Risk Factors Comparison 2024-03-15 to 2023-03-16 Form: 10-K

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~~Our~~ **You should carefully consider each of the following risks and all of the other information contained in this Annual Report. If any of these risks develop into actual or expected events, our** business, financial condition ~~and~~ **,** results of operations ~~,~~ **or cash flows could be materially** and **adversely affected, and, as a result, the trading price of our common stock could decline. The risks discussed below are not the only ones facing our business but do represent** those ~~of~~ **risks that we believe are material to us. Additional risks and uncertainties not presently known to us** ~~our~~ - **or** ~~customers~~ **that we currently deem immaterial may also harm our business. Please read the cautionary notice regarding forward- looking statements under the heading " Cautionary Statement Concerning Forward- Looking Information. " Risks Related to Our Business** , ~~suppliers~~ **Operations** and ~~vendors~~ **Strategy Our financial condition raises substantial doubt as to our ability to continue as a going concern** , **which we believe has been alleviated by actions taken to address our liquidity needs. Our Consolidated Financial Statements** have been **prepared assuming that we will continue to operate as a going concern** , **which contemplates the realization of assets** and **the satisfaction of liabilities in the normal course of business. Since December 2022, we have entered into a number of amendments and waivers to our Debt Facilities to, among other things, provide relief or waiver under certain financial and other covenants and to waive certain events of default thereunder. Although we currently have approximately $ 5. 0 available to borrow under our new Credit Agreement with Axos Bank (as discussed in Note 25 to the Consolidated Financial Statements included in Part II, Item 8 of this Report), we expect that we will require additional financing to fund working capital to continue as a going concern. Accordingly, there is substantial doubt about our ability to continue as a going concern. We have taken, or plan to take, certain actions to address our liquidity needs. Based on our ability to raise funds through such actions, we have concluded that it is probable we will have sufficient capital to meet our operating, debt service and capital requirements for the next twelve months. Failure to effectively execute our plans, as well as delays or disruptions in these plans due to circumstances outside of our control,** could **have an adverse effect on our financial position, results of operations and / or ability to** continue **as a going concern. If we become unable** to **continue as a going concern, we may have to liquidate our assets and the values we receive for our assets in liquidation or dissolution could** be **significantly lower than** ~~, adversely affected by COVID- 19 outbreak and may be adversely affected by public health concerns and other~~ -- **the** ~~similar outbreaks; •~~ **values reflected in our Consolidated Financial Statements.** We are subject to risks associated with contractual pricing in our industry, including the risk that, if our actual costs exceed the costs we estimate on our fixed- price contracts, our profitability will decline, and we may suffer losses ~~suffer losses~~ .We are engaged in a highly competitive industry,and we have priced a number of our contracts on a fixed- price basis.Our actual costs could exceed our projections.We attempt to cover the increased costs ~~of~~ **associated with** anticipated changes in labor,material and service costs of long- term contracts,either through estimates of cost increases,which are reflected in the original contract price,or through price escalation clauses.Despite these attempts,the cost and gross profit we realize on a fixed- price contract could vary materially from the estimated amounts because of supplier,contractor and subcontractor performance,changes in job conditions,variations in labor and equipment productivity and increases in the cost of labor and raw materials,particularly steel,over the term of the contract.These variations and the risks generally inherent in our industry may result in actual revenues or costs being different from those we originally estimated and may result in reduced profitability or losses on contracts.Some of these risks include:• difficulties encountered on our large- scale contracts related to the procurement of materials or due to schedule disruptions,equipment performance failures,engineering and design complexity,unforeseen site conditions,rejection clauses in customer contracts or other factors that may result in additional costs to us,reductions in revenue,claims or **disputes** ; • ~~;•~~ our inability to obtain compensation for additional work we perform or expenses we incur as a result of our customers or subcontractors providing deficient design or engineering information or equipment or materials;• requirements to pay liquidated damages upon our failure to meet schedule or performance requirements of our contracts;and • difficulties in engaging third- party subcontractors,equipment manufacturers or materials suppliers or failures by third- party subcontractors,equipment manufacturers or materials suppliers to perform could result in contract delays and cause us to incur additional costs.In prior years,we have experienced these risks with several large loss contracts in our B & W Renewable and B & W Environmental segments,which resulted in significant losses for our operations,impaired our liquidity position and had previously resulted in substantial doubt regarding whether we would be able to continue to operate as a going concern.If we were to experience these risks again in the future,our business,results of operations,financial ~~condition~~ **position** and liquidity may be materially and adversely **affected.** Disputes with customers with long- term contracts could adversely affect our financial condition ; • Our contractual performance may be...... contracts could adversely affect our financial condition . We routinely enter into long- term contracts with customers. Under long- term contracts, we may incur capital expenditures or other costs at the beginning of the contract that we expect to recoup through the life of the contract. Some of these contracts provide for advance payments to assist us in covering these costs and expenses. A dispute with a customer during the life of a long- term contract could impact our ability to receive payments or otherwise recoup incurred costs and expenses. Our contractual performance may be affected by third parties' and subcontractors' failure to meet schedule, quality and other requirements ~~on~~ **in** our contracts, which could increase our costs, scope, or technical difficulty or in extreme cases, limit our ability to meet contractual requirements. We conduct significant portions of our business by engaging in long- term contracts related to highly complex, customized equipment or facilities for electrical generation, industrial processes, and / or environmental compliance. The complexity of these contracts generally necessitates the participation of others, including third- party suppliers, subcontractors, equipment or part manufacturers, partner companies, other companies with whom we do not have contractual relationships, customers, financing organizations, regulators and others. Our reliance on these parties subjects us to the risk of customer dissatisfaction with the quality or performance of the products or services we sell due to supplier or subcontractor failure. Third- party supplier and subcontractor business interruptions could include but are not limited to, interruptions to business operations due to **a pandemic** ~~COVID- 19~~ or other health crises, work stoppages, union negotiations, other labor disputes and payment disputes. Current or future economic conditions could also impact the ability of suppliers and subcontractors to access credit and, thus, impair their ability to provide us quality products, materials, or services in a timely manner, or at all. While we endeavor to limit our liability to matters within our control, not all scenarios can be foreseen, and we may become subject to the risk of others' performance that may or may not be within our control or influence. Delays, changes or failures of others, including third- party suppliers and subcontractors, could subject us to additional costs, delays, technical specification changes, contractual penalties or other matters for which we may be unable to obtain compensation, or compensation may not be sufficient. In extreme cases, the direct or indirect effects of such matters may cause us to be unable to fulfill our contractual requirements. A material disruption at one of our manufacturing facilities or a third-party manufacturing facility that we have engaged could adversely affect our ability to generate sales and result in increased costs. Our financial performance could be adversely affected due to our inability to meet customer demand for our products or services in the event of a material disruption at one of our ~~significant~~ manufacturing or services facilities. Equipment failures, natural disasters, power outages, fires, explosions, terrorism, adverse weather conditions, labor disputes or other influences could create a material disruption. Interruptions to production could increase our cost of sales, harm our reputation and adversely affect our ability to attract or retain our customers. Our business continuity plans may not be sufficient to address disruptions attributable to such risks. Any interruption in production capability could require us to make substantial capital expenditures to remedy the situation, which could adversely affect our financial ~~condition~~ **position** and results of operations. If our co- venturers fail to perform their ~~contractual~~ obligations on a contract or if we fail to coordinate effectively with our co- venturers, we could be exposed to legal liability, loss of reputation, reduced profit, or liquidity challenges. We often perform contracts jointly with third parties or execute contracts with partners through joint ventures or other contractual arrangements. For example, we enter into contracting consortia and other contractual arrangements to bid for and perform jointly on large contracts. We may not be able to control the actions of our partners in these arrangements, and influence over the actions of our partners and the contractual outcomes may be limited. Success on these joint contracts depends in part on whether our co- venturers fulfill their contractual obligations satisfactorily. If any one or more of these third parties fail to perform their contractual obligations satisfactorily, we may be required to make additional investments and provide added services in order to compensate for that failure. If we are unable to adequately address any performance issues when and if required, customers may exercise their rights to terminate a joint contract, exposing us to legal liability, damage to our reputation, reduced profit or liquidity challenges. Our collaborative arrangements also involve risks that participating parties may disagree on business decisions and strategies. These disagreements could result in delays, additional costs and risks of litigation. In these arrangements, we sometimes have joint and several liabilities with our partners, and we cannot be certain that our partners will be able to satisfy any potential liability that could arise. Our inability to successfully maintain existing collaborative relationships or enter into new collaborative arrangements could have a material adverse effect on our results of operations. Our growth strategy includes strategic acquisitions, which we may not ~~be able to~~ consummate or successfully integrate. We have made acquisitions to grow our business, enhance our global market position and broaden our ~~industrial tools~~ product offerings and intend to continue to make these acquisitions. Our ability to successfully execute acquisitions will be impacted by factors including the availability of financing on terms acceptable to us, the potential reduction of our ability or willingness to incur debt to fund acquisitions due to macroeconomic conditions, our financial results, the ~~reluctance~~ **willingness** of target companies to sell ~~in current markets~~ , our ability to identify acquisition candidates that meet our valuation parameters and increased competition for acquisitions. The **success of any acquisition, as well as our ability to realize their anticipated benefits, depends in large part on our ability to successfully integrate each business. The** process of integrating acquired businesses into our existing operations ~~also~~ may result in unforeseen operating difficulties and may require additional financial resources and attention from management that would otherwise be available for the ongoing development or expansion of our existing operations. Although we expect to successfully integrate any acquired businesses, **the integration process can be complex and time consuming. If we fail to successfully integrate an acquisition,** we may not achieve the desired net benefit in the timeframe planned ~~and~~ **or we** may not realize the planned benefits from our ~~acquisitions. Failure to effectively execute our acquisition strategy or successfully integrate the acquired businesses could have an adverse effect on our competitive position, reputation, financial condition, results of operations, cash flows and liquidity. On February 1, 2022, we acquired 100 % ownership of Fossil Power Systems, Inc. On February 28, 2022, we acquired 100 % ownership of Optimus Industries, LLC. The success of each of these, or any future, acquisitions, as well as our ability to realize their anticipated benefits, depends in large part on our ability to successfully integrate each business. This integration is complex and time consuming, and failure to successfully integrate either business may prevent us from achieving the anticipated benefits of the~~ acquisitions. Potential difficulties we may encounter as part of the integration process include (i) the inability to successfully integrate transportation networks; (ii) complexities and unanticipated issues associated with integrating the businesses' complex systems, technologies and operating procedures; (iii) integrating workforces while maintaining focus on achieving strategic initiatives; (iv) potential unknown liabilities and unforeseen increased or new expenses; (v) the possibility of faulty assumptions underlying expectations regarding the integration process; and (vi) the inability to improve on historical operating results. **.Our evaluation of** strategic alternatives for certain businesses and non- core assets may not result in a successful transaction.We continue to evaluate strategic alternatives for our business lines and assets to improve ~~our~~ **the Company' s** capital structure ~~,such as the decision in the third quarter of 2023 to sell B & W Solar~~ .There can be no assurance that these ongoing strategic evaluations will result in the identification or consummation of any transaction.We may incur substantial expenses associated with identifying and evaluating potential strategic alternatives.The process of exploring strategic alternatives may be time consuming and disruptive to our business operations,and if we are unable to effectively manage the process,our business,financial condition and results of operations could be adversely affected.We cannot assure that any potential transaction or other strategic alternative,if identified,evaluated and consummated,will prove to be beneficial to shareholders and that the process of identifying,evaluating and consummating any potential transaction or other strategic alternative will not adversely impact our business,financial condition or results of operations.Any potential transaction would be dependent upon a number of factors that may be beyond our control,including,among other factors,market conditions,industry trends,the interest of third parties in our business,the availability of financing to potential buyers on reasonable terms,and the consent of our lenders.In addition,while this strategic evaluation continues,we are exposed to risks and uncertainties,including potential difficulties in retaining and attracting key employees,distraction of our management from other important business activities,and potential difficulties in establishing and maintaining relationships with customers,suppliers,lenders,sureties and other **third parties,all of which could harm our business** Our backlog is subject to unexpected adjustments and cancellations and may not be a reliable indicator of future revenues or earnings **;our** inability to deliver our backlog on time could affect our future sales and profitability,and our relationships with our customers.Our backlog was $ ~~704~~ **530.5 million as of December 31,2023 and $ 549.1** million at December 31,2022 ~~and $ 639 million at December 31,2021~~ .Our ability to meet customer delivery schedules for our backlog is dependent on a number of factors including,but not limited to,access to the raw materials required for production,an adequately trained and capable workforce,project engineering expertise for certain large projects,sufficient ~~internal~~ manufacturing plant capacity,available subcontractors and appropriate planning and scheduling of manufacturing resources ~~.Our failure to deliver in~~ . There can be no assurance that the revenues projected in our backlog will be realized or, if realized, will result in profits. Because of contract cancellations or changes in scope and **/ or** schedule, we cannot predict with certainty when or if backlog will be performed. In addition, even where a contract proceeds as scheduled, it is possible that contracted parties may default and fail to pay amounts owed to us or poor contract performance could increase the cost associated with a contract. **Our failure to deliver in accordance with customer expectations may result in damage to existing customer relationships and result in the loss of future business.** Delays, suspensions, cancellations, payment defaults, scope changes and poor contract execution could materially reduce or eliminate the revenues and profits that we actually realize from contracts in backlog. Reductions in our backlog due to cancellation or modification by a customer or for other reasons may adversely affect, potentially to a material extent, the revenues and earnings we actually receive from contracts included in our backlog. Many of the contracts in our backlog provide for cancellation fees in the event customers cancel contracts. These cancellation fees usually provide for reimbursement of our out- of- pocket costs, revenues for work performed prior to cancellation and a varying percentage of the profits we would have realized had the contract been completed. However, we typically have no contractual right upon cancellation to the total revenues reflected in our backlog. Contracts may remain in our backlog for extended periods of time. If we experience significant contract terminations, suspensions or scope adjustments to contracts reflected in our backlog, our financial condition, results of operations and cash flows may be adversely impacted. Our inability to deliver our backlog on time...... price of our common stock. Our operations are subject to ~~operating~~ **various** risks, which could expose us to potentially significant professional liability, product liability, warranty and other claims. Our insurance coverage may not be inadequate to cover all of our significant risks, our insurers may deny coverage of material losses we incur, or we may be unable to obtain additional insurance coverage in the future, any of which could adversely affect our profitability and overall financial condition. We engineer, construct and perform services in, and provide products for, large industrial facilities where accidents or system failures can have significant consequences. Risks inherent in our operations include: • accidents resulting in injury or the loss of life or property; • environmental or toxic tort claims, including delayed manifestation claims for personal injury or loss of life; • pollution or other environmental mishaps; • adverse weather conditions; • mechanical failures; • property losses; • business interruption due to political action or other reasons; and • labor stoppages. Any accident or failure at a site where we have provided products or services could result in significant professional liability, product liability, warranty and other claims against us, regardless of whether our products or services caused the incident. We have been, and in the future, we may be, named as defendants in lawsuits asserting large claims as a result of litigation arising from events such as those listed above. Such claims may damage our reputation, regardless of whether we are ultimately deemed responsible. We endeavor to identify and obtain in established markets insurance agreements to cover significant risks and liabilities. Insurance against some of the risks inherent in our operations is either unavailable or available only at rates or on terms that we consider uneconomical. Also, catastrophic events customarily result in decreased coverage limits, more limited coverage, additional exclusions in coverage, increased premium costs and increased deductibles and self- insured retentions. Risks that we have frequently found difficult to cost- effectively insure against include, but are not limited to, business interruption, including interruptions related to **health crises and** ~~the~~ **other global events** ~~COVID- 19 pandemic~~ , property losses from wind, flood and earthquake events, war and confiscation or seizure of property in some areas of the world, pollution liability, liabilities related to occupational health exposures (including asbestos), the failure, misuse or unavailability of our information systems, the failure of security measures designed to protect our information systems from cybersecurity threats, and liability related to risk of loss of our work in progress and customer- owned materials in our care, custody and control. Depending on competitive conditions and other factors, we endeavor to obtain contractual protection against uninsured risks from our customers. When obtained, such contractual indemnification protection may not be as broad as we desire or may not be supported by adequate insurance maintained by the customer. Such insurance or contractual indemnity protection may not be sufficient or effective under all circumstances or against all hazards to which we may be subject. A successful claim for which we are not insured or for which we are underinsured could have a material adverse effect on us. Additionally, disputes with insurance carriers over coverage may affect the timing of cash flows and, if litigation with the carrier becomes necessary, an outcome unfavorable to us may have a material adverse effect on our results of operations. Moreover, certain accidents or failures, including accidents resulting in bodily injury or harm, could disqualify us from continuing business with customers, and any losses arising thereby may not be covered by insurance or other indemnification. Our wholly- owned captive insurance subsidiary provides workers' compensation, employer' s liability, commercial general liability, ~~professional liability~~ and automotive liability insurance to support our operations. We may also have business reasons in the future to have our insurance subsidiary accept other risks which we cannot or do not wish to transfer to outside insurance companies. These risks may be considerable in any given year or cumulatively. Our insurance subsidiary has not provided significant amounts of insurance to unrelated parties. Claims as a result of our operations could adversely impact the ability of our insurance subsidiary to respond to all claims presented. Additionally, upon the February 22, 2006 effectiveness of the settlement relating to the Chapter 11 proceedings involving several of our subsidiaries, most of our subsidiaries contributed substantial insurance rights to the asbestos personal injury trust, including rights to (1) certain pre- 1979 primary and excess insurance coverages and (2) certain of our 1979- 1986 excess insurance coverage. These insurance rights provided coverage for, among other things, asbestos and other personal injury claims, subject to the terms and conditions of the policies. The contribution of these insurance rights was made in exchange for the agreement on the part of the representatives of the asbestos claimants, including the representative of future claimants, to the entry of a permanent injunction, pursuant to Section 524 (g) of the United States Bankruptcy Code, to channel to the asbestos trust all asbestos- related claims against our subsidiaries and former subsidiaries arising out of, resulting from or attributable to their operations, and the implementation of related releases and indemnification provisions protecting those subsidiaries and their affiliates from future liability for such claims. Although we are not aware of any significant, unresolved claims against our subsidiaries and former subsidiaries that are not subject to the channeling injunction and that relate to the periods during which such excess insurance coverage related, with the contribution of these insurance rights to the asbestos personal injury trust, it is possible that we could have underinsured or uninsured exposure for non- derivative asbestos claims or other personal injury or other claims that would have been insured under these coverages had the insurance rights not been contributed to the asbestos personal injury trust. We may not be able to compete successfully against current and future competitors. Some of our competitors or potential competitors have greater financial or other resources than we have and in some cases are government supported. Our operations may be adversely affected if our current competitors or new market entrants introduce new products or services with better features, performance, prices or other characteristics than those of our products and services. Furthermore, we operate in industries where capital investment is critical. We may not be able to obtain as much purchasing and borrowing leverage and access to capital for investment as other companies, which may impair our ability to compete against competitors or potential competitors. If we fail to develop new products, or customers do not accept **them** ~~our new products~~, our business could be adversely affected. Our ability to develop innovative new products can affect our competitive position and often requires the investment of significant resources. Difficulties or delays in research, development, production or commercialization of new products, or failure to gain market acceptance of new products and technologies, may reduce future sales and adversely affect our competitive position. There can be no assurance that we will have sufficient resources to make such investments, that we will be able to make the technological advances necessary to maintain competitive advantages or that we can recover major research and development expenses. If we fail to make innovations, launch products with quality problems, experience development cost overruns, or the market does not accept our new products, then our financial condition, results of operations, cash flows and liquidity could be adversely affected. Our business, financial condition and results of operations, **and those of our customers,** suppliers and vendors, have been, and could continue to be, adversely affected by public health crises, including **a** ~~the COVID- 19~~ pandemic. Our business has been, and could in the future be, adversely impacted by public health crises, including viral outbreaks such as **a** ~~the COVID- 19~~ pandemic. Measures taken to control the spread ~~of COVID- 19 or other future outbreaks~~ of infectious disease, including mandatory closures, work- from- home orders and social distancing protocols **vary widely and** have **in the past** ~~varied widely and have~~ been subject to significant changes ~~from time to time~~ depending on circumstances outside of our control, including changes in the severity of outbreaks in impacted countries and localities. ~~These~~ **Any such** restrictions, including limitations on travel and curtailment of other activity ~~,~~ **could** negatively ~~impacted~~ -- **impact** our ability to conduct business ~~, to varying degrees, throughout the COVID- 19 pandemic, and similar future restrictions in response to other public health crises could have a similar impact~~. Furthermore, ~~COVID- 19 has contributed to significant~~ disruptions in **our** ~~the global~~ supply chain, ~~which~~ **could** negatively ~~impacted~~ -- **impact** our ability to secure raw materials and supplies ~~and~~ **, which could** ~~resulted~~ -- **result** in increased costs and the loss of sales and customers. ~~Future public health crises could have a similar impact.~~ The duration and scope of **a** ~~the COVID- 19~~ pandemic or any other future public health ~~crises~~ **crisis** cannot be predicted, and therefore, any anticipated negative financial impact to **our** ~~the Company' s~~ operating results cannot be reasonably estimated. Risks Related to Our Industry We derive substantial revenues from electric power generating companies and other steam- using industries, including coal- fired power plants in particular. Demand for our products and services depends on spending in these historically cyclical industries. Additionally, ~~recent~~ legislative and regulatory developments relating to clean air legislation are affecting industry plans for spending on coal- fired power plants within the United States and elsewhere. The demand for power generation products and services depends primarily on the spending of electric power generating companies and other steam- using industries and expenditures by original equipment manufacturers. These expenditures are influenced by such factors including, but not limited to: • prices for electricity, along with the cost of production and distribution; • prices for natural resources such as coal and natural gas; • **demand for electricity and other end products of steam- generating facilities; •** availability of other sources of electricity or other end products; • requirements of environmental legislation and regulations, including potential requirements applicable to carbon dioxide emissions; • investments in renewable energy sources and technology; • impact of potential regional, state, national and / or global requirements to significantly limit or reduce greenhouse gas emissions in the future; • level of capacity utilization and associated operations and maintenance expenditures of power generating companies and other steam- using facilities; • requirements for maintenance and upkeep at operating power plants and other steam- using facilities to combat the accumulated effects of wear and tear; • ability of electric generating companies and other steam users to raise capital; and • relative prices of fuels used in boilers, compared to prices for fuels used in gas turbines and other alternative forms of generation. We estimate that **45 %,** 38 % ~~,~~ **and** 47 % ~~and 43 %~~ of our consolidated revenues in **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020,~~ respectively, were related to coal- fired power plants. The **abundant** availability of natural gas ~~in great supply~~ has caused **from time to time** , in part, low prices for natural gas in the United States, which has led to more demand for natural gas relative to energy derived from coal. A material decline in spending by electric power generating companies and other steam- using industries on coal- fired power plants over a sustained period of time could materially and adversely affect the demand for our power generation products and services and, therefore, our financial condition, results of operations and cash flows. Coal- fired power plants have been scrutinized by environmental groups and government regulators over the emissions of potentially harmful pollutants and the disposal of waste ash from the combustion process. This scrutiny and economic incentives including tax advantages, have promoted the growth of **wind, solar and** nuclear ~~, wind and solar~~ power, among others, ~~and a decline in cost of renewable power plant components~~ and power storage. The recent economic environment and uncertainty concerning new environmental legislation or replacement rules or regulations in the United States and elsewhere has caused many of our major customers, principally electric utilities, to delay making substantial expenditures for new plants, and delay upgrades to existing power plants. Demand for our products and services is vulnerable to macroeconomic downturns and industry conditions. Demand for our products and services has been, and we expect that demand will continue to be, subject to significant fluctuations due to macroeconomic and industry conditions, including but not limited to, the cyclical nature of the industries we serve, inflation, geopolitical issues, the availability and cost of credit, volatile oil and natural gas prices, ~~low~~ business and consumer confidence, ~~high~~ unemployment **levels** and energy conservation measures. Unfavorable macroeconomic conditions may lead customers to delay, curtail or cancel proposed or existing contracts, which may decrease the overall demand for our products and services and adversely affect our results of operations. In addition, our customers may find it more difficult to raise capital in the future due to limitations on the availability of credit, increases in interest rates and other factors affecting the federal, municipal and corporate credit markets. Also, our customers may demand more favorable pricing terms and find it increasingly difficult to timely pay invoices for our products and services, which would impact our future cash flows and liquidity. Inflation or significant changes in interest rates could reduce the demand for our products and services. Any inability to timely collect our invoices may lead to an increase in our borrowing requirements, our accounts receivable and potentially to increased write- offs of uncollectible invoices. If the economy weakens, or customer spending declines, then our backlog, revenues, net income and overall financial condition could deteriorate. Supply chain issues, including shortages of adequate component supply that increase our costs or cause delays in our ability to fulfill orders, and **/ or** our failure to estimate customer demand properly ~~may result~~ could have an adverse impact on our business and operating results and our relationships with customers. We **rely** ~~are reliant~~ on our supply chain for components and raw materials to manufacture our products and provide services to our customers, and ~~this reliance~~ **supplier underperformance** could have an adverse impact on our business and operating results. A reduction or interruption in supply, including disruptions due to **a** ~~the COVID- 19~~ pandemic, **geopolitical conflicts (including** the ongoing ~~conflict~~ **conflicts** in Ukraine **and the Middle East)** , a significant natural disaster, shortages in global freight capacity, significant increases in the price of critical components and raw materials, a failure to appropriately forecast or adjust our requirements for components or raw materials based on our business needs ~~, or volatility in demand for our products~~ could materially adversely affect our business, operating results, and financial condition and could materially damage customer relationships. Our vendors also may be unable to meet our demand, significantly increase lead times for deliveries or impose significant price increases we are unable to offset through alternate sources of supply, price increases to our customers or increased productivity in our operations. Our operations use raw materials in various forms and components and accessories for assembly, which are available from numerous sources. We generally purchase these raw materials and components as- needed for individual contracts. We do not depend on a single source of supply for any significant raw materials. Although no serious shortage exists at this time, growth or volatility in the global economy may exacerbate pressures on us and our suppliers, which could affect our operating and financial results. Risks Related to Our **Financial Condition** ~~Liquidity and Capital Resources~~ The financial and other covenants in our debt agreements may adversely affect us. Our Debt Facilities contain financial and other restrictive covenants. These covenants could limit our financial and operating flexibility as well as our ability to plan for and react to market conditions, meet our capital needs and support our strategic priorities and initiatives should we take on additional indebtedness for acquisition or other strategic objectives. Our failure to comply with these covenants also could result in events of default which, if not cured or waived, could require us to repay indebtedness before its due date, and we may not have the financial resources or otherwise be able to arrange alternative financing to do so. Our compliance with the covenants of our Debt Facilities may be adversely affected by severe market contractions or disruptions to the extent they reduce our earnings for a prolonged period and we are not able to reduce our debt levels or cost structure accordingly. Any event that requires us to repay any of our debt before it is due could require us to borrow additional amounts at unfavorable borrowing terms, cause a significant reduction in our liquidity and impair our ability to pay amounts due on our indebtedness. Moreover, if we are required to repay any of our debt before it becomes due, we may be unable to borrow additional amounts or otherwise obtain the cash necessary to repay that debt, when due, which could have a material adverse effect on our business, financial condition and liquidity. We must refinance our 8. 125 % Notes due 2026 and 6. 50 % Notes due 2026 prior to their maturity. As described in Note ~~14~~ **15** to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report, during 2021, we completed offerings of $ 151. 2 million aggregate principal amount of our 8. 125 % senior notes due 2026 (" 8. 125 % Senior Notes ") and $ 151. 4 million aggregate principal amount of our 6. 50 % senior notes due in 2026 (the " 6. 50 % Senior Notes " and, together with the 8. 125 % Senior Notes, the " Notes Due 2026 "). **In addition to the completed sales, we issued $ 35. 0 million of the 8. 125 % Senior Notes to B. Riley, a related party, in exchange for a deemed prepayment of our then-existing Last Out Term Loan Tranche A- 3.** Depending on our future financial condition and results of operations ~~for 2023~~ , we may be unable to refinance our Notes Due 2026 on or prior to their maturity or at all **. In January 2024, we entered into a Credit Agreement with Axos Bank, as described in Note 25 to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report. The maturity date of the Credit Agreement is January 18, 2027, provided that if as of August 30, 2025, the Notes Due 2026 have not been refinanced pursuant to a Permitted Refinancing, as defined in the Credit Agreement, or the maturity date of all of the Notes Due 2026 has not been otherwise extended to a date on or after July 18, 2027, then the maturity date of the Credit Agreement is August 30, 2025** . There can be no assurance that our efforts to improve our financial position will be successful or that we will be able to obtain additional capital in the future on commercially reasonable terms or at all. If we are unable to refinance our Notes Due 2026 on commercially reasonable terms or at all, it may materially and adversely affect our reputation, liquidity, business, financial condition or results of operations, we may breach our obligations under either of the Notes Due 2026 and it may be necessary for us to reorganize ~~our company in its entirety~~ , including through bankruptcy proceedings. Maintaining adequate bonding and letter of credit capacity is necessary for us to successfully ~~complete,~~ bid on ~~and~~ **,** win **and complete** various contracts. In line with industry practice, we are often required to post standby letters of credit and surety bonds to support contractual obligations to customers as well as other obligations **.** The aggregate value of all such letters of credit and bank guarantees outside of our Letter of Credit Agreement as of December 31, ~~2022~~ **2023 ,** was $ ~~60~~ **39** . ~~3~~ **4** million.The aggregate value of the outstanding letters of credit provided under the Letter of Credit Agreement backstopping letters of credit or bank guarantees was $ ~~37~~ **21** . ~~8~~ **7** million as of December 31, ~~2022~~ **2023** .Of the outstanding letters of credit issued under the Letter of Credit Agreement,$ ~~67~~ **54** . ~~5~~ **0** million are subject to foreign currency revaluation.We have also posted surety bonds to support contractual obligations to customers relating to certain ~~contracts.We utilize bonding facilities to support such obligations,but the issuance of bonds under those facilities is typically at the surety' s discretion.These bonds generally indemnify customers should we fail to perform our obligations under the applicable~~ contracts.We,and certain of our subsidiaries,have jointly executed general agreements of indemnity in favor of surety underwriters relating to surety bonds those underwriters issue in support of some of our contracting activity.As of **December 31,2023,bonds issued and outstanding under these arrangements in support of contracts totaled approximately $ 141.7 million.The aggregate value of the letters of credit backstopping surety bonds was $ 16.8 million** . These letters of credit and bonds generally indemnify customers should we fail to perform our obligations under the applicable contracts. If a letter of credit or bond is required for a particular contract and we are unable to obtain it due to insufficient liquidity or other reasons, we will not be able to pursue that contract, or we could default on contracts that ~~are underway or that~~ have been awarded **or are underway** . We utilize bonding facilities, but, as is typically the case, the issuance of bonds under each of those facilities is at the surety' s sole discretion. Moreover, due to events that affect the insurance and bonding and credit markets generally, bonding and letters of credit may be more difficult to obtain in the future or may only be available at significant additional cost. Our inability to obtain or maintain adequate letters of credit and bonding and, as a result, to bid on new work could have a material adverse effect on our business, financial condition and results of operations. The aggregate value of all such letters...... was $ 14. 1 million. Our ability to obtain and maintain sufficient capacity under our ~~debt~~ **Debt** ~~facilities~~ **Facilities** is essential to allow us to support the issuance of letters of credit, bank guarantees and surety bonds. Without sufficient capacity, our ability to support contract security requirements in the future will be diminished . Our evaluation of strategic alternatives for...... all of which could harm our business . Our total assets include goodwill and other indefinite- lived intangible assets. If we determine these have become impaired, our business, financial condition and results of operations could be materially adversely affected. Goodwill represents the excess of cost over the fair market value of net assets acquired in business combinations. Indefinite-lived intangibles are comprised of certain trademarks and tradenames. ~~At~~ **As of** December 31, ~~2022~~ **2023** , goodwill and other indefinite- lived intangible assets totaled $ ~~217~~ **147** . ~~3~~ **6** million. We review goodwill and other intangible assets at least annually for impairment and any excess in carrying value over the estimated fair value is charged to the Consolidated Statement of Operations. ~~During the quarter ended September 30, 2022, the Company recorded impairment losses related to the Babcock & Wilcox Solar reporting unit of $ 7. 2 million.~~ No indicators of goodwill impairment were identified for **our** ~~the Company' s other~~ reporting units at the measurement date **, other than for B & W Solar. We recorded a goodwill impairment of $ 56. 6 million in the third quarter of 2023, largely due to continued underperformance and the decision to sell B & W Solar and classify it as a discontinued operation in the Consolidated Financial Statements** . Future impairment may result from, among other things, deterioration in the performance of an acquired business or product line, adverse market conditions and changes in the competitive landscape, adverse changes in applicable laws or regulations, including changes that restrict the activities of an acquired business or product line, and a variety of other circumstances. If the value of our business were to decline, or if we were to determine that we were unable to recognize an amount in connection with any proposed disposition in excess of the carrying value of any disposed asset, we may be required to recognize impairments for one or more of our assets that may adversely impact our business, financial condition and results of operations. We are exposed to credit risk and may incur losses as a result of such exposure. We conduct our business by obtaining orders that generate cash flows in the form of advances, contract progress payments and final ~~balances~~ **payments** in accordance with the underlying contractual terms. We are thus exposed to potential losses resulting from contractual counterparties' failure to meet their ~~obligations. As a result, the failure by customers to meet their~~ payment obligations ~~,~~ or **to** ~~a mere~~ delay in making ~~those~~ payments, **which** could reduce our liquidity and increase the need to resort to other sources of financing, with possible adverse effects on our business, financial condition, results of operations and cash flows. In some cases, we have joint and several liability with consortium partners in our projects and we may be subject to additional losses if our partners are unable to meet their contractual obligations. In addition, the deterioration of macroeconomic conditions or negative trends in the global credit markets could have a negative impact on relationships with customers and our ability to collect on trade receivables, with possible adverse effects on our business, financial condition, results of operations and cash flows. ~~The transition away from LIBOR may negatively impact our operating results. The London interbank offered rate (" LIBOR"), is the interest rate benchmark previously used as a reference rate on our~~

~~variable rate debt. The use of LIBOR is expected to be phased out by June 2023. The Financial Accounting Standards Board (" FASB ") has provided for entities to elect certain optional expedients and exceptions when accounting for certain instruments affected by changes in the interest rates through December 31, 2024. On March 15, 2022, the Adjustable Interest Rate (LIBOR) Act (the " LIBOR ACT ") was signed into law. Under the LIBOR Act, the Board of Governors of the Federal Reserve System is directed to select the Secured Overnight Financing Rate (" SOFR "), published by the Federal Reserve Bank of New York, as the replacement rate for contracts that reference LIBOR as a benchmark rate and that do not contain either a specified replacement rate or a replacement mechanism after USD LIBOR ceases publication. In addition, recent New York state legislation effectively codified the use of SOFR as the alternative to LIBOR in the absence of another chosen replacement rate, which may affect contracts governed by New York state law, including our Revolving Credit Agreement. SOFR is calculated differently from LIBOR and the inherent differences between LIBOR and SOFR or any other alternative benchmark rate gives rise to many uncertainties, including the need to amend existing debt instruments and the need to choose alternative reference rates in new contracts. The consequences of these developments with respect to LIBOR cannot be entirely predicted and span multiple future periods but could result in an increase in the cost of our variable rate debt which may be detrimental to our financial position or operating results. As of December 31, 2022, no borrowings have occurred under the Revolving Credit Agreement that are currently subject to changes in LIBOR. Our senior notes have fixed interest rates and are not subject to changes in other benchmark borrowing rates. Any period of interest rate increases may adversely affect the Company' s profitability. As of December 31, 2022, less than 1 % of the Company' s indebtedness bears interest at rates that float with the market. A higher level of floating rate debt would increase the exposure to changes in interest rates.~~ Risks Related to Intellectual Property and Information Security A disruption in, or failure of our information technology systems, including those related to cybersecurity, could adversely affect our business operations and financial performance. We rely on information ~~technology~~ systems, including the Internet, to process, transmit and store electronic sensitive and confidential information, to manage and support a variety of business processes and activities and to comply with regulatory, legal and tax requirements. While we maintain some of our critical information ~~technology~~ systems, we are also dependent on third parties to provide important information technology services relating to, among other things, human resources, electronic communications and certain finance functions. We face various threats to our information ~~technology~~ systems, including cyber threats **, ransomware attacks, phishing attacks** , threats to the physical security of our facilities and infrastructure from natural or man- made incidents or disasters, threats from insider and terrorist acts, as well as the potential for business disruptions associated with these threats. We have been, and will likely continue to be, subject to **cybersecurity threats** ~~cyber- based attacks~~ and other attempts to threaten our information ~~technology~~ systems ~~and the software we sell~~ . A **cybersecurity incident** ~~cyber- based attack~~ could include attempts to gain unauthorized access to our proprietary information and **personal data that we process and maintain,** attacks from malicious third parties using sophisticated, targeted methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud, phishing scams or other forms of deception. Although we utilize a combination of tailored and industry standard security measures and technology to monitor and mitigate these threats, we cannot guarantee that these measures and technology will be sufficient to prevent current and future threats to our information ~~technology networks and~~ systems from materializing. Furthermore, we may have little or no ~~in~~ **input** into security measures employed by third- party service providers, which could ultimately prove to be a vector of a ~~cyber~~ **cybersecurity** threat **or cybersecurity incident** . If these **information** systems are damaged, intruded upon, attacked, shutdown or cease to function properly, whether by misconfiguration, planned upgrades, force majeure events, telecommunication failures, malware or viruses, or other cybersecurity incidents and our business continuity plans do not mitigate the issues in a timely manner, the services we provide to customers, the value of our investment in research and development efforts and other intellectual property, our product sales, our ability to comply with regulations related to information contained on our information technology systems, our financial condition, results of operations and stock price may be materially and adversely affected, and we could experience delays in reporting our financial results. In addition, there is a risk of business interruption, litigation with third parties, reputational damage from **security breaches involves personal data or** loss of confidential information or the software we ~~sell~~ **use** being compromised, and increased cybersecurity protection and remediation costs due to the increasing sophistication and proliferation of threats. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. To address risks to our information ~~technology~~ systems, we continue to invest in our systems and training of ~~company~~ **our** personnel. As necessary, we replace and / or upgrade financial, human resources and other information ~~technology~~ systems. These activities subject us to inherent costs and risks associated with replacing and updating these systems, including potential disruption of our internal control structure, substantial capital expenditures, demands on management time and other risks of delays or difficulties in transitioning to new systems or of integrating new systems into our current systems. Our systems implementations and upgrades may not result in productivity improvements at the levels anticipated, or at all. In addition, the implementation of new technology systems may cause disruptions in our business operations. Such disruption and any other information ~~technology~~ system disruptions, and our ability to mitigate those disruptions, if not anticipated and appropriately mitigated, could have a material adverse effect on our financial condition, results of operations and stock price. Privacy and information security laws are complex, and if we fail to comply with applicable laws, regulations and standards, or if we fail to properly maintain the integrity of our data, protect our proprietary rights to our systems or defend against cybersecurity attacks, we may be subject to government or private actions due to ~~privacy and security~~ breaches ~~, any of which could have a material adverse effect on our business, financial condition and results of operations or materially harm our reputation~~ . We are subject to a variety of laws and regulations in the United States and other countries that involve matters central to our business, including user privacy, security, rights of publicity, data protection, content, intellectual property, distribution, electronic contracts and other communications, competition, protection of minors, consumer protection, taxation, and online- payment services. These laws can be particularly restrictive in countries outside the United States. Both in the United States and abroad, these laws and regulations constantly evolve. In addition, the application and interpretation of these laws and regulations are often uncertain, particularly in the ~~new and rapidly~~ evolving industry in which we operate. Because we store, process, and use data, some of which contains personal information, we are subject to complex and evolving federal, state, and foreign laws and regulations regarding privacy, data protection, content, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, ~~and~~ **which** could result in investigations, claims, changes to our business practices, increased cost of operations, ~~and declines in user growth, retention,~~ or ~~engagement~~ **reputational damage** , any of which could seriously harm our business. Several proposals have been adopted or are currently pending before federal, state, and foreign legislative and regulatory bodies that could significantly affect our business. The General Data Protection Regulation, or GDPR, in the European Union, which went into effect on May 25, 2018, placed new data protection obligations and restrictions on organizations **, including restrictions on the cross- border transfer of information. Similar obligations and restrictions exist under United Kingdom data protection law, including the UK GDPR and the UK Data Protection Act** . If we are not compliant with GDPR **or UK GDPR** requirements, we may be subject to significant fines and our business may be seriously harmed. **We are certified under and currently rely upon the EU- U. S. Data Privacy Framework (" EU- U. S. DPF") and / or the UK Extension of the EU- U. S. DPF, as well as certain approved forms of data protection agreements, called Standard Contractual Clauses, for data transfers from EU and UK to the US. These transfer mechanisms may be subject to challenge or invalidation, which may restrict the transfer of personal data which could impact our operations and increase our costs.** In addition, the California Consumer Privacy Act and **the California Privacy Rights Act** ~~its significant modifications that are effective in 2023~~ placed additional requirements on the handling of personal data **, including employee data. Similar laws have passed in Virginia, Connecticut, Utah and Colorado, and have been enacted or proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States** . We rely on intellectual property law and confidentiality agreements to protect our intellectual property. We also rely on intellectual property we license from third parties. Our failure to protect our intellectual property rights, or our inability to obtain or renew licenses to use intellectual property of third parties, could adversely affect our business. Our success depends, in part, on our ability to protect our proprietary information and other intellectual property. Our intellectual property could be stolen, challenged, invalidated, circumvented or rendered unenforceable. In addition, effective intellectual property protection may be limited or unavailable in some foreign countries where we operate. Our failure to protect our intellectual property rights may result in the loss of valuable technologies or adversely affect our competitive business position. We rely significantly on proprietary technology, information, processes and know- how that are not subject to patent or copyright protection. We seek to protect this information through trade secret or confidentiality agreements with our employees, consultants, subcontractors or other parties, as well as through other security measures. These agreements and security measures may be inadequate to deter or prevent misappropriation of our confidential information. In the event of an infringement of our intellectual property rights, a breach of a confidentiality agreement or divulgence of proprietary information, we may not have adequate legal remedies to protect our intellectual property. Litigation to determine the scope of intellectual property rights, even if ultimately successful, could be costly and could divert management' s attention away from other aspects of our business. In addition, our trade secrets may otherwise become known or be independently developed by competitors. In some instances, we have augmented our technology base by licensing the proprietary intellectual property of third parties. In the future, we may not be able to obtain necessary licenses on commercially reasonable terms, which could have a material adverse effect on our operations. Risks Related to Government Regulation We are subject to government regulations that may adversely affect our future operations. Many aspects of our operations and properties are affected by political developments and are subject to both domestic and foreign governmental regulations, including those relating to: • **the construction and manufacture of renewable, environmental and thermal products; • clean air and other environmental protection legislation; • taxation of domestic and foreign earnings; •** tariffs, duties, or trade sanctions and other trade barriers imposed by ~~foreign~~ countries that restrict or prohibit business transactions in certain markets or in certain goods; **• user privacy, security, data protection, content, and online- payment services; • intellectual property; • transactions in or with foreign countries or officials; and • use of local employees and suppliers.** In addition, a substantial portion of the demand for our products and services is from electric power generating companies and other steam- using customers. The demand for power generation products and services can be influenced by governmental legislation setting requirements for utilities related to operations, emissions and environmental impacts. The legislative process is unpredictable and includes a platform that continuously seeks to increase the restrictions on power producers. Potential legislation limiting emissions from power plants, including carbon dioxide, could affect our markets and the demand for our products and services related to power generation. We cannot determine the extent to which our future operations and earnings may be affected by new legislation, new regulations or changes in existing regulations **, but it could be material** . Our business and our customers’ businesses are required to obtain, and to comply with, national, state and local government permits and approvals. Our business and our customers’ businesses are required to obtain, and to comply with, national, state and local government permits and approvals. Any of these permits or approvals may be subject to denial, revocation or modification under various circumstances. Failure to obtain or comply with the conditions of permits or approvals may adversely affect our operations by temporarily suspending our activities or curtailing our work and may subject us to penalties and other sanctions. Although existing licenses are routinely renewed by various regulators, renewal could be denied or jeopardized by various factors, including, but not limited to: • failure to comply with environmental and safety laws and regulations or permit conditions; • local community, political or other opposition; • executive action; and • legislative action. In addition, if **existing laws or regulations are amended or are interpreted or enforced differently or if** new environmental legislation or regulations are enacted or implemented, ~~or existing laws or regulations are amended or are interpreted or enforced differently,~~ we or our customers may be **also** required to obtain additional operating permits or approvals. **See"** ~~Our inability or our customers' inability to obtain, and to comply with, the permits and approvals required for our business could have a material~~

~~adverse effect on us.~~ Risks Related to Environmental Regulation **" below for further information.** Our operations are subject to various environmental laws and legislation that may become more stringent in the future. Our operations and properties are subject to a wide variety of increasingly complex and stringent foreign, federal, state and local environmental laws and regulations, including those governing discharges into the air and water, the handling and disposal of solid and hazardous wastes, the remediation of soil and groundwater contaminated by hazardous substances and the health and safety of employees. Sanctions for noncompliance may include revocation of permits, corrective action orders, administrative or civil penalties and criminal prosecution. Some environmental laws provide for strict, joint and several liability for remediation of spills and other releases of hazardous substances, as well as damage to natural resources. In addition, companies may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances. Such laws and regulations may also expose us to liability for the conduct of or conditions caused by others or for our acts that were in compliance with all applicable laws at the time such acts were performed. We cannot predict all of the environmental requirements or circumstances that will exist in the future but anticipate that environmental control and protection standards will become increasingly stringent and costly. Based on our experience to date, we do not currently anticipate any material adverse effect on our business or financial condition as a result of future compliance with existing environmental laws and regulations. However, future events, such as changes in existing laws and regulations or their interpretation, more vigorous enforcement policies of regulatory agencies or stricter or different interpretations of existing laws and regulations, may require additional expenditures by us, which may be material. Accordingly, we can provide no assurance that we will not incur significant environmental compliance costs in the future. Our operations involve the handling, transportation and disposal of hazardous materials, and environmental laws and regulations and civil liability for contamination of the environment or related personal injuries may result in increases in our operating costs and capital expenditures and decreases in our earnings and cash flows. Our operations involve the handling, transportation and disposal of hazardous materials. Failure to properly handle these materials could pose a health risk to humans or wildlife and could cause personal injury and property damage (including environmental contamination). If an accident were to occur, its severity could be significantly affected by the volume of the materials and the speed of corrective action taken by emergency response personnel, as well as other factors beyond our control, such as weather and wind conditions. Actions taken in response to an accident could result in significant costs. Governmental requirements relating to the protection of the environment, including solid waste management, air quality, water quality and cleanup of contaminated sites, have in the past had a substantial impact on our operations. These requirements are complex and subject to frequent change. In some cases, they can impose liability for the entire cost of cleanup on any responsible party without regard to negligence or fault and impose liability on us for the conduct of others or conditions others have caused, or for our acts that complied with all applicable requirements when we performed them. Our compliance with amended, new or more stringent requirements, stricter interpretations of existing requirements or the future discovery of contamination may require us to make material expenditures or subject us to liabilities that we currently do not anticipate. Such expenditures and liabilities may adversely affect our business, financial condition, results of operations and cash flows. In addition, some of our operations and the operations of predecessor owners of some of our properties have exposed us to civil claims by third parties for liability resulting from alleged contamination of the environment or personal injuries caused by releases of hazardous substances into the environment. In our contracts, we seek to protect ourselves from liability associated with accidents, but there can be no assurance that such contractual limitations on liability will be effective in all cases or that our or our customers' insurance will cover all the liabilities we have assumed under those contracts. The costs of defending against a claim arising out of a contamination incident or precautionary evacuation, and any damages awarded as a result of such a claim, could adversely affect our results of operations and financial condition. We maintain insurance coverage as part of our overall risk management strategy and due to requirements to maintain specific coverage in our financing agreements and in many of our contracts. These policies do not protect us against all liabilities associated with accidents or for unrelated claims. In addition, comparable insurance may not continue to be available to us in the future at acceptable prices, or at all. Risks Related to Our International Operations Our business may ~~also~~ be affected by ~~new~~ sanctions and export controls targeting Russia and other responses to Russia' s invasion of Ukraine. As a result of Russia' s invasion of Ukraine, the United States, the United Kingdom and the European Union governments, among others, have developed coordinated sanctions and export control measure packages. Based on the public statements to date, these packages may include: • comprehensive financial sanctions against Russian banks (including SWIFT cut off); • additional designations of Russian individuals with significant business interests and government connections; • designations of individuals and entities involved in Russian military activities; • enhanced export controls and trade sanctions targeting Russia' s import of certain goods; **and** • closure of airspace to Russian aircraft. Moreover, as the ~~Russian~~ - **Russia-** ~~invasion of~~ Ukraine **conflict** continues, there can be no certainty regarding whether such governments or other governments will impose additional sanctions, export controls or other economic or military measures against Russia. We do not currently have contracts directly with Russian entities or businesses and we currently do not ~~do~~ **conduct** business in Russia directly. We believe **our** ~~the Company' s~~ only involvement with Russia or Russian- entities, involves sales of our products by a wholly-owned Italian subsidiary ~~of the Company~~ to non- Russian counterparties who may resell our products to Russian entities or perform services in Russia using our products. The economic sanctions and export- control measures and the ongoing invasion of Ukraine could impact our subsidiary' s rights and responsibilities under the contracts and could result in potential losses **us** ~~to the Company~~ . The impact of the ~~invasion of~~ **Russia-** Ukraine **conflict** , including economic sanctions and export controls or additional war or military conflict, as well as potential responses to them by Russia, is currently unknown and ~~they~~ could adversely affect our business, supply chain, partners or customers. In addition, the continuation of the ~~invasion of~~ **Russia-** Ukraine **conflict** ~~by Russia~~ could lead to other disruptions, instability and volatility in global markets and industries that could negatively impact our operations. We could be adversely affected by violations of the United States Foreign Corrupt Practices Act, the UK Anti- Bribery Act or other anti- bribery laws. The ~~United States~~ **U. S.** Foreign Corrupt Practices Act (the " FCPA ") generally prohibits companies and their intermediaries from making improper payments to non- United States government officials. Our training program, audit process and policies mandate compliance with the FCPA, the UK Anti- Bribery Act (the " UK Act ") and other anti- bribery laws. We operate in some parts of the world that have experienced governmental corruption to some degree, and, in some circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices. If we are found to be liable for violations of the FCPA, the UK Act or other anti- bribery laws (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others, including agents, promoters or employees of our joint ventures), we could suffer from civil and criminal penalties or other sanctions. Our international operations are subject to political, economic and other uncertainties not generally encountered in our domestic operations. We derive a substantial portion of our revenues from international operations, and we intend to continue to expand our international presence and customer base as part of our growth strategy. Our revenues from sales to customers located outside of the ~~United States~~ **U. S.** represented approximately ~~44~~ **49** %, ~~40~~ **46** % and ~~45~~ **41** % of total revenues for the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. Operating in international markets requires significant resources and management attention and subjects us to political, economic and regulatory risks that are not generally encountered in our ~~United States~~ **U. S.** operations. These include, but are not limited to: • risks of war, terrorism and civil unrest; • expropriation, confiscation or nationalization of our assets; • renegotiation or nullification of our existing contracts; • changing political conditions and changing laws and policies affecting trade and investment; • overlap of different tax structures; • ~~risk of~~ changes in foreign currency exchange rates; and • tariffs, price controls and trade agreements and disputes. Various foreign jurisdictions have laws limiting the right and ability of foreign subsidiaries and joint ventures to pay dividends and remit earnings to affiliated companies. Our international operations sometimes face the additional risks of fluctuating currency values, hard currency shortages and controls of foreign currency exchange. If we continue to expand our business globally, our success will depend, in part, on our ability to anticipate and effectively manage these and other risks. These and other factors may have a material impact on our international operations or our business as a whole. ~~International uncertainties and fluctuations~~ **Fluctuations** in the value of foreign currencies could harm our profitability. We have international operations primarily in Europe, Canada, and Mexico. For the year ended December 31, ~~2022~~ **2023** , international operations accounted for approximately ~~44~~ **49** % of our total revenues. Our significant international subsidiaries may have sales and cost of sales in different currencies as well as other transactions that are denominated in currencies other than their functional currency. Although we do not currently engage in currency hedging activities, we evaluate opportunities to engage in hedging in order to limit the risks of currency fluctuations. Consequently, fluctuations in foreign currencies could have a negative impact on the profitability of our global operations, which would harm our financial results and cash flows. Uncertainty over global tariffs, or the financial impact of tariffs, may negatively affect our results. Changes in U. S. domestic and global tariff frameworks have increased our costs of producing goods, particularly in connection with imports used in our renewable business ~~,~~ and resulted in additional risks to our supply chain. We have developed and implemented strategies to mitigate previously implemented and, in some cases, proposed tariff increases, but there is no assurance we will be able to continue to mitigate prolonged tariffs. Further, uncertainties about future tariff changes could result in mitigation actions that prove to be ineffective or detrimental to our business. Risks Related to Ownership of Our Common Stock The market price and trading volume of our common stock may be volatile. The market price of our common stock could fluctuate significantly in future periods due to a number of factors, many of which are beyond our control, including, but not limited to: • fluctuations in our quarterly or annual earnings or those of other companies in our industry; • ~~failures~~ **failure** of our operating results to meet the estimates of securities analysts or the expectations of our shareholders **; •** ~~or changes by~~ securities analysts **' changes** in their estimates of our future earnings; • announcements by us or our customers, suppliers or competitors; • the depth and liquidity of the market for our common stock; • changes in laws or regulations that adversely affect our industry or us; • changes in accounting standards, policies, guidance, interpretations or principles; • general economic, industry and stock market conditions; • future sales of our common stock by our shareholders; • the concentration of ownership of our common stock; • future issuances of our common stock by us; • our ability to pay dividends in the future; and • the other risk factors set forth under Part I, Item 1A and other parts of this Annual Report. Substantial sales, or the perception of sales, of our common stock by us or certain of our existing shareholders could cause our stock price to decline and future issuances may dilute our common shareholders' ownership ~~in the Company~~ . Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. As of December 31, ~~2022~~ **2023** , we had an aggregate of approximately ~~88~~ **89** . ~~7~~ **4** million shares of common stock outstanding, approximately 27. ~~3~~ **4** million shares of which were held by B. Riley. We entered into a registration rights agreement with B. Riley and other ~~shareholder~~ **shareholders** on April 30, 2019, pursuant to which B. Riley has customary demand and piggyback registration rights for all shares of our common stock they beneficially own. We filed a resale shelf registration statement on behalf of the shareholders party to the registration rights agreement permitting the resale of approximately 25. 6 million shares of our common stock that were issued to B. Riley and the other shareholders party thereto. We ~~are~~ **may** also **be** required to register for resale any additional shares of our common stock that B. Riley may acquire in the future. Any sales of substantial amounts of our common stock, or the perception that these sales might occur, could lower the market price of our common stock and impede our ability to raise capital through the issuance of equity securities. Any sales, or perception of sales, by our existing shareholders could also impact the perception of shareholder support for us. which could in turn negatively affect our customer and supplier relationships. Further, if we were to issue additional equity securities (or securities convertible into or exchangeable or exercisable for equity securities) to raise additional capital, our shareholders' ownership interests in **us** ~~the Company~~ will be diluted and the value of our common stock may be reduced. B. Riley has significant influence over us. As of December 31, ~~2022~~ **2023** , B. Riley controls approximately 30. ~~8~~ **7** % of the voting power represented by our common stock. B. Riley currently has the right to nominate one member of our board of directors pursuant to the investor rights agreement we entered into with them on April 30, 2019. The investor rights agreement also provides pre- emptive rights to B. Riley with respect to certain future issuances of our equity securities. The services of our Chief Executive Officer **, who also serves as our Chairman of the Board,** are provided to us by B. Riley pursuant to a consulting agreement ~~. In addition, our Chief Executive Officer also serves as our Chairman of the Board~~ . As a result of these arrangements, B. Riley has significant influence over our management and policies and over all matters requiring shareholder approval, including the election of directors, amendment of our certificate of incorporation and approval of significant corporate transactions. If B. Riley were to act together with other shareholders on any matter presented for shareholder approval, they could have the ability to control the outcome of that matter. B. Riley can take actions that have the effect of delaying or preventing a change of control of us or discouraging others from making tender offers for our shares, which could prevent shareholders from receiving a premium for their shares. These actions may be taken even if other shareholders oppose them. In addition, the concentration of voting power with B. Riley may have an adverse effect on the price of our common stock, and the interests of B. Riley may not be consistent with the interests of our other shareholders. We ~~do not currently pay regular dividends on our common stock, so holders of our common stock may not receive funds without selling their shares of our common stock. We have no current intent to pay a regular dividend on our common stock. Our board of directors will determine the payment of future dividends on our common stock, if any, and the amount of any dividends in light of applicable law, contractual restrictions limiting our ability to pay dividends, our earnings and cash flows, our capital requirements, our financial condition, and other factors our board of directors deems relevant. Accordingly, our shareholders may have to sell some or all of their shares of our common stock in order to generate cash flow from their investment. We~~ may issue preferred stock that could dilute the voting power or reduce the value of our common stock. Our certificate of incorporation authorizes us to issue, without the approval of our shareholders, one or more classes or series of preferred stock having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common stock respecting dividends and distributions, as our board of directors generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, we could grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of the common stock. ~~In the year ended December 31, 2021, we issued 7. 7 million shares of our 7. 75 % Series A Cumulative Perpetual Preferred Stock. The Company sold no additional Preferred Stock pursuant to the sales agreement in the year ended December 31, 2022.~~ Provisions in our corporate documents and Delaware law could delay or prevent a change in control of **us** ~~the Company~~ , even if that change may be considered beneficial by some shareholders. The existence of some provisions of our certificate of incorporation and bylaws and Delaware law could discourage, delay or prevent a change in control of **us** ~~the Company~~ that a shareholder may consider favorable. In addition, we are subject to Section 203 of the Delaware General Corporation Law, which may have an anti- takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging takeover attempts that might result in a premium over the market price for shares of our common stock. We believe these provisions protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal and are not intended to make **us** ~~the Company~~ immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our board of directors determines is in the best interests of **us** ~~the Company~~ and our shareholders. Risks Relating to ~~our~~ **the** 2015 Spin- Off from our Former Parent ~~We are subject to continuing contingent liabilities of BWXT following the spin- off. We completed a spin- off from The Babcock & Wilcox Company (now known as BWX Technologies, Inc., or " BWXT "), on June 30, 2015 to become a separate publicly traded company, and BWXT did not retain any ownership interest in the Company. As a result of the spin- off, there are several significant areas where the liabilities of BWXT may become our obligations. For example, under the Internal Revenue Code (" Code") and the related rules and regulations, each corporation that was a member of BWXT consolidated tax reporting group during any taxable period or portion of any taxable period ending on or before the completion of the spin- off is jointly and severally liable for the federal income tax liability of the entire consolidated tax reporting group for that taxable period. We entered into a tax sharing agreement with BWXT in connection with the spin- off that allocates the responsibility for prior period taxes of BWXT consolidated tax reporting group between us and BWXT and its subsidiaries. However, if BWXT were unable to pay, we could be required to pay the entire amount of such taxes. Other provisions of law establish similar liability for other matters, including laws governing tax- qualified pension plans as well as other contingent liabilities. The other contingent liabilities include personal injury claims or environmental liabilities related to BWXT' s historical nuclear operations. For example, BWXT has agreed to indemnify us for personal injury claims and environmental liabilities associated with radioactive materials related to the operation, remediation, and / or decommissioning of two former nuclear fuel processing facilities located in the Borough of Apollo and Parks Township, Pennsylvania. To the extent insurance providers and third- party indemnitors do not cover those liabilities, and BWXT was unable to pay, we could be required to pay for them. The spin- off could result in substantial tax liability. The spin- off was conditioned on BWXT' s receipt of an opinion of counsel, in form and substance satisfactory to BWXT, substantially to the effect that, for United States federal income tax purposes, the spin- off qualifies under Section 355 of the Code, and certain transactions related to the spin- off qualify under Sections 355 and / or 368 of the Code. The opinion relied on, among other things, various assumptions and representations as to factual matters made by BWXT and us which, if inaccurate or incomplete in any material respect, would jeopardize the conclusions reached by such counsel in its opinion. The opinion is not binding on the IRS or the courts, and there can be no assurance that the IRS or the courts will not challenge the conclusions stated in the opinion or that any such challenge would not prevail. We are not aware of any facts or circumstances that would cause the assumptions or representations that were relied on in the opinion to be inaccurate or incomplete in any material respect. If, notwithstanding receipt of the opinion, the spin- off was determined not to qualify under Section 355 of the~~

~~Code, each United States holder of BWXT common stock who received shares of our common stock in the spin- off would generally be treated as receiving a taxable distribution of property in an amount equal to the fair market value of the shares of our common stock received. In addition, if certain related preparatory transactions were to fail to qualify for tax- free treatment, they would be treated as taxable asset sales and / or distributions. Under the terms of the tax sharing agreement we entered into in connection with the spin- off, we are generally responsible for all taxes attributable to us or any of our subsidiaries, whether accruing before, on or after the date of the spin- off. We and BWXT generally share responsibility for all taxes imposed on us or BWXT and its subsidiaries in the event the spin- off and / or certain related preparatory transactions were to fail to qualify for tax- free treatment. However, if the spin- off and / or certain related preparatory transactions were to fail to qualify for tax- free treatment because of actions or failures to act by us or BWXT, we or BWXT, respectively would be responsible for all such taxes. Our liabilities under the tax sharing agreement could have a material adverse effect on us. At this time, we cannot precisely quantify the amount of liabilities we may have under the tax sharing agreement and there can be no assurances as to their final amounts. Under some circumstances, we could be liable for any resulting adverse tax consequences from engaging in certain significant strategic or capital raising transactions. Even if the spin- off otherwise qualifies as a tax- free distribution under Section 355 of the Code, the spin- off and certain related transactions may result in significant United States federal income tax liabilities to us under Section 355 (e) and other applicable provisions of the Code if 50 % or more of BWXT' s stock or our stock (in each case, by vote or value) is treated as having been acquired, directly or indirectly, by one or more persons as part of a plan (or series of related transactions) that includes the spin- off. The process for determining whether an acquisition triggering those provisions has occurred is complex, inherently factual and subject to interpretation of the facts and circumstances of a particular case. Under the terms of the tax sharing agreement we entered into in connection with the spin- off, BWXT generally is liable for any such tax liabilities. However, we are required to indemnify BWXT against any such tax liabilities that result from actions taken or failures to act by us. As a result of these rules and contractual provisions, we may be unable to engage in certain strategic or capital raising transactions that our shareholders might consider favorable, or to structure potential transactions in the manner most favorable to us, without certain adverse tax consequences.~~ Potential indemnification liabilities to BWXT pursuant to the master separation agreement could materially adversely affect **us** ~~the Company~~. The master separation agreement with BWXT provides for, among other things, the principal corporate transactions required to ~~effect~~ **affect** the spin- off, certain conditions to the spin- off and provisions governing the relationship between us and BWXT with respect to and resulting from the spin- off. Among other things, the master separation agreement provides for indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist relating to our business activities, whether incurred prior to or after the spin- off, as well as those obligations of BWXT assumed by us pursuant to the master separation agreement. If we are required to indemnify BWXT under the circumstances set forth in the master separation agreement, we may be subject to substantial liabilities. In connection with our separation from BWXT, BWXT has agreed to indemnify us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure us against the full amount of such liabilities, or that BWXT' s ability to satisfy its indemnification obligation will not be impaired in the future. Pursuant to the master separation agreement, BWXT has agreed to indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities that BWXT agreed to retain, and there can be no assurance that the indemnity from BWXT will be sufficient to protect us against the full amount of such liabilities, or that BWXT will be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from BWXT any amounts for which we are held liable, we may be temporarily required to bear these losses. ~~General Risk~~ **Risks Relating** ~~Factors Our reported financial results may be adversely affected by new accounting pronouncements or changes in existing accounting standards and practices, which could result in volatility in our results of operations. We prepare our financial statements in conformity with accounting principles generally accepted in the U. S. These accounting principles are subject~~ to **Tax Matters** interpretation or changes by the FASB and...... operating results could be significantly affected. We could be subject to changes in tax rates or tax law, adoption of new regulations, changing interpretations of existing law or exposure to additional tax liabilities in excess of accrued amounts that could adversely affect our financial position. We are subject to income taxes in the United States and numerous foreign jurisdictions. A change in tax laws, treaties or regulations, or in their interpretation, in any country in which we operate could result in a higher tax rate on our earnings, which could have a material impact on our earnings and cash flows from operations. Tax reform legislation enacted in December of 2017 has made substantial changes to United States tax law, including a reduction in the corporate tax rate, a limitation on deductibility of interest expense, a limitation on the use of net operating losses to offset future taxable income, the allowance of immediate expensing of capital expenditures and the transition of U. S. international taxation from a worldwide tax system to a more generally territorial system, and a one- time transition tax on the mandatory deemed repatriation of foreign earnings. Generally, future changes in applicable U. S. or foreign tax laws and regulations, or their interpretation and application could have an adverse effect on our business, financial conditions and results of operations. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain, and we are regularly subject to audit by tax authorities. Although we believe that our tax estimates and tax positions are reasonable, they could be materially affected by many factors including the final outcome of tax audits and related litigation, the introduction of new tax accounting standards, legislation, regulations and related interpretations, our global mix of earnings, the ability to realize deferred tax assets and changes in uncertain tax positions. A significant increase in our **effective** tax rate could have a material adverse effect on our profitability and liquidity. Our ability to use ~~net operating losses (" NOLs~~ **NOL** ~~")~~ and certain tax credits to reduce future tax payments could be further limited if we experience an additional " ownership change ". Some or all of **our** ~~the Company' s~~ deferred tax assets, consisting primarily of NOLs and interest carryforwards that are not currently deductible for tax purposes, could expire unused if we are unable to generate sufficient taxable income in the future to take advantage of them or if we enter into transactions that limit our right to use them, which includes transactions that result in an " ownership change " under Section 382 of the ~~Code~~ **IRC** . Sections 382 and 383 of the ~~Code~~ **IRC** limits for U. S. federal income tax purposes, the annual use of NOL carryforwards, disallowed interest carryforwards and tax credit carryforwards, respectively, following an ownership change. Under Section 382 of the ~~Code~~ **IRC** , a company has undergone an ownership change if shareholders owning at least 5 % of the company have increased their collective holdings by more than 50 % during the prior three- year period. Based on information that is publicly available, **we** ~~the Company~~ determined that a Section 382 ownership change occurred ~~on~~ **in** July ~~23,~~ 2019 as a result of the Equitization Transactions. If **we** ~~the Company experiences~~ - **experience** subsequent ownership changes, certain NOL carryforwards (including previously disallowed interest carryforwards) may be subject to more than one section 382 limitation. ~~are subject to~~ interpretation or changes by the FASB and the SEC.New accounting pronouncements and varying interpretations of accounting standards and practices have occurred in the past and are expected to occur in the future.New accounting pronouncements or a change in the interpretation of existing accounting standards or practices may have a significant effect on our reported financial results and may even affect our reporting of transactions completed before the change is announced or effective.Any difficulties in adopting or implementing any new accounting standard could result in our failure to meet our financial reporting obligations,which could result in regulatory discipline and harm investors' confidence in us.Finally,if we were to change our critical accounting estimates,our operating results could be **significantly affected.** The loss of the services of one or more of our key personnel, or our failure to attract, recruit, motivate, and retain qualified personnel in the future, could disrupt our business and harm our results of operations. We depend on the skills, working relationships, and continued services of key personnel, including our management team and others throughout our organization. We are also dependent on our ability to attract and retain qualified personnel, for whom we compete with other companies both inside and outside our industry. Our business, financial condition or results of operations may be adversely impacted by the unexpected loss of any of our management team or other key personnel, or more generally if we fail to attract, recruit, motivate and retain qualified personnel. We outsource certain business processes to third- party vendors and have certain business relationships that subject us to risks, including disruptions in business which could increase our costs. We outsource some of our business processes to third- party vendors. We make a diligent effort to ensure that all providers of these outsourced services are observing proper internal control practices; however, there are no guarantees that failures will not occur. Failure of third parties to provide adequate services or our inability to arrange for alternative providers on favorable terms in a timely manner could disrupt our business, increase our costs or otherwise adversely affect our business and our financial results. Negotiations with labor unions and possible work stoppages and other labor problems could divert management' s attention and disrupt operations. In addition, new collective bargaining agreements or amendments to existing agreements could increase our labor costs and operating expenses. A significant number of our employees are members of labor unions. If we are unable to negotiate acceptable new contracts with our unions from time to time, we could experience strikes or other work stoppages by the affected employees. If any such strikes, protests or other work stoppages were to occur, we could experience a significant disruption of operations. In addition, negotiations with unions could divert management' s attention. New union contracts could result in increased operating costs, as a result of higher wages or benefit expenses, for both union and nonunion employees. If nonunion employees were to unionize, we could experience higher ongoing labor costs. Pension and medical expenses associated with our retirement benefit plans may fluctuate significantly depending on a number of factors, and we may be required to contribute cash to meet underfunded pension obligations. A substantial portion of our current and retired employee population is covered by pension and postretirement benefit plans, the costs and funding requirements of which depend on our various assumptions, including estimates of rates of return on benefit-related assets, discount rates for future payment obligations, rates of future cost growth, mortality assumptions and trends for future costs. ~~Variances~~ **Actual results that vary unfavorably** from these estimates could have a material adverse effect on us. Our policy to recognize these variances annually through mark to market accounting could result in volatility in our results of operations, which could be material. The funding obligations for **our** ~~the Company' s~~ pension plans are impacted by the performance of the financial markets, particularly the equity markets, and interest rates. If the financial markets do not provide the long- term returns that are expected, or discount rates increase the present value of liabilities, **we** ~~the Company~~ could be required to make larger contributions. As of December 31, ~~2022~~ **2023** , our defined benefit pension and postretirement benefit plans were underfunded by approximately $ ~~130~~ **164** . ~~1~~ **6** million. In addition, certain of these postretirement benefit plans were collectively bargained, and our ability to curtail or change the benefits provided may be impacted by contractual provisions set forth in the relevant union agreements and other plan documents. We also participate in various multi- employer pension plans in the United States and Canada under union and industry agreements that generally provide defined benefits to employees covered by collective bargaining agreements. Absent an applicable exemption, a contributor to a United States multi- employer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of the plan' s underfunded vested liability. Funding requirements for benefit obligations of these multi- employer pension plans are subject to certain regulatory requirements, and we may be required to make cash contributions which may be material to one or more of these plans to satisfy certain underfunded benefit obligations. See Note ~~13~~ **14** to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report for additional information regarding our pension and postretirement benefit plan obligations. **Natural disasters or other events beyond our control, such as war, armed conflicts or terrorist attacks could adversely affect our business.** Matters outside of our control could adversely affect demand for or supply of our products or disrupt our facilities, systems or projects, which could interrupt operational processes and performance on our contracts and adversely impact our ability to manufacture our products and provide services and support to our customers. Insurance for such matters may be unavailable or insufficient. Such matters could include natural disasters, such as earthquakes, tsunamis, hurricanes, floods, tornadoes, war, armed conflicts, or terrorist attacks, among others. We operate facilities in areas of the world that are exposed to such risks, which could be general in nature or targeted at us or our markets. **28**