

## Risk Factors Comparison 2025-03-10 to 2024-03-13 Form: 10-K

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Risks Related to Our Business and Industry • **Intense competition on our industry could reduce our market share and profit.** • If we do not effectively manage the size and cost of our operations, our existing infrastructure may become either strained or overly- burdened, and we may be unable to increase revenue growth. • ~~Our dependence on~~ **Failure to achieve and maintain a limited number high level of building systems solutions in our ODR segment could damage our reputation with customers could adversely affect our business and negatively impact our results of operations.** • Our contract backlog is subject to unexpected adjustments and cancellations and could be an uncertain indicator of our future earnings. • Since we bear the risk of cost overruns in most of our contracts, we may experience reduced profits or, in some cases, losses, if costs increase above estimates. • **Our failure to obtain new agreements and renew existing agreements could have a material adverse effect on our business, financial condition and results of operations.** • Timing of the award and performance of new contracts could have an adverse effect on our operating results and cash flow. • We may incur significant costs in performing our work in excess of the original project scope and contract amount without having an approved change order. • Our failure to adequately recover on claims brought by us against contractors, project owners or other project participants for additional contract costs could have a negative impact on our results of operations and financial condition, liquidity and on our credit facilities. • We place significant decision making powers with our business units' management, which presents certain risks that may cause the operating results of individual branches to vary. • Acquisitions, divestitures, and other strategic transactions could fail to achieve financial or strategic objectives, disrupt our ongoing business, and adversely impact our results of operations. • Design / Build and Design / Assist contracts subject us to the risks of design errors and omissions. • If we experience delays and / or defaults in customer payments, we could be unable to recover all expenditures. • Unsatisfactory safety performance may subject us to penalties, affect customer relationships, result in higher operating costs, negatively impact employee morale and result in higher employee turnover. • Our business has union and open shop operations, subjecting the business to risk for labor disputes. • Strikes or work stoppages could have a negative impact on our operations and results. • Misconduct by our employees, subcontractors or partners, or our overall failure to comply with laws or regulations could harm our reputation, damage our relationships with customers, reduce our revenue and profits, and subject us to criminal and civil enforcement actions. • Failure to provide our services in accordance with professional standards or contractual requirements could expose us to significant monetary damages. • Our dependence on subcontracts and suppliers of equipment and materials could increase our costs and impair our ability to complete contracts on a timely basis or at all, which would adversely affect our profits and cash flow. • An increase in the cost or the availability of materials and commodities could affect our profitability. • Changes in energy prices may increase our costs, and we may not be able to pass along increased energy costs to our customers. • We may be unable to identify and contract with qualified Disadvantaged Business Enterprises (“ DBE ”) contractors to perform as subcontractors. • Our participation in construction joint ventures exposes us to liability and / or harm to our reputation for failures of our partners. • A significant portion of our business depends on our ability to provide surety bonds. Any difficulties in the financial and surety markets may cause a material adverse effect on our bonding capacity and availability. • Our insurance policies against many potential liabilities require high deductibles. Additionally, difficulties in the insurance markets may adversely affect our ability to obtain necessary insurance. • Our use of the cost- to- cost method of accounting could result in a reduction or reversal of previously recorded revenue or profits. • Earnings for future periods may be impacted by impairment charges for goodwill and intangible assets. • Contractual warranty obligations could adversely affect our profits and cash flow. • Recent and potential changes in U. S. trade policies, **including changes to existing trade agreements and any resulting changes in international trade relations,** and retaliatory responses from other countries may significantly increase the costs or limit supplies of raw materials and products used in our operations. • Rising inflation and / or interest rates, or deterioration of the United States economy could have a material adverse effect on our business, financial condition and results of operations. • Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. • Failure to remain in compliance with covenants under our debt and credit agreements or service our indebtedness could adversely impact our business. • We may not be able to generate sufficient cash flow to meet all of our existing or potential future debt service obligations. • Our obligation to contribute to multiemployer pension plans could give rise to significant expenses and liabilities in the future. • Increases in healthcare costs could adversely affect our business. • Our business may be affected by the work environment. • A pandemic, epidemic or outbreak of an infectious disease, such as the coronavirus ( “ COVID- 19 ” ), in the markets in which we operate or that otherwise impacts our facilities or suppliers could adversely impact our business. • Future climate change could adversely affect us. • We may be affected by market or regulatory responses to climate change, **including potential policy shifts under the current presidential administration.** • Increasing scrutiny and changing expectations from investors and customers with respect to our environmental, social and governance ( “ ESG ” ) practices may impose additional costs on us or expose us to reputational or other risks. • We are susceptible to adverse weather conditions **and the increasing frequency and severity of extreme weather events,** which may harm our business and financial results. • Information technology system failures, network disruptions or cyber security breaches could adversely affect our business. • Changes to our outsourced software or infrastructure vendors as well as any sudden loss, breach of security, disruption or unexpected data or vendor loss associated with our information technology systems could have a material adverse effect on our business. • We have subsidiary operations throughout the United States and are exposed to multiple state and local regulations, as well as federal laws and requirements applicable to government contractors. Changes in laws, regulations or

requirements, or a material failure of any of our subsidiaries or us to comply with any of them, could increase our costs and have other negative impacts on our business. • As Federal Government Contractors under applicable federal regulations, our subsidiaries are subject to a number of rules and regulations, and our contracts with government entities are subject to audit. Violations of the applicable rules and regulations could result in a subsidiary being barred from future government contracts. • Past and future environmental, safety and health regulations could impose significant additional costs on us that reduce our profits. • Our failure to comply with immigration laws and labor regulations could affect our business. • **Tax matters, including changes in corporate tax laws and disagreements with taxing authorities, could impact our results of operations and financial condition.**

Part I Item 1. Business Limbach Holdings, Inc. (the “Company,” “we” or “us”), a Delaware corporation headquartered in Warrendale, Pennsylvania, is a building systems solution firm that partners with building owners and facilities managers ~~with who have~~ mission critical mechanical (heating, ventilation ~~and~~ air conditioning), electrical, and plumbing infrastructure. The Company strives to be an indispensable partner to its customers by providing services that are essential to the operation of their businesses. The Company works with building owners primarily in six vertical markets: healthcare, industrial and manufacturing, data centers, life science, higher education and cultural and entertainment. The Company has ~~approximately more than~~ 1,400 team members in ~~19-20~~ offices across the eastern **United States and operates primarily in the eastern and midwest regions of the** United States. The Company’s team members uniquely combine engineering expertise with field installation skills to provide custom solutions that leverage its full life- cycle capabilities, which allows it to address both the operational and capital projects needs of its customers. ~~2023-2024~~ Highlights In ~~2023-2024~~, the Company: • Generated \$ ~~57.36~~ ~~.48~~ million of net cash provided by operating activities. • Expanded ~~its~~ consolidated gross profit ~~margin~~ **margins** by ~~420-470~~ bps to ~~23-27~~ ~~.18~~ %. • **Increased its Revenue revenue** generated from the Company’s ODR **segment** (as defined below) **by 31** ~~segment~~ ~~increased~~ ~~21~~ ~~.19~~ % (versus ~~2022-2023~~ ), achieving its ~~2023-2024~~ ODR target of a ~~50-50~~ segment revenue ~~mix~~ **target of 65 %- 70 % of total consolidated revenue at 66.6 %** . • Increased diluted earnings per share by ~~175-46~~ % (versus ~~2022-2023~~ ) to \$ ~~1.2~~ ~~.76-57~~ . • **Produced record annual gross profit and gross profit margins.** • Successfully completed the acquisitions of ~~ACME~~ **Kent Island Mechanical, LLC (“ Kent Island ”)** and **Industrial Air Consolidated Mechanical, LLC (“ Consolidated Mechanical ”)** (as described in more detail below). • ~~In June 2023, the Company was added to the Russell 3000 Index as part of the annual reconstitution of the Russell indexes.~~ Segments The Company operates in two segments, (i) **Owner Direct Relationships (“ ODR ”), in which the Company performs owner direct projects and / or provides maintenance or service primarily on mechanical, plumbing or electrical systems, building controls and specialty contracting projects to existing buildings direct to, or assigned by, building owners or property managers, and (ii)** General Contractor Relationships (“ GCR ”), in which the Company generally manages new construction or renovation projects that involve primarily mechanical, **electrical, and / or** plumbing ~~or electrical (“ MEP ”)~~ services awarded to the Company by general contractors or construction managers ; and (ii) ~~Owner Direct Relationships (“ ODR ”), in which the Company performs owner direct construction projects and / or provides maintenance or services primarily on mechanical, plumbing or electrical systems, building controls and specialty contracting projects direct to, or assigned by, building owners or property managers.~~ GCR Segment. The Company provides its GCR segment services through the following project delivery methodologies: • ~~Plan & Spec Bidding. Plan & Spec bidding is a competitive bid process among multiple contractors bidding on nearly complete or completed design documents based on a lump sum price for delivery of the project. The Company believes price is the predominant selection criteria in this process.~~ Design / Build or Design / Assist. Design / Build or Design / Assist is a process in which a specialty contractor is selected among competing contractors using best value methodology. In best value, the Company believes the selection is made based primarily upon qualifications and project approach, and secondarily on select cost factors. Cost factors are usually limited to a fixed fee and expense estimate and an estimate of the cost of work. With Design / Assist, the specialty contractor is typically contracted early in the design process to provide design and preconstruction input as needed to assist the customer in maintaining the established budget and completing design and drawings. This delivery option includes lump sum or guaranteed maximum price on a fixed fee basis . ODR Segment. The Company’s key business initiative for its ODR segment is to position itself as a value- added ~~and~~, indispensable partner to building owners in mission- critical markets, providing full life- cycle capabilities from concept design and engineering through system commissioning and ~~recurring~~ **24/7 around- the- clock** service and maintenance **primarily to their existing buildings** . The Company remains focused on the scalability of its organic business through partnering directly with building owners. The Company believes that its ODR services offerings provide a distribution channel through which it can continue to deliver an expanded offering of value- added services direct to building owners that further reinforces its value proposition and differentiated capabilities. In addition, by establishing successful, long- term partnerships with building owners, the Company has positioned itself to provide reoccurring maintenance services, which it believes improves revenue predictability and could increase economic resilience. The Company provides its ODR business services through **the following** both a variety of project delivery methodologies and other service offerings: • **Critical System Repairs Integrated Facility Planning** . The Company provides **professional and consultative services to building owners, helping them proactively plan future investments, anticipate opportunities, and align facility needs with long- term business goals. These services include engineer- led facility assessments, identification and support of capital planning needs for new and existing facilities through the analysis of existing facility data, as well as program management support.** • **Replacements & retrofit Retrofit** . The Company provides system and / or facility assessments to determine the best solution for the building owner’s assets. Based on the assessments performed, the Company tailors MEP equipment upgrades for its customers’ system and / or facility. Examples of MEP equipment upgrades and products include providing installed equipment solutions, equipment retrofitting / restoration, off- site equipment skids, temporary equipment fixes and comprehensive system replacements. • **Rental Equipment.** The Company provides turnkey rental equipment solutions to support building owners during planned replacements, emergency repairs, and construction outages. These services go beyond

simply supplying temporary equipment, they include system design, ensuring existing system compatibility, managing all necessary connections, as well as overseeing installation, maintenance, and removal. • Maintenance and Repairs. The Company provides comprehensive inspection, troubleshooting, repair projects that, and services to ensure the safe, efficient, and reliable operation of building systems. Ongoing maintenance and operations are essential typically less than \$0.5 million in contract value, have short durations and limited scopes of work. When design is required for a project building functionality, the safety, and energy efficiency. The Company's skilled technicians specialize in professional engineers on staff often support the contract. Additionally, this service servicing all critical may be provided on a time- and material basis for an immediate repair. • MEP Infrastructure Projects. This work is contracted directly for a building systems, addressing root causes of issues, and owner for which the Company can perform the same project delivery delivering tailored methodologies akin to its GCR offerings. On projects that are predominantly mechanical, plumbing, and /or electrical in scope, the Company may act as the "prime" general contractor. These projects are typically MEP infrastructure projects for existing buildings. These projects are typically greater than \$0.5 million in contract value, and have longer durations and broader scopes of work. • Maintenance maintenance solutions Contracts. Through through "evergreen" contracts, the Company provides maintenance services for HVAC, electrical and /or plumbing systems and equipment. • Building Automation Upgrades. The Company provides design, installation and maintenance for specialized controls systems. • Data Driven Insights. The Company provides the means to manage facility and asset data to empower data driven decisions. The Company's facility analytic predictive maintenance solutions include: (i) • 24 / 7 emergency service and repairs; • on-site asset valuation; • engineer-led assessments; • staff augmentation; • proactive preventative maintenance; • building automation consultation; • hydro-jetting; and • facility team training. • Energy Efficiency Solutions. The Company provides customized solutions to help building owners achieve energy goals management and sustainability through real-time tracking and monitoring, secure funding (ii) asset management, (iii) predictive maintenance and (iv) virtual facility management services. This tool is used for customer facilities to help reduce operating costs, extend the life cycle of equipment, and uncover maintain energy-efficient facilities. By enhancing visibility into facility and asset performance, the Company delivers significant energy savings to reduce the customer's carbon footprint. • Program Management Services. Program Management Services provide the Company's healthcare customers with advisory support and strategic guidance to help match their long-term facility needs. These services include the defining of capital program needs for new and existing facilities. In addition, these services offer assessments of existing facilities for project upgrades to improve the operations of the buildings tied to MEP systems. The Company's ODR business services profile offers tailored approach includes sourcing funding through energy rebates and incentives, energy engineer-led facility assessments and benchmarking, energy-efficient equipment upgrades, and optimizing and maintaining building systems. • Decarbonization Roadmaps. The Company provides customized strategies to help building owners achieve the their potential of reoccurring business opportunities carbon reduction goals in a cost-effective manner. Through consulting and energy engineer-led assessments, it develops tailored solutions and long-term roadmaps focused on reducing carbon emissions while optimizing energy efficiency and system performance.

Due to the Company's on-going ongoing relationships with certain building owners established through certain of its service offerings, the Company believes it is well positioned with those owners when they initiate capital construction projects. As a result, the ongoing relationship with the customer, along with the maintenance, time- and materials, building automation upgrades, critical system repair work, and data driven insights often lead, drive and support the revenue associated with owner direct projects. Additionally, the GCR Segment. The Company provides captive engineering capabilities, estimating and virtual its GCR segment services through the following project delivery methodologies: • Plan & Spec Bidding. Plan & Spec bidding is a competitive bid process among multiple contractors bidding on nearly or fully complete design services documents based on a lump sum price for delivery of the project. The Company also provides professional engineering, energy analysis, estimation, and detail believes price is the predominant selection criteria in this process. • Design / Build or Design / Assist and three-dimensional building installation coordination services, direct to building owners. • Design / Build or Design / Assist The Company maintains professional engineers on staff who are supported by estimators and designers. The Company's engineers are experienced in healthcare, institutional, commercial, hospitality, and industrial projects. During 2023, the Company took steps to advance its is customer experience by moving a process in which a specialty contractor its is selected among competing contractors using best value methodology staff of professional engineers, estimators and designers from one regional location to each of its branch locations. In best value By decentralizing these services, the Company believes that it maintains the ability selection is made primarily upon qualifications and project approach, and secondarily upon select cost factors. Cost factors are usually limited to a fixed fee, expense estimate and an estimate of the cost of work. With Design / Assist, the specialty contractor is typically contracted early in the design process to provide design the same engineering capabilities but expands its opportunities to enhance and build relationships with building owners preconstruction input as needed to assist the customer in maintaining the established budget and completing design and drawings. This delivery option includes lump-sum or guaranteed maximum price on a fixed fee basis. For additional financial information about the Company's operating segments, see Note 12 – Operating Segments in the accompanying notes to the Company's consolidated financial statements. Strategy The Company focuses on creating value for building owners by developing long-term relationships and becoming an indispensable partner to building owners with mission-critical systems. As part The key objectives of its strategy, the Company's strategy are utilizes a three pillar approach to scale its business; 1) to improve profitability and generate quality growth in its operations by increasing shifting to the percentage of revenue from ODR segment; 2) to expand margins through evolved service offerings, and 3) to scale the business through acquisitions. To accomplish its these objectives, the Company currently is executing the following initiatives: ODR Growth. The In focusing on improved profitability and generating quality growth in its operations, the Company has dedicated and continues to dedicate its resources toward the growth of its ODR segment as the scope of

offerings provided within the Company's principal focus over the past few years. The ODR segment typically yields higher margins when compared to its GCR segment. During fiscal year 2023, and a focus that the Company expects to continue in coming years, is the accelerated growth of its ODR - related revenue target, generating a 50 / 50 segment revenue mix. For fiscal year 2024, the Company further expanded its growth within the ODR segment where it generated 66.6 % of its total consolidated revenue, achieving its 2024 ODR segment revenue target of 65 %- 70 %. The Company believes is focused on expanding the number and breadth of owner relationships that it serves on a direct basis and leveraging these expanded owner-direct relationships to deliver a broad suite of services. The Company maintains a disciplined approach, capable of providing a full life-cycle of engineered solutions and craft expertise enabling it to be a one-stop-shop for building owners, maximizing their investment in their mission-critical assets. The Company has and plans to continue to make investments to expand its ODR revenue by increasing the value it can offer to building owners and continues to evaluate areas in which it could expand the breadth of its service offerings to better serve its customers. Employee development underpins the Company's efforts to execute its 2024 strategy. The Company is actively concentrating managerial and sales resources on training and hiring experienced employees to sell and profitably perform ODR-related services. In addition many locations, the Company has added or upgraded its capabilities and the Company believes its investments and efforts have provided customer value and stimulated growth within the segment. The Company continues to expand its owner-direct offerings to include other digital solutions to manage and monitor the performance of building systems, including data analytics, energy consumption and sustainability. These services allow the Company to develop new revenue streams, leveraging its professional services capabilities to support multi-location regional and national customers in core end-markets, and to drive energy retrofit and performance optimization projects for building owners. The Company's ODR revenue increased by 21.3% to \$ 262.3 million for the year ended December 31, 2023 as compared to \$ 216.2 million for the year ended December 31, 2022. The increase in year-over-year ODR segment revenue was primarily due to the Company's continued focus on the accelerated growth of its ODR business. In addition, the Company's ODR segment revenue increased in the aggregate by approximately \$ 31.5 million and \$ 4.7 million due to the ACME Industrial Piping, LLC ("ACME") and Industrial Air, LLC ("Industrial Air") transactions. These entities were not acquired entities of the Company for the full year ending December 31, 2023. ODR gross profit increased to \$ 31.7 million, or 41.6 % for the year ended December 31, 2023 from 25.5 % for the year ended December 31, 2022 due to the combination of an increase in revenue and higher margins driven by contract mix and as a result of the ACME and Industrial Air transactions. ODR gross profit percentage increased to 31.2 % for the year ended December 31, 2024 from 29.0 % for the year ended December 31, 2023, mainly driven by the mix of higher margin ODR segment work and net material gross profit write-ups. Improved GCR Segment Margins. In the GCR segment, the Company's efforts continue to focus on improving project execution and profitability by pursuing opportunities that are smaller in size and shorter in duration than the opportunities historically, and that where it can leverage its captive design and engineering services. The Company believes that it is appropriate in the current contracting environment to reduce risk and exposure to large, complex, non-owner direct projects where the trend has been for such jobs to provide risks that are difficult to mitigate. Currently, management believes the historical industry pricing and associated risks for this type of work does not align with the Company's stakeholders' expectations, and therefore, the Company continues to take steps to actively reduce these risks as it looks at future project selection and as it completes current projects. The Company's GCR revenue decreased by 31.9 % to \$ 173.3 million for the year ended December 31, 2023 as compared to \$ 280.4 million for the year ended December 31, 2022. The decrease in GCR revenue was primarily due to the Company's continued focus on the improving project execution of and profitability by pursuing opportunities that are smaller in size, shorter in duration, and that leverage its mix-captive design and engineering services. In addition, the Company continues to drive a disciplined shift strategy to its ODR. GCR gross profit decreased \$ 6.7 million, or 15.5 %, primarily due to lower revenue despite higher margin ODR business. Gross profit improved to 17.2 % for the year ended December 31, 2023 from 13.7 % for the year ended December 31, 2022 primarily due to the Company becoming more selective when pursuing GCR projects. Maintain a Diverse Customer, Geographic and Project Base. The Company has a distribution of revenue across end-use sectors that it believes reduces its exposure to negative developments in any given sector. Currently, the Company also has significant geographical diversification across regions that are generally located in the eastern portions of the United States, again reducing its exposure to negative developments in any single given region. The Company's core market sectors consist of the following customer base with mission-critical systems:

- Healthcare, including research, acute care and inpatient hospitals for regional and national hospital groups, and pharmaceutical and biotech laboratories and manufacturing facilities;
- Industrial and manufacturing, including automotive, energy and general manufacturing plants;
- Data Centers, including facilities composed of networked computers, storage systems and computing infrastructure that organizations use to assemble, process, store and disseminate large amounts of data;
- Life sciences, including organizations and companies whose work is centered around research and development focused on living things;
- Higher Education, including both public and private colleges, universities and research centers; and
- Cultural and entertainment, including sports arenas, entertainment facilities (including casinos) and amusement rides and parks.

The Company also partners with building owners in across other market sectors (infrastructure, government, hospitality and commercial). It is imperative that the partnerships formed between the Company and its building owners share in similar core values. Investment in its Employees - Its Team Members. Employee development underpins the Company's efforts to execute its strategy. The Company continues to actively concentrate managerial and sales resources on training and hiring experienced team members to sell and profitably perform ODR-related services. In many locations, the Company has added or upgraded its capabilities and the Company believes its investments and efforts have provided customer value and stimulated growth within the segment. The Company seeks to attract and retain quality employees

**team members** by providing them an enhanced career path that offers a stable income, attractive benefits packages and excellent advancement opportunities. The Company invests in its **employees team members** through safety and wellness programs, **robust** internal communication, career development **and** training programs, recognition programs and succession planning initiatives. **Fully Integrated Operations Margin Expansion Through Evolved Offerings**. **A core The Company continues to focus on expanding its margins by evolving and enhancing its current offerings to building owners. This initiative reflects its commitment to driving sustainable growth strategy of the , increasing operational efficiency and delivering greater value to its stakeholders. This evolution is designed to align more closely with current market demands, emerging customer preferences and operational efficiencies, which together contribute to margin expansion.** The Company includes offering design, construction and maintenance services **aims to differentiate itself from its competitors by being a one-stop-shop for the building owners, capable of providing a full complement life-cycle of engineered solutions mechanical, plumbing and electrical services in all its business units craft expertise. By meeting diverse customer needs under one roof, the Company deepens customer loyalty**. The Company believes **that this combined offering is appealing to building owners who own value the convenience and operate facilities with complex building systems reliability of a single point of contact, which fosters long-term partnerships and reoccurring business and may open doors to larger capital projects**. **The In addition, by evolving its offerings, the Company is able also offers services to capture building owners known as MEP Prime, a greater share service where the Company acts as the general contractor on assignments that predominantly include a heavy concentration of mechanical, electrical, plumbing and building controls systems, along with other -- the value chain trades such as concrete and drywall, to offer a complete service package.** Growth through **Through** Acquisitions. The Company believes that it can further increase its cash flow and operating income by acquiring strategically synergistic companies that will increase the Company's geographic footprint, supplement the Company's current business model, address capability gaps and enhance the breadth of its **service offerings to better serve its elients customers**. The Company has dedicated and continues to dedicate its resources to seek opportunities to acquire and integrate businesses that have attractive market positions, supports the Company's ODR growth strategy, expands and / or supplements the Company's current breadth of **service offerings and is culturally compatible**. See Note 3 – Acquisitions in the accompanying notes to the Company's consolidated financial statements for further information on the Company's most recent acquisition activity. The **ACME-Kent Island Transaction**. On **July September 3, 2023-2024** (the "**ACME-Kent Island Effective Date**"), **the Company, Limbach Facility Services LLC ("LFS"), a Delaware limited liability company and a wholly-owned subsidiary of the Company, Kent Island and ACME Industrial Piping, LLC and the owner of Kent Island ( the "Kent Island ACME"), and the owner of ACME (the "ACME Seller") entered into a Purchase Agreement (the "ACME-Kent Island Purchase Agreement") pursuant to which LFS purchased all of the outstanding equity interests in ACME-Kent Island from the ACME-Kent Island Seller (the "ACME-Kent Island Transaction"). The ACME-Kent Island Transaction closed on the ACME-Kent Island Effective Date. As a result of the ACME-Kent Island Transaction, ACME-Kent Island became a wholly-owned indirect subsidiary of the Company. ACME specializes-Kent Island is a leading provider of building systems solutions in performing industrial maintenance the Greater Washington , capital project work DC metro area , including suburban Maryland and emergency services Northern Virginia. Kent Island excels in designing, engineering, installing, servicing, and maintaining mechanical and plumbing systems for complex facilities specialty chemical and manufacturing clients, and is a leading mechanical solutions provider for hydroelectric producers. The acquisition expands the Company's market share within its existing operating footprint, provides further exposure to an attractive customer base and supports the Company's continued ODR growth strategy. The Industrial Air Consolidated Mechanical Transaction. On **November 1 December 2, 2023-2024** (the "**Industrial Air Consolidated Mechanical Effective Date**"), **the Company, LFS and Industrial Air, LLC Consolidated Mechanical, and the owner of Consolidated Mechanical ( the "Consolidated Mechanical Industrial Air"), and the owner of Industrial Air (the "IA-Seller") entered into a Purchase Agreement (the "Industrial Air Consolidated Mechanical Purchase Agreement") pursuant to which LFS purchased all of the outstanding equity interests in Industrial Air Consolidated Mechanical from the IA Consolidated Mechanical Seller (the "Industrial Air Consolidated Mechanical Transaction"). The Industrial Air Consolidated Mechanical Transaction closed on the Industrial Air Consolidated Mechanical Effective Date. As a result of the Industrial Air Consolidated Mechanical Transaction, Industrial Air Consolidated Mechanical became a wholly-owned indirect subsidiary of the Company. Industrial Air Consolidated Mechanical serves the heavy industrial customers throughout the Southeast United States and along the Eastern seaboard, focusing on delivering engineered air handling power and commercial markets. Consolidated Mechanical is a premier provider of mechanical, millwright, steel fabrication, plumbing construction, maintenance, and outage services to owners of complex process systems in the industrial sector. The acquisition extends the Company's reach into the industrial sector , including air condition and air filtration, along with new exposure to the power generation controls systems and maintenance work. In addition, Industrial Air food processing, manufactures manufacturing , a wide range of components for air conditioning and filtration systems metal markets in Kentucky, Illinois and Michigan . See Note 3 – Acquisitions in the accompanying notes to the Company's consolidated financial statements for further information on the ACME Transaction Kent Island and the Industrial Air Transaction. Divestitures Southern California Region. In February 2022, the Company announced its strategic decision to wind down its Southern California GCR and ODR operations. The decision was made to better align the Company's customer geographic focus and to reduce losses related to unprofitable locations. During 2023, the Company executed the closeout phases on its remaining Southern California business unit projects and has fully exited the Southern California region aside from certain operational warranty obligations. However, the Company is party to the terms of a sublease agreement for its leased premises in Southern California through April 2027 and remains obligated under the original lease for such office space in the event the sublessee fails to satisfy its obligations under the sublease agreement. See Note 14— Leases in the accompanying notes to the Company's consolidated Consolidated Mechanical transactions financial statements****

~~for further information on the Southern California Sublease.~~ Customers The Company's customer base primarily consists of building owners and their third-party representatives, general contractors and construction managers. As stated previously, one of the Company's strategic goals relate to the continued focus on the growth of its direct relationships with building owners. The Company believes that its ODR service offerings provide a distribution channel through which it can continue to deliver an expanded offering of value-added services direct to building owners that further reinforces its value proposition and differentiated capabilities. The Company's team members uniquely combine engineering expertise with field installation skills to provide custom solutions that leverage its full life-cycle capabilities, which allows it to address both the operational and capital projects needs of its customers. This also positions the Company to deliver additional products and services in the future. The Company maintains hundreds of building owner relationships through its contracts for program management, maintenance and critical system repairs. For the years ended December 31, 2024, 2023 and 2022, no ODR customer accounted for more than 10 % of the Company's consolidated revenue. The Company believes it has strong relationships with many national commercial general contractors and construction managers. As one of its core risk management processes, the Company is selective in choosing to work with general contractors and construction managers that have similar core values, that have a solid payment history, that have experienced and available project management labor, and ~~who that~~ value the Company's services and reputation. Most of the Company's branches also maintain strong relationships with local and regional general contractors and construction managers that fit its selection criteria. For the ~~year-years~~ ended December 31, 2024 and 2023, no GCR segment customer accounted for more than 10 % of the Company's consolidated revenue. For the year ended December 31, 2022, one GCR segment customer accounted for approximately 11 % of consolidated total revenue. **ODR and GCR and ODR Backlog** The Company refers to its estimated revenue on uncompleted contracts, including the amount of revenue on contracts for which work has not begun, less the revenue it had recognized under such contracts, as "backlog." Backlog includes unexercised contract options. The Company's backlog includes projects that have a written award, a letter of intent, a notice to proceed or an agreed upon work order to perform work on mutually accepted terms and conditions. Additionally, the difference between the Company's backlog and remaining performance obligations is due to the portion of unexercised contract options that are excluded, under certain contract types, from ~~its the Company's~~ remaining performance obligations as these contracts can be canceled for convenience at any time by the Company or the customer without considerable cost incurred by the customer. **In addition to backlog, the Company has a substantial amount of contracts with short lead times that book-and-bill within the same reporting period and are not included in backlog.** Additional information related to the Company's remaining performance obligations is provided in Note 4 — Revenue from Contracts with Customers in the accompanying notes to its consolidated financial statements. See also Item 1A. "Risk Factors — Our contract backlog is subject to unexpected adjustments and cancellations and could be an uncertain indicator of our future earnings." The Company's **ODR backlog was \$ 225.3 million and \$ 147.0 million as of December 31, 2024 and 2023, respectively. These amounts reflect unrecognized revenue expected to be recognized over the remaining terms of the Company's service contracts and projects. Based on historical trends, the Company estimates that 86 % of its ODR backlog as of December 31, 2024 will be recognized as revenue during 2025. The Company believes its ODR backlog increased due to its continued focus on the accelerated growth of its ODR business. The Company's GCR backlog was \$ 140.0 million and \$ 186.9 million and \$ 302.9 million as of December 31, 2024 and 2023 and 2022, respectively. Projects are brought into backlog once the Company has been provided with a written confirmation of award and the contract value has been established. At any point in time, the Company has a substantial volume of projects that are specifically identified and advanced in negotiations and / or documentation, however those projects are not booked as backlog until the Company has received written confirmation from the owner or the general contractor / construction manager of their intention to award the **Company the** contract and they have directed the Company to begin engineering, designing, incurring construction labor costs or procuring needed equipment and material. The Company's GCR projects tend to be built over a 12- to 24- month schedule depending upon scope and complexity. Most major projects have a preconstruction planning phase which may require months of planning before actual construction commences. The Company is occasionally employed to deliver a "fast-track" project, where construction commences as the preconstruction planning work continues. As work on the Company's projects progress, it increases or decreases backlog to take into account its estimate of the effects of changes in estimated quantities, changes in conditions, change orders and other variations from initially anticipated contract revenue, and the percentage of completion of the Company's work on the projects. Based on historical trends, the Company currently estimates that ~~83-72~~ % of its GCR backlog as of December 31, ~~2023-2024~~ will be recognized as revenue during ~~2024-2025~~. Additionally, the reduction in GCR backlog has been intentional as the Company continues to focus on higher margin projects than **it has done** historically, as well as its focus on smaller, higher margin owner direct projects. ~~The Company's ODR backlog was \$ 147.0 million and \$ 108.2 million as of December 31, 2023 and 2022, respectively. These amounts reflect unrecognized revenue expected to be recognized over the remaining terms of the Company's service contracts and projects. Based on historical trends, the Company estimates that 95 % of its ODR backlog as of December 31, 2023 will be recognized as revenue during 2024. The Company believes its ODR backlog increased due to its continued focus on the accelerated growth of its ODR business. In addition, as of December 31, 2023, ODR backlog included approximately \$ 1.2 million and \$ 26.6 million of backlog associated with the operations of ACME and Industrial Air, respectively.~~ **Competition** The mechanical, plumbing, electrical, and maintenance industry is highly competitive and **the fragmented, with a range of participants including small regional businesses, large national companies, and specialized subcontractors. The geographic markets in which the Company competes has numerous companies that provide similar services. The Company competes on various factors factors influencing the, including: cost efficiency, reputation and quality of service, technical expertise and innovation, geographic reach and scale, knowledge of local markets and conditions, financial strength, surety bonding capacity, availability and experience of craft labor, and customer relationships. The Company's competitors range from smaller** competitiveness include price, reputation for quality, ability**

to reduce customer costs, experience and expertise, financial strength, surety bonding capacity, knowledge of local **businesses offering highly specialized services** markets and conditions, availability and experience of craft labor, and customer relationships. Competitors tend to be regional firms that vary in size and depth of resources. There are **large**, however, significant national **multinational corporations with broader service offerings**. While some competitors that may have greater national **financial resources or local market presence**, and breadth of expertise than the Company **believes its comprehensive services portfolio, commitment to safety and quality, and focus on customer satisfaction position it to compete effectively**. Additionally, the mechanical service industry is also subject to evolving trends such as **increased demand for energy-efficient systems, sustainability initiatives, and advancements in automation**. Adapting to these trends remains critical to maintaining a competitive advantage.

**Materials and Equipment** The Company purchases its operations rely on a wide range of materials, including sheet metal, steel and **equipment essential for providing mechanical contracting services** copper piping, electrical conduit, wire and other various materials from numerous sources. The Company also purchases **procures materials and equipment from various a network of suppliers and manufacturers**. The price and availability of materials and equipment may vary from year to year due to market conditions and industry production capacities. Economic disruptions resulting from the coronavirus disease 2019 (“COVID-19”) pandemic, including supply chain, production, and other logistical issues, as well as escalating commodity prices, have and may continue to negatively impact the Company’s business. For example, the Company has experienced lead times significantly in excess of normal levels while also experiencing the effects of inflation through increases in fuel, material, and other commodity prices to varying degrees throughout 2021 and 2022. These disruptions escalated in 2022 and have manifested themselves most notably through project delays and reduced labor productivity and efficiency, particularly within its GCR segment. The elevated levels of cost inflation persisted throughout 2023, although at lower levels than experienced in 2022. These headwinds have been partially mitigated in 2023 by pricing actions taken in response to the inflationary cost environment, supply chain productivity improvements **strategy emphasizes maintaining strong relationships with key vendors to ensure consistent quality and timely delivery**. While we source the majority of materials domestically, some components are sourced internationally, subject to import regulations and tariffs. The **cost savings initiatives and availability of materials and equipment can fluctuate based on market conditions, global supply chain disruptions, and changes in commodity pricing**. The **Company actively monitors these factors** effects of inflation also have resulted in central banks raising short-term interest rates and **employs strategies such** as a result, the Company has experienced an increase in its interest expense in 2023. In response to these challenges, the Company continues to strive to more effectively **managing** its business through enhanced labor planning and project scheduling, increased pricing to the extent contractually permitted, and by leveraging **its** the Company’s relationships with its suppliers and customers. **The** While the impacts of COVID-19 on the Company’s business have moderated **ensures that all materials and equipment meet applicable environmental and regulatory requirements**. Additionally, there **still remains uncertainty around the pandemic, Company is increasingly incorporating sustainable and energy efficient materials into its projects** effect on labor or other macroeconomic factors, its severity and duration, the continued availability and effectiveness of vaccines and actions taken by third parties or by government authorities in response, including restrictions, laws or regulations, or other responses. Also, the ongoing conflict between Russia and Ukraine, and the sanctions imposed in response to this conflict, **meet customer demands and comply with evolving industry standards**. See the conflict in the Middle East have increased global economic and political uncertainty, and may add to these issues as described in “Item 1A. “Risk Factors — Continuing worldwide political **An increase in the cost or the availability of materials and commodities could** economic uncertainties may adversely affect our revenue and profitability.” in this Annual Report on Form 10-K. **In February 2025, the United States government announced a number of tariffs on imports, including imports on steel and aluminum**. Increased costs for imported steel and aluminum products have led domestic sellers to respond with market-based increases to prices for such inputs as well. These tariffs, along with any additional tariffs or trade restrictions that may be implemented by the United States or other countries, could result in further increased costs, shifts in competitive positions and a decreased supply of steel, resins and aluminum as well as additional imported components and materials. **The Company’s ODR segment focus often allows for these increased costs to be passed onto the customer due to the short sales cycle; however, the Company may not be able to pass certain price increases on to its customers and may not be able to secure adequate alternative sources of materials on a timely basis**. While retaliatory tariffs imposed by other countries on the United States have not yet had a significant impact, the Company cannot predict further developments. **At this time, it is difficult to accurately measure the impact these tariffs, or potential future tariffs, will have on the Company**.

**Human Capital** To ensure that the Company is well positioned to provide innovative system solutions and reliable services in a safe, efficient and responsible manner, the Company seeks to employ and retain a team of highly dedicated and accomplished people who genuinely care about the success of the Company. Creating an engaging workplace environment that provides for competitive pay and benefits, attractive career development opportunities, and a collaborative, respectful culture further enables the Company to achieve continued success. **Employees Team members**. As of December 31, 2023-2024, the Company had approximately 1,400 **employees team members**, including approximately 400-500 full-time salaried **employees team members who support its customers directly and indirectly**, comprising **such as** project managers, estimators **account managers, engineers and** superintendents, and **engineers who manage crews in its construction business and office staff**. The Company also had approximately 1,000 **900 technician and** craft employees **team members**, some of whom are represented by various labor unions. The Company believes it has a good relationship with its **employees team members** and has developed several strong partnerships with local unions to have access to an experienced, talented **technician and** craft workforce. Core Values and Core Purpose. From the **technician technicians** in the field to the **management team leadership of its business**, the Company focuses on caring for **its** people. The Company’s core purpose “is to create great opportunities for people.” The Company has implemented internal development programs, which allow it to attract **develop** and retain talent and emphasize

the importance of promoting from within. The Company believes its core values reflect who it is. The Company cares about its people and believes its approach provides a competitive advantage. ~~The Company believes it has strong employee retention rates because of its ability to hire, develop and retain top industry talent.~~ Since 2021, the Company has reduced its salaried attrition rate by ~~32-43~~ % through the effective implementation of ~~its~~ human capital strategies. The Company's culture is driven by its ~~Core-core Values-values~~ : • We CARE: We care about safety and having our ~~employees-team members~~ return home injury-free every day. We care about the environment, which is why we explore the life-cycle and total cost of ownership on every project. We care about our communities, which is why we support social and community-based programs and encourage our ~~employees-team members~~ to make a difference by giving back. • We Act with INTEGRITY: Our business is driven by doing the right thing for our ~~employees-team members~~ and customers. We pride ourselves on delivering on our commitments. • We Are INNOVATIVE: ~~To remain competitive and provide value, we continuously advance~~ **We are a collaborative team with diverse technical expertise that equips us to tackle our systems and capabilities-customers' toughest challenges.** Our engineering design ~~culture supports~~ and **encourages our team members to speak up to express their ideas, innovation center in Orlando provides best-in-class energy and engineering solutions while tracking--- track future trends , and bringing breathe life into new ideas-concepts, all aimed at improving our company and making our customers' lives easier. By creating an environment of continuous learning, we empower our people with the proper training and competencies to market-deliver innovative solutions tailored to address our customers' evolving needs .** • We Are ACCOUNTABLE: We are a company with drive and discipline. We set goals and hold each other responsible for the outcomes. We utilize the Entrepreneurial Operating System (" EOS ") as our way of managing and leading the organization for top performance. The **EOS assists our management team by clarifying, simplifying and achieving our business vision through providing a structured approach to management of operations and ensuring that everyone in the Company is aligned and working towards the same goals. The** Company believes its ~~employees-team members~~ are essential to its continued success and the Company seeks to provide every ~~employee-team member~~ with the foundation and environment needed to achieve the ~~employee team members~~ 's goals. This objective begins with the Company's commitment to ~~diversity and~~ inclusion. We CARE, one of the Company's ~~Core-core Values-values~~ , is the foundation of its efforts to create a ~~diverse,~~ fair and inclusive organization. Building a culture where all of its ~~employees-team members~~ feel a sense of belonging is important to the Company. In addition, the Company screens leadership hires and measures ~~employee team member~~ performance against these ~~Core-core Values values~~ , and regularly measures ~~employee team member~~ engagement against these values through the Company's annual ~~employee team member~~ engagement survey. The Company's " We Care " survey, which has been issued for more than ~~fifteen twenty~~ years, provides leadership with insights, including constructive ideas on how to improve the overall business for those who work for it. **In 2024, the Company was recognized as one of America's " Most Loved Workplaces, " published by Newsweek Magazine and certified by the Best Practice Institute. Additionally, for the second year in a row, the Company was recognized as one of Forbes' " Most Successful Small Companies " (in 2024 and 2025).** Training and ~~Employee-Team Member~~ Development. Investment in continuous learning is essential to providing industry-leading expertise and service to the Company's customers, continuous improvement across its organization, and meaningful career development opportunities for its people. From in-person to online courses, formalized and other specialized training, the Company's ~~employees-team members~~ benefit from opportunities to strengthen their leadership and management competencies, improve communication and interpersonal skills, and advance their technical proficiency. The Company's ~~people-team members~~ have access to resources that include a robust learning management system that provides company-wide access for ~~employees-team members~~ to a number of online learning modules and support tools. As a result of its efforts, the Company was recognized as one of the top training organizations in the world earning a Training APEX Award from Training magazine **for its third consecutive year ( in 2023 and, 2024 and 2025).** Additionally, the Company was recognized **in 2024 and 2025** as a 2024-winner of the Association of Talent Development's BEST award, which honors organizations that demonstrate enterprise-wide success as a result of employee talent development. The Company's ~~employees-team members~~ see the impact of these programs, and in 2023 **and 2024** , its training programs averaged a participant Net Promoter Score of over ~~90-85~~ % . The Company ~~has intends to continue to invest-invested~~ in additional training to support those ~~employees-team members~~ directly working in customer-facing roles across the Company , **such as account management training,** as it aims to grow ~~the-its~~ ODR business. **Diversity and Inclusion Culture of Belonging** . The Company is committed to creating and supporting a ~~diverse,~~ fair and inclusive environment for its ~~employees-team members~~ . We Care culture and industry as a whole . ~~The Company believes that a diverse workforce is important to the long-term success of its business.~~ The Company actively seeks to **foster** increase the diversity of its workforce and ~~an~~ **to environment where every team member's voice is heard and every team member can reach their full potential. The Company practice-practices** its commitment to ~~diversity and inclusion in hiring~~ **through its core values, selection,** development and training, which extends to its senior leadership and Board of Directors. The Company understands that ~~diversity-inclusivity~~ is truly a competitive advantage that helps drive growth and innovation. Embrace Forum. The Company formed the Embrace Forum to continue to evolve its commitment to a culture of **belonging** ~~diversity and inclusion.~~ This forum is composed of ~~employees-team members~~ and leaders across the company who have made it their mission to maximize the potential of the Company's ~~employees-team members~~ by creating great opportunities through a ~~diverse,~~ fair and inclusive environment. The Embrace Forum focuses on **creating a several core areas: culture of belonging , community recruitment, development, promotion and supporting** employee resource groups (" ERGs "). The Company offers **all of** its ~~employees-team members~~ the opportunity to join ERGs. These groups foster professional development, social connectivity, and celebrate ~~diversity-inclusivity~~ throughout the Company. Each year, new ERGs are evaluated for consideration. Currently, there are four active ERGs at the Company: • Women in Construction and Service (" WICS "). The Company is committed to ~~diversifying its workforce,~~ promoting and supporting women within its organization **throughout their career, including** to take on leadership roles, and helping encourage other women to join its industry as a whole. To support this initiative, the Company

created the WICS ERG with a vision to create a culturally agile community that respects and empowers women in its within the company **Company** and industry. • Unidos. Unidos is an ERG that was created to promote, empower and amplify the Hispanic culture within the Company. The mission of this ERG is to create a supportive environment for Hispanic **employees team members and their allies** and provide a more diverse and inclusive environment where everyone feels safe, respected and valued. • Hearts & Hands. Hearts & Hands is an ERG with **a the** core purpose of providing opportunities and encouraging **employees team members** to make a difference by giving back to communities in which the Company has an operating footprint. • Veterans. The Veterans ERG aims to offer resources, foster camaraderie, and promote understanding among Company **employees team members** who have served in the military and those who are committed to supporting them. In addition, to help recruit the next generation of diverse industry leaders, the Company is actively involved with the ACE Mentor Program of America, Inc. (“ACE”). ACE helps mentor high school students and inspires them to pursue careers in design and construction. It is the construction industry’s fastest- growing high school mentoring program, reaching over 8, 000 students annually. Benefits & Wellness. The Company focuses on the most crucial component for its success **;** its **people team members**. The Company appreciates the fact that it owes its **century-old 120 year** existence to **employees team members** who work hard to help the Company prosper. As such, the Company has committed itself to the health, safety and well- being of its **workers team members** and their families. One of the ways the Company shows its commitment is through offering competitive **employee team member** compensation and benefits packages, specifically designed to meet the unique needs of each individual in its organization, which include: • Health and Welfare Plans. All full- time **employees team members** who do not participate in union plans are offered a range of choices among medical, dental and vision plans, life, accident, dependent and disability insurance, and pre- tax health spending accounts that include employer contributions. • Retirement Savings. The Company helps provide its **employees team members** with financial security by offering a 401 (k) Savings Plan, which includes company matching contributions, and an Employee Stock Purchase Plan. • Employee Assistance Programs. Through the **Company’s** Employee Assistance Program, **it the Company** offers its **employees team members**, and their dependents or household members, access to services and counseling on a variety of personal, professional, legal, and financial matters, at no cost. • **Wellness Work / Life Program Programs**. Consists of various activities and financial incentives intended to inspire the Company’s team **members** towards healthy living through personal accountability. Safety Culture. Safety is integral to the Company’s unique culture and **Core core Values values**. The Company cares about its **employees team members** and their families, and it holds each other accountable for working safely. The Company’s safety culture is based on its “Hearts and Minds Commitment to Safety” program, established in 2013 by **its** senior staff and field professionals via its Hearts and Minds Forum. The Company’s Hearts and Minds **program Forum** asks its **employees team members** to take direct responsibility for eliminating and preventing all incidents and injuries at home and in the workplace, which is done by: • Hiring the Right People. **The Company is focused on hiring Hiring** qualified **employees team members** who share in its **Core core Values values**. • Knowing the Details. **Performed through thorough Thorough** planning and having acute awareness of present surroundings, which aids in executing work safely. • Engaging at All Levels. Setting a great example of completing all tasks safely, at work and at home, by everyone from **company leadership the management team** to craft **professional professionals**. • Mentoring and Coaching. Acting as a mentor and coach to show team members how to practice good safety behavior. **In 2020, This this** program helped earn the Company’s Ohio business unit the highest honor for which Occupational Safety and Health Administration (“OSHA”) can name a company; OSHA- Voluntary Protection Programs Star Site. This was the first time a union mechanical contractor has earned such an honor in the United States. The Company strives to achieve this honor at its other business units. Seasonality Severe weather can impact the Company’s operations. In the northern climates where it operates, and to a lesser extent **in** the southern climates as well, severe winters can slow the Company’s productivity on construction projects, which shifts revenue and gross profit recognition to a later period. The Company’s maintenance operations may also be impacted by mild or severe weather. Mild weather tends to reduce demand for the Company’s maintenance services, whereas severe weather may increase the demand for its maintenance and time- and- materials services. Government and Environmental Regulations The Company is subject to various federal, state and local laws and regulations relating to the environment, including those relating to discharges to air, water and land, the handling and disposal of solid and hazardous waste, the handling of underground storage tanks and the cleanup of properties affected by hazardous substances. The Company **is** also **is** subject to compliance with numerous other laws and regulations of federal, state, local agencies, and authorities, including those relating to workplace safety, wage and hour, and other labor issues (including the requirements of the Occupational Safety and Health Act and comparable state laws), immigration controls, vehicle and equipment operations and other aspects of its business. In addition, a relatively limited number of the Company’s construction contracts are entered into with public authorities, and these contracts frequently impose additional requirements, including requirements regarding labor relations and subcontracting with designated classes of disadvantaged businesses. A large portion of the Company’s business uses labor that is provided under collective bargaining agreements. As such, the Company is subject to federal laws and regulations related to unionized labor and collective bargaining (including the National Labor Relations Act). The Company continually monitors its compliance with these laws, regulations and other requirements. While compliance with existing laws, regulations and other requirements has not materially adversely affected the Company’s operations in the past, and **it the Company** is not aware of any proposed requirements that **it the Company** anticipates will have a material impact on its operations, there can be no assurance that these requirements will not change or that compliance will not otherwise adversely affect the Company’s operations in the future. In addition, while the Company typically passes any costs of compliance on to its customers under the applicable project agreement, either directly or as part of its estimate, depending on the type of contract, there can be no assurance that the Company will not incur compliance expenses in the future that materially adversely affect its results of operations. Furthermore, certain environmental laws impose substantial penalties for non- compliance and other laws, such as the federal Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), and comparable

state laws, **which** impose strict, retroactive, joint and several liability upon persons that contribute to the release of a “hazardous substance” into the environment. These persons include the owner or operator of the site where the release occurred and companies that disposed or arranged for the disposal of the hazardous substances found at the site. Climate Change and Sustainability The Company recognizes its environmental and societal responsibilities and is committed to sustainability and to improving its environmental footprint as well as operating its business in a manner that seeks to protect the health and safety of the Company’s **employees-team members** and customers, as well as the public. The Company’s focus on environmental stewardship and improving productivity drives not only its efforts to become more energy efficient but also improvements in the Company’s customers’ impact on **the climate change**. Replacing an aging building’s existing systems with modern, energy-efficient systems significantly reduces a building’s energy consumption and carbon footprint while improving cost, air quality and overall system effectiveness. The Company is subject to the requirements of numerous federal, state and local laws, regulations and rules that promote the protection of the environment. While capital expenditures or operating costs for environmental compliance cannot be predicted with certainty, the Company does not currently anticipate that they will have a material effect on its capital expenditures or competitive position in the short term. Available Information The Company’s internet address is <https://www.limbachinc.com>. The Company makes available, free of charge, on its ~~Internet~~ website **the** copies of the Company’s ~~annual~~ **Annual report-Reports** on Form 10-K, ~~quarterly~~ **Quarterly reports-Reports** on Form 10-Q, ~~current~~ **Current reports-Reports** on Form 8-K, and amendments to those reports as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the United States Securities and Exchange Commission (the “SEC”). The content of the Company’s website is not incorporated by reference into this ~~annual~~ **Annual report-Report** on Form 10-K or in any other report or document it files with the SEC, and any references to the Company’s website is intended to be inactive textual references only. Item 1A. Risk Factors You should carefully consider the following risk factors, together with all of the other information included in this Annual Report on Form 10-K. The risks described below are those which we believe are the material risks that we face. Additional risks not presently known to us or which we currently consider immaterial may also have an adverse effect on us. Any risk described below may have a material adverse impact on our business or financial condition. Some statements in this Annual Report on Form 10-K, including such statements in the following risk factors, constitute forward-looking statements. These forward-looking statements are based on our management’s current expectations, forecasts and assumptions, and involve a number of risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Intense competition in our industry could reduce our market share and profit. **The markets we serve are highly fragmented mechanical, plumbing, electrical, and maintenance competitive. The non-residential contracting industry is characterized by highly competitive and fragmented, with a range of participants including small regional businesses, large national companies, and specialized subcontractors. The geographic markets in which we compete in have numerous companies that provide similar services**, many of which are small and whose activities are often geographically concentrated. We compete on the basis of our technical expertise and experience, financial and operational resources, industry reputation and dependability. While we believe our customers consider a number of these factors in awarding available contracts, price is often the principal factor in determining which contractor is selected, especially on smaller, less complex projects. As such, smaller competitors are sometimes able to win bids for such projects based on price alone due to their lower cost and financial return requirements. We expect competition to remain intense for the foreseeable future, presenting us with significant challenges in our ability to maintain strong growth rates and acceptable profit margins. **In addition, new and emerging technologies and services are expected to significantly impact the industry in coming years. If we are unable to meet these competitive challenges, we could lose market share to our competitors and experience an overall reduction in our profits. In addition, our profitability could be impaired if we have to reduce prices to remain competitive. We also expect face competition from the in-house service organizations of our customers. We face competition from the in-house service organizations of our customers who have employees who perform service and maintenance work similar to the services we provide as part of our ODR offering. Vertical consolidation is also expected to intensify competition in the industry. We can offer no assurance that our existing or prospective customers will continue to outsource specialty contracting services in the future. Our revenues** **In addition, new and results of operations emerging technologies and services are expected to significantly impact the industry in coming years. If we are unable to meet these competitive challenges, we could lose market share to our competitors and experience an overall reduction in our profits. In addition, our profitability would be impaired** **adversely affected if we have to** **our existing or prospective customers reduce our prices** **the specialty contracting services that are outsourced to us remain competitive**. The growth we have experienced in the past, and that we may experience in the future, may provide challenges to our organization, requiring us to expand our personnel and operations. Future growth, whether organic or through acquisitions, may strain our infrastructure, operations and other managerial and operating resources. We have also experienced severe constriction in the markets in which we operated in the past and, as a result, in our operating requirements. Failing to maintain the appropriate cost structure for a particular economic cycle may result in us incurring costs that affect our profitability. If our business resources become strained or overly-burdensome, our earnings may be adversely affected and we may be unable to increase revenue growth. Further, we may undertake contractual commitments that exceed our labor resources, which could also adversely affect our earnings and ability to increase revenue growth. **As** **Due to the size and nature of our regional construction contracts, one or our ODR business continues to expand, our ability to provide building systems solutions at a few-very high level is very important to the continued success of our business. Additionally, quality issues could harm customer confidence in our company and our brands. If our building systems solutions offerings do not meet applicable safety standards or our customers have in the past’ expectations regarding quality, safety** and may in the future, represent a substantial portion of

our **or performance** consolidated revenue and gross profits in any one year or over a period of several consecutive years. For example, **we** for the year ended December 31, 2022, one GCR segment customer accounted for approximately 11 % of consolidated total revenue. Similarly, our backlog frequently reflects multiple contracts for a limited number of customers; therefore, one customer may comprise a significant percentage of backlog at a certain point in time. The loss of business from any one of such customers could **experience lost** have a material adverse effect on our business or results of operations; however, our customer base continues to shift to a more ODR-centric direction, which typically yield projects that are of less risk and smaller in nature. Also, a default or delay in payment on a significant scale- **sales** by a customer may have a material adverse effect on our **and increased costs and we could be exposed to legal,** financial position, results of operations and cash flows **reputational risks. In addition, when our building systems solutions fail to perform as expected, we could be exposed to warranty, product liability, personal injury and other claims**. We cannot guarantee that the revenue projected in our contract backlog will be realized or, if realized, will be profitable. Projects reflected in the contract backlog may be affected by project cancellations, scope adjustments, time extensions or other changes. Such changes may materially and adversely affect the revenue and profit we ultimately realize on these projects. Our contract prices are established largely upon estimates and assumptions of our projected costs, including assumptions about future economic conditions; prices, including commodities prices; availability of labor; the costs of providing labor, equipment, and materials; and other factors outside of our control. If our estimates or assumptions prove to be inaccurate, due to changing circumstances or our failure to successfully execute the work, cost overruns may occur and we could experience reduced profits or a loss for affected projects. For instance, unanticipated technical problems may arise; we could have difficulty obtaining permits or approvals; local laws, labor costs or labor conditions could change; bad weather could delay construction; prices of raw materials could increase; suppliers or subcontractors may fail to perform as expected; or site conditions may be different than originally anticipated. We are also exposed to increases in energy prices. Additionally, in certain circumstances, we guarantee project completion or the achievement of certain acceptance and performance testing levels by a scheduled date. Failure to meet schedule or performance requirements typically results in additional costs to us, and in some cases may also create liability for consequential and liquidated damages. Performance problems for existing and future projects could also cause our actual results of operations to differ materially from those anticipated and could damage our reputation within the industry and our customer base. In addition, the costs incurred and gross profit realized on our contracts can vary, sometimes substantially, from our original projections due to a variety of factors, including, but not limited to: • on- site conditions that differ from those described in the original bid or contract; • failure to include required materials, equipment, or work in a bid, or the failure to properly estimate the quantities or costs needed to complete a lump sum or guaranteed maximum price contract; • contract or project modifications creating unanticipated costs not covered by change orders; • failure by the customer, owner or general contractor to properly approve and authorize change orders for work that is required and as a result, the inability to bill and collect for the value of the work performed; • failure by suppliers, vendors, subcontractors, designers, engineers, consultants, joint venture partners or customers to perform their obligations; • delays in quickly identifying and taking measures to address issues which arise during contract execution; • changes in availability, proximity and costs of materials and equipment, including pipe, sheet metal, other construction materials and mechanical, electrical and plumbing equipment; • claims or demands from third parties for alleged damages arising from the design, construction or use and operation of a project of which our work is part; • difficulties in obtaining required governmental permits or approvals; • availability and skill level of workers in the geographic location of a project; • citations issued by any governmental authority, including OSHA; • unexpected labor conditions, shortages, **strikes** or work stoppages **in general** causing delays in completion, or acceleration of the contracted work to maintain milestone completion dates, which could cause losses due to not meeting estimated production targets; • installation productivity rates different than the rate that was estimated; • changes in applicable tariffs, laws and regulations; • delays caused by weather conditions; • fraud, theft or other improper activities by suppliers, vendors, subcontractors, designers, engineers, consultants, joint venture partners, customers or our own personnel; and • mechanical or performance problems with equipment. Many of our customer contracts contain provisions that purport to shift some or all of the above risks from the customer to us, even in cases where the customer is partly at fault. We are not always able to shift this risk to subcontractors. Our experience has been that customers are willing to negotiate equitable adjustments in the contract compensation or completion time provisions if unexpected circumstances arise. However, customers may seek to impose contractual risk- shifting provisions more aggressively, which could increase risks and adversely affect our financial position, results of operations and cash flows. **Our business depends on our ability to win new agreements and renew existing agreements with customers. Agreement proposals and negotiations can be complex and frequently involve a lengthy sales and selection process, which is affected by a number of factors. These factors include market conditions, the timing of renewals, the pricing of these arrangements and other matters that are outside of our control. If negative market conditions arise, or we encounter other difficulties in obtaining new or repeat work, we may not be able to pursue certain projects or work, which could have a material adverse effect on our business, financial condition and results of operations**. The timing of project awards is unpredictable and outside of our control. Project awards often involve complex and lengthy negotiations and competitive bidding processes. These processes can be impacted by a wide variety of factors, including a customer's decision to not proceed with the development of a project, governmental approvals, financing contingencies, commodity prices, environmental conditions, and overall market and economic conditions. We may not win contracts that we have bid upon for any number of reasons, including price, a customer's perception of our ability to perform, a competitor's relationships and / or perceived technology advantages held by others. Many of our competitors may be more inclined to take greater or unusual risks or accept terms and conditions in a contract that we might not deem acceptable. **Because-Despite** a significant portion of our **project** revenue **is-being** generated from large projects **smaller, more risk averse contracts**, our results of operations **can-may** fluctuate quarterly and annually depending on whether, and when, large project awards occur, as well as the commencement and

progress of work under large contracts already awarded. As a result, we are subject to the risk of losing new awards to competitors or the risk that revenue may not be derived from awarded projects as quickly as anticipated. The uncertainty of the timing of project awards may also present difficulties in matching the size of our work crews with project needs. In some cases, we may maintain and bear the cost of more ready work crews than are currently required in anticipation of future needs for existing contracts or expected future contracts. If a project is delayed or an expected project award is not received, we would incur costs that could have a material adverse effect on our anticipated profit. In addition, the timing of the revenue, earnings and cash flows from our contracts in backlog could be delayed by a number of factors, including adverse weather conditions; other subcontractors delaying the progression of proceeding work; delays in receiving material and equipment from suppliers and services from subcontractors; and changes in the scope of work to be performed. Such delays, if they occur, could have material and adverse effects on our operating results for current and future periods until the affected contracts are completed. After the award of a contract, we may perform additional work that was not contemplated in our original contract price, at the request or direction of the customer, without the benefit of an approved change order. Our contracts generally afford the customer the right to order such changed or additional work, and typically require the customer to compensate us for the additional work. If we are unable to successfully negotiate a change order, or fail to obtain adequate compensation for these matters, we could be required to record in the current period an adjustment to revenue and profit recognized in prior periods. Such adjustments, if substantial, could have a material adverse effect on our financial position, results of operations and cash flows. In certain circumstances, we assert or have asserted claims against project contractors, owners, engineers, consultants, subcontractors or others involved in a project for additional costs exceeding the contract price or for amounts not included in the original contract price. These types of claims occur due to matters such as delays, inefficiencies or errors caused by others or changes from the initial project scope, all of which may result in additional costs. Often, these claims can be the subject of lengthy negotiations, arbitration or even litigation proceedings, and it is difficult to accurately predict when and on what terms these claims will be ultimately resolved. The potential impact of recoveries for claims may be material in future periods when they, or a portion of them, become probable and estimable or are settled and therefore these claims have the ability to negatively impact our results of operations and financial condition. For example, we could have estimated and reported a profit on a contract over several periods and later determined, that all or a portion of such previously estimated and reported profits were overstated due to the results of the settlement of a claim. If this occurs, the full aggregate amount of the overstatement would be reported for the period in which such determination is made, thereby offsetting all or a portion of any profits from other contracts that would be reported in such period, or even resulting in a loss being reported for such period. On a historical basis and in accordance with generally accepted accounting principles in the United States of America, we have used a detailed process in estimating and accounting for these claims and we believe that we have typically made reliable estimates of such claims. However, given the uncertainties associated with these types of claims, it is possible for actual recoveries to materially and adversely vary from estimates previously made, which may result in reductions or reversals of previously recorded revenue and profits. We could also recognize additional revenue and profits when the final settlements exceed our recorded estimates. In addition, when these types of claims are made, we may use or have used working capital to cover cost overruns pending the resolution of the relevant claims and may incur additional costs when pursuing such potential recoveries. A failure to recover on these types of claims promptly and fully could have a negative impact on our financial position, results of operations, cash flows and liquidity. Moreover, our use of working capital to cover cost overruns related to pending claims may impact our ability to meet our credit agreement covenants or limit the use of our credit agreements. If we default under our credit agreements, it could result in, among other things, us no longer being entitled to borrow under one or more of the credit agreements, acceleration of the maturity of outstanding indebtedness under the agreements, foreclosure on collateral securing the obligations under the agreements or require us to enter into amendments and / or waivers to those credit agreements that may place additional requirements on us and that cost us additional amounts payable to our lenders. We operate from various locations across the eastern United States, supported by corporate executives and services, with local business unit management retaining responsibility for day- to- day operations and adherence to applicable laws. We believe that our practice of placing significant decision making powers with local management is important to our successful growth and allows us to be responsive to opportunities and to our customers' needs. However, this practice can make it difficult to coordinate procedures across our operations and presents certain risks, including the risk that we may be slower or less effective in our attempts to identify or react to problems affecting an important business issue than we would under a more centralized structure, or that we would be slower to identify a misalignment between a subsidiary' s and our overall business strategy. If a subsidiary location fails to follow our compliance policies, we could be made party to a contract, arrangement or situation with exposure to large liabilities or that has less advantageous terms than is typically found across the markets in which we operate. Likewise, inconsistent implementation of corporate strategy and policies at the local level could materially and adversely affect our financial position, results of operations, cash flows and prospects. The operating results of an individual location may differ from those of another location for a variety of reasons, including market size, local customer base, regional construction practices, competitive landscape, regulatory requirements, state and local laws and local economic conditions. As a result, certain of our locations may experience higher or lower levels of profitability and growth than **our** other locations. We **have been pursued and** may pursue **in the future** selective acquisitions to expand, complement, or diversify our business as growing by acquisition is part of our stated growth strategy. We cannot provide assurances that we will be able to identify suitable acquisition targets or that we will be able to consummate acquisitions on terms and conditions acceptable to us, or that the acquired businesses will be profitable. Acquisitions may expose us to additional business risks different than those we have traditionally experienced. We also may encounter difficulties or failure to integrate acquired businesses and successfully managing the growth we expect to experience from these acquisitions. We may choose to finance future acquisitions with debt, equity, cash or a combination of the three. Future acquisitions could dilute earnings. To the extent we succeed in making acquisitions, a number of risks may result,

including: • the transaction may not effectively advance our business strategy, and its anticipated benefits may never materialize; • the assumption of material liabilities or inability to realize the cost savings or other financial benefits anticipated prior to acquisition (including environmental- related costs and multiemployer pension plans) through failure of due diligence to uncover situations that could result in legal exposure or to quantify the true liability exposure from known risks; • the assumption of multiemployer pension plans (“ MEPP ”) liability in the event of an acquisition with existing unions, and an increased exposure to challenges to the structure of our union and non- union subsidiaries and operations if an open shop business is acquired; and • any additional indebtedness incurred in connection with an acquisition may impact our financial position, results of operations, and cash flows. Furthermore, the costs associated with a failed acquisition or attempted acquisition transaction could have an adverse effect on our financial position, results of operations and cash flows. Our failure to successfully integrate acquisitions could adversely affect our financial results. The success of our stated growth strategy depends on our ability to realize the anticipated benefits from the acquired businesses, such as the expansion of our existing operations and elimination of redundant costs. To realize these benefits, we must successfully integrate the operations of the acquired businesses with our existing operations. Integrating acquired businesses involves a number of operational challenges and risks, including: • diversion of management’ s attention from our existing business; • **inability to successfully convert acquisitions to our operational business strategy**; • difficulties in the retention of management and other key employees, the assimilation of different cultures and practices, broad and geographically dispersed personnel and operations, and the retention of **clients customers** or key employees of an acquired business could negatively impact our business and the acquired business; • unanticipated issues in integrating an acquired business’ s accounting, information technology, human resources, and other administrative systems may fail to permit effective management and expense reduction; and • the risk of additional financial and accounting challenges and complexities in areas such as tax planning, treasury management, financial reporting and internal controls. These factors could result in increased costs, decreases in the amount of expected revenues and diversion of management’ s time and energy, which could adversely affect our results of operations and financial position. Additionally, any impairment of goodwill or other intangible assets as a result of our failure to successfully integrate acquisitions could adversely affect our results of operations and financial position. Design / Build projects provide the customer with a single point of responsibility for both design and construction. When we are awarded these projects, we typically perform the design and engineering work in- house. On other projects, we are not the designer, but provide assistance directly to the project design team. In the event that a design error or omission by us causes damage, there is risk that we, our subcontractors or the respective professional liability or errors and omissions insurance would not be able to absorb the liability. Any liability resulting from an asserted design defect with respect to our projects may have a material adverse effect on our financial position, results of operations and cash flows. Due to the nature of our contracts, we sometimes commit resources to projects prior to receiving payments from the **customer- customers** in amounts sufficient to cover expenditures on projects as they are incurred. Delays in customer payments may require us to make a working capital investment. If a customer defaults in making their payments on a project to which we have devoted resources, it could have a material negative effect on our financial position, results of operations and cash flows. Our work is conducted at offices the Company leases, as well as a variety of sites including construction sites and industrial facilities. Each location is subject to numerous health and safety risks, including electrocutions, fires, explosions, mechanical failures, exposure to hazardous materials, weather- related incidents, motor vehicle and transportation accidents and damage to equipment. In addition, we lease a sizeable fleet of vehicles operated by our employees, and many of our employees operate their personal vehicles in the course and scope of their employment, traveling to and from the sites and our facilities. These hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment and other consequential damages, and could lead to suspension of operations, large damage claims and, in extreme cases, criminal liability. While we have taken what we believe are appropriate precautions to minimize health and safety risks, we have experienced serious incidents in the past and may experience additional incidents in the future. Serious accidents may subject us to penalties, civil litigation or criminal prosecution. Claims for damages to persons, including claims for bodily injury or loss of life, could result in significant costs and liabilities, which could adversely affect our financial position, results of operations and cash flows. In addition, like other companies in our industry, we track our injury history in the form of an Experience Modification Rate (“ EMR ”). In the event that the EMR associated with certain of our operating units exceeds the minimum threshold set by customers, we may be unable to pursue certain projects. Poor safety performance could also jeopardize our relationships with our customers and harm our reputation. Our inability to properly utilize our workforce could have a negative impact on our profitability. The extent to which we utilize our workforce affects our profitability. Underutilizing our workforce could result in lower gross margins and, consequently, a decrease in our short- term profitability. On the other hand, overutilization of our workforce could negatively impact safety, employee satisfaction, attrition, and project execution, leading to a potential decline in future project awards. The utilization of our workforce is impacted by numerous factors, including: • our estimates of headcount requirements and our ability to manage attrition; • efficiency in scheduling projects and our ability to minimize downtime between project assignments; • productivity; • labor disputes; and • availability of skilled labor at any given time. We have separate subsidiary employers that have union and non- union operations. There is a risk that our corporate structure and operations in this regard could be challenged by one or more of the unions to which the employees belong. An adverse claim or judgment resulting from such a challenge could have a material adverse effect on our financial position, results of operations and cash flows. We are a party to collective bargaining agreements covering a majority of our craft workforce. Although strikes, work stoppages and other labor disputes have not had a significant impact on our operations or results **of operations** in the recent past, any such labor actions, or our inability to renew the collective bargaining agreements, could materially and adversely impact our financial position, results of operations and cash flows if they occur in the future. Our business may be negatively affected by our failure to properly execute our business strategy. In order to maintain and grow our business, we must make strategic decisions about our current and future business plans and effectively execute

upon those plans. Our principal focus over the past few years, and a focus that we plan to continue in coming years, is the accelerated growth of our ODR segment, which includes maintenance services, small projects, building controls installation and service, building environment management and performance services, and other project opportunities performed direct for building owners. We are focused on expanding the number and breadth of owner relationships that we serve on a direct basis and to leverage these expanded owner- direct relationships to deliver a broad suite of services. We have made substantial investments to expand our ODR segment by increasing the value we can offer to service and maintenance customers. We continue to actively concentrate managerial and sales resources on training and hiring experienced employees to sell and profitably perform ODR work. With our ODR- centric focus, we' ve lessened, and continue to lessen, our resources allocated to our GCR segment and continue to limit the GCR- related work we pursue. Although we believe our ODR- centric focus addresses the needs of our business and its long- term objectives, our strategy is based on certain assumptions and forecasts, which are subject to risks and uncertainties, including whether we have accurately identified the issues, targeted the appropriate market customers, and executed our strategic efforts at the appropriate scale and scope, as well as continuing to do so. Consequently, the continued business transition to an ODR- centric focus may not be successful in yielding the intended results. Our business and financial results may be adversely impacted if we do not successfully execute our business strategy. Our success depends upon the continuing contributions of certain key personnel, each of whom would be difficult to replace. If we lose the benefit of the experience, efforts and abilities of one or more of these individuals, our operating results could suffer. Our continuing success depends on the performance of our management team. We rely on the experience, efforts and abilities of these individuals, each of whom would be difficult to replace. We cannot guarantee the continued employment of any of our key executives who may choose to leave the company for any number of reasons, such as other business opportunities, differing views on strategic direction, etc. If we lose members of our management team, our business, financial position, results of operations, cash flows, and customer base, as well as the market price of our common stock, could be adversely affected. If we are unable to attract and retain qualified managers, employees, joint venture partners, subcontractors and suppliers, we will be unable to operate efficiently, which could reduce our profitability. Our business is labor intensive, and many of our operations experience a high rate of ~~employment-~~ **employee** turnover. It is often difficult to find qualified personnel in certain geographic areas where we operate. Additionally, our business is managed by a small number of key executive and operational officers. Generally, the industry is facing a shortage of trained, skilled, and qualified management, operational, and field personnel. We may be unable to hire and retain the skilled labor force necessary to operate efficiently and to support our growth strategy or to execute our work in backlog. Changes in general or local economic conditions and the resulting impact on the labor market and on our joint venture partners, subcontractors and suppliers, may make it difficult to attract or retain qualified individuals in the geographic areas where we perform our work. Our labor expenses may increase as a result of a shortage in the supply of skilled and other personnel. Labor shortages, increased labor costs or the loss of key personnel could reduce our profitability and negatively impact our business. Further, our relationship with some customers could suffer if we are unable to retain the employees with whom those customers primarily work and have established relationships. Misconduct, fraud, non- compliance with applicable laws and regulations, or other improper activities by one or more of our employees, subcontractors, suppliers or partners could have a significant negative impact on our business and reputation. Examples of such misconduct include employee or subcontractor theft, the failure to comply with safety standards, state- specific laws related to automobile operations (including mobile phone usage), customer requirements, environmental laws, DBE regulatory compliance, and any other applicable laws or regulations. While we take precautions to prevent and detect these activities, such precautions may not be effective and are subject to inherent limitations, including human error and fraud. Our failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, harm our reputation, damage relationships with customers, reduce our revenue and profits, and subject us to criminal and civil enforcement actions. Our services often involve professional judgments regarding the planning, design, development, construction, or operations and management of complex facilities. Although we have adopted a range of insurance, risk management, and risk avoidance programs designed to reduce potential liabilities, a catastrophic event at one of our project sites or a completed project, resulting from the services we have performed, could result in significant professional or product liability and warranty or other claims against us, as well as reputational harm. These liabilities could exceed our insurance limits or impact our ability to obtain insurance in the future. Further, even where insurance coverage applies, such policies have limits and deductibles or retentions, which could result in our assumption of exposure for certain amounts with respect to any claim filed against us. In addition, customers or subcontractors who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to uphold their obligations to us. An uninsured claim, either in part or in whole, as well as any claim covered by insurance but subject to a policy limit, high deductible and / or retention, could have a material adverse effect on our business, financial condition, and results of operations. Our dependence on subcontractors and suppliers of equipment and materials could increase our costs and impair our ability to complete contracts on a timely basis or at all, which would adversely affect our profits and cash flow. We rely heavily on third- party subcontractors to perform some, and often a majority, of the work on many of our contracts. We also rely almost exclusively on third- party suppliers to provide the equipment and materials (including pipe, sheet metal and control systems) for our contracts. If we are unable to retain qualified subcontractors or suppliers, or if our subcontractors or suppliers do not perform as anticipated for any reason, our execution and profitability could be harmed. By contract, we remain liable to our customers for the performance or failures of our subcontractors and suppliers. We generally do not bid on projects unless we have commitments from suppliers for the materials and equipment and from subcontractors for the services required to complete the projects at prices that have been included in the bid. Thus, to the extent that we cannot obtain commitments from our suppliers for materials and equipment, and from subcontractors for services needed, or to the extent such commitments are on terms that are adverse to the Company, our ability to bid for contracts may be impaired or we may experience reduced profit or a loss on a contract. In addition, if a supplier or subcontractor is unable to deliver materials, equipment or services according to

the negotiated terms of a supply / services agreement for any reason, including the deterioration of our financial condition, we may suffer delays and be required to purchase the materials, equipment and services from another source at a higher price or incur other unanticipated costs. This may reduce the profit to be realized, or result in a loss, on a contract. **Recent labor shortages may also lead to higher wages for employees and higher costs to purchase the services of third- party subcontractors. Increases in labor costs, such as increases in minimum wage requirements, wage inflation and / or increased overtime, reduce our profitability and that of our customers. Increases in such labor costs for a prolonged period of time could have a material adverse effect on the company' s financial condition and results of operations** We are exposed to market risks that may cause increases in the cost, or the availability of, materials, equipment and commodities utilized in our operations. We have experienced, and may continue to experience, delays and cost volatility of these items due to supply chain disruptions, inflationary pressures, tariffs, regulatory slowdowns and market disruptions. In addition, our customers' budgets may be impacted by cost increases and reduced customer spending could lead to fewer project awards and more competition. These costs may be impacted by government regulations, import duties and tariffs, changes in currency exchange rates, general economic conditions and other circumstances beyond our control. We are also exposed to increases in energy prices, particularly as they relate to fuel prices for our fleet vehicles. Although we may attempt to pass on certain of these increased costs to our customers, we may not be able to pass all of these cost increases on to our customers. As a result, our margins may be adversely impacted by such cost increases. Energy prices fluctuate based on events outside of our control. We could be adversely affected by limitations on fuel supplies or increases in energy prices that result in higher transportation and equipment operation costs. Although we may be able to pass through the impact of energy price charges to some of our customers, we may not be able to pass all of these cost increases on to our customers. As a result, our margins may be adversely impacted by such cost increases. We may be unable to identify and contract with qualified DBE contractors to perform as subcontractors. Certain of our projects include contract clauses requiring DBE participation. The participation clauses may be in the form of a goal or in the form of a minimum amount of work that must be subcontracted to a DBE firm. If we fail to complete these projects with the minimum DBE participation, we may be held responsible for breach of contract, which may include restrictions on our ability to bid on future projects, as well as monetary damages. To the extent we are responsible for monetary damages, the total costs of the project could exceed the original estimates, we could experience reduced profits or a loss for that project, and there could be a material adverse impact to our financial position, results of operations, cash flows and liquidity. Further, if we contract with a DBE contractor that is not properly qualified to perform a commercially useful function, we could be held responsible for violation of federal, state or local laws related to DBE contracting. As part of our business, we are a party to special purpose, project specific joint venture arrangements, pursuant to which we typically jointly bid on and execute particular projects with other companies in the construction industry. Success on these joint projects depends upon the various risks discussed elsewhere in this section and on whether our joint venture partners satisfy their contractual obligations. We and our joint venture partners are generally jointly and severally liable for all liabilities and obligations of the joint ventures. If a joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions or other obligations, including liabilities stemming from lawsuits, we could be required to make additional investments, provide additional services or pay more than our proportionate share of a liability to make up for our partner' s shortfall. Furthermore, if we are unable to adequately address our partner' s performance issues, the customer may terminate the project, which could result in legal liability to us, harm to our reputation and reduction to our profit on a project. We may be the controlling member of a joint venture; however, to the extent we are not controlling, we may have limited control over certain of the decisions made by the controlling member with respect to the work being performed by the joint venture. The other member (s) may not be subject to the same compliance and regulatory requirements. While we have processes and controls intended to mitigate risks associated with our joint ventures, to the extent the controlling member makes decisions that negatively impact the joint venture it could have a material adverse effect on our financial position, results of operations, cash flow and profits. Certain of our projects require construction surety bonds (bid, payment, and performance bonds). Historically, surety market conditions have experienced times of difficulty as a result of significant losses incurred by surety companies stemming from macroeconomic trends outside of our control. Consequently, during times when less overall bonding capacity is available in the market, surety terms have become more expensive and more restrictive. We cannot guarantee our ability to maintain a sufficient level of bonding capacity in the future, which could preclude our ability to bid for certain contracts or successfully contract with some customers. Additionally, even if we continue to be able to access bonding capacity to sufficiently bond future work, we may be required to post collateral to secure bonds, which would decrease the liquidity we would have available for other purposes. Our surety providers are under no commitment to guarantee our access to new bonds in the future; thus, our ability to access or increase bonding capacity is at the sole discretion of our surety providers. If our surety companies were to limit or eliminate our access to bonds, the alternatives would include seeking bonding capacity from other surety companies, increasing business with **clients customers** that do not require bonds and posting other forms of collateral for project performance, such as letters of credit or cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all. As such, if we were to experience an interruption or reduction in the availability of bonding capacity, it is likely we would be unable to compete for or work on certain projects. Although we maintain insurance policies with respect to certain of our related exposures, certain of these policies are subject to high deductibles; as such, we are, in effect, self- insured for substantially all of our typical claims. Our estimates of liabilities for unpaid claims and associated expenses and the appropriateness of the estimated liability are reviewed and updated quarterly. However, insurance liabilities are difficult to assess and estimate due to the many relevant factors, the effects of which are often unknown, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents that have occurred but are not reported, and the effectiveness of our health, safety and quality programs. Our accruals are based on known facts, historical trends (both internal trends and industry averages) and our reasonable estimate of our future expenses. We believe our accruals are adequate. However, our risk management

strategies and techniques may not be fully effective in mitigating the risk exposure in all market environments or against all types of risk. If any of the variety of instruments, processes or strategies we use to manage our exposure to various types of risk are not effective, we may incur losses that are not covered by our insurance policies (including potential punitive damages awards) or that exceed our accruals or coverage limits. Additionally, in recent years, insurance markets have become more expensive and restrictive. Also, our prior casualty loss history might adversely affect our ability to procure insurance within commercially reasonable ranges. As such, we may not be able to maintain commercially reasonable levels of insurance coverage in the future, which could preclude our ability to work on many projects. Our insurance providers are under no commitment to renew our existing insurance policies in the future; therefore, our ability to obtain necessary levels or kinds of insurance coverage are subject to market forces outside our control. If we are unable to obtain necessary levels of insurance, we likely would be unable to compete for or work on most projects. A material portion of our revenue is recognized using the cost- to- cost method of accounting, which results in recognizing contract revenue and earnings ratably over the contract term in the proportion that our actual costs bear to our estimated contract costs. The earnings or losses recognized on individual contracts are based on estimates of contract revenue, costs and profitability. We review our estimates of contract revenue, costs and profitability on an ongoing basis. Prior to contract completion, we may adjust our estimates on one or more occasions as a result of change orders to the original contract, collection disputes with the customer on amounts invoiced, or claims against the customer for increased costs incurred due to customer- induced delays and other factors. Contract losses are recognized in the fiscal period in which the loss is determined. Contract profit estimates are also adjusted in the fiscal period in which it is determined that an adjustment is required. As a result of the requirements of the cost- to- cost method of accounting, the possibility exists, for example, that we could have estimated and reported a profit on a contract over several periods and later determined, usually near contract completion, that all or a portion of such previously estimated and reported profits were overstated. If this occurs, the full aggregate amount of the overstatement will be reported for the period in which such determination is made, thereby offsetting all or a portion of any profits from other contracts that would be reported in such period, or even resulting in a loss being reported for such period. On a historical basis, in most business units, we believe that we have typically made reasonably reliable estimates of the progress towards completion on our long- term contracts. However, given the uncertainties associated with these types of contracts, it is possible for actual costs to materially and adversely vary from estimates previously made, which may result in reductions or reversals of previously recorded revenue and profits. We carry a significant amount of goodwill and identifiable intangible assets on our consolidated balance sheets. Goodwill is the excess of purchase price over the estimated fair value of the net assets of acquired businesses. We assess goodwill for impairment each year, and more frequently if circumstances suggest an impairment may have occurred. We may determine in the future that a significant impairment has occurred in the value of our unamortized intangible assets or fixed assets, which could require us to write off a portion of our assets and could adversely affect our financial condition or reported results of operations. We often warrant the services provided, typically as a function of contract, guaranteeing the work performed against defects in workmanship and the material we supply. If warranty claims occur, we could be required to repair or replace warranted work in place at our cost. In addition, our customers may elect to repair or replace the warranted item by using the services of another provider and require us to pay for the cost of the repair or replacement. Costs incurred as a result of warranty claims could adversely affect our financial position, results of operations and cash flows. The U. S. federal government has in recent years imposed new or increased tariffs or duties on an array of imported materials and goods that are used in connection with our operations **and the current presidential administration has already proposed or suggested that it will propose additional tariffs going- forward**. Foreign governments and trading blocs have responded by imposing or increasing tariffs, duties and / or trade restrictions on U. S. goods, and may, from time to time, consider other measures, **including additional retaliatory responses in the form of additional tariffs. The current presidential administration may continue to alter the U. S.' s approach to international trade, which may impact existing bilateral or multi- lateral trade agreements and treaties with foreign countries. The current presidential administration has indicated that they are likely to impose further significant tariffs on imported materials and goods that may be used in connection with our operations. The imposition of such tariffs may strain international trade relations and increase the risk that foreign governments implement retaliatory tariffs on goods imported from the United States. These political and economic changes could have a material effect on global economic conditions and the stability of financial markets and could significantly reduce global trade. It is unclear what future actions the U. S. government or foreign governments will or will not take with respect to tariffs or other international trade agreements and policies. Current trade negotiations may fail, which may exacerbate these risks. In addition to potential increases on tariffs, wars or conflicts could affect our ability to obtain raw materials and products. Ongoing and future conflicts and other geopolitical events may result in sanctions or other export controls imposed by the U. S. or United Nations**. These trade conflicts and related escalating governmental actions that result in additional tariffs, duties and / or trade restrictions could increase our operating costs, cause disruptions or shortages in our supply chains and / or negatively impact the U. S., regional or local economies in which we operate, and, individually or in the aggregate, materially and adversely affect our business and our consolidated financial statements. Economic factors, including inflation and fluctuations in interest rates, recession and fears of recession could have a negative impact on our business. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. To the extent that Congress is unable to lower United States debt substantially or effectively increase the debt limit, a decrease in federal spending could result, which could negatively impact the ability of government agencies to fund existing or new infrastructure projects. Further, to the extent that Congress invests additional amounts in infrastructure during periods of labor shortages or supply chain disruptions, it may increase our costs or cause us not to find suitable labor, supplies, machinery or raw materials. In addition, all of such actions could have a material adverse effect on the financial markets and economic conditions in the United States and throughout the world, which may limit our ability and the

ability of our customers to obtain financing and / or could impair our ability to execute our acquisition strategy. These and related economic factors could have a material adverse effect on our financial position, results of operations, cash flows and liquidity. **Continuing worldwide political and economic uncertainties may adversely affect our revenue and profitability.** The last several years have been periodically marked by political and economic concerns, including the COVID- 19 pandemic, decreased consumer confidence, the effects of international conflicts such as wars between Russia and Ukraine and Israel and Hamas, tariffs, energy costs and inflation. This instability can make it extremely difficult for our customers, our vendors and us to accurately forecast and plan future business activities, and could cause constrained spending on our services, delays and a lengthening of our business development efforts, the demand for more favorable pricing or other terms, and / or difficulty in collection of our accounts receivable. Further, this ongoing economic instability in the global markets could limit our ability to access the capital markets at a time when we would like, or need, to raise capital, which could have an impact on our ability to react to changing business conditions or new opportunities. If economic conditions remain uncertain or weaken, our revenue and profitability could be adversely affected. **The global business environment remains marked by significant political and economic uncertainties, including the ongoing effects of pandemics, international conflicts such as the wars in Ukraine and between Israel and Hamas, persistent inflation, volatile energy prices, fluctuating consumer confidence, and geopolitical tensions. These factors create challenges for our customers, vendors, and us in accurately forecasting and planning business activities. Economic instability may result in reduced or delayed customer spending on our services, extended business development cycles, increased demands for favorable pricing or contractual terms, and challenges in collecting accounts receivable. Additionally, volatility in global markets may restrict our ability to access capital when needed, potentially limiting our capacity to respond to changing business conditions or seize new opportunities. If these or other uncertainties persist or worsen, they may materially and adversely impact our operations, revenue, and profitability.** Borrowings under our Second A & R Wintrust Credit Agreement (as defined below) are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though any amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. **In addition, previously, we have entered into an interest rate swap on our Second A & R Wintrust Revolving Loan that involves the exchange of variable for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk and could be subject to credit risk themselves.** As of the December 31, 2023-2024, we had \$ 35.9-8 million of available borrowing capacity under the Second A & R Wintrust Revolving Loan (as defined below). ~~In addition, we have entered into an interest rate swap on our Second A & R Wintrust Revolving Loan that involves the exchange of variable for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk and could be subject to credit risk themselves.~~ Our Second A & R Wintrust Credit Agreement and other debt obligations include certain debt covenants, some of which are financial in nature, are further described in “ Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations ” of this Annual Report on Form 10- K. Our failure to comply with any of these covenants, or to pay principal, interest or other amounts when due thereunder, would constitute an event of default under the applicable agreements. Under certain circumstances, the occurrence of an event of default under one of these agreements (or the acceleration of the maturity of the indebtedness under one of these agreements) may constitute an event of default under one or more of our other debt or surety agreements. Default under our debt agreements could result in, among other things, us no longer being entitled to borrow under one or more of the agreements, acceleration of the maturity of outstanding indebtedness under the agreements, and / or foreclosure on any collateral securing the obligations under the agreements. If we are unable to service our debt obligations, or if we are unable to comply with our financial or other debt covenants, and our indebtedness would become immediately due and payable, and we could be forced to curtail our operations, reorganize our capital structure (including through bankruptcy proceedings), or liquidate some or all of our assets in a manner that could cause holders of our securities to experience a partial or total loss of their investment. Our ability to meet all of our existing or potential future debt service obligations (including those under our Second A & R Wintrust Credit Agreement, pursuant to which we may incur significant indebtedness), to refinance our existing or potential future indebtedness, and to fund our operations, working capital, acquisitions, capital expenditures, and other important business uses, depends on our ability to generate sufficient cash flow in the future. Our future cash flow is subject to, among other factors, general economic, industry, financial, competitive, operating, legislative and regulatory conditions, many of which are beyond our control. We cannot assure that our business will generate sufficient cash flow from operations or that future sources of cash will be available to us on favorable terms, or at all, in amounts sufficient to enable us to meet all of our existing or potential future debt service obligations, or to fund our other important business uses or liquidity needs. Furthermore, if we incur additional indebtedness in connection with future acquisitions or for any other purpose, our existing or potential future debt service obligations could increase significantly and our ability to meet those obligations could depend, in large part, on the returns from such acquisitions or projects, as to which no assurance can be given. Furthermore, our obligations under the terms of our borrowings could impact us negatively. For example, such obligations could: • limit our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; • restrict us from making strategic acquisitions or cause us to make non-strategic divestitures; • increase our vulnerability to general economic and industry conditions; and • require a substantial portion of **our** cash flow from operations to be dedicated to the payment of principal and interest on our borrowings, thereby reducing our ability to use cash flow to fund our operations, capital expenditures and future business opportunities. We may also refinance all or a portion of our indebtedness at or prior to the scheduled maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things, (i) our business, financial condition, liquidity, results of operations, and

then- current market conditions; and (ii) restrictions in the agreements governing our indebtedness. As a result, we may not be able to refinance any of our indebtedness or obtain additional financing on favorable terms, or at all. If we do not generate sufficient cash flow from operations and additional borrowings or refinancings are not available to us, we may be unable to meet all of our existing or potential future debt service obligations. As a result, we would be forced to take other actions to meet those obligations, such as raising equity or delaying capital expenditures, any of which could have a material adverse effect on us. Furthermore, we cannot assure that we will be able to effect any of these actions on favorable terms, or at all. We contribute to approximately **40-50** multiemployer pension plans in the United States under collective bargaining agreements that generally provide pension benefits to employees covered by these agreements. Approximately **54-45**% of our current employees are members of collective bargaining units. Our contributions to these plans were approximately \$ **11.6 million** for the year ended December 31, **2023-2024** and \$ **11.6 million** and \$ 12.6 million for the ~~year years~~ ended December 31, **2023 and 2022**, **respectively**. The costs of providing benefits through such plans have increased in recent years. The amount of any increase or decrease in our required contributions to these multiemployer pension plans will depend upon many factors, including the outcome of collective bargaining, actions taken by trustees who manage the plans, government regulations, the actual return on assets held in the plans and the potential payment of a withdrawal liability. Based upon the information available to us from the multiemployer pension plans' administrators, we believe that some of these multiemployer pension plans are underfunded. The unfunded liabilities of these plans may result in required increased future payments by us and the other participating employers. Underfunded multiemployer pension plans may impose a surcharge requiring additional pension contributions. Our risk of such increased payments may be greater if any of the participating employers in these underfunded plans withdraws from the plan and is not able to contribute an amount sufficient to fund the unfunded liabilities associated with its participants in the plan. With limited exception, an employer who is obligated under a collective bargaining agreement to contribute to a multiemployer pension plan is liable, upon termination of such contribution obligation to the plan or withdrawal from a plan, for its proportionate share of the plan' s unfunded vested pension liabilities. In the event that we withdraw from participation in a plan, applicable law could require us to make withdrawal liability contributions to such plan, and we would have to reflect that liability and the related expense in our consolidated financial statements. Our withdrawal liability payable to an individual multiemployer pension plan would depend on the extent of the plan' s funding of vested benefits. While we currently have no intention of withdrawing from a plan, and underfunded plan obligations have not affected our operations in the past, there can be no assurance that we will not be required to make material cash contributions to one or more of these plans in the future. If the multiemployer pension plans in which we participate have significant underfunded liabilities, such underfunding could increase the size of our potential withdrawal liability. No liability for underfunding of multiemployer pension plans was recorded in our consolidated financial statements for the years ended December 31, **2024 or 2023 or 2022**. Increases in healthcare costs could adversely affect our financial results. The costs of providing employee healthcare benefits have steadily increased over a number of years due to, among other things, rising healthcare costs and legislative requirements. Because of the complex nature of healthcare laws, as well as periodic healthcare reform ~~legislation~~ **legislations** adopted by Congress, state legislatures, and municipalities, we cannot predict with certainty the future effect of these laws on our healthcare costs. Continued increases in healthcare costs or additional costs created by future health care reform laws adopted by Congress, state legislatures, or municipalities could adversely affect our results of operations and financial position. We perform our work under a variety of conditions, including but not limited to, difficult terrain, difficult site conditions, and busy urban centers where delivery of materials and availability of labor may be impacted, clean- room environments where strict procedures must be followed, and sites which contain harsh or hazardous conditions, refineries and other process facilities. Performing work under these conditions can increase the cost of such work or negatively affect efficiency and, therefore, our profitability. If a pandemic, epidemic, or outbreak of an infectious disease, ~~including the outbreak of any respiratory illness caused by COVID-19~~, or other public health crisis were to affect our markets or facilities or those of our suppliers, or customers, our business could be adversely affected. Consequences of a pandemic, epidemic or other infectious disease may include disruptions in or restrictions on our ability to travel. If such an infectious disease broke out at one or more of our offices, facilities or work sites, our operations may be adversely and materially affected, our productivity may be affected, our ability to complete projects in accordance with our contractual obligations may be affected, and we may incur increased labor and materials costs. If the customers with which we contract are affected by an outbreak of infectious disease, **ODR and GCR and ODR** work may be delayed or cancelled, and we may incur increased labor and materials costs. If our subcontractors with whom we work were affected by an outbreak of infectious disease, our labor supply may be affected and we may incur increased labor costs. In addition, we may experience difficulties with certain suppliers or with vendors in their supply chains, and our business could be affected if we become unable to procure essential equipment, supplies or services in adequate quantities and at acceptable prices. Further, **pandemics, epidemics,** infectious outbreaks **or other public health crisis'** have and could in the future cause disruption to the U. S. economy, or the local economies of the markets in which we operate, and may cause shortages of building materials, increased costs associated with obtaining building materials, affect job growth and consumer confidence, or cause economic changes, including the possibility of an economic recession or inflation, that we cannot anticipate. Overall, the potential impact of a pandemic, epidemic ~~or~~, outbreak of an infectious disease **or other public health crisis** with respect to our markets or our facilities is difficult to predict and could adversely impact our business. Greenhouse gas (" GHG ") emissions are driving global climate change that is expected to have various impacts on our operations, ranging from more frequent extreme weather events to extensive governmental policy developments and shifts in our customers' preferences, which have the potential individually or collectively to significantly disrupt our business as well as negatively affect our suppliers, independent contractors and customers. Experiencing or addressing the various physical, regulatory and adaptation / transition risks from climate change may significantly reduce our revenue and profitability, or cause us to generate losses. For instance, incorporating greater resource efficiency into our solutions, whether to comply with upgraded building codes or recommended practices given

a region's particular exposure to climate conditions, or undertaken to satisfy demand from increasingly environmentally conscious customers or to meet our own sustainability goals, often raises our costs. In evaluating whether to implement voluntary improvements, we also consider that choosing not to enhance our buildings' resource efficiency can make them less attractive to municipalities, and increase the vulnerability of customers in our communities to rising energy and water expenses and use restrictions. We weigh the impact of the costs associated with offering more resource-efficient products against our priorities of generating higher returns and delivering solutions that are affordable to our customers. In balancing these objectives, we may determine we need to absorb most or all of the additional operating costs that come with making our solutions more efficient, which may be substantial for us. Beyond the commercial pressures implicated by climate change concerns, our operations in any of our served markets may face its potential adverse physical effects. While we have safety protocols in place for our construction sites and take steps to safeguard our administrative functions, we can provide no assurance that we or our suppliers or other partners can successfully operate in areas experiencing a significant weather event or natural disaster, and we or they may be more impacted and take longer, and with higher costs, to resume operations in an affected location than other businesses, depending on the nature of the event or other circumstances. International, federal, state and local authorities and legislative bodies have issued, implemented or proposed regulations, penalties, standards or guidance intended to restrict, moderate or promote activities consistent with resource conservation, GHG emission reduction, environmental protection or other climate-related objectives. Compliance with those directed at or otherwise affecting our business or our suppliers' (or their suppliers') operations, products or services, could increase our costs or delay or complicate our solutions, for example, due to a need to reformulate or redesign building materials or components, or source updated or upgraded items or equipment, or specially trained or certified independent contractors, in limited or restricted supply. Adapting to or transitioning from the use of certain items or methods in construction or other solutions, or adjusting the products we offer to our customers, whether due to climate-related governmental rules or our supply chain, market dynamics or consumer preferences, can negatively affect our costs and profitability, production operations in affected markets and customer satisfaction during the transition period, which could be prolonged. Climate change is an intrinsically complex global phenomenon with inherent residual risks across its physical, regulatory and adaptation / transition dimensions that cannot be mitigated given their wide-ranging, (sometimes unexpectedly) interdependent and largely unpredictable potential scope, nature, timing or duration. Therefore, we cannot provide any assurance that we have or can successfully prepare for, or are or will be able to reduce or manage, any of them to the extent they may arise. In addition, we may experience substantial negative impacts to our business if an unexpectedly severe weather event or natural disaster damages our operations or those of our suppliers or independent contractors in our primary markets or from the unintended consequences of regulatory changes that directly or indirectly impose substantial restrictions on our activities or adaptation requirements. **Growing public concern about and regulatory focus on climate change has resulted in-continues to evolve, influencing the actions increased focus of local, state, regional, national, and international regulatory bodies on GHG emissions and. While previous presidential administrations prioritized climate change initiatives such** issues. Legislation to regulate GHG emissions has **as rejoining** periodically been introduced in the U. S. Congress, and there has been a wide-ranging policy debate, both in the United States and internationally, regarding the impact of these gases and possible means for their regulation. The Biden Administration has made climate change and the limitation of GHG emissions one of its primary objectives, including a renewed commitment to the Paris Agreement and a Nationally Determined Contribution under such agreement that aims to reduce U. S. emissions by 50-52% **setting** compared to a 2005 baseline, by 2030. Several states and geographic regions in the United States have also adopted legislation and regulations to reduce emissions of GHGs. Additional legislation or regulation by the federal government or state and local governments or agencies, and / or any international agreements to which the United States may become a party that control or limit GHG emissions **emission** or otherwise seek to address climate change, could result in increased compliance costs for us and our clients or have other impacts on our clients, including those who are involved in the exploration, production **reduction targets**, or refining of fossil fuels, or who emit greenhouse gases through the combustion of fossil fuels or through the mining, manufacture, utilization, or production of materials or goods. Such policy changes could increase the costs of projects for our clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for certain of our services, which could in turn have a material adverse effect on our business, financial condition, and **finalizing** results of operations. However, policy changes and climate legislation could also increase the overall demand for our services as our clients and partners work to comply with these policies, such as reducing their energy consumption, and developing integrated and sustainable solutions, which could have a positive impact on our business. We cannot predict with certainty what the effect of such regulation may be on us or our customers. On March 6, 2024, the SEC **finalized new** rules that would require significant climate-related disclosures by public companies, including evaluation and disclosure of material climate-related risks and opportunities, GHG emissions inventory, climate-related targets and goals, and financial impacts of physical and transition risks (the "SEC Climate Rules"). **As a result of, whose implementation, after significant legal challenges, was voluntarily paused by the SEC in April 2024 pending judicial review, the current presidential administration may reverse or significantly alter these regulatory trends. Historically, the current presidential administration pursued policies aimed at reducing regulatory burdens on businesses, including the rollback of environmental regulations, withdrawal from the Paris Agreement, and easing restrictions on fossil fuel production. If the current presidential administration adopts similar policies, it may lead to reduced enforcement or elimination of federal Climate climate Rules- related regulations, potentially lowering** our legal, accounting, and other compliance **costs** expenses may increase significantly, and compliance efforts may divert management time and attention. We may also be exposed to legal or **for us and our customers, particularly those in fossil fuel or emissions- intensive industries. However, any such regulatory deregulatory action-actions could create uncertainty or for claims** businesses already working to meet stricter climate-related rules and commitments, including those required by state, municipal, or international regulations, such as **California's mandatory GHG**

**disclosure laws** a result of these new regulations. All of these risks could have a material adverse effect on our business, financial position, and / or stock price. In addition, numerous states, municipalities and regulators have also adopted or proposed laws and policies on climate change, including GHG emission reduction targets and climate disclosure. For example, in September 2023, **Additionally**, California became the first state to pass its own far **ongoing market and investor pressure for greater sustainability and climate - related** reaching mandatory disclosure **disclosures may persist regardless** bills which require any entity doing business in California that meets certain annual revenue thresholds to annually disclose publicly and provide independent third-party attestation on its global Scope 1 and Scope 2 GHG emissions beginning in 2026 for the prior fiscal year, and on its value chain (Scope 3) GHG emissions beginning in 2027. The adoption of federal **regulatory changes. If federal deregulatory actions conflict with** state or local climate change legislation or **initiatives, such as California's GHG disclosure requirements, it could create a fragmented** regulatory **environment, increasing operational** programs to reduce emissions of GHGs and comply **complexity and compliance costs for** with disclosure obligations could require us to incur increased capital and operating costs **our customers. Further**, with resulting impact **uncertainty surrounding federal climate policy may delay or alter customer decision-making** on product price and **energy transition projects, reducing** demand for our services in certain areas. We cannot predict when **with certainty the extent to which federal, state, or international** in what form climate **- related regulations, or** change legislation provisions and renewable energy standards may be enacted and what the **their potential rollbacks, will** impact of any such legislation or standards may have on our business, financial conditions **condition, or operations**. However, changes in climate policy or market dynamics under the future **current presidential administration could materially affect our operations, costs, and profitability**. Investors have increased their **and customers are placing growing** emphasis on the environmental, social and governance ("ESG") practices of companies across all industries, including the environmental impact of operations and human capital management **and corporate governance**. Certain stockholders use **Many investors rely on** third-party benchmarks, **ratings, or scores** to measure a company's ESG practices and decide whether to, **which can influence** invest **investment decisions** in its common stock or engage **lead to engaging** with the company **companies** to require changes to its **their** practices. **Similarly** In addition, our **some** customers may evaluate our ESG practices **performance** or require that we **us** to adopt **certain specific** ESG policies as a condition of awarding contracts. **While ESG** A failure to comply with investor or customer expectations and standards, which are evolving and vary considerably, or the **they** perception that we **remain varied and subject to differing standards among investors, customers, and regulators. Under the previous presidential administration, there was a significant push to advance ESG- related regulations, including the SEC Climate Rules, which would** have not responded appropriately to **required extensive reporting on climate risks and GHG emissions. However, the these growing concern** rules have been delayed by legal challenges, and the current presidential administration has signaled an intent to reduce regulatory burdens on businesses, which could include altering for **or eliminating ESG issues, - related requirements. These potential changes** could **create further uncertainty around the ESG expectations of investors** result in reputational harm to our business and could have an **and customers** adverse effect on us. **Furthermore** In addition, organizations that provide **ESG ratings or scores** information to investors on ESG matters may assign **us** unfavorable ratings, **whether due** to us or our **our own practices, industry, which may lead to** **trends or insufficient disclosures. Such ratings could** negative **negatively influence** investor sentiment, **divert** and the diversion of investment capital to other companies or industries **and adversely impact our stock price and cost of capital. Additionally, even in a deregulatory environment, market and stakeholder pressures around ESG are likely to persist. Responding to these expectations may require increased costs for compliance, reporting, and operational adjustments, or expose us to the risk of stockholder activism, all of** which could **materially affect** have a negative impact on our stock price **business, operations, and financial condition** our costs of capital. Our business may be adversely affected by severe weather **conditions, including hurricanes, tornadoes, floods, wildfires, extreme heat, and other extreme weather events, particularly** in areas where we have significant **operations. The increasing frequency and intensity of such events, driven by climate change, exacerbate the risks to our** operations. Repercussions of severe weather conditions may include: • curtailment **or suspension** of services and **- suspension of** operations; • inability to meet performance schedules in accordance with contracts and, **potential potentially leading to** liability for liquidated damages **or reputational harm**; • injuries or fatalities; • weather related damage to facilities, equipment, and infrastructure; • disruption of information systems **or communication networks; • increased insurance premiums, deductibles, or potential lack of adequate insurance coverage for weather- related losses**; • inability to receive machinery, equipment and materials at jobsites; and • loss of productivity. **Information technology system failures, network disruptions or cybersecurity breaches could adversely affect our business**. We use sophisticated information technology systems, networks, and infrastructure in conducting some of our day- to- day operations and providing services to certain customers, including technology used for building designs, project modeling and scheduling. Information technology system failures, including suppliers' or vendors' system failures, could disrupt our operations by causing transaction errors, processing inefficiencies, the loss of customers, other business disruptions, or the loss of employee personal information. In addition, these systems, networks, and infrastructure may in the future be vulnerable to deliberate cyber- attacks that interfere with their functionality or the confidentiality of our data or information or our customers' data or information. Increasingly advanced cyber- attacks against rapidly evolving computer technologies pose a risk to the security of our systems, networks, information and data. In addition, the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks **by introducing new vulnerabilities**. Likewise, cyber incidents, including malicious cyber- attacks perpetrated on our employees and cyber incidents caused by third parties surreptitiously accessing our systems by other means, are an on- going risk to the security of the systems, networks, information and data of ours, our customers, subcontractors and suppliers. While we have security, internal control and technology measures in place to protect our systems and networks, confidential business information, personal data of ours, our customers, employees, suppliers and subcontractors, our

information technology systems and those of our third- party service providers have been and may in the future be subject to system breaches. System breaches can lead to disclosure, modification and destruction of proprietary business data, personally identifiable information, other sensitive information, production downtime or loss of business, and damage to our reputation, competitiveness and operations. **Increased interconnectivity with third- party systems and reliance on cloud- based services further expose us to security risks from vulnerabilities in third- party platforms.** In addition, flexible working arrangements at our corporate offices increased as a result of the COVID- 19 pandemic, and these arrangements have resulted in a higher extent of remote working. This and other possible changing work practices may adversely impact our ability to maintain the security, proper function and availability of our information technology and systems since remote working by our employees could strain our technology resources and introduce operational risk, including heightened cybersecurity risk. Remote **and hybrid** working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts that have sought, and may seek, to exploit remote working environments. Of special note is our risk when implementing new capabilities. The implementation of new systems and information technology could adversely impact our operations by requiring substantial capital expenditures, diverting management’ s attention, or causing delays or difficulties in transitioning to new systems. As we implement new systems, many times both new and old systems run in parallel until all processes have successfully transferred to the new system and thorough testing has been performed. These events could impact our customers, suppliers, subcontractors, employees, our financial reporting and our reputation and lead to financial losses from remediation actions, loss of business or potential liability, or an increase in expense, all of which may have a material adverse effect on our business. Our systems implementations may also not result in productivity improvements at the levels anticipated. In addition, current and future laws and regulations governing data privacy and the unauthorized disclosure of confidential information, including, but not limited to **SEC rules finalized implemented by the SEC in 2023 requiring enhanced cybersecurity risk disclosures**, may pose complex compliance challenges and result in additional costs. A failure to comply with such laws and regulations could result in penalties or fines, legal liabilities or reputational harm. **The continuing Continuing** and evolving threat of cyber- attacks **and has also resulted in increased regulatory focus on cybersecurity risk management and prevention. New cyber- related regulations incident reporting, along with potential new federal, state, or other international requirements could, may** require significant additional resources and **investment cause us to incur significant costs, potentially which could have an adverse adversely affecting effect on** our results of operations and cash flows. **Artificial intelligence is an emerging area of technology that has the potential to impact various aspects of our business operations. The development, adoption, and use for generative artificial intelligence (“ AI ”) technologies are still in their early stages and ineffective or inadequate AI development or deployment practices by the Company or third- party vendors could result in unintended consequences. We contract third- party vendors that use AI in products and / or services they provide and we may not have full control or visibility over the quality, performance, security or compliance of the products and services that incorporate AI- related technology. AI algorithms that our third- party vendors use may be flawed or may be based on datasets that are biased or insufficient. These limitations or failures could result in reputational damage and legal liabilities. Developing, testing, and deploying resource- intensive AI systems may require additional investment and increase our costs. In addition, the evolving nature of AI may cause new laws and regulations to be enacted which may require significant resources to modify and maintain business practices to comply with the new laws and regulations, the nature of which cannot be determined at this time. Further, inaccurate results generated as a result of our employees’, contractors’ or vendors’ use of generative AI technologies could lead to operational interruptions or reputational harm.** We rely on third- party software and infrastructure to run critical accounting, project management and financial information systems. If software or infrastructure vendors decide to discontinue further development, integration or long- term maintenance support for our information systems, or there is any system interruption, delay, breach of security, loss of data or loss of a vendor, we may need to migrate some or all of our accounting, project management and financial information to other systems. These disruptions could increase our operational **expense expenses** as well as impact the management of our business operations, which could have a material adverse effect on our financial position, results of operations, cash flows and liquidity. As of December 31, **2023-2024**, our business units operate in 22 states, which exposes us to a variety of state and local laws and regulations, particularly those pertaining to contractor licensing requirements. These laws and regulations govern many aspects of our business, and there are often different standards and requirements in different locations. In addition, our subsidiaries that perform work for federal government entities are subject to additional federal laws and regulatory and contractual requirements. Changes in any of these laws, or any subsidiary’ s material failure to comply with them, can adversely impact our operations by, among other things, increasing costs, distracting management’ s time and attention from other items, and harming our reputation. Federal Government Contractors must comply with many regulations and other requirements that relate to the award, administration and performance of government contracts. A violation of these laws and regulations could result in imposition of fines and penalties, the termination of a government contract, or debarment from bidding on government contracts in the future. Further, despite our decentralized nature, a violation at one of our locations could impact the ability of the other locations to bid on and perform government contracts; additionally, because of our decentralized nature, we face risk in maintaining compliance with all local, state and federal government contracting requirements. Prohibition against bidding on future government contracts could have an adverse effect on our financial position, results of operations and cash flows. The systems we install are subject to various statutes and regulations. There can be no assurance that the regulatory environment in which we operate will not change significantly in the future. Various local, state and federal laws and regulations impose licensing standards on technicians who install and service mechanical systems. And additional laws, regulations and standards apply to contractors who perform work that is being funded by public money, particularly federal public funding. Our failure to comply with these laws and regulations could subject us to substantial fines, the loss of licenses or potential debarment from future publicly funded work. It is impossible to predict the full nature and effect

of judicial, legislative or regulatory developments relating to health and safety regulations and environmental protection regulations applicable to our operations. In certain markets, we rely heavily on our immigrant labor force. We have taken steps that we believe are sufficient and appropriate to ensure compliance with immigration laws. However, we cannot provide assurance that our management has identified, or will identify in the future, all undocumented immigrants who work for us. **Additionally, immigration laws and labor regulations are complex, subject to change, and vary across jurisdictions, which could create challenges for maintaining compliance.** The failure to identify such illegal immigrants may result in fines or other penalties being imposed upon us, which could have a material adverse effect on our financial position, results of operations and cash flows. **Furthermore, increased enforcement of immigration laws, changes to employment verification requirements, or new legislation or regulations could further heighten these risks and lead to additional compliance costs, operational disruptions, or reputational harm. We conduct business across the United States and file income taxes in the federal and various state jurisdictions. Significant judgment is required in our accounting for income taxes. In the ordinary course of our business, there are transactions and calculations in which the ultimate tax determination is uncertain. Changes in tax laws and regulations, in addition to changes and conflicts in related interpretations and other tax guidance, could materially impact our provision for income taxes, deferred tax assets and liabilities, and liabilities for uncertain tax positions. Issues relating to tax audits or examinations and any related interest or penalties and uncertainty in obtaining deductions or credits claimed in various jurisdictions could also impact the accounting for income taxes. Our results of operations are reported based on our determination of the amount of taxes we owe in various tax jurisdictions, and our provision for income taxes and tax liabilities are subject to review or examination by taxing authorities in applicable tax jurisdictions. An adverse outcome of such a review or examination could adversely affect our operating results and financial condition. Further, the results of tax examinations and audits could have a negative impact on our financial results and cash flows where the results differ from the liabilities recorded in our financial statements.**

Risks Related to Ownership of Our Common Stock The price of our common stock may be volatile. The market price of our common stock has been volatile and may be volatile in the future, and could be subject to wide fluctuations in price in response to various factors, some of which are beyond our control. These factors include, among other things: • actual or anticipated variations in our quarterly results of operations; • recommendations by securities analysts; • operating and stock price performance of other companies that investors deem comparable to us; • political and economic conditions, ~~such as a recession~~; • news reports relating to trends, concerns and other issues in the financial services industry generally; • perceptions in the marketplace regarding us and / or our competitors; • the addition or departure of key personnel; • new technology used, or services offered, by competitors; and • changes in government regulations. In addition, if the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management. Future sales of our common stock may cause our common stock price to decline. Any transfer or sales of substantial amounts of our common stock in the public market or the perception that such transfer or sales might occur may cause the market price of our common stock to decline. As of March ~~12-6, 2024~~ **2025**, we had an aggregate of 11, ~~131-353, 702-379~~ shares of our outstanding common stock, of which 1, ~~095-074, 177-684~~ shares were held by our current directors and officers. There were no holders of greater than 10 % of our common stock as of March ~~12-6, 2024~~ **2025**. If a substantial number of these shares are sold in the public market, the trading price of our common stock may decline. In addition, our Board of Directors has the power, without stockholder approval, to set the terms of any series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over our common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that we issue preferred stock in the future that has preference over our common stock with respect to payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of the holders of our common stock or the market price of our common stock could be adversely affected. Future equity issuances could result in dilution, which could cause our common stock price to decline. We are generally not restricted from issuing additional shares of our common stock, up to the 100, 000, 000 shares of voting common stock authorized by our second amended and restated certificate of incorporation, which could be increased by a vote of the holders of a majority of our shares **of common stock**. In addition, we may issue additional shares of our common stock in the future pursuant to current or future equity compensation plans, upon conversions of preferred stock or debt, upon exercise of warrants or in connection with future acquisitions or financings. If we choose to raise capital by selling shares of our common stock for any reason, the issuance would have a dilutive effect on the holders of our common stock and could have a material negative effect on the market price of our common stock. If equity research analysts publish unfavorable commentary or downgrade our common stock, the price and trading volume of our common stock could decline. The trading market for our common stock could be affected by equity research analysts' research or reports about us and our business. The price of our stock could decline if one or more securities analysts downgrade our stock or if analysts issue other unfavorable commentary about us or our business. In addition, if any of these analysts ceases coverage of us, we could lose visibility in the market, which in turn could cause our common stock price or trading volume to decline and our common stock to be less liquid. We have not declared any dividends on our common stock to date and have no expectation of doing so in the foreseeable future. The payment of cash dividends on our common stock rests within the discretion of our Board of Directors and will depend, among other things, upon our earnings, unencumbered cash, capital requirement and our financial condition, as well as other relevant factors. To date, we have not paid dividends on our common stock nor do we anticipate that we will pay dividends in the foreseeable future. As of December 31, ~~2023~~ **2024**, we do not have any preferred stock outstanding that has any preferential dividends. Provisions in our organizational documents and Delaware or certain other state laws could delay or prevent a change in control of our company, which could adversely affect the

price of our common stock. The provisions of our ~~Certificate~~ **certificate** of ~~Incorporation~~ **incorporation** and our bylaws could have the effect of delaying, deferring or discouraging another person from acquiring control of our company. These provisions, which are summarized below, may have the effect of discouraging takeover bids. They are also designed in part to encourage persons seeking to acquire control of us to negotiate first with our Board of Directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms. Our ~~Certificate~~ **certificate** of ~~Incorporation~~ **incorporation** and our bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our company, including the following:

- Board of Directors' vacancies. Our Certificate of Incorporation authorizes our Board of Directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our Board of Directors is permitted to be set only by a resolution adopted by a majority vote of our Board of Directors, provided the number of directors may not be fewer than one and not more than nine. These provisions prevent a stockholder from increasing the size of our Board of Directors and then gaining control of our Board of Directors by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our Board of Directors but promotes continuity of management.
- Classified board. Our Certificate of Incorporation provides that our Board of Directors is classified into three classes of directors, each with staggered three- year terms. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors.
- Stockholder action: special meetings of stockholders. Our Certificate of Incorporation provides that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our bylaws or remove directors without holding a meeting of our stockholders called in accordance with our bylaws. Further, our bylaws provide that special meetings of our stockholders may be called only by the chairperson of our Board of Directors, our President and Chief Executive Officer or our Board of Directors pursuant to a resolution of a majority of our Board of Directors, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.
- Advance notice requirements for stockholder proposals and director nominations. Our bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our bylaws also specify certain requirements regarding the form and content of a stockholder's notice. In addition, any stockholder nomination must meet the requirements of Rule 14a- 19 (b) under the Exchange Act. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.
- Directors removed only for cause. Our Certificate of Incorporation provides that stockholders may remove directors only for cause, which may delay the ability of our stockholders to remove directors from our Board of Directors.
- Issuance of undesignated preferred stock. Following the repurchase of all of our previously issued shares of Class A Preferred Stock, our Board of Directors has the authority, without further action by the stockholders, to issue up to 600, 000 ~~additional~~ shares of undesignated preferred stock with rights and preferences, including voting rights, designated time to time by our Board of Directors. The existence of authorized but unissued shares of preferred stock enables our Board of Directors to render more difficult or to discourage an attempt to obtain control of us by merger, tender offer, proxy contest or other means.
- Amendment of charter provisions. Any amendment of the above provisions in our Certificate of Incorporation requires approval by holders of at least 66. 67 % of our outstanding common stock.
- No cumulative voting. The Delaware General Corporation Law provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our Certificate of Incorporation does not provide for cumulative voting.
- Choice of forum. Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our Certificate of Incorporation or our bylaws; any action asserting a claim against us that is governed by the internal affairs doctrine. This provision is not intended to apply to claims arising under the Securities Act and the Exchange Act. To the extent the provision could be construed to apply to such claims, there is uncertainty as to whether a court would enforce the provision in such respect, and our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. General Risk Factors Failure or circumvention of our disclosure controls and procedures or internal controls over financial reporting could seriously harm our financial condition, results of operations, and business. We plan to continue to maintain and strengthen internal controls and procedures to enhance the effectiveness of our disclosure controls and internal controls over financial reporting. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, and not absolute, assurances that the objectives of the system are met. Any failure of our disclosure controls and procedures or internal controls over financial reporting could harm our financial condition and results of operations. Our management has concluded that our disclosure controls and procedures and internal control over financial reporting are effective. However, if we are unable to establish and maintain effective disclosure controls and internal control over financial reporting or have material weaknesses in our internal control over financial reporting, our ability to produce accurate financial statements on a timely basis could be impaired, and the market price of our securities may be negatively affected. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. However, if we were unable to maintain effective

internal control over financial reporting, or if we identify additional material weaknesses in our internal control over financial reporting, our management would be unable to assert in future reports that our disclosure controls and procedures and our internal control over financial reporting are effective. This could cause investors, counterparties and customers to lose confidence in the accuracy and completeness of our financial statements and reports and have a material adverse effect on our liquidity, access to capital markets and perceptions of our creditworthiness and / or a decline in the market price of our common stock. In addition, we could become subject to investigations by Nasdaq, the SEC or other regulatory authorities, which could require additional financial and management resources. These events could have a material adverse effect on our business, financial condition and results of operations. Actual and potential claims, lawsuits and proceedings could ultimately reduce our profitability and liquidity and weaken our financial condition. We have been and will continue to be named as a defendant in legal proceedings claiming damages in connection with the operation of our business. These actions and proceedings may involve claims for, among other things, compensation for alleged personal injury, workers' compensation, employment law violations and / or discrimination, breach of contract, or property damage. In addition, we may be subject to lawsuits involving allegations of violations of the Fair Labor Standards Act and state wage and hour laws. We may also face allegations of violations of applicable securities laws, including the possibility of class action lawsuits. Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of any such actions or proceedings. We also are, and will likely continue to be from time to time, a plaintiff in legal proceedings against customers, or will pursue claims against our customers prior to litigation in which we seek to recover payment of contractual amounts we are owed, as well as claims for increased costs we incur. When appropriate, we will establish provisions against possible exposures, and adjust these provisions from time to time according to ongoing exposure. If the assumptions and estimates related to these exposures prove to be inadequate or inaccurate, we could experience a reduction in our profitability and liquidity and a weakening of our financial condition. In addition, claims, lawsuits and proceedings may harm our reputation or divert management resources away from operating the business. **See Note 13 — Commitments and Contingencies in the accompanying notes to the Company's consolidated financial statements for further information regarding the Company's legal proceedings.** Force majeure events, including natural disasters and ~~terrorists~~ **terrorist** actions, could negatively impact our business, which may affect our financial position, results of operations or cash flows. Force majeure, or extraordinary events beyond the control of the contracting parties, such as natural and man-made disasters, terrorist actions, and state and federal government shutdowns, could negatively impact us. We attempt to negotiate contract language seeking to mitigate force majeure events in both public and private **client customer** contracts. When successful, we remain obligated to perform our services after most extraordinary events subject to relief that may be available pursuant to a force majeure clause. If we are not able to react quickly to force majeure events, our operations may be affected significantly, which may have a negative impact on our financial position, results of operations and cash flows. Deliberate, malicious acts, including terrorism and sabotage, could damage our facilities, disrupt our operations or injure **our** employees, contractors, customers or the public and result in liability to us. Intentional acts of theft, vandalism and destruction could damage or destroy our facilities, as well as the materials and equipment our labor forces are installing, thereby reducing our operational production capacity and requiring us to repair or replace facilities or installed work at substantial cost. Additionally, **our** employees, contractors and the public could suffer substantial physical injury from acts of terrorism for which we could be liable. Governmental authorities may also impose security or other requirements that could make our operations more difficult or costly. The consequences of any such actions could adversely affect our financial position, results of operations and cash flows. A change in tax laws or regulations of any federal or state jurisdiction in which we operate could increase our tax burden and otherwise adversely affect our financial position, results of operations, cash flows and liquidity. We continue to assess the impact of various U. S. federal or state legislative proposals that could result in a material increase to our U. S. federal or state taxes. We cannot predict whether any specific legislation will be enacted or the terms of any such legislation. However, if such proposals were to be enacted, or if modifications were to be made to certain existing regulations, the consequences could have a material adverse impact on us, including increasing our tax burden, increasing the cost of tax compliance or otherwise adversely affecting our financial position, results of operations and cash flows. **Changes in accounting rules and regulations could adversely affect our financial results. Accounting rules and regulations are subject to review and interpretation by the Financial Accounting Standards Board (the "FASB"), the SEC and various other governing bodies. A change in U. S. GAAP could have a significant effect on our reported financial results. Additionally, the adoption of new or revised accounting principles could require that we make significant changes to our systems, processes and controls. We cannot predict the effect of future changes to accounting principles, which could have a significant effect on our reported financial results and / or our results of operations, cash flows and liquidity. Actions of activist investors could disrupt our business. Public companies have been the target of activist investors. In the event that a third party, such as an activist investor, proposes to change our governance policies, board of directors, or other aspects of our operations or strategy, our review and consideration of such proposals may create a significant distraction for our management and employees. This could negatively impact our ability to execute various strategic initiatives and may require management to expend significant time and resources responding to such proposals. Such proposals may also create uncertainties with respect to our financial position and operations and may adversely affect our ability to attract and retain key employees.**