

Risk Factors Comparison 2025-02-24 to 2024-02-27 Form: 10-K

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Industry Risks We rely on U. S. Government contracts for a substantial percentage of our revenue, and some of those contracts are subject to continued appropriations by Congress and may be terminated or delayed if future funding is not made available. In addition, the U. S. Government may not renew or may seek to modify or terminate our existing contracts. For the year ended December 31, ~~2023~~ **2024**, U. S. Government contracts comprised approximately ~~75~~ **76**% of our total consolidated revenues. Government contracts are subject to various uncertainties, restrictions and regulations, including oversight audits, which could result in withholding or delaying payments to us, and termination or modification at the U. S. Government's convenience. In addition, some of our large, multi- year contracts with the U. S. Government are subject to annual funding determinations and the continuing availability of Congressional appropriations. Although multi- year operations may be planned in connection with major procurements, Congress generally appropriates funds on a fiscal- year basis even though a program may continue for several years. Consequently, programs often are only partially funded initially, and additional funds are committed only as Congress makes further appropriations. In addition, our Government Operations segment depends on U. S. Government funding, particularly funding levels at the DOE. Significant reductions in the level of funding (for example, the annual budget of the DOE) or specifically mandated levels for individual programs that are important to our business could have an unfavorable impact on us. Any reduction in the level of U. S. Government funding, particularly at the DOE, may result in, among other things, a reduction in the number and scope of projects put out for bid by the U. S. Government or the curtailment of existing U. S. Government programs, either of which may result in a reduction in the number of contract award opportunities available to us, a reduction of activities at DOE sites and an increase in costs, including the costs of obtaining contract awards. We anticipate the federal budget will continue to be subject to debate and compromise shaped by, among other things, heightened political tensions, the global security environment, inflationary pressures and macroeconomic conditions. This may result in shifting funding priorities, which could have material adverse impacts on defense spending broadly and our programs. The U. S. Government typically can terminate or modify any of its contracts with us either for its convenience or if we default by failing to perform under the terms of the applicable contract. A termination arising out of our default could expose us to liability and have an adverse effect on our ability to compete for future contracts and orders. If any of our contracts reflected in backlog are terminated by the U. S. Government, our backlog would be reduced by the expected value of the remaining work under such contracts. In addition, on those contracts for which we are teamed with others and are not the prime contractor, the U. S. Government could terminate a prime contract under which we are a subcontractor, irrespective of the quality of our products and services as a subcontractor. Furthermore, certain of our U. S. Government contracts span one or more base years and multiple option years. The U. S. Government generally has the right not to exercise option periods and may not exercise an option period for various reasons. We also have several significant contracts with the U. S. Government that are subject to periodic renewal and rebidding through a competitive process. If the U. S. Government fails to renew these contracts or modifies key terms, our results of operations and cash flows would be adversely affected. As a result of these and other factors, reductions in the level of funding for individual programs that are important to our business, the termination of one or more of our significant government contracts, our suspension from government contract work, the failure of the U. S. Government to renew our existing contracts or the disallowance of the payment of our contract costs could have a material adverse effect on our financial condition, results of operations and cash flows. Federal debt ceiling limitations, reductions in government spending, or impacts to federal appropriations that fund many of our contracts (such as those impacts arising from a continuing resolution or government shutdown), could adversely impact government spending for the products and services we provide. Federal government spending reductions could adversely impact U. S. Government programs for which we provide products or services. While we believe many of our programs are well- aligned with national defense and other strategic priorities, government spending on these programs can be subject to negative publicity, political factors and public scrutiny. The risk of future budget delays or reductions is uncertain, and it is possible that spending cuts may be applied to U. S. Government programs across the board, regardless of how programs align with those priorities. There are many variables in how budget reductions could be implemented that will determine its specific impact; however, reductions in federal government spending could adversely impact programs in which we provide products or services. In addition, these cuts could adversely affect the viability of the suppliers and subcontractors under our programs. We may also be required to temporarily maintain operations of our joint ventures if the U. S. Government can no longer meet its debt obligations. From time to time, the U. S. Government operates under a continuing resolution to continue funding the U. S. Government. Under such a continuing resolution, funding at amounts consistent with appropriated levels for the prior fiscal year are typically available, subject to certain restrictions, but new contract and program starts are not authorized. ~~In the event of~~ **During periods covered by** a continuing resolution, we expect our key programs will continue to be supported and funded under the continuing resolution. However, during periods covered by ~~a continuing resolutions~~ **resolution**, we may experience delays in new awards of our products and services, and those delays could have a material adverse effect on our financial condition, results of operations and cash flows. If Congress is not able to enact appropriations bills or extend ~~the a~~ continuing resolution, the U. S. Government would enter a whole or partial shutdown. Additionally, there is a risk that no continuing resolution would be entered into in certain circumstances, which would also cause a whole or partial government shutdown. The impact of any government shutdown is uncertain. However, if a government shutdown were to occur and were to continue for an extended period, our employees could be at risk of furlough and we could be at risk of program cancellations, schedule delays, production halts and other disruptions and nonpayment,

which could have a material adverse effect on our financial condition, results of operations and cash flows. Demand for our products and services is vulnerable to economic downturns, the competitiveness of alternative energy sources and industry conditions. In addition, unfavorable economic conditions may lead customers to delay, curtail or cancel proposed or existing projects, which may decrease the overall demand for our products and services and adversely affect our results of operations. Demand for our products and services has been, and we expect that demand will continue to be, subject to significant fluctuations due to a variety of factors beyond our control, including economic and industry conditions. These factors include, but are not limited to, inflation, geopolitical issues, the availability and cost of credit, the demand for and competitiveness of nuclear power with other energy sources, the cyclical nature of the power generation industry, low business and consumer confidence, high unemployment, energy conservation measures and decisions of utilities that operate nuclear power plants. 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. Additionally, 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 accounts receivables and potentially to increased write-offs of uncollectable invoices. If the economy weakens, or customer spending declines, then our backlog, revenues, net income and overall financial condition could deteriorate. As a result, we may find it more difficult to raise capital in the future due to limitations on the availability of credit, increases in interest rates, changes in regulatory requirements, new investor requirements, such as stakeholder expectations regarding environmental, social and governance matters, and other factors affecting our access to the capital markets. Our future business prospects in Canada are dependent upon the continued operation of Canadian nuclear plants and refurbishment of the majority of the plants in Ontario to extend their operating lives. Unfavorable economic conditions, competition from other forms of power generation, increased competition for refurbishment contracts, changes in government policy or operational or project execution issues may lead nuclear plant operators in Canada to cease operations or delay, curtail or cancel proposed or existing life-extension projects, which may decrease the overall demand for our products and services in Canada and adversely affect our financial condition, results of operations and cash flows. We are subject to risks associated with contractual pricing in our industries, 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. We are engaged in a number of highly competitive industries and we have priced a number of our contracts on a fixed-price basis. Our actual costs on certain contracts have, and on other contracts could, exceed our projections, which has resulted, and may in the future also result in reduced profit or loss. We attempt to cover the increased costs of 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 have and could vary materially from the estimated amounts because of supplier, contractor and subcontractor performance, execution issues, changes in job conditions, variations in labor and equipment productivity, inflation 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 industries may result in actual revenues or costs being different from those we originally estimated and may result in reduced profitability or losses on projects. Some of these risks include: • difficulties encountered on our large-scale projects related to the procurement of materials or due to schedule disruptions, equipment performance failures, 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 providing deficient design, engineering information, 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 project delays and cause us to incur additional costs.

Our operations in foreign countries expose us to currency, political and trade risks, including from tariffs, trade barriers, and other protectionist or retaliatory measures, which could impact our results of operations. We have significant manufacturing and sales operations in foreign countries, particularly in Canada. Our financial results may be adversely affected by fluctuations in foreign currencies and by the translation of the financial statements of our foreign subsidiaries from local currencies into U. S. dollars. Both the sales from international operations and export sales are subject to varying degrees of risks inherent in doing business outside of the U. S. Such risks include the possibility of unfavorable circumstances arising from host country laws or regulations including, but not limited to changes in tariff and trade barriers. Uncertainty remains with respect to trade policies and treaties between the U. S. and other countries, including Canada, where we manufacture heavy nuclear components and products for our medical radioisotopes business that may be sold to US customers. The U. S. federal government has recently implemented tariffs on certain foreign goods and may implement additional tariffs on foreign goods. For example, in January 2025, the U. S. presidential administration stated its intention to impose a 25 % tariff on imports from Canada into the United States, and the Canadian government stated it would take certain retaliatory measures. On February 3, 2025, the U. S. presidential administration and the Canadian prime minister announced a 30- day pause to the implementation of these tariffs. As we currently manufacture substantially all of our products for our medical radioisotope business in Canada, a 25 % tariff on all imports from Canada would increase the costs of those products manufactured in Canada and could adversely impact our gross profit for this business if we are unable to pass this cost to our customers. Our Canadian business does not currently have any material contracts for the sale of heavy nuclear components to US customers so the direct risk related to those tariffs is currently negligible. Such tariffs and, if enacted, any further legislation or actions taken by the U. S. federal government or Canadian government that restrict trade, such as additional tariffs, trade

barriers, and other protectionist or retaliatory measures taken by such governments, could adversely impact our profitability and ability to sell products and services. For example, new or increased tariffs would increase the cost of our products and the components and raw materials that go into making them. These increased costs could adversely impact the gross margin that we earn on our products, which could make our products less competitive and reduce demand from customers. The ultimate impact of any tariffs will depend on various factors, including if any tariffs are ultimately implemented, the timing of implementation, contractual terms, and the amount, scope, and nature of the tariffs. Tariffs and other restrictive trade measures may require us to take various actions, including changing suppliers and restructuring business relationships. Changing our operations in accordance with new or changed trade restrictions can be expensive, time-consuming, disruptive to our operations and distracting to management. Tariffs and trade restrictions can be announced with little or no advance notice, and we may not be able to effectively mitigate all adverse impacts from such measures.

Operational Risks Our business could be negatively impacted by security threats, including physical and cybersecurity threats, and other disruptions. We face various security threats, including cyber threats, threats to the physical security of our facilities and infrastructure (including those that we manage and operate for our customers), and threats from terrorist acts, as well as the potential for business disruptions associated with these threats. Further, security breaches within our supply chain or unauthorized disclosures of confidential information could also adversely affect our business and reputation. 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 security threats from materializing. We have been, and will likely continue to be, subject to cyber-based attacks and other attempts to threaten our information technology systems, including attempts to gain unauthorized access to our proprietary and sensitive information and attacks from computer hackers, viruses, malicious code, internal threats and other security problems. As a U. S. Government contractor, we may be prone to a greater number of these threats than companies in other industries. These threats range from attacks common to most industries to more advanced and persistent threats from highly-organized adversaries targeting us because we are a U. S. Government contractor. We are required to maintain minimum security standards for handling information under our government contracts and failure to do so could result in termination of those contracts. From time to time, we experience system interruptions and delays; however, prior cyber-based attacks directed at us have not had a material adverse impact on our results of operations. Due to the evolving nature of these security threats, the impact of any future incident cannot be predicted. If we are unable to protect our proprietary and sensitive information, our customers could question the adequacy of our threat mitigation and detection processes and procedures, which could negatively impact our reputation and present and future business.

Moreover, the rapid evolution and increased sophistication, availability, and use of artificial intelligence technologies may exacerbate our cybersecurity risks by use of these technologies by us, our customers, suppliers, business partners, third-party providers, and bad actors. These trends may increase the likelihood of cybersecurity events occurring.

The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Occurrence of any of these events could adversely affect our internal operations, the services we provide to customers, the value of our investment in research and development efforts and other intellectual property, our future financial results, our reputation or our stock price. In addition, we maintain, replace and / or upgrade current 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 disruptions and any other information technology system disruptions, and our ability to mitigate these disruptions, if not anticipated and appropriately mitigated, could have a material adverse effect on our business. Actual or threatened public health epidemics, pandemics or outbreaks, such as COVID- 19, could have a material adverse effect on our business and results of operations. Actual or threatened public health epidemics, pandemics or outbreaks, such as the global outbreak of COVID- 19, could have a material adverse effect on our business and results of operations. Any public health epidemic, pandemic or outbreak poses the risk that we or our employees, contractors, suppliers, customers and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. Our business could be materially adversely impacted by employee illness, quarantines, government actions, facility closures, other actions to contain the impact of such diseases and / or potential responses to such actions by our customers, suppliers, contractors and employees. If our operations or the operations of our customers or our suppliers are restricted, we may be unable to perform fully on our contracts and our costs may increase as a result of a public health epidemic, pandemic or outbreak. These cost increases may result in unfavorable changes in estimates which may not be fully recoverable or adequately covered by insurance or through government assistance programs. A public health epidemic, pandemic or outbreak and mitigation measures may also have an adverse impact on global economic conditions, which could have an adverse effect on our business. The extent to which such an epidemic, pandemic or outbreak impacts our business will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of a public health epidemic, pandemic or outbreak and the actions to contain its impact. 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. Failure to protect our intellectual property rights, alleged infringement of third-party 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.

Furthermore, the increased use of artificial intelligence may raise potential liabilities related to

privacy and intellectual property or result in a loss of intellectual property. In addition, effective intellectual property protection may be limited or unavailable in certain jurisdictions 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. In addition, third parties may allege that we have infringed their intellectual property rights, which could result in litigation. Litigation to protect, defend or 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. Our operations are subject to disruption caused by severe weather, environmental and natural disasters and other natural and ~~manmade~~ **man-made** events that could adversely affect our manufacturing facilities or the infrastructure necessary to support them. Our ability to operate or operate profitably could be significantly impacted, which could have a material adverse effect on our business, financial condition and results of operations. We operate a number of large manufacturing facilities in the U. S. and Canada, including NRC Category 1 and CNSC- licensed nuclear manufacturing and fuel facilities. While we ~~take steps~~ **have experienced disruptions due** to ~~mitigate the impact of~~ severe weather, environmental and natural disasters, ~~the frequency and severity of which may be impacted by climate change~~ and other natural and ~~manmade~~ **man-made** events, ~~such events could result in severe disruption~~ **the past, including a recent facility closure due to Hurricane Helene,** ~~none have had a material adverse effect on~~ our business ~~or operations~~ **to date** at these facilities. Similar events impacting the facilities of our customers, suppliers and other subcontractors could also impact our business or disrupt our operations. If insurance or other risk mitigating mechanisms are insufficient for us to recover our costs and resume operations in a timely fashion, it could have a material adverse effect on our business, financial condition and results of operations. Additionally, increased concern regarding the environment and global climate change may result in state, federal or international requirements such as the imposition of stricter limits on greenhouse gas emissions, carbon pricing mechanisms, increasing global chemical restrictions and bans, water and waste requirements and compliance and disclosure requirements. If environmental or climate-change laws or regulations are adopted or changed, they could necessitate the need for substantial capital and other expenditures and have further negative impacts on our financial condition, results of operations and cash flows. Increasing sustainability disclosure requirements may result in increased costs or reputational risks and could limit our ability to manufacture certain of our products. Our operations are subject to operating risks, which could expose us to potentially significant professional liability, product liability, warranty and other claims. Our insurance coverage may be inadequate to cover all of our significant risks, or our insurers may deny coverage of material losses we incur, which could adversely affect our profitability and overall financial condition. We operate large manufacturing facilities and perform services in large commercial power plants 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; • natural disasters; • adverse weather conditions; • mechanical or design failures; • property losses; • business interruption due to political action in foreign countries 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. 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, property losses from wind, flood and earthquake events, nuclear hazards, war, pollution liability, liabilities related to occupational health exposures (including asbestos), professional liability / errors and omissions coverage, the failure, misuse or unavailability of our information systems, the failure of security measures designed to protect our information systems from security breaches, 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 certain 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. We are also involved in management and operating activities for the U. S. Government. These activities involve, among other things, handling nuclear devices and their components for the U. S. Government. Most insurable liabilities arising from these sites are not protected in our corporate insurance program. Instead, we rely on government contractual agreements, including a U. S. Government- provided nuclear indemnity (see the below discussion regarding the Price- Anderson

Act), some insurance purchased specifically for the sites and certain specialized self- insurance programs funded by the U. S. Government. The U. S. Government has historically fulfilled its contractual agreement to reimburse for insurable claims, and we expect it to continue this process. However, it should be noted that, in most situations, the U. S. Government is contractually obligated to pay subject to the availability of authorized government funds. The reimbursement obligation of the U. S. Government is also conditional, and provisions of the relevant contract or applicable law may preclude reimbursement. We have a captive insurance company subsidiary that provides us with various insurance coverages. Claims, as a result of our operations, could adversely impact the ability of our captive insurance company subsidiary to respond to all claims presented. Although we have product liability insurance coverage, with policy limits that we believe are customary for the medical radioisotope industry, such coverage may not be adequate, requiring that we pay judgments or settlement amounts in excess of policy limits. We may not be able to maintain insurance coverage at adequate levels. Any product liability claims could be costly to defend, time- consuming and result in adverse judgments, which could result in a material adverse effect on our business, reputation and results of operations. Additionally, upon the February 22, 2006 effectiveness of the settlement relating to the Chapter 11 proceedings involving several of our former subsidiaries, most of our subsidiaries contributed substantial insurance rights providing coverage for, among other things, asbestos and other personal injury claims, to an asbestos personal injury trust. With the contribution of these insurance rights to the asbestos personal injury trust, we may 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. In conjunction with the spin- off, claims and liabilities associated with the asbestos personal injury, property damage and indirect property damage claims mentioned above have been expressly assumed by BWE pursuant to the master separation agreement between us and BWE. The loss of, or the inability to attract and retain, qualified personnel could have a material adverse effect on our business. Our business depends upon the recruitment and continued service of our highly skilled, educated and trained employees. Our ability to attract, motivate, compensate, and retain highly qualified and diverse employees is necessary to support our customers and achieve business objectives. Competition for skilled and diverse employees in our industry can be intense, and any uncertainty surrounding future employment opportunities, facility locations, organizational and reporting structures, acquisitions and divestitures, and related concerns may impair our ability to attract and retain qualified employees. In addition, certain parts of our business, including in the Government Operations segment, involve designs, processing and final products that are classified by the U. S. Government and require applicable personnel to obtain and maintain U. S. Government security clearances. These additional employee qualifications often limit the pool of available candidates and extend the time necessary to recruit and qualify new employees. The loss of the services of qualified employees and any inability to recruit effective replacements or to otherwise attract, motivate, train or retain highly qualified and diverse employees could have a material adverse effect on our business, financial condition and results of operations. We also have established leadership development and succession planning programs throughout our business. Any significant leadership change and accompanying senior management transition involves inherent risk, and any failure to ensure a smooth transition could hinder our strategic planning, execution and future performance. While we strive to mitigate the negative impact associated with changes to our senior management team, such changes may cause uncertainty among investors, employees, customers, creditors, and others concerning our future direction and performance. If we fail to effectively manage any leadership changes, including organizational and strategic changes, such failure could have a material adverse effect on our ability to successfully attract, motivate and retain highly qualified employees, as well as our business, financial condition and results of operations. 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 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 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 or the organization of nonunion employees could result in increased operating costs, as a result of higher wages **or, higher benefit expenses and other factors**, for both union and nonunion employees. We rely on a limited number of suppliers, including single- source suppliers, which could, under certain circumstances, adversely affect our revenues and operating results. We rely on a limited number of suppliers, including several single- source suppliers, for materials used in our products in both our Government Operations and Commercial Operations segments. If the supply of a single- sourced or limited- sourced material is delayed or ceases, we may not be able to produce the related product in a timely manner or in sufficient quantities, if at all, which could adversely affect our revenues and operating results. In addition, a single- source or limited- source supplier of a key component could potentially exert significant bargaining power over price, quality, warranty claims or other terms relating to these materials, which could have a material adverse effect on our financial condition, results of operations and cash flows. Maintaining adequate bonding and letter of credit capacity is necessary for us to successfully bid on and win various contracts. In line with industry practice, we are often required to post standby letters of credit, **bank guarantees** and surety bonds to support contractual obligations to customers as well as other obligations. These letters of credit, **bank guarantees** and **surety** bonds generally indemnify customers should we fail to perform our obligations under the applicable contracts. If a letter of credit, **bank guarantee** or **surety** bond is required for a particular project and we are unable to obtain **it such instrument** due to insufficient capacity or other reasons, we will not be able to pursue that project. We utilize **bonding surety bond** facilities, but, as is typically the case, the issuance of **surety** bonds under **each of those these** facilities is at the surety' s sole discretion. In addition, we have capacity limits under our credit facility for letters of credit **and bank guarantees**. Moreover, due to events that affect the insurance and bonding and credit markets generally, **bonding and surety bonds,** letters of credit **and bank guarantees** may be more difficult to obtain in the future or may only be available at significant additional cost. There can be no assurance that letters of credit **or, bank guarantees and**

surety bonds will continue to be available to us on reasonable terms. Our inability to obtain adequate letters of credit, bank guarantees and bonding surety bonds and, as a result, to bid on new work could have a material adverse effect on our business, financial condition and results of operations. As of December 31, 2023-2024, we had \$ 38-35.4-0 million in letters of credit and bank guarantees and \$ 114-278.6-7 million in surety bonds outstanding. Our business strategy includes acquisitions and strategic investments to support our growth, which can create certain risks and uncertainties. We intend to pursue growth through the acquisition of, or strategic investments in, businesses or assets that we believe will enable us to strengthen our existing business and expand into adjacent industries. We may be unable to execute this growth strategy if we cannot identify suitable businesses or assets, reach agreement on potential strategic transactions on acceptable terms or for other reasons. Acquisitions may be funded by the issuance of additional equity or debt financing, which may not be available on attractive terms. Our ability to secure such financing will depend in part on prevailing capital market conditions, as well as conditions in our business and operating results. Moreover, to the extent an acquisition transaction financed by non-equity consideration results in goodwill, it will reduce our tangible net worth, which might may have an adverse effect on potential credit and bonding surety bond capacity. Additionally, an acquisition may bring us into a businesses-- business we have not previously conducted and expose us to additional business risks that are different than those we have historically experienced. Our business strategy also includes development and commercialization of new technologies to support our growth, which requires significant investment and involves various risks and uncertainties. These new technologies may not achieve desired commercial or financial results. Our future growth will depend on our ability to continue to innovate by developing and commercializing new product and service offerings. Investments in new technologies involve varying degrees of uncertainties and risk. Commercial success depends on many factors, including the levels of innovation, the development costs and the availability of capital resources to fund those costs, the levels of competition from others developing similar or other competing technologies, our ability to obtain or maintain government permits or certifications, the effectiveness of production, distribution and marketing efforts, market demand, market growth or shrinkage, market acceptance and the costs to customers to deploy and provide support for the new technologies. We may not achieve significant revenue from new product and service investments for a number of years, if at all. Additionally, there can be no assurance that the current technologies that our business relies upon will remain competitive, or that competing technologies will not disrupt our business. Moreover, new products and services may not be profitable, and, even if they are profitable, our operating margins from new products and services may not be as high as the margins we have experienced historically. Lastly, new technologies may not be patentable and, as a result, we may face increased competition. Among our opportunities involving new technologies, we are developing new medical radioisotope technology. The costs to develop and commercialize this technology require a substantial amount of investment over a period of years, and commercialization of this technology also requires authorizations from government agencies, including the U. S. Food and Drug Administration ("FDA"), Health Canada and the CNSC. There can be no assurance that we will be successful in addressing all of the technological challenges to developing and commercializing this technology or in obtaining the required authorizations from the FDA, Health Canada or the CNSC. In addition, commercialization of the medical radioisotope technology could subject us to product liability claims. The potential also exists for competitors to emerge with alternative technologies. We can provide no assurance that those competitors will not develop and commercialize similar or superior technologies sooner than we can or at a significant cost or price advantage. **Additionally, the Company's competitors may adopt new technologies and technological advancements using artificial intelligence and machine learning to pursue new products and approaches more quickly, successfully and effectively than the Company. We may be unable to successfully integrate the technology into our internal business processes and product and service offerings in a timely, cost-effective manner and may become less competitive as a result.** We conduct a portion of our operations through joint venture entities, over which we may have limited ability to influence. We currently have equity interests in several joint ventures and may enter into additional joint venture arrangements in the future. Our influence over some of these entities may be limited. Even in those joint ventures over which we do exercise significant influence, we are often required to consider the interests of our joint venture partners in connection with major decisions concerning the operations of the joint ventures. In any case, differences in views among the joint venture participants may result in delayed decisions or disputes. We also cannot control the actions of our joint venture partners. We sometimes have joint and several liabilities with our joint venture partners under the applicable contracts for joint venture projects and we cannot be certain that our partners will be able to satisfy any potential liability that could arise. These factors could potentially harm the business and operations of a joint venture and, in turn, our business and operations. Operating through joint ventures in which we are minority holders results in us having limited control over many decisions made with respect to projects and internal controls relating to projects. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. As a result, internal control problems may arise with respect to the joint ventures that could adversely affect our ability to respond to requests or contractual obligations to customers or to meet the internal control requirements to which we are otherwise subject. In addition, our arrangements involving joint ventures may restrict us from gaining access to the cash flows or assets of these entities. In some cases, our joint ventures have governmentally imposed restrictions on their abilities to transfer funds to us. If our co-venturers fail to perform their contractual obligations on a project or if we fail to coordinate effectively with our co-venturers, we could be exposed to legal liability, loss of reputation and reduced profit on the project. We often perform projects jointly with third parties. For example, we enter into contractual arrangements to bid for and perform jointly on large projects. Success on these joint projects 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 such performance issues, then our customer may exercise its right to terminate a joint project, exposing us to legal liability, loss of reputation and reduced profit. Under these arrangements, participating parties may disagree on business decisions and strategies.

These disagreements could result in delays, additional costs and risks of litigation. Our inability to successfully maintain existing relationships or enter into new agreements could have a material adverse effect on our results of operations. Accounting and Financial Reporting Risks We recognize a large portion of our revenue on an over time basis which could result in volatility in our results of operations. We generally recognize revenues and profits under our long- term contracts on an over time basis. Accordingly, we review contract price and cost estimates regularly as the work progresses and reflect adjustments proportionate to our progress made towards completion in income in the period when we revise those estimates. To the extent these adjustments result in a reduction or an elimination of previously reported profits with respect to a project, we would recognize a charge against current earnings, which could be material. Our current estimates of our contract costs and the profitability of our long- term projects, although reasonably reliable when made, could change as a result of the uncertainties associated with these types of contracts, and if adjustments to overall contract costs are significant, the reductions or reversals of previously recorded revenue and profits could be material in future periods. Our backlog is subject to unexpected adjustments and cancellations and may not be a reliable indicator of future revenues or earnings. There can be no assurance that the revenues projected in our backlog will be realized or, if realized, will result in profits. Because of project cancellations or changes in project scope and schedule, we cannot predict with certainty when or if backlog will be performed. In addition, even where a project proceeds as scheduled, it is possible that contracted parties may default and fail to pay amounts owed to us or poor project performance could increase the cost associated with a project. Delays, suspensions, cancellations, payment defaults, scope changes and poor project execution could materially reduce or eliminate the revenues and profits that we actually realize from projects 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 projects. 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. Projects may remain in our backlog for extended periods of time. If we experience significant project terminations, suspensions or scope adjustments to contracts reflected in our backlog, our financial condition, results of operations and cash flows may be adversely impacted. Pension and medical expenses associated with our retirement benefit plans may fluctuate significantly depending on changes in actuarial assumptions, future market performance of plan assets, future trends in health care costs and legislative or other regulatory actions. 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 from these estimates could have a material adverse effect on us. In addition, 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. Service accruals for salaried participants ceased as of December 31, 2015. As of December 31, 2023-2024, we had underfunded defined benefit pension and postretirement benefit plans with obligations totaling approximately \$ 105-103 . 4-9 million. A substantial portion of our postretirement benefit plan costs are recoverable on our U. S. Government contracts. See Note 7 to our consolidated financial statements included in this Report for additional information regarding our pension and postretirement benefit plan obligations. Legal, Regulatory and Compliance Risks We are involved in a number of legal proceedings. We cannot predict the outcome of litigation and other contingencies with certainty. Our business may be adversely affected by the outcome of legal proceedings, investigations, disputes and other contingencies that cannot be predicted with certainty. As required by GAAP, we estimate loss contingencies and establish reserves based on our assessment of contingencies where liability is deemed probable and reasonably estimable in light of the facts and circumstances known to us at a particular point in time. Subsequent developments in legal proceedings may affect our assessment and estimates of the loss contingency recorded as a liability or as a reserve against assets in our financial statements. For a description of current legal proceedings, see Note 10 to our consolidated financial statements included in this Report. If we fail to comply with government procurement laws and regulations, we could lose business and be liable for various penalties or sanctions. We must comply with laws and regulations relating to the formation, administration, and performance of U. S. Government contracts. These laws and regulations include the FAR, Defense Federal Acquisition Regulations, the Truth in Negotiations Act, CAS, and laws, regulations, and orders restricting the use and dissemination of classified information under the U. S. export control laws and the export of certain products and technical information. Certain government contracts provide audit rights by government agencies, including with respect to performance, costs, internal controls and compliance with applicable laws and regulations. In complying with these laws and regulations, we may incur significant costs, and non- compliance may result in the imposition of fines and penalties, including contractual damages. If we fail to comply with existing or future laws and regulations or if a government audit, review, or investigation uncovers improper or illegal activities, we may be subject to civil penalties, criminal penalties, or administrative sanctions, including suspension or debarment from contracting with the U. S. Government. Changes in environmental and climate change laws or regulations, including laws relating to greenhouse gas emissions, could lead to new or additional investment in facilities and could increase environmental compliance expenditures, including increased energy, raw material and other costs. **If** For example, changes to the FAR requirements for federal contractors proposed in November 2022 would require companies to make annual greenhouse gas emissions and other disclosures in order to be deemed a responsible bidder on future government contracts. Such additional requirements could result in additional expense and, if we are unable to comply with **any** such regulatory changes, **it** could have a material adverse effect on our business, financial condition and results of operations. Further, our reputation could suffer harm if allegations of impropriety were made or found against us, which could adversely affect our operating performance and may result in additional expenses and possible loss of revenue. Employee, agent or partner misconduct or our overall failure to comply with laws, regulations or government contracts

could weaken our ability to win contracts, lead to the suspension of our operations and result in reduced revenues and profits. Misconduct, fraud, or other improper activities by one or more of our employees, agents or partners, as well as our failure to comply with applicable laws and regulations, could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with government procurement regulations, regulations regarding the protection of classified and other information, regulations regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting and various other applicable laws or regulations. For example, we regularly provide services that may be highly sensitive or that are related to critical national security matters. If a security breach were to occur, our ability to procure future government contracts could be severely limited. The precautions we take to prevent and detect these activities may not be effective, and we could face unknown risks or losses. **Further, incorporating artificial intelligence could give rise to litigation risk and risk of non-compliance and unknown cost of compliance, as artificial intelligence is an emerging technology for which the legal and regulatory landscape is not fully developed (including potential liability for breaching intellectual property or privacy rights or laws). While new artificial intelligence initiatives, laws, and regulations are emerging and evolving, what they ultimately will look like remains uncertain, and our obligation to comply with them could entail significant costs, negatively affect our business, or entirely limit our ability to incorporate certain artificial intelligence capabilities into our offerings.** We are routinely audited and reviewed by the U. S. Government and its agencies. These agencies review our performance under our contracts, our cost structure and our compliance with applicable laws, regulations and standards, as well as the adequacy of, and our compliance with, our internal control systems and policies. Systems that are subject to review include our purchasing systems, billing systems, property management and control systems, cost estimating systems, compensation systems and management information systems. Any costs found to be improperly allocated to a specific contract will not be reimbursed or must be refunded if already reimbursed. If an audit or review uncovers improper or illegal activities, we could be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines, loss of security clearance and suspension or debarment from contracting with the U. S. Government. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us. Our nuclear operations subject us to various environmental, regulatory, financial and other risks. Our operations in designing, engineering, manufacturing, supplying, constructing and maintaining nuclear fuel and nuclear power equipment and components subject us to various risks, including: • potential liabilities relating to harmful effects on the environment and human health resulting from nuclear operations and the storage, handling and disposal of radioactive materials; • unplanned expenditures relating to maintenance, operation, security, defects, upgrades and repairs required by the NRC, the CNSC and other government agencies; • limitations on the amounts and types of insurance commercially available to cover losses that might arise in connection with nuclear operations; and • potential liabilities arising out of a nuclear, radiological or criticality incident, whether or not it is within our control. Our nuclear operations are subject to various safety- related requirements imposed by the U. S. Government, the DOE, the NRC and the CNSC. In the event of non- compliance, these agencies might increase regulatory oversight, impose fines or shut down our operations, depending upon the assessment of the severity of the situation. Revised security and safety requirements promulgated by these agencies could necessitate substantial capital and other expenditures. In addition, we must comply with and are affected by laws and regulations relating to the award, administration and performance of U. S. Government contracts. U. S. Government contract laws and regulations affect how we do business with our customers and, in some instances, impose added costs on our business. A violation of specific laws and regulations could result in the imposition of fines and penalties or the termination of our contracts or debarment from bidding on contracts. Environmental, social and governance matters and any related reporting obligations may impact our business. U. S. and international regulators, investors and other stakeholders are increasingly focused on environmental, social and governance matters. For example, new domestic and international laws and regulations relating to environmental, social and governance matters, including environmental sustainability and climate change, human capital management and cybersecurity, are under consideration or being adopted, which may include specific, target- driven disclosure requirements or obligations. Our response will require increased costs to comply, the implementation of new reporting processes, entailing additional compliance risk, a skilled workforce and other incremental investments. Limitations or modifications to indemnification regulations of the U. S. or foreign countries could adversely affect our business. The Price- Anderson Act partially indemnifies the nuclear industry against liability arising from nuclear incidents in the U. S., while ensuring compensation for the general public. The Price- Anderson Act comprehensively regulates the manufacture, use and storage of radioactive materials, while promoting the nuclear industry by offering broad indemnification to commercial nuclear power plant operators and DOE contractors. Because we provide nuclear fabrication and other services to the DOE relating to its nuclear devices, facilities and other programs and the nuclear power industry in the ongoing maintenance and modifications of its nuclear power plants, including the manufacture of equipment and other components for use in such nuclear power plants, we expect, in the event of a nuclear incident or precautionary evacuation (as such terms are defined in the Atomic Energy Act), to be entitled to the indemnification protections under the Price- Anderson Act against liability arising from nuclear incidents occurring in the U. S. (with an available indemnification amount of approximately \$ 16. 5 billion) and in foreign countries (with an available indemnification amount of \$ 2 0. 5 billion). The statutory authority for indemnification under the Price- Anderson Act has been extended by Congress ~~four~~ **five** times, most recently through December 2025-2065 by **Section 107 to the Energy Policy Act of 2005- Further Consolidated Appropriations Action, 2024** (Public Law ~~109-118 - 58-47, March 23, 2024~~). ~~The further extension of the NRC and DOE indemnification authority beyond 2025 is a matter presently being considered in the U. S. Congress. The Price- Anderson Act extensions have historically been for twenty years. The failure of an extension would not impact the existing government nuclear indemnifications already provided under our current DOE contracts and NRC licenses. However, a failure to extend the indemnification authority would impact future DOE contract awards and NRC licenses. In such an event, such contracts and~~

~~licenses would not contain automatic government indemnification. In certain instances, alternate indemnification authority exists but it must be specifically requested and separately approved and may not always be applicable (e. g., indemnification under Public Law 85- 804 is available for contracts having a defense interest and certain DOE contracts may not be for supplies or services that satisfy this requirement). Because nuclear liability risks are uninsurable or under- insurable, the absence of government indemnification would require us to choose between (i) accepting future DOE work and entering future NRC licenses (or providing fuel, components or services under NRC licenses lacking indemnification) without government indemnification and accepting the associated significant risk, or (ii) declining such future work.~~ We also provide nuclear fabrication and other services to the nuclear power industry in Canada and other countries. Canada's NLCA generally conforms to international conventions and is conceptually similar to the Price- Anderson Act in the U. S. Accordingly, indemnification protections and the possibility of exclusions under Canada's NLCA are similar to those under the Price- Anderson Act in the U. S. The Price- Anderson Act and Canada's NLCA indemnification provisions may not apply to all liabilities that we might incur while performing services as a contractor for the DOE and the nuclear power industry. If an incident, damages or evacuation is not covered under the indemnification provisions of the Price- Anderson Act or Canada's NLCA, we could be held liable for damages, in some cases regardless of fault, which could have an adverse effect on our financial condition and results of operations. In connection with the international transportation of toxic, hazardous and radioactive materials, it is possible for a claim to be asserted that may not fall within the indemnification provided by the Price- Anderson Act or Canada's NLCA. If such indemnification authority is not applicable in the future, our business could be adversely affected if the owners and operators of nuclear power plants fail to retain our services in the absence of commercially adequate insurance and indemnification. Moreover, because we manufacture nuclear components for the U. S. Government's defense program, we may be entitled to some of the indemnification protections afforded by Public Law 85- 804 for certain of our nuclear operations risks. Public Law 85- 804 authorizes certain agencies of the U. S. Government, such as the DOE and the DoD, to indemnify their contractors against unusually hazardous or nuclear risks when such action would facilitate the national defense. However, because the indemnification protections afforded by Public Law 85- 804 are granted on a discretionary basis, situations could arise where the U. S. Government elects not to offer such protections. In such situations, our business could be adversely affected by either our inability to obtain commercially adequate insurance or indemnification or our refusal to pursue such operations in the absence of such protections. Our operations involve the handling, transportation and disposal of radioactive and 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 radioactive and hazardous materials, including nuclear devices and their components. 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 us and others, including 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, the decontamination and decommissioning of nuclear manufacturing and processing facilities and cleanup of contaminated sites, have 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. See the heading " Governmental Regulations and Environmental Matters" in Item 1 of this Report. 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 nuclear incident or precautionary evacuation, and any damages awarded as a result of such a claim, could adversely affect our financial condition and results of operations. 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. Our business requires us to obtain, and to comply with, federal, state and local government permits and approvals. Our business is required to obtain, and to comply with, federal, 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: • failure to provide adequate financial assurance for decommissioning or closure; • failure to comply with environmental and safety laws and regulations or permit conditions; • local community, political or other opposition; • executive action; and • legislative action. We are also subject to regulatory oversight by the FDA and Health Canada for our medical isotope business. The commercialization of our medical radioisotope technology will require the review and approval of these and other government agencies. Any delay or denial of such approvals could have a material adverse

effect on our medical isotope business. In addition, if new legislation or regulations are enacted or implemented, or if existing laws or regulations are amended or are interpreted or enforced differently, we may be required to obtain additional operating permits or approvals. Our inability to obtain, and to comply with, the permits and approvals required for our business could have a material adverse effect on us.