1 Redemption of Bonds**

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

### **10.2 Voluntary early redemption - Call Option**

- (a) The Issuer may redeem all or part of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
  - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
  - (ii) the First Call Date to, but not including, the Interest Payment Date in November 2027 at a price equal to 105.25 per cent. of the Nominal Amount for each redeemed Bond (the “**First Call Price**”);
  - (iii) the Interest Payment Date in November 2027 to, but not including, the Interest Payment Date in May 2028 at a price equal to 104.20 per cent. of the Nominal Amount for each redeemed Bond;
  - (iv) the Interest Payment Date in May 2028 to, but not including, the Interest Payment Date in November 2028 at a price equal to 103.15 per cent. of the Nominal Amount for each redeemed Bond;
  - (v) the Interest Payment Date in November 2028 to, but not including, the Interest Payment Date in May 2029 at a price equal to 102.10 per cent. of the Nominal Amount for each redeemed Bond; and
  - (vi) the Interest Payment Date in May 2029 to, but not including, the Maturity Date at a price equal to 100.50 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Any call notice given in respect of redemptions of Bonds shall be irrevocable, but may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, to be satisfied or waived by the Issuer no later than three (3) Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been satisfied or waived by that date, the call notice shall be null and void.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

### **10.3 Mandatory repurchase due to a Put Option Event**

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5<sup>th</sup> Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

### **10.4 Early redemption option due to a tax event**

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

## **11. PURCHASE AND TRANSFER OF BONDS**

### **11.1 Issuer's purchase of Bonds**

The Issuer may purchase and hold Bonds and such Bonds may be retained or sold (but not discharged) in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

### **11.2 Registration**

- (a) The Norwegian Central Securities Depository (Euronext VPS) acts as CSD. Principal and interest accrued will be calculated by the CSD. The Bond Issue will be blocked for all transaction types in the CSD settlement system.
- (b) The Bonds will be issued to and registered on the custody account of Euroclear Bank SA/NV (the "**Nominee Holder**") in the CSD (administered by DNB Bank ASA) as nominee.
- (c) The Bondholders must hold the Bonds through the Nominee Holder. All Bondholders must therefore have or open a securities account, either directly with the Nominee Holder or via an authorized nominee holding the Bonds on behalf of the Bondholder, or become a direct or sponsored member of the Nominee Holder.
- (d) The Nominee Holder is the only international central securities depository able to hold the Bonds in the CSD, and therefore no other central securities depository may be used for the above purposes.

### **11.3 Subscription restrictions**

- (a) All purchasers of Bonds must have or open a securities account with Euroclear Bank SA/NV or have an agreement with an authorised nominee in Euroclear Bank SA/NV holding the Bonds on behalf of the Bondholder or become a direct or sponsored member of Euroclear Bank SA/NV.
- (b) The Bonds will not be offered or sold in any jurisdiction in which such offer or solicitation is unlawful.
- (c) The Bonds have not been and will not be registered under the Securities Act or any U.S. state securities law. The Bonds may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person, unless registered under the Securities Act or except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.
- (d) Further information on subscription restrictions is set out in the application form from the Manager prior to receiving bond allotments.

### **11.4 Transfer restrictions**

- (a) The Bonds sold to non-U.S. Persons in Offshore Transactions are freely transferable and may be pledged and, during the Distribution Compliance Period or, with respect to U.S.

Persons, the Restricted Period, will be subject to U.S. securities laws related restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration or exemption therefrom. The Bonds are also subject to the following:

- (i) All buyers and sellers of Bonds must have or open a securities account with Euroclear Bank SA/NV or have an agreement with an authorized nominee in Euroclear Bank SA/NV holding the Bonds on behalf of the Bondholder or become a direct or sponsored member of Euroclear Bank SA/NV.
- (ii) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at its own cost and expense.
- (iii) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under the Bond Terms.
- (iv) During the Distribution Compliance Period, the Bonds may only be reoffered, resold, pledged or otherwise transferred to a non-U.S. Person in an Offshore Transaction in compliance with Regulation S. Each person transferring Bonds during the Distribution Compliance Period is required to arrange such trades through the Manager and to obtain a certificate or taped telephonic confirmation from the transferee certifying as to such transferee's status as a non-U.S. Person.
- (v) During the Distribution Compliance Period, the Bonds will have ISIN NO 0013339044. Upon expiration of the Distribution Compliance Period, the Bonds will automatically be assigned a new ISIN, being ISIN NO 0013339036, without any action necessary on the part of the Bondholders, and such new ISIN shall apply for the remaining term of the Bond Issue.
- (vi) During the Restricted Period, with respect to U.S. Persons, Bonds may only be reoffered, resold, pledged or otherwise transferred to a non-U.S. Person in an Offshore Transaction in compliance with Regulation S or pursuant to any other available exemption from, or in a transaction not subject to, registration under the Securities Act.

## **12. INFORMATION UNDERTAKINGS**

### **12.1 Financial Reports**

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (and/or by arranging for publication on the publicly available website of the United States Securities and Exchange Commission or another relevant information platform) as soon as they become available, and not later than three months after the end of the financial year.

- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (and/or by arranging for publication on the publicly available website of the United States Securities and Exchange Commission or another relevant information platform) as soon as they become available, and not later than two months after the end of the relevant interim period.
- (c) Unless included in the Annual Financial Statements in the form as is currently included in the Annual Financial Statements for 2023, the Issuer shall prepare information about the Group's leasing and associated costs allocated as Finance Leases and leases which are not Finance Leases in the form as is currently included in the Annual Financial Statements for 2023, at the same time as the Annual Financial Statements are made available in accordance with (a) above.

## **12.2 Requirements as to Financial Reports**

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports fairly represent its financial condition as at the date of the relevant Financial Report and shall contain calculations and figures (in reasonable detail) evidencing compliance with the financial covenants set out in Clause 13.18 (*Financial covenants*) or, in respect of any event which is subject to the Incurrence Test, calculations and figures in respect of the Incurrence Test (with relevant supporting documentation acceptable to or as required by the Bond Trustee).
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

## **12.3 Put Option Event**

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

## **12.4 Listing Failure Event**

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing*) or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

## **12.5 Information: Miscellaneous**

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;

- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

### **13. GENERAL AND FINANCIAL UNDERTAKINGS**

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13.

#### **13.1 Authorisations**

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, licence and consent required for the conduct of its business as carried out from time to time.

#### **13.2 Compliance with laws**

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time.

#### **13.3 Continuation of business**

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date.

#### **13.4 Corporate status**

The Issuer shall not change its type of organisation or jurisdiction of incorporation.

#### **13.5 Distributions**

The Issuer shall not make any Distributions to its shareholders, other than any Permitted Distribution.

#### **13.6 Mergers and de-mergers**

- (a) The Issuer shall not, and shall procure that no other Group Company will, carry out any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person, if such transaction would have a Material Adverse Effect and provided that in any merger or other business combination or corporate reorganisation involving

an Obligor, the surviving entity shall be the Obligor or shall become an Obligor (and if such merger involves the Issuer, the Issuer shall be the surviving entity).

- (b) The Issuer shall not, and shall procure that no other Group Company will, carry out any de-merger or other corporate reorganisation having the same effect as a de-merger, other than any de-merger or other corporate reorganisation of any Material Group Company into two or more separate companies or entities which are wholly-owned by the Issuer (or, in the case of a Group Company that was not wholly-owned prior to such de-merger, owned with the same ownership percentage as the original Group Company), provided that any such de-merger or other corporate reorganisation is carried out at arm's length terms and does not have a Material Adverse Effect.

### 13.7 Disposals

- (a) Issuer shall not, and shall ensure that no other Group Company will, sell, transfer or otherwise dispose of (A) any shares in Guarantors or (B) any other assets or operations (for the purpose of this paragraph, each a “**disposal**”), other than:
  - (i) any disposal of products, services or current assets in the ordinary course of business of the disposing Group Company;
  - (ii) the Planned Property Lease;
  - (iii) any disposal of obsolete or redundant assets;
  - (iv) any disposal to a Material Group Company;
  - (v) any disposal by any Group Company (other than a Material Group Company) to any person if such disposal would not have a Material Adverse Effect;
  - (vi) any disposal by a Material Group Company to a Group Company which is not a Material Group Company, provided that if Transaction Security (which is not a floating charge) has been granted over the asset(s) being disposed, the relevant asset(s) must be disposed of in a manner and on terms that ensure that such Transaction Security remains in place after that disposal has been effected (or, if that is not possible, the acquiring company must grant equivalent Transaction Security); and
  - (vii) any disposal of shares in or other assets or operations of any Material Group Company (other than as set out in paragraphs (i) to (vi) above), to any person other than a Group Company (a “**Restricted Disposal**”), provided that:
    - (A) any such Restricted Disposal is carried out on arm's length terms and would not have a Material Adverse Effect;
    - (B) the total consideration for such disposal is at least 75 per cent. in cash; and
    - (C) the aggregate cash proceeds, net of costs and taxes, from such Restricted Disposal (“**Restricted Cash Proceeds**”) are, within 3 months after receipt by the relevant Group Company, used to (1) reinvest in replacement assets

or other capital expenditures of the Group or (2) redeem Bonds (in whole or in part) at a price equal to (i) the First Call Price prior to and including the First Call Date, and (ii) following the First Call Date, the then applicable call price (plus accrued and unpaid interest on the redeemed Bonds), provided that:

- (1) any proceeds from a disposal of any asset covered by the ABL First Priority Security may first be applied to fund any mandatory application of such funds pursuant to the ABL Facility and only the residual amount, if any, shall be considered “**Restricted Cash Proceeds**” hereunder; and
- (2) the Group may retain Restricted Cash Proceeds in an aggregate amount equal to the higher of (x) USD 25,000,000, and (y) 10 per cent of Adjusted EBITDA, on any 18 month rolling period.

### **13.8 Financial Indebtedness**

The Issuer shall not, and shall procure that no other Group Company will, incur or maintain any Financial Indebtedness, other than Permitted Financial Indebtedness.

### **13.9 Negative pledge**

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (present or future) other than Permitted Security.

### **13.10 Loans or credit**

The Issuer shall not, and shall procure that no other Group Company will, be a creditor in respect of any Financial Indebtedness other than any Permitted Loan.

### **13.11 No guarantees or indemnities**

The Issuer shall not, and shall procure that no other Group Company will, incur or allow to remain outstanding any guarantee in respect of any obligation of any other person, other than any Permitted Guarantee.

### **13.12 Preservation of assets**

The Issuer shall, and shall procure that each Group Company will, in all material respects maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of its business.

### **13.13 Insurances**

The Issuer shall, and shall procure that each Group Company will, maintain customary insurances on or in relation to their business and assets with reputable independent insurance companies and underwriters against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

#### **13.14 Arm's length transactions**

Without limiting paragraph 13.2 (*Compliance with laws*) above, the Issuer shall not, and shall procure that no other Group Company will, enter into any transaction with any Affiliate which is not a Guarantor except on arm's length basis.

#### **13.15 Subsidiaries' distributions**

The Issuer shall procure that no Group Company creates or permits to exist any contractual obligation (or encumbrance) restricting the right to pay dividends or make other Distributions to its shareholders, other than where such obligation or encumbrance is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents.

#### **13.16 Anti-corruption and sanctions**

The Issuer shall, and shall ensure that all other Group Companies will (i) ensure that no proceeds from the Bond Issue are used directly or indirectly for any purpose which would breach any applicable acts, regulations or laws on bribery, corruption or similar and (ii) conduct its businesses and maintain policies and procedures in compliance with applicable anti-corruption and sanction laws.

#### **13.17 Designation of Material Group Companies**

The Issuer shall:

- (a) together with the delivery of its Annual Financial Statements; and
- (b) on the date of completion of any acquisition which is financed through the proceeds of a Tap Issue,

deliver a Compliance Certificate to the Bond Trustee designating as Material Group Companies:

- (i) each Group Company which (on a consolidated basis in the case of a Group Company which itself has Subsidiaries) has EBITDA or gross assets which represents more than 10.00 per cent. of aggregate Adjusted EBITDA or gross assets (excluding intra-Group items) of the Group, calculated on a consolidated basis, based on the preceding four Financial Quarters (where Financial Reports are available); and
- (ii) any additional Group Companies which are necessary to ensure that the aggregate EBITDA and gross assets of the Guarantors (calculated on an unconsolidated basis and excluding all intra-Group items, investments in Subsidiaries of any Group Company) exceeds 80.00 per cent. of consolidated Adjusted EBITDA and gross assets of the Group; and
- (c) procure that any Material Group Companies designated pursuant to paragraph (a) above and which is incorporated in the United States, United Kingdom or Germany, no later than ninety (90) days after such nomination grants Transaction Security including Guarantees in accordance with the Agreed Security Principles and accedes to the Intercreditor Agreement.

### 13.18 Financial covenants

- (a) The Issuer shall ensure that:
  - (i) it maintains a Leverage Ratio of maximum 4.0x; and
  - (ii) it maintains a Liquidity of minimum USD 25,000,000.
- (b) The Issuer undertakes to comply with the above Financial Covenants on a consolidated basis for the Group at all times, such compliance to be measured on each Quarter Date and certified by the Issuer in each Compliance Certificate. Calculation of the Financial Covenants shall be made in accordance with the calculations and calculation adjustments set out in Clause 13.21 (*Calculations and calculation adjustments*) below.

### 13.19 Equity cure

- (a) If the Issuer fails to comply with any Financial Covenant and the Issuer receives or has received any cash actually received by the Issuer either in exchange for fully paid shares in the Issuer or as Subordinated Loans (in each case, the “**Cure Amount**”) during the period from the last Quarter Date up to the date of delivery to the Bond Trustee of the Compliance Certificate in respect of such period, then (i) the Leverage Ratio shall be recalculated on the basis that the Cure Amount so received shall be deemed to reduce the Net Debt for the Relevant Period and (ii) Liquidity shall be recalculated on the basis that the Cure Amount so received shall be deemed to increase the Cash and Cash Equivalents on the relevant testing date.
- (b) If, after the Financial Covenants are recalculated as set out above, the breach has been remedied, the relevant Financial Covenants shall be deemed to have been satisfied on the relevant reporting date.
- (c) The Issuer shall be limited to a maximum of two (2) cures of actual failures to satisfy the Financial Covenants during the term of the Bonds, and no consecutive Financial Covenant cures are permitted.

### 13.20 Incurrence Test

- (a) The Incurrence test is met if:
  - (i) in respect of (A) incurrence of a Tap Issue, (B) increase of commitments under the ABL Facility to an aggregate amount in excess of USD 300,000,000 or (C) incurrence of new unsecured bonds or secured debt, the Leverage Ratio is below 2.50x;
  - (ii) in respect of any Distribution, the Leverage Ratio is below 1.50x,and, in each case, no Event of Default is continuing or would result from the relevant event for which the Incurrence Test is made.
- (b) The Issuer shall deliver to the Bond Trustee evidence of compliance with the Incurrence Test to be certified by a Compliance Certificate, which shall include calculation and figures evidencing compliance with the Incurrence Test.

### **13.21 Calculations and calculation adjustments**

- (a) The calculation of the Leverage Ratio in connection with an Incurrence Test shall be made as per a testing date determined by the Issuer, falling no earlier than one (1) month prior to the event relevant for the application of the Incurrence Test.
- (b) The Net Debt shall be measured on the relevant testing date so determined, but adjusted so that:
  - (i) the full amount of the new Financial Indebtedness in respect of which the Incurrence Test is applied shall be added to Net Debt; and
  - (ii) any cash balance resulting from the incurrence of such new Financial Indebtedness shall not reduce the Net Debt.
- (c) If the Incurrence Test is applied in respect of a Distribution, the cash which will be distributed as a result of such Distribution shall not be included in calculating Net Debt. If the Incurrence Test is applied in respect of an increase in commitments under the ABL Facility, the full committed amount (including such increase) shall be considered as drawn for the purpose of calculating Net Debt (but any cash from any concurrent drawing shall not reduce the Net Debt).
- (d) Adjusted EBITDA shall be calculated in accordance with the most recent Financial Report for which a Compliance Certificate has been delivered.

### **13.22 The ABL Facility**

- (a) The principal amount committed under the ABL Facility shall not exceed USD 300,000,000 (or the equivalent amount in any other currency), unless the Incurrence Test is met at the time of such commitment. For the avoidance of doubt, no Incurrence Test is required for borrowing under the ABL Facility within the amount committed from time to time.
- (b) The ABL Facility may be secured by the ABL First Priority Security and the ABL Second Priority Security subject to the terms of the Intercreditor Agreement.
- (c) The ranking of security and enforcement rights as between the ABL Facility and the Bonds shall be governed by the Intercreditor Agreement.

## **14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS**

### **14.1 Events of Default**

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) *Non-payment*

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

Any Group Company does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by any Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) *Cross default*

If for any Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 20,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Group Company:

- (i) is Insolvent; or

- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
  - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or
  - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
  - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
  - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
  - (E) for paragraphs (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

*(f) Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross default*) above and is not discharged within 20 Business Days.

*(g) Unlawfulness*

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

## **14.2 Acceleration of the Bonds**

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice to the Issuer:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

#### **14.3 Bondholders' instructions**

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

#### **14.4 Calculation of claim**

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date):

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

### **15. BONDHOLDERS' DECISIONS**

#### **15.1 Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

## **15.2 Procedure for arranging a Bondholders' Meeting**

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
  - (i) the Issuer;
  - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
  - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
  - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.

- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

### **15.3 Voting rules**

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

### **15.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

### **15.5 Written Resolutions**

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a

Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
  - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
  - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
  - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the "**Voting Period**").
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.

- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

## **16. THE BOND TRUSTEE**

### **16.1 Power to represent the Bondholders**

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

### **16.2 The duties and authority of the Bond Trustee**

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to

implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.

- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
  - (i) complying with instructions of the Bondholders; or
  - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

### **16.3 Equality and conflicts of interest**

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

### **16.4 Expenses, liability and indemnity**

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.

- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
  - (i) acting in accordance with advice from or opinions of reputable external experts;  
or
  - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the

Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.

- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

## **16.5 Replacement of the Bond Trustee**

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

## **16.6 Security Agent**

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.

- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

## **17. AMENDMENTS AND WAIVERS**

### **17.1 Procedure for amendments and waivers**

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

## **17.2 Authority with respect to documentation**

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

## **17.3 Notification of amendments or waivers**

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17.1 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

## **18. MISCELLANEOUS**

### **18.1 Limitation of claims**

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

### **18.2 Access to information**

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

### **18.3 Notices, contact information**

- (a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (b) The Issuer’s written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (c) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer’s written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (d) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:
  - (i) if by letter, when delivered at the address of the relevant party;
  - (ii) if by e-mail, when received; and
  - (iii) if by publication on a relevant information platform, when published.
- (e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone and contact persons.
- (f) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
  - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
  - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
  - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

#### 18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
  - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
  - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and

- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and Financial Undertakings*);
  - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
  - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
  - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

## **19. GOVERNING LAW AND JURISDICTION**

### **19.1 Governing law**

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

### **19.2 Main jurisdiction**

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

### **19.3 Alternative jurisdiction**

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and

- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

**19.4 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
  - (i) irrevocably appoints Advokatfirmaet Schjødt AS as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
  - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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**ATTACHMENT 1  
COMPLIANCE CERTIFICATE**

[date]

**Forum Energy Technologies, Inc. 10.50% senior secured USD 250,000,000 bonds 2024/2029  
ISIN NO0013339036 and NO0013339044**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (*Requirements as to Financial Reports*) of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 13.18 (*Financial covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.]

[With reference to Clause 13.17 (*Designation of Material Group Companies*) the following Group Companies are nominated as Material Group Companies: [●]]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

Forum Energy Technologies, Inc.

\_\_\_\_\_

Name of authorised person

*Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]*

**ATTACHMENT 2  
RELEASE NOTICE**

[date]

Dear Sirs,

**Forum Energy Technologies, Inc. 10.50% senior secured USD 250,000,000 bonds 2024/2029  
ISIN NO0013339036 and NO0013339044**

Reference is made to the Bond Terms for the above-captioned Bonds made between Nordic Trustee AS, as Bond Trustee, on behalf of the Bondholders, and the undersigned, as Issuer (the “**Bond Terms**”).

Capitalised terms used herein will have the same meaning as in the Bond Terms.

Pursuant to Section 6.1(a)(xii) of the Bond Terms, the undersigned hereby requests release of funds in the amount specified in Enclosure I (*Flow of Funds*) (the “**Released Funds**”).

The undersigned hereby represents and warrants that (i) the Released Funds shall be applied in accordance with Section 2.3 of the Bond Terms; (ii) no Event of Default has occurred and is continuing or will result from the release of the Released Funds, and (iii) the representations and warranties made by Issuer as set out in the Bond Terms are true and accurate in all material respects as of the date hereof.

Yours faithfully,

Forum Energy Technologies, Inc.

\_\_\_\_\_

Name of authorised person

*Enclosure I: Flow of Funds*

**ATTACHMENT 3**  
**AGREED SECURITY PRINCIPLES**

- (a) Any share pledge in respect of the shares of any company incorporated in Scotland shall be subject to delayed perfection (meaning that the title to those shares will not be transferred to the Bond Trustee or Security Agent or its nominee) such that perfection is only required upon notice being given from the Bond Trustee to the relevant pledgor (which notice may not be given prior to the occurring of an Event of Default).
- (b) Security will be granted by the Obligors, over such types of assets or asset classes as set out under the Transaction Security or to the extent required to grant Security over any shares (ownership interests) in any company becoming an Obligor.
- (c) General statutory and customary limitations (e.g. financial assistance, corporate benefit and retention of title claims) may limit the ability of an Obligor to provide Security or guarantee without inclusion of provisions limiting the responsibility for granting full legal valid and perfected Security or guarantee, or require that such Security or guarantee is limited by an amount or otherwise.
- (d) The security and extent of its perfection and scope shall take into account the cost, work and time of providing security which (in the Security Agent's sole discretion) must be proportionate to the benefit accruing to the Secured Parties.
- (e) Obligors will not be required to give guarantees or enter into Transaction Security Documents if it would:
  - (i) result in any breach of corporate benefit, financial assistance, fraudulent preference or thin capitalisation laws or regulations (or analogous restrictions) of any applicable jurisdiction;
  - (ii) result in a significant risk to the officers of the relevant Obligor of contravention of their fiduciary duties and/or of civil or criminal liability,unless such guarantees or Transaction Security Documents are legally permissible and accompanied by relevant provisions (limitation language) limiting the potential liability for the relevant Obligor, its management, officers or other employees.
- (f) Transaction Security over monetary claims under insurance contracts shall exclude liability insurances and other third-party insurance.
- (g) Transaction Security shall not be taken over leasehold property where such security will require third party consent and where such consent is not, despite the Security Provider's reasonable efforts, given.
- (h) Transaction Security over bank accounts shall exclude (i) accounts in cash pool arrangement which are not, under the terms for those arrangements, bank accounts, (ii) tax deduction accounts (*No: skattetrekkskonti*), escrow or cash collateral accounts

constituting Permitted Security and (iii) such accounts which, under the policies of the account bank, cannot or shall not be subject to third party Security.

- (i) Any assets subject to pre-existing third party arrangements which are permitted by the Finance Documents or any other contractual restrictions on assignments or absence of necessary regulations, registrations or similar, and which prevent those assets from being charged, will be excluded from any relevant security document, but the relevant Obligor must use its reasonable endeavours to obtain consent to charging any such assets if the relevant asset is material.
- (j) Transaction Security Documents shall operate to create Security rather than to impose any new commercial obligations or restrictions on use of the assets in the relevant Obligor's ordinary course of business prior to an event of default (i.e. blocking, transfer of title or similar) and shall, accordingly, not contain additional or duplicate representations or undertakings to those contained in the Finance Documents unless required for the creation, perfection, effectiveness or preservation of the Transaction Security.
- (k) Guarantees and Transaction Security will not be required from or over the assets of any joint venture or similar arrangement or any company in which an Obligor holds a minority interest.
- (l) Perfection of Transaction Security will not be required if it would materially and adversely affect the ability of the relevant Obligor to conduct its operations or business in the ordinary course. Where the blocking of the bank account is required by applicable law to perfect the Transaction Security, perfection of the bank account pledge will not be required until an Event of Default has occurred which is continuing.
- (m) Transaction Security will not be enforceable until an Event of Default has occurred and is continuing and an acceleration notice has been served to the relevant debtors.
- (n) Notwithstanding anything contained herein to the contrary, the Transaction Security shall not include the following (the “**Excluded Property**”): (i) voting equity interests of any controlled foreign corporation (“**CFC**”) or foreign subsidiary holding company (“**FSHC**”) to the extent that such voting equity interests represent more than 65% of the outstanding voting equity interests of such CFC or FSHC, in each case, to the extent that (A) such CFC or FSHC is not organized Germany, the United Kingdom or the United States or (B) the granting of a security interest with respect to such equity interests (x) would reasonably be expected to result in material and adverse tax consequences to the Issuer or any of its Subsidiaries (as determined by the Issuer in good faith) or other material payments required under applicable local law by the Issuer or any of its Subsidiaries, or (y) would be prohibited by applicable law or otherwise would require the consent of Governmental Authorities, (ii) any rights or interest in any contract, agreement, lease, permit, license, charter or license agreement covering real or personal property of the Issuer or any Guarantor if under the terms of such contract, lease, permit, license, or license agreement, or applicable law with respect thereto, the grant of a security interest in, pledge of, or charge, mortgage or lien upon such property is prohibited as a matter of law or under the terms of such contract, agreement, lease, permit, license, charter or license agreement (each of the foregoing, an “**Excluded**

**Contract**”) (provided that (1) the foregoing exclusions of this clause (ii) shall in no way be construed (x) to apply to the extent that any described prohibition or restriction is ineffective or unenforceable under Section 9-406, 9-407, 9-408, or 9-409 of the Uniform Commercial Code of the applicable jurisdiction or other applicable law or (y) to apply to the extent that any consent or waiver has been obtained by the Issuer or applicable Guarantor that would permit the security interest and lien to attach notwithstanding the prohibition or restriction on the pledge of such Excluded Contract and (2) the foregoing exclusions of clause (ii) shall in no way be construed to limit, impair, or otherwise affect any of the Secured Parties’ continuing security interests in and liens upon any rights or interests of the Issuer and any Guarantor in or to (x) monies due or to become due to the Issuer or such Guarantor under or in connection with any Excluded Contract or (y) any proceeds received by the Issuer or such Guarantor from the sale, license, lease, or other dispositions of any such Excluded Contract, (iii) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law; provided that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall be considered Collateral, (iv) Excluded Equity Interests, (v) Excluded Governmental Approvals, (vi) Excluded PMSI Collateral, (vii) Excluded Real Property or (viii) Excluded Accounts.

- (o) The Security Agent shall only be able to:
  - (i) exercise any powers of attorney (including, but not limited to, in respect of voting rights appertaining to any shares) granted under any security document or have the right to receive any dividends if an Event of Default has occurred and is continuing and, unless (in the sole opinion of the Security Agent) it could have an adverse effect on the interest of the Secured Parties, the Security Agent has given notice of its intention to exercise such powers of attorney, voting rights or dividend rights (as applicable), upon which such rights may no longer be exercised by the relevant pledgor; and
  - (ii) exercise any powers of attorney granted under any security document in relation to actions for perfecting and maintaining Security if and when the relevant Obligor has failed to comply with a further assurance or perfection obligation within five (5) Business Days of receiving prior notice of it.

**ATTACHMENT 4**  
**TAXATION**


- (a) The Issuer shall be responsible for withholding any withholding tax imposed by applicable law on any payments to be made by or on behalf of it in relation to the Finance Documents and shall remit such amounts to the applicable taxing authority. Subject to paragraph b) below, all such amounts shall be treated as having been paid to the applicable Bondholder.
- (b) If any tax (whether stated to be a tax, assessment, governmental charge or otherwise) is withheld in respect of the Bonds by or on behalf of the Issuer, the Issuer shall:
  - (i) subject to the exceptions and limitations set forth in paragraph c) below, gross up the amount of the payment due from it (or on behalf of it) up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received by such person if no withholding had been required; and
  - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Paragraph b) shall not apply:
  - (i) to any tax imposed by reason of the Bondholder (or the beneficial owner for whose benefit such Bondholder holds one or more Bonds), or a fiduciary, settlor, beneficiary, member or shareholder of the Bondholder if the relevant Bondholder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary Bondholder, being considered as:
    - (A) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;
    - (B) having a current or former connection with the United States or any other jurisdiction imposing such tax (other than a connection arising solely as a result of the ownership of the Bonds, the receipt of any payment or the enforcement of any rights relating to the Bonds), including being or having been a citizen or resident of the United States or any other jurisdiction imposing such tax (or any political subdivision thereof) or being or having been present in the United States, or being organized under the laws of, or having its principal office or applicable lending office located in, the United States or any other jurisdiction imposing such tax (or any political subdivision thereof);
    - (C) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for United States income tax purposes, a corporation that has accumulated earnings to avoid

U.S. federal income tax, or a foreign tax exempt organisation with respect to the United States;

- (D) being or having been a “10-percent shareholder” of the Issuer as defined in section 871(h)(3) or 881(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); or
  - (E) being a bank (or treated as a bank for U.S. federal income tax purposes) purchasing the Bonds in the ordinary course of its lending business; or
- (ii) to any tax that is payable otherwise than by withholding by the Issuer from payments made by it, a paying agent or Euroclear to the Bondholders;
  - (iii) to any tax or other withholding obligation imposed under Sections 1471 through 1474 of the Code (commonly referred to as FATCA) (or any amended or successor provisions), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code; or
  - (iv) to the extent any tax would not have been imposed but for the failure of the Bondholder or any other person:
    - (A) to provide a properly completed and executed Internal Revenue Service Form W-8BEN, Form W-8BEN-E or Form W-8IMY (and related documentation), as applicable, or any subsequent version thereof or successor thereto, in each case, together with any required attachments and certificates to establish an exemption pursuant to the portfolio interest exception from, or reduction under an applicable tax treaty of, U.S. federal withholding tax with respect to payments in connection with a Bond;
    - (B) to provide a properly completed and executed Internal Revenue Service Form W-9 or Form W-8ECI; or
    - (C) upon receiving a reasonable prior written notice, to otherwise comply with any applicable certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the Bondholder or beneficial owner of one or more Bonds, if compliance is required by any applicable law, regulation or tax treaty to which the United States is a party as a precondition to partial or complete exemption from such tax; or
  - (v) payments to, or to a third party on behalf of, a Bondholder where no such withholding would have been required to be made if the Bonds, at the time of payment, had been credited to a securities deposit account with a bank, financial services institution, securities trading business or securities trading bank, in each case outside the United States; or

- (vi) payments to the extent such withholding or deduction is payable by or on behalf of a Bondholder who could lawfully mitigate (but has not so mitigated) such withholding by;
  - (A) complying or procuring that any third party complies with any statutory requirements; or
  - (B) by making or procuring that a third party makes a declaration of non-residence; or
  - (C) other similar claim for exemption to any tax authority in the place where the payment is effected; or
- (vii) to any Bondholder that is not the sole beneficial owner of the Bonds, or a portion of the Bonds, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the Bondholder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
- (viii) where such withholding is imposed on a payment to or for an individual and is required to be made pursuant to Council Directive 2003/48/EC on the taxation of savings income or any other directive or law implementing or complying with, or introduced in order to conform to, such Directive, the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with any arrangement entered into between the EU member states and certain third countries and territories in connection with such Directive (including, for the avoidance of doubt, any replacement directive or law); or
- (ix) to any combinations of paragraph c) (i)-(viii).
- (d) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.
- (e) The Bond Trustee shall not have any responsibility with respect to obtaining information about the Bondholders or any other information relevant for the tax obligations referred to herein or with respect to any tax payable by any party pursuant to these Bond Terms.

**SIGNATURES:**

<p><b>The Issuer:</b></p> <p><b>Forum Energy Technologies, Inc.</b></p> <p></p> <p>.....</p> <p>By: Neal Lux</p> <p>Position: President &amp; CEO</p>	<p><b>As Bond Trustee and Security Agent:</b></p> <p><b>Nordic Trustee AS</b></p> <p>.....</p> <p>By: Fredrik Lundberg</p> <p>Position: EVP, Transactions and Loan Operations</p>
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