Risk Factors Comparison 2024-03-12 to 2023-03-15 Form: 10-K

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Our business is subject to numerous risks. The following summary highlights some of the risks you should consider with respect to our business and prospects. This summary is not complete, and the risks summarized below are not the only risks we face. You should review and carefully consider the risks and uncertainties described in more detail in the " Risk Factors " section of this Annual Report on Form 10- K which includes a more complete discussion of the risks summarized below as well as a discussion of other risks related to our business. • We engage in a highly competitive business. If we are unable to compete effectively, we could lose market share and our business and results of operations could be negatively impacted; • Our continued success is dependent upon our ability to hire, retain and utilize qualified personnel; continued success is dependent upon our ability to hire, retain and utilize qualified personnel; • Our profitability could suffer if we are not able to maintain adequate utilization of our workforce due to slowdowns in the economy, **or** reduced demand for our services ~~or the impact of the COVID- 19 pandemic~~ ; • If we are unable to integrate acquired businesses successfully, our business could be harmed; • We cannot assure you that we will achieve synergies and cost savings in connection with prior or future acquisitions; • Demand from ~~clients~~ **customer** is cyclical and vulnerable to economic downturns. If the economy weakens or ~~client~~ **customer** spending declines, our financial results may be impacted ~~; • Outbreaks of communicable diseases, including the on- going global pandemic related to COVID- 19 may have, directly or indirectly, a material and adverse effect on our business, financial condition and results of operations. The duration and extent to which this will impact our future financial condition and results of operations remains uncertain~~ ; • Construction, roadway, mining, and maintenance sites are inherently dangerous workplaces. If we, the owner, or others working at such sites fail to maintain safe work conditions, we can be exposed to significant financial losses and reputational harm, as well as civil and criminal liabilities; • Our services expose us to significant risks of liability, and our insurance policies may not provide adequate coverage; • The contracts in our backlog may be adjusted, cancelled, or suspended by our ~~clients~~ **customers** and, therefore, our backlog is not necessarily indicative of our future revenues or earnings. Additionally, even if fully performed, our backlog is not a good indicator of future gross profit; • The nature of our contracts, particularly those that are fixed price, subject us to risks of cost overruns. We may experience reduced profits or, in some cases, losses if costs increase above budgets or estimates or if the project experiences schedule delays; • Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue; • Our failure to comply with a variety of complex procurement rules and regulations could damage our reputation and result in our being liable for penalties, including termination of our government contracts, disqualification from bidding on future government contracts and suspension or debarment from government contracting; • We are dependent on third parties to complete certain elements of our contracts; • Our quarterly results may fluctuate significantly, which could have a material negative effect on the price of our common stock; • If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our common stock; • Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud; • An active trading market for our common stock may not continue to develop or be sustained; and • Anti- takeover provisions under our charter documents and Delaware law could delay or prevent a change of control, which could limit the market price of our common stock and may prevent or frustrate attempts by our stockholders to replace or remove our current management. Risks Relating to Our Business and Industry We engage in a highly competitive business. If we are unable to compete effectively, we could lose market share and our business and results of operations could be negatively impacted. We face continuing competition to provide technical, professional and construction services to ~~clients~~ **customers** . The markets we serve are highly competitive and we compete against many regional, national and multi- national companies. The degree of competition we face varies by industry, geographic area and project type. Our projects are frequently awarded through a competitive bidding process, which is standard in our industry. We are constantly competing for project awards based on pricing, schedule and the breadth and technical sophistication of our services. Competition can place downward pressure on our contract prices and profit margins and may force us to accept contractual terms and conditions that are less favorable to us, thereby increasing the risk that, among other things, we may not realize profit margins at the same rates as we have seen in the past or may become responsible for costs or other liabilities we have not accepted in the past. If we are unable to compete effectively, we may experience a loss of market share or reduced profitability or both, which, if significant, could have a material adverse impact on our business, financial condition, and results of operations. Our engagements often involve large- scale, complex projects. The quality of our performance on such projects depends in large part upon our ability to manage the relationship with our ~~clients~~ **customers** and our ability to effectively manage the project and deploy appropriate resources, including third- party contractors and our own personnel, in a timely manner. If a project is not completed by the scheduled date or fails to meet required performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the ~~client~~ **customer** to rectify damages due to late completion or failure to achieve the required performance standards. The performance of projects can be affected by a number of factors including unavoidable delays from government inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials needed by us or our ~~clients~~ **customers** , changes in the project scope of services requested by our ~~clients~~ **customers** , industrial accidents, environmental hazards and labor disruptions. To the extent these events occur, the total costs of the project could exceed our estimates and we could experience reduced profits or, in some cases, incur a loss on a project, which may reduce or eliminate our overall profitability. Further, any defects or errors, or failures to meet our ~~clients~~ **customers** ' expectations, could result in claims for damages against us. Our contracts do not always limit our liability for damages that arise from negligent acts, errors, mistakes, or omissions in rendering services to our ~~clients~~ **customers** . As such, we cannot be sure that these contractual provisions will protect us from liability for damages in the event we are sued. Our continued success is dependent upon our ability to hire, retain and utilize qualified personnel. As a professional and technical engineering and consulting solutions provider we depend upon our ability to hire, retain, and utilize qualified personnel, including engineers, architects, designers, craft personnel and corporate management professionals who have the required experience and expertise at a reasonable cost. The market for these and other personnel is competitive. From time to time and in different regions, it may be difficult to attract and retain qualified individuals with the expertise, and in the timeframe, demanded by our ~~clients~~ **customers** , or to replace such personnel when needed in a timely manner. In certain geographic areas, for example, we may not be able to satisfy the demand for our services because of our inability to successfully hire and retain qualified personnel. Furthermore, we may become required to employ technical professions with government granted clearance to obtain or contribute to certain government projects. If we were to lose some or all of these personnel, they would be difficult to replace. Loss of the services of, or failure to recruit, qualified technical and management personnel could limit our ability to successfully complete existing projects and compete for new projects. In addition, if any of our key personnel retire or otherwise leave the company, we need to have appropriate succession plans in place and ~~to~~ successfully implement such plans ~~, which~~ **. Implementing a succession plan** requires ~~devoting~~ **that we devote** time and resources toward identifying and integrating new personnel into leadership roles and other key positions. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, ~~it~~ **there** could ~~have~~ **be** a material adverse impact on our business, financial condition and results of operations. We do not maintain key- man life insurance policies on ~~all of~~ our executive officers. Our profitability could suffer if we are not able to maintain adequate utilization of our workforce due to slowdowns in the economy, **or** reduced demand for our services ~~or the impact of the COVID- 19 pandemic~~ . The cost of providing our services, including the extent to which we utilize our workforce, affects our profitability. The rate at which we utilize our workforce is affected by several factors, including: • our ability to transition employees from completed projects to new assignments and to hire and assimilate new employees; • our ability to forecast demand for our services and thereby maintain an appropriate headcount in each of our geographies and workforces; • our ability to manage attrition; • our need to devote time and resources to training, business development, professional development, and other non- chargeable activities; • our ability to match the skill sets of our employees to the needs of the marketplace; and • if we over- utilize our workforce, our employees may become disengaged, which will impact employee attrition. If we under- utilize our workforce, our profit margin and profitability could suffer ~~. If we are unable to integrate acquired businesses successfully, our business could be harmed~~ . As part of our business strategy to pursue accretive acquisitions, we have in the past and intend to continue to selectively pursue targets that provide complementary, low- risk services and expand our national platform. We may not be able to identify suitable acquisition or strategic investment opportunities or may be unable to obtain the required consent of our lenders and, therefore, may not be able to complete such acquisitions or strategic investments. We have incurred, and may continue to incur, expenses associated with sourcing, evaluating, and negotiating acquisitions (including those that do not get completed), and we have paid, and may in the future also pay, fees and expenses associated with financing acquisitions to investment banks and other advisors. Any of these amounts may be substantial, and together with the size, timing, and number of acquisitions we pursue, may negatively affect, and cause significant volatility in our financial results. In addition, we have assumed, and may in the future assume, liabilities of the companies we acquire. While we conduct a due diligence process and when appropriate, we retain third- party advisors to consult on potential liabilities related to these acquisitions, there can be no assurances that all potential liabilities will be identified or known to us. If there are unknown liabilities or other obligations, our business could be materially adversely affected. While we have integrated businesses in the past, our growth strategy includes the acquisition of companies that are larger than ones we have acquired in the past. Our inability to integrate future acquisitions successfully could impede us from realizing all of the benefits of those acquisitions and could weaken our business operations. The integration process of any acquisition may disrupt our business and, if implemented ineffectively, may preclude realization of the full benefits expected by us and could harm our results of operations. In addition, the overall integration process may result in unanticipated problems, expenses, liabilities, and competitive responses and may cause our stock price to decline. The difficulties of integrating acquisitions include, among other things: • unanticipated issues in integration of information, communications and other systems; • unanticipated incompatibility of logistics, marketing and administration methods; • maintaining employee morale and retaining key employees; • integrating the business cultures of companies; • preserving important strategic ~~client~~ **customer** relationships; • consolidating corporate and administrative infrastructures and eliminating duplicative operations; and • coordinating geographically separate organizations. In addition, even if the operations of an acquisition are integrated successfully, we may not realize the full benefits of such acquisition, including the synergies, cost savings or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. Further, acquisitions have in the past, and may also in the future, cause us to: • expend significant time, effort and resources; • issue securities that would dilute our current stockholders; • use a substantial portion of our cash resources; • increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition; • assume liabilities, including environmental liabilities, for which we do not have indemnification from the former owners or have indemnification that may be subject to dispute or concerns regarding the creditworthiness of the former owners; • record goodwill and non- amortizable intangible assets that are subject to impairment testing on a regular basis and potential impairment charges; • experience volatility in earnings due to changes in contingent consideration related to acquisition liability estimates; • incur amortization expenses related to certain intangible assets; • lose existing or potential contracts as a result of conflict- of- interest issues; • incur large and immediate write- offs; or • become subject to litigation. If we are not able to successfully manage our growth strategy, our business operations and financial results may be adversely affected. Our expected future growth presents numerous managerial, administrative, and operational challenges. Our ability to manage the growth of our operations will require us to continue to improve our management information systems and our other internal systems and controls. In addition, our growth will increase our need to attract, develop, motivate, and retain both our management and professional employees. The inability of our management to effectively manage our growth or the inability of our employees to achieve anticipated performance could have a material adverse effect on our business. There is no assurance that we will achieve synergies and cost savings in connection with prior or future acquisitions. We may not achieve anticipated cost savings in connection with prior or future acquisitions within the anticipated time frames or at all. A variety of risks could cause us not to realize some or all of these expected benefits. These risks include, among others, higher than expected standalone overhead expenses, delays in the anticipated timing of activities related to such initiatives and the incurrence of other unexpected costs associated with operating the business. Moreover, our implementation of cost savings initiatives may disrupt our operations and performance, and our estimated cost savings from such initiatives may be based on assumptions that prove to be inaccurate. If, for any reason, the benefits we realize are less than our estimates or our improvement initiatives adversely affect our operations or cost more or take longer to implement than we project, or if our assumptions prove inaccurate, our results of operations may be materially and adversely affected. In addition, our operating results from these acquisitions could, in the future, result in impairment charges for any of our intangible assets, including goodwill, or other long- lived assets, particularly if economic conditions worsen unexpectedly. These changes could materially adversely affect our results of operations, financial condition, stockholders' equity, and cash flows . Continuing worldwide political, social and...... in the agreements that govern our indebtedness . Our results of operations depend on the award of new contracts and the renewal of existing contracts and the timing of the performance of these contracts. Our revenues derive from new contract awards and the renewal of existing contracts. Our long-term projected results could be affected by delays in the timing of the awards or cancellations of such projects resulting from economic conditions, material and equipment pricing and availability or other factors. It is particularly difficult to predict whether or when we will receive large- scale projects as these contracts are affected by several factors including lengthy and complex bidding and selection process, among others. Other factors include market conditions, financing arrangements, and required governmental approvals. While we do not have any contract with the requirement to provide a bond or letter of credit to protect the ~~client~~ **customer** from our failure to perform under the terms of the contract, we may be required to do so at some time in the future. We generate revenues from such project awards; as such, our results of operations and cash flows can fluctuate significantly from quarter to quarter depending on the timing of our contract awards and the commencement or progress of work under awarded contracts. Furthermore, many of these contracts are subject to financing contingencies and, as a result, we are subject to the risk that the customer will not be able to secure the necessary financing for the project. In addition, certain contracts require us to satisfy specific progress or performance milestones in order to receive payment from the customer. As a result, we may incur significant costs for labor, equipment, sub- consultants or other out of pocket expenses prior to receipt of payment from a customer. The uncertainty of contract award timing can also present difficulties in matching workforce size with contract needs. In some cases, we maintain and bear the cost of a ready workforce that is larger than necessary under existing contracts in anticipation of future workforce needs for expected contract awards. If an expected contract award is delayed or not received, we may incur additional costs resulting from reductions in staff or redundancy of facilities, which could have a material adverse effect on our business, financial condition and results of operations. ~~.~~ Continuing worldwide political,social and economic uncertainties may adversely affect our revenue and profitability.The last several years have been periodically marked by political,social and economic concerns,including decreased consumer confidence,the lingering effects of international conflicts,energy costs and inflation.Ongoing instability and current conflicts in global markets,including Eastern Europe,the Middle East and Asia,and the potential for other conflicts and future terrorist activities and other recent geopolitical events throughout the world.have created and may continue to create economic and political uncertainties and impacts.For example,financial markets around the world experienced volatility following the invasion of Ukraine by Russia in February 2022.In response to the invasion,the U.S.,U.K.and European Union,along with others,imposed significant new sanctions and export controls against Russia.Russian banks and certain Russian individuals may implement additional sanctions or take further punitive actions in the future.The full economic and social impact of the sanctions imposed on Russia (as well as possible future punitive measures that may be implemented),as well as the counter measures imposed by Russia,in addition to the escalating military conflict between Ukraine and Russia **as well as conflicts in** ~~,which could conceivably expand into~~ the **Middle East** ~~surrounding region,~~ remains uncertain;however, ~~both~~ the ~~conflict~~ **conflicts** and ~~related~~ sanctions have resulted and could continue to result in disruptions to trade,commerce,pricing stability,credit availability,and / or supply chain continuity,in both Europe and globally,and has introduced significant uncertainty into global markets and the global economy.Current global geopolitical tensions,including **those** related to Ukraine **and the Middle East** ,may exacerbate any economic downturn.The instability created by these global uncertainties can make it extremely difficult for our ~~clients~~ **customers** ,our vendors and us to accurately forecast and plan future business activities,and could cause constrained spending on our services,delays and a lengthening of our business development efforts,the demand for more favorable pricing or other terms and / or difficulty in collection of our accounts receivable.Our government ~~clients~~ **customers** may face budget deficits that prohibit them from funding proposed and existing projects.Further,ongoing economic instability in the global markets could limit our ability to access the capital markets at a time when we would like,or need,to raise capital,which could have an impact on our ability to react to changing business conditions or new opportunities.If economic conditions remain uncertain or weaken,or government spending is reduced,our revenue and profitability could be adversely affected.Demand from ~~clients~~ **customers** is cyclical and vulnerable to economic downturns.If the economy weakens or ~~client~~ **customer** spending declines,our financial results may be impacted.Demand for services from our ~~clients~~ **customers** is cyclical and vulnerable to economic downturns,which may result in ~~clients~~ **customers** delaying,curtailing or canceling proposed and existing projects.Our business traditionally leads in downturns to the overall economy and may lag in a recovery,therefore,our business may not recover immediately when the economy improves.If the economy weakens ~~further~~ or ~~client~~ **customer** spending declines,then our revenue,profits and overall financial condition may deteriorate.If there is additional economic downturn,including as a result of the worldwide political,social and economic uncertainties described above,our existing and potential ~~clients~~ **customers** may either postpone entering into new contracts,renew existing contracts or request price concessions.Difficult financing and economic conditions may cause some of our ~~clients~~ **customers** to demand better pricing terms or delay payments for services we perform,thereby increasing the average number of days our receivables are outstanding and the potential of increased credit losses on uncollectible invoices.Further,these conditions may result in the inability of some of our ~~clients~~ **customers** to pay us for services that we have already performed.If we are not able to reduce our costs quickly enough to respond to the revenue decline from these ~~clients~~ **customers** ,our operating results may be adversely affected.Accordingly,these factors affect our ability to forecast our future revenue and earnings from business areas that may be adversely impacted by market conditions.Outbreaks of communicable diseases,including the global pandemic related to COVID- 19 and its variants may have,directly or indirectly,a material and adverse effect on our business,financial condition,and results of operations.The duration and extent to which this will impact our future financial condition and results of operations remains uncertain.Global or national health concerns,including the outbreak of pandemic or contagious disease,can negatively impact the U.S.economy and,therefore,demand and pricing for our services.For example,the outbreak of the COVID- 19 pandemic and the measures taken to address and limit the spread of the virus adversely affected the U.S.economy and financial markets,resulting in an economic downturn that negatively impacted demand for services like ours ~~[(see Note 24~~ **.Additionally,we have an increased number** of **employees working remotely.As a result,we may have increased cyber security and data security risks,due to increased use of home Wi- Fi networks and virtual private networks,as well as increased distribution of physical machines.While we implement IT controls to reduce the risk of a cyber- security and data security breach,** ~~the~~ **there** ~~accompanying consolidated~~ **is no guarantee that these measures will be adequate to safeguard all systems with an increased number of employees working remotely.In addition,the engineering and consulting design process undertaken by us is a collaborative process typically undertaken in an in- person office environment.The lack of this in person interaction may adversely impact our work product and our** financial ~~statements for more information on the impact of COVID- 19 on our operations)].Furthermore,the COVID- 19 pandemic also raises the possibility of an extended global economic downturn and has caused volatility in financial markets,which could affect demand for our services and affect our financial condition and~~ results ~~of operations even after the pandemic is contained,and the containment measures are lifted~~ . ~~For example,if a client' s financial difficulties become severe,the client may be unwilling or unable to pay our invoices in the ordinary course of business,which could adversely affect collections of both our accounts receivable and unbilled services.Since many of our clients are government agencies,a~~ Inflation could adversely affect our business and results of operations. ~~While inflation in the United States and global markets has been relatively low in recent years, during~~ **During** ~~2021 and~~ 2022 **and 2023** , the economy in the United States and global markets encountered a material increase in the level of inflation. The impact of COVID- 19, geopolitical developments such as the Russia- Ukraine conflict **, the conflict in the Middle East** and global supply chain disruptions continue to increase uncertainty in the outlook of near- term and long- term economic activity, including whether inflation will continue and how long, and at what rate. Increases in inflation raise our costs for ~~[~~ labor, materials and services ~~]~~ and other costs required to grow and operate our business, and failure to secure these on reasonable terms may adversely impact our financial condition. Additionally, increases in inflation, along with the uncertainties surrounding ~~COVID- 19,~~ geopolitical developments and global supply chain disruptions, have caused, and may in the future cause, global economic uncertainty and uncertainty about the interest rate environment, which may make it more difficult, costly or dilutive for us to secure additional financing. A failure to adequately respond to these risks could have a material adverse impact on our financial condition, results of operations or cash flows. A significant decline in new home construction, and / or a deterioration in expectations regarding the homebuilding market, could have a material adverse impact on our business, financial condition and results of operations. Our ~~clients~~ **customers** include many of the top homebuilders in the United States. Demand for new homes has historically been fueled by continued low interest rates and changing population demographics but remains sensitive to changes in economic conditions such as the level of employment, consumer confidence, consumer income, the availability of financing and interest rate levels. Demand for new homes is subject to fluctuations, often due to factors outside of our control. For example, during 2022, the housing market weakened in response to the Federal Reserve' s aggressive increase in interest rates in an effort to curtail inflation. We cannot predict whether and to what extent housing markets will grow, particularly if interest rates for mortgage loans, land costs, and construction costs continue to rise. It is likely that if one or more of the foregoing factors occurred or if there was an economic downturn, the resulting decline in demand for new homes would negatively impact the demand for our residential land planning and design services, which in turn could have a material adverse impact on our business, results of operations and financial condition. Construction, roadway, mining and maintenance sites are inherently dangerous workplaces. If we, the owner, or others working at such sites fail to maintain safe work conditions, we can be exposed to significant financial losses and reputational harm, as well as civil and criminal liabilities. Construction and maintenance sites often put our employees and others in proximity with large pieces of mechanized equipment, moving vehicles, manufacturing processes, and highly regulated materials, in a challenging environment. If we fail to implement safety procedures or if the procedures, we implement are ineffective, or if others working at the site fail to implement and follow appropriate safety procedures, our employees and others may become injured, disabled or even lose their lives, the completion or commencement of our projects may be delayed, and we may be exposed to litigation or investigations. Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project to our ~~clients~~ **customers** , and raise our operating and insurance costs. Any of the foregoing could result in financial losses or reputational harm, which could have a material adverse impact on our business, financial condition and results of operations. In addition, our projects could involve the handling of hazardous and other highly regulated materials, which, if improperly handled or disposed of, could subject us to civil and / or criminal liabilities. We are also subject to regulations dealing with occupational health and safety. Although we maintain functional groups whose primary purpose is to ensure we implements effective health, safety and environmental (" HSE ") work procedures throughout our organization, including construction sites, roadways, mines and maintenance sites, the failure to comply with such regulations could subject us to liability. In addition, despite the work of our functional groups, we cannot guarantee the safety of our personnel or that there will be no damage to or loss of our work, equipment, or supplies. We operate a large and diverse fleet of vehicles. Our employee drivers receive safety training, and we monitor for safe driving, however, we may be subject to liability associated with incidents involving our fleet. **Failure to maintain an adequate safety record could impair our ability to perform contracts for existing customers or our ability to obtain new contracts.** Our general safety record is critical to our reputation. Many of our ~~clients~~ **customers** require that we meet certain safety criteria to be eligible to bid for contracts and many contracts provide for automatic termination or forfeiture of some or all of our contract fees or profit in the event we fail to meet certain measures. Accordingly, if we fail to maintain adequate safety standards, or even if we do maintain those safety standards but our employees are involved in accidents that result in our failing to meet stated safety criteria, we could suffer reduced profitability or the loss of projects or ~~clients~~ **customers** , which could have a material adverse impact on our business, financial condition, and results of operations. Our services expose us to significant risks of liability, and our insurance policies may not provide adequate coverage. If we fail to provide our services in accordance with applicable professional standards or contractual requirements, we could be exposed to significant monetary damages or even criminal violations. Our engineering practice, for example, involves applying professional judgments to the planning, design, development, construction, operations and management of residential, commercial, and mixed- use projects, industrial facilities, and public infrastructure projects. While we do not generally accept liability for consequential damages in our contracts, and although we have adopted a range of insurance, risk management and risk avoidance programs designed to reduce potential liabilities, a catastrophic event at one of our project sites or completed projects resulting from the services we have performed could result in significant professional or product liability, and warranty or other claims against us as well as reputational harm, especially if public safety is impacted. These liabilities could exceed our insurance limits or the fees we generate, may not be covered by insurance at all due to various exclusions in our coverage and self- insured retention amounts, and could impact our ability to obtain insurance in the future. Further, even where coverage applies, the policies have deductibles, which result in our assumption of exposure for certain amounts with respect to any claim filed against us. In addition, ~~clients~~ **customers** or sub- consultants who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to pay it. An uninsured claim, either in part or in whole, as well as any claim covered by insurance but subject to a high deductible, if successful and of a material magnitude, could have a material adverse impact on our business, financial condition and results of operations. Unavailability or cancellation of third- party insurance coverage would increase our overall risk exposure as well as disrupt the management of our business operations. We maintain insurance coverage from third- party insurers as part of our overall risk management strategy and some of our contracts require us to maintain specific insurance coverage limits. If any of our third- party insurers fail **or** ~~, suddenly~~ cancel coverage, or **we are** otherwise are unable to **obtain** ~~provide us with~~ adequate insurance coverage **at a reasonable cost** , our overall risk exposure and operational expenses would increase, and the management of our business operations would be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at ~~the required~~ **our desired** limits. The contracts in our backlog may be adjusted, cancelled, or suspended by our ~~clients~~ **customers** and, therefore, our backlog is not necessarily indicative of our future revenues or earnings. Additionally, even if fully performed, our backlog is not a good indicator of future gross profit. Backlog represents the total dollar amount of revenues we expect to record in the future from the performance of work under contracts we have been awarded. As of December 31, ~~2022~~ **2023** , our gross backlog totaled approximately $ ~~243~~ **306** million. There is no assurance that backlog will be realized as revenues in the amounts reported or, if realized, will result in profits. In accordance with industry practice, substantially all our contracts are subject to cancellation, termination, or suspension at the discretion of the ~~client~~ **customer** . In the event of a project cancellation, we would generally have no contractual right to the total revenue reflected in our backlog. Projects can remain in backlog for extended periods of time because of the nature of the project and the timing of the services required by the project. The risk of contracts in backlog being cancelled or suspended generally increases during periods of widespread economic slowdowns or in response to changes in commodity prices. The contracts in our backlog are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. The revenue for certain contracts included in backlog is based on estimates. Additionally, the way we perform on our individual contracts can affect greatly our gross margins and hence, future profitability. ~~The nature of our~~ **Losses under lump- sum contracts and** assignments ~~, particularly~~ **may adversely impact our business operations and financial results. Our contracts include one or more assignments and often include assignments through which we commit to** ~~those~~ -- **the** ~~that~~ **performance of work for a specified lump- sum fee, subject to price adjustments if the scope of the assignment changes or unforeseen conditions** ~~are~~ **arise . For financial reporting, any contract with one or more lump- sum fee assignment is characterized in total as a** fixed **fee contract and is reported** ~~price, subject us to risks of cost overruns. We may experience reduced profits or,~~ in ~~some cases, losses if costs increase above budgets or estimates or if~~ the **aggregate as such** ~~project experiences schedule delays~~ . ~~For~~ **During** the years ended December 31, **2023 and** 2022 ~~and 2021~~ , ~~approximately~~ **we derived over 62 % and** 70 % ~~and 66 %~~ , respectively, of our ~~gross revenues~~ - **revenue from lump- sum** ~~were earned under fixed price~~ assignments. ~~Fixed price~~ **Lump- sum** assignments ~~require~~ **expose** us to ~~estimate the total~~ **a number of risks not inherent in** cost **- plus and time and material** ~~of the project in advance of its performance. For fixed price~~ assignments, ~~we may benefit from any cost savings, but we bear greater risk of paying some, if not all, of any cost overruns. Fixed price assignments are established in part on partial or incomplete designs, cost and scheduling estimates that are based on several assumptions,~~ including **underestimation** ~~those about future economic conditions, commodity and other materials pricing and availability~~ of

~~labor~~ **costs** , ~~equipment and materials~~ **ambiguities in specifications** , **unforeseen costs** ~~and other exigencies. If the design~~ or **difficulties** ~~the estimates prove inaccurate or if circumstances change due to~~ , ~~among other things, unanticipated technical~~ problems **with new technologies** , ~~difficulties in obtaining permits or approvals, changes in local laws or labor conditions, weather or other~~ delays beyond our control, **failures of subcontractors to perform, and economic or other** changes ~~in~~ **that may occur during** the **contract period. Losses under lump- sum assignments could adversely impact our results of operations. Our use of the percentage of completion method of revenue recognition requires that we estimate** costs ~~of equipment or raw materials, our vendors' or sub- consultants' inability or failure~~ to **be incurred under** ~~perform, or changes in general economic conditions, then cost overruns may occur and we could experience reduced profits or, in some cases, a loss for that project. These risks are increased for projects with~~ long- term ~~durations because there is~~ **contracts. Incorrect estimates could result in** a ~~greater risk~~ **reduction or reversal of previously recorded revenue and profits. We recognize revenue for our lump- sum contracts ratably over time based on cost- basis percentage of completion. Our use of percentage- of- completion accounting requires** that **revenue and profit be recognized ratably over** the ~~circumstances~~ **life of the contract based** on ~~which we based~~ **the proportion of costs incurred to date to total costs expected to be incurred for the entire project. The effects of revisions to revenue and estimated costs, including the achievement of award fees as well as the impact of change orders and claims, are recorded when the amounts are known and can be reasonably estimated. Such revisions could** ~~our~~ **occur** ~~original~~ **in any period and their effects could be material. The uncertainties inherent in the estimating process make it possible for actual costs to vary materially from initial and updated** estimates ~~will change in a manner that increases costs. If the project is significant, or there are one or more issues that impact multiple projects, costs overruns could have a material adverse impact on our business, financial condition, and results of operations~~ . We are dependent on third parties to complete certain elements of our contracts. **We engage** ~~Third~~ **third** - party sub- consultants **to** ~~we hire~~ perform certain work under our contracts. We also rely on third- party equipment manufacturers or suppliers to provide equipment used for certain of our projects. If we are unable to hire qualified sub- consultants or find qualified equipment manufacturers or suppliers, our ability to successfully complete ~~certain~~ **those** projects could be impaired. If we are not able to locate qualified third- party sub- consultants or the amount we are required to pay for sub- consultants or equipment and supplies exceeds what we have estimated **and / or we are unable to pass through the excess cost to our customers** , especially in a lump sum or a fixed price contract, we may suffer losses on these contracts **. We generally do not obtain a performance bond from our sub- consultants** . If a sub- consultant, supplier or manufacturer fails to provide services, supplies or equipment as required under a contract for any reason, we may be required to source these services, equipment or supplies to other third parties on a delayed basis or on less favorable terms, which could impact contract profitability. There is a risk that we may have disputes with our sub- consultants relating to, among other things, the quality and timeliness of work performed, customer concerns about a sub- consultant or our failure to extend existing task orders or issue new task orders under a contract. In addition, faulty workmanship, equipment, or materials could impact the overall project, resulting in claims against us for failure to meet required project specifications. Third parties may find it difficult to obtain enough financing to help fund their operations. The inability to obtain financing could adversely affect a third party' s ability to provide materials, equipment or services which could have a material adverse impact on our business, financial condition, and results of operations. In addition, a failure by a third- party sub- consultant, supplier, or manufacturer to comply with applicable laws, regulations or ~~client~~ **customer** requirements could negatively impact our business and, for government ~~clients~~ **customers** , could result in fines, penalties, suspension or even debarment being imposed on us, which could have a material adverse impact on our business, financial condition, and results of operations. Failure of our sub- consultants to satisfy their obligations to us or other parties, or the inability to maintain these relationships, may adversely impact our business operations and financial results. We depend on sub- consultants in conducting our business. There is a risk that we may have disputes with our sub- consultants arising from, among other things, the quality and timeliness of work performed, ~~client~~ **customer** concerns, or failure to extend existing task orders or issue new task orders under a subcontract. In addition, if any of our sub- consultants fail to deliver on a timely basis the agreed- upon services or supplies, go out of business, or fail to perform on a project, our ability to fulfill our obligations may be jeopardized and we may be contractually responsible for the work performed. The absence of qualified sub- consultants with which we have a satisfactory relationship could adversely affect the quality of our service and our ability to perform under some of our contracts. We also rely on relationships with other contractors when we act as their sub- consultants or joint venture partner. Our future revenue and growth prospects could be adversely affected if other contractors eliminate or reduce their subcontracts or teaming arrangement relationships with us or if a government agency terminates or reduces these other contractors' programs, does not award them new contracts, or refuses to pay under a contract. Weather conditions and seasonal revenue fluctuations may adversely impact our financial results. Our financial results during the months of November through March may be impacted by adverse weather conditions and the holiday season. As a result, our revenue and net income for the first and fourth quarters of our fiscal year may be lower when compared to our results for the second and third quarters of our fiscal year. If we were to experience lower- than- expected revenue during any such periods, we could experience a material adverse effect on our business, financial results and cash flows. Catastrophic events may adversely impact our business operations. Our business operations may be adversely impacted by force majeure or extraordinary events beyond the control of the contracting parties, such as natural and man- made disasters as well as terrorist attacks. Such events could result in the closure of offices, interruption of projects, and the relocation of employees. We typically remain obligated to perform our services after a terrorist attack or natural disaster unless the contract contains a force majeure clause that relieves us of our contractual obligations. If we are not able to react quickly to force majeure, our operations may be affected significantly, which would have a negative impact on our business operations. ~~Further, we rely on our network and third- party infrastructure and enterprise applications, internal technology systems, and our website for our development, marketing, operational, support, hosted services, and sales activities. Despite our implementation of network security measures, we are vulnerable to disruption,~~

~~infiltration, or failure of these systems or third- party hosted services in the event of a major earthquake, fire, power loss, telecommunications failure, cyber- attack, war, terrorist attack, or other catastrophic event could cause system interruptions, reputational harm, loss of intellectual property, lengthy interruptions in our services, breaches of data security, and loss of critical data and could harm our future operating results.~~ We rely on third- party internal and outsourced software to run our critical accounting, project management and financial information systems. As a result, any sudden loss, disruption or unexpected costs to maintain these systems could significantly increase our operational expense and disrupt the management of our business operations. We rely on third- party software to run our critical accounting, project management and financial information systems. We also depend on our software vendors to provide long- term software maintenance support for our information systems. Software vendors may decide to discontinue further development, integration or long- term software maintenance support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our accounting, project management and financial information to other systems, thus increasing our operational expense as well as disrupting the management of our business operations. ~~Cyber~~ **We are subject to** ~~security~~ **cybersecurity risks and** breaches of our systems and information technology could adversely impact our ability to operate. We **rely on our network and third- party infrastructure and enterprise applications, internal technology systems, and our website for our development, marketing, operational, support, hosted services, and sales activities. We** need to protect our own internal trade secrets, work product for our ~~clients~~ **customers** , and other business confidential information from disclosure. **Despite our implementation of network security measures, we are vulnerable to disruption, infiltration, or failure of these systems or third- party hosted services in the event of cyber- attack, natural disasters, terrorist attacks or other catastrophic events that could cause system interruptions, reputational harm, loss of intellectual property, lengthy interruptions in our services, breaches of data security, and loss of critical data and could harm our future operating results.** We face the threat to our computer systems of unauthorized access, computer hackers, computer viruses, malicious code, organized cyber- attacks and other security problems and system disruptions, including possible unauthorized access to our and our ~~clients~~ **customers** ' proprietary or classified information. As a result of the conflict between Russia and the Ukraine, in February 2022 the U. S. Cybersecurity and Infrastructure Security Agency issued a " Shields Up " alert for American organizations noting the potential for Russia' s cyber- attacks on Ukrainian government and critical infrastructure organizations to impact organizations both within and beyond the U. S., particularly in the wake of sanctions imposed by the United States and its allies. We rely on industry- accepted security measures and technology to maintain securely all confidential and proprietary information on our information systems. We have devoted and will continue to devote significant resources to the security of our computer systems, but they are still vulnerable to these threats. A user who circumvents security measures can misappropriate confidential or proprietary information, including information regarding us, our personnel and / or our ~~clients~~ **customers** , or cause interruptions or malfunctions in operations. Our industry has not been immune from organized cyber- attacks from persons seeking a ransom as a condition of releasing access to the firm' s computer systems. As a result, we can be required to expend significant resources to protect against the threat of these system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches. Any of these events can damage our reputation and have a material adverse effect on our business, financial condition, results of operations and cash flows. Negative conditions in the credit and financial markets and delays in receiving ~~client~~ **customer** payments could result in liquidity problems, adversely affecting our cost of borrowing and our business. Although we finance much of our operations using cash provided by operations, at times we depend on the availability of credit to grow our business and to help fund business acquisitions. Instability in the credit markets in the U. S. or abroad could cause the availability of credit to be relatively difficult or expensive to obtain at competitive rates, on commercially reasonable terms or in sufficient amounts. This situation could make it more difficult or more expensive for us to access funds, refinance our existing indebtedness, enter into agreements for new indebtedness, or obtain funding through the issuance of securities or such additional capital may not be available on terms acceptable to us, or at all. We may also enter into business acquisition agreements that require us to access credit, which if not available at the closing of the acquisition could result in a breach of the acquisition agreement and a resulting claim for damages by the sellers of such business. In addition, market conditions could negatively impact our ~~clients~~ **customers** ' ability to fund their projects and, therefore, utilize our services, which could have a material adverse impact on our business, financial condition, and results of operations. Some of our customers, suppliers and sub- consultants depend on access to commercial financing and capital markets to fund their operations. Disruptions in the credit or capital markets **and increases in market interest rates** could adversely affect our ~~clients~~ **customers** ' ability to finance projects and could result in contract cancellations or suspensions, project delays and payment delays or defaults by our ~~clients~~ **customers** . In addition, ~~clients~~ **customers** may be unable to fund new projects, may choose to make fewer capital expenditures or otherwise slow their spending on our services or to seek contract terms more favorable to them. Our government ~~clients~~ **customers** may face budget deficits that prohibit them from funding proposed and existing projects or that cause them to exercise their right to terminate our contracts with little or no prior notice. In addition, any financial difficulties suffered by our sub- consultants or suppliers could increase our cost or adversely impact project schedules. These disruptions could materially impact our backlog and have a material adverse impact on our business, financial condition and results of operations. Our quarterly results may fluctuate significantly, which could have a material negative effect on the price of our common stock. Our quarterly operating results may fluctuate due to several factors, including: • fluctuations in the spending patterns of our customers; • the number and significance of projects executed during a quarter; • unanticipated changes in contract performance, particularly with contracts that have funding limits; • the timing of resolving change orders, requests for equitable adjustments and other contract adjustments; • the timing of our meeting a project milestone that allows us to bill our ~~client~~ **customer** and recognize revenue; • project delays; • changes in prices of commodities or other supplies; • weather conditions that delay work at project sites; • the timing of expenses incurred in connection with acquisitions or other corporate initiatives; • natural disasters or other crises; • staff levels and utilization rates; • changes in prices of services offered by our competitors; and • general economic and political conditions. If our quarterly operating results fluctuate significantly, it could have a material negative affect on our financial condition and results of operations and could cause the price of our common stock to decrease, perhaps substantially and disproportionately to the actual effect on our business. An impairment charge on our goodwill could have a material adverse impact on our financial position and results of operations. Because we have grown in part through acquisitions, and expect to grow further through acquisitions, goodwill and intangible assets represent a substantial portion of our assets and will likely represent a more substantial portion in the future. As of December 31, **2023 and** 2022 ~~and 2021~~, we had $ **96. 5 million and $** 53. 2 million ~~and $ 28. 5 million~~ of goodwill, representing **24. 2 % and** 20. 8 ~~% and 20. 6~~ %, respectively, of our total assets as of December 31, **2023 and** 2022 ~~and 2021~~. Under U. S. GAAP, we are required to evaluate goodwill carried in our consolidated balance sheet for possible impairment on an annual basis using a fair value approach. We also are required to test goodwill for impairment between annual tests if events occur or circumstances change that would more likely than not reduce our enterprise fair value below our goodwill carrying value. These events or circumstances could include a significant change in the business climate, including legal factors, economic impacts, operating performance indicators, competition, sale, or disposition of a significant portion of our business, potential changes in regulatory or licensing requirements, and other factors. If our market capitalization drops significantly below the amount of net equity recorded on our balance sheet, that might indicate a decline in our fair value and would require us to further evaluate whether our goodwill has been impaired. The amount of any impairment could be significant and, if taken, could have a material adverse impact on our financial position and results of operations to the period in which we record the charge. ~~Rising~~ **Increases in** inflation, interest rates, and / or construction costs could reduce the demand for our services as well as decrease our profit on existing contracts, particularly our fixed price contracts. ~~Rising~~ **Increases in** inflation, interest rates, or construction costs could reduce the demand for our services. In addition, we bear all the risk of rising inflation on our fixed price contracts with respect to our cost of labor. Because a meaningful portion of our revenues are earned from fixed price contracts involving a substantial cost associated with our labor, the effects of inflation could have a material adverse impact on our business, financial condition, and results of operations. We are subject to professional standards, duties and statutory obligations on professional reports and opinions we issue, which could subject us to monetary damages. We issue reports and opinions to ~~clients~~ **customers** based on our professional engineering expertise as well as our other professional credentials that subject us to professional standards, duties and obligations regulating the performance of our services. If a ~~client~~ **customer** or another third party alleges that our report or opinion is incorrect or it is improperly relied upon and we are held responsible, we could be subject to significant liability or claims for damages. In addition, our reports and other work product may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. We could be liable to third parties who use or rely upon our reports and other work product even if we are not contractually bound to those third parties. These events could in turn result in monetary damages and penalties. Our credit agreement ~~with Bank of America, N. A.~~ contains several restrictive covenants, which could limit our ability to finance future operations, acquisitions or capital needs or engage in other business activities that may be in our interest. Our credit agreement contains several financial covenants that impose operating and other restrictions on us, and our subsidiaries. Such restrictions affect or could affect, and in many respects limit or prohibit, among other things, our ability, and the ability of certain of our subsidiaries to: • incur additional indebtedness; • create liens; • pay dividends and make other distributions in respect of our equity securities; • redeem our equity securities; • enter into certain lines of business; • make certain investments or certain other restricted payments; • sell certain kinds of assets; • enter into certain types of transactions with affiliates; and • undergo a change in control or effect certain mergers or consolidations. In addition, our credit agreement also requires us to comply with certain fixed charge coverage, debt to EBITDA and senior debt to EBITDA ratios. **Poor financial performance or** ~~Events~~ **events** beyond our control may affect our ability to comply with these covenants. These restrictions could limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans and could adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest. A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under the credit agreement. If an event of default occurs, the lenders under the credit agreement could elect to: • declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable; • require us to apply all our available cash to repay the borrowings; or • prevent us from making debt service payments on certain of our borrowings due to other creditors. If we were unable to repay or otherwise refinance these borrowings when due, the lenders under the credit agreement could sell the collateral securing the credit agreement, which constitutes a significant majority of our assets. ~~The replacement of the London Inter- Bank Offered Rate, or LIBOR, with the Secured Overnight Financing Rate, or SOFR, may adversely affect interest income or expense. On March 5, 2021, the Financial Conduct Authority (" FCA ") announced that USD LIBOR will no longer be published after June 30, 2023. The Secured Overnight Financing Rate (" SOFR "), an index calculated by short- term repurchase agreements, backed by U. S. Treasuries has been identified by market participants as the preferred alternative to USD LIBOR in derivatives and other financial contracts. Our amended and restated credit agreement provides SOFR as the benchmark replacement. The selection of SOFR as the reference rate currently presents certain market concerns because a term structure for SOFR has not yet developed, and there is not yet a generally accepted methodology for adjusting SOFR, which represents an overnight, risk- free rate, so that it will be comparable to LIBOR, which has various tenors and reflects a risk component. In addition, our hedging strategies may be adversely impacted as no active market exists for derivative instruments tied to SOFR.~~ Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. Borrowings under our credit agreement **with Bank of America, N. A.** bear interest at variable rates, exposing us to interest rate risk. Interest rates in the United States increased during fiscal year ~~2022~~ **2023** and may continue to increase in the future ~~. As a result, interest rates on the obligations under our credit facilities [and other variable rate debt~~

~~indebtedness] could be higher than current levels~~ . If interest rates continue to increase, our debt service obligations on ~~the variable rate indebtedness~~ **borrowings under our credit agreement** would continue to increase even though the amount borrowed would remain the same, and our results of operations and cash flows for servicing our indebtedness would decrease, perhaps significantly. Risks Relating to Government Contracts, Regulation and Litigation Governmental agencies may modify, curtail, or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue. Most government contracts may be modified, curtailed, or terminated by the government either at its discretion or upon the default of the contractor. If the government terminates a contract at its discretion, then we typically can recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all the potential revenue and profits from that contract. In addition, for some assignments, the government may attempt to " insource " the services to government employees rather than outsource to a contractor. If a governmental agency terminates a contract due to our default, we could be liable for excess costs incurred by the governmental agency in obtaining services from another source. Because we provide services to municipalities and other public agencies, we are more susceptible to the unique risks associated with government contracts. A substantial amount of our revenue is derived from our work for municipalities and other public agencies. Consequently, we are exposed to certain risks associated with public agency and government contracting, any one of which can have a material adverse effect on our business, results of operations and financial condition. These risks include: • The ability of the public agency to terminate the contract with 30 days' prior notice or less; • Changes in public agency spending and fiscal policies which can have an adverse effect on demand for our services; • Contracts that are subject to public agency budget cycles, and often are subject to renewal on an annual basis; • The often wide variation of the types and pricing terms of contracts from agency to agency; • The difficulty of obtaining change orders and additions to contracts; and • The requirement to perform periodic audits as a condition of certain contract arrangements. Legislation, policy, rules, or regulations may be enacted that limit or change the ability of state, regional or local agencies to contract for our privatized services. Such changes would affect our ability to obtain new contracts and may decrease the demand for our services. Legislation is proposed periodically that attempts to limit the ability of governmental agencies to contract with private consultants to provide services. Should such changes occur and be upheld, demand for our services may be materially adversely affected. For **each of** the years ended December 31, **2023 and** 2022 ~~and 2021~~ , approximately 21 % ~~and 13 %~~ of our gross revenue ~~, respectively,~~ was derived from services performed under contracts with governmental agencies. While attempts at such legislation have failed in the past, such measures could be adopted in the future. State and other public employee unions may bring litigation that seeks to limit the ability of public agencies to contract with private firms to perform government employee functions relating to public improvements. Judicial determinations in favor of these unions could affect our ability to compete for contracts and may have an adverse effect on our financial results. For over 20 years, state and other public employee unions have challenged the validity of propositions, legislation, charters, and other government regulations that allow public agencies to contract with private firms to provide services in the fields of engineering, design, and construction of public improvements that might otherwise be provided by public employees. These challenges could have the effect of eliminating or severely restricting the ability of municipalities to hire private firms and otherwise require them to use union employees to perform the services. If a state or other public employee union is successful in its challenge, this may result in additional litigation which could affect our ability to compete for contracts. Our failure to comply with a variety of complex procurement rules and regulations could damage our reputation and result in our being liable for penalties, including termination of our government contracts, disqualification from bidding on future government contracts and suspension or debarment from government contracting. We must comply with laws and regulations relating to government contracts, which affect how we do business with our customers and may impose added costs on our business. Some significant laws and regulations that affect us include: • federal, state, and local laws and regulations (including the Federal Acquisition Regulation or " FAR ") regarding the formation, administration, and performance of government contracts; • the Civil False Claims Act, which provides for substantial civil penalties for violations, including for submission of a false or fraudulent claim to the U. S. government for payment or approval; and • federal, state, and local laws and regulations regarding procurement integrity including gratuity, bribery and anti- corruption requirements as well as limitations on political contributions and lobbying. Any failure to comply with applicable laws and regulations could result in contract termination, damage to our reputation, price or fee reductions, suspension, or debarment from contracting with the government, each of which could have a materially adverse effect our business, results of operations and financial condition. In addition, federal, state, and local government entities may revise existing contract rules and regulations or adopt new contract rules and regulations at any time and may also face restrictions or pressure regarding the type and number of services that they may obtain from private contractors. Any of these changes could impair our ability to obtain new contracts or renew contracts under which we currently perform when those contracts are subject to recompete. The outcome of pending and future claims and litigation could have a material adverse impact on our business, financial condition, and results of operations. We are a party to claims and litigation in the normal course of business. Since we engage in engineering, surveying and related consulting activities for large facilities and projects where design, construction or systems failures can result in substantial injury or damage to employees or others, we are exposed to claims and litigation and investigations if there is a failure at any such facility or project. Such claims could relate to, among other things, personal injury, loss of life, business interruption, property damage, pollution and environmental damage and be brought by our ~~clients~~ **customers** or third parties, such as those who use or reside near our ~~clients~~ **customers'** ' projects. We can also be exposed to claims if we agreed that a project will achieve certain performance standards or satisfy certain technical requirements and those standards or requirements are not met. In many of our contracts with ~~clients~~ **customers** , sub- consultants, and vendors, we agree to retain or assume potential liabilities for damages, penalties, losses and other exposures relating to projects that could result in claims that greatly exceed the anticipated profits relating to those contracts. In addition, while ~~clients~~ **customers** and sub- consultants may agree to indemnify us against certain liabilities, such third parties may refuse or be unable to pay it. Employee, agent or partner misconduct or our overall failure to comply with laws or regulations may adversely impact our reputation and financial results as well as subject us to criminal and civil enforcement actions. Misconduct, fraud, non- compliance with applicable laws and regulations, or other improper activities by one of our employees, agents, or partners could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with regulations regarding government procurements, the protection of classified information, bribery and other foreign corrupt practices, pricing of labor and other costs in government contracts, lobbying or similar activities, internal controls over financial reporting, environmental laws, and any other applicable laws or regulations. Our policies mandate compliance with these regulations and laws, and we take precautions to prevent and detect misconduct. However, since our internal controls are subject to inherent limitations, including human error, it is possible that these controls could be intentionally circumvented or become inadequate because of changed conditions. As a result, we cannot assure that our controls will protect us from reckless or criminal acts committed by our employees and agents. Our failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, loss of security clearances, and suspension or debarment from contracting, any or all of which could harm our reputation, reduce our revenue and profits, and subject us to criminal and civil enforcement actions. Historically, we have not had any material cases involving misconduct or fraud. Changes in resource management or infrastructure industry laws, regulations, and programs could directly or indirectly reduce the demand for our services which could in turn negatively impact our revenue. Some of our services are directly or indirectly impacted by changes in U. S. federal, state, local, or foreign laws and regulations pertaining to resource management, infrastructure, and the environment. In addition, growing concerns about climate change may result in the imposition of additional regulations, international protocols or other restrictions on emissions. Accordingly, such additional laws and regulations or a relaxation or repeal of existing laws and regulations, or changes in governmental policies regarding the funding, implementation, or enforcement of these programs, could result in a decline in demand for our services, which could in turn negatively impact our revenue. We may be subject to liabilities under environmental laws and regulations, including liabilities assumed in acquisitions for which we may not be indemnified. We must comply with several laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances. Under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (" CERCLA "), and comparable state laws, we may be required to investigate and remediate regulated hazardous materials. CERCLA and comparable state laws typically impose strict joint and several liabilities without regard to whether a company knew of or caused the release of hazardous substances. The liability for the entire cost of clean- up could be imposed upon any responsible party. Other principal federal environmental, health, and safety laws affecting us include, among others, the Resource Conversation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the **Clean Water Act, the** Occupational Safety and Health Act, the Toxic Substances Control Act, and the Superfund Amendments and Reauthorization Act. Our business operations may also be subject to similar state and international laws relating to environmental protection. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations, could result in substantial costs to us, including clean- up costs, fines and civil or criminal sanctions, third- party claims for property damage or personal injury, or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability. While our business is not subject to significant regulation, the services we provide to our customers address various federal, state and local regulations that must be complied with to receive approval to proceed. In connection with the process of bidding for and being awarded certain government assignments we are required to provide an annual Federal Acquisition Regulation rate audit that determines our overhead reimbursement allowance. With respect to the operation of our business, we are subject to professional licensing requirements that vary by state. Each state establishes licensing and organizational requirements for our services. Certain states allow only individuals and individually owned professional services corporations to hold licenses. In those states there may be grandfathering exemptions that allow corporations to hold licenses. In the event a state does not allow a corporation to hold a license, we have in the past formed professional services corporations owned by Mr. Bowman and other employees to facilitate our ability to work in such states. To the extent we cannot adequately satisfy a state' s licensing requirements, we do not operate in that state. As of December 31, ~~2022~~ **2023** , we were licensed to operate in ~~45~~ **all** states **in the continental U. S** . Changes in tax laws could increase our tax rate and tax payments and materially affect our results of operations. We are subject to tax laws in the United States. The current U. S. presidential administration has called for fiscal and tax policies, which may include comprehensive tax reform. Many of these proposed changes to the taxation of our activities could increase our effective tax rate and harm our results of operations. For example, as part of the recently adopted Inflation Reduction Act of 2022, the United States implemented a 1 % excise tax on the value of certain share repurchases by publicly traded companies. As discussed below, this tax could increase the costs to us of any share repurchases. In addition, under the 2017 Tax Cut & Jobs Act, research and experimental costs are no longer fully deductible and are required to be capitalized and amortized for U. S. tax purposes effective for our fiscal year ended December 31, ~~2022~~ **2023** . Unless this provision of the act is repealed or its effectiveness is deferred, the capitalization requirement ~~could~~ **would** significantly increase our tax payments ~~or require us to alter our approach to the conveyance of intellectual property rights~~ . Risks Relating to Our Common Stock ~~We are subject to increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives. As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. The Sarbanes- Oxley Act of 2002, as amended, or Sarbanes- Oxley Act, as well as rules subsequently adopted by the SEC and The Nasdaq Global Market to implement provisions of the Sarbanes- Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd- Frank Wall Street Reform and Consumer Protection Act, or the Dodd- Frank Act, was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd- Frank Act~~

~~that require the SEC to adopt additional rules and regulations in these areas, such as " say on pay " and proxy access. Emerging growth companies may implement many of these requirements over a longer period of up to five years from the pricing of this offering. We intend to take advantage of these extended transition periods but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate. The rules and regulations applicable to public companies have substantially increased our legal and financial compliance costs and make some activities more time- consuming and costly.~~ If ~~these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, and results of operations. The increased costs will decrease our net income and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, these rules and regulations made it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs in the future to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. If~~ we fail to ~~develop or~~ maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our common stock. Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We cannot be certain that our efforts to ~~develop and~~ maintain our internal controls will be successful, that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of the Sarbanes- Oxley Act of 2002. Any failure to develop or maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our common stock. Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision- making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements, or insufficient disclosures due to error or fraud may occur and not be detected. The price of our common stock has been, and may continue to be, volatile and the value of our common stock could decline. The market price of our common stock has been, and may in the future be highly, volatile. The stock market in general and the market for emerging growth companies have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including: • the recruitment or departure of key personnel; • actual or anticipated changes in estimates as to financial results, acquisitions or recommendations by securities analysts; • variations in our financial results or those of companies that are perceived to be similar to us; • market conditions in the utility and infrastructure markets where we focus; • future sales of our common stock by us or our stockholders; • the trading volume of our common stock; • general economic, industry and market conditions; and • the other factors described in this " Risk Factors " section. An active trading market for our common stock may not be sustained. Although our common stock is listed on The Nasdaq Global Market, an active trading market for our common stock may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies by using our shares as consideration. There can be no assurance that we will be able to comply with the continued listing standards of Nasdaq. Our continued eligibility for listing on Nasdaq depends on several factors. If Nasdaq delists the common stock from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant material adverse consequences including: • a limited availability of market quotations for our securities; • 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; • a limited amount of analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline. The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We may not continue to obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline. Our President, Chairman and

Chief Executive Officer owns a large percentage of our voting stock, which may allow him to have a significant influence on all matters requiring stockholder approval. ~~Mr.~~ Gary Bowman, our President, Chairman and Chief Executive Officer, beneficially owned 2, 587, 749 shares, or approximately 19. 04 % of our common stock as of March ~~15~~ **12** , ~~2023~~ **2024** . Mr. Bowman has significant power to influence the outcome of important corporate decisions or matters submitted to a vote of our stockholders, including decisions regarding mergers, going private transactions, and other extraordinary transactions, and to significantly influence the terms of any of these transactions. Although Mr. Bowman owes our stockholders certain fiduciary duties as a director and an executive officer, Mr. Bowman could take actions to address his own interests, which may be different from those of our other stockholders ~~. Raising additional capital may cause dilution to our stockholders, including purchasers of common stock in this offering. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that materially adversely affect your rights as a common stockholder. Debt financing, if available, would increase our fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends~~ . Future issuances or sales of a substantial number of shares of our common stock, or the perception that such issuances or sales may occur, could cause our stock price to decline. Future issuances or sales of additional shares of our common stock could dilute the ownership interest of our common stockholders and could depress the market price of shares of our common stock. In addition, if our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after certain lock- up and other legal restrictions on resale lapse, the market price of our common stock could decline. In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with financings, acquisitions, registration statements or otherwise. We have also registered shares of our common stock that we may issue under our equity incentive plans and our employee stock purchase plan. As a result, all such shares can be freely sold in the public market upon issuance, subject to any vesting conditions or contractual lock- up agreements. If additional shares of our common stock are issued or sold, or if it is perceived that they will be issued or sold, in the public market, the market price of our common stock could decline. We cannot guarantee that our share repurchase program will be fully implemented or that it will enhance long- term stockholder value. ~~In~~ **On** November **17,** ~~2022~~ **2023** , we authorized a **new** share repurchase program ~~,~~ under which we may repurchase up to $ 10 million of ~~the outstanding shares of~~ our common stock **. The authorization is effective from November 17, 2023, through November 16, 2024. We previously had authority for a $ 10 million repurchase program which expired on November 10, 2022 with $ 9. 3 million remaining available for repurchase** . Under the terms of the program, the shares may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions or by other means in accordance with federal securities laws. The actual manner, timing and amount of repurchases under the share repurchase program will be determined by management at its discretion and will depend on a number of factors, including the market price of our common stock, market conditions and capital allocation priorities. As a result, there can be no guarantee around the timing or volume of our share repurchases. In addition, as part of the ~~recently adopted~~ Inflation Reduction Act of 2022, the United States implemented a 1 % excise tax on the value of certain share repurchases by publicly traded companies. This tax could increase the costs to us of any share repurchases. We intend to finance any stock repurchases through operating cash flow. Repurchases also may be made under a trading plan under Rule 10b5- 1, which would permit shares to be repurchased when we might otherwise be precluded from doing so because of self- imposed trading blackout periods or other regulatory restrictions. There is no guarantee as to the number of shares that will be repurchased, and the share repurchase program may be extended, suspended or discontinued at any time without notice at our discretion, which may result in a decrease in the trading price of our common stock. The share repurchase program could increase volatility in and affect the price of our common stock. The existence of our share repurchase program could also cause the price of our common stock to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our common stock. Additionally, repurchases under our share repurchase program will diminish our cash reserves and negatively impact our access to debt and our overall indebtedness. There can be no assurance that any stock repurchases will enhance stockholder value because the market price of our common stock may decline below the levels at which we repurchased such shares. Any failure to repurchase shares after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price. Although our share repurchase program is intended to enhance long- term stockholder value, short- term stock price fluctuations could reduce the program' s effectiveness. Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change of control of our company or changes in our board of directors that our stockholders might consider favorable. Some of these provisions include: • a board of directors divided into three classes serving staggered three- year terms, such that not all members of the board will be elected at one time; • a prohibition on stockholder action through written consent, which requires that all stockholder actions be taken at a meeting of our stockholders; • a requirement that special meetings of stockholders be called only by the board of directors acting pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office; • advance notice requirements for stockholder proposals and nominations for election to our board of directors; • a requirement that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two- thirds of all outstanding shares of our voting stock then entitled to vote in the election of directors; • a requirement of approval of not less than two- thirds of all outstanding shares of our voting stock to amend any bylaws by stockholder action or to amend specific provisions of our certificate of incorporation; and • the authority of the board of directors to issue preferred stock on terms determined by the board of directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporate Law, or DGCL, which may prohibit certain business combinations with stockholders owning 15 % or more of our outstanding voting stock. These antitakeover provisions and other provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then- current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline. Our amended and restated bylaws designate specific courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Pursuant to our amended and restated bylaws, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any state law claims for (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of or based on a breach of a fiduciary duty owed by any director, officer or other employee of ours to us or our stockholders; (3) any action asserting a claim pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or (4) any action asserting a claim governed by the internal affairs doctrine, or the Delaware Forum Provision. The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Our amended and restated bylaws contain a Federal Forum provision that provides that unless we consent in writing to the selection of an alternative forum, the United States District Court for the Eastern District of Virginia shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act or the Exchange Act. In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. We recognize that the Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware or the Commonwealth of Virginia, as applicable. Additionally, the forum selection clauses in our amended and restated bylaws may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are " facially valid " under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the United States District Court for the Commonwealth of Virginia may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders. We are an emerging growth company ~~and a smaller reporting company~~ , and we cannot be certain if the reduced reporting requirements applicable to emerging growth ~~companies and smaller reporting~~ companies will make our common stock less attractive to investors. We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act, or JOBS Act, enacted in April 2012 **, and** ~~. For as long as~~ we **intend to** continue ~~to be an emerging growth company, we intend~~ to take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These include, but are not limited to, exemption from auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, reduced executive compensation disclosure obligations, in our periodic reports and our proxy statements, and an exemption from the requirements of holding nonbinding advisory votes on executive compensation, and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years following the year in which we complete our initial public offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of: (i) the last day of the fiscal year in which we have total annual gross revenues of $ 1. 07 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering; (iii) the date on which we have issued more than $ 1 billion in non- convertible debt during the prior three- year period; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to not " opt out " of this exemption from complying with new or revised accounting standards and, therefore, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting standard and will do so until such time that we either (i) irrevocably elect to " opt out " of such extended transition period or (ii) no longer qualify as an emerging growth company. ~~Even after we no longer qualify as an emerging growth company, we may still qualify as a " smaller reporting company, " which would allow us to continue to take advantage of many of the same exemptions from disclosure requirements and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.~~ We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain. We do not intend to pay cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. ~~39~~