

Risk Factors Comparison 2025-02-27 to 2024-02-29 Form: 10-K

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

Shareholders should carefully consider the following risk factors in addition to the other information contained herein. We operate globally in challenging and highly competitive markets and thus our business is subject to a variety of risks. The risks and uncertainties described below are not the only ones facing Helix. We are subject to a variety of risks that affect many other companies generally, as well as additional risks and uncertainties not known to us or that, as of the date of this Annual Report, we believe are not as significant as the risks described below. You should be aware that the occurrence of the events described in these risk factors and elsewhere in this Annual Report could have a material adverse effect on our business, financial position, results of operations and cash flows.

MARKET AND INDUSTRY RISKS Our business is adversely affected by low oil and natural gas prices, which occur in a cyclical oil and gas market that continues to experience volatility. Our services are substantially affected by the condition of the oil and gas market, and in particular, the willingness of oil and gas companies to make capital and other expenditures for offshore exploration, development, drilling and production operations. Although our services are used for other operations during the entire life cycle of a well, when industry conditions are unfavorable, oil and gas companies typically reduce their budgets for expenditures on all types of operations and defer certain activities to the extent possible. The levels of both capital and operating expenditures largely depend on the prevailing view of future oil and natural gas prices, which is influenced by numerous factors, including:

- worldwide economic activity and general economic and business conditions, including the interest rate environment and cost of capital as well as access to capital and capital markets;
- the global supply and demand for oil and natural gas;
- political and economic uncertainty and geopolitical unrest, including regional conflicts and economic and political conditions **domestically and in other** oil-producing regions;
- actions taken by the Organization of Petroleum Exporting Countries (“OPEC”) and other non-OPEC producer nations (collectively with OPEC members, “OPEC”);
- **laws, regulations the occurrence or threat of an and policies directly epidemic or pandemic disease and any related governmental response to the industries in which we provide services, including regulations on decommissioning obligations, restrictions on oil and gas leases, and their interpretation and enforcement**;
- the availability and discovery rate of new oil and natural gas reserves in offshore areas;
- the cost of offshore exploration for and production and transportation of oil and natural gas;
- the level of excess production capacity;
- the ability of oil and gas companies to generate funds or otherwise obtain capital for capital projects and production operations;
- the environmental and social sustainability of the oil and gas sector and the perception thereof, including within the investing community;
- the sale and expiration dates of offshore leases globally;
- technological advances affecting energy exploration, production, transportation and consumption;
- the exploration and production of onshore shale oil and natural gas;
- potential acceleration of the development of alternative fuels;
- shifts in end-customer preferences toward fuel efficiency and the use of natural gas or renewable energy alternatives;
- weather conditions and natural disasters, **including** with respect to marine operations;
- **laws, regulations the occurrence or threat of an and policies directly epidemic or pandemic disease and any related governmental response to the industries in which we provide services, including restrictions on oil and gas leases, and their interpretation and enforcement**;
- environmental and other governmental regulations; and
- tax laws, regulations and policies.

A period of low levels of activity by offshore oil and gas operators may adversely affect demand for our services, the utilization and / or rates we can achieve for our assets and services, and the outlook for our industry in general, all of which could lead to lower utilization of available vessels or similar assets and correspondingly downward pressure on the rates we can charge for our services. Given that the oil and gas business is adversely affected by low oil prices, such conditions would negatively impact oil and gas companies’ willingness and ability to make capital and other expenditures. Additionally, our customers, in reaction to negative market conditions, may seek to negotiate contracts at lower rates, both during and at the expiration of the term of our contracts, to cancel earlier work and shift it to later periods, to cancel their contracts with us even if cancellation involves their paying a cancellation fee, or to delay or refuse payment for our services. The extent of the impact of these conditions on our results of operations and cash flows depends on the strength of our industry environment and the demand for our services.

Our business and financial performance are subject to risks related to global economic conditions, geopolitical developments and international conflict. We serve customers in many countries around the world and accordingly our business and operations are subject to the effects of global economic conditions, geopolitical developments and international conflicts. Geopolitical and international instability could lead to sanctions, tariffs, trade wars, embargoes and regional unrest, and related governmental actions could affect the global economy, our customers and our business. In addition, shifting geopolitical conditions could affect U. S. or foreign policies and priorities which could adversely impact our customers and our business. For example, in 2022, the U. K. enacted the Energy (Oil and Gas) Profits Levy of 2022 imposing a windfall tax on profits for oil and gas companies operating in the U. K. and U. K Continental Shelf, which legislation could further adversely affect the operation and capital spending of our customers in the North Sea. In January 2025, a Presidential Memorandum was issued in the U. S. temporarily withdrawing wind energy leasing in the U. S. Outer Continental Shelf (“2025 Wind Energy Ban”) which could affect projects in the offshore wind industry. We continue to actively monitor ongoing **and potential** military hostilities **globally including** in Ukraine, Israel, the Red Sea, **and** the Middle East, ~~and globally~~ as well as applicable laws, sanctions and trade control restrictions resulting therefrom. Any sanctions measures and increased governmental oversight and enforcement activities could adversely affect the global economy and supply chains as well as the oil and gas sector generally. The extent to which our operations and financial results may be affected by any such ~~ongoing~~ hostilities will depend on various factors, including the extent and duration of the conflicts and

their related effects on operating and capital spending by our ~~oil and gas production~~ customers. Our ~~17~~Our renewables business may be adversely affected by industry- specific economic, **regulatory** and market factors. Our services to the renewable energy sector and offshore wind farm developments consist primarily of subsea cable trenching and burial as well as seabed clearance and preparation services provided by our Robotics segment. Demand for our services in the renewable energy market is affected by various factors, including the pace of consumer shift towards renewable energy sources, global electricity demand, technological advancements that increase the generation and / or reduce the cost of renewable energy, and expansion of offshore renewable energy projects to deeper water and other regions. The offshore renewable energy sector also has country- specific regulations, **restrictions**, incentives, subsidies and tax credits, that if revised negatively, can affect our customers' needs for our services. Stagnant or declining economic conditions, which may slow global electricity demand, can negatively affect developer spending towards renewable energy projects. Finally, the pace of innovation and evolution in the offshore wind market can affect our ability to continue offering services to this segment. We are subject to the effects of changing prices. Inflation rates have been relatively low and stable over the previous three decades; however, inflation rates ~~rose~~ **have risen** significantly ~~since~~ **between 2021 and 2024** due in part to supply chain disruptions and the effects of the COVID- 19 pandemic. **Although inflation rates have stabilized at a moderate level, future economic shocks, such as those due to tariffs and trade wars, could increase inflation levels going forward**. We bear the costs of operating and maintaining our assets, including labor and material costs as well as recertification and dry dock costs. Although we may be able to reduce some of our exposure to price increases through the rates we charge, competitive market pressures may affect our ability to pass along price adjustments, which may result in reductions in our operating margins and cash flows in the future. BUSINESS AND OPERATIONAL RISKS Our backlog may not be ultimately realized for various reasons, our contracts may be terminated early, and our call- off work may be terminated earlier than expected. As of December 31, ~~2023~~ **2024**, backlog for our services supported by written agreements or contracts totaled \$ ~~850-1.4 million~~ **billion**, of which \$ ~~700-681~~ million is expected to be performed in ~~2024~~ **2025**. ~~18~~ **We** ~~We~~ may not be able to perform under our contracts for various reasons giving our customers certain contractual rights under their contracts with us, which ultimately could include termination of a contract. In addition, our customers may seek to cancel, terminate, suspend or renegotiate our contracts, or our projects in Helix Alliance subject to call- off orders may be terminated earlier than expected, in the event of our customers' diminished demand for our services due to global or industry conditions. Some of these contracts provide for no cancellation fee or a cancellation fee that is substantially less than the expected rates from the contracts. In addition, some of our customers could experience liquidity issues or could otherwise be unable or unwilling to perform under a contract, in which case a customer may repudiate or seek to cancel or renegotiate the contract. The repudiation, early cancellation, termination or renegotiation of our contracts by our customers, or the termination or reduction of call- off work, could have a material adverse effect on our financial position, results of operations and cash flows. Furthermore, we may incur capital costs, we may charter vessels for the purpose of performing these contracts, and / or we may forgo or not seek other contracting opportunities in light of these contracts. ~~A~~ **18A** large portion of our current backlog is concentrated in a small number of long- term contracts that we may fail to renew or replace. Although historically our service contracts were of relatively short duration, over the past few years we performed a number of long- term contracts. We currently have contracts with five customers that represent approximately ~~55-90~~ % of our total backlog as of December 31, ~~2023~~ **2024**. Any cancellation, termination or breach of those contracts would have a larger impact on our operating results and financial condition than of our shorter- term contracts. Furthermore, our ability to extend, renew or replace our long- term contracts when they expire or obtain new contracts as alternatives, and the terms of any such contracts, will continue to depend on various factors, including market conditions and the specific needs of our customers. Given the historically cyclical nature of the oil and gas market, as we have experienced, we may not be able to extend, renew or replace such contracts or we may be required to extend, renew or replace expiring contracts or obtain new contracts at rates that are below our existing contract rates, or that have other terms that are less favorable to us than our existing contracts. Failure to extend, renew or replace expiring contracts or secure new contracts at comparable rates and with favorable terms could have a material adverse effect on our financial position, results of operations and cash flows. Our operations involve numerous risks, which could result in our inability or failure to perform operationally under our contracts and result in reduced revenues, contractual penalties and / or contract termination. Our equipment and services are very technical and the offshore environment poses significant challenges. Performing the work we do pursuant to the terms of our contracts can be difficult for various reasons, including equipment failure or reduced performance, human error, third- party failure or other fault, design flaws, weather, water currents or other physical conditions. Operating in new locations may also present incremental complications. Any of these factors could lead to performance concerns as well as disputes with our customers. The nature of offshore operations requires our offshore crew members as well as our customers and vendors to regularly travel to and from the vessels. The occurrence or threat of an epidemic or pandemic may impede our ability to execute such crewing or crew changes, which could lead to vessel downtime or suspension of operations, which may be beyond our control. Failure to perform in accordance with contract specifications can result in reduced rates (or zero rates), customer disputes, contractual penalties, and ultimately, termination in the event of sustained non- performance. **As a large portion of our revenues are concentrated with a relatively small number of contracts, any** ~~Reduced-reduced~~ revenues and / or contract termination due to our inability or failure to perform operationally could have a material adverse effect on our financial position, results of operations and cash flows. Our customers, suppliers and other counterparties may be unable to perform their obligations. Industry uncertainty and domestic and global economic conditions, including the financial condition of our customers, suppliers, lenders, insurers and other financial institutions generally, could jeopardize the ability of such parties to perform their obligations to us, including obligations to pay amounts owed to us and to deliver goods and / or services to us in a timely ~~matter~~ **manner**. In the event one or more of our customers and / or suppliers is adversely affected by a global health emergency similar to the COVID- 19 pandemic, our business with them may be affected. We may face an increased risk of customers deferring work, declining to commit to new work, asserting claims

of force majeure and / or terminating contracts, or our customers', subcontractors' or partners' inability to make payments or remain solvent. We may also face supply chain issues such as loss of access to spares and equipment, which could cause operational delays and loss of revenue. ~~19~~ Although ~~we~~ **Although** we assess the creditworthiness of our counterparties, a variety of conditions and factors could lead to changes in a counterparty's liquidity and increase our exposure to credit risk and bad debts. In particular, our Robotics and Helix Alliance businesses tend to do business with smaller customers that may not be capitalized or insured to the same extent as larger operators and that may be more exposed to financial loss in an uncertain economic environment. In addition, we may offer favorable payment or other contractual terms to customers in order to secure contracts. These circumstances may lead to collection issues that could impact our financial results and liquidity and lead to losses. The inability of our customers, suppliers and other counterparties to perform under our various contracts, credit agreements and insurance policies may materially adversely affect our business, financial position, results of operations and cash flows. ~~We~~ **19** ~~We~~ **We** may own assets with ~~ongoing~~ costs that cannot be recouped if the assets are not under contract, and time chartering vessels requires us to make ~~ongoing~~ payments regardless of utilization of and revenue generation from those vessels. We own vessels, systems and other equipment for which there are ~~ongoing~~ costs, including maintenance, manning, insurance and depreciation. We may also construct assets without first obtaining service contracts covering the cost of those assets. Our failure to secure contracts for vessels or other assets could materially adversely affect our financial position, results of operations and cash flows. Further, we charter our robotics support vessels under time charter agreements. We also have entered into long-term charter agreements for the Siem Helix 1 and Siem Helix 2 vessels. Should our contracts with customers be canceled, terminated or breached and / or if we do not secure work for the chartered vessels, we are still required to make charter payments. Making those payments absent revenue generation could have a material adverse effect on our financial position, results of operations and cash flows. Asset upgrade, modification, refurbishment, repair, dry dock and construction projects, and customer contractual acceptance of vessels, systems and other equipment, are subject to risks, including delays, cost overruns, loss of revenue and failure to commence or maintain contracts. We incur significant upgrade, modification, refurbishment, repair and dry dock expenditures on our fleet from time to time. We also construct or make capital improvements to other assets. While some of these capital projects are planned, some are unplanned. Additionally, as assets age, they are more likely to be subject to higher maintenance and repair activities. These projects are subject to the many risks, including delay and cost overruns, inherent in any large capital project. Actual capital expenditures could materially exceed our estimated or planned capital expenditures. Moreover, assets undergoing upgrades, modifications, refurbishments, repairs or dry docks may not earn revenue during the period they are out of service. Any significant period of such unplanned activity for our assets could have a material adverse effect on our financial position, results of operations and cash flows. In addition, delays in the delivery of vessels and other assets being constructed or undergoing upgrades, modifications, refurbishments, repairs, or dry docks may result in delay in customer acceptance and / or contract commencement, resulting in a loss of revenue and cash flow to us, and may cause our customers to seek to terminate or shorten the terms of their contracts with us and / or seek damages under applicable contract terms. In the event of termination or modification of a contract due to late delivery, we may not be able to secure a replacement contract on favorable terms, if at all, which could have a material adverse effect on our business, financial position, results of operations and cash flows. ~~20~~ ~~We~~ **We** may not be able to compete successfully against current and future competitors. The industries in which we operate are highly competitive. An oversupply of offshore drilling rigs coupled with a significant slowdown in industry activities results in increased competition from drilling rigs as well as substantially lower rates on work that is being performed. Several of our competitors are larger and have greater financial and other resources to better withstand a prolonged period of difficult industry conditions. In order to compete for customers, these larger competitors may undercut us by reducing rates to levels we are unable to withstand. Further, certain other companies may seek to compete with us by hiring vessels of opportunity from which to deploy modular systems and / or be willing to take on additional risks. With respect to our Helix Alliance business there may be lower barriers to entry into a market that historically has been serviced at least in part by smaller companies. If other companies relocate or acquire assets for operations in the regions in which we operate, levels of competition may increase further and our business could be adversely affected. **Climate change might adversely impact our business..... loss of customers or vendors.** ~~Our~~ **20** ~~Our~~ **Our** North Sea and Helix Alliance businesses typically decline in the winter, and weather can adversely affect our operations. Marine operations conducted in the North Sea and the **U. S. Gulf Coast of Mexico** shelf are seasonal and depend, in part, on weather conditions. Historically, we have enjoyed our highest North Sea vessel utilization rates during the summer and fall when weather conditions are more favorable for offshore operations, and we typically have experienced our lowest North Sea utilization rates in the first quarter. Helix Alliance experiences a slower winter season in its diving and certain vessel operations. As is common in our industry, where we do have utilization in these seasonal markets, we may bear the risk of delays caused by adverse weather conditions. Our results in any one quarter are not necessarily indicative of annual results or continuing trends. Certain areas in which we operate experience unfavorable weather conditions including hurricanes and extreme storms on a relatively frequent basis. Substantially all of our facilities and assets offshore and along the **U. S. Gulf Coast of Mexico** and the North Sea are susceptible to damage and / or total loss by these weather conditions. Damage caused by high winds and turbulent seas could potentially cause us to adjust service operations or curtail operations for significant periods of time until damage can be assessed and repaired. Moreover, even if we do not experience direct damage from any of these weather conditions, we may experience disruptions in our operations if our personnel is adversely impacted, or because customers may adjust their activities due to damage to their assets, platforms, pipelines and other related facilities. ~~21~~ ~~The~~ **The** operation of marine vessels is risky, and we do not have insurance coverage for all risks. Vessel-based offshore services involve a high degree of operational risk. Hazards, such as vessels sinking, grounding, colliding and sustaining damage from severe weather conditions, are inherent in marine operations. These hazards can cause personal injury or loss of life, severe damage to and destruction of property and equipment, pollution or environmental damage, and suspension of operations. Damage arising from such occurrences may result in assertions of our liability. Insurance

may not be sufficient or effective under all circumstances or against all hazards to which we may be subject. A successful liability claim for which we are not fully insured could have a material adverse effect on our financial position, results of operations and cash flows. Moreover, we can provide no assurance that we will be able to maintain adequate insurance in the future at rates that we consider reasonable. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. For example, insurance carriers require broad exclusions for losses due to war risk and terrorist acts, and limitations for wind storm damage. The current insurance on our assets is in amounts approximating replacement value. In the event of property loss due to a catastrophe, mechanical failure, collision or other event, insurance may not cover a substantial loss of revenue, increased costs and other liabilities, and therefore the loss of any of our assets, or damage asserted to have been caused by our assets, could have a material adverse effect on us. Our oil and gas operations involve a high degree of operational, contractual and financial risk, particularly risk of personal injury, damage, loss of equipment and environmental incidents. Engaging in oil and gas production and transportation operations subjects us to certain risks inherent in the ownership and operation of oil and gas wells, including but not limited to uncontrolled flows of oil, gas, brine or well fluids into the environment; blowouts; cratering; pipeline or other facility ruptures; mechanical difficulties or other equipment malfunction; fires, explosions or other physical damage; hurricanes, storms and other natural disasters and weather conditions; and pollution and other environmental damage; any of which could result in substantial losses to us. Although we maintain insurance against some of these risks, we cannot insure against all possible losses. Furthermore, such operations necessarily involve some degree of contractual counterparty risk, including for the transportation, marketing and sale of such production, and to the extent we have partners in any of the properties we own or operate. As a result, any damage or loss not covered by our insurance could have a material adverse effect on our financial condition, results of operations and cash flows. Our customers may be unable or unwilling to indemnify us. Consistent with standard industry practice, we typically seek to obtain contractual indemnification from our customers whereby they agree to protect and indemnify us for liabilities resulting from various hazards associated with offshore operations. We can provide no assurance, however, that we will obtain such contractual indemnification or that our customers will be willing or financially able to meet their indemnification obligations. Our 21 Our operations outside of the U. S. subject us to additional risks. Our operations outside of the U. S. are subject to risks inherent in foreign operations, including:

- the loss of revenue, property and equipment from expropriation, nationalization, war, insurrection, acts of terrorism and other political risks;
- increases in taxes and governmental royalties;
- laws and regulations affecting our operations, including with respect to customs, assessments and procedures, and similar laws and regulations that may affect our ability to move our assets and / or personnel in and out of foreign jurisdictions;
- renegotiation or abrogation of contracts with governmental and quasi-governmental entities;
- changes in laws and policies governing operations of foreign- based companies;
- currency exchange restrictions and exchange rate fluctuations;
- global economic cycles;
- restrictions or quotas on production and commodity sales;
- limited market access;
- trade and labor unions as well as local content requirements; and
- other uncertainties arising out of foreign government sovereignty over our international operations.

22 Certain -- Certain countries have in place or are in the process of developing complex laws for foreign companies doing business in these countries. Some of these laws are difficult to interpret, making compliance uncertain, and others increase the cost of doing business, which may make it difficult for us in some cases to be competitive. The combination of such laws with the local requirements have further increased the challenges of doing business in these countries. In addition, laws and policies of the U. S. affecting foreign trade, taxation and other commercial activity may adversely affect our international operations. Failure to protect our intellectual property or other technology may adversely affect our business. Our industry is highly technical. We utilize and rely on a variety of advanced assets and other tools, such as our vessels, DP systems, intervention systems, ROVs and trenchers, to provide customers with services designed to meet the technological challenges of their subsea activities worldwide. In some instances we hold intellectual property (“ IP ”) rights related to our business. We rely significantly on proprietary technology, processes and other information that are not subject to IP protection, as well as IP licensed from third parties. We employ confidentiality agreements to protect our IP and other proprietary information, and we have management systems in place designed to protect our legal and contractual rights. We may be subject to, among other things, theft or other misappropriation of our IP and other proprietary information, challenges to the validity or enforceability of our or our licensors’ IP rights, and breaches of confidentiality obligations. These risks are heightened by the global nature of our business, as effective protections may be limited in certain jurisdictions. Although we endeavor to identify and protect our IP and other confidential or proprietary information as appropriate, there can be no assurance that these measures will succeed. Such a failure could result in an interruption in our operations, increased competition, unplanned capital expenditures, and exposure to claims. Any such failure could have a material adverse effect on our business, competitive position, financial position, results of operations and cash flows. Climate change might adversely impact our business operations and / or our supply chain. Scientific consensus shows that carbon dioxide and other greenhouse gases in the atmosphere have caused and will in the future cause changes in weather patterns around the globe. Climatologists predict these changes will result in the increased frequency of extreme weather events and natural disasters which could disrupt our business operations or those of our customers or suppliers. In addition, concern about climate change and greenhouse gases may result in new or additional legal, legislative, and / or regulatory requirements designed to reduce or mitigate the effects of climate change on the environment. Any such new requirements could increase our operating costs and impede our ability to provide services to our customers. The 22 The actual or perceived lack of sustainability of the oil and gas sector, or our failure to adequately implement and communicate initiatives that demonstrate our own sustainability, may adversely affect our business. Sustainability initiatives remain important factors in assessing a company’ s outlook, as investors look to identify factors that they believe inform a company’ s ability to create long- term value. The We understand we have an important role to play as a steward of the people, communities and environments we serve, and we regularly look for ways to emphasize and improve our own sustainability record. However, the nature of the oil and gas sector in which we predominantly operate may impact in the near or long term sustainability sentiment of investors, lenders, customers, other industry participants

and individuals, to the extent the global markets value green energy and environmental conservation. This sentiment may in turn lead to a lack of investment, investability or borrowing capital, or a more negative overall perception related to the fossil fuel industry. Further, we may not succeed in implementing or communicating a sustainability message that is well understood or received.

Alternatively, stakeholder sentiment may view sustainability initiatives as shifting attention away from shareholder value-oriented and profit-focused efforts, which could lead to a negative perception. As a result we may experience diminished reputation or sentiment, reduced access to capital markets and / or increased cost of capital, an inability to attract and retain talent, and loss of customers or vendors.

FINANCIAL AND LIQUIDITY RISKS Our indebtedness and the terms of our indebtedness could impair our financial condition and our ability to fulfill our debt obligations or otherwise limit our business and financial activities. As of December 31, ~~2023~~ **2024**, we had consolidated indebtedness of \$ ~~361.315~~ **72** million. The level of indebtedness may have an adverse effect on our future operations, including: • limiting our ability to refinance maturing debt or to obtain additional financing on satisfactory terms to fund our working capital requirements, capital expenditures, acquisitions, investments, debt service requirements and other general corporate requirements; • increasing our vulnerability to a general economic downturn, competition and industry conditions, which could place us at a disadvantage compared to our competitors that are less leveraged; • increasing our exposure to potential rising interest rates for any portion of our borrowings that may be at variable interest rates or at risk to be refinanced at rising rates; • reducing the availability of our cash flows to fund our working capital requirements, capital expenditures, acquisitions, investments and other general corporate requirements for that portion of our cash flows that may be needed to service debt obligations; • limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; • limiting our ability to expand our business through capital expenditures or pursuit of acquisition opportunities due to negative covenants in credit facilities that place limitations on the types and amounts of investments that we may make; • limiting our ability to use, or post security for, bonds or similar instruments required under the laws of certain jurisdictions with respect to, among other things, the temporary importation of vessels, systems and other equipment and the decommissioning of offshore oil and gas properties; and • limiting our ability to sell or pledge assets or use proceeds from certain asset sales for purposes other than debt repayment.

23A-A A prolonged period of weak economic or industry conditions and other events beyond our control may make it difficult to comply with our covenants and other restrictions in agreements governing our debt. If we fail to comply with these covenants and other restrictions, it could lead to reduced liquidity, an event of default, the possible acceleration of our repayment of outstanding debt and the exercise of certain remedies by our lenders, including foreclosure against our collateral. These conditions and events may limit our access to the credit markets if we need to replace our existing debt, which could lead to increased costs and less favorable terms, including shorter repayment schedules and higher fees and interest rates. Because we have certain debt and other obligations, a prolonged period of low demand or rates for our services could lead to a material adverse effect on our liquidity. A prolonged period of difficult industry conditions, the failure of our customers to spend funds on our services or a longer period of lower rates for our services, coupled with certain fixed obligations that we have related to debt repayment, long-term vessel time charter contracts and certain other commitments related to ongoing operational activities, could lead to a material adverse effect on our liquidity and financial position.

Lack 23Lack of access to the financial markets could negatively impact our ability to operate our business. Access to financing may be limited and uncertain, especially in times of economic weakness, or declining sentiment towards industries we service **or our business model**. If capital and credit markets are limited, we may be unable to refinance or we may incur increased costs and obtain less favorable terms associated with refinancing of our maturing debt. Also, we may incur increased costs and obtain less favorable terms associated with any additional financing that we may require for future operations. Limited access to the financial markets could adversely impact our ability to take advantage of business opportunities or react to changing economic and business conditions. Additionally, if capital and credit markets are limited, this could potentially result in our customers curtailing their capital and operating expenditure programs, which could result in a decrease in demand for our assets and a reduction in revenues and / or utilization. Certain of our customers could experience an inability to pay suppliers, including us, in the event they are unable to access financial markets as needed to fund their operations. Likewise, our other counterparties may be unable to sustain their current level of operations, fulfill their commitments and / or fund future operations and obligations, each of which could adversely affect our operations. Continued lower levels of economic activity and weakness in the financial markets could also adversely affect our ability to implement our strategic objectives. A decline in the offshore energy services market could result in impairment charges. Prolonged periods of low utilization or low rates for our services could result in the recognition of impairment charges for our assets if future cash flow estimates, based on information available to us at the time, indicate that their carrying value may not be recoverable. Our international operations are exposed to currency devaluation and fluctuation risk. Because we are a global company, our international operations are exposed to foreign currency exchange rate risks on all contracts denominated in foreign currencies. For some of our international contracts, a portion of the revenue and local expenses is incurred in local currencies and we may be at risk of changes in the exchange rates between the U. S. dollar and such currencies. We may receive payments in a currency that is not easily traded and may be illiquid, unable to be hedged, or subject to exchange controls that limit the currency's ability to be converted into a more liquid currency, and we may be at risk of devaluation until such time as the currency may be able to be converted or spent. The reporting currency for our consolidated financial statements is the U. S. dollar. Certain of our assets, liabilities, revenues and expenses are denominated in other countries' currencies. Those assets, liabilities, revenues and expenses are translated into U. S. dollars at the applicable exchange rates to prepare our consolidated financial statements. Therefore, changes in exchange rates between the U. S. dollar and those other currencies affect the value of those items as reflected in our consolidated financial statements, even if their value remains unchanged in their original currency.

24LEGAL-- LEGAL AND REGULATORY COMPLIANCE **RISKS** Government regulations, **including those specific to deepwater offshore drilling,** may affect ~~make~~ our business operations, including ~~impeding our operations and making our operations more difficult and / or costly,~~ **or limit our services.**

Our business is affected by changes in public policy and by federal, state, local and international laws and regulations relating to the offshore oil and gas **and renewables** operations. **Such Offshore oil and gas** operations are affected by tax, environmental, safety, labor, cabotage and other laws, by changes in those laws, application or interpretation of existing laws, and changes in related administrative regulations or enforcement priorities. **Government authorities, including BOEM and BSEE, may also continue to issue further regulations regarding deepwater offshore drilling**. It is also possible that these laws and regulations in the future may add significantly to our capital and operating costs or those of our customers or otherwise directly or indirectly affect our operations. ~~On December 20, 2019, CBP finalized a new set of rulings (the “2019 CBP Rulings”) that (i) restrict the scope of items that may be transported aboard non-coastwise qualified vessels on the OCS and (ii) establish rules regarding incidental vessel movements related to offshore lifting operations. The 2019 CBP Rulings constitute a significant step towards establishing a predictable regime of regulation for offshore operations. Certain organizations may seek to overturn the 2019 CBP Rulings, particularly with respect to offshore lifting operations. CBP, its parent agency, the Department of Homeland Security, the federal courts or the U. S. Congress could revisit the issue and, if a challenge to the 2019 CBP Rulings were successful along the lines sought by those organizations, the resulting interpretation of the Jones Act could adversely impact the operations of non-coastwise qualified vessels working in the Gulf of Mexico, and could potentially make it more difficult and/or costly to perform our offshore services in the area. On January 1, 2021, the National Defense Authorization Act for fiscal year 2021 came into force which, among other things, extended~~ **extends** federal law, including the Jones Act, to U. S. offshore wind farm projects, making it more difficult and / or costly to provide for U. S. renewables customers the services that we currently provide for renewables customers in the North Sea and Asia Pacific. **The 2025 Wind Energy Ban restricts customers from developing new wind farms on the U. S. Outer Continental Shelf.** ~~Risks~~ **Risks** of substantial costs and liabilities related to environmental compliance issues are inherent in our operations. Our operations are subject to extensive federal, state, local and international laws and regulations relating to the generation, storage, handling, emission, transportation and discharge of materials into the environment. Permits are required for the operations of various facilities, including vessels, and those permits are subject to revocation, modification and renewal. Governmental authorities have the power to enforce compliance with their regulations, and violations are subject to fines, injunctions or both. In some cases, those governmental requirements can impose liability for the 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 applicable requirements when performed. It is possible that other developments, such as stricter environmental laws and regulations, or claims for damages to property or persons resulting from our operations, could result in substantial costs and liabilities. Our insurance policies and the contractual indemnity protections we seek to obtain from our counterparties, assuming they are obtained, may not be sufficient or effective to protect us under all circumstances or against all risk involving compliance with environmental laws and regulations. As a multi-national organization, we are subject to taxation in multiple jurisdictions. The Organization for Economic Co-operation and Development, the ~~EU~~ **European Union** and individual taxing jurisdictions are focused on tax base erosion and profit shifting as well as minimum tax directives (including Pillar Two). These initiatives and directives continue to evolve with country specific implementation legislation forthcoming. We anticipate increased disclosure and reporting ~~in order to facilitate compliance with these directives and~~ **As the impact of** proposed rules. ~~While the impact of these proposed and future rules~~ **Pillar Two legislation** cannot ~~yet~~ **yet** be determined, ~~they~~ **future changes** may have adverse effects on us, including increased administrative and compliance costs. **We cannot predict with any certainty the substance or effect of any new or additional regulations in the U. S. or in other areas around the world. If the U. S. or other countries where our customers operate enact stricter restrictions on offshore operations, and this results in decreased demand for or profitability of our services, our business, financial position, results of operations and cash flows could be materially adversely affected.** ~~25~~ **Our** business would be adversely affected if we failed to comply with the Jones Act foreign ownership provisions or if these provisions were modified or repealed. We are subject to the Jones Act and other federal laws that restrict maritime cargo transportation between points in the U. S. **We own** ~~As a result of the Alliance acquisition, we acquired 21~~ vessels registered under the U. S. flag ~~which operate~~ **whose operations** in the U. S. Gulf of Mexico **Coast may constitute** coastwise trade. In order to operate vessels in the Jones Act trade and to be qualified to document vessels for coastwise trade, we must maintain U. S. citizen status for Jones Act purposes. We could cease being a U. S. citizen if certain events were to occur, including if non-U. S. citizens were to own 25 % or more of our common stock. We monitor our ownership for compliance with the Jones Act. The consequences of our failure to comply with the Jones Act provisions on coastwise trade, including failing to qualify as a U. S. citizen, would have an adverse effect on our results of operations as we may be prohibited from operating certain of our vessels in the U. S. coastwise trade or, under certain circumstances, permanently lose U. S. coastwise trading rights or be subject to fines or forfeiture of certain our vessels. There have been attempts to repeal or amend restrictions contained in the Jones Act, and such attempts are expected to continue in the future. Our business could be adversely affected if the Jones Act were to be modified or repealed so as to permit foreign competition that is not subject to the same U. S. government imposed burdens. ~~Enhanced regulations for deepwater offshore drilling may reduce the need for our services. Exploration and development activities and the production and sale of oil and natural gas are subject to extensive federal, state, local and international regulations. To conduct deepwater drilling in the Gulf of Mexico, an operator is required to comply with various regulations and safety standards. Before drilling may commence, BSEE conducts inspections of deepwater drilling operations for compliance with its regulations. Operators also are required to comply with Safety and Environmental Management System (“SEMS”) regulations within the deadlines specified by the regulations and confirm that their contractors have SEMS-compliant safety and environmental policies and procedures in place. Additionally, each operator must demonstrate that it has containment resources that are available promptly in the event of a loss of well control. It is expected that government authorities, including BOEM and BSEE, will continue to issue further regulations regarding deepwater offshore drilling. Our business, a significant portion of which is in the Gulf of Mexico, provides development services to newly drilled wells. If the~~

issuance of drilling or other permits is significantly delayed, or if other oil and gas operations are delayed or reduced due to increased costs of regulatory compliance, demand for our services may also decline. Moreover, if our assets are not redeployed such that we can provide our services at profitable rates, our business, financial condition, results of operations and cash flows would be materially adversely affected. Additionally, governmental orders establishing moratoriums on new oil and gas leasing of public lands and offshore waters may pose additional challenges for the industries we serve and may directly impede our operations or ability to service our customers' needs. Such regulations could also result in offshore drilling rigs being diverted to well intervention work, which may create more competition for the services we offer. Such regulations may also affect oil and natural gas prices, which could impact the demand for our services. Such impediments, competition or reduction in activity could have a material adverse effect on our operations, competitive position, results of operations and cash flows. We cannot predict with any certainty the substance or effect of any new or additional regulations in the U. S. or in other areas around the world. If the U. S. or other countries where our customers operate enact stricter restrictions on offshore drilling or further regulate offshore drilling, and this results in decreased demand for or profitability of our services, our business, financial position, results of operations and cash flows could be materially adversely affected.

Failure to comply with anti-bribery laws could have a material adverse impact on our business. The U. S. Foreign Corrupt Practices Act and similar anti-bribery laws in other jurisdictions, including the United Kingdom Bribery Act 2010 and Brazil's Clean Company Act, generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. We operate in many parts of the world that have experienced corruption to some degree. We have a robust ethics and compliance program that is designed to deter or detect violations of applicable laws and regulations through the application of our anti-corruption policies and procedures, Code of Business Conduct and Ethics, training, internal controls, investigation and remediation activities, and other measures. However, our ethics and compliance program may not be fully effective in preventing all employees, contractors or intermediaries from violating or circumventing our compliance requirements or applicable laws and regulations. Failure to comply with anti-bribery laws could subject us to civil and criminal penalties, and such failure, and in some instances even the mere allegation of such a failure, could create termination or other rights in connection with our existing contracts, negatively impact our ability to obtain future work, or lead to other sanctions, all of which could have a material adverse effect on our business, financial position, results of operations and cash flows, and cause reputational damage. We could also face fines, sanctions and other penalties from **authorities**, including prohibition of our participating in or curtailment of business operations in certain jurisdictions and the seizure of vessels or other assets. Further, we may have competitors who are not subject to the same laws, which may provide them with a competitive advantage over us in securing business or gaining other preferential treatment.

RISK We may execute a strategic transaction that may not achieve intended results, could increase our debt or the number of our shares outstanding, or result in a change of control. We have executed acquisitions and divestitures in the past, and in the future we may evaluate and potentially enter into additional strategic transactions. Any such transaction could be material to our business, could occur at any time and could take any number of forms, including, for example, an acquisition, merger, joint venture, strategic alliance, equity investment, divestiture or an asset sale.

The success of any transaction may depend on, in part, our ability to integrate an acquired business and realize the financial growth or synergies expected from the transaction. Any such transaction may not be successful, may not be accretive to shareholders or may not achieve expected benefits within an expected timeframe. Acquired businesses may also have unanticipated liabilities, contingencies or negative tax consequences. In addition, acquisitions are accompanied by the risk that the obligations of an acquired business may not be adequately reflected in the historical financial statements of that company and the risk that those historical financial statements may be based on assumptions which are incorrect or inconsistent with our assumptions or approach to accounting policies. Any of these material obligations, unanticipated liabilities or incorrect or inconsistent assumptions could have a material adverse effect on our growth strategy, business, financial condition, prospects and results of operations. Furthermore, evaluating potential transactions and integrating completed transactions could be time-consuming, involve significant transaction related expenses, create unexpected costs, involve difficulties assimilating the operations and personnel of an acquired business, make evaluating our business and future financial prospects difficult and may divert the attention of our management from other operating matters. Any such transaction may require additional financing that could result in an increase in the number of our outstanding shares or the aggregate amount of our debt, and the number of shares of our common stock or the aggregate principal amount of our debt that we may issue may be significant. Certain transactions may not be permitted under our existing asset-based credit facility or other debt instruments, requiring either waivers, amendments, or terminating such facility. Furthermore, a strategic transaction may result in a change in control of our company or otherwise materially and adversely affect our business.

The loss of the services of one or more of our key employees, or our failure to attract and retain other highly qualified personnel and other skilled workers in the future, could disrupt our operations and adversely affect our financial results. Our industry has lost a significant number of experienced professionals over the years due to its cyclical nature, including in connection with industry downturn and a decline in sentiment towards fossil fuels. Our success depends on the active participation of our key employees. The loss of our key people could adversely affect our operations. The delivery of our services also requires personnel with specialized skills, qualifications and experience. The demand for skilled workers can be high and the supply may be limited. A significant increase in the wages paid, or benefits offered, by competing employers could result in a reduction of our skilled labor force, increases to our cost structures, or both. As a result, our ability to remain productive and profitable will depend upon our ability to employ and retain skilled, qualified and experienced workers, and we may have competition for personnel with the requisite skill set.

A global health pandemic could disrupt our operations and adversely impact our business and financial results. A global health emergency similar to the COVID-19 pandemic could lead to worldwide shutdowns and halting of commercial and interpersonal activity, resulting in a precipitous decline in oil prices and reduced operating and capital spending by oil and gas producers that may persist for an extended period of time, undermining the confidence in overall industry viability. Our onshore and offshore

operations could be disrupted, and any protocols implemented may not prove fully successful. We may experience reduced productivity as our onshore personnel work remotely, and any spread to our key management personnel may disrupt our business. Any outbreak on our vessels may impede the vessel's ability to generate revenue and or increase the costs to operate the vessel. We may also experience challenges in connection with our offshore crew changes due to health and travel restrictions, or a decline in the available offshore workforce, whether due to the pandemic, considerations related to our protocols, attrition from our industry, or a combination of the foregoing. 27

Cybersecurity breaches or business system disruptions may adversely affect our business. We rely on our information technology infrastructure and management information systems to operate and record almost every aspect of our business. This may include confidential or personal information belonging to us, our employees, customers, suppliers, or others. Similar to other companies, our systems and networks, and those of third parties with whom we do business, could be subject to cybersecurity breaches caused by, among other things, illegal hacking, insider threats, computer viruses, phishing, malware, ransomware, or acts of vandalism or terrorism, or acts perpetrated by criminals or nation- state actors. Furthermore, we may also experience increased cybersecurity risk as some of our onshore personnel may periodically work remotely. In 26 In addition to our own systems and networks, we use third- party service providers to process certain data or information on our behalf. Due to applicable laws and regulations, we may be held responsible for cybersecurity incidents attributed to our service providers to the extent it relates to information we share with them. Although we seek to require that these service providers implement and maintain reasonable security measures, we cannot control third parties and cannot guarantee that a security breach will not occur in their systems or networks. Despite our efforts to continually refine our procedures, educate our employees, and implement tools and security measures to protect against such cybersecurity risks, there can be no assurance that these measures will prevent unauthorized access or detect every type of attempt or attack. Our potential future upgrades, refinements, tools and measures may not be completely effective or result in the anticipated improvements, if at all, and may cause disruptions in our business operations. In addition, a cyberattack or security breach could go undetected for an extended period of time, and the ensuing investigation of the incident would take time to complete. During that period, we may not necessarily know the impact to our systems or networks, costs and actions required to fully remediate and our initial remediation efforts may not be successful, and the errors or actions could be repeated before they are fully contained and remediated. A breach or failure of our systems or networks, critical third- party systems on which we rely, or those of our customers or vendors, could result in an interruption in our operations, disruption to certain systems that are used to operate our vessels or other assets, unplanned capital expenditures, unauthorized publication of our confidential business or proprietary information, unauthorized release of customer, employee or third party data, theft or misappropriation of funds, violation of privacy or other laws, and exposure to litigation or indemnity claims including resulting from customer- imposed cybersecurity controls or other related contractual obligations. There could also be increased costs to detect, prevent, respond, or recover from cybersecurity incidents. Any such breach, or our delay or failure to make adequate or timely disclosures to the public, regulatory or law enforcement agencies or affected individuals following such an event, could have a material adverse effect on our business, reputation, financial position, results of operations and cash flows, and cause reputational damage. Increasing legal and regulatory focus on data privacy and security issues could expose us to increased liability and operational changes and costs. Along with our own data and information in the normal course of our business, we collect and retain certain data that is subject to specific laws and regulations. The compliant processing of this data domestically and transferring of this data across international borders continues to increase in complexity. This data is subject to regulation at various levels of government in many areas of our business and in jurisdictions across the world, and other jurisdictions may in the future issue further data privacy laws and regulations. The U. S. Federal Trade Commission recently adopted rules requiring the reporting of certain data breaches that may apply to our operations and those of our subsidiaries. As the number and complexities of such laws and regulations continue to increase, we will face increasingly complex compliance, monitoring, and control obligations. As the implementation, interpretation, and enforcement of such laws continues to progress and evolve, there may also be developments that amplify such risks. Any failure by us to comply with these laws and regulations, including as a result of a security or privacy breach, or otherwise, could expose us to litigation and enforcement, and result in significant penalties, fines, and other liabilities. We may execute a strategic transaction that..... reduce the program's effectiveness. Certain provisions of our corporate documents, financial arrangements and Minnesota law may discourage a third party from making a takeover proposal. We are authorized to establish, without any action by our shareholders, the rights and preferences on up to 5, 000, 000 shares of preferred stock, including dividend, liquidation and voting rights. In addition, our by- laws divide our Board into three classes. We are also subject to certain anti- takeover provisions of the Minnesota Business Corporation Act. We have employment and other long- term incentive arrangements with all of our executive officers that could require cash and / or equity payments and covenants in our asset- based credit agreement (the "Amended ABL Facility ") that could put us in breach, in the event of a " change of control. " Any or all of these provisions or factors may discourage a takeover proposal or tender offer not approved by management and our Board and could result in shareholders who may wish to participate in such a proposal or tender offer receiving less in return for their shares than otherwise might be available in the event of a takeover attempt. 29-27