Risk Factors Comparison 2024-01-16 to 2023-01-31 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to the Company' s Business and Operations Our business is cyclical in nature and a slowdown in ~~the economic recovery or a decrease in general~~ economic activity **, especially as it pertains to construction spending,** has in the past and could in the future negatively impact our financial results. Substantially all of our customer base comes from the commercial, infrastructure and residential construction markets. Global economic challenges including ~~rising~~ inflation, ~~significant increases~~ **increased** ~~in~~ fuel costs, supply- chain disruptions, and adverse labor market conditions have ~~recently~~ caused macroeconomic uncertainty and volatility in markets where we operate, and as a result of these challenges, (1) we have experienced negative impacts to our gross margins where we have not been able to fully pass these ~~price~~ **cost** ~~increases~~ - **increase factors** on to our customers and (2) some of our customers' projects have been delayed or potentially cancelled. ~~A~~ **Although economic conditions have shown signs of improvement in recent months, any** further worsening of economic conditions or ~~significant~~ **a** decrease in construction expenditures and / or investments could cause weakness in our end markets, cause declines in construction and industrial activity, and materially adversely affect our revenue and operating results. The following factors, among others, may cause weakness in our end markets, either temporarily or long- term: ● the depth and duration of an economic ~~downturn~~ **slowdown** and lack of availability of credit; ● lingering effects of the COVID- 19 pandemic **and macroeconomic factors** , which ~~has~~ **have** resulted in a tight labor market **and** ~~that has~~ impacted supply chains, our operations and our customers' operations; ● uncertainty regarding general or regional economic conditions; ● reductions in corporate spending for plants and facilities or government spending for infrastructure projects; ● **reductions in commercial and residential construction spending activity; ●** the cyclical nature of our customers' businesses, particularly those operating in the commercial, infrastructure and residential construction sectors; ● an increase in the cost of construction materials; ● a decrease in investment in certain of our key geographic markets; ● changes in interest rates and lending standards; ● an overcapacity in the businesses that drive the need for construction; ● adverse weather conditions, which may temporarily affect a particular region or regions; ● reduced construction activity in our end markets; ● terrorism or hostilities involving the U. S. or the U. K.; ● change in structural construction designs of buildings (e. g., wood versus concrete); ● risks of political or economic instability ~~(e. g., negative impact on fuel prices globally as a result of the war in Ukraine)~~ ; and ● oversupply of equipment or new entrants into the market **area** resulting in ~~pricing uncertainty~~ **greater competitive activity** . A downturn in any of our end markets in one or more of our geographic markets caused by these or other factors could have a material adverse effect on our business, financial conditions, results of operations and cash flows. Our business is seasonal and subject to adverse weather conditions. Since our business is primarily conducted outdoors, erratic weather patterns, seasonal changes and other weather-related conditions affect our business. Adverse weather conditions, including hurricanes and tropical storms, cold weather, snow, and heavy or sustained rainfall, reduce construction activity, restrict the demand for our products and services, and impede our ability to deliver and pump concrete efficiently or at all. In addition, during periods of extended adverse weather or other operational delays, we may elect to continue to pay certain hourly employees to maintain our workforce, which may adversely impact our results of operations. In addition, severe drought conditions can restrict available water supplies and restrict production. Consequently, these events **have in the past and** could **in the future** adversely affect our business, financial condition, results of operations, liquidity and cash flows. Our revenue and operating results have varied historically from period to period and any unexpected periods of decline could result in an overall decline in our available cash flows. Our revenue and operating results have varied historically from period to period and may continue to do so. We have identified below certain of the factors that have in the past and may in the future cause our revenue and operating results to vary: ● seasonal weather patterns in the construction industry on which we rely, with activity tending to be lowest in the winter and spring; ● the timing of expenditures for maintaining existing equipment, new equipment and the disposal of used equipment; ● changes in demand for our services or the prices we charge due to changes in economic conditions, competition or other factors; ● changes in the interest rates applicable to our variable rate debt, and the overall level of our debt; ● fluctuations in fuel costs; ● general economic conditions in the markets where we operate; ● the cyclical nature of our customers' businesses; ● price changes in response to competitive factors; ● other cost fluctuations, such as costs for employee- related compensation and benefits; ● labor shortages, work stoppages or other labor difficulties and labor issues in trades on which our business may be dependent in particular regions; ● potential enactment of new legislation affecting our operations or labor relations; ● timing of acquisitions and new branch openings and related costs; ● possible unrecorded liabilities of acquired companies and difficulties associated with integrating acquired companies into our existing operations; ● changes in the exchange rate between the U. S. dollar (~~"~~ **“** USD ~~"~~ **”**) and Great Britain pound sterling (~~"~~ **“** GBP ~~"~~ **”**); ● potential increased demand from our customers to develop and provide new technological services in our business to meet changing customer preferences; ● our ability to control costs and maintain quality; ● our effectiveness in integrating new locations and acquisitions; and ● possible write- offs or exceptional charges due to changes in applicable accounting standards, reorganizations or restructurings, obsolete or damaged equipment or the refinancing of our existing debt. Accordingly, our operating results in any particular quarter may not be indicative of the results that can be expected for any other quarter or for the entire year. Furthermore, negative trends in the concrete pumping and waste management industries or in our geographic markets could have material adverse effects on our business, financial condition, results of operations, liquidity and cash flows. Our business is highly competitive and competition may increase, which could have a material adverse effect on our business. The concrete pumping industry is highly competitive and fragmented. Many of the markets in which we operate are served by several competitors, ranging from larger regional companies to small, independent businesses with a limited fleet and geographic scope of operations. Some of our principal competitors may have more flexible capital structures or may have greater name recognition in one or more of our geographic markets. We generally compete on the basis of, among other things, quality and breadth of service, expertise, reliability, price and the size, quality and availability of our fleet of pumping equipment, which is significantly affected by the level of our capital expenditures. If we are required to reduce or delay capital expenditures for any reason, including due to restrictions contained in, or debt service payments required by, our credit facilities or otherwise, the ability to replace our fleet or the age of our fleet may put us at a disadvantage to our competitors and adversely impact our ability to generate revenue. In addition, our industry may be subject to competitive price decreases in the future, particularly during cyclical downturns in our end markets, which can adversely affect revenue, profitability and cash flow. We may encounter increased competition from existing competitors or new market entrants in the future, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We are dependent on our relationships with key suppliers to obtain equipment for our business. We depend on a small group of key manufacturers of concrete pumping equipment to sell equipment to us. We have historically relied primarily on three suppliers and we cannot provide assurance that our favorable working relationships with our suppliers will continue in the future or that they will continue to provide high- quality products, service and support. Any deterioration in the quality of such products, service or support could result in additional maintenance costs and operational issues. In addition, the concrete industry has historically been subject to periods of supply shortages, particularly in a strong economy or due to macroeconomic supply chain issues ~~driven by factors such as the war in Ukraine~~ . We cannot predict the impact on our suppliers of changes in the economic environment and other developments in their respective businesses. Insolvency, financial difficulties, strategic changes or other factors may result in our suppliers not being able to fulfill the terms of their agreements with us, whether satisfactorily or at all. Further, such factors may render suppliers unwilling to extend contracts that provide favorable terms to us or may force them to seek to renegotiate existing contracts with us. Termination of our relationship with any of our key suppliers, or interruption of our access to concrete pumping equipment, pipe or other supplies, could have a material adverse effect on our business, financial condition, results of operations and cash flows. As the average fleet age increases, our offerings may not be as attractive to potential customers and our operating costs may materially increase, impacting our results of operations. As our equipment ages, the cost of maintaining such equipment, if not replaced within a certain period of time or amount of use, will likely increase. We estimate that our fleet assets generally will have a useful life of up to 25 years depending on the size of the machine, hours in service, yardage pumped, and, in certain instances, other circumstances unique to an asset. We manage our fleet of equipment according to the wear and tear that a specific machine or type of equipment is expected to experience over its useful life. As of October 31, ~~2022~~ **2023** , the average age of our concrete pumping equipment was approximately nine years. If the average age of our equipment increases, whether as a result of our inability to access sufficient capital to maintain or replace equipment in a timely manner or otherwise, our investment in the maintenance, parts and repair for individual pieces of equipment may exceed the book value or replacement value of that equipment. We cannot provide assurance that costs of maintenance will not materially increase in the future. Any material increase in such costs could have a material adverse effect on our business, financial condition and results of operations. Additionally, as our equipment ages, it may become less attractive to potential customers, thus decreasing our ability to effectively compete for new business. The costs of new equipment we use in our fleet may increase, requiring us to spend more for replacement equipment or preventing us from procuring equipment on a timely basis. The cost of new equipment for use in our concrete pumping fleet has increased and could further increase due to increased material costs to our suppliers or other factors beyond our control. Such increases could materially adversely impact our financial condition, results of operations and cash flows in future periods. Furthermore, changes in technology or customer demand could cause certain of our existing equipment to become obsolete and require us to purchase new equipment at increased costs. We sell used equipment on a regular basis. Our fleet is subject to residual value risk upon disposition and may not sell at the prices or in the quantities we expect. We continuously evaluate our fleet of equipment as we seek to optimize our vehicle size and capabilities for our end markets in multiple locations. We therefore seek to sell used equipment on a regular basis. The market value of any given piece of equipment could be less than its depreciated value at the time it is sold. The market value of used equipment depends on several factors, including: ● the market price for comparable new equipment; ● the time of year that it is sold; ● the supply of similar used equipment on the market; ● the existence and capacities of different sales outlets; ● the age of the equipment, and the amount of usage of such equipment relative to its age, at the time it is sold; ● worldwide and domestic demand for used equipment; ● the effect of advances and changes in technology in new equipment models; ● changing perception of residual value of used equipment by the Company' s suppliers; and ● general economic conditions. We include in income from operations the difference between the sales price and the net book value of an item of equipment sold. Changes in our assumptions regarding depreciation could change our depreciation expense, as well as the gain or loss realized upon disposal of equipment. Sales of our used concrete pumping equipment at prices that fall significantly below our expectations or in lesser quantities than we anticipate could have a negative impact on our financial condition, results of operations and cash flows. We have in the past and may in the future incur impairment charges as a result of an impairment to goodwill or intangible assets, which would negatively impact our operating results. Goodwill represents the excess of cost over the fair value of net assets acquired in business combinations. We assess potential impairment of our goodwill at least annually. Impairment may result from significant changes in the manner of use of the acquired assets, negative industry or economic trends or significant underperformance relative to historical or projected operating results. An impairment of our goodwill may have a material adverse effect on our results of operations. During the fiscal year ended October 31, 2020, the COVID- 19 pandemic drove a sustained decline in our stock price and a deterioration in general economic conditions, resulting in us recording goodwill and intangibles impairment charges totaling $ 57. 9 million in the second quarter of fiscal 2020. At October 31, ~~2022~~ **2023** , we had remaining recorded goodwill of $ ~~220~~ **221** . ~~2~~ **5** million related to multiple acquisitions. If we are unable to collect on contracts with a significant number of customers, our operating results would be adversely affected. We have billing arrangements with a majority of our customers that provide for payment on agreed terms after our services are provided. If we are unable to manage credit risk issues adequately, or if a large number of customers should have financial difficulties at the same time, our credit losses could increase significantly above their low historical levels and our operating results would be adversely affected. Further, delinquencies and credit losses increased during the last recession and generally can be expected to increase during economic slowdowns or recessions. Fluctuations in fuel costs or reduced supplies of fuel could harm our business. Fuel costs represent a significant portion of our operating expenses and we are dependent upon fuel to transport and operate our equipment. We have in the past and could in the future be adversely affected by limitations on fuel supplies or increases in fuel prices that result in higher costs of transporting equipment to and from job sites and higher costs to operate our concrete pumps and other equipment. Although we are able to pass through the impact of fuel price charges to most of our customers, there is often a lag before such pass- through arrangements are reflected in our operating results and there may be a limit to how much of any fuel price increases we can pass onto our customers. Any such limits may adversely affect our results of operations. We depend on access to our branch facilities to service our customers and maintain and store our equipment, and natural disasters and other developments could materially adversely affect our business, financial condition and results of operations. We depend on our primary branch facilities in the U. S. and U. K., respectively, to store, service and maintain our fleet. These facilities contain most of the specialized equipment we require to service our fleet, in addition to the extensive secure storage areas needed for a significant number of large vehicles. If any of our facilities were to sustain significant damage or become unavailable to us for any reason, including natural disasters, our operations could be disrupted, which could in turn adversely affect our relationships with our customers and our results of operations and cash flow. Any limitation on our access to facilities as a result of any breach of, or dispute under, our leases could also disrupt and adversely affect our operations. In addition, if natural disasters such as forest fires were to cause significant disruptions to the construction projects where we focus our business, our operations could be disrupted, which could in turn materially adversely affect our business, financial condition and results of operations. Due to the material portion of our business conducted in currency other than U. S. dollars, we have significant foreign currency risk. Our consolidated financial statements are presented in accordance with GAAP, and we report, and will continue to report, our results in U. S. dollars. Some of our operations are conducted by subsidiaries in the United Kingdom and the results of operations and the financial position of these subsidiaries are recorded in the relevant foreign currencies and then translated into U. S. dollars. Any change in the value of the pound sterling against the U. S. dollar during a given financial reporting period would result in a foreign currency loss or gain on the translation of U. S. dollar denominated revenues and costs. The exchange rates between the pound sterling against the U. S. dollar have fluctuated significantly in recent years and may fluctuate significantly in the future. Consequently, our reported earnings **has in the past and** could **in the future** fluctuate materially as a result of foreign exchange translation gains or losses and may not be comparable from period to period. Acquisitions and expansions into new markets may result in significant transaction expense and expose us to risks associated with entering new markets and integrating new or acquired operations. We may encounter risks associated with entering new markets in which we have limited or no experience. New operations require significant capital expenditures and may initially have a negative impact on our short- term cash flow, net income and results of operations, or may never become profitable. In addition, our industry is highly fragmented, and we expect to consider acquisition opportunities when we believe they would enhance our business and financial performance. However, acquisitions may impose significant strains on our management, operating systems and financial resources, and could experience unanticipated integration issues. The pursuit and integration of acquisitions has in the past and can continue to require substantial attention from our senior management, which will limit the amount of time they have available to devote to our existing operations. Our ability to realize the expected benefits from any future acquisitions depends in large part on our ability to integrate and consolidate the new operations with our existing operations in a timely and effective manner. Future acquisitions could also result in the incurrence of substantial amounts of indebtedness and contingent liabilities (including environmental, employee benefits and safety and health liabilities), accumulation of goodwill that may become impaired, and an increase in amortization expenses related to intangible assets. Any significant diversion of management' s attention from our existing operations, the loss of key employees or customers of any acquired business, any major difficulties encountered in the opening of start- up locations or the integration of acquired operations or any associated increases in indebtedness, liabilities or expenses could have a material adverse effect on our business, financial condition or results of operations. We may not realize the anticipated synergies, cost savings or profits from acquisitions. We have completed a number of acquisitions in recent years that we believe present revenue, profit and cost- saving synergy opportunities. However, the integration of recent or future acquisitions may not result in the realization of the full benefits of the revenue, profit and cost synergies that we expected at the time or currently expect within the anticipated time frame or at all. Moreover, we may incur substantial expenses or unforeseen liabilities in connection with the integration of acquired businesses. While we anticipate that certain expenses will be incurred, such expenses are difficult to estimate accurately and may exceed our estimates. Accordingly, the expected benefits of any acquisition may be offset by costs or delays incurred in integrating the businesses. Failure of recent or future acquisitions to meet our expectations and be integrated successfully could have a material adverse effect on our financial condition and results of operations. Disruptions in our information technology systems due to cyber security threats **, incidents** or other factors could limit our ability to effectively monitor and control our operations and adversely affect our operating results, and unauthorized access to customer information on our systems could adversely affect our relationships with our customers or result in liability. Our information technology systems, including our enterprise resource planning system, facilitate our ability to monitor and control our assets and operations and adjust to changing market conditions and customer needs. Any disruptions in these systems or the failure of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results by limiting our capacity to effectively monitor and control our assets and operations and adjust to changing market conditions in a timely manner. Many of our business records at most of our branches are still maintained manually, and loss of those records as a result of facility damage, personnel changes or otherwise could also cause such disruptions. In addition, because our systems sometimes contain information about individuals and businesses, our failure to appropriately safeguard the security of the data it holds, whether as a result of our own error or the malfeasance or errors of others, could harm our reputation or give rise to legal liabilities, leading to lower revenue, increased costs and other material adverse effects on our results of operations. We have taken **important** steps intended to mitigate these risks, including business continuity planning, disaster recovery planning and business impact analysis. However, a significant disruption or cyber intrusion could adversely affect our results of operations, financial condition and liquidity. Furthermore, instability in the financial markets as a result of terrorism, sustained or significant cyber- attacks, or war could also materially adversely affect our ability to raise capital. Legal and Regulatory Risks We are exposed to liability claims on a continuing basis, which may exceed the level of our insurance or not be covered at all, and this could have a material adverse effect on our operating performance. Our business exposes us to claims for personal injury, death or property damage resulting from the use of the equipment we operate, rent, sell, service or repair and from injuries caused in motor vehicle or other accidents in which our personnel are involved. Our business also exposes us to workers' compensation claims and other employment- related claims. We carry comprehensive insurance, subject to deductibles, at levels we believe are sufficient to cover existing and future claims; however, future claims may exceed the level of our insurance, and our insurance may not continue to be available on economically reasonable terms, or at all. Certain types of claims, such as claims for punitive damages, are not covered by our insurance. In addition, we are self- insured for the deductibles on our policies and have established reserves for incurred but not reported claims. If actual claims exceed our reserves, our financial condition, results of operations and cash flows would be adversely affected. Whether or not we are covered by insurance, certain claims may generate negative publicity, which may lead to lower revenues, as well as additional similar claims being filed. Our business is subject to significant operating risks and hazards that have in the past and could in the future result in personal injury or damage or destruction to property, which could result in losses or liabilities to the Company. Construction sites are potentially dangerous workplaces and often put our employees and others in close proximity with mechanized equipment and moving vehicles. Our equipment has been involved in workplace incidents and incidents involving mobile operators of our equipment in transit in the past and may also be involved in such incidents in the future. Our profitability and relationships with our customers is dependent on our safety record. If serious accidents or fatalities occur, regardless of whether we were at fault, or our safety record were to deteriorate, we may be ineligible to bid on certain work, be exposed to possible litigation, and existing service arrangements could be terminated, which could have a material adverse impact on our financial position, results of operations, cash flows and liquidity. Adverse experiences with hazards and claims could have a negative effect on our reputation with our existing or potential new customers and our prospects for future work. In any concrete construction environment, our workers are subject to the usual hazards associated with providing construction and related services on construction sites, including environmental hazards, industrial accidents, hurricanes, adverse weather conditions and flooding. Operating hazards ~~can~~ **have in the past and could in the future** cause personal injury or death, damage to or destruction of property, plant and equipment, environmental damage, performance delays, monetary losses or legal liability. We have operations throughout the United States and the United Kingdom, which subjects us to multiple federal, state, and local laws and regulations. Moreover, we operate at times as a government contractor or subcontractor which subjects us to additional laws, regulations, and contract provisions. Changes in law, regulations, government contract provisions, or other legal requirements, or our material failure to comply with any of them, can increase our costs and have other negative impacts on our business. Each of our sites exposes us to a host of different local laws and regulations. These requirements address multiple aspects of our operations, such as worker safety, consumer rights, privacy, employee benefits, antitrust, emissions regulations and may also impact other areas of our business, such as pricing. In addition, government contracts and subcontracts are subject to a wide range of requirements not applicable in the purely commercial context, such as extensive auditing and disclosure requirements; anti- money laundering, anti- bribery and anti- gratuity rules; political campaign contribution and lobbying limitations; and small and / or disadvantaged business preferences. Even when a government contractor has reasonable policies and practices in place to address these risks and requirements, it is still possible for problems to arise. Moreover, government contracts or subcontracts are generally riskier than commercial contracts, because, when problems arise, the adverse consequences can be severe, including civil false claims (which can involve penalties and treble damages), suspension and debarment, and even criminal prosecution. Moreover, the requirements of laws, regulations, and government contract provisions are often different in different jurisdictions. Changes in these requirements, or any material failure by us to comply with them, can increase our costs, negatively affect our reputation, reduce our business, require significant management time and attention and generally otherwise impact our operations in adverse ways. We are subject to numerous environmental and safety regulations. If we are required to incur compliance or remediation costs that are not currently anticipated, our liquidity and operating results could be materially and adversely affected. Our facilities and operations are subject to comprehensive and frequently changing federal, state and local laws and regulations relating to environmental protection and health and safety. These laws and regulations govern, among other things, occupational safety, employee relations, the discharge of substances into the air, water and land, the handling, storage, transport, use and disposal of hazardous materials and wastes and the cleanup of properties affected by pollutants. If we violate environmental or safety laws or regulations, we may be required to implement corrective actions and could be subject to civil or criminal fines or penalties or other sanctions. We cannot assure you that we will not have to make significant capital or operating expenditures in the future in order to comply with applicable laws and regulations or that we will comply with applicable environmental laws at all times. Such violations or liability could have a material adverse effect on our business, financial condition and results of operations. Environmental laws also impose obligations and liability for the investigation and cleanup of properties affected by hazardous substance or fuel spills or releases. These liabilities are often joint and several and may be imposed on the parties generating or disposing of such substances or on the owner or operator of affected property, often without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous substances. We may also have liability for past contaminated properties historically owned or operated by companies that we have acquired or merged with, even though we never owned or operated such properties. Accordingly, we may become liable, either contractually or by operation of law, for investigation, remediation, monitoring and other costs even if the contaminated property is not presently owned or operated by us, or if the contamination was caused by third parties during or prior to our ownership or operation of the property. Contamination and exposure to hazardous substances can also result in claims for damages, including personal injury, property damage, and natural resources damage claims. Most of our properties currently have above or below ground storage tanks for fuel and other petroleum products and oil- water separators (or equivalent wastewater collection / treatment systems). Given the nature of our operations (which involve the use of diesel and other petroleum products, solvents and other hazardous substances) for fueling and maintaining our equipment and vehicles, and the historical operations at some of our properties, we may incur material costs associated with soil or groundwater contamination. Future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to remediation liabilities or other claims or costs that may be material. **The failure to maintain an effective system of internal controls could adversely affect our financial reporting, results of operations and share price and harm our business. Effective internal controls are necessary to provide reliable financial reports and to assist in effective compliance and the prevention of fraud. Any inability to provide reliable financial reports or prevent fraud could adversely affect our results of operations and share price and harm our business.** We **must annually evaluate** ~~have identified material weaknesses in~~ our **internal control procedures to satisfy the requirements of Section 404 of SOX, which requires management and auditors to assess the effectiveness of our internal controls. Our** internal control over financial reporting ~~and previously restated~~ **may not prevent** ~~our~~ - **or detect misstatements because of its inherent limitations, including the possibility of human error, failure or interruption of technology systems, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of** financial statements **. The failure to maintain effective internal controls, as regulatory** ~~for~~ - **or** ~~the quarter~~ **financial reporting standards are modified, supplemented or** ~~ended~~ **amended** ~~July 31~~ **from time to time** , ~~2022~~ **could subject us to regulatory scrutiny, civil or criminal penalties or stockholder litigation** . ~~If~~ **Failure to maintain effective internal controls could also result in financial statements that do not accurately reflect our financial condition or results of operations. Inadequate internal controls could cause investors to lose confidence in our reported financial information, which could have a negative effect on investor confidence in our financial statements, the trading price of our stock and our access to capital. There can be no assurance that we will be able to maintain a system of internal controls that fully complies with the requirements of SOX or that our management and independent registered public accounting firm will continue to conclude that our internal controls are effective. In addition,** we are ~~unable~~ **subject** to **risks related to our internal** ~~remediate these material weaknesses and maintain effective~~ controls ~~in the future, our stock price may suffer. We recently identified material weaknesses in our internal control over financial reporting, as described in Part II, Item 9A " Controls~~ and **compliance systems** ~~Procedures " of this Annual Report. A material weakness is a deficiency~~ , **which** ~~or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company' s annual or interim financial statements will not be prevented or detected on a timely basis. The restatement of our financial statements for the quarter ended July 31, 2022 and the material weaknesses we identified may adversely affect our stock price, and the measures we take to remediate these deficiencies in our internal control over financial reporting and to implement and maintain effective controls in the future~~ may not be ~~sufficient~~ **able** to ~~satisfy~~ **protect us from acts committed by employees, agents,** ~~our~~ - **or** ~~obligations as a public company and produce reliable financial reports, which may result in additional material misstatements of our consolidated financial statements and adverse impacts on our~~ business **partners** ~~, financial condition, and results~~ of **ours (or** ~~operations. Section 404~~ of ~~the Sarbanes~~ **businesses we acquire or partner with) that would violate U. S. and / or non** - ~~Oxley~~ **U. S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks, and false claims, sales and marketing practices, conflicts of interest, competition, export and import compliance, money laundering, and data privacy. In particular, the U. S. Foreign Corrupt Practices** Act ~~requires any~~ **, the U. K. Bribery Act, and similar anti- bribery laws in other jurisdictions generally prohibit** ~~company~~ **companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Any such improper actions or allegations of such acts could damage our reputation and** subject **us** to **civil** ~~the reporting requirements of the U. S. securities laws to do a comprehensive evaluation of its and its consolidated subsidiaries' internal control over financial reporting. To comply with this statute, we were required to document, test and report on our~~ - **or criminal investigations in the United States** ~~internal control over financial reporting. In addition, starting with our 2022 fiscal year, our independent auditors were required to issue an~~ **and** ~~opinion~~ **in other jurisdictions and related shareholder lawsuits, could lead to substantial civil and criminal, monetary and** ~~on~~ **non - monetary penalties** ~~our audit of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex~~ and ~~require~~ **could cause us to incur** significant ~~documentation, testing and possible remediation to meet the detailed standards under the rules. The effectiveness of our internal control over financial reporting is subject to various inherent limitations, including judgments used in decision making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. We may be adversely affected by developments relating to Brexit. On January 31, 2020, the U. K. withdrew from the European Union (" EU "), which is commonly referred to as Brexit. On December 24, 2020, the U. K. and EU reached an agreement which contains rules for how the U. K. and EU are to live, work and trade together. On December 31, 2020, the transition period ended, and the U. K. left the EU single market and customs union. While almost all of the work performed by our UK Operations segment continues to be performed domestically in the U. K., the effects of and the perceptions as to the impact from the withdrawal of the U. K. from the EU continues to have the potential to~~

~~adversely affect business activity and economic and market conditions in the U. K., the Eurozone, and globally and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the pound sterling and the euro. As reported previously, Brexit could continue to lead to additional political,~~ legal and **investigatory** ~~economic instability in the EU or labor shortages due to changes and restrictions regarding the free-~~ **fees** ~~movement of people into the U. K. from the EU. Any of these effects of Brexit, and others we cannot anticipate, could adversely affect the value of our assets in the U. K., as well as our business, financial condition, results of operations and cash flows. In addition to Brexit, the UK and worldwide macro economies have been impacted by other significant events such as COVID- 19 which have created other variables in assessing the impact of Brexit. This has meant that the potential medium to longer term impact of Brexit continues and will continue to be assessed~~. Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could **have in the past and could in the future** adversely affect our financial condition and results of operations. We are subject to income taxes in the U. S. and U. K., and our domestic tax liabilities will be subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates **have in the past and** could **in the future** be subject to volatility or adversely affected by a number of factors, including: ● expected timing and amount of the release of any tax valuation allowances; ● tax effects of stock- based compensation; ● costs related to intercompany restructurings; ● changes in tax laws, regulations or interpretations thereof; and ● lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates In addition, we may be subject to audits of our income, sales and other transaction taxes by U. S. federal and state authorities or by U. K. authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations. **In the past, we have also been subject to adverse rulemaking positions and rulings regarding our tax positions, which could have a material adverse impact on our results of operations and financial condition. For example, effective April 1, 2020, the state of Washington Department of Revenue (" DOR ") published a rule which effectively deems the provision of standalone concrete pumping services as a retail sale subject to sales tax. The Company does not charge sales tax to its customers that provide a reseller certificate, treating this as a wholesale transaction rather than as a retail sale. As such, for the period from April 1, 2020 through October 31, 2023, the Company has continued to not charge sales tax where its customers provide a reseller certificate and has petitioned for declaratory relief from the rule. In February 2023, the Company received an adverse ruling from the Thurston County superior court regarding its position, which it has appealed and oral argument is scheduled for February 2024 in the Court of Appeals in Tacoma, Washington. If the Company is not successful in its arguments against the DOR in its appeal, an estimated $ 3. 5 million in sales tax, inclusive of interest and penalties, may be owed and would be accrued in the quarter in which the court makes any unfavorable determination.** Changes in laws or, regulations or rules, or a failure to comply with any laws, regulations or rules, may adversely affect our business, investments and results of operations. We are subject to laws, regulations and rules enacted by national, regional and local governments and Nasdaq. In particular, we are required to comply with certain SEC, Nasdaq and other legal or regulatory requirements in the U. S. and U. K. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. For example, there is a growing concern from advocacy groups and the general public that the emissions of greenhouse gases and other human activities have caused, or will cause, significant changes in weather patterns and temperatures and the frequency and severity of natural disasters. These concerns have resulted in increasing governmental and societal attention to environmental, social, and governance (~~"~~ **"** ESG ~~"~~ **"**) matters, including expanding mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change, waste production, water usage, human capital, labor, and risk oversight, and could expand the nature, scope, and complexity of matters on which we are required to control, assess, and report. These and other rapidly changing laws, regulations, policies and related interpretations, as well as increased enforcement actions by various governmental and regulatory agencies, may create challenges for us, including for our compliance and ethics programs, the environment in which we do business and by increasing our ongoing costs of compliance, which could adversely impact our results of operations and cash flows. These laws, regulations or rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations or rules, as interpreted and applied, could have a material adverse effect on our business and results of operations. Employee Related Risks Our business depends on favorable relations with our employees. Any deterioration of these relations, including those with our union- represented employees, issues with our collective bargaining agreements, labor shortages or increases in labor costs could disrupt our ability to serve our customers, lead to higher labor costs or the payment of withdrawal liability in connection with multiemployer plans, adversely affecting our business, financial condition and results of operations. As of October 31, ~~2022~~ **2023** , approximately ~~10~~ **9** % of our employees in the United States (but none of our employees in the United Kingdom) were represented by unions or covered by collective bargaining agreements. The states in which our employees are represented by unions or covered by collective bargaining agreements are California, Washington and Oregon. There can be no assurance that our non- unionized employees will not become members of a union or become covered by a collective bargaining agreement, including through an acquisition of a business whose employees are subject to such an agreement. Any significant deterioration in employee relations, shortages of labor or increases in labor costs at any of our locations could have a material adverse effect on our business, financial condition or results of operations. A slowdown or work stoppage that lasts for a significant period of time could cause lost revenues and increased costs and could adversely affect our ability to meet our customers' needs. Furthermore, our labor costs **have in the past and** could **in the future** increase as a result of the settlement of actual or threatened labor disputes. In addition, our collective bargaining agreement with our union in California was renewed as of July 1, 2022 and is effective through June 30, 2025. It will continue on a year- to- year basis after unless parties provide advance written notice to change, amend, modify, or terminate the Agreement. No such notices have been given or received. Our collective bargaining agreement with our union in Oregon expires in 2024. Our collective bargaining agreement with our union in Washington expires in 2037. We cannot assure you that renegotiation of these agreements will be successful or will not result in adverse economic terms or work stoppages or slowdowns. Under our collective bargaining agreements, we are, and have previously been, obligated to contribute to several multiemployer pension plans on behalf of our unionized employees. A multiemployer pension plan is a defined benefit pension plan that provides pension benefits to the union- represented workers of various generally unrelated companies. Under the Employment Retirement Income Security Act of 1974 (“ ERISA ”), an employer that has an obligation to contribute to an underfunded multiemployer plan, as well as any other entities that are treated as a single employer with such employer under applicable tax and ERISA rules, may become jointly and severally liable, generally upon complete or partial withdrawal from a multiemployer plan, for its proportionate share of the plan’ s unfunded benefit obligations. These liabilities are known as “ withdrawal liabilities. ” Certain of the multiemployer plans to which we are obligated to contribute have been significantly underfunded in the past. If any of the multiemployer plans were to become significantly underfunded again, and go into an “ endangered status, ” the trustees of the plan would be required to adopt and maintain a rehabilitation plan and we may be required to pay a surcharge on top of our regular contributions to the plan. We currently have no intention of withdrawing, in either a complete or partial withdrawal, from any of the multiemployer plans to which we currently contribute, and we have not been assessed any withdrawal liability in the past when we have ceased participating in certain multiemployer plans to which we previously contributed. In addition, we believe that the “ construction industry ” multiemployer plan exception may apply if we did withdraw from any of our current multiemployer plans. The “ construction industry ” exception generally delays the imposition of withdrawal liability in connection with an employer’ s withdrawal from a “ construction industry ” multiemployer plan unless and until (among other things) that employer continues or resumes covered operations in the relevant geographic market without continuing or resuming (as applicable) contributions to the multiemployer plan. If this exception applies, withdrawal liability may be delayed or even inapplicable if we cease participation in any multiemployer plan (s). However, there can be no assurance that we will not withdraw from one or more multiemployer plans in the future, that the “ construction industry exception ” would apply if we did withdraw, or that we will not incur withdrawal liability if we do withdraw. Accordingly, we may be required to pay material amounts of withdrawal liability if one or more of those plans is underfunded at the time of withdrawal and withdrawal liability applies in connection with our withdrawal. In addition, we may incur material liabilities if any multiemployer plan (s) in which we participate requires us to increase our contribution levels to alleviate existing underfunding and / or becomes insolvent, terminates or liquidates. Labor relations matters at construction sites where we provide services may result in increases in our operating costs, disruptions in our business and decreases in our earnings. Labor relations matters at construction sites where we provide services may result in work stoppages, which would in turn affect our ability to provide services at such locations. If any such work stoppages were to occur at work sites where we provide services, we could experience a significant disruption of our operations, which could materially and adversely affect our business, financial condition, results of operations, liquidity, and cash flows. Also, labor relations matters affecting our suppliers could adversely impact our business from time to time. Turnover of members of our management, staff and pump operators and our ability to attract and retain key personnel may affect our ability to efficiently manage our business and execute our strategy. Our business depends on the quality of, and our ability to attract and retain, our senior management and staff, and competition in our industry and the business world for top management talent is generally significant. Although we believe we generally have competitive pay packages, we can provide no assurance that our efforts to attract and retain senior management staff will be successful. In addition, the loss of services of certain members of our senior management could adversely affect our business until suitable replacements can be found. We depend upon the quality of our staff personnel, including sales and customer service personnel **(** who routinely interact with and fulfill the needs of our customers **)** , and on our ability to attract and retain and motivate skilled operators and fleet maintenance personnel and other associated personnel to operate our equipment in order to provide our concrete pumping services to our customers. There is significant competition for qualified personnel in a number of our markets where we face competition from the oil and gas industry for qualified drivers and operators. There is a limited number of persons with the requisite skills to serve in these positions, and such positions require a significant investment by us in initial **and ongoing** training of operators of our equipment. We cannot provide assurance that we will be able to locate, employ, or retain such qualified personnel on terms acceptable to us or at all. Our costs of operations and selling, general and administrative expenses have increased in certain markets and may increase in the future if we are required to increase wages and salaries to attract qualified personnel, and there is no assurance that we can increase our prices to offset any such cost increases. There is also no assurance that we can effectively limit staff turnover as competitors or other employers seek to hire our personnel. A significant increase in such turnover could negatively affect our business, financial condition, results of operations and cash flows. Risks Related to our Indebtedness Our financing agreements could limit our financial and operating flexibility. Our credit facilities impose, and any future financing agreements could impose, operating and financial restrictions on our activities, including restricting our ability to incur additional indebtedness, pay dividends or make other payments, make loans and investments, sell assets, incur certain liens, enter into transactions with affiliates and consolidate, merge or sell assets. These covenants could limit the ability of the respective restricted entities to fund future working capital and capital expenditures, engage in future acquisitions or development activities, or otherwise realize the value of their assets and opportunities fully because of the need to dedicate a portion of cash flow from operations to payments on debt. In addition, such covenants limit the flexibility of the respective restricted entities in planning for, or reacting to, changes in the industries in which they operate. We have a significant amount of indebtedness, which could adversely affect our cash flow and our ability to operate our business and to fulfill our obligations under our indebtedness. As of October 31, ~~2022~~ **2023** , we had $ ~~427~~ **394** . ~~1~~ **0** million of indebtedness outstanding, consisting of (1) $ 375. 0 million for our fixed 6. 000 % senior secured second lien notes due 2026 (the" Senior Notes") and (2) $ ~~52~~ **19** . ~~1~~ **0** million outstanding under our ABL credit agreement (the" ABL Facility"), in addition to $ ~~103~~ **200** . ~~7~~ **8** million of availability under our ABL Facility. ~~USD~~ **Through June 29, 2022,** borrowings ~~under~~ **in U. S. Dollars bore interest at either (1) an**

adjusted LIBOR rate plus an applicable margin of 2. 25 % ~~our~~ - **or** ~~ABL Facility~~ **(2) a base rate plus an applicable margin of 1. 25 %. After June 29, 2022 and through May 31, 2023, borrowings in U. S. Dollars bore interest at (1) the secured overnight financing rate (" SOFR") rate plus an applicable margin currently set at 2. 00 % or (2) a base rate plus an applicable margin currently set at 1. 00 %. After May 31, 2023, borrowings in U. S. Dollars** bear interest at (1 ~~) a base rate or (2~~) the SOFR rate plus an applicable margin currently set at ~~1~~ **2** . ~~0000~~ **25** % ~~for~~ - **or (2) a** base rate **plus an applicable margin currently set at 1. 25 %. The applicable margins for U. S. Dollar** loans ~~or 2~~ **are subject to a step down of 0** . ~~0000~~ **25** % ~~for SOFR loans~~ **based on excess availability levels** . **Through May 31, 2023, borrowings in** GBP **bore** ~~borrowings under our ABL Facility bear~~ interest at the **sterling overnight indexed average ("** SONIA **")** rate plus an applicable margin currently set at 2. 0326 % **. After May 31, 2023, borrowings in GBP bear interest at the SONIA rate plus an applicable margin equal to 2. 2826 %. The applicable margins for SONIA are subject to a step down of 0. 25 % based on excess availability levels. The ABL Facility matures the earlier of (a) June 1, 2028 or (b) the date that is 180 days prior to (i) the final stated maturity date of the Senior Notes or (ii) the date the Senior Notes become due and payable** . Our substantial level of indebtedness increases the possibility that we may not generate enough cash flow from operations to pay, when due, the principal of, interest on or other amounts due in respect of, these obligations. Other risks relating to our long-term indebtedness include: ● increased vulnerability to general adverse economic and industry conditions; ● we have recently experienced higher interest expense on our ABL Facility due to interest rate increases and we could experience higher interest expense on our ABL Facility if interest rates increase any further and our hedging strategies do not effectively mitigate the effects of these increases; ● need to divert a significant portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash to fund working capital, capital expenditures, acquisitions, investments and other general corporate purposes; ● limited ability to obtain additional financing, on terms we find acceptable, if needed, for working capital, capital expenditures, acquisitions and other investments, which may adversely affect our ability to implement our business strategy; ● limited flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate or to take advantage of market opportunities; and ● a competitive disadvantage compared to our competitors that have less debt. In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business. The terms of our Senior Notes and ABL Facility allow us to incur additional debt subject to certain limitations. If new debt is added to current debt levels, the risks described above could intensify. In addition, our inability to maintain certain leverage ratios could result in acceleration of a portion of our debt obligations and could cause us to be in default if we are unable to repay the accelerated obligations. Our business could be hurt if we are unable to obtain capital as required, resulting in a decrease in our revenue and cash flows. We require capital for, among other purposes, purchasing equipment to replace existing equipment that has reached the end of its useful life and for growth resulting from expansion into new markets, completing acquisitions and refinancing existing debt. If the cash that we generate from our business, together with cash that we may borrow under our credit facilities, is not sufficient to fund our capital requirements, we will require additional debt or equity financing. If such additional financing is not available to fund our capital requirements, we could suffer a decrease in our revenue and cash flows that would have a material adverse effect on our business. Furthermore, our ability to incur additional debt is and will be contingent upon, among other things, the covenants contained in our credit facilities. In addition, our credit facilities place restrictions on our and our restricted subsidiaries’ ability to pay dividends and make other restricted payments (subject to certain exceptions). We cannot be certain that any additional financing that we require will be available or, if available, will be available on terms that are satisfactory to us. If we are unable to obtain sufficient additional capital in the future, our business could be materially adversely affected. We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under applicable debt instruments, which may not be successful. Our ability to make scheduled payments on or to refinance our indebtedness obligations, including our credit facilities, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund debt service obligations, we may be forced to reduce or delay investments and capital expenditures, sell assets, seek additional capital or restructure or refinance indebtedness. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. Risks Related to our Securities There can be no assurance that we will be able to comply with Nasdaq’ s continued listing standards. We are subject to the continued listing requirements of Nasdaq. If we became unable to meet such requirements, we and our shareholders could face significant material adverse consequences including: ● the delisting of our shares from Nasdaq and a limited availability of market quotations for our shares; ● a determination that our common stock is a “ penny stock ” which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock; and ● a decreased ability to issue additional shares or obtain additional financing in the future. Shares of our common stock have been thinly traded in the past. Although a trading market for our common stock exists, the trading volume has not been significant and there can be no assurance that an active trading market for our common stock will ~~develop or, if developed,~~ be sustained in the future. As a result of the thin trading market or “ float ” for our stock, the market price for our common stock may fluctuate significantly more than the stock market as a whole. Without a large float, our common stock is less liquid than the stock of companies with broader public ownership and, as a result, the trading prices of our common stock may be more volatile. In the absence of an active public trading market, an investor may be unable to liquidate his or her investment in our common stock. Trading of a relatively small volume of our common stock may have a greater impact on the trading price for our stock than would be the case if our public float were larger. We cannot predict the prices at which our common stock will trade in the future. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our shares of common stock become delisted from Nasdaq for any reason, and are quoted on the OTC Markets, the liquidity and price of our shares may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your shares unless a market can be established or sustained. If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our industry, or if they change their recommendations regarding our common stock adversely, then the price and trading volume of our common stock could decline. The trading market for our common stock will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our industry, or our competitors. If any of the analysts who may cover the Company change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our peers, the price of our common stock would likely decline. If any analyst who covers the Company were to cease coverage of the Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline. Future sales, or the perception of future sales, by us or our existing stockholders in the public market could cause the market price for our common stock to decline. The sale of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. As of October 31, ~~2022~~ **2023** , CFLL Holdings, LLC owns 15, 477, 138 shares, or 28 % of outstanding shares of common stock and BBCP Investors, LLC owns 11, 005, 275 shares, or 20 % of our outstanding shares of our common stock. These shares are registered for resale and are not subject to any contractual restrictions on transfer. The sale of some or all of these shares by these investors could put downward pressure on the market price of our common stock **, and the ownership of significant shareholders has in the past contributed to our low trading volumes, as further described under the risk factor above titled" Shares of our common stock have been thinly traded in the past."** . In addition, ~~the~~ shares of our common stock **granted or** reserved for future issuance under our Omnibus Incentive Plan ~~will~~ become eligible for sale in the public market once those shares are issued, subject to provisions in various vesting agreements and Rule 144, as applicable. Following ~~an amendment~~ **amendments** to our 2018 Omnibus Incentive Plan on October 29, 2020 **and April 25, 2023** , a total of ~~4~~ **6** . ~~8~~ **3** million shares of common stock were reserved for issuance under our 2018 Omnibus Incentive Plan, of which ~~0~~ **1** . ~~3~~ **4** million shares of common stock remain available for future issuance as of October 31, ~~2022~~ **2023** . Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to seasonality, adverse weather and other factors, some of which are beyond our control, resulting in a decline in our stock price. Our quarterly operating results may fluctuate significantly because of several factors, including: ● labor availability and costs for hourly and management personnel; ● **demand for our services; ●** profitability of our products, especially in new markets and due to seasonal fluctuations; ● seasonal weather patterns in the construction industry on which we rely, with activity tending to be lowest in the winter and spring; ● changes in interest rates; ● impairment of long- lived assets; ● macroeconomic conditions, both nationally and locally; ● negative publicity relating to products we serve; ● changes in consumer preferences and competitive conditions; ● expansion to new markets; and ● fluctuations in commodity prices. We ~~may amend the terms of the warrants in a manner that may be adverse to holders with the approval by the holders of at least 65 % of the then- outstanding warrants. As a result, the exercise price of our warrants could be increased, the exercise period could be shortened and the number of shares of common stock purchasable upon exercise of a warrant could be decreased without a warrant holder' s approval. Our warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision but requires the approval by the holders of at least 65 % of the then- outstanding public warrants to make any change that adversely affects the interests of the registered holders. Accordingly, we may amend the terms of the warrants in a manner adverse to a holder if holders of at least 65 % of the then- outstanding public warrants approve of such amendment. Although our ability to amend the terms of the warrants with the consent of at least 65 % of the then- outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, shorten the exercise period or decrease the number of shares of common stock purchasable upon exercise of a warrant or automatically at our option. Our warrants are exercisable for common stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders. As of October 31, 2022, there were 13, 017, 677 public warrants and no private placement warrants outstanding, respectively. The public warrants have an exercise price of $ 11. 50 per share. To the extent such warrants are exercised, additional shares of common stock will be issued, which will result in dilution to the holders of common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our common stock. We~~ are a holding company with no business operations of our own and we depend on cash flow from our wholly owned subsidiaries to meet our obligations. We are a holding company with no business operations of ~~its~~ **our** own or material assets other than the stock of our subsidiaries, all of which are wholly- owned. All of our operations are conducted by our subsidiaries and as a holding company, we require dividends and other payments from our subsidiaries to meet cash requirements. The terms of any credit facility may restrict our subsidiaries from paying dividends and otherwise transferring cash or other assets to us. If there is an insolvency, liquidation or other reorganization of any of our subsidiaries, our stockholders likely will have no right to proceed against their assets. Creditors of those subsidiaries will be entitled to payment in full from the sale or other disposal of the assets of those subsidiaries before we, as an equity holder, would be entitled to receive any distribution from that sale or disposal. If our subsidiaries are unable to pay dividends or make other payments to us when needed, we will be unable to satisfy our obligations. Anti- takeover provisions contained in the Company' s Charter and Bylaws, as well as provisions of Delaware law, could impair a takeover attempt. The Charter of the Company contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti- takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include: ● a staggered board of directors providing for three classes of directors, which limits the ability of a stockholder or group to gain control of our Board; ● no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; ● the right of our Board to elect a director to fill a vacancy created by the expansion of our Board or the resignation, death or removal of a director in certain circumstances, which prevents stockholders from being able to fill vacancies on our Board; ● a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; ● a prohibition on stockholders calling a special meeting and the requirement that a meeting of stockholders may only be called by members of our Board, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and ● advance notice procedures that stockholders must comply with in order to nominate candidates to our Board or to propose matters to be acted upon at a meeting of stockholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer' s own slate of directors or otherwise attempting to obtain control of us. The Charter of the Company designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. The Charter provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or our stockholders, (iii) any action asserting a claim against the Company, our directors, officers or employees arising pursuant to any provision of the DGCL, the Charter or the Bylaws, or (iv) any action asserting a claim against the Company, our directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim (A) as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or (C) arising under the Securities Act or for which the Court of Chancery does not have subject matter jurisdiction including, without limitation, any claim arising under the Exchange Act, as to which the federal district court for the District of Delaware shall be the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of the Charter described in the preceding paragraph. However, stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and such persons. Alternatively, a court may determine that the choice of forum provision is unenforceable. If a court were to find these provisions of the Charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.