Risk Factors Comparison 2024-04-11 to 2023-04-17 Form: 10-K

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Our business is challenged by a changing environment that involves many known and unknown risks and uncertainties. The risks described below discuss factors that have affected and / or could affect us in the future. There may be others. We may be affected by risks that are currently unknown to us or are immaterial at this time. If any such events did occur, our business, financial condition and results of operations could be adversely affected in a material manner. Our future results may also be impacted by other risk factors listed from time to time in our future filings with the SEC, including, but not limited to, our Annual Reports on Form 10- K and our Quarterly Reports on Form 10- Q. As the most significant portion of our consolidated entity is represented by the power industry services reportable business segment, the risk factor discussions included below are focused on that business. However, as a large number of these same risks exist for our other reportable segments, (1) industrial **construction** ~~fabrication and field~~ services, and (2) telecommunications infrastructure services, a review and assessment of the following risk factors should be performed with that in mind. This section of our ~~2023~~ **2024** Annual Report may include projections, assumptions and beliefs that are intended to be " forward **-** looking statements. " They should be read in light of our cautionary statement regarding " forward **-** looking statements " ~~that is~~ presented ~~in Item 7~~ **at the beginning** of this ~~2023~~ **2024** Annual Report. Risks Related to Our Business Demand for our services may decrease during economic downturns or unpredictable economic cycles, which would most likely affect our businesses adversely. Substantial portions of the revenues and profits earned by our reportable business segments are generated from construction- type projects, the awarding and / or funding of which we do not directly control. The engineering and construction industry ~~historically has experienced~~ **is prone to** cyclical fluctuations **influenced by factors such as** ~~in the levels of construction activity due to~~ economic recessions, downturns in ~~the~~ **project owners'** business cycles ~~of project owners~~ , material shortages, **subcontractor** price **hikes** ~~increases by subcontractors~~ , interest rate ~~fluctuations~~ **changes, regulatory and political change** , and other **external** economic factors ~~beyond our control~~ . When the general level of economic activity deteriorates, ~~the level of~~ uncertainty about future business prospects **increases** ~~rises. Accordingly~~ , ~~customers may~~ **prompting clients to potentially** delay or cancel **projects. This includes** new **construction** ~~projects~~ **projections** , maintenance on major power plant components, repairs to damaged or worn equipment or other plant outage work. The adverse financial condition of the industry could **diminish** ~~negatively affect~~ our customers **' ability** and ~~their~~ willingness to fund capital expenditures or ~~other major~~ **pursue significant** projects in the future. **Furthermore, specific** ~~Economic~~ **economic** , regulatory and market conditions affecting our **clients** ~~specific customers~~ may ~~adversely impact the~~ **lead to a decrease in** demand for our services, **causing** ~~resulting in the delay~~ **delays** , ~~reduction~~ **reductions ,** or ~~cancellation~~ **cancellations** of ~~certain~~ projects ~~on which~~ **essential to** our ~~forecasts of~~ future business **forecasts** ~~may depend~~ . Future revenues are dependent on the awards of utility- scale natural gas- fired and renewable energy EPC projects to us, the receipt of corresponding full notices- to- proceed and our ability to successfully complete the projects that we start. The majority of our consolidated revenues relate to performance by the power industry services segment which represented **73 %,** 76 % ~~,~~ **and** 78 ~~% and 81~~ % of consolidated revenues for Fiscal **2024, Fiscal** 2023 ~~,~~ **and** Fiscal 2022 ~~and Fiscal 2021~~ , respectively. ~~Due primarily to the generally favorable operating results of~~ GPS, the major business component of this segment, ~~we have generated consolidated net income for twelve of the last thirteen years. GPS~~ earns the substantial portion of its revenues from execution on long- term natural gas- fired EPC services contracts with project owners. For Fiscal **2024, a majority portion of consolidated revenues related to- 11- EPC services provided to three power industry services customers. During Fiscal** 2023 ~~,~~ **and** Fiscal 2022 ~~and Fiscal 2021~~ , a majority portion of consolidated revenues related to EPC services provided to a single power industry services customer on a project that ~~achived~~ **achieved** substantial completion during the early part of Fiscal 2024. ~~As~~ **At times,** we **may be** ~~have discussed at previous reporting dates, GPS has been~~ awarded ~~six~~ contracts ~~totaling over 5 gigawatts over the past 5 years~~ for which commencement of project activities **are** ~~have been~~ delayed or cancelled. Our ability to sustain revenues depends on many factors including the ability of the power industry services business to not only win the awards of significant new EPC projects, but to obtain the corresponding full notices- to- proceed and to complete its projects successfully. We are directing a meaningful portion of our business development efforts to winning projects for the ~~erection of utility- scale wind farms and solar fields and for the~~ construction of ~~other~~ renewable energy projects. We have successfully built ~~13~~ utility- scale **solar and** wind ~~and solar~~ farms, biomass **-** fueled power plants and biodiesel energy facilities in the past, and we have renewed the pursuit of renewable energy projects that will complement our natural gas- fired EPC services projects **,** which will remain the core business development focus going forward. Failure to obtain future awards for the construction of utility- scale energy facilities and the corresponding notices to proceed with contract activities, as well as any failure to successfully complete such projects, would have adverse effects on our future revenues, profits and cash flows. Our dependence on large construction contracts may result in uneven financial results. Our power industry services activities in any one fiscal reporting period are concentrated on a limited number of large construction projects for which we recognize revenues over time as we transfer control of the project asset to the customer. To a substantial extent, our contract revenues are based on the amounts of costs incurred. As the timing of equipment purchases, subcontractor services and other contract events may not be evenly distributed over the terms of our contracts, the amount of total contract costs may vary from quarter to quarter, creating uneven amounts of quarterly and / or annual consolidated revenues. In addition, the timing of contract commencements and completions may exacerbate the uneven pattern. As a result of the foregoing, future reported amounts of consolidated revenues, cash flow from operations, net income and earnings per share may vary in ~~an~~ uneven ~~pattern~~ **patterns** and may not be indicative of the operating results expected for any other fiscal period, thus rendering consecutive quarter

comparisons of our consolidated operating results a less meaningful way to assess the growth of our business. Actual results could differ from the assumptions and estimates used to prepare our consolidated financial statements. To prepare consolidated financial statements in conformity with accounting principles generally accepted in the U. S., we are required to make estimates, assumptions and judgments as of the date of such financial statements, which affect the reported values of assets and liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. For each of our fixed price customer contracts, we recognize revenues over the life of the contract as performance obligations are completed by us based on the proportion of costs incurred to date compared ~~to~~ **with** the total costs estimated to be incurred for the entire project, and by using the resulting percentage to update the recorded amounts of project- to- date revenues. We review and make necessary revisions to the amounts of estimated future costs on a monthly basis. In addition, contract results may be impacted by our estimates of the amounts of change orders that we expect to receive and our assessment of any contract disputes that may arise. The effects on revenues of changes to the amounts of contract values and estimated costs **are** ~~typically will be~~ recorded as catch- up adjustments when the amounts are known and can be reasonably estimated. These revisions can occur at any time and could be material. Given the uncertainties associated with the types of customer contracts that we are awarded, it is possible for contract values and actual costs to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenues and profits **. Our disclosures of Critical Accounting Policies and Estimates (see Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations) include an expanded discussion of the estimates, judgements and assumptions that our revenue recognition accounting may require** . Among the other areas that could require significant estimates by our management are the following: ● the assessment of the value of goodwill and recoverability of other ~~purchased~~ intangible assets; ● the determination of provisions for income taxes, the accounting for uncertain income tax positions and the establishment of valuation allowances associated with deferred income tax assets; ● the determination of the fair value of stock- based incentive awards; and ● accruals for estimated liabilities, including any losses related to legal matters. **- 12-** Our actual business and financial results could differ from our estimates, which may impact future profits. Project backlog amounts may be uncertain indicators of future revenues as project realization may be subject to unexpected adjustments, delays and cancellations. At January 31, ~~2023~~ **2024** , the total value of our project backlog for all of our business units was $ 0. 8 billion. Project cancellations or scope modifications may occur that could reduce the amount of our project backlog and the associated revenues and profits that we actually earn. Our projects generally provide our customers the right to terminate the existing contract unilaterally at their convenience as long as they compensate us for work already completed and the additional costs incurred by us to terminate corresponding subcontract and equipment orders, demobilize and vacate construction sites. **These costs would most likely be meaningful** ~~To the best of management' s knowledge, this has not happened to us~~ . Projects that ~~are~~ **were** awarded to us ~~may~~ **in the past** ~~remain~~ **remained** ~~included~~ in our backlog for extended periods of time as customers ~~experience~~ **experienced** project delays. ~~- 14-~~ Should any unexpected delay, suspension or termination of the work under such ~~contracts~~ **projects** occur, our results of operations may be materially and adversely affected. Although we believe that the customer commitments represented by project backlog are firm, we cannot guarantee that revenues projected by us based on our project backlog ~~at January 31, 2023~~ will be recognized or will result in profitable operating results. Unsuccessful efforts to develop energy plant projects could result in write- offs and the loss of future business. The development of a power plant construction project is expensive with a total cost that could approximate or exceed $ 10 million. The developers of power projects may form single purpose entities, such as limited liability companies, limited partnerships or joint ventures, to perform the development activities, which are often funded by outside sources. ~~We periodically~~ **Periodically ,** ~~see business opportunities where~~ we ~~consider providing~~ **provide** financial support to ~~the ownership of a~~ new ~~project~~ **projects** ~~, typically~~ during ~~the~~ **their** development phase ~~, in order~~ **. This aims** to enhance the ~~likelihood that~~ **success of the phase and increase our chances of ultimately securing the EPC contract to build the plant. In the past, we have provided funding to special- purpose entities for gas- fired power plant projects during** the development phase ~~will be successful and to ensure that the EPC contract is awarded to us. In the past~~ , ~~we have been successful in lending~~ **leading** ~~funds~~ to **the return of our initial** ~~single purpose entities formed to develop gas- fired power plants. Each successful involvement~~ --- **investment** ~~resulted in repayment of the loans to us and~~ , ~~more critically,~~ the ~~award~~ **awarding** ~~to us~~ of ~~the~~ EPC contracts ~~and instructions to proceed fully~~ with ~~the~~ **authorization to start** construction ~~of the corresponding plant. In addition~~ , **and** the ~~completed development efforts resulted in our~~ receipt of success fees. ~~There can be~~ **While some of these initiatives have yielded positive results, others have** ~~no~~ **not** ~~assurances that~~ **, resulting in the write- off of loan and interest balances and the loss of potential construction projects. As of January 31, 2024,** we ~~will benefit from the participation in such~~ **do not have any financial statement exposure related to outstanding power plant** project development **financing arrangements** ~~efforts in the future. Certain project development support efforts have not been successful, resulting in the write- off of loan and interest balances, and the loss of the potential construction project. For example, during the fourth quarter of Fiscal 2022, we recorded an impairment loss related to the capitalized project development costs of a project in the amount of $ 7. 9 million, of which $ 2. 5 million was attributed to a non- controlling interest~~ . Future bonding requirements may adversely affect our ability to compete for new energy plant construction projects. Our construction contracts frequently require that we obtain payment and / or performance bonds from surety companies on behalf of project owners as a condition to the contract award. Historically, we have had a strong bonding capacity. ~~However, under~~ **Under** standard terms, surety companies issue bonds on a project- by- project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing any bonds. Not all of our projects require bonding. As of January 31, ~~2023~~ **2024** , the estimated value of future work covered by outstanding performance bonds was approximately $ 0. ~~6~~ **5** billion. Market conditions, changes in our performance or financial position, changes in our surety' s assessment of its own operating and financial risk **,** or larger future projects could cause our surety company to decline to issue, or substantially reduce, the amount of bonding available for our work and / or could increase our bonding costs. These actions can be taken on short notice. If our surety company were to limit or eliminate our access to new

bonds, our alternatives would include seeking bonding capacity from other surety companies, joint venturing with other construction firms, increasing business with clients that do not require bonds ~~and~~ **or** posting other forms of collateral for project performance, such as letters of credit or cash. We may be unable to make alternative arrangements in a timely manner, on acceptable terms, or at all. Accordingly, if we were to experience an interruption, reduction or other alteration in the availability of bonding capacity, we may be unable to compete for or work on certain projects. Our results could be adversely affected by natural disasters, human- made disasters or other catastrophic events. Natural disasters, such as hurricanes, tornadoes, **blizzards,** floods and other adverse weather conditions; or other catastrophic events such as ~~global pandemics~~ **public health crises, geopolitical conflicts, terrorism and civil disturbances** could disrupt our operations ~~,~~ or the operations of one or more of our vendors or customers. In particular, these types of events could shut ~~-~~ down our construction job sites or fabrication facility for indefinite periods of time, ~~break~~ **disrupt** our product supply chain ~~from the impacted region~~ or **- 13-** could cause our customers to delay or cancel projects ~~, which could impact our ability to operate~~ . To the extent any of these events occur, our operations and financial results could be adversely affected. The adverse effects of the war in Ukraine have spread globally. The prolonged ~~interruption~~ **disruption by Russia** of the supply **and prices** of oil and natural gas **provided** ~~by Russia~~ to Western European nations ~~has~~ adversely affected the economies of those countries **. Western European nations in search of alternative supplies of oil** and **natural gas** may **find them at higher prices or through more complicated transit routes,** further ~~disrupt~~ **disrupting** global supply chains. **More recently, activities conducted by terrorists based in the country of Yemen have endangered the key shipping route between the Red Sea and the Indian Ocean. Also the recent bridge collapse in Baltimore has closed temporarily ship access to its major port facilities.** Such unfavorable effects may adversely impact our business **going forward by altering materials** ~~. - 15- As the COVID- 19 outbreak became a global pandemic during Fiscal 2021, it challenged our ability to conduct operations normally in the U. S., Ireland~~ and ~~the U. K., because sustained labor productivity at our job sites is essential to the achievement of successful projects. In addition, the Company and certain of our major original~~ equipment ~~manufacturers source certain supplies, materials and equipment from countries that were afflicted by the outbreak. Future project interruptions or delays in the~~ delivery ~~of major power plant components that are related to a renewed spreading of an existing or mutated strain of the COVID- 19 virus or other contagion could impact our schedules, thereby affecting our ability to complete our fixed- price contract projects in accordance with established~~ schedules. We have protections in our contracts with major customers that provide certain relief that helps to mitigate certain financial risks. However, the effectiveness of these protections may be limited by factors including the financial strength of the customer. The extent to which ~~pandemics will~~ **natural disasters, human- made disasters or other catastrophic events could** harm us depends on the impact on our customers, supply chains, labor forces and numerous other evolving factors. Continuing disruptions to capacity auctions and corresponding prices could reduce the demand for power plants in our primary business region. Most of our recently completed and awarded EPC service contracts relate to the construction of natural gas- fired power plants located within the Mid- Atlantic geographic footprint of the electric power system operated by PJM, which includes all or part of thirteen states and the District of Columbia. This entity operates a capacity market which is a process to ensure long- term grid reliability by securing the appropriate amount of power supply resources needed to meet predicted future energy demands. Capacity payments represent meaningful portions of the revenue streams of qualifying power plants. **Annual** ~~Capacity~~ **capacity** ~~auction~~ **auctions** ~~for a particular delivery year were usually~~ **since 2021 have suffered delays that, once** held ~~during the month of May~~ , ~~three years prior to the actual delivery year. However, the 2023 / 2024 auction, scheduled for December 2021, was postponed until January 2022 and then was postponed again until June 2022. The auction results~~ **resulted in lower** ~~included increased capacity powered by nuclear, solar and natural gas energy sources, and decreased capacity provided by coal and wind energy sources. However,~~ prices ~~for the 2023 / 2024 and 2024 / 2025 delivery years were significantly lower~~ than ~~each~~ previous ~~auction~~ **auctions** . **In** ~~Capacity auction prices are scheduled to be posted for 2025- 2026 in~~ June 2023 ~~. However~~ , ~~PJM recently informed stakeholders that it will seek to delay this auction, which would require the approval of~~ the Federal Energy Regulatory Commission ~~,~~ **(" FERC ") issued an order accepting delays in future capacity auctions** so that market design rule changes proposed by stakeholders might be implemented for all future auctions. **In January 2024, FERC approved only one component of PJM' s two- part proposal for its capacity auction reform.** Uncertainty in this market, including the difficulties experienced by PJM in ~~perfecting~~ **implementing** a capacity auction design that all of its stakeholders consider to be fair, the repeated capacity auction delays, and the shrinking annual capacity auction prices, may discourage potential power plant owners from commencing the development of new power plants in this area thereby reducing potential new business opportunities for us. Risks Related to Our MarketIf the price of natural gas increases, the demand for our construction services could decline. The growth of our power business has been substantially based on the number of combined cycle gas- fired power plants built by us, as many coal- fired plants have been shut down. In 2010, coal- fired power plants accounted for about 45 % of total electricity generation in the U. S. For ~~2022~~ **2023** , coal accounted for approximately ~~20~~ **17** % of net electricity generation. On the other hand, natural- gas fired power plants provided approximately ~~39~~ **42** % of the electricity generated by utility- scale power plants in the U. S. in ~~2022~~ **2023** , representing an increase of ~~69~~ **70** % ~~from~~ **in** the amount of electrical power generated by natural gas- fired power plants ~~in 2010~~ , which ~~was~~ **provided** approximately 24 % of net electricity generation **for 2010** ~~in that year~~ . The use of coal as a power source has been adversely affected significantly by the plentiful supply of inexpensive natural gas that is available through the combined use of fracturing and horizontal drilling. However, the share of electricity generation provided by natural gas is particularly reactive in the short term to changing natural gas prices. **Even though current natural gas prices are extremely low,** ~~Higher~~ **higher** than expected natural gas prices **in the future** , even for just the short term, could have adverse effects on the ability of independent power producers to obtain construction and permanent financing for new natural gas- fired power plants. Soft demand for electrical power may cause deterioration in our financial outlook. The **most** ~~recently~~ -- **recent Annual Energy Outlook** published **by the** ~~government reference- case energy~~ **Energy** ~~outlook for the U. S.~~ **Information Administration (" EIA ") in March 2023** ~~projects~~

projected steady increases to utility- scale electricity generation ~~from 2023~~ through 2050. **However** ~~For calendar year 2022~~, ~~the total amount of electricity generated by utility- scale power plants increased by 2. 8 % as the U. S. economy continued to recover from the worst effects of the COVID- 19 pandemic.- 16- Any~~ future softness in the demand for electrical power in the U. S. could result in the delay, curtailment or cancellation of future gas- fired power plant projects, **- 14-** thus decreasing the overall demand for our EPC services and adversely impacting the financial outlook for our power industry services business. Intense global competition for engineering, procurement and construction contracts could reduce our market share. The competitive landscape in the EPC services market for natural gas- fired power plants was **altered** ~~changed significantly~~ several years ago as several significant competitors announced their exit from the market for a variety of reasons. Others have announced intentions to avoid entering into fixed- price contracts citing the disproportionate financial risks borne by contractors. However, the market remains dynamic, and remaining competitors include committed multi- billion- dollar companies with thousands of employees. Competing effectively in our market requires substantial financial resources, the availability of skilled personnel and equipment when needed and the effective use of technology. Meaningful competition is expected to continue in the domestic market, and could increase in the Irish and U. K markets, presenting us with significant challenges to our achieving strong growth rates and acceptable profit margins. If we are unable to meet these competitive challenges and to win the awards of new projects that provide desirable margins, we could lose market share to our competitors, experience overall reductions in future revenues and profits or incur losses. The continuous rise in renewables could **possibly** reduce the number of future gas- fired power plant projects. The net amount of electricity generation in the U. S. provided by utility- scale **solar and** wind ~~and solar photovoltaic~~ facilities continues to rise. Together, such power facilities provided approximately **12** ~~10. 6~~ %, **13** ~~11. 9~~ % **,** and **15** ~~13. 2~~ % of the net amount of electricity generated by utility- scale power facilities in ~~2020,~~ 2021 ~~and~~ **,** 2022 **and 2023** respectively. In the reference case of the ~~Energy Information Administration ("~~ EIA ~~")~~ Energy Outlook for 2023, net electricity generation from all renewable power sources is expected to represent approximately 63 % of such generation by 2050. Impetus for this growth has been provided by various factors including laws and regulations that discourage new fossil- fuel burning power plants, **federal support for new carbon- reduction technologies,** environmental activism, income tax advantages that promote the growth of **solar and** wind ~~and solar~~ power, the decline in the costs of renewable power plant components and power storage, and the increase in the scale of energy storage capacity. **The reference** ~~An expanded series of cases~~ - **case** in the 2023 **Energy Outlook** report ~~project~~ **projected** that the share of natural gas- fired electricity generation **will** ~~decreasing~~ **decrease** from ~~39~~ **42** % in ~~2022~~ **2023** to **approximately** ~~a range between~~ 22 ~~% and 32~~ % in 2050. Should the pace of development for renewable energy facilities, including **solar and** wind ~~and solar~~ power plants, accelerate at faster rates ~~as~~ **than** projected **or drive a faster migration from base load to peak load power plants** , the number **and / or value** of future natural gas- fired construction project opportunities for us may fall, which could adversely affect our future revenues, profits and cash flows. Unexpected and adverse changes in the foreign countries in which we operate could result in project disruptions, increased costs and potential losses. Our business is subject to overseas economic and political conditions that change for reasons which are beyond our control **(i. e., " Brexit ")** . Such changes may have unfavorable consequences for us. Operating in the European marketplace, which for us exists primarily in Ireland and the U. K., may expose us to a number of risks including: • abrupt changes in domestic and / or foreign government policies, laws, treaties (including those impacting trade), regulations or leadership; • embargoes or other trade restrictions, including sanctions; • restrictions on currency movement; • tax or tariff increases; • currency exchange rate fluctuations; • changes in labor conditions and difficulties in staffing and managing overseas operations; and • other social, political and economic instability. Our level of exposure to these risks will vary on each significant project we perform overseas, depending on the location and the particular stage of the project. To the extent that our international business is affected by unexpected and adverse foreign economic changes, including trade retaliation from certain countries, we may experience project disruptions and losses which could significantly reduce our consolidated revenues and profits, or could cause losses reflected at the consolidated level.- ~~17~~ **15** - Risks Related to the Regulatory EnvironmentWe are required to comply with environmental laws and regulations that may add unforeseen costs to our ~~business~~ **businesses** . Our operations are subject to compliance with federal, state and local environmental laws and regulations, including those relating to discharges to air, water and land, the handling and disposal of solid and hazardous waste, and the cleanup of properties affected by hazardous substances. Certain environmental laws impose substantial penalties for non- compliance and others, such as the federal Comprehensive Environmental Response, Compensation and Liability Act, impose strict, retroactive, and joint and several liability upon persons responsible for releases of hazardous substances. We continually evaluate whether we must take additional steps to ensure compliance with environmental laws, however, there can be no assurance that these requirements will not change and that compliance will not add costs to our projects that could adversely affect our operating results in the future. **Furthermore, we expect increased regulations related to greenhouse gas emissions disclosures and other ESG reporting matters whose compliance efforts may vary based on the jurisdiction. For example, the European Union adopted the Corporate Sustainability Reporting Directive (" CSRD ") at the end of 2022 that requires comprehensive disclosures on a broad spectrum of topics, and in October 2023, the governor of California signed into law emissions and climate risks bills that provide different and extensive reporting requirements. Additionally, the SEC' s new regulations adopted in March 2024 mandate public companies to integrate extensive climate risk disclosures in their annual reports and registration statements, where certain disclosures will be subject to phased- in assurance requirements. At this time, it is uncertain whether the SEC' s new climate disclosure rules will withstand pending and future legal challenges. Notably, in April 2024, the SEC issued an order staying implementation of the new disclosure regulations pending the resolution of certain challenges. Nonetheless, we may incur additional expenses implementing and maintaining compliance with such regulations and may divert management' s attention from other important operational or financial matters.** Expectations of customers and investors may change with respect to sustainability practices, which may impose costs or impact our ability to obtain financing. Customer and investor standards, which are ever- evolving, have become increasingly focused on

environmental, social and governance practices of the companies with which they work or in which they invest. Customers may require that we meet their standards before granting us projects, which may create additional costs to us. If our sustainability practices do not ultimately meet customer expectations, we may not win projects. Investors, who may become wary of funding power services ventures with sustainability practices unacceptable to them, may decide to reallocate capital to other enterprises. Investors and lenders may be generally unwilling to provide capital for energy projects to increase the domestic production and transmission of oil and natural gas. The ~~election of President~~ Biden ~~resulted in~~ **Administration poses** additional regulatory hurdles for fossil- fuel energy facilities. ~~A~~ **The Biden Administration' s approach to environmental regulation poses** significant **risks to the** ~~headwind for future gas- fired power plant developments -~~ **development and operation** ~~relates to the policies~~ of ~~President Biden, who proposes~~ **fossil- fuel energy facilities. Central** to ~~make~~ the **administration' s energy policy is the ambitious goal to achieve a carbon- free** electricity **sector** ~~production in the U. S. carbon free~~ by 2035 and to ~~put~~ **position** the ~~country on the path~~ **U. S.** to ~~achieve~~ **reach** net **-** zero carbon emissions by 2050. **Since** ~~Soon after~~ taking office, President Biden ~~caused~~ **has taken several actions that underscore his commitment to these goals. He led** the U. S. to re- ~~join~~ **enter** the Paris ~~climate~~ **Climate** ~~agreement~~ **Agreement** . ~~He~~ **Additionally, the administration** revoked ~~the permit for~~ the Keystone Pipeline **permit** ~~to cross the U. S.- Canadian border. Early in his presidency~~ , ~~he also issued~~ **effectively halting its construction,** ~~an~~ **and** ~~executive order~~ temporarily ~~suspending~~ **suspended** new oil and gas leasing on federal lands, **despite** ~~which faced~~ legal challenges. ~~While~~ **Although** oil and gas leasing on federal lands has **resumed** ~~continued under his presidency~~ , ~~the~~ **there** ~~number of federal acres leased~~ is ~~much reduced from~~ **a notable reduction in the scale of these activities compared to** previous administrations. ~~In March 2023,~~ **The Environmental Protection Agency (" EPA ") has proposed rules that would require coal and gas- fired power plants to limit greenhouse gas emissions by processes that may include** the ~~Biden~~ **potential installation of carbon capture technology or co- firing with hydrogen to meet the standards. The** administration ~~did approve~~ **' s actions and policy goals reflect** a **shift away from** ~~major and controversial oil- drilling plan in Alaska led by a major oil company that will be allowed to develop three well pads. This announcement was made the day after the administration unveiled protections for more than 16 million acres of land and water in the region, including declaring the Arctic Ocean off- limits to oil and gas leasing. In addition, the leading oil company will relinquish drilling rights to about 68, 000 acres of existing leases in the area. Nonetheless, the announcement disappointed environmental groups who pledged to continue to fight the plan. Despite this recent decision by the administration, the election of President Biden, in part, does represent an indication of the growing popular sentiment against fossil- fuel sourced energy, which may create future obstacles for~~ fossil fuel ~~- based~~ energy **. This shift increases the regulatory and operational hurdles for companies involved in the development and management of fossil- fuel energy** ~~facility~~ **facilities .** ~~developers~~ **Developers** ~~to~~ **may face challenges in** ~~obtain~~ **obtaining** ~~the~~ **necessary** permits ~~necessary for the start of construction activities~~ **, meeting new environmental standards, and adapting to a rapidly evolving regulatory landscape** . **These factors could significantly impact the feasibility, costs, and timelines of new fossil- fuel projects, affecting our future operations and financial condition.- 16-** Future construction projects may depend on the continuing acceptability of the hydraulic fracturing process in certain states. The viability of the gas- fired power plants that we build is based substantially on the availability of inexpensive natural gas supplies provided through the use of fracking combined with horizontal drilling techniques. The new supplies of natural gas generally lowered the price of natural gas in the U. S. and reduced its volatility. However, the process of fracking is controversial due to concerns about the disposal of the waste water, the possible contamination of nearby water supplies and the risk of potential seismic events. Should future evidence confirm the concerns, the use of fracking may be suspended, limited, or curtailed by additional state and / or federal authorities. As a result, the supply of inexpensive natural gas may not be available in the future and the economic viability of gas- fired power plants that we build may be jeopardized. ~~- 18-~~ The inability of power project developers to receive or to avoid delay in receiving the applicable regulatory approvals relating to energy projects, including new natural gas pipelines, may result in lost or postponed revenues for us. The commencement and / or execution of the types of projects performed by our power industry services reporting segment are subject to numerous regulatory permitting processes. Applications for the variety of clean air, water purity and construction permits may be opposed by individuals or environmental groups, resulting in delays and possible denial of the permits. There are no assurances that our project owner customers will obtain the necessary permits for these projects, or that the necessary permits will be obtained in order to allow construction work to proceed as scheduled. More importantly, a project may confront difficulties in securing an interconnection service commitment from a transmission organization establishing a connection to the electricity grid. Without such a commitment, the project might be delayed or even terminated. The viability of new natural gas- fired power plants depends on the availability of nearby sources of natural gas for fuel which may require the construction of new pipelines for the delivery of natural gas to a power plant location. Approval delays and public opposition to new oil and gas pipelines have become major potential hurdles for the developers of gas- fired power plants and other fossil **-** fuel facilities. ~~The slowdown in permitting processes is due, at least in part, to the increase in environmental activism that garners media attention and fosters public skepticism about new projects which generally result in political opposition to any fossil- fuel project.~~ In particular, pipeline projects ~~are~~ **may be** delayed by onsite protest demonstrations, indecision by local officials and lawsuits. Failure to commence or complete construction work as anticipated **by fossil- fuel project owners** could have material adverse impacts on our future revenues, profits and cash flows. Work stoppages, union negotiations and other labor problems could adversely affect us. The performance of certain large- scale construction contracts results in the hiring of employees **in the U. S. and overseas who are** represented by labor unions. We ~~do~~ make sincere efforts to maintain favorable relationships and conduct good- faith negotiations with union officials. However, there can be no assurances that such efforts will eliminate the possibilities of unfavorable conflicts in the future. A lengthy strike or the occurrence of other work disputes, slowdowns or stoppages at any of our current or future construction project sites could have an adverse effect on us, resulting in cost overruns, schedule delays or even lawsuits that could be significant. In addition, labor incidents could result in negative publicity for us thereby damaging our business

reputation and perhaps harming our prospects for the receipt of future construction contract awards in certain locales. Risks Related to Our Operational ExecutionWe may experience reduced profits or incur losses under fixed price contracts if costs increase above estimates. Primarily, our business is performed under long- term, fixed price contracts at prices that reflect our estimates of corresponding costs and schedules. Inaccuracies in these estimates may lead to cost overruns that may not be paid by our project owner customers. If we fail to accurately estimate the resources required and time necessary to complete these types of contracts, or if we fail to complete these contracts within the costs and timeframes to which we have agreed, there could be material adverse impacts on our actual financial results, the accuracy of forecasted future results, as well as our business reputation. **- 17-** Factors not **specifically** discussed ~~above~~ **in these risk factors** that could result in contract cost overruns, project delays or other problems for us may include: ● the impacts of inflation on fixed- price contracts; ● delays in the scheduled deliveries of machinery and equipment ordered by us or a project owner ~~(i. e., supply chain disruptions)~~ ; ● unanticipated technical problems, including design or engineering issues; ● inadequate project execution tools for recording, tracking, forecasting and controlling future costs and schedules; ● unforeseen increases in the costs of labor, warranties, raw materials, components or equipment, or our failure or inability to obtain resources when needed; ● reliance on historical cost and / or execution data **for estimation purposes** that is not representative of current conditions; ● delays or productivity issues caused by weather conditions, or other forces majeure ~~(i. e., pandemics)~~ ; ~~- 19-~~ ● satisfying the requirements of the Inflation Reduction Act of 2022 (the " IRA ") for our customers in order to maximize its potential benefits; ● incorrect assumptions related to labor productivity, scheduling estimates or future economic conditions; ● workmanship deficiencies resulting in delays and costs associated with the performance by us of unanticipated rework; and ● modifications to projects that create unanticipated costs or delays. These risks tend to be exacerbated for longer- term contracts because there is increased risk that the circumstances under which we based our original cost estimates or project schedules will change with a resulting increase in costs or delays in achieving scheduled milestones. In such events, our financial condition and results of operations could be negatively impacted. We try to mitigate these risks by reflecting in our overall cost estimates the reasonable possibility that a number of different and potentially unfavorable outcomes might occur. There are no assurances that our estimates will be sufficient. If not, our misjudgments may lead to decreased profits or losses. In some cases, as certain risk scenarios are eliminated or our concerns regarding certain potential cost and / or schedule issues diminish, we may estimate that the likelihood of an unforeseen cost overrun has reduced and, accordingly, we may increase the estimated gross margin on the project by decreasing the remaining overall cost estimate. If we guarantee the timely completion or the performance of a project, we could incur additional costs to fulfill such obligations. In ~~many~~ **certain** of our fixed price long- term contracts, we guarantee that we will complete a project by a scheduled date. We sometimes provide that the project, when completed, will also achieve certain performance standards. Subsequently, we may fail to complete the project on time or equipment that we install may not meet guaranteed performance standards. In those cases, we may be held responsible for costs incurred by the customer resulting from any delay or any modification to the plant made in order to achieve the performance standards, generally in the form of contractually agreed- upon liquidated damages or obligations to re- perform substandard work. If we are required to pay such costs, the total costs of the project would likely exceed our original estimate, and we could experience reduced profits or a loss related to the applicable project. We may be involved in litigation, liability claims and contract disputes which could reduce our profits and cash flows. We build large and complex energy plants where design, construction or systems failures can result in substantial injury or damage to third parties. In addition, the nature of our business results in project owners, subcontractors and vendors occasionally presenting claims against us for recovery of costs ~~that they incurred in excess of what they expected to incur, or~~ for which they believe they are not contractually liable. In other cases, project owners may withhold retention and / or contract payments ~~, for which~~ they believe they do not contractually owe us **,** or ~~based on their interpretation of the~~ **they** ~~contract, or~~ **believe offset amounts owed to them by us. They may** even terminate the contract. We have been ~~, are~~ , and may be in the future, named as a defendant in legal proceedings where parties may allege breach of contract and seek recovery for damages or other remedies with respect to our projects or other matters (see Legal Proceedings in Item 3). These legal matters generally arise in the normal course of our business. In addition, from time to time, we and / or certain of our current or former directors, officers or employees could be named as parties to other types of lawsuits. **- 18-** Litigation can involve complex factual and legal questions, and proceedings may occur over several years ~~. As a result, it is typically not possible to predict the likely outcome of legal actions with certainty, but it is likely that any significant lawsuit or other claim against us that involves lengthy legal maneuvering may have a material adverse effect on us regardless of the outcome~~ . Any claim that is successfully asserted against us could result in our payment of significant sums for damages and other losses. Even if we were to prevail, any litigation may be costly and time- consuming, and would likely divert the attention of our management and key personnel from our business operations over multi- year periods. Either outcome may result in adverse effects on our financial condition, results of operations, cash flows and our reputation. In accordance with customary industry practices, we maintain insurance coverage against some, but not all, potential losses in order to protect against the risks we face. When it is determined that we have liability, we may not be covered by insurance or, if covered, the dollar amount of any liability may exceed our policy limits or self- insurance reserves. ~~- 20-~~ Further, we may elect not to carry insurance related to particular risks if our management believes that the cost of available insurance is excessive relative to the risks presented. In addition, we cannot insure fully against pollution and environmental risks. Our management liability insurance policies are on a " claims- made " basis covering only claims actually made during the policy period currently in effect. In addition, even where insurance is maintained for such exposures, the policies have deductibles resulting in our assuming exposure for a layer of coverage with respect to any such claims. Any liability not covered by our insurance, in excess of our insurance limits and self- insurance reserves or, if covered by insurance but subject to a high deductible, could result in a significant loss for us, which claims may reduce our future profits and cash available for operations. Our failure to recover adequately on contract variations submitted to project owners could have a material effect on our financial results. We may submit contract variations to project owners for additional costs

exceeding the contract price or for amounts not included in the original contract price. Variations occur due to matters such as owner- caused delays or changes from the initial project scope, both of which may result in additional costs. At times, contract variation submissions can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when these differences will be fully resolved. When these types of events occur and unresolved matters are pending, we have used existing liquidity to cover cost overruns pending their resolution. The aggregate amounts of contract variations included in the transaction prices that were still pending customer acceptance at January 31, **2024 and** 2023 ~~and 2022~~ were $ **8. 4 million and $** 11. 6 ~~million and $ 7. 5~~ million, respectively. A failure to promptly recover on these types of customer submissions could have a negative impact on our revenues, liquidity and profitability in the future. The shortage of skilled craft labor may negatively impact our ability to execute on our long- term construction contracts. Increased infrastructure spending and general economic expansion may increase the demand for employees with the types of skills needed for the completion of our projects. There is a risk that our construction project schedules become unachievable or that labor expenses will increase unexpectedly as a result of a shortage in the supply of skilled personnel available to us **. Increased labor costs may influence our customers' decisions regarding the feasibility or scheduling of specific projects, potentially leading to delays or cancellations that could materially affect our business adversely** . Labor shortages, productivity decreases or increased labor costs could impair our ability to maintain our business or grow our revenues. The inability to hire and retain qualified skilled employees in the future, including workers in the construction crafts, could negatively impact our ability to complete our long- term construction contracts successfully. Our dependence upon third parties to complete many of our contracts may adversely affect our performance under current and future construction contracts. Certain of the work performed under our energy plant construction contracts is actually performed by third- party subcontractors we hire. We also rely on third- party manufacturers or suppliers to provide much of the equipment and most of the materials (such as copper, concrete and steel) needed to complete our construction projects. If we are unable to hire qualified subcontractors or to find qualified equipment manufacturers or suppliers, our ability to successfully complete a project could be adversely impacted. If the price we are required to pay for subcontractors or equipment and supplies exceeds the corresponding amount that we have estimated, we may suffer a reduction in the anticipated amount of gross profit or even a loss on the contract. If a supplier, manufacturer or subcontractor fails to provide supplies, equipment or services as required under a negotiated contract for any reason, we may be required to self- perform unexpected work or obtain these supplies, equipment or services on an expedited basis or at a higher price than anticipated from a substitute source, which could impact contract profitability in an adverse manner. Unresolved disputes with a subcontractor or supplier regarding the scope of work or performance may escalate, resulting in arbitration proceedings or legal actions. **- 19-** Unfavorable outcomes of such disputes may also impact contract profitability in an adverse manner. In addition, if a subcontractor fails to pay its subcontractors, suppliers or employees, liens may be placed on our project requiring us to incur the costs of reimbursing such parties in order to have the liens removed or to commence litigation. Failure to maintain safe work sites could result in significant losses as we work on projects that are inherently dangerous. Our project sites can place our employees and others near large and / or mechanized equipment, high voltage electrical equipment, moving vehicles, dangerous processes or highly regulated materials, and in challenging environments. Safety is a primary focus of our business and is critical to our reputation. ~~Often, we are responsible for safety on the project sites where we work.~~ Many of our customers require that we meet certain safety criteria to be eligible to bid on contracts. ~~- 21-~~ Further, regulatory changes implemented by OSHA or similar government agencies could impose additional costs on us. We maintain programs with the primary purpose of implementing effective health, safety and environmental procedures throughout our Company. If we fail to implement appropriate safety procedures and / or if our procedures fail, our employees or others may suffer injuries or illness. The failure to comply with such procedures, client contracts or applicable regulations could subject us to losses and liability, and adversely impact our ability to complete awarded projects as planned or to obtain projects in the future. Our OSHA reportable incident rates, weighted by hours worked for all of our subsidiaries, were 0. **43, 0.** 60, 0. 48, 0. 55 ~~,~~ **and** 0. 40 ~~and 0. 54~~ for the calendar years **2023,** 2022, 2021, 2020 ~~,~~ **and** 2019 ~~and 2018~~ , respectively. Our actual rates were significantly better than the national average rates in our industry (NAICS – 2379) for those years. Future acquisitions and / or investments may not occur which could limit the growth of our business, and the integration of acquired companies may not be successful ~~. Argan is primarily a construction company with current investments in GPS, APC, TRC and SMC~~ . We may make additional opportunistic acquisitions and / or investments by identifying companies with significant potential for profitable growth and realizable synergies with one or more of our existing businesses. However, we may have more than one industrial focus depending on the opportunity and / or needs of our customers. ~~Significant acquired companies~~ **Companies** ~~will be operated in a manner that we believe will best provide long- term and enduring value for our stockholders. However, additional companies~~ meeting ~~these~~ **our** criteria and that provide products and / or services in growth industries and that are available for purchase at attractive prices are difficult to find. Discussions with the principal (s) of potential acquisition targets may be protracted and ultimately terminated for a variety of reasons. Further, due diligence investigations of attractive target companies may uncover unfavorable data, and the negotiation and consummation of acquisition agreements may not be successful. We cannot readily predict the timing or size of any future acquisitions or the capital we will need for these transactions. However, it is likely that any potential future acquisition or strategic investment transaction would require the use of cash and / or shares of our common stock ~~as components of the purchase price~~ . Using cash for acquisitions may limit our financial flexibility and make us more likely to seek additional capital through future debt or equity financings. Our ability to obtain such additional financing in the future may depend upon prevailing capital market conditions, the strength of our future operating results and financial condition as well as conditions in our business, and the amount of outside financing sought by us. These factors may affect our efforts to arrange additional financing on terms that are acceptable to us. Our ability to use shares of our common stock as future acquisition consideration may be limited by a variety of factors, including the future market price of shares of our common stock and a potential seller' s assessment of the liquidity of our common stock. If adequate funds or the use of our common stock are not available to us, or

are not available on acceptable terms, we may not be able to take advantage of desirable acquisitions or other investment opportunities that would benefit our business. Even if we do complete acquisitions in the future, acquired companies may fail to achieve the results we anticipate including the expected gross profit percentages. In general, we keep each of our subsidiary operations in a self- sustaining mode. However, we do attempt to integrate certain aspects to drive synergies and cost reductions, as well as to share best practices, processes and procedures. In the future, we may not be able to successfully integrate such acquired companies with our other operations without substantial costs, delays or other operational or financial problems including: ● the diversion of management' s attention from other important operational or financial matters; ● the inability to retain or maintain the focus of key personnel of acquired companies; ● the discovery of previously unidentified project costs or other liabilities; ● unforeseen difficulties encountered in the maintenance of uniform standards, controls, procedures and policies, including an effective system of internal control over financial reporting; and ● impairment losses related to acquired goodwill and other intangible assets. **- 20-** Future acquisitions could result in issuances of equity securities that would reduce our stockholders' ownership interests, the issuance of sizable amounts of debt and the incurrence of contingent liabilities. Further, we may conclude that the divestiture of a troubled **or unrelated** business will satisfy the best interests of our stockholders **. There is risk that we would be unable to complete such a transaction with terms and timing that are acceptable for us, or at all** . Any divesting transaction could **also** result in a material loss for us. ~~- 22-~~ In summary, integrating acquired companies may involve unique and significant risks. Our failure to overcome such risks could materially and adversely affect our business, financial condition and future results of operations, and could cause damage to our Company' s reputation. Our failure to protect our management information systems against security breaches could adversely affect our business and results of operations. Our ~~computer~~ **information** systems face the threat of unauthorized access, computer hackers, viruses, malicious code, cyberattacks, phishing and other security incursions and system disruptions, including attempts to improperly access our confidential and proprietary information as well as the confidential and proprietary information of our customers and other business partners **. Techniques used to attempt to obtain unauthorized access to information systems change frequently, and the rapid development of artificial intelligence poses new cybersecurity risks that we may not timely anticipate** . A party who circumvents our security measures, or those of our clients, contractors or other vendors, could misappropriate confidential or proprietary information, improperly manipulate data, or cause damage or interruptions to systems. Furthermore, we are heavily reliant on computer, information and communications technology and related systems, some of which are hosted by third party providers. We may experience system availability disruptions. Unplanned interruptions could delay or prevent necessary operations. While we believe that our reasonable safeguards will protect us from serious disruptions in the availability of our information technology assets, these safeguards may not be sufficient. We may also be required to expend significant resources to protect against or alleviate damage caused by systems interruptions and delays. Various privacy and security laws in the U. S. and abroad, including the General Data Protection Regulation (" GDPR ") in the European Union, require us to protect sensitive and confidential information and data from disclosure and we are bound by our client and other contracts, as well as our own business practices, to protect confidential and proprietary information and data ~~(whether it be ours or a third party' s information entrusted to us)~~ from unauthorized disclosure. We believe that we have deployed industry- accepted security measures and ~~technology~~ **technologies** to securely maintain confidential and proprietary information retained within our information systems, including compliance with GDPR specifically at APC. However, these measures and ~~technology~~ **technologies** may not adequately prevent unanticipated security breaches. There can be no assurance that our efforts will prevent these threats. Further, as these security threats continue to evolve, we may be required to devote additional resources to protect, prevent, detect and respond against such threats. We ~~do~~ believe that our business represents a low value target for ~~cyberterrorists~~ **cyberextortionists** as we are not a company in the high technology space and we do not maintain large files of sensitive or confidential personal information. However, we **are a company with large balances of cash that could encourage bad actors to attempt to breach the security of our systems, possibly by using social engineering schemes. We** do maintain a cybersecurity insurance policy to help protect ourselves from various types of losses relating to computer security breaches. As **previously** disclosed ~~in our Current Report on Form 8- K that we filed on March 10, 2023~~ , we were targeted by a complex criminal scheme ~~earlier~~ in ~~the month~~ **March 2023** , which resulted in fraudulently- induced outbound wire transfers to a third- party account **(see Note 18 to the accompanying consolidated financial statements)** . **As** ~~We anticipate recording~~ a **result** ~~one- time pre- tax charge~~ of ~~approximately~~ **the fraud loss, net of funds recovered, and professional fees incurred related to an independent forensic investigation and efforts to recover the funds, we recognized** $ ~~3~~ **2** . ~~0~~ **7** million ~~for the unrecovered fraudulent wire transfers in the first quarter~~ of **loss** ~~Fiscal 2024, of which up to $ 0. 2 million, net of the applicable deductible, may be recovered through an insurance claim~~ . We are unaware of any other significant security breaches at any of our business locations. That does not suggest that we may not be victimized by an additional breach in the future. Any significant future breach of our information security could damage our reputation, result in litigation and / or regulatory fines and penalties, or have other material adverse effects on our business, financial condition, results of operations or cash flows. We may be subject to increased corporate taxes in the future. We are subject to income taxes in the U. S. and foreign jurisdictions. A change in tax laws, treaties or regulations, or their interpretation, in any country where we operate could result in a higher tax burden or could increase our cost of tax compliance. **- 21-** Higher corporate taxes for us could result from the Global Minimum Tax, a ~~recent~~ global agreement to ensure that certain large corporations pay income tax at a minimum rate of 15 % **that many countries have begun to incorporate into law** . Under this scheme, governments could still set whatever corporate tax rate they want, but if companies pay lower rates in a particular country, their home governments could " top- off " their taxes to the 15 % minimum. ~~In any event~~ **Although the rules for the Global Minimum Tax provide a framework for its application** , **countries may incorporate the rules into** ~~we will pay higher U. S. income taxes going forward due to the~~ **their laws differently. We may continue to be** ~~impact~~ **impacted** ~~of~~ **in varying degrees by** the Global Intangible Low Tax Income (" GILTI ") provision **based on the results of our foreign operations** . GILTI is a federal tax calculation that determines the amount of the current earnings

of foreign subsidiaries that are included in the computation of the corporate tax of U. S. parent companies. ~~In the past, we- 23- avoided this incremental taxation created by the Tax Cuts and Jobs Act (the " Tax Act ") because our foreign operations were incurring mostly losses since the enactment of the Tax Act in late 2017 and for several years thereafter. However,~~ GILTI **is** ~~has become~~ an unfavorable permanent component of our federal taxable income in the U. S. ~~as the overseas~~ **when our foreign** operations **are** ~~have become~~ profitable, and it may become more meaningfully unfavorable to us if our operations in Ireland and the U. K. increase their profitability in the future ~~. As disclosed below, we have been systematically repurchasing shares of our common stock primarily in open market transactions. Effective January 1, 2023, these types of transactions became subject to a 1 % tax on the repurchase price, and the Presidential administration has proposed that the tax be raised to 4 %. Although we estimate that the amount of tax owed for transactions that occurred in January 2023 is not material, we cannot predict the amount of such taxes that we will owe in the future, which could alter our plans to continue the repurchase program~~ . Certain of our tax positions may be successfully challenged by tax authorities which could result in additional income tax expense. Significant judgment is required in order to determine our worldwide provision for income taxes for each quarterly and annual reporting period. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Our tax estimates and tax positions could be materially affected by many factors including the final outcome of tax audits and related appeals, the introduction of new tax accounting standards, legislation, regulations and related interpretations, our global mix of earnings, the realization of deferred tax assets, changes in uncertain tax positions and changes in our tax strategies. The results of current or future income tax return examinations could result in unfavorable adjustments to the amounts of income taxes previously recorded and / or paid. Any such future event or determination related to income taxes could have a material impact on our net earnings and cash flows from operations. **See Note 12** ~~During the year ended January 31, 2019 (" Fiscal 2019 "), we completed a detailed review of the activities of our engineering staff on major EPC services projects in order~~ to ~~identify and quantify the amounts of estimated research and development tax credits that were available to reduce prior year income taxes. This study focused on project costs incurred during the three~~ -- **the accompanying consolidated financial statements** ~~- year period ended January 31, 2018. Based on the detailed review, we identified and estimated significant amounts of income tax benefits that were not previously recognized in our operating results~~ for **discussion** ~~any prior year reporting period. As a result, we recorded an income tax benefit in the net amount~~ of ~~$ 16. 6 million related to the research and development tax credits during Fiscal 2019, which was subsequently reduced by $ 0. 4 million. The research and development tax credits were included in amendments to~~ our **current** ~~consolidated federal income tax returns for the year ended January 31, 2016 (" Fiscal 2016 ") and the year ended January 31, 2017 (" Fiscal 2017 "), that were filed in January 2019, and our consolidated federal~~ income tax return ~~for the year ended January 31, 2018 (" Fiscal 2018 "), that was filed in November 2018. In January 2021, the Internal Revenue Service (the " IRS ") issued its final revenue agents reports that disagreed with our treatment of a substantial amount of the costs that supported tax credits claimed. In March 2021, we submitted a formal protest to the findings of the IRS examiner and requested an appeal hearing. At the conclusion of the hearing, we agreed to accept a settlement offer from the IRS in the amount of approximately $ 7. 9 million, before interest. As a result, we made an unfavorable adjustment to our liability for uncertain income tax positions of approximately $ 6. 2 million, which we recorded in income tax expense in Fiscal 2023. In a manner similar to the process described above, during Fiscal 2023, GPS completed a detailed review of the activities of its engineering staff on major EPC services projects in order to identify and quantify the amounts of research and development tax credits that may have been available to reduce federal income taxes for Fiscal 2022 and Fiscal 2021. As a result, we have filed amended federal income tax returns for those years, including research and development tax credits in the total amount of $ 5. 8 million. Net of a corresponding reduction to reflect uncertain income tax return positions, the tax benefit recorded in Fiscal 2023 for these tax credits was approximately $ 3. 4 million. These income tax returns may be subject to future~~ examinations ~~by the IRS which may result in lower recovery on our research and development claims than we expect, or no recovery at all~~ . ~~Subsequent to January 31, 2023, we obtained an insurance policy covering our tax position in the event that we would suffer a loss related to our research and development claims.- 24-~~ We could be adversely affected by violations of the Foreign Corrupt Practices Act and similar anti- bribery laws. The U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act of 2010 and similar anti- bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to officials or others for the purpose of obtaining or retaining business. While we believe that our policies and oversight in this area are ~~strong~~ **comprehensive and effective** , we cannot provide assurances that our internal controls and procedures always will protect us from the possible reckless or criminal acts committed by our employees or others. If we are found to be liable for anti- bribery law violations (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others including our partners, subcontractors or suppliers), we could suffer from criminal or civil penalties or other sanctions, including contract cancellations or debarment, and damage to our reputation, any of which could have a material adverse effect on our business. Litigation or investigations relating to alleged or suspected violations of anti- bribery laws, even if such litigation or investigations demonstrate ultimately that we did not violate anti- bribery laws, could be costly and could divert management' s attention away from other aspects of our business. Our continued success requires us to retain and hire talented personnel. Undoubtedly, unforeseen future changes in our management will occur. Therefore, we cannot be certain that any key executive or manager will continue in such capacity while performing at a high level for any particular period of time, nor can we be certain that events will permit us to complete smooth management transitions should they occur. Our ability to operate productively and profitably, particularly in the power industry, is dependent on our ability to attract, employ, retain and train skilled personnel necessary to meet our future requirements. We cannot be certain that we will be able to maintain experienced management teams and adequately skilled groups of employees necessary to execute our long- term construction contracts successfully and to support our future growth strategy. The loss of key personnel, the inability to complete management transitions without significant loss of effectiveness, or the inability to hire and retain qualified employees in the future could negatively impact our ability to manage our business in the future. **- 22-** Risks Related to

an Investment in Our SecuritiesOur acquisition strategy may result in dilution to our stockholders. We may make future acquisitions of other businesses that require the use of cash and issuances of common stock. To the extent that we intend to use cash for any acquisition, we may be required to raise additional equity and / or obtain debt financing. Stock issuances and financing, if obtained, may not be on terms favorable to us and could result in substantial dilution to our stockholders at the time (s) of these transactions. Future stock option exercises and restricted stock issuances will dilute the ownership of the Company' s current stockholders. We award stock options, time **- based restricted stock units, market** - based restricted stock units and performance- based restricted stock units to executives and other key employees (see Note ~~12~~ **11** to the accompanying consolidated financial statements). Future exercises of options to purchase shares of common stock at prices below prevailing market prices will result in ownership dilution for current stockholders. Additionally, the number of shares of our common stock that will ultimately be issued in connection with the restricted stock unit awards is not known. Any issuance will result in the dilution of the stock ownership of current stockholders. Our officers, directors and certain unaffiliated stockholders have substantial control over the Company. As of January 31, ~~2023~~ **2024** , our executive officers and directors as a group **directly** owned approximately 7. 3 % of our voting shares. In addition, four ~~(4)~~ other stockholders owned approximately ~~34~~ **30** . 6 % of our shares in total as of December 31, ~~2022~~ **2023** . These groups of stockholders may have significant influence over corporate actions such as the election of directors, amendments to our certificate of incorporation, the consummation of any merger, the sale of all or substantially all of our assets or other actions requiring stockholder approval. We may not pay cash dividends in the future. Our board of directors evaluates our ongoing operational and financial performance in order to determine what role strategically aligned dividends should play in creating shareholder value. **We** ~~Starting in Fiscal 2019, we~~ have paid regular **and special cash dividends in the past. Since Fiscal 2019, we paid a regular** quarterly cash ~~dividends~~ - **dividend** ~~in the amount~~ of $ 0. 25 per share of common stock **, which was increased to $ 0** . ~~We also made~~ **30 per share of common stock for October 2023. There can be no assurance that the evaluations of our board of directors will result in the payment of regular or** special cash **dividends in the future. We may discontinue the repurchase of our common stock in the future. Under our share repurchase program, our board of directors has authorized us to repurchase shares of our common stock in the open market or through investment banking institutions, privately- negotiated transactions, or direct purchases. We began to repurchase shares of our common stock in November 2021, and we have repurchased shares of our common stock during each fiscal year since. Subsequent to January 31, 2024, we have continued to make open market purchases pursuant to the approvals of our board of directors. The timing and amount of stock repurchase transactions depend on market and business conditions, applicable legal and credit requirements and other corporate considerations. We have no obligation to repurchase any amount of our common stock under the share repurchase program. The share repurchase program may be suspended, modified or discontinued at any time, and we cannot guarantee that we will continue to make common stock repurchases up to the authorized amount. Provisions of our certificate of incorporation and Delaware law could deter takeover attempts. Provisions of our certificate of incorporation and Delaware law could delay, prevent, or make more difficult a merger, tender offer or proxy contest involving us. Among other things, our board of directors may issue up to 500, 000 shares of our preferred stock and may determine the price, rights, preferences, privileges and restrictions, including voting and conversion rights, of these shares. The issuance of preferred stock by us could adversely affect the rights of holders of common stock by, among other factors, establishing** dividend ~~payments~~ **rights, liquidation rights and voting rights that are superior to the rights of the holders of the common stock. In addition, Delaware law limits transactions between us and persons that acquire significant amounts of our stock without approval of our board of directors.** - ~~25~~ **23** -