

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name FTS International, Inc.		2 Issuer's employer identification number (EIN) 30-0780081	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact (817) 862-2000	5 Email address of contact investors@ftsi.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 777 Main Street, Suite 2900		7 City, town, or post office, state, and ZIP code of contact Fort Worth, TX 76102	
8 Date of action November 19, 2020		9 Classification and description Common Stock, Senior Notes, Term Loan and Termination Claims	
10 CUSIP number See attachment	11 Serial number(s)	12 Ticker symbol FTSI	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **See attachment**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **See attachment**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **See attachment**

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► See attachment

18 Can any resulting loss be recognized? ► See attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
The reportable tax year is 2020 with respect to calendar year taxpayers.

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

[Handwritten Signature]

Date ►

12-29-2020

Print your name ► Lance Turner

Title ► CFO

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

FTS International, Inc.

EIN: 30-0780081

Attachment for Form 8937

Report of Organization Action Affecting Basis of Securities

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any Shareholder's, Note Holder's, Term Loan Holder's or Termination Claim Holder's specific circumstances. Shareholders, Note holders, Term Loan Holder's and Termination Claim Holder's are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

Form 8937, Line 10 – CUSIP number

Cancelled CUSIP	Issued CUSIP
Equity Interests - 30283W203	Class A Common Stock - 30283W302 Tranche 1 warrants - 30283W112 Tranche 2 warrants - 30283W120
Notes - 30283WAB0, 30283WAD6	Class A Common Stock - 30283W302
Term Loan - 30284DAB1	Class A Common Stock - 30283W302 Class B Common Stock

Form 8937, Line 14 – Organizational Action Description

On September 22, 2020, FTS International, Inc. ("Legacy FTSI"), FTS International Services, LLC, and FTS International Manufacturing, LLC (collectively with Legacy FTSI, the "Company") filed petitions for voluntary relief (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Bankruptcy Court").

On November 4, 2020, the Bankruptcy Court entered an order (the "Confirmation Order") confirming the Plan, as modified by the Confirmation Order, and approving the Disclosure Statement.

On November 19, 2020 (the "Effective Date"), the Plan became effective in accordance with its terms and the Company emerged from Chapter 11. As part of the transactions undertaken pursuant to the Plan, Legacy FTSI's existing common stock, par value \$0.01 per share, and other existing equity interests (collectively, the "FTS Common Interests"), outstanding prior to the Effective Date was cancelled and exchanged for the New Class A Common Stock (as defined below).

Equity Interests

In accordance with the Plan, all agreements, instruments, and other documents evidencing, relating to or otherwise connected with any FTSI Common Interests outstanding prior to the Effective Date were cancelled and all FTSI Common Interests have no further force or effect after the Effective Date. Pursuant to the Plan, the holders of FTSI Common Interests, outstanding prior to the Effective Date received (i) a number of shares of New Class A Common Stock equal to their proportionate distribution of 9.4% of the New FTS Equity (subject to dilution by the Warrants and the Amended and Restated Equity and Incentive Compensation Plan (the "MIP")), (ii) their proportionate distribution of Tranche 1 Warrants to acquire the New Class A Common Stock and (iii) their proportionate distribution of Tranche 2 Warrants to acquire the New Class A Common Stock.

The FTS Common Interests were converted into New Class A Common Stock, Tranche 1 Warrants and Tranche 2 Warrants at effective exchange ratios of 0.23850265, 0.28291882 and 0.70729704, respectively, per FTS Common Interest.

Notes

In accordance with the Plan, on the Effective Date, all outstanding obligations under Legacy FTSI's 6.25% senior secured notes due May 1, 2022 (the "Notes") issued pursuant to the Indenture, dated as of April 16, 2014, among Legacy FTSI, the guarantors named therein and U.S. Bank National Association, as collateral agent and trustee (the "Indenture"), were cancelled and the Indenture governing such obligations was cancelled, except to the limited extent expressly set forth in the Plan.

In accordance with the Plan, the holders of the Notes (together with the holders of claims under the Term Loan Agreement (as defined below) received their proportionate distribution of 90.1% of the New FTS Equity (subject to dilution by the Warrants and the MIP). On the Effective Date, all liens and security interests granted to secure such obligations were automatically terminated and are of no further force and effect.

10,667,210 shares of New Class A Common Stock were issued to holders of the Notes.

Term Loan

Pursuant to the Plan, on the Effective Date, that certain credit agreement, dated as of April 16, 2014, by and among Legacy FTSI, the lenders party thereto, and Wilmington Savings Fund Society, FSB, as successor administrative agent, as amended, restated, amended and restated, modified, or supplemented from time to time (the "Term Loan Agreement"), was cancelled, except to the limited extent expressly set forth in the Plan, and the holders of claims under the Term Loan Agreement (together with the holders of the Notes) received their proportionate distribution of 90.1% of the New FTS Equity (subject to dilution by the Warrants and the MIP). On the Effective Date, all liens and security interests granted to secure such obligations were automatically terminated and are of no further force and effect.

1,592,081 shares of New Class A Common Stock were issued to certain lenders under the Term Loan Agreement and 312,306 shares of New Class B Common Stock were issued to one lender under the Term Loan Agreement.

Other

Class A Common Stock was issued to certain holders of termination claims under the Plan. 47,021 shares of New Class A Common Stock were issued to a holder of certain termination claims under the Plan; and 70,000 shares of New Class A Common Stock were issued to Covia Holding Corporation ("Covia") in connection with the termination of their supply agreement with Legacy FTSI and the dispute related thereto.

Form 8937, Line 15 – Quantitative Effect of Organizational Action

Effect on Basis to Old Common Stock Equity Interests

U.S. Holders of Old FTSI Common Stock as of November 19, 2020 were issued:

- 1,311,308 shares of New Class A Common Stock
- 1,555,521 Tranche 1 Warrants to purchase 1,555,521 shares of New Class A Common Stock
- 3,888,849 Tranche 2 Warrants to purchase 3,888,849 shares of New Class A Common Stock

The receipt of New FTSI Common Stock and Warrants in exchange for Old FTSI Common Stock is expected to qualify for reorganization exchange treatment for U.S. federal income tax purposes. Under this treatment, a Holder of such shares who realizes gains or loss will not be able to recognize any such gain or loss. Such Holder's tax basis in its Old FTSI Common Stock will be allocated to the New FTSI Common Stock and Warrants received based on their relative fair market value on the Effective Date. Such Holder will have a holding period in the New FTSI Common Stock and Warrants received that includes the holding period for the Old FTSI Common Stock exchanged.

The Company cannot provide information as to any particular Holder's tax basis or holding period in its FTS Equity Interests. Each Holder should consult with its tax advisor to determine its tax basis based on how and when it acquired the FTS Equity Interests.

Effect on Basis to Noteholders, Term Loan holders, and Certain Termination Claims

As a result of the transaction, each holder of note, term loan, or certain Termination Claim exchanged its holding for New FTSI Common Stock. The effect on each creditor will depend upon whether its claim is represented by a "security" for purposes of the reorganization provisions of the Tax Code. Creditors should consult their own tax advisors as to whether their claims are represented by securities.

If a U.S. holder's Allowed Note Claim or Allowed General Unsecured Claim is treated as a security for U.S. federal income tax purposes, the exchange of such Claim for New Common Stock would be treated as an exchange of securities pursuant to a tax-free reorganization to which Reorganized FTSI is a party under the reorganization provisions of the Tax Code (a "Reorganization") and a U.S. holder should not recognize loss with respect to the exchange and should recognize gain, if any, to the extent of the amount of cash consideration received in exchange for the Notes or Term Loan Agreement (subject to "Accrued Interest (and OID)" as discussed in Article XII Section C. of the Disclosure Statement). Such U.S. holder's total combined tax basis in its New Common Stock received should equal the U.S. holder's tax basis in the Allowed Note Claim or Term Loan Claim surrendered therefor increased by gain or other income, if any, recognized by such U.S. holder in the transaction and decreased by the amount of cash consideration received (subject to Article XII Section C of the Disclosure Statement). A U.S. holder's holding period for its interest in the New Common Stock should include the holding period for the Allowed Note Claim or Allowed General Unsecured Claim surrendered therefor.

If a U.S. holder's Allowed Note Claim or Allowed General Unsecured Claim is not a security for U.S. federal income tax purposes, such U.S. holder will be treated as exchanging such Claim for New Common Stock, in a taxable exchange under section 1001 of the Tax Code. Accordingly, each U.S. holder of such Claim should recognize gain or loss equal to the difference between (1) the fair value market value of New Common Stock and cash received as consideration in exchange for the Claim; and (2) such

U.S. holder's adjusted basis, if any, in such Claim. The character of such gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the U.S. holder, the nature of the Claim in such U.S. holder's hands, whether the Claim was purchased at a discount, and whether and to what extent the U.S. holder previously has claimed a bad debt deduction with respect to its Claim. A U.S. holder's tax basis in any New Common Stock received should equal the fair market value of such New Common Stock as of the date such New Common Stock is distributed to the holder. A U.S. holder's holding period for the New Common Stock received should begin on the day following the Effective Date.

The Company cannot provide information as to any particular Noteholder's, Term Loan Holder's or Termination Claim Holder's tax basis or holding period in its FTS Common Interests. Each Noteholder, Term Loan Holder or Termination Claim Holder should consult with its tax advisor to determine its tax basis based on how and when it acquired the FTS Common Interests.

Form 8937, Line 16

There are several possible approaches for determining fair market value of the New Common Shares and warrants. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts.

The New Class A Common Stock closing share price was \$14.11 on 11/20/20. In addition, the Black Scholes method of valuation was used to estimate a fair market value of the \$2.90 and \$2.55 for the Tranche 1 and Tranche 2 warrants received, respectively.

Each holder should consult with its own tax advisor to determine what measure of fair market value to use.

Form 8937, Line 17

Sections 354, 356, 358, 368, 1001, 1012 and 1223 of the Internal Revenue Code.

Form 8937, Line 18

Holders of Notes, Term Loan, and Certain Termination Claims

As described above, the Transaction may have resulted in a recognizable loss to some U.S. Holders of notes or certain General Unsecured Claims to the extent the tax basis in their notes or General Unsecured Claims exceeded the fair market value of the FTSI Common Stock received in exchange, therefore. Holders of notes or certain General Unsecured Claims should consult their tax advisors to determine the tax consequences of the Transaction to them.

Old FTSI Equity Interests

To the extent the exchange is treated as a recapitalization for U.S. federal income tax purposes, generally no loss may be recognized.

