Risk Factors Comparison 2023-09-12 to 2022-10-11 Form: 10-K

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

Fixed- price contract prices are established based largely upon estimates and assumptions relating to project scope and specifications, personnel and productivity, material needs, and site conditions. These estimates and assumptions may prove inaccurate, or conditions may change due to factors out of our control, resulting in cost overruns, which we may be required to absorb and which could have a material adverse effect on our business, financial condition and results of operations. In addition, our profits from these contracts could decrease or we could experience losses if we incur difficulties in performing the contracts or are unable to secure fixed- pricing commitments from our manufacturers, suppliers and subcontractors at the time we enter into fixed- price contracts with our customers. Under cost- plus and time- and- material contracts, we perform our services in return for payment of our agreed upon reimbursable costs plus a profit. The profit component is typically expressed in the contract either as a percentage of the reimbursable costs we actually incur or is factored into the rates we charge for labor or for the cost of equipment and materials, if any, we are required to provide. Our profit could be negatively impacted if our actual costs exceed the estimated costs utilized to establish the billing rates included in the contracts. We may incur significant costs in providing services in excess of original project scope without having an approved change order. After commencement of a contract, we may perform, without the benefit of an approved change order from the customer, additional services requested by the customer that were not contemplated in our contract price for various reasons, including customer changes or incomplete or inaccurate engineering, changes in project specifications and other similar information provided to us by the customer. Our construction contracts generally require the customer to compensate us for additional work or expenses incurred under these circumstances. A failure to obtain adequate compensation for these matters could require us to record in the current period an adjustment to revenue and profit recognized in prior periods under the percentage- of- completion accounting method. Any such adjustments, if substantial, could have a material adverse effect on our results of operations and financial condition, particularly for the period in which such adjustments are made. We can provide no assurance that we will be successful in obtaining, through negotiation, arbitration, litigation or otherwise, approved change orders in an amount adequate to compensate us for our additional work or expenses. Our business may be affected by difficult work sites and environments, which may adversely affect our overall business. 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. Performing work under these conditions can slow our progress, potentially causing us to incur contractual liability to our customers. These difficult conditions may also cause us to incur additional, unanticipated costs that we might not be able to pass on to our customers. We are susceptible to severe weather conditions ~~as a result of~~ **, including those caused by** climate change or otherwise, which may harm our business and financial results. Our business may be adversely affected by severe weather in areas where we have significant operations. Repercussions of severe weather conditions may include: • curtailment of services; • suspension of operations; • inability to meet performance schedules in accordance with contracts and potential liability for liquidated damages; • injuries or fatalities; • weather related damage to our facilities or work- in- progress on project sites; • disruption of information systems; • inability to receive machinery, equipment and materials at job sites; and • loss of productivity. The frequency and severity of severe weather conditions may be enhanced by present and future changes to our climate. Our business has been affected by inflation, supply chain disruptions and shortages of materials and labor. Following the onset of the pandemic and with the ongoing conflict between Ukraine and Russia in Europe, there has been a high degree of volatility in commodity and energy markets that affect our client' s businesses. In addition, inflation in the United States has reached multi- decade highs ~~and has been increasing since the beginning of the fiscal year~~ . In some cases we have had to bid more competitively than before to win work, which has compressed margins somewhat given the higher inflation. It is uncertain how this market environment will impact our business, both positively or negatively. Domestic and foreign trade tariffs could raise the price and reduce the availability of raw materials to us, which could negatively impact our operating results and financial condition. Domestic and foreign trade tariffs could raise the price and reduce the availability of raw materials such as steel plate and steel pipe, which are key materials used by us. Supplies of these materials are available throughout the United States and globally from numerous sources. We anticipate that adequate amounts of these materials will be available in the foreseeable future. However, if trade tariffs should significantly impact the price and availability of these materials, we could experience lower gross margins, operational inefficiencies and project delays. 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 projects are conducted at a variety of sites including construction sites and industrial facilities. With each location, hazards are part of the day- to- day exposures that we must manage on a continuous basis to ensure our employees return home from work the same way they arrived. We understand that everyone plays a role with safety and everyone can make a difference with their active participation. With our proactive approach, our strategy is to identify the exposures and correct them before they result in an incident whether that involves an injury, damage or destruction of property, plant and equipment or an environmental impact. We are intensely focused on maintaining a strong safety culture and strive for zero incidents. Although we have taken what we believe are appropriate precautions to adequately train and equip our employees, we have experienced serious accidents, including fatalities, in the past and may experience additional accidents 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 costs and liabilities, which could materially and adversely affect our financial condition, results of operations or cash flows. Poor safety performance could also jeopardize our relationships with

our customers and increase our insurance premiums. We are exposed to credit risk from customers. If we experience delays and / or defaults in customer payments, we could suffer liquidity problems or we could be unable to recover amounts owed to us. Under the terms of our contracts, at times we commit resources to customer projects prior to receiving payments from customers in amounts sufficient to cover expenditures on these projects as they are incurred. Many of our fixed- price or cost- plus contracts require us to satisfy specified progress milestones or performance standards in order to receive a payment. Under these types of arrangements, we may incur significant costs for labor, equipment and supplies prior to receipt of payment. If the customer fails or refuses to pay us for any reason, there is no assurance we will be able to collect amounts due to us for costs previously incurred. In some cases, we may find it necessary to terminate subcontracts with suppliers engaged by us to assist in performing a contract, and we may incur costs or penalties for canceling our commitments to them. Delays in customer payments require an investment in working capital. If we are unable to collect amounts owed to us under our contracts, we may be required to record a charge against previously recognized earnings related to the project, and our liquidity, financial condition and results of operations could be adversely affected. We contribute to multiemployer plans that could result in liabilities to us if those plans are terminated or if we withdraw from those plans. We contribute to several multiemployer pension plans for employees covered by collective bargaining agreements. These plans are not administered by us and contributions are determined in accordance with provisions of negotiated labor contracts. The Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendments Act of 1980, imposes certain liabilities upon employers who are contributors to a multiemployer plan in the event of the employer' s withdrawal from, or upon termination of, such plan. If we terminate, withdraw, or partially withdraw from other multiemployer pension plans, we could be required to make significant cash contributions to fund that plan' s unfunded vested benefit, which could materially and adversely affect our financial condition and results of operations; however, we are not currently able to determine the net assets and actuarial present value of the multiemployer pension plans' unfunded vested benefits allocable to us, if any, and we are not presently aware of the amounts, if any, for which we may be contingently liable if we were to withdraw from any of these plans. In addition, if the funding level of any of these multiemployer plans becomes classified as " critical status " under the Pension Protection Act of 2006, we could be required to make significant additional contributions to those plans. A failure or outage in our operational systems or cyber security attacks on any of our systems, or those of third parties, may adversely affect our financial results. We have become more reliant on technology to help increase efficiency in our business. We use numerous technologies to help run our operations, and this may subject our business to increased risks. Any cyber security attack that affects our facilities, our systems, our customers and any of our financial data could have a material adverse effect on our business. In addition, a cyber-attack on our customer and employee data may result in a financial loss, including potential fines for failure to safeguard data, and may damage our reputation. Third- party systems on which we rely could also suffer system failure. Any of these occurrences could disrupt our business, result in potential liability or reputational damage or otherwise have an adverse effect on our financial results. We have experienced cybersecurity threats to our information technology infrastructure and have experienced cyber- attacks, attempts to breach our systems and other similar incidents. Such prior events have not had a material impact on our financial condition, results of operations or liquidity. However, future threats could cause harm to our business and our reputation, as well as negatively impact our results of operations materially. Our insurance coverage may not be adequate to cover all the costs related to cyber- attacks or disruptions resulting from such events. Any security breach resulting in the unauthorized use or disclosure of certain personal information could put individuals at risk of identity theft and financial or other harm and result in costs to us in investigation, remediation, legal defense and in liability to parties who are financially harmed. We may incur significant costs to protect against the threat of information security breaches or to respond to or alleviate problems caused by such breaches. For example, laws may require notification to regulators, clients or employees and enlisting credit monitoring or identity theft protection in the event of a privacy breach. A cybersecurity attack could also be directed at our systems and result in interruptions in our operations or delivery of services to our clients and their customers. Furthermore, a material security breach could cause us to lose revenue, lose clients or cause damage to our reputation. To reduce organizational risk from cybersecurity threats, we carry cyber liability insurance and have undertaken several initiatives in recent years. We strengthened our identity and access management capabilities by requiring multi- factor authentication, increased the threat detection efficiencies within our security information and event management capacity, and completed projects designed to reduce our organization' s external attack surface. In addition, in the area of security awareness and training, we have updated our foundational curriculum, established mandatory recurring training requirements, and commenced periodic phishing campaign assessments. We rely on internally and externally developed software applications and systems to support critical functions including project management, estimating, scheduling, human resources, accounting, and financial reporting. Any sudden loss, disruption or unexpected costs to maintain these systems could significantly increase our operational expense as well as disrupt the management of our business operations. We rely on various software systems to conduct our critical operating and administrative functions. We depend on our software vendors to provide long- term software maintenance support for our information systems. Software vendors may decide to discontinue further development, integration or long- term software maintenance support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our project management, human resources, estimating, scheduling, accounting and financial information to other systems, thus increasing our operational expense as well as disrupting the management of our business operations. Financial Risks Our borrowing capacity under our Credit Agreement is determined by the size of our borrowing base and if the size of our borrowing base does not provide adequate liquidity, then we may need to raise additional capital in the future for working capital, capital expenditures and / or acquisitions, and we may not be able to do so on favorable terms or at all, which would impair our ability to operate our business or achieve our strategic plan. Management believes it has sufficient cash on hand and will generate sufficient cash from operations to fund the business. However, should we require additional liquidity, there is risk that we will be unable access the amount of additional liquidity needed from our Credit

Agreement if the level of assets included in the borrowing base is insufficient. The borrowing base includes restricted cash plus a percentage of the value of certain accounts receivable, inventory and equipment, reduced for certain reserves **. Accounts receivable eligible to be included in the borrowing base are generally limited to receivables associated with cost reimbursable work. While receivables associated with fixed price work do not increase the borrowing base, such work often has upfront billings, which help support the liquidity needs of the business. As of June 30, 2023, our borrowing base was $ 67. 0 million. Our borrowing base has ranged from $ 67. 0 million to $ 83. 2 million during fiscal 2023** . To the extent that cash on hand, cash flow from operations, and borrowing availability under the Credit Agreement are insufficient to make future investments, or provide needed working capital, we may require additional financing from other sources. Our ability to obtain such additional financing in the future will depend in part upon prevailing capital market conditions, as well as conditions in our business and our operating results; and those factors may affect our efforts to arrange additional financing on terms that are satisfactory to us. If adequate funds are not available, or are not available on acceptable terms, we may not be able to make future investments or respond to competitive challenges. Our Credit Agreement imposes restrictions that may limit business alternatives. Our Credit Agreement prohibits or limits us from making acquisitions, repurchasing equity, incurring additional debt, acquiring or disposing of assets, or making other distributions, including cash dividends. In addition, our Credit Agreement requires that we comply with a Fixed Charge Coverage Ratio financial covenant under certain conditions. These covenants and restrictions may impact our ability to effectively execute operating and strategic plans and our operating performance may not be sufficient to comply with the required covenants. Our failure to comply with one or more of the covenants in our Credit Agreement could result in an event of default. We can provide no assurance that a default could be remedied, or that our creditors would grant a waiver or further amend the terms of the Credit Agreement. **We may be unable to compete for projects if we are not able to obtain surety bonds or letters of credit. A portion of our business depends on our ability to provide surety bonds or letters of credit. Current or future market conditions, including losses incurred in the construction industry or as a result of large corporate bankruptcies, as well as changes in our sureties' assessment of our operating and financial risk, could cause our surety providers and lenders to decline to issue or renew, or substantially reduce the amount of, bid or performance bonds for our work and could increase our costs associated with collateral. These actions could be taken on short notice. If our surety providers or lenders were to limit or eliminate our access to bonding or letters of credit, our alternatives would include seeking capacity from other sureties and lenders or finding more business that does not require bonds or that allows for other forms of collateral for project performance, such as cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all, which could affect our ability to bid for or work on certain future projects requiring financial assurances. Under standard terms in the surety market, sureties issue or continue bonds on a project- by- project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing bonds. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or other reasons, we may be unable to compete for or work on certain projects that require bonding.** Accounting Risks Our use of percentage- of- completion accounting for fixed- price contracts and our reporting of profits for cost- plus contracts prior to contract completion could result in a reduction or elimination of previously reported profits. Revenue for fixed- price contracts is recognized using the percentage- of- completion method of accounting. Under percentage- of- completion accounting, contract revenue and earnings are recognized ratably over the contract term based on the proportion of actual costs incurred to total estimated costs ~~. In addition, some contracts contain penalty provisions for failure to achieve certain milestones, schedules or performance standards~~ . We review our estimates of contract revenue, costs and profitability on a monthly basis. As a result, we may adjust our estimates on one or more occasions as a result of changes in cost estimates, change orders to the original contract, or claims against the customer for increased costs incurred by us due to customer- induced delays and other factors. If estimates of costs to complete fixed- price contracts indicate a loss, a provision is made to accrue the total loss anticipated in the period the loss is determined. Contract profit estimates are also adjusted, on a percentage of completion basis, in the fiscal period in which it is determined that an adjustment is required. No restatements are made to prior periods. Further, many of our contracts contain various cost and performance incentives and penalties that impact the earnings we realize from our contracts, and adjustments related to these incentives and penalties are recorded on a percentage of completion basis in the period when estimable and probable. As a result of the requirements of the percentage- of- completion method of accounting, the possibility exists that we could have estimated and reported a profit on a contract over several prior periods and later determine, as a result of additional information, 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 recognized in the period in which such change in estimate occurs. Actual results could differ from the estimates and assumptions that we use to prepare our financial statements. To prepare financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions, as of the date of the financial statements, which affect the reported values of assets, liabilities, revenue and expenses and disclosures of contingent assets and liabilities. Areas requiring significant estimation by our management include: • contract costs and application of percentage- of- completion accounting; • provisions for uncollectable receivables from customers for invoiced amounts; • the amount and collectability of unpriced change orders and claims against customers; • provisions for income taxes and related valuation allowances; • recoverability of goodwill and intangible assets; • valuation of assets acquired and liabilities assumed in connection with business combinations; and • accruals for estimated liabilities, including litigation and insurance reserves. Our actual results could materially differ from these estimates. Earnings for future periods may be affected by impairment charges. Because we have grown in part through acquisitions, goodwill and other acquired intangible assets represent a substantial portion of our assets. We perform annual goodwill impairment reviews in the fourth quarter of every fiscal year. In addition, we perform an impairment review whenever events or changes in circumstances indicate the **fair value of a goodwill reporting unit may be less than its** carrying value ~~of goodwill~~ or **the carrying value of**

an intangible or fixed asset may not ~~be~~ recoverable. As of June 30, ~~2022~~ **2023** , we had $ ~~4~~ **3** . ~~8~~ **1** million of amortizing intangible assets and $ ~~42~~ **29** . 1 million of non- amortizing goodwill representing ~~1~~ **0** . ~~1~~ **8** % and ~~9~~ **7** . ~~6~~ **3** % of our total assets, respectively. Legal, Insurance, Regulatory and Compliance Risks We are involved, and are likely to continue to be involved in legal proceedings, which will increase our costs and, if adversely determined, could have a material effect on our financial condition, results of operations, cash flows and liquidity. We are currently a defendant in legal proceedings arising from the operation of our business, and it is reasonable to expect that we would be named in future actions. Many of the actions against us arise out of the normal course of performing services on project sites, and include workers' compensation claims, personal injury claims and contract disputes with our customers. From time to time, we are also named as a defendant for actions involving the violation of federal and state labor laws related to employment practices, wages and benefits. We may also be a plaintiff in legal proceedings against customers seeking to recover payment of contractual amounts due to us as well as claims for increased costs incurred by us resulting from, among other things, services performed by us at the request of a customer that are in excess of original project scope that are later disputed by the customer and customer- caused delays in our contract performance. We maintain insurance against operating hazards in amounts that we believe are customary in our industry. However, our insurance policies include deductibles and certain coverage exclusions, so we cannot provide assurance that we are adequately insured against all of the risks associated with the conduct of our business. A successful claim brought against us in excess of, or outside of, our insurance coverage could have a material adverse effect on our financial condition, results of operations, cash flows and liquidity. Litigation, regardless of its outcome, is expensive, typically diverts the efforts of our management away from operations for varying periods of time, and can disrupt or otherwise adversely impact our relationships with current or potential customers, subcontractors and suppliers. Payment and claim disputes with customers may also cause us to incur increased interest costs resulting from incurring indebtedness under our revolving line of credit or receiving less interest income resulting from fewer funds invested due to the failure to receive payment for disputed claims and accounts. Our projects expose us to potential professional liability, product liability, pollution liability, warranty and other claims, which could be expensive, damage our reputation and harm our business. We may not be able to obtain or maintain adequate insurance to cover these claims. We perform construction and maintenance services at large industrial facilities where accidents or system failures can be disastrous and costly. Any catastrophic occurrence in excess of our insurance limits at locations engineered or constructed by us or where our products are installed or services performed could result in significant professional liability, product liability, warranty and other claims against us by our customers, including claims for cost overruns and the failure of the project to meet contractually specified milestones or performance standards. Further, the rendering of our services on these projects could expose us to risks and claims by third parties and governmental agencies for personal injuries, property damage and environmental matters, among others. Any claim, regardless of its merit or eventual outcome, could result in substantial costs, divert management' s attention and create negative publicity, particularly for claims relating to environmental matters where the amount of the claim could be extremely large. We may not be able to or may choose not to obtain or maintain insurance coverage for the types of claims described above. If we are unable to obtain insurance at an acceptable cost or otherwise protect against the claims described above, we will be exposed to significant liabilities, which may materially and adversely affect our financial condition and results of operations. Employee, subcontractor or partner misconduct 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. Misconduct, fraud, non- compliance with applicable laws and regulations, or other improper activities by one of our employees, subcontractors or partners could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with safety standards, laws and regulations, customer requirements, regulations pertaining to the internal controls over financial reporting, environmental laws and any other applicable laws or regulations. The precautions we take to prevent and detect these activities may not be effective, since our internal controls are subject to inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changed conditions, 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 our relationships with customers, reduce our revenue and profits and subject us to criminal and civil enforcement actions. Environmental factors and changes in laws and regulations could increase our costs and liabilities. Our operations are subject to environmental laws and regulations, including those concerning emissions into the air; discharges into waterways; generation, storage, handling, treatment and disposal of hazardous material and wastes; and health and safety. Our projects often involve highly regulated materials, including hazardous wastes. Environmental laws and regulations generally impose limitations and standards for regulated materials and require us to obtain permits and comply with various other requirements. The improper characterization, handling, or disposal of regulated materials or any other failure by us to comply with federal, state and local environmental laws and regulations or associated environmental permits could subject us to the assessment of administrative, civil and criminal penalties, the imposition of investigatory or remedial obligations, or the issuance of injunctions that could restrict or prevent our ability to operate our business and complete contracted projects. In addition, under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (" CERCLA "), and comparable state and foreign laws, we may be required to investigate and remediate regulated materials. CERCLA and the comparable state laws typically impose liability without regard to whether a company knew of or caused the release, and liability for the entire cost of clean- up can be imposed upon any responsible party. We are subject to numerous other laws and regulations including those related to business registrations and licenses, environment, workplace, employment, health and safety. These laws and regulations are complex, change frequently and could become more stringent in the future. It is impossible to predict the effect on us of any future changes to these laws and regulations. We can provide no absolute assurance that our operations will continue to comply with future laws and regulations or that the costs to comply with these laws and regulations and / or a failure to comply with these laws will not significantly adversely affect our business, financial condition and results of operations. Climate change legislation or regulations restricting

emissions of " greenhouse gases " could result in reduced demand for ~~our~~ **certain** services and products **we provide** . There has been an increased focus in the last several years on climate change in response to findings that emissions of carbon dioxide, methane and other greenhouse gases present an endangerment to public health and the environment. As a result, there have been a variety of regulatory developments, proposals or requirements and legislative initiatives as well as pressure from institutional investors to restrict the emission of greenhouse gases. The growing imperative on customers for whom we provide services to limit greenhouse gas emissions could affect demand for ~~our~~ **certain services and** products ~~and services~~ **we provide** . Further, scientists have concluded that increasing greenhouse gas concentrations in the atmosphere may produce physical effects, such as increased severity and frequency of storms, droughts, floods and other climate events. Such climate events have the potential to adversely affect ~~our~~ **certain** operations or those of ~~our~~ **certain** customers, which in turn could have a negative effect on us **. We believe this risk is partly mitigated by new project opportunities resulting from our customers' investment in cleaner energy sources** . We could be adversely affected by violations of the U. S. Foreign Corrupt Practices Act and similar worldwide anti- bribery laws. The U. S. Foreign Corrupt Practices Act and similar anti- bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to officials or others for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti- bribery laws. We operate in parts of the world that have experienced corruption to some degree and, in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices. We train our personnel concerning anti- bribery laws and issues, and we also inform our customers, vendors, and others who work for us or on our behalf that they must comply with anti- bribery law requirements. We also have procedures and controls in place to monitor compliance. We cannot assure that our internal controls and procedures always will protect us from the possible reckless or criminal acts committed by our employees or agents. If we are found to be liable for anti- bribery law violations (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others including our partners, agents, subcontractors or suppliers), we could suffer from criminal or civil penalties or other sanctions, including contract cancellations or debarment, and loss of reputation, any of which could have a material adverse effect on our business. Litigation or investigations relating to alleged or suspected violations of anti- bribery laws, even if ultimately such litigation or investigations demonstrate that we did not violate anti- bribery laws, could be costly and could divert management' s attention away from other aspects of our business. Economic, political and other risks associated with international operations could adversely affect our business. A **small** portion of our operations are conducted outside the United States, and accordingly, our business is subject to risks associated with doing business internationally, including changes in foreign currency exchange rates, instability in political or economic conditions, difficulty in repatriating cash proceeds, differing employee relations, differing regulatory environments, trade protection measures, and difficulty in administering and enforcing corporate policies which may be different than the normal business practices of local cultures ~~. General Risk Factors Acquisitions may result in significant transaction expenses, and unidentified liabilities and risks associated with entering new markets. We may also be unable to profitably integrate and operate these businesses. Any future acquisitions may result in significant transaction expenses, unexpected liabilities and other risks in addition to the integration and consolidation risks. If we make any future acquisitions, we will likely assume liabilities of the acquired business or have exposure to contingent liabilities that may not be adequately covered by insurance or indemnification, if any, from the former owners of the acquired business. These potential liabilities could have a material adverse effect on our business. We may also not be able to successfully complete our ongoing integration of the operations, personnel and technology from our acquisitions. Because of their size and complexity, if we fail to complete our integration efforts successfully, we may experience interruptions in our business activities, a decrease in the quality of our services, a deterioration in our employee and customer relationships, and harm to our reputation, all of which could have a material adverse effect on our business, financial condition and results of operations. Our integration activities have required significant attention from management, which potentially decreases the time that management may devote to serve existing customers, attract new customers and develop new services and strategies. We may also experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration efforts may also impose substantial demands on our operations or other projects. We will have to actively strive to demonstrate to our existing customers that these integrations have not resulted in adverse changes in our standards or business focus. Our acquisitions have involved a significant capital commitment, and the return that we achieve on any capital invested may be less than the return achieved on our other projects or investments. There will be challenges in consolidating and rationalizing information technology platforms and administrative infrastructures. In addition, any delays or increased costs of integrating acquired companies could adversely affect our operations, financial results and liquidity. We may not realize the growth opportunities, operating margins and synergies that are anticipated from acquisitions. The benefits we expect to achieve as a result of an acquisition will depend, in part, on our ability to realize the anticipated growth opportunities, operating margins and synergies. Our success in realizing these growth opportunities, operating margins and synergies, and the timing of this realization, depends on the successful integration of the acquired business and operations with our existing business and operations. Even if we are able to integrate existing and acquired businesses successfully, this integration may not result in the realization of the full benefits of the growth opportunities, operating margins and synergies we currently expect within the anticipated time frame or at all. Accordingly, the benefits from an acquisition may be offset by costs incurred or delays in integrating the companies, which could cause our revenue assumptions and operating margin to be inaccurate. We face substantial competition in each of our business segments, which may have a material adverse effect on our business. We face competition in all areas of our business from regional, national and international competitors. Our competitors range from small, family- owned businesses to well- established, well- financed entities, both privately and publicly held, including many large engineering and construction companies and specialty contractors. We compete primarily on the basis of price, customer satisfaction, safety performance and programs, quality of our products and services, and schedule. As a result, an increase in the level of competition in one or more markets may result in lower operating margins than we have recently experienced. Our common stock, which is listed on the NASDAQ Global Select~~

Market, has experienced significant price and volume fluctuations. These fluctuations could continue in the future, and our stockholders may not be able to resell their shares of common stock at or above the purchase price paid. The market price of our common stock may change significantly in response to various factors and events beyond our control, including the following: • the risk factors described in this Item 1A; • general conditions in our customers' industries; • general conditions in the security markets; • the significant concentration of ownership of our common stock in the hands of a small number of institutional investors; • a shortfall in operating revenue or net income from that expected by securities analysts and investors; and • changes in securities analysts' estimates of our financial performance or the financial performance of our competitors or companies in our industry. Some companies that have volatile market prices for their securities have been subject to security class action suits filed against them. If a suit were to be filed against us, regardless of the outcome, it could result in substantial costs and a diversion of our management' s attention and resources. This could have a material adverse effect on our business, results of operations and financial condition. Future sales of our common stock may depress our stock price. Sales of a substantial number of shares of our common stock in the public market or otherwise, either by us, a member of management or a major stockholder, or the perception that these sales could occur, could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We may issue additional equity securities, which could lead to dilution of our issued and outstanding stock. The issuance of additional common stock, restricted stock units or securities convertible into our common stock could result in dilution of the ownership interest held by existing stockholders. We are authorized to issue, without stockholder approval 5, 000, 000 shares of preferred stock, par value $ 0. 01 per share, in one or more series, which may give other stockholders dividend, conversion, voting, and liquidation rights, among other rights, which may be superior to the rights of holders of our common stock. In addition, we are authorized to issue, without stockholder approval, a significant number of additional shares of our common stock and securities convertible into either common stock or preferred stock. Shareholder activists could cause a disruption to our business. An activist investor may indicate disagreement with our strategic direction or capital allocation policies and may seek representation on our Board of Directors. Our business, operating results or financial condition could be adversely affected and may result in, among other things: • increased operating costs, including increased legal expenses, insurance, administrative expenses and associated costs incurred in connection with director election contests; • uncertainties as to our future direction, which could result in the loss of potential business opportunities and could make it more difficult to attract, retain, or motivate qualified personnel, and strain relationships with investors and customers; and • reduction or delay in our ability to effectively execute our current business strategy and to implement new strategies . Item 1B. Unresolved Staff Comments None. Item 2. Properties Our principal properties are as follows: Location Description of Facility Segment InterestUnited States: Tulsa, Oklahoma Corporate headquarters and regional office All segments LeasedBellingham, Washington Regional office, fabrication facility and warehouse Process and Industrial Facilities, Storage and Terminal Solutions OwnedBroomall, Pennsylvania Regional office All segments LeasedCatoosa, Oklahoma Fabrication facility, regional offices and warehouses All segments Leased & Owned (1) Columbus, OhioRegional officeAll segmentsLeasedHouston, Texas Regional offices and warehouse All segments Leased & OwnedNorco, CaliforniaRegional office and warehouseProcess and Industrial Facilities, Storage and Terminal SolutionsLeasedOrange, California Regional office and fabrication and warehouse facility Process and Industrial Facilities, Storage and Terminal Solutions LeasedPittsburgh, PennsylvaniaRegional officeAll segmentsLeasedSomerset, New Jersey Regional office and warehouse Utility and Power Infrastructure, Process and Industrial Facilities LeasedTemperance, Michigan Regional office and warehouse Storage and Terminal Solutions OwnedTucson, Arizona Regional office and warehouse Process and Industrial Facilities, Storage and Terminal Solutions LeasedInternational: **Leduc** Burlington, Ontario, CanadaRegional officeAll segmentsOwnedLeduc , Alberta, CanadaRegional office and warehouseStorage and Terminal SolutionsLeasedSarnia, Ontario, Canada Regional office and warehouse Storage and Terminal Solutions OwnedPaju- si, Gyeonggi- do, South KoreaFabrication facility, regional office and warehouseStorage and Terminal SolutionsOwnedSydney, New South Wales, AustraliaRegional officeStorage and Terminal SolutionsLeased (1) We constructed certain facilities on land acquired through ground leases with renewal options. In addition to the locations listed above, we have smaller regional locations and temporary office facilities at numerous customer locations throughout the United States and Canada. Item 3. Legal Proceedings We are a party to a number of legal proceedings. We believe that the nature **See Part II., Item 8. Financial Statements** and number of these proceedings are typical **Supplementary Data, Note 7- Commitments and Contingencies,** for a company **description** of our size engaged in our type of business and that none of these proceedings will result in a material **ongoing litigation** effect on our business, results of operations, financial condition, cash flows or liquidity . Item 4. Mine Safety Disclosures Section 1503 of the Dodd- Frank Wall Street Reform and Consumer Protection Act (the" Dodd- Frank Act") requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the" Mine Act") by the federal Mine Safety and Health Administration. We do not act as owner of any mines, but as a result of our performing services or construction at mine sites as an independent contractor, we may be considered an" operator" within the meaning of the Mine Act. Information concerning mine safety violations or other regulatory matters required to be disclosed in this annual report under Section 1503 (a) of the Dodd- Frank Act and Item 104 of Regulation S- K is included in Exhibit 95 to this Annual Report on Form 10- K. PART II Item 5. Market for Registrant' s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities Market Information Our common stock trades on the NASDAQ Global Select Market under the trading symbol" MTRX". Substantially all of our stockholders maintain their shares in" street name" accounts and are not individually stockholders of record. As of September 30 **August 31** , 2022 **2023** , there were 19 holders of record of our common stock. Dividend Policy We have never paid cash dividends on our common stock and the terms of our Credit Agreement limit **prohibit us from paying cash** dividends to stock dividends only (see Item 8. Financial Statements and Supplementary Data, Note 5- Debt for more information about our Credit Agreement). Any future dividend payments will depend on the terms of our Credit Agreement, our financial condition, capital requirements and earnings as well as other relevant factors. Issuer Purchases of Equity Securities We may repurchase common

stock pursuant to the Stock Buyback Program, which was approved by the board of directors in November 2018. Under the program, the aggregate number of shares repurchased may not exceed 2, 707, 175 shares. We may repurchase our stock from time to time in the open market at prevailing market prices or in privately negotiated transactions and are not obligated to purchase any shares. The program will continue unless and until it is modified or revoked by the Board of Directors. We made no repurchases under the program ~~in~~ **during** fiscal ~~2022~~ **2023** and have no current plans to repurchase stock. As of June 30, ~~2022~~ **2023** , there were 1, 349, 037 shares available for ~~purchase~~ **repurchase** under the Stock Buyback Program. The terms of our ~~Credit Agreement~~ **ABL Facility** limit share repurchases to $ 2. 5 million per fiscal year provided ~~that~~ that we meet certain availability thresholds and do not violate our Fixed Charge Coverage Ratio financial covenant. Performance Graph The following Performance Graph and related information shall not be deemed " soliciting material " or to be " filed " with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing. The following graph compares, for the period from June 30, ~~2017~~ **2018** to June 30, ~~2022~~ **2023** , the cumulative stockholder return on our common stock with the cumulative total return of the NASDAQ Composite Index and the Dow Jones U. S. Heavy Construction Index. The graph below assumes an investment of $ 100 (with reinvestment of all dividends) in our common stock, the NASDAQ Composite Index, and the Dow Jones U. S. Heavy Construction Index on June 30, ~~2017~~ **2018** and tracks their relative performance through June 30, ~~2022~~ **2023** . The stock price performance reflected in the following graph is not necessarily indicative of future stock performance. June 30, ~~201720182019202020212022Matrix~~ ---- **201820192020202120222023Matrix** Service Company $ 100. 00 $ ~~196~~ **110** . ~~26~~ **41** $ ~~216~~ **52** . ~~68~~ **97** $ **57. 22 $ 27. 57 $ 32.** ~~103~~ - **10** ~~. 96 $ 112. 30 $ 54. 12~~ NASDAQ Composite $ 100. 00 $ ~~123. 60 $ 133. 22 $ 169. 11 $ 245. 60 $ 188. 07~~ **107 . 78 $ 136. 82 $ 198. 71 $ 152. 16 $ 191. 93** Dow Jones US Heavy Construction $ 100. 00 $ ~~107~~ **105** . ~~41~~ **65** $ ~~113~~ **91** . ~~48~~ **74** $ ~~98~~ **166** . ~~54~~ **99** $ ~~179~~ **177** . ~~38~~ **36** $ ~~190~~ **262** . ~~51~~ **47** Item 6. Reserved Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations Management' s discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (" GAAP "). GAAP represents a comprehensive set of accounting and disclosure rules and requirements, the application of which requires management judgments and estimates including, in certain circumstances, choices between acceptable GAAP alternatives. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions. Note 1- Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements included in Part II, Item 8- Financial Statements and Supplementary Data in this Annual Report on Form 10- K, contains a comprehensive summary of our significant accounting policies. The following is a discussion of our most critical accounting policies, estimates, judgments and uncertainties that are inherent in our application of GAAP. RESULTS OF OPERATIONS Reportable Segments We operate our business through three reportable segments: • **Storage and Terminal Solutions: primarily consists of engineering, procurement, fabrication, and construction services related to cryogenic and other specialty tanks and terminals for LNG, NGLs, hydrogen, ammonia, propane, butane, liquid nitrogen / liquid oxygen, and liquid petroleum. Also includes work related to traditional aboveground crude oil and refined product storage tanks and terminals. This segment also includes terminal balance of plant work, truck and rail loading / offloading facilities, and marine structures as well as storage tank and terminal maintenance and repair. Finally, we manufacture and sell precision engineered specialty tank products, including geodesic domes, aluminum internal floating roofs, floating suction and skimmer systems, roof drain systems and floating roof seals. •** Utility and Power Infrastructure: **primarily** consists of ~~power delivery services provided to investor- owned utilities, including construction of new substations, upgrades of existing substations, transmission and distribution line installations, upgrades and maintenance, as well as emergency and storm restoration services. We also provide~~ engineering **, procurement** , fabrication, and construction services **to support growing demand** for LNG utility peak shaving facilities ~~,~~ **. We also perform traditional electrical work for public** and **private utilities, including** construction **of new substations, upgrades of existing substations, transmission and distribution line installations, and upgrades** and maintenance **including live wire work. Work may also include emergency and storm restoration services. We also provide construction** services to a variety of power generation facilities, including natural gas fired facilities ~~,~~ in simple or combined cycle ~~configuration~~ **configurations** . • Process and Industrial Facilities: primarily ~~serves customers~~ **consists of plant maintenance, repair, and turnarounds** in the downstream and midstream **markets for energy clients including** ~~petroleum industries who are engaged in~~ refining **and processing of** crude oil ~~and processing~~ , fractionating, and marketing of natural gas and natural gas liquids. **Also includes engineering, procurement, fabrication, and construction for refinery upgrades and retrofits for renewable fuels.** We also ~~serve customers in various~~ **construct thermal vacuum test chambers for aerospace and defense industries and** other **infrastructure for** industries **including** ~~such as~~ petrochemical, sulfur, mining and minerals ~~companies engaged~~ primarily in the extraction of non- ferrous metals, ~~aerospace and defense,~~ cement, agriculture, **wastewater treatment facilities** and other industrial customers ~~. Our services include plant maintenance, turnarounds, industrial cleaning services, engineering, fabrication, and capital construction. • Storage and Terminal Solutions: consists of work related to aboveground storage tanks and terminals. We also include work related to cryogenic and other specialty storage tanks and terminals, including LNG, liquid nitrogen / liquid oxygen, liquid petroleum, hydrogen and other specialty vessels such as spheres in this segment, as well work related to marine structures and truck and rail loading / offloading facilities. Our services include engineering, fabrication, construction, and maintenance and repair, which includes planned and emergency services for both tanks and full terminals. Finally, we offer tank products,~~

~~including geodesic domes, aluminum internal floating roofs, floating suction and skimmer systems, roof drain systems and floating roof seals~~ . Overview The majority of the work for all segments is performed in the United States, with 9. ~~5~~ **4** % of revenue generated internationally during fiscal **2023, 9. 5 % in fiscal** 2022 ~~,~~ **and** 10. 2 % in fiscal 2021 ~~and 7. 3 % in fiscal 2020~~ . The percentage of revenue generated internationally decreased in fiscal **2023 and fiscal** 2022 compared to fiscal 2021 primarily due to higher **domestic** ~~levels of~~ revenue **growth** ~~generated domestically~~ . Significant period to period changes in revenue, gross profits and operating results between fiscal **2023 and fiscal** 2022 ~~and fiscal 2021~~ are discussed below on a consolidated basis for each segment. A discussion of results of operations changes between fiscal **2022 and fiscal** 2021 ~~and fiscal 2020~~ is included in Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10- K for the year ended June 30, ~~2021~~ **2022** , which was filed with the SEC on ~~September 13~~ **October 11** , ~~2021~~ **2022** . (In thousands) ~~Utility~~ **Storage and Terminal SolutionsUtility** and Power InfrastructureProcess and Industrial ~~FacilitiesStorage and Terminal SolutionsCorporateTotalFiscal~~ **FacilitiesCorporateTotalFiscal Year 2023Consolidated revenue $ 255, 693 $ 169, 504 $ 369, 823 $ — $ 795, 020 Gross profit (loss) 10, 470 10, 699 10, 756 (1, 105) 30, 820 Gross profit (loss) % 4. 1 % 6. 3 % 2. 9 % — % 3. 9 % Selling, general and administrative expenses20, 054 7, 045 14, 909 26, 241 68, 249 Goodwill impairment and restructuring costs969 37 13, 288 1, 164 15, 458 Operating profit (loss) (10, 553) 3, 617 (17, 441) (28, 510) (52, 887) Operating profit (loss) % (4. 1) % 2. 1 % (4. 7) % — % (6. 7) % Fiscal** Year 2022Consolidated revenue $ **232, 839 $** 220, 093 $ 254, 848 ~~$ 232, 839~~ $ — $ 707, 780 Gross profit (loss) **262** (8, 586) 9, 270 ~~262~~ (2, 152) (1, 206) Gross profit (loss) % **0. 1 %** (3. 9) % 3. 6 ~~% 0. 1~~ % — % (0. 2) % Selling, general and administrative ~~expenses11~~ **expenses17 , 284 11** , 771 12, 506 ~~17, 284~~ 26, 129 67, 690 ~~Goodwill impairment and restructuring~~ **Restructuring** ~~costs2~~ **costs7 , 330 2** , 746 6, 867 ~~7, 330~~ 2, 015 18, 958 Operating loss (**24, 352) (** 23, 103) (10, 103 ~~) (24, 352~~) (30, 296) (87, 854) Operating loss % (10. 5) % (**10. 5) % (** 4. 0 ~~) % (10. 5~~) % — % (12. 4 ~~) % Fiscal Year 2021Consolidated revenue $ 210, 052 $ 199, 917 $ 263, 429 $ — $ 673, 398 Gross profit 1, 506 17, 642 13, 617 — 32, 765 Gross profit % 0. 7 % 8. 8 % 5. 2 % — % 4. 9 % Selling, general and administrative expenses9, 882 14, 756 18, 644 26, 474 69, 756 Restructuring costs1, 312 3, 807 1, 391 246 6, 756 Operating loss (9, 688) (921) (6, 418) (26, 720) (43, 747) Operating loss % (4. 6) % (0. 5) % (2. 4) % — % (6. 5~~) % Variances Fiscal Year ~~2022~~ **2023** to Fiscal Year ~~2021~~ **2022** Increase / (Decrease) Consolidated revenue $ ~~10~~ **22** , ~~041 $ 54~~ **854** , ~~931~~ $ (~~30, 590~~ - **50, 589**) **$ 114, 975** $ — $ ~~34~~ **87** , ~~382~~ **240** Gross profit (loss) ~~(~~ 10, **208 19** ~~092) (8~~ , **285 1, 486 1, 047** ~~372~~ - **32** ~~) (13~~ , ~~355)~~ **026 Selling, general and administrative expenses2, 770** (**4, 726)** 2, **403 112 559** ~~152) (33, 971) Selling, general and administrative expenses1, 889 (2, 250) (1, 360) (345) (2, 066)~~ Goodwill impairment and restructuring ~~costs1~~ - **costs (6** , ~~434~~ **361) (2, 709) 6, 421 (851) (** 3, ~~060 5~~ **500) Operating profit (loss) 13** , ~~939~~ **799 26, 720 (7, 338)** 1, **786** ~~769 12, 202 Operating loss (13, 415) (9, 182) (17, 934~~ - **34** ~~) (3~~ , **967** ~~576) (44, 107)~~ Operational Update **During fiscal 2023, strong bidding activity resulted in project awards of $ 1. 3 billion and we ended the fiscal year with $ 1. 1 billion of backlog, the highest level since the end of fiscal 2019. Based on this building momentum, the process of returning revenue volume to pre- pandemic levels is well underway. Accordingly, we are expecting revenue growth to be stronger in fiscal 2024 than it was in fiscal 2023. However, some of the new awards are for significant capital projects that will not commence until the latter half of fiscal 2024 and will be recognized as revenue over a multi- year period. Many of the projects booked during fiscal 2023 are large capital projects with gross margins at our pre- pandemic historical gross margin range. In addition, growing revenue volume combined with cost reductions implemented in recent years should allow us to better leverage our cost structure, which will further enhance gross margins in fiscal 2024 and beyond. Backlog We define backlog as the total dollar amount of revenue that we expect to recognize as a result of performing work that has been awarded to us through a signed contract, limited notice to proceed (" LNTP") or other type of assurance that we consider firm. The following arrangements are considered firm: • fixed- price awards; • minimum customer commitments on cost plus arrangements; and • certain time and material arrangements in which the estimated value is firm or can be estimated with a reasonable amount of certainty in both timing and amounts. For long- term maintenance contracts with no minimum commitments and other established customer agreements, we include only the amounts that we expect to recognize as revenue over the next 12 months. For arrangements in which we have received a LNTP, we include the entire scope of work in our backlog if we conclude that the likelihood of the full project proceeding as high. For all other arrangements, we calculate backlog as the estimated contract amount less revenue recognized as of the reporting date. The following table provides a summary of changes in our backlog in fiscal 2023: Storage and TerminalSolutionsUtility and Power InfrastructureProcess and Industrial FacilitiesTotal (In thousands) Backlog as of June 30, 2022 $ 195, 114 $ 102, 059 $ 292, 287 $ 589, 460 Project awards354, 510 526, 963 444, 148 1, 325, 621 Other adjustment (1) (23, 272) — (6, 691) (29, 963) Revenue recognized (255, 693) (169, 504) (369, 823) (795, 020) Backlog as of June 30, 2023 $ 270, 659 $ 459, 518 $ 359, 921 $ 1, 090, 098 Book- to- bill ratio (2) 1. 4 3. 1 1. 2 1. 7 (1) Backlog was reduced by $ 30. 0 million to account for a reduction of work available to us in an existing facility upgrade and service program. (2) Calculated by dividing project awards by revenue recognized. In the Storage and Terminal Solutions segment, backlog increased by 38. 7 % as we booked $ 354. 5 million of project awards during fiscal 2023. This segment includes significant opportunities for storage infrastructure projects related to natural gas, LNG, ammonia, hydrogen, NGLs and other forms of renewable energy. We believe LNG and hydrogen projects in particular will be key growth drivers for this segment. We were awarded a large- scale specialty vessel project in the second quarter following a similar award in the first quarter.** Bidding activity **on LNG projects has been strong and we expect that to continue. In the Utility and Power Infrastructure segment** , **backlog increased by 350. 2 % as we booked $ 527. 0 million of project awards in fiscal 2023. Project awards are primarily comprised of a project for the engineering, procurement, and construction of LNG peak shaving facilities and power delivery work. We received a significant LNG peak shaving** project award **during the fourth quarter of** ~~volumes, and revenue volumes all improved in~~ fiscal ~~2022~~ **2023 . Our opportunity pipeline for LNG peak shaving projects continues to be promising, however those awards, while significant, can be less frequent. Project opportunities and**

bidding activity are strong for both the power delivery portion of the business and LNG peak shaving. In the Process and Industrial Facilities segment, backlog increased by 23. 1 % as we booked $ 444 the economy recovered from the pandemic . 1 million of However, delays in project starts awards in fiscal 2023. Included in project awards are a significant capital project awarded in the third quarter to upgrade a natural gas compressor station and contract growth on certain a capital projects - project at a biodiesel facility. Client spending related to refinery maintenance and turnaround operations has continued to be strong, which also contributed significantly to project awards during the year. We continue to see demand for thermal vacuum chambers in our backlog the coming quarters, as well as delays increasing opportunities in mining and minerals, chemicals, and renewables. In addition, we are continuing to pursue opportunities for midstream gas work, including some larger scale projects. Project awards in all segments are cyclical and are typically the result of a sales process that can take several months or years to complete. It is common for awards to shift from one period to another as the timing of awards is dependent upon a number of factors including changes in market conditions, permitting, of off larger take agreements, project financing and other factors. Backlog volatility may increase for some segments from time to time when individual project awards are less frequent, but more significant. Awards for significant capital projects have may be recognized as revenue over a multi- year period as the projects may take a few years to complete. We expect to recognize approximately 54 % of our total backlog reported as of June 30, 2023 as revenue within fiscal 2024. Fiscal 2023 Versus Fiscal 2022 Consolidated revenue was $ 795. 0 million for fiscal 2023 compared to $ 707. 8 million in fiscal 2022. On a segment basis, revenue increased in the Process and Industrial Facilities and Storage and Terminal Solutions segments by $ 115. 0 million and $ 22. 8 million, respectively. These increases were partially offset by a decrease in revenue of $ 50. 6 million in the Utility and Power Infrastructure segment. Consolidated gross profit was $ 30. 8 million in fiscal 2023 compared to a gross loss of $ 1. 2 million in fiscal 2022. Gross margin was 3. 9 % in fiscal 2023 compared to a negative gross margin of (0. 2 %) in fiscal 2022. Gross margins in fiscal 2023 were negatively impacted by the under our operating results. Therefore, we have not been able to generate enough revenue to fully recover recovery of construction overhead costs, unfavorable changes in the estimated recovery of change orders and increased forecasted costs to complete certain midstream gas processing projects, continued work on previously- booked projects with reduced gross margins awarded in a highly competitive time period. Gross margins in fiscal 2022 were negatively impacted by low revenue volume, which led to the under recovery of construction overhead costs. In addition, the competitive bidding environment and increased forecasts in costs to complete projects negatively impacted gross margins. Consolidated Selling, General and Administrative (" SG & A ") expenses were $ 68 costs despite significant reductions in our cost structure . 2 million in In addition, projects bid during a competitive environment and increased forecasted costs to complete certain projects have further pressured profitability during the fiscal year (see the discussion of our 2023 compared to $ 67. 7 million in fiscal 2022 results . In the second quarter of fiscal 2023 , and we recorded $ 12. 3 million of goodwill impairment. In the third quarter of fiscal 2022, we recorded $ 18. 3 million of goodwill impairment. See Part II ,. Item 8 -, Financial Statements and Supplementary Data , Note 2 4 - Revenue Goodwill and Other Intangible Assets - Goodwill Revisions in Estimates , for more information) about the impairment . Based on improving market conditions and strong bidding activity As a result of actions taken to reduce our cost structure , we are expecting project awards to increase into recorded $ 3. 1 million of restructuring costs in fiscal 2023 and $ 0. 6 million of restructuring , which we expect to lead to higher revenue volume, increased cost costs in leverage, better margins, and improved earnings. In fiscal 2022 , we commenced the second phase of our ongoing business improvement plan to focus on centralization of support functions, including business development, accounting, human resources, procurement and project services into shared service centers. Since the beginning of fiscal 2020, we estimate that we have reduced our cost structure by approximately $ 83 million, or approximately 30 %, with approximately one- third of those reductions related to SG & A and the rest related to construction overhead, which is included in cost of revenue in the Consolidated Statements of Income . See Part II. Item 8 ., Financial Statements and Supplementary Data, Note 14- Restructuring Costs, for more information about . Interest expense was $ 2. 0 million in fiscal 2023 and $ 3. 0 million in fiscal 2022. Interest expense consists primarily of interest on debt outstanding, unused capacity fees, amortization of deferred debt issuance costs, letter of credit fees and other interest. Interest expense in fiscal 2022 included $ 1. 5 million of accelerated amortization of deferred debt amendment fees in the first quarter. Other income included a $ 2. 9 million gain on the sale of our industrial cleaning business improvement plan in the fourth quarter of fiscal 2023 . See Part II. Item 8, Financial Statements, Note 3- Property, Plant and Equipment- Industrial Cleaning Disposal, for more information. In fiscal 2022, other income included a $ 32. 4 million gain on the sale- leaseback of our regional office and fabrication and warehouse facility located in Orange, California. See Part II. Item 8, Financial Statements, Note 3- Property, Plant and Equipment- Sale- leaseback Transaction, for more information. Our effective tax rate for fiscal 2023 was 0. 8 % compared to (9. 6) % in fiscal 2022. The effective tax rates for both periods were impacted by valuation allowances of $ 12. 6 million and $ 17. 9 million, respectively, placed on deferred tax assets. We placed a valuation allowance on all of our deferred tax assets in the second quarter of fiscal 2022 due to the existence of a cumulative loss over a three- year period. We will continue to place valuation allowances on newly generated deferred tax assets and will realize the benefit associated with the deferred tax assets for which the valuation allowance has been provided to the extent we generate taxable income in the future, or cumulative losses are no longer present and our future projections for growth or tax planning strategies are demonstrated. In fiscal 2023 and 2022, net loss was $ 52. 4 million and $ 63. 9 million, respectively; or $ 1. 94 and $ 2. 39 per fully diluted share, respectively. Revenue for the Storage and Terminal Solutions segment was $ 255. 7 million in fiscal 2023 compared to $ 232. 8 million in fiscal 2022, an increase of $ 22. 9 million. The increase in segment revenue is primarily a result of higher volumes of specialty vessel capital projects and tank repair and maintenance work. The segment gross margin was 4. 1 % in fiscal 2023 compared to 0. 1 % in fiscal 2022. The fiscal 2023 segment gross margin improved on good project

execution, but was negatively impacted by the under recovery of construction overhead costs due to low revenue volumes. The fiscal 2022 segment gross margin was negatively impacted by low revenue volume, which led to under recovery of construction overhead costs and a lower than previously forecasted margin on a thermal energy storage tank repair and maintenance project, which had reduced segment gross profit by $ 6. 3 million. In addition, segment gross margin was negatively impacted by smaller competitively priced capital projects in fiscal 2022. Revenue for the Utility and Power Infrastructure segment was $ 169. 5 million in fiscal 2023 compared to $ 220. 1 million in fiscal 2022. The decrease is primarily due to lower volumes of natural gas utility peak shaving work, partially offset by higher volumes of power delivery work. The reduction of peak shaving work is due to the timing of commencement of new projects and the completion of previous awarded projects. We expect peak shaving work to have a significant impact to segment revenue in the second half of fiscal 2024. The segment gross margin was 6. 3 % in fiscal 2023 compared to a negative gross margin of (3. 9 %) in fiscal 2022. The segment gross margin for fiscal year 2023 was negatively impacted by continued work on projects with previously reduced gross margins and projects that were bid competitively. These negative impacts were partially offset by strong execution of cost reimbursable power delivery work. The fiscal 2022 negative segment gross margin was materially impacted by changes in the forecasted costs to complete two large capital projects and an unfavorable settlement of a claim with a customer. The segment gross margin in fiscal 2022 was also negatively impacted by the under recovery of construction overhead costs. Revenue for the Process and Industrial Facilities segment was $ 369. 8 million in fiscal 2023 compared to $ 254. 8 million in fiscal 2022. The increase of $ 115. 0 million was primarily due to work on a capital project at a biodiesel facility, higher volumes of refinery maintenance and turnaround activity, midstream gas processing capital work, and work on a capital project at a mining facility. The segment gross margin was 2. 9 % in fiscal 2023 compared to 3. 6 % in fiscal 2022. Outside of work on midstream gas processing work, project execution was strong for the remainder of the segment. The segment gross margin in fiscal 2023 was negatively impacted by unfavorable changes in the estimated recovery of change orders and increased forecasted costs to complete certain midstream gas processing capital work, which resulted in a $ 12. 6 million reduction in gross profit for the fiscal year. These charges were primarily the result of the client not approving adequate compensation to us for the impact that excessive scope changes had on our ability to progress the work according to forecast and for the impact of global supply chain issues and inflation. We have accrued the full expected loss for the work, which are now mechanically complete. Finally, segment gross margin was also negatively impacted by the under recovery construction overhead costs. Despite generally strong project execution and higher volumes, the segment gross margin in fiscal 2022 was negatively impacted by an increase in forecasted costs to complete a midstream gas processing project. The project had reduced gross profit by $ 8. 7 million during fiscal 2022. The increase in forecasted costs was primarily due to performance of a now terminated subcontractor, which required rework, as well as supply chain and escalation issues, in order to meet our client' s expectations. Segment gross margin was also negatively impacted by under recovered construction overhead costs in fiscal 2022. Unallocated corporate expenses were $ 28. 5 million during fiscal 2023 compared to $ 30. 3 million in the same period last year. Non- GAAP Financial Measures In order to more clearly depict our core profitability, the following tables present our operating results after certain adjustments: Reconciliation of Net Loss to Adjusted Net ~~Income (~~Loss ~~)~~(1) (In thousands, except per share data) Fiscal Years EndedJune 30, **2023June 30,** 2022June 30, ~~2021June 30, 2020Net~~ **2021Net** loss, as reported $ (**52, 361) $ (** 63, 900) $ (31, 224 ~~) $ (33, 074~~) Restructuring costs ~~incurred646~~ **incurred3 , 142 646** 6, 756 ~~14, 010~~ Goodwill and intangible asset ~~impairments18~~ **impairments12 , 316 18** , 312 — ~~38, 515~~ Gain on sale of ~~facilities~~ **assets** (2) (**2, 905) (** 32, 392) ~~—~~ — Accelerated amortization of deferred debt amendment fees (3) **—** 1, 518 — ~~—~~**Tax impact of adjustments and other net tax items (4) (3, 231) 4, 464 (1, 739)** Deferred tax valuation allowance (~~4~~ **5**) **12, 595** 17, 943 — ~~— Tax impact of adjustments and other net tax items4, 464 (1, 739) (8, 644)~~ Adjusted net ~~income (~~loss **$ (30, 444**) $ (53, 409) $ (26, 207) ~~$ 10, 807~~ Loss per fully diluted share, as reported $ (**1. 94) $ (** 2. 39) $ (1. 18 ~~) $ (1. 24~~) Adjusted earnings (loss) per fully diluted share $ (**1. 13) $ (** 2. 00) $ (0. 99) ~~$ 0. 40~~ (1) This table presents non- GAAP financial measures of our adjusted net ~~income (~~loss ~~)~~and adjusted ~~earnings (~~loss ~~)~~per fully diluted share for fiscal **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ . The most directly comparable financial measures are net loss and loss per fully diluted share, respectively, presented in the Consolidated Statements of Income. We have presented these non- GAAP financial measures because we believe they more clearly depict our core operating results during the periods presented and provide a more comparable measure of our operating results to other companies considered to be in similar businesses. Since adjusted net ~~income (~~loss ~~)~~and adjusted ~~earnings (~~loss ~~)~~per fully diluted share are not measures of performance calculated in accordance with GAAP, they should be considered in addition to, rather than as a substitute for, the most directly comparable GAAP financial measures. (2) **In fiscal 2023, we booked a $ 2. 9 million** ~~Gain~~ **gain on the sale of our industrial cleaning business in the fourth quarter of fiscal 2023. See Part II. Item 8, Financial Statements, Note 3- Property, Plant and Equipment- Industrial Cleaning Disposal, for more information. In fiscal 2022, we booked a $ 32. 4 million gain** on the sale- leaseback of our regional office and fabrication and warehouse facility located in Orange, California (see Part II. Item 8- Financial Statements and Supplementary Data, Note 3- Property, Plant and Equipment- Sale- leaseback Transaction, for more information.) (3) Interest expense in fiscal 2022 included $ 1. 5 million of accelerated amortization of deferred debt amendment fees ~~(see Part II~~ **in connection with terminating the Senior Secured Revolving Credit facility** . ~~Item 8- Financial Statements~~ **(4) Calculated by applying a blended state** and ~~Supplementary Data~~ **federal tax rate of approximately 26 % to the adjustments** , ~~Note~~ **after giving consideration to the portion of impaired goodwill that was not tax deductible. (** 5 ~~- Debt, for more information). (4~~) See Part II, Item 8- Financial Statements and Supplementary Data, Note 6- Income Taxes, for more information about the deferred tax asset valuation allowance. Reconciliation of Net Loss to Adjusted EBITDA We have presented Adjusted EBITDA, which we define as net loss before goodwill ~~and other intangible asset~~ impairments ~~, restructuring costs~~ , gain on sale of facilities **, restructuring costs** , stock- based compensation, interest expense, income taxes, and

depreciation and amortization, because it is used by the financial community as a method of measuring our performance and of evaluating the market value of companies considered to be in similar businesses. We believe that the line item on our Consolidated Statements of Income entitled “ Net loss ” is the most directly comparable GAAP measure to Adjusted EBITDA. Since Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, net earnings as an indicator of operating performance. Adjusted EBITDA, as we calculate it, may not be comparable to similarly titled measures employed by other companies. In addition, this measure is not a measure of our ability to fund our cash needs. As Adjusted EBITDA excludes certain financial information compared with net loss, the most directly comparable GAAP financial measure, users of this financial information should consider the type of events and transactions that are excluded. Our non- GAAP performance measure, Adjusted EBITDA, has certain material limitations as follows: • It does not include impairments to goodwill ~~and other intangible assets~~. While impairments to intangible assets are non- cash expenses in the period recognized, cash or other consideration was still transferred in exchange for the intangible assets in the period of the acquisition. Any measure that excludes impairments to intangible assets has material limitations since these expenses represent the loss of an asset that was acquired in exchange for cash or other assets. • It does not include gain on **asset** ~~sale~~ **sales** ~~of facilities~~. While ~~the~~ **these** ~~sale~~ **sales** occurred outside the normal course of business and ~~similar sales~~ are not expected to be recurring ~~or sustainable~~, any measure that excludes this gain has inherent limitations since the sale resulted in a material inflow of cash. • It does not include restructuring costs. Restructuring costs represent material costs that we incurred and are oftentimes cash expenses. Therefore, any measure that excludes restructuring costs has material limitations. • It does not include stock- based compensation. Stock- based compensation represents material amounts of equity that are awarded to our employees and directors for services rendered. While the expense is non- cash, we release vested shares out of our treasury stock, which has historically been replenished by using cash to periodically repurchase our stock. Therefore, any measure that excludes stock- based compensation has material limitations. • It does not include interest expense. Because we have borrowed money to finance our operations and to acquire businesses, pay commitment fees to maintain our senior secured revolving credit facility, and incur fees to issue letters of credit under the senior secured revolving credit facility, interest expense is a necessary and ongoing part of our costs and has assisted us in generating revenue. Therefore, any measure that excludes interest expense has material limitations. • It does not include income taxes. Because the payment of income taxes is a necessary and ongoing part of our operations, any measure that excludes income taxes has material limitations. • It does not include depreciation or amortization expense. Because we use capital and intangible assets to generate revenue, depreciation and amortization expense is a necessary element of our cost structure. Therefore, any measure that excludes depreciation or amortization expense has material limitations. Fiscal Years Ended June 30, **2023June 30,** 2022June 30, ~~2021June 30, 2020~~ **2021** (in thousands) Net loss $ (**52, 361) $ (** 63, 900) $ (31, 224 ~~) $ (33, 074~~) Goodwill and other intangible asset ~~impairment18~~ **impairment12 , 316 18** , 312 — ~~38, 515~~ Gain on sale of ~~facilities~~ **assets** (1) (**2, 905) (** 32, 392) ~~—~~ — Restructuring ~~costs646~~ **costs3, 142 646** 6, 756 ~~14, 010~~ Stock- based ~~compensation7~~ **compensation6 , 791 7** , 877 8, 156 ~~9, 877~~ Interest expense2, **024 2,** 951 1, 559 ~~1, 597~~ Provision (benefit) for federal, state and foreign income ~~taxes5~~ - **taxes (400) 5** , 617 (12, 039) ~~(3, 570)~~ Depreciation and ~~amortization15~~ **amortization13 , 694 15** , 254 17, 858 ~~19, 124~~ Adjusted EBITDA $ (**17, 699) $ (** 45, 635) $ (8, 934) ~~$ 46, 479~~ (1) **In fiscal 2023, we booked a $ 2. 9 million** ~~Gain~~ **gain on the sale of our industrial cleaning business in the fourth quarter of fiscal 2023. See Part II. Item 8, Financial Statements, Note 3- Property, Plant and Equipment- Industrial Cleaning Disposal, for more information. In fiscal 2022, we booked a $ 32. 4 million gain** on the sale- leaseback of our regional office and fabrication and warehouse facility located in Orange, California (see Part II. Item 8- Financial Statements and Supplementary Data, Note 3- Property, Plant and Equipment- Sale- leaseback Transaction, for more information.) ~~Fiscal 2022 Versus Fiscal 2021 Consolidated revenue was $ 707. 8 million for fiscal 2022 compared to $ 673. 4 million in fiscal 2021. On a segment basis, revenue increased in the Process and Industrial Facilities and Utility and Power Infrastructure segments by $ 54. 9 million and $ 10. 1 million, respectively. The increases were partially offset by a decrease in revenue of $ 30. 6 million in the Storage and Terminal Solutions segment. Consolidated gross profit (loss) was ($ 1. 2) million in fiscal 2022 compared to $ 32. 8 million in fiscal 2021. Gross margin (loss) was (0. 2) % in fiscal 2022 compared to 4. 9 % in fiscal 2021. Gross margins in fiscal 2022 were negatively impacted by low revenue volume, which led to the under recovery of construction overhead costs. In addition, the competitive bidding environment and increased forecasts in costs to complete projects negatively impacted gross margins. Gross margins in fiscal 2021 were negatively impacted by lower than forecasted volume, which led to under recovery of construction overhead costs, lower than previously forecasted margins on large capital projects in the Utility and Power Infrastructure and Storage and Terminal Solutions segments, and an unfavorable settlement on a contract dispute in the Storage and Terminal Solutions segment. Consolidated SG & A expenses were $ 67. 7 million in fiscal 2022 compared to $ 69. 8 million in fiscal 2021. The decrease in fiscal 2022 was primarily attributable to implemented cost reductions. In the third quarter of fiscal 2022, we recorded $ 18. 3 million of goodwill impairment. See Part II. Item 8, Financial Statements, Note 4- Goodwill and Other Intangible Assets- Goodwill, for more information about the impairments. As a result of actions taken to reduce our cost structure, we recorded $ 0. 6 million of restructuring costs in fiscal 2022. These costs were net of a $ 1. 6 million credit recorded in restructuring costs in the third quarter. The credit was due to a favorable settlement of a restructuring obligation related to our exit from the domestic iron and steel industry in fiscal 2020. See" Operational Update" in this Results of Operations section and Part II. Item 8, Financial Statements and Supplementary Data, Note 14- Restructuring Costs, for more information. Interest expense was $ 3. 0 million in fiscal 2022 and $ 1. 6 million in fiscal 2021. Interest expense in fiscal 2022 included $ 1. 5 million of accelerated amortization of deferred debt amendment fees in the first quarter (see Part II. Item 8, Financial Statements, Note 5- Debt, for more information.) The remaining interest expense in fiscal 2022 was comprised of letter of credit fees, unused capacity fees, interest on outstanding advances, and amortization of deferred debt issuance costs. Other income included a $ 32. 4 million gain on the sale- leaseback of our regional office and fabrication and warehouse facility located in Orange, California during the fourth quarter of fiscal 2022. See Part II. Item 8, Financial Statements, Note 3-~~

~~Property, Plant and Equipment- Sale- leaseback Transaction, for more information. Our effective tax rate for fiscal 2022 was (9. 6) % compared to 27. 8 % in fiscal 2021. The effective tax rate during fiscal 2022 was primarily impacted by a $ 17. 9 million valuation allowance placed on our deferred tax assets. See Part II. Item 8, Financial Statements, Note 6- Income Taxes, for more information about the valuation allowance. The effective tax rate during fiscal 2021 was positively impacted by a provision of the CARES Act that allowed us to carryback $ 5. 2 million of the fiscal 2021 net operating loss to a period with a higher statutory federal income tax rate. The carryback benefit was offset by $ 2. 8 million of valuation allowances on various deferred tax assets and $ 1. 8 million of excess tax expense related to the vesting of stock- based compensation. In fiscal 2022 and 2021, net loss was $ 63. 9 million and $ 31. 2 million, respectively; or $ 2. 39 and $ 1. 18 per fully diluted share, respectively. Revenue for the Utility and Power Infrastructure segment was $ 220. 1 million in fiscal 2022 compared to $ 210. 1 million in fiscal 2021. The increase is primarily due to higher volumes of power generation and power delivery work, partially offset by lower volumes of natural gas utility peak shaving and storm response service work. The segment gross margin (loss) was (3. 9) % in fiscal 2022 compared to 0. 7 % in fiscal 2021. Fiscal 2022 segment gross margin was materially impacted by changes in the forecasted costs to complete two large capital projects. Improved execution on the first project resulted in an increase in gross profit of $ 2. 2 million during the second half of fiscal 2022. However, increases in the forecasted costs to complete this project during the first half of fiscal 2022 resulted in the project reducing gross profit by $ 3. 6 million during the year. The increase in forecasted costs during the first half of the fiscal year was principally due to unexpected equipment repairs during commissioning that delayed the scheduled completion and increased the estimated costs to complete. We achieved a critical performance milestone during the second quarter of fiscal 2022, which significantly reduced our financial exposure on the project. Increased forecasted costs to the complete the second project resulted in the project reducing gross profit by $ 2. 2 million during the fourth quarter of fiscal 2022 and $ 0. 1 million during fiscal 2022. We recognized $ 78. 1 million of revenue on this project during the year at a near break- even margin as a result of the change in estimate. The increase in forecasted costs was the result of higher than anticipated subcontractor costs and labor costs as the project neared completion. We expect to complete the project during the second quarter of fiscal 2023. The segment gross margin in fiscal 2022 was also negatively impacted by low revenue volume, which led to the under recovery of construction overhead costs, and by an unfavorable settlement of a claim with a customer in the first quarter of fiscal 2022. Results of operations in fiscal 2021 were materially impacted by increases in the forecasted costs to complete a large capital project. This project reduced gross profit by $ 5. 8 million in fiscal 2021. The changes in estimate were due to lower than previously forecasted productivity caused by excessive rain at the project site, the impact of COVID- 19, and rework which led to higher costs and schedule compression. In addition, segment gross margin was negatively impacted by low volume, which led to the under recovery of construction overhead costs. These negative impacts were partially offset by good project execution in the remainder of the segment. Revenue for the Process and Industrial Facilities segment was $ 254. 8 million in fiscal 2022 compared to $ 199. 9 million in fiscal 2021. The increase of $ 54. 9 million is primarily due to higher levels of refinery maintenance and turnaround work. The segment gross margin was 3. 6 % in fiscal 2022 compared to 8. 8 % in fiscal 2021. Despite generally strong project execution and higher volumes, the segment gross margin in fiscal 2022 was negatively impacted by an increase in forecasted costs to complete a midstream gas processing project. The project reduced gross profit by $ 8. 7 million during fiscal 2022. The increase in forecasted costs was primarily due to poor performance of a now terminated subcontractor, which required rework, as well as supply chain and escalation issues, in order to meet our client' s expectations. Segment gross margin was also negatively impacted by under recovered construction overhead costs in fiscal 2022. Segment gross margin in fiscal 2021 was positively impacted by strong project execution and the positive impact of a one- time workers' compensation item recorded in the second quarter, but these positive impacts were partially offset by lower revenue volume, which led to the under recovery of construction overhead costs. Revenue for the Storage and Terminal Solutions segment was $ 232. 8 million in fiscal 2022 compared to $ 263. 4 million in fiscal 2021, a decrease of $ 30. 6 million. The decrease in segment revenue is primarily a result of lower volumes of crude oil tank and terminal capital work. The segment gross margin was 0. 1 % in fiscal 2022 compared to 5. 2 % in fiscal 2021. The fiscal 2022 segment gross margin was negatively impacted by low revenue volume, which led to under recovery of construction overhead costs and a lower than previously forecasted margin on a thermal energy storage tank repair and maintenance project due to changes in repair scope, expanded client weld testing and associated schedule delays, which reduced segment gross profit by $ 6. 3 million. In addition, segment gross margin was negatively impacted by smaller competitively priced capital projects. The fiscal 2021 segment gross margin was negatively impacted by increases in the costs to complete a large crude oil terminal project, partially offset by an increase in the estimated recovery of those costs. During the third quarter, we achieved mechanical completion on the project, demobilized and completed our assessment of unpriced change orders. The project' s financial impact for fiscal 2021 was a $ 3. 8 million reduction to gross profit. In addition, a settlement on a contract dispute over the construction of a crude oil terminal negatively impacted gross profit by $ 2. 9 million in the fourth quarter. The settlement resulted in a cash receipt of $ 8. 9 million in the first quarter of fiscal 2022, which enabled us to avoid future legal costs and litigation risk. Fiscal 2021 gross margin was also negatively impacted by low volume, which led to the under recovery of construction overhead costs. Unallocated corporate expenses were $ 30. 3 million during fiscal 2022 compared to $ 26. 7 million in the same period last year. The increase is primarily attributable to an increase in legal costs for outstanding litigation (see Item 8. Financial Statements, Note 7- Commitment and Contingencies, for more information), third party consulting services and centralization of support costs related to restructuring activities (see" Operational Update" in this Results of Operations section), partially offset by cost reductions we implemented.~~ LIQUIDITY AND CAPITAL RESOURCES We define liquidity as the ongoing ability to pay our liabilities as they become due, fund business operations and meet all monetary contractual obligations. Our primary sources of liquidity at June 30, ~~2022~~ **2023** were unrestricted cash and cash equivalents on hand, capacity under our ABL Facility (see" ABL Credit Facility" in this Liquidity and Capital Resources section and Item 8. Financial Statements and Supplementary Data, Note 5- Debt, for more information), and cash generated from operations. Unrestricted cash and cash equivalents at June 30, ~~2022~~

2023 totaled $ 52 54 . 4 8 million and availability under the ABL Facility totaled $ 42 37 . 5 7 million, resulting in total liquidity of $ 94 92 . 8 5 million. The following table provides a reconciliation of cash, cash equivalents and restricted cash in the Consolidated Balance Sheets to the total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows (in thousands): June 30, 2022June 2023June 30, 2021Cash 2022Cash and cash equivalents $ 54, 812 $ 52, 371 $ 83, 878 Restricted cash cash25 $, 000 25, 000 — Total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows $ 79, 812 $ 77, 371 $ 83, 878 The following table provides a summary of changes in our liquidity for the year ended June 30, 2022 2023 (in thousands): Liquidity at June 30, 2021 2022 $ 94, 83 831 , 878 Cash used provided by operating activities activities10 (54 , 247 196) Capital expenditures (3 9 , 345 009) Proceeds from asset sales (1) 39 6 , 018 466 Net borrowings repayments under ABL Facility15 -- Facility (5 , 000 Remaining) Decrease in availability under ABL Facility42, 460 Cash restricted in support of ABL Facility (25 4 , 000 718) Cash used by other financing activities (58 2, 301) Effect of exchange rate changes on cash (683 205) Liquidity at June 30, 2022 2023 $ 94 92 , 831 554 (1) Includes $ 37 6 . 4 3 million of net proceeds from the sale - leaseback of our industrial cleaning business regional office and fabrication and warehouse facility located in Orange, California during the fourth quarter of fiscal 2022 2023 . See Part II. Item 8, Financial Statements, Note 3- Property, Plant and Equipment- Industrial Cleaning Disposal Sale- leaseback Transaction , for more information. The remaining asset sales comprised of equipment sold in the normal course of business . There continues to be significant uncertainty regarding the near- and intermediate- term business impacts from supply chain disruptions, inflation, and the dislocation of certain energy and industrial markets following the onset of the COVID- 19 Pandemic and the war between Ukraine and Russia. During fiscal 2022, low revenue volume, a competitive bidding environment, and increased forecasted costs to complete certain projects led to a $ 54. 2 million use of cash by operating activities, which negatively impacted our liquidity position. However, we improved our liquidity position by entering into a sale- leaseback transaction during the fourth quarter of fiscal 2022, which resulted in $ 37. 4 million in proceeds (see Part II. Item 8- Financial Statements and Supplementary Data, Note 3- Property, Plant and Equipment- Sale- leaseback Transaction, for more information.) In addition, we added $ 32. 5 million of liquidity as a result of entering into the ABL Facility during the first quarter of fiscal 2022. We continue to maintain adequate liquidity to support our near- to intermediate- term needs. We are taking the following actions: • strategic review of business processes and organizational structure; • proactive management of the cost structure and working capital; and • eliminating all non- critical capital expenditures . Factors that routinely impact our short- term liquidity and may impact our long- term liquidity include, but are not limited to: • changes in costs and estimated earnings in excess of billings on uncompleted contracts and billings on uncompleted contracts in excess of costs due to contract terms that determine the timing of billings to customers and the collection of those billings: ◦ some cost plus and fixed price customer contracts are billed based on milestones which may require us to incur significant expenditures temporarily prior to collections from our customers; ◦ some fixed price customer contracts allow for significant upfront billings at the beginning of a project, which temporarily increases liquidity near term; ◦ time and material contracts are normally billed in arrears. Therefore, we are routinely required to carry these costs until they can be billed and collected; and ◦ some of our large construction projects may require security in the form of letters of credit or significant retentions. The timing of collection of retentions Retentions is often are normally held until uncertain -- certain contractual milestones are achieved ; • other changes in working capital , including the timing of tax payments and refunds ; and • capital expenditures. Other factors that may impact both short and long- term liquidity include: • contract disputes , which can be significant ; • collection issues, including those caused by weak commodity prices, economic slowdowns or other factors which can lead to credit deterioration of our customers ; • issuances of letters of credit ; and • strategic investments in new operations. Other factors that may impact long- term liquidity include: • borrowing constraints under our credit ABL facility Facility and maintaining compliance with all covenants contained in the Credit Agreement ABL Facility ; • acquisitions and disposals of businesses or assets ; and • purchases of shares under our stock buyback program. On September 9 Cash Flows Used by Operating Activities Cash......, 2022 in comparison to June 30 , 2021 include the following: • Accounts receivable , excluding credit losses recognized during the period...... Inventories, income taxes receivable, other -- the Company current assets, operating right- of- use lease assets and other non- current assets increased $ 1. 1 million during fiscal 2022, which decreased cash flows from operating activities. These operating assets can fluctuate based on the timing of inventory builds and draw- downs, accrual and receipt of income taxes receivable, prepayments of certain expenses, leasing activity, business volume, and other timing differences. • Accounts payable, accrued wages and benefits, accrued insurance, operating lease liabilities and other accrued expenses increased by $ 12. 2 million during fiscal 2022, which increased cash flows from operating activities. These operating liabilities can fluctuate based on the timing of vendor payments, accruals, leasing activities, business volume, and other timing differences. • Other liabilities decreased by $ 7. 4 million, which decreased cash flows from operating activities. This decrease was primarily due to payment on the deferred payroll tax liability associated with the CARES Act. See Part II., Item 8. Financial Statements and Supplementary Data, Note 6- Income Taxes for more information. Cash Flows Provided by Investing Activities Investing activities provided $ 35. 7 million of cash in the fiscal year ended June 30, 2022 primarily due to $ 39. 0 million of asset sales, including $ 37. 4 million in proceeds from the sale- leaseback of our regional office and fabrication and warehouse facilities located in Orange, California during the fourth quarter of fiscal 2022 (see Part II. Item 8, Financial Statements, Note 3- Property, Plant and Equipment- Sale- leaseback Transaction, for more information.) The asset sale proceeds were partially offset by $ 3. 3 million of capital expenditures. Capital expenditures consisted of $ 1. 5 million for facilities, office equipment and software, and $ 1. 8 million for construction, fabrication, and transportation equipment. Cash Flows Provided by Financing Activities Financing activities provided $ 12. 7 million of cash in the fiscal year ended June 30, 2022 primarily due to the net borrowings of $ 15. 0 million under our ABL Facility, partially offset by $ 1. 3 million paid in fees to enter into the ABL Facility, and $ 0. 9 million paid to repurchase our stock for payment of withholding taxes due on equity- based compensation. On October 5, 2022, we and our primary U. S. and Canada operating subsidiaries entered into the First Amendment and - an Waiver to Credit Agreement (the “ Amendment ”),

~~which amended our~~ asset- ~~backed~~ **based** credit agreement **, which was amended on October 5, 2022** (**as amended,** the" ABL Facility"), ~~dated as of September 9, 2021~~ with Bank of Montreal, as Administrative Agent, Swing Line Lender and a Letter of Credit Issuer, and the lenders named therein. The ~~Amendment (i) waives an event of default resulting from our failure to deliver the Administrative Agent and the lenders our audited financial statements for the fiscal year ended June 30, 2022 by September 28, 2022 (the " Audited Financial Statements "), provided we deliver the Audited Financial Statements by October 14, 2022, (ii) reduces the~~ maximum amount of loans under the ABL Facility **is limited** to $ 90. 0 million ~~from $ 100. 0 million and (iii) replaces the London interbank offered rate with the forward term rate based on the secured overnight financing rate (the " SOFR ") as the interest rate benchmark~~ . The ABL Facility **' s** ~~is guaranteed by substantially all of our remaining U. S. and Canadian subsidiaries. The ABL Facility~~ available borrowings may be increased by an amount not to exceed $ 15. 0 million, subject to certain conditions, including obtaining additional commitments. The ABL Facility is intended to be used for working capital, capital expenditures, issuances of letters of credit and other lawful purposes. Our obligations under the ABL Facility are **guaranteed by substantially all of our U. S. and Canadian subsidiaries and are** secured by a first lien on all our assets and the assets of our co- borrowers and guarantors under the ABL Facility. The maximum amount that we may borrow under the ABL Facility is subject to a borrowing base, which is based on restricted cash plus a percentage of the value of certain accounts receivable, inventory and equipment, reduced for certain reserves. We are required to maintain a minimum of $ 25. 0 million of restricted cash at all times, but such amounts are also included in the borrowing base. The ABL Facility matures **,** and any outstanding amounts become due and payable **,** on September 9, 2026. At June 30, ~~2022~~ **2023** , our borrowing base was $ ~~80~~ **67** . ~~8~~ **0** million, we had $ ~~15~~ **10** . 0 million of outstanding borrowings, and **we had** $ ~~23~~ **19** . 3 million in letters of credit outstanding, which resulted in availability of $ ~~42~~ **37** . ~~5~~ **7** million under the ABL Facility **. Our borrowing base has ranged from $ 67. 0 million to $ 83. 2 million during fiscal 2023** . Borrowings under the ABL Facility bear interest through maturity at a variable rate based upon, at our option, an annual rate of either a base rate (" Base Rate "), an Adjusted Term ~~SOFR~~ **Secured Overnight Financing Rate** (" Adjusted Term SOFR"), or at the Canadian Prime Rate, plus an applicable margin. The Adjusted Term SOFR is defined as (i) the SOFR plus (ii) 11. 448 basis points for a one- month tenor and 26. 161 basis points for a three- month tenor; provided that the Adjusted Term SOFR cannot be below zero. The Base Rate is defined as a fluctuating interest rate equal to the greater of: (i) rate of interest announced by Bank of Montreal from time to time as its prime rate; (ii) the U. S. federal funds rate plus 0. 50 %; (iii) Adjusted Term SOFR for one month period plus 1. 00 %; or (iv) 1. 00 %. Depending on the amount of average availability, the applicable margin is between 1. 00 % to 1. 50 % for Base Rate and Canadian Prime Rate borrowings, which includes either U. S. or Canadian prime rate, and between 2. 00 % and 2. 50 % for Adjusted Term SOFR borrowings. Interest is payable either (i) monthly for Base Rate or Canadian Prime Rate borrowings or (ii) the last day of the interest period for Adjusted Term SOFR borrowings, as set forth in the ABL Facility. The fee for undrawn amounts is 0. 25 % per annum and is due quarterly. The interest rate in effect for borrowings outstanding at June 30, ~~2022~~ **2023** , including applicable margin, was ~~6~~ **approximately 7** . ~~00~~ **47** %. The ABL Facility contains customary conditions to borrowings, events of default and covenants, including, but not limited to, covenants that restrict our ability to sell assets, engage in mergers and acquisitions, incur, assume or permit to exist additional indebtedness and guarantees, create or permit to exist liens, pay cash dividends, issue equity instruments, make distribution or redeem or repurchase capital stock. In the event that our availability is less than the greater of (i) $ 15. 0 million and (ii) 15. 00 % of the ~~lesser of (1) the current borrowing base and (2) the~~ commitments under the ABL Facility then in effect, a consolidated Fixed Charge Coverage Ratio of at least 1. 00 to 1. 00 must be maintained. We ~~are~~ **were** in compliance with all covenants of the ABL Facility as of June 30, **2023.Cash Flows Provided by Operating Activities Cash flows provided by** operating activities for the fiscal year ended June 30, ~~2022~~ **2023** totaled $ ~~54~~ **10** .2 million.Major components of cash flows ~~used~~ **provided** by operating activities for the year ended June 30, ~~2022~~ **2023** are as follows:Net Cash ~~Used~~ **Provided** by Operating Activities (In thousands) Fiscal Year EndedJune 30, ~~2022Net~~ **2023Net** loss $ (~~63~~ **52** , ~~900~~ **361**) Gain on sale of property,plant and equipment (1) (~~33~~ **2** , ~~114~~ **841**) Goodwill ~~impairment18~~ **impairment12** , ~~312~~ **316** Depreciation and ~~amortization15~~ **amortization13** , ~~254~~ **694** Stock- based compensation ~~expense7~~ **expense6** , **791** ~~877 Deferred income tax5,358~~ Other non- cash ~~expenses2~~ **expenses147** ~~,425~~ Cash effect of changes in operating assets and ~~liabilities~~ **liabilities32** ~~(6~~ , **501** ~~408)~~ Net cash ~~used~~ **provided** by operating activities $ **10** ~~(54~~ , **247** ~~196)~~ (1) Gain on sale of property,plant and equipment includes a $ ~~32~~ **2** . ~~4~~ **9** million gain on the sale ~~- leaseback~~ of our **industrial cleaning business** ~~regional office and fabrication and warehouse facility located in Orange,California~~ (see Part II.Item 8- Financial Statements and Supplementary Data,Note 3- Property,Plant and Equipment- **Industrial Cleaning Disposal** ~~Sale- leaseback Transaction~~ ,for more information.) The remaining ~~gain~~ **loss** on the sale of property,plant and equipment comprised of equipment sold in the normal course of business.Cash effect of changes in operating assets and **liabilities at June 30,2023 in comparison to June 30,** 2022 ~~. Senior Secured Revolving~~ **include the following: • Accounts receivable, excluding** ~~Credit~~ **credit** ~~Facility~~ **losses recognized during the period, decreased $ 8. 7 million during fiscal 2023, which increased cash flows from operating activities.** The **excluding credit losses recognized during the period,increased $ 6.6 million during fiscal 2022,which decreased cash flows from operating activities.The** variance is primarily attributable to **higher business volume and** the timing of billing and collections.• Costs and estimated earnings in excess of billings on uncompleted contracts (" CIE") increased $ **14.** 0 ~~.1~~ million,which decreased cash flows from operating activities.Billings on uncompleted contracts in excess of costs and estimated earnings (" BIE") increased $ ~~20~~ **11** .3 million,which increased cash flows from operating activities.CIE and BIE balances can experience significant fluctuations based on business volume and the timing of when job costs are incurred and the timing of customer billings and payments.• Inventories,income taxes receivable, ~~prepaid expenses,~~ other ~~current assets,operating right- of- use lease assets and other non- current assets decreased $ 13.7 million during fiscal 2023,which~~ ABL Facility ~~replaced the Fifth Amended and Restated Credit Agreement (the" Prior Credit Agreement"), that was entered into on November 2, 2020, and subsequently amended on May 4, 2021, by and among us and certain foreign subsidiaries, as Borrowers, various subsidiaries of ours, as Guarantors, JPMorgan Chase Bank, N~~ . **Financing activities** ~~A., as Administrative Agent, Sole~~

Lead Arranger and Sole Book Runner, and the other Lenders party thereto. The Prior Credit Agreement provided for a $ 12. 7 million of cash in three -- the – fiscal year senior secured revolving credit facility ended June 30, 2022 primarily due to the net borrowings of $ 200 15 . 0 million that expired November 2 under our ABL Facility , partially offset by 2023. We had no borrowings and $ 41 1 . 3 million paid in fees to enter into of letters of credit outstanding under the Prior Credit Agreement as of the date we commenced the ABL Facility , and . Interest expense during the fiscal 2022 included $ 1 0 . 5 9 million paid to repurchase our stock for payment of withholding taxes due on equity- based compensation accelerated amortization of deferred debt amendment fees associated with the Prior Credit Agreement . We have never paid cash dividends on our common stock and the terms of our ABL Facility limit Credit Agreement prohibit us from paying cash dividends to stock dividends only . Any future dividend payments will depend on the terms of our ABL Facility, our financial condition, capital requirements and earnings as well as other relevant factors. Stock Repurchase Program We may repurchase common stock pursuant to the Stock Buyback Program, which was approved by the board of directors in November 2018. Under the program, the aggregate number of shares repurchased may not exceed 2, 707, 175 shares. We may repurchase our stock from time to time in the open market at prevailing market prices or in privately negotiated transactions and are not obligated to purchase any shares. The program will continue unless and until it is modified or revoked by the Board of Directors. We made no repurchases under the program in fiscal 2022 and have no current plans to repurchase stock. As of June 30, 2022, there were 1, 349, 037 shares available for repurchase under the Stock Buyback Program. The terms of our ABL Facility limit share repurchases to $ 2. 5 million per fiscal year provided that we meet certain availability thresholds and do not violate our Fixed Charge Coverage Ratio financial covenant. Treasury Shares We had 1 840 , 899 097, 703 treasury shares as of June 30, 2022 2023 and intend to utilize these treasury shares in connection with equity awards under the our stock incentive plans and for sales to the Employee Stock Purchase Plan. Material Cash Requirements from Contractual and Other Obligations As of June 30, 2022 2023 , our short- term and long- term material cash requirements for known contractual and other obligations were as follows: • Operating Leases: In the normal course of business, we lease real estate and equipment under various arrangements which are classified as operating leases. Future payments for such leases, excluding leases with initial terms of one year or less, were $ 31. 7 2 million at June 30, 2022 2023 , with $ 5. 7 . 0 million payable within the next 12 months. Refer to Part II. Item 8, Financial Statements, Note 8- Leases, for more information about our lease obligations and the timing of expected future payments. • Outstanding Debt and Interest Payments: As of June 30, 2022 2023 , the amount outstanding under our ABL Facility was $ 15 10 . 0 million. Based on the outstanding balance and interest rates applicable as of June 30, 2022 2023 , if we carried the borrowings to the maturity of the facility, we would make total payments of interest payments and fees on the outstanding debt of $ 6 4 . 8 4 million, with $ 1. 6 4 million payable within the next 12 months. The outstanding borrowings are due on September 9, 2026 when the ABL Facility matures. Future interest payments will be determined based on prevailing interest rates during that time. Refer to Part II. Item 8, Financial Statements, Note 5- Debt, for more information about the terms of our ABL Facility. • Deferred Payroll Taxes: We have deferred $ 5. 6 million of U. S. payroll tax as of June 30, 2022 through provisions of the Coronavirus Aid, Relief, and Economic Security Act (the " CARES Act "). We must repay these deferred payroll taxes by December 31, 2022. Refer to Part II. Item 8, Financial Statements, Note 6- Income Taxes, for more information about the deferred payroll taxes. Off- Balance Sheet Arrangements and Other Commitments The terms of our construction contracts frequently require that we obtain from surety companies, and provide to our customers, surety bonds as a condition to the award of such contracts. These surety bonds are issued in return for premiums, which vary depending on the size and type of the bond, and secure our payment and performance obligations under such contracts. We have agreed to indemnify the surety companies for amounts, if any, paid by them in respect of surety bonds issued on our behalf. Surety bonds expire at various times ranging from final completion of a project to a period extending beyond contract completion in certain circumstances. Such amounts can also fluctuate from period to period based upon the mix and level of our bonded operating activity. As of June 30, 2022 2023 , there were $ 140 127 . 6 million of surety bonds in force, of which we expect $ 90 126 . 3 6 million to expire within the next 12 months . Of the bonds in force, $ 99. 6 million related to performance bonds for ongoing projects and the remainder related to contractor licensing, liens, and other bonds . We are not aware of any losses in connection with surety bonds that have been posted on our behalf, and we do not expect to incur significant losses in the foreseeable future. We issue letters of credit under our ABL Facility in the normal course of business to support workers' compensation insurance programs or certain construction contracts. As of June 30, 2022 2023 , we had $ 23 19 . 3 million of letters of credit outstanding, nearly all of which expire within the next 12 months. The letters of credit that support our workers' compensation programs are expected to renew annually through the term of our credit facility. The letters of credit that support construction contracts carry expiration dates throughout fiscal 2023 2026 . CRITICAL ACCOUNTING POLICIES Revenue Recognition General Information about our Contracts with Customers Our revenue comes from contracts to provide engineering, procurement, fabrication and construction, repair and maintenance and other services. Our engineering, procurement and fabrication and construction services are usually provided in association with capital projects, which are commonly fixed- price contracts that are billed based on project milestones. Our repair and maintenance services typically are cost reimbursable or time and material based contracts and are billed monthly or, for projects of short duration, at the conclusion of the project. The elapsed time from award to completion of performance may exceed one year for capital projects. Step 1: Contract Identification We do not recognize revenue unless we have identified a contract with a customer. A contract with a customer exists when it has approval and commitment from both parties, the rights and obligations of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability is probable. We also evaluate whether a contract should be combined with other contracts and accounted for as a single contract. This evaluation requires judgment and could change the timing of the amount of revenue and profit recorded for a given period. Step 2: Identify Performance Obligations Next, we identify each performance obligation in the contract. A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services to the customer. Revenue is recognized separately for each performance obligation in the contract. Many of our contracts have one clearly identifiable performance

obligation. However, many of our contracts provide the customer an integrated service that includes two or more of the following services: engineering, procurement, fabrication, construction, repair and maintenance services. For these contracts, we do not consider the integrated services to be distinct within the context of the contract when the separate scopes of work combine into a single commercial objective or capability for the customer. Accordingly, we generally identify one performance obligation in our contracts. The determination of the number of performance obligations in a contract requires significant judgment and could change the timing of the amount of revenue recorded for a given period. Step 3: Determine Contract Price After determining the performance obligations in the contract, we determine the contract price. The contract price is the amount of consideration we expect to receive from the customer for completing the performance obligation (s). In a fixed- price contract, the contract price is a single lump- sum amount. In reimbursable and time and materials based contracts, the contract price is determined by the agreed upon rates or reimbursements for time and materials expended in completing the performance obligation (s) in the contract. A number of our contracts contain various cost and performance incentives and penalties that can either increase or decrease the contract price. These variable consideration amounts are generally earned or incurred based on certain performance metrics, most commonly related to project schedule or cost targets. We estimate variable consideration at the most likely amount of additional consideration to be received (or paid in the case of penalties), provided that meeting the variable condition is probable. We include estimated amounts of variable consideration in the contract price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the contract price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. We reassess the amount of variable consideration each accounting period until the uncertainty associated with the variable consideration is resolved. Changes in the assessed amount of variable consideration are accounted for prospectively as a cumulative adjustment to revenue recognized in the current period. Step 4: Assign Contract Price to Performance Obligations After determining the contract price, we assign such price to the performance obligation (s) in the contract. If a contract has multiple performance obligations, we assign the contract price to each performance obligation based on the stand- alone selling prices of the distinct services that comprise each performance obligation. Step 5: Recognize Revenue as Performance Obligations are Satisfied We record revenue for contracts with our customers as we satisfy the contracts' performance obligations. We recognize revenue on performance obligations associated with fixed- price contracts for engineering, procurement, fabrication and construction services over time since these services create or enhance assets the customer controls as they are being created or enhanced. We measure progress of satisfying these performance obligations by using the percentage- of- completion method, which is based on costs incurred to date compared to the total estimated costs at completion, since it best depicts the transfer of control of assets being created or enhanced to the customer. We recognize revenue over time for reimbursable and time and material based repair and maintenance contracts since the customer simultaneously receives and consumes the benefit of those services as we perform work under the contract. As a practical expedient allowed under the revenue accounting standards, we record revenue for these contracts in the amount to which we have a right to invoice for the services performed provided that we have a right to consideration from the customer in an amount that corresponds directly with the value of the performance completed to date. Costs incurred may include direct labor, direct materials, subcontractor costs and indirect costs, such as salaries and benefits, supplies and tools, equipment costs and insurance costs. Indirect costs are charged to projects based upon direct costs and overhead allocation rates per dollar of direct costs incurred or direct labor hours worked. Typically, customer contracts will include standard warranties that provide assurance that products and services will function as expected. We do not sell separate warranties. We have numerous contracts that are in various stages of completion which require estimates to determine the forecasted costs at completion. Due to the nature of the work left to be performed on many of our contracts, the estimation of total cost at completion for fixed- price contracts is complex, subject to many variables and requires significant judgment. Estimates of total cost at completion are made each period and changes in these estimates are accounted for prospectively as cumulative adjustments to revenue recognized in the current period. If estimates of costs to complete fixed- price contracts indicate a loss, a provision is made through a contract write- down for the total loss anticipated. Change Orders Contracts are often modified through change orders, which are changes to the agreed upon scope of work. Most of our change orders, which may be priced or unpriced, are for goods or services that are not distinct from the existing contract due to the significant integration of services provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a change order on the contract price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue on a cumulative catch- up basis. For unpriced change orders, we estimate the increase or decrease to the contract price using the variable consideration method described in the Step 3: Determine Contract Price paragraph above. Unpriced change orders are more fully discussed in Note ~~7~~ **2** - **Revenue** ~~Commitments and Contingencies~~ of the Notes to Financial Statements. Sometimes we seek claims for amounts in excess of the contract price for delays, errors in specifications and designs, contract terminations, change orders in dispute or other causes of additional costs incurred by us. Recognition of amounts as additional contract price related to claims is appropriate only if there is a legal basis for the claim. The determination of our legal basis for a claim requires significant judgment. We estimate the change to the contract price using the variable consideration method described in the Step 3: Determine Contract Price paragraph above. Claims are more fully discussed in ~~Note 7~~ **Part II. Item 8** - ~~Commitments and Contingencies of the Notes to~~ Financial Statements **and Supplementary Data, Note 2- Revenue** . Costs and estimated earnings in excess of billings on uncompleted contracts included revenue for unpriced change orders and claims of $ **9. 7 million at June 30, 2023 and $** 8. 9 million at June 30, 2022 ~~and $ 14. 6 million at June 30, 2021~~ . The amounts ultimately realized may be significantly different than the recorded amounts resulting in a material adjustment to future earnings. Generally we expect collection of amounts related to unpriced change orders and claims within twelve months. However, customers may not pay these amounts until final resolution of related claims, which may extend beyond one year. Goodwill represents the

excess of the purchase price of acquisitions over the acquisition date fair value of the net identifiable tangible and intangible assets acquired. In accordance with current accounting guidance, goodwill is not amortized and is tested at least annually for impairment at the reporting unit level, which is a level below our reportable segments. We perform our annual impairment test in the fourth quarter of each fiscal year, or in between annual tests whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable, to determine whether an impairment exists and to determine the amount of headroom. We define" headroom" as the percentage difference between the fair value of a reporting unit and its carrying value. The goodwill impairment test involves comparing management' s estimate of the fair value of a reporting unit with its carrying value, including goodwill. If the fair value of a reporting unit exceeds its carrying value, then goodwill is not impaired. If the fair value of a reporting unit is less than its carrying value, then goodwill is impaired to the extent of the difference, but the impairment may not exceed the balance of goodwill assigned to that reporting unit. We utilize a discounted cash flow analysis, referred to as an income approach, and market multiples, referred to as a market approach, to determine the estimated fair value of our reporting units. For the income approach, significant judgments and assumptions including forecasted project awards, discount rate, anticipated revenue growth rate, gross margins, operating expenses, working capital needs and capital expenditures are inherent in the fair value estimates, which are based on our operating and capital budgets and on our strategic plan. As a result, actual results may differ from the estimates utilized in our income approach. For the market approach, significant judgments and assumptions include the selection of guideline companies, forecasted guideline company EBITDA and our forecasted EBITDA. The use of alternate judgments and / or assumptions could result in a fair value that differs from our estimate and could result in the recognition of additional impairment charges in the financial statements. As a test for reasonableness, we also consider the combined fair values of our reporting units to our market capitalization. We performed our annual goodwill impairment test as of May 31, ~~2022~~ **2023**, which resulted in no impairment. The fiscal ~~2022~~ **2023** test indicated that ~~four~~ **three** reporting units with a combined total of $ ~~33~~ **20**. ~~8~~ **9** million of goodwill as of June 30, ~~2022~~ **2023** were at higher risk of future impairment. If our view of project opportunities or gross margins deteriorates, particularly for the higher risk reporting units, then we may be required to record an impairment of goodwill **. Subsequent to the completion of the May 31, 2023 annual impairment test, additional information regarding new project awards became available which would significantly improve the cash flows and fair values of certain reporting units including reporting units 1 and 4 (see table below) that were considered at a higher risk of impairment**. We considered the amount of headroom for each reporting unit when determining whether an impairment existed. The amount of headroom varies by reporting unit. Our significant assumptions, including revenue growth rates, gross margins, discount rate and other factors may change in the future based on the changing economic and competitive environment in which we operate. Assuming that all other components of our fair value estimate remain unchanged, a change in the following assumptions would have the following effect on headroom: Headroom Sensitivity AnalysisGoodwill as of June 30, ~~2022~~ **2023** (in thousands) Baseline HeadroomHeadroom if Revenue Growth RateDeclines by 100 Basis Points Headroom if Gross MarginDeclines by 100 Basis Points Headroom if Discount Rate Increases by 100 Basis Points Reporting Unit 1 $ ~~12~~ **11**, ~~316~~ **158 11 % 4 %-** 5 % ~~-3 %- 20 %-~~ 3 % Reporting Unit 2 $ ~~11~~ **8**, ~~158 4~~ **240 3, 583** % ~~-~~ **3, 252 %** 2 **, 151** % **3, 180** ~~- 12 %- 4~~ % Reporting Unit 3 $ ~~8~~ **5**, ~~287 103~~ **484 22** % ~~87~~ **19** % ~~37~~ **0** % ~~83~~ **16** % Reporting Unit 4 $ ~~6~~ **4**, ~~112 23~~ **238 28** % ~~18~~ **25** % ~~1~~ **15** % **24** ~~17 % Reporting Unit 5 $ 4, 262 16 % 9 %- 17 % 6~~ % In the ~~third~~ **second** quarter **of fiscal 2023**, we concluded that **a** goodwill impairment ~~indicators~~ existed **in the Process and Industrial Facilities segment** based on ~~the decline~~ **a material adverse change** in **gross profit on a project. Based on** the ~~price~~ **indicated outcome** of ~~our stock~~ **this project** and ~~operating results that have underperformed~~ our ~~forecasts during the year~~ **near** ~~. Accordingly~~ **- term outlook for the reporting unit**, we performed an interim impairment test **for the unit** ~~as of March 31, 2022~~ and concluded that **its** ~~there was~~ $ ~~18~~ **12**. 3 million of ~~total~~ **goodwill was fully impaired. The** impairment ~~to goodwill, which~~ was **recognized** ~~recorded as follows: • $ 8. 4 million~~ in **operating income during the** ~~the~~ **three** ~~Process~~ and **six months ended December 31, 2022** ~~Industrial Facilities segment; • $ 7. 2 million in the Storage and Terminal Solutions segment; and • $ 2. 7 million in the Utility and Power Infrastructure segment~~. We use the asset and liability approach for financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances based on our judgments and estimates are established when necessary to reduce deferred tax assets to the amount expected to be realized in future operating results. We believe that realization of deferred tax assets in excess of the valuation allowance is more likely than not. Our estimates are based on facts and circumstances in existence as well as interpretations of existing tax regulations and laws applied to the facts and circumstances, with the help of professional tax advisors. Therefore, we estimate and provide for amounts of additional income taxes that may be assessed by the various taxing authorities. Loss Contingencies Various legal actions, claims and other contingencies arise in the normal course of our business. Contingencies are recorded in the consolidated financial statements, or are otherwise disclosed, in accordance with ASC 450- 20, " Loss Contingencies ". Specific reserves are provided for loss contingencies to the extent we conclude that a loss is both probable and estimable. We use a case- by- case evaluation of the underlying data and update our evaluation as further information becomes known. We believe that any amounts exceeding our recorded accruals should not materially affect our financial position, results of operations or liquidity. However, the results of litigation are inherently unpredictable and the possibility exists that the ultimate resolution of one or more of these matters could result in a material effect on our financial position, results of operations or liquidity. Item 7A. Quantitative and Qualitative Disclosures About Market Risk Interest Rate Risk Our interest rate risk results primarily from our variable rate indebtedness under our ABL Facility, which is influenced by movements in short- term rates. Borrowings under the ABL Facility bear interest through maturity at a variable rate based upon, at our option, an annual rate of either a base rate (" Base Rate "), an Adjusted Term SOFR (" Adjusted Term SOFR"), or at the Canadian Prime Rate, plus an applicable margin. The Adjusted Term SOFR is defined as (i) the SOFR plus (ii) 11. 448 basis points for a one-

month tenor and 26. 161 basis points for a three- month tenor; provided that the Adjusted Term SOFR cannot be below zero. The Base Rate is defined as a fluctuating interest rate equal to the greater of: (i) rate of interest announced by Bank of Montreal from time to time as its prime rate; (ii) the U. S. federal funds rate plus 0. 50 %; (iii) Adjusted Term SOFR for one month period plus 1. 00 %; or (iv) 1. 00 %. Depending on the amount of average availability, the applicable margin is between 1. 00 % to 1. 50 % for Base Rate and Canadian Prime Rate borrowings, which includes either U. S. or Canadian prime rate, and between 2. 00 % and 2. 50 % for Adjusted Term SOFR borrowings. Interest is payable either (i) monthly for Base Rate or Canadian Prime Rate borrowings or (ii) the last day of the interest period for Adjusted Term SOFR borrowings, as set forth in the ABL Facility. The fee for undrawn amounts is 0. 25 % per annum and is due quarterly. The interest rate in effect for borrowings outstanding at June 30, ~~2022~~ **2023** , including applicable margin, was ~~6~~ **7** . ~~00~~ **47** %. Financial instruments with interest rate risk at June 30, ~~2022~~ **2023** were as follows: Maturity by Fiscal ~~Year20232024202520262027Fair~~ ---- **Year20242025202620272028Fair** Value as of June 30, ~~2022~~ **2023** (in thousands) Long- term debt: Variable rate debt $ — $ — $ — $ **10, 000 $** — $ **10** ~~15, 000 $ 15~~ , 000 If the interest in effect for borrowings outstanding at June 30, ~~2022~~ **2023** , including applicable margin, increases 1. 00 %, then our **annual** interest expense would only increase $ 0. ~~2~~ **1** million, which would not have a material impact to our business. Foreign Currency Risk We have subsidiaries with operations in Canada and South Korea, which use the Canadian Dollar and South Korean Won, respectively, as their functional currencies. We also have a subsidiary with operations in Australia, but its functional currency is the U. S. Dollar since its sales are primarily denominated in U. S. Dollars. Historically, movements in the Canadian Dollar to U. S. Dollar exchange rate have not significantly impacted our results. Also, we do not expect exchange rate fluctuations in our South Korean and Australian operations to materially impact our financial results since these operations represent an insignificant portion of our consolidated revenue and expenses. However, further growth in our Canadian, South Korean and / or Australian operations and / or significant fluctuations in the Canadian Dollar, South Korean Won and / or Australian Dollar to U. S. Dollar exchange rates could impact our financial results in the future. Management has not entered into derivative instruments to hedge foreign currency risk, but periodically evaluates the materiality of our foreign currency exposure. To mitigate our risk, on occasion we convert Canadian Dollar balances into U. S. Dollars to settle U. S. Dollar amounts owed by our Canadian operations. A 10 % unfavorable change in the Canadian Dollar against the U. S. Dollar would not have had a material impact on our financial results for the fiscal year ended June 30, ~~2022~~ **2023** . Commodity Price Risk We have no direct commodity exposure, but we do have exposure to materials derived from certain commodities including steel plate, steel pipe, and copper, which are key materials we use. ~~The COVID- 19 Pandemic and the war between Russia and Ukraine has resulted in disruptions~~ **Disruptions** to global supply chains ~~, which~~ **in recent years** have led to higher prices for some of the materials we need to run our business. We mitigate these risks primarily by procuring materials upon contract execution to ensure that our purchase price approximates the costs included in the project estimate, and also by negotiating contract escalation clauses to cover unexpected costs due to fluctuations in materials costs. We have been proactive with managing our procurement processes to help reduce the impacts of rising materials prices on our business and to help ensure we continue to have the materials we need available. However, rising prices and the potential for materials shortages have ~~interjected~~ **created** additional risk ~~into~~ **in** bidding and executing work profitably. Item 8. Financial Statements and Supplementary Data Financial Statements of the CompanyManagement' s Report on Internal Control Over Financial ~~Reporting43Reports~~ - **Reporting39Reports** of Independent Registered Public Accounting Firm (PCAOB ID 34) ~~44Consolidated~~ **40Consolidated** Statements of Income for the Fiscal Years Ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** , and June 30, ~~202048Consolidated~~ **202144Consolidated** Statements of Comprehensive Income for the Fiscal Years Ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** , and June 30, ~~202049Consolidated~~ **202145Consolidated** Balance Sheets as of June 30, ~~2022~~ **2023** and June 30, ~~202150Consolidated~~ **202246Consolidated** Statements of Cash Flows for the Fiscal Years Ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** , and June 30, ~~202052Consolidated~~ **202148Consolidated** Statements of Changes in Stockholders' Equity for the Fiscal Years Ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** , and June 30, ~~202054Notes~~ -- **202150Notes** to Consolidated Financial ~~Statements55Schedule~~ **Statements51Schedule** II — Valuation and Qualifying ~~Accounts81~~ **Accounts77** Financial Statement Schedules The financial statement schedule is filed as a part of this report under Schedule II – Valuation and Qualifying Accounts for the three fiscal years ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** and June 30, ~~2020~~ **2021** immediately following Notes to Consolidated Financial Statements. All other schedules are omitted because they are not applicable or the required information is shown in the financial statements, or notes thereto, included herein. MANAGEMENT' S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING The management of Matrix Service Company and its wholly- owned subsidiaries (the " Company ") are responsible for establishing and maintaining adequate internal control over financial reporting. The Company' s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U. S. generally accepted accounting principles. Internal control over financial reporting includes policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U. S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company' s assets that could have a material effect on the financial statements. All internal control systems, no matter how well designed, have inherent limitations and cannot provide absolute assurance that all objectives will be met. Internal control over financial reporting is a process that involves diligence and is subject to lapses in judgment and human error. Internal control over financial reporting can also be circumvented by collusion or management override of controls. Because of these limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis. The Company' s management assessed the effectiveness of the Company' s internal

control over financial reporting as of June 30, ~~2022~~ **2023** . In making this assessment, the Company' s management used the criteria established in Internal Control — Integrated Framework (2013) set forth by the Committee of Sponsoring Organizations of the Treadway Commission (" COSO ") in Internal Control- Integrated Framework. Management' s assessment included an evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, overall control environment and information systems control environment. Based on this assessment, the Company' s management has concluded that the Company' s internal control over financial reporting as of June 30, ~~2022~~ **2023** was effective. Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report on the effectiveness of the Company' s internal control over financial reporting as of June 30, ~~2022~~ **2023** . Deloitte & Touche LLP' s report on the Company' s internal control over financial reporting is included herein. / s / John R. Hewitt / s / Kevin S. CavanahJohn R. Hewitt Kevin S. CavanahPresident and Chief Executive Officer Vice President and Chief Financial Officer ~~October 11~~ **September 12** , ~~2022~~ **2023** REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM To the stockholders and the Board of Directors of Opinion on Internal Control over Financial Reporting We have audited the internal control over financial reporting of Matrix Service Company and subsidiaries (the " Company ") as of June 30, ~~2022~~ **2023** , based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, ~~2022~~ **2023** based on criteria established in Internal Control- Integrated Framework (2013) issued by COSO. We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended June 30, ~~2022~~ **2023** , of the Company and our report dated ~~October 11~~ **September 12** , ~~2022~~ **2023** , expressed an unqualified opinion on those financial statements. Basis for Opinion The Company' s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management' s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company' s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Definition and Limitations of Internal Control over Financial Reporting A company' s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company' s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company' s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. / s / DELOITTE & TOUCHE LLP To the stockholders and the Board of Directors of Matrix Service Company Opinion on the Financial Statements We have audited the accompanying consolidated balance sheets of Matrix Service Company and subsidiaries (the" Company") as of June 30, **2023 and** 2022 ~~and 2021~~ , the related consolidated statements of income, comprehensive income, cash flows, and changes in stockholders' equity for each of the three years in the period ended June 30, ~~2022~~ **2023** and the related notes and the schedule listed in the Index at Item 8 (collectively referred to as the" financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, **2023 and** 2022 ~~and 2021~~ , and the results of its operations and its cash flows for each of the three years in the period ended June 30, ~~2022~~ **2023** , in conformity with accounting principles generally accepted in the United States of America. We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company' s internal control over financial reporting as of June 30, ~~2022~~ **2023** , based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated ~~October 11~~ **September 12** , ~~2022~~ **2023** expressed an unqualified opinion on the Company' s internal control over financial reporting. These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on the Company' s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion. Critical Audit Matters The critical audit matters communicated below are matters arising from the current- period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate. Revenue – Fixed Price Contracts – Refer to Notes 1 and 2 to the financial statements Critical Audit Matter Description The Company enters into contracts with customers to provide engineering, procurement, and fabrication and construction services, usually provided in association with capital projects, which commonly are fixed price contracts and are billed based on project milestones. Revenue on performance obligations associated with fixed- price contracts is recognized over time since these services create or enhance assets the customer controls as they are being created or enhanced. The Company measures progress of satisfying these performance obligations by using the percentage- of- completion method, which is based on costs incurred to date compared to the total estimated costs at completion. Due to the nature of work left to be performed on many of the Company' s contracts, the estimation of total cost at completion for fixed price contracts is complex, subject to many variables and requires significant judgment. For the fiscal year ended June 30, ~~2022~~ **2023** , revenue totaled $ ~~707~~ **795** . ~~8~~ **0** million, of which $ ~~421~~ **419** . ~~2~~ **4** million related to fixed- price contracts. Given the significant judgment necessary to estimate total costs at completion for fixed price contracts, auditing these estimates required extensive audit effort due to the volume and complexity of the fixed price contracts and a high degree of auditor judgment when evaluating the results of audit procedures, including the involvement of our capital projects specialists for **certain** ~~two selected~~ fixed price contracts. How the Critical Audit Matter Was Addressed in the Audit Our audit procedures related to estimated total costs at completion for fixed price contracts included the following, among others: • We tested the effectiveness of controls over the recognition of revenue for fixed price contracts, including management' s controls over estimates of total costs at completion. • We evaluated the appropriateness and consistency of the methods and assumptions used by management to estimate total costs on fixed price contracts. • We evaluated management' s ability to accurately estimate contract costs by comparing current gross margin to historical gross margin for certain fixed price contracts open and completed during each quarter. • We selected a sample of fixed price contracts and performed the following: ◦ Evaluated gross margin changes over time for each selected contract from bid date to the testing date to evaluate management' s historical and current estimates of total costs at completion. ◦ Evaluated management' s ability to estimate total costs at completion for each selected contract by performing corroborating inquiries with the Company' s project managers and personnel involved with the selected contracts, including inquiries related to the timeline to completion and estimates of future costs to complete the contract. ◦ Selected a sample of estimates of future costs to complete for certain selected fixed price contracts and evaluated management' s estimates of total costs at completion by performing one of the following: ▪ Comparing management' s estimates to documents such as management' s work plans, customer purchase orders, third- party invoices from suppliers, and subcontractor agreements. ▪ Developing independent estimates of total costs ~~to~~ **at** completion and compared our estimates to management' s estimates. Our independent estimates were based on information such as management' s work plans, customer purchase orders, third- party invoices from suppliers, subcontractor agreements, and similar historical project experience. ◦ For **certain** ~~two selected~~ fixed price ~~contracts~~ **contract** , we used our capital projects specialists to assist us in evaluating (1) management' s ability to estimate total costs at completion and (2) management' s estimates of total costs at completion. Goodwill – Certain Reporting Units – Refer to Notes 1 and 4 to the financial statements ~~Critical Audit Matter Description~~ The Company' s evaluation of goodwill for impairment involves the comparison of management' s estimate of the fair value of each reporting unit to its carrying value. The estimated fair value of each reporting unit was derived primarily by utilizing a discounted cash flow analysis based on the Company' s operating and capital budgets and strategic plan. Significant judgments and assumptions including the revenue growth rate, forecasted gross margins, and discount rate are inherent in the fair value estimates. The use of alternate judgments and / or assumptions could result in a fair value that differs from management' s estimate and could result in the recognition of ~~additional~~ impairment charges in the financial statements. The Company performed **an interim** goodwill impairment ~~tests~~ **test** as of ~~March~~ **December** 31, 2022 **, which resulted in $ 12. 3 million of total impairment to goodwill in the second quarter of fiscal year 2023, and** ~~and~~ **an annual goodwill impairment test as of** May 31, ~~2022~~ **2023** , which resulted in **no** ~~$ 18. 3 million of total~~ impairment ~~to~~ **of** goodwill in the ~~third~~ **fourth** quarter of fiscal year ~~2022~~ **2023** ~~and no impairment of goodwill in the fourth quarter of fiscal year 2022, respectively~~ . ~~Four~~ **Three** reporting units with a combined total of $ ~~33~~ **20** . ~~8~~ **9** million of goodwill as of June 30, ~~2022~~ **2023** were at higher risk of future impairment than others and their estimated fair values exceed their carrying values by ~~4~~ **11** % to ~~23~~ **28** %. The Company' s total goodwill was $ ~~42~~ **29** . 1 million as of June 30, ~~2022~~ **2023** . We identified goodwill for ~~four~~ **three** identified reporting units with a combined total of $ ~~33~~ **20** . ~~8~~ **9** million of goodwill as a critical audit matter because of the significant judgments made by management to estimate the fair values of these reporting units. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management' s estimates and assumptions related to the revenue growth rate, forecasted gross margins, and discount rate. How the Critical Audit Matter Was Addressed in the Audit Our audit procedures related to the revenue growth rate, forecasted gross margins, and the discount rate used by management to estimate the fair value of the three identified reporting units included the following, among others: • We tested the effectiveness of controls over management' s goodwill impairment evaluation, including those over the determination of the fair value of the four identified reporting units, such as controls related to management' s selection of the revenue growth rate and discount rate and forecasts of gross margins. • We evaluated management' s ability to accurately forecast the revenue growth rate and future gross margins by

comparing actual results to management' s historical forecasts. • We evaluated the reasonableness of management' s revenue growth rate and forecasted gross margins by comparing the forecasts to: ◦ Historical revenue growth and gross margins. ◦ Internal communications to management and the Board of Directors, including other forward estimates prepared or used by management for other accounting estimates. ◦ Remaining performance obligations. ◦ Information included in Company press releases as well as in analyst and industry reports for the Company and certain of its peer companies and in industry outlooks. • With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) the discount rate, including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rate selected by management. We have served as the Company' s auditor since 2006. Fiscal Years Ended June 30, **2023June 30,** 2022June 30, ~~2021June 30, 2020Revenue~~ **2021Revenue $ 795, 020** $ 707, 780 $ 673, 398 ~~$ 1, 100, 938~~ Cost of ~~revenue708~~ **revenue764 , 200 708** , 986 640, 633 ~~998, 762~~ Gross profit (loss) **30, 820** (1, 206) 32, 765 ~~102, 176~~ Selling, general and administrative ~~expenses67~~ **expenses68 , 249 67** , 690 69, 756 ~~86, 276~~ Goodwill ~~and other intangible asset impairment18~~ -- **impairment (Note 4) 12, 316 18** , 312 — ~~38, 515~~ Restructuring ~~costs646~~ **costs3, 142 646** 6, 756 ~~14, 010~~ Operating loss (**52, 887) (** 87, 854) (43, 747 ~~) (36, 625~~) Other income (expense): Interest expense (2, **024) (2,** 951) (1, 559) ~~(1, 597)~~ Interest ~~income90~~ **income290 90** 126 ~~1, 270~~ Other (Note 3) **1, 860** 32, 432 1, 917 ~~308~~ Loss before income tax expense (benefit) (**52, 761) (** 58, 283) (43, 263 ~~) (36, 644~~) Provision (benefit) for federal, state and foreign income ~~taxes5~~ - **taxes (400) 5** , 617 (12, 039 ~~) (3, 570~~) Net loss $ (**52, 361) $ (** 63, 900) $ (31, 224 ~~) $ (33, 074~~) Basic loss per common share $ (**1. 94) $ (** 2. 39) $ (1. 18 ~~) $ (1. 24~~) Diluted loss per common share $ (**1. 94) $ (** 2. 39) $ (1. 18 ~~) $ (1. 24~~) Weighted average common shares outstanding: Basic26, **988 26,** 733 26, 451 **Diluted26, 988** 26 ~~, 621 Diluted26~~ , 733 26, 451 ~~26, 621~~ See accompanying ~~notes48~~ **notes44** Fiscal Years Ended June 30, **2023June 30,** 2022June 30, ~~2021June 30, 2020Net~~ **2021Net** loss $ (**52, 361) $ (** 63, 900) $ (31, 224 ~~) $ (33, 074~~) Other comprehensive loss, net of tax: Foreign currency translation gain (loss) (net of tax expense ~~(benefit)~~ of **$ 0,** $ 71 ~~,~~ **and** $ 223 ~~and $ (88)~~ for the fiscal years ended June 30, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively) (**594) (** 1, 426) 1, 624 ~~(622)~~ Comprehensive loss $ (**52, 955) $ (** 65, 326) $ (29, 600 ~~) $ (33, 696~~) See accompanying ~~notes49~~ **notes45** June 30, ~~2022June~~ **2023June** 30, ~~2021AssetsCurrent~~ **2022AssetsCurrent** assets: Cash and cash equivalents $ **54, 812 $** 52, 371 ~~$ 83, 878~~ Accounts receivable, less allowances (**2023- $ 1, 061;** 2022- $ 1, 320 ~~; 2021- $ 898~~) **145, 764** 153, 879 ~~148, 030~~ Costs and estimated earnings in excess of billings on uncompleted contracts44, **888 44,** 752 ~~30, 774 Inventories9~~ **Inventories7 , 437 9** , 974 ~~7, 342~~ Income taxes ~~receivable13~~ **receivable496 13** , 547 ~~16~~ **Prepaid expenses5** , ~~965~~ **741 4, 024** Other current ~~assets12~~ **assets3** , ~~889 4~~ **118 8** , ~~230~~ **865** Total current ~~assets287~~ **assets262 , 256 287** , 412 ~~291, 219~~ Restricted cash25, 000 ~~—~~ **25, 000** Property, plant and equipment- ~~net53~~ **net47, 545 53** , 869 ~~69, 407~~ Operating lease right- of- use ~~assets22~~ **assets21 , 799 22** , 067 ~~22, 412 Goodwill42~~ - **Goodwill29 , 120 42** , 135 ~~60, 636~~ Other intangible assets, net of accumulated ~~amortization4~~ **amortization3 , 066 4** , 796 ~~6, 614 Deferred income taxes — 5, 295~~ Other assets, non- ~~current5~~ **current11 , 718 5** , 514 ~~11, 973~~ Total assets $ **400, 504 $** 440, 793 ~~$ 467, 556~~ See accompanying ~~notes50~~ **notes46** Consolidated Balance Sheets (continued) (In thousands, except share data) June 30, ~~2022June~~ **2023June** 30, ~~2021Liabilities~~ **2022Liabilities** and stockholders' equityCurrent liabilities: Accounts payable $ **76, 365 $** 74, 886 ~~$ 60, 920~~ Billings on uncompleted contracts in excess of costs and estimated ~~earnings65~~ **earnings85 , 436 65** , 106 ~~53, 832~~ Accrued wages and ~~benefits21~~ - **benefits13 , 679 21** , 526 ~~21, 008~~ Accrued ~~insurance6~~ **insurance5 , 579 6** , 125 ~~6, 568~~ Operating lease ~~liabilities5~~ **liabilities4 , 661 5** , 715 ~~5, 747~~ Other accrued ~~expenses4~~ **expenses1 , 815 4** , 427 ~~5, 327~~ Total current ~~liabilities177~~ - **liabilities187 , 535 177** , 785 ~~153, 402~~ Deferred income taxes26 ~~34~~ **26** Operating lease ~~liabilities19~~ **liabilities20 , 660 19** , 904 ~~20, 771~~ Borrowings under asset- backed credit ~~facility15~~ **facility10** , 000 ~~—~~ **15, 000** Other liabilities, non- ~~current372~~ - **current799 372** ~~7, 810~~ Total ~~liabilities213~~ **liabilities219 , 020 213** , 087 ~~182, 017~~ Commitments and contingenciesStockholders' equity: Common stock — $. 01 par value; 60, 000, 000 shares authorized; 27, 888, 217 shares issued as of June 30, ~~2022~~ **2023** and June 30, ~~2021~~ **2022** ; **27, 047, 318 and** 26, 790, 514 ~~and 26, 549, 438~~ shares outstanding as of June 30, ~~2022~~ **2023** and June 30, ~~2021~~ **2022** , respectively279 279 Additional paid- in ~~capital139~~ **capital140 , 810 139** , 854 ~~137, 575~~ Retained ~~earnings111~~ **earnings58 , 917 111** , 278 ~~175, 178~~ Accumulated other comprehensive loss (8, **769) (8,** 175) **191** ~~(6~~ , **237** ~~749)~~ 243, 236 ~~306, 283~~ Treasury stock, at cost — **840, 899 and** 1, 097, 703 ~~and 1, 338, 779~~ shares as of June 30, ~~2022~~ **2023** and June 30, ~~2021~~ **2022** , respectively (**9, 753) (** 15, 530 ~~) (20, 744~~) Total stockholders' ~~equity227~~ **equity181, 484 227** , 706 ~~285, 539~~ Total liabilities and stockholders' equity $ **400, 504 $** 440, 793 ~~$ 467, 556~~ See accompanying ~~notes51~~ **notes47** Fiscal Years Ended June 30, **2023June 30,** 2022June 30, ~~2021June 30, 2020Operating~~ **2021Operating** activities: Net loss $ (**52, 361) $ (** 63, 900) $ (31, 224 ~~) $ (33, 074~~) Adjustments to reconcile net loss to net cash provided (used) by operating activitiesDepreciation and ~~amortization15~~ **amortization13 , 694 15** , 254 17, 858 ~~19, 124~~ Goodwill ~~and other intangible asset~~ impairment (Note 4) **12, 316** 18, 312 — ~~38, 515~~ Stock- based compensation ~~expense7~~ **expense6 , 791 7** , 877 8, 156 ~~9, 877~~ Operating lease, fixed asset, and other intangible asset impairments due to restructuring **—** ~~(Note 14)~~ — 454 ~~5, 215~~ Deferred income ~~tax5~~ - **tax — 5** , 358 889 ~~(3, 630)~~ Gain on sale of property, plant and equipment (Note 3) (**2, 841) (** 33, 114) (1, 201 ~~) (767~~) Provision for uncollectable ~~accounts738~~ --- **accounts (101) 738** 85 ~~1, 158~~ Accelerated amortization of deferred debt amendment fees (Note 5) **—** 1, 518 — ~~— Other169~~ **Other248 169** 460 ~~(7)~~ Changes in operating assets and liabilities increasing (decreasing) cash: Accounts ~~receivable~~ **receivable8 , 663** (6, 587) 11, 109 ~~56, 603~~ Costs and estimated earnings in excess of billings on uncompleted contracts (**136) (** 13, 978) 28, 774 ~~36, 535 Inventories~~ **Inventories2 , 506** (2, 632) (882) ~~1, 557~~ Other assets and ~~liabilities~~ **liabilities10 , 538** (530) (21, 916) ~~11, 029~~ Accounts ~~payable13~~ - **payable1, 210 13** , 654 (12, 387 ~~) (38, 915~~) Billings on uncompleted contracts in excess of costs and estimated ~~earnings11~~ **earnings20 , 330 11** , 274 (8, 610 ~~) (41, 737~~) Accrued expenses (**10, 610) (** 7, 609) 5, 464 ~~(17, 398)~~ Net cash provided (used) by operating ~~activities~~ **activities10 , 247** (54, 196) (2, 971) ~~44, 085~~ Investing activities: Capital expenditures (**9, 009) (** 3, 345) (4, 354 ~~) (18, 539~~) Proceeds from asset sales (Note 3) **6, 466** 39, 018 2, 090 ~~1, 423~~ Net cash provided (used) by investing activities $ **(2, 543) $** 35, 673 $ (2, 264 ~~) $ (17, 116~~) See accompanying ~~notes52~~ **notes48** Consolidated Statements of Cash Flows (continued) Fiscal Years EndedJune 30, **2023June 30,** 2022June 30, ~~2021June 30, 2020Financing~~ **2021Financing**

activities: Advances under senior secured revolving credit facility $ — $ **— $** 1, 125 ~~$ 18, 567~~ Repayments of advances under senior secured revolving credit facility — **—** (10, 913 ~~) (14, 357~~) Advances under asset- backed credit ~~facility20~~ **facility10** , 000 ~~—~~ **20, 000** — Repayments of advances under asset- backed credit facility (**15, 000) (** 5, 000) ~~—~~ — Payment of debt amendment fees **—** (1, 263) (1, 275) **Issuances of common stock** — **199** ~~Open market purchase of treasury shares — — (17, 045) Issuances of common stock199~~ 349 ~~—~~ Proceeds from issuance of common stock under employee stock purchase ~~plan270~~ **plan252 270** 299 ~~320~~ Repurchase of common stock for payment of statutory taxes due on equity- based compensation (**310) (** 853) (1, 554) ~~(3, 524)~~ Other **—** (654) (355) ~~—~~ Net cash provided (used) by financing ~~activities12~~ -- **activities (5, 058) 12** , 699 (12, 324 ~~) (16, 039~~) Effect of exchange rate changes on cash (**205) (** 683) 1, 401 ~~(609)~~ Net increase (decrease) in cash and cash ~~equivalents~~ **equivalents2 , 441** (6, 507) (16, 158) ~~10, 321~~ Cash, cash equivalents, and restricted cash, beginning of period (Note 1) **77, 371** 83, 878 100, 036 ~~89, 715~~ Cash, cash equivalents, and restricted cash, end of period (Note 1) $ **79, 812 $** 77, 371 $ 83, 878 ~~$ 100, 036~~ Supplemental disclosure of cash flow information: Cash paid (received) during the period for: Income taxes $ (**13, 337) $ (** 2, 864) $ 451 ~~$ 6, 394~~ Interest $ 2, **093 $ 2,** 773 $ 1, 834 ~~$ 2, 148~~ Non- cash investing and financing activities: Purchases of property, plant and equipment on account $ **104 $** 54 $ 106 ~~$ 48~~ See accompanying ~~notes53~~ **notes49**
CommonStockAdditionalPaid- In CapitalRetainedEarningsAccumulatedOtherComprehensiveLossTreasuryStockTotalBalances, June 30, ~~2019~~ **2020** $ 279 $ ~~137~~ **138** , ~~712~~ **966** $ ~~239, 476 $ (7, 751) $ (17, 759) $ 351, 957 Net loss — — (33, 074) — — (33, 074) Other comprehensive loss — — — (622) — (622) Treasury Shares sold to Employee Stock Purchase Plan (20~~ **206** , **402 $** ~~733 shares) — (19) — — 339 320 Issuance of deferred shares (542, 279 shares) —~~ (8, ~~604) — — 8, 604 — Treasury shares repurchased to satisfy tax withholding obligations (181, 081 shares) — — — — (3, 524) (3, 524) Open market purchases of treasury shares (1, 047, 606 shares) — — — — (17, 045) (17, 045) Stock- based compensation expense — 9, 877 — — — 9, 877 Balances, June 30, 2020279 138, 966 206, 402 (8,~~ 373) **$** (29, 385) **$** 307, 889 Net loss — — (31, 224) — — (31, 224) Other comprehensive income — — — 1, 624 — 1, 624 Treasury Shares sold to Employee Stock Purchase Plan (29, 171 shares) — (207) — — 506 299 Exercise of stock options (34, 150 shares) — (257) — — 606 349 Issuance of ~~deferred shares~~ **restricted stock** (515, 218 shares) — (9, 083) — — 9, 083 — Treasury shares repurchased to satisfy tax withholding obligations (170, 629 shares) — — — — (1, 554) (1, 554) Stock- based compensation expense — 8, 156 — — — 8, 156 Balances, June 30, 2021279 137, 575 175, 178 (6, 749) (20, 744) 285, 539 Net loss — — (63, 900) — — (63, 900) Other comprehensive loss — — — (1, 426) — (1, 426) Treasury Shares ~~Sold~~ **sold** to Employee Stock Purchase Plan (29, 826 shares) — (307) — — 577 270 Exercise of stock options (19, 550 shares) — (189) — — 388 199 Issuance of ~~deferred shares~~ **restricted stock** (268, 403 shares) — (5, 102) — — 5, 102 — Treasury shares repurchased to satisfy tax withholding obligations (76, 703 shares) — — — — (853) (853) Stock- based compensation expense — 7, 877 — — — 7, 877 Balances, June 30, **2022279 139, 854 111, 278 (8, 175) (15, 530) 227, 706 Net loss — — (52, 361) — — (52, 361) Other comprehensive loss — — — (594) — (594) Treasury Shares Sold to Employee Stock Purchase Plan (50, 139 shares) — (685) — — 937 252 Issuance of restricted stock (259, 529 shares) — (5, 150) — — 5, 150 — Treasury shares purchased to satisfy tax withholding obligations (52, 864 shares) — — — — (310) (310) Stock- based compensation expense — 6, 791 — — — 6, 791 Balances, June 30,** ~~2022~~ **2023** $ 279 $ ~~139~~ **140** , ~~854~~ **810** $ ~~111~~ **58** , ~~278~~ **917** $ (8, ~~175~~ **769**) $ (~~15~~ **9** , ~~530~~ **753**) $ ~~227~~ **181** , ~~706~~ **484** See accompanying ~~notes54~~ **notes50**
Note 1 — Summary of Significant Accounting Policies Organization and Basis of Presentation The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and include the accounts of Matrix Service Company and its subsidiaries (“ Matrix ”, the “ Company ” or “ we ”, “ our ”, and “ us ” are to Matrix Service Company and its subsidiaries), all of which are wholly owned. Intercompany transactions and balances have been eliminated in consolidation. We operate in the United States, Canada, South Korea and Australia. Our reportable segments are Utility and Power Infrastructure, Process and Industrial Facilities, and Storage and Terminal Solutions. Use of Estimates The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. We believe the most significant estimates and judgments are associated with revenue recognition, the recoverability tests that must be periodically performed with respect to our goodwill and other intangible assets, deferred tax assets, and the estimation of loss contingencies, including liabilities associated with litigation and with the self- insured retentions on our insurance programs. Actual results could materially differ from those estimates. Matrix Service CompanyNotes to Consolidated Financial Statements (continued) Contracts are often modified through change orders, which are changes to the agreed upon scope of work. Most of our change orders, which may be priced or unpriced, are for goods or services that are not distinct from the existing contract due to the significant integration of services provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a change order on the contract price and our measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue on a cumulative catch- up basis. For unpriced change orders, we estimate the increase or decrease to the contract price using the variable consideration method described in the Step 3: Determine Contract Price paragraph above. Unpriced change orders are more fully discussed in Note ~~7~~ **2** - **Revenue** ~~Commitments and Contingencies~~ . Sometimes we seek claims for amounts in excess of the contract price for delays, errors in specifications and designs, contract terminations, change orders in dispute or other causes of additional costs incurred by us. Recognition of amounts as additional contract price related to claims is appropriate only if there is a legal basis for the claim. The determination of our legal basis for a claim requires significant judgment. We estimate the change to the contract price using the variable consideration method described in the Step 3: Determine Contract Price paragraph above. Claims are more fully discussed in Note ~~7~~ **2** - **Revenue** ~~Commitments and Contingencies~~ . Cash, Cash Equivalents and Restricted Cash We include as cash equivalents all investments with original maturities of three months or less which are readily convertible into cash. We have cash on deposit at June 30, ~~2022~~ **2023** with banks in the United States, Canada, South Korea and Australia in excess of Federal Deposit Insurance Corporation (" FDIC"), Canada Deposit Insurance Corporation (" CDIC"), Korea Deposit Insurance Corporation (" KDIC") and Financial Claims Scheme (" FCS") protection limits, respectively. The United States Dollar equivalent of Canadian, South Korean and Australian deposits totaled $ ~~5~~ **10** . ~~7~~ **4**

million as of June 30, ~~2022~~ **2023** . The ABL Facility requires us to maintain a minimum of $ 25. 0 million of restricted cash at all times. Since this cash must be restricted through the maturity date of the ABL Facility, which is beyond one year, we have classified this restricted cash as non- current in our Consolidated Balance Sheets. The following table provides a reconciliation of cash, cash equivalents and restricted cash in the Consolidated Balance Sheets to the total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows (in thousands): Accounts Receivable Accounts receivable are carried on a gross basis, less the allowance for credit losses. We estimate the allowance for credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Our customers consist primarily of major integrated oil companies, independent refiners and marketers, power companies, petrochemical companies, pipeline companies, mining companies, contractors and engineering firms. We are exposed to the risk of individual customer defaults or depressed cycles in our customers' industries. To mitigate this risk, many of our contracts require payment as projects progress or advance payment in some circumstances. In addition, in most cases we can place liens against the property, plant or equipment constructed or terminate the contract if a material contract default occurs. Accounts are written off against the allowance for credit losses only after all reasonable collection attempts have been exhausted. ~~Retentions~~ Contract retentions collectable beyond one year are included in Other assets **, non- current** in the Consolidated Balance Sheets ~~. Accounts payable retentions are generally settled within one year~~ . Various legal actions, claims and other contingencies arise in the normal course of our business. Contingencies are recorded in the consolidated financial statements, or are otherwise disclosed, in accordance with ASC 450- 20, " Loss Contingencies ". Specific reserves are provided for loss contingencies to the extent we conclude that a loss is both probable and estimable. We use a case- by- case evaluation of the underlying data and update our evaluation as further information becomes known. We believe that any amounts exceeding our recorded accruals should not materially affect our financial position, results of operations or liquidity. However, the results of litigation are inherently unpredictable, and the possibility exists that the ultimate resolution of one or more of these matters could result in a material effect on our financial position, results of operations or liquidity. Inventories consist primarily of steel plate and pipe and aluminum coil and extrusions. Cost is determined primarily using the average cost method and inventories are stated at the lower of cost or net realizable value. Depreciation is computed using the straight- line method over the estimated useful lives of the depreciable assets. Depreciable lives are as follows: buildings — 40 years, construction equipment — 3 to 15 years, transportation equipment — 3 to 5 years, and office equipment and software — 3 to 10 years. Leasehold improvements are amortized over the shorter of the useful life of the asset or the lease term. We enter into lease arrangements for real estate, construction equipment and information technology equipment in the normal course of business. We determine if an arrangement is or contains a lease at inception of the arrangement. An arrangement is determined to be a lease if it conveys the right to control the use of identified property and equipment for a period of time in exchange for consideration. Operating lease right- of- use assets are recognized as the present value of future lease payments over the lease term as of the commencement date, plus any lease payments made prior to commencement, and less any lease incentives received. Operating lease liabilities are recognized as the present value of the future lease payments over the lease term as of the commencement date. Operating lease expense is recognized based on the undiscounted future lease payments over the remaining lease term on a straight- line basis. Lease expense related to short- term leases is recognized on a straight- line basis over the lease term. Determinations with respect to lease term (including any renewals and terminations), incremental borrowing rate used to discount lease payments, variable lease expense and future lease payments require the use of judgment based on the facts and circumstances related to each lease. We consider various factors, including economic incentives, intent, past history and business need, to determine the likelihood that a renewal option will be exercised. Right- of- use assets are evaluated for impairment in accordance with our policy for impairment of long- lived assets. Impairment of Long- Lived Assets We evaluate long- lived assets for impairment when events or changes in circumstances indicate, in management' s judgment, that the carrying value of such assets used in operations may not be recoverable. The determination of whether an impairment has occurred is based on management' s estimate of undiscounted future cash flows attributable to the assets as compared to the carrying value of the assets. If an impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and, to the extent the carrying value exceeds the fair value of the assets, recording a loss provision. For assets identified to be disposed of in the future, the carrying value of the assets are compared to the estimated fair value less the cost of disposal to determine if an impairment has occurred. Until the assets are disposed of, an estimate of the fair value is redetermined when related events or circumstances change. Intangible assets that have finite useful lives are amortized by the straight- line method over their useful lives ranging from 6 years to 15 years. A finite intangible asset is considered impaired when its carrying amount is not recoverable and exceeds the asset' s fair value. The carrying amount is deemed unrecoverable if it is greater than the sum of undiscounted cash flows expected to result from use and eventual disposition of the asset. An impairment loss is equal to the excess of the carrying amount over the fair value of the asset. If quoted market prices are not available, the fair values of the intangible assets are based on present values of expected future cash flows or royalties avoided using discount rates commensurate with the risks involved. Insurance Reserves We maintain insurance coverage for various aspects of our operations. However, we retain exposure to potential losses through the use of deductibles, coverage limits and self- insured retentions. We establish reserves for claims using a combination of actuarially determined estimates and case- by- case evaluations of the underlying claim data and update our evaluations as further information becomes known. Judgments and assumptions are inherent in our reserve accruals; as a result, changes in assumptions or claims experience could result in changes to these estimates in the future. If actual results of claim settlements are different than the amounts estimated, we may be exposed to future gains and losses that could be material. Stock- Based Compensation We have issued **time- based and market- based restricted** stock **unit** ~~options, nonvested deferred share~~ awards ~~and cash- settled restricted share units~~ under our long- term incentive compensation plans. **We have issued time- based awards that are equity- settled and time- based awards that are cash- settled.** The fair value of ~~these~~ **time- based** awards is ~~calculated~~ **based on the value of our common**

stock at **the** grant date. The fair value of ~~time- based, nonvested deferred shares and cash- settled restricted share units is the value of our common stock at the grant date. The fair value of~~ market- based **awards** ~~nonvested deferred shares~~ is based on several factors, including the probability that the market condition specified in the grant will be achieved, which is calculated using a Monte Carlo model. Cash- settled ~~restricted share units~~ **time- based awards** must be settled in cash and are accounted for as liability- type awards and are remeasured at the end of each reporting period at fair value until settlement. For all awards, expense is recognized over the requisite service period with forfeitures recorded as they occur. We use the asset and liability approach for financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances based on our judgments and estimates are established when necessary to reduce deferred tax assets to the amount expected to be realized in future operating results. Our estimates are based on facts and circumstances in existence as well as interpretations of existing tax regulations and laws applied to the facts and circumstances, with the help of professional tax advisors. Therefore, we estimate and provide for amounts of additional income taxes that may be assessed by the various taxing authorities. The functional currencies of our operations in Canada, South Korea and Australia are the Canadian Dollar, South Korean Won and U. S. Dollar, respectively. The functional currency of our Australian operations is the U. S. Dollar since its sales are primarily denominated in that currency. For subsidiaries with operations using a foreign functional currency, assets and liabilities are translated at the year- end exchange rates and the income statement accounts are translated at average exchange rates throughout the year. Translation gains and losses are reported in Accumulated Other Comprehensive Loss, net of tax, in the Consolidated Statements of Changes in Stockholders' Equity and in Other Comprehensive Income (Loss) in the Consolidated Statements of Comprehensive Income. Translation gains and losses are reversed from Accumulated Other Comprehensive Income (Loss) and are recognized in current period income in the event we dispose of an entity with accumulated translation gains or losses. Transaction gains and losses are reported as a component of Other income (expense) in the Consolidated Statements of Income. Note 2 – Revenue Remaining Performance Obligations We had $ ~~484~~ **459** . ~~2~~ **7** million of remaining performance obligations yet to be satisfied as of June 30, ~~2022~~ **2023** . We expect to recognize approximately $ ~~389~~ **381** . ~~9~~ **0** million of our remaining performance obligations as revenue within the next twelve months. Contract Balances Contract terms with customers include the timing of billing and payment, which usually differs from the timing of revenue recognition. As a result, we carry contract assets and liabilities in our balance sheet. These contract assets and liabilities are calculated on a contract- by- contract basis and reported on a net basis at the end of each period and are classified as current. We present our contract assets in the balance sheet as Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts (" CIE"). CIE consists of revenue recognized in excess of billings. We present our contract liabilities in the balance sheet as Billings on Uncompleted Contracts in Excess of Costs and Estimated Earnings (" BIE"). BIE consists of billings in excess of revenue recognized. The following table provides information about CIE and BIE: June 30, ~~2022June~~ **2023June** 30, ~~2021Change~~ **2022Change** (In thousands) Costs and estimated earnings in excess of billings on uncompleted contracts $ 44, **888 $ 44,** 752 $ ~~30, 774 $ 13~~ **136** ~~, 978~~ Billings on uncompleted contracts in excess of costs and estimated earnings (**85, 436) (** 65, 106) (~~53~~ **20** , **330** ~~832) (11, 274~~) Net contract liabilities $ (**40, 548) $ (** 20, 354) $ (~~23~~ **20** , ~~058~~ **194**) ~~$ 2, 704~~ The difference between the beginning and ending balances of our CIE and BIE primarily results from the timing of revenue recognized relative to its billings. The amount of revenue recognized during the fiscal year ended June 30, ~~2022~~ **2023** that was included in the prior period BIE balance was $ ~~49~~ **57** . ~~2~~ **9** million. This revenue consists primarily of work performed during the period on contracts with customers that had advance billings. Progress billings in accounts receivable at June 30, ~~2022~~ **2023** and June 30, ~~2021~~ **2022** included retentions to be collected within one year of $ 16. **3 million and $ 16.** 1 ~~million and $ 19. 9~~ million, respectively. Contract retentions collectable beyond one year are included in ~~other~~ **Other** assets **, non- current** in the Consolidated Balance Sheets and totaled $ ~~4~~ **10** . 0 million as of June 30, ~~2022~~ **2023** and $ ~~3~~ **4** . ~~1~~ **0** million as of June 30, ~~2021~~ **2022 . Unpriced Change Orders and Claims As of June 30, 2023 and June 30, 2022, costs and estimated earnings in excess of billings on uncompleted contracts included revenue for unpriced change orders and claims of $ 9. 7 million and $ 8. 9 million, respectively. The amounts ultimately realized may be different than the recorded amounts resulting in adjustments to future earnings. Generally we expect collection of amounts related to unpriced change orders and claims within twelve months. However, customers may not pay these amounts until final resolution of related claims, which may extend beyond one year** . Disaggregated Revenue Revenue disaggregated by reportable segment is presented in Note 13- Segment Information. The following series of tables presents revenue disaggregated by geographic area where the work was performed and by contract type: Geographic Disaggregation: Fiscal Years EndedJune 30, **2023June 30,** 2022June 30, ~~2021June 30, 2020~~ **2021** (In thousands) United States $ **720, 140 $** 640, 512 $ 604, 739 ~~$ 1, 020, 083 Canada63~~ **Canada61 , 691 63** , 045 61, 703 ~~70, 133~~ Other ~~international4~~ **international13 , 189 4** , 223 6, 956 ~~10, 722~~ Total $ **795, 020 $** 707, 780 $ 673, 398 ~~$ 1, 100, 938~~ Contract Type Disaggregation: Fiscal Years EndedJune 30, **2023June 30,** 2022June 30, ~~2021June 30, 2020~~ **2021** (In thousands) Fixed- price contracts $ **419, 426 $** 421, 188 $ 444, 042 ~~$ 685, 559~~ Time and materials and other cost reimbursable ~~contracts286~~ **contracts375 , 594 286** , 592 229, 356 ~~415, 379~~ Total $ **795, 020 $** 707, 780 $ 673, 398 ~~$ 1~~ **Revisions in Estimates During fiscal 2023** , **unfavorable changes in the estimated recovery of change orders and** ~~100, 938 Typically, we assume more risk with fixed- price contracts since increases~~ **increased** ~~in~~ **forecasted** ~~cost~~ **costs** to ~~perform the~~ **complete and closeout certain midstream gas processing capital** work ~~may~~ **in the Process and Industrial Facilities segment resulted in a $ 12. 6 million reduction of gross profit during the fiscal year. These charges were primarily the result of the client** not **approving adequate compensation to us** ~~be recoverable. However, these types of contracts typically offer higher profits than time and materials and other cost reimbursable contracts when completed at or~~ **for** ~~below the costs originally estimated. The profitability of time and materials and other~~ -- **the** ~~cost reimbursable contracts~~ **impact that excessive scope changes had on our ability to progress the work according to forecast and for the impacts of global**

supply chain issues and inflation. We have accrued the full expected loss for the work, which is now mechanically complete typically lower than fixed- price contracts and is usually less volatile than fixed- price contracts since the profit component is factored into the rates charged for labor, equipment and materials, or is expressed in the contract as a percentage of the reimbursable costs incurred . Our results of operations were materially impacted by an increase in the forecasted costs to complete a midstream gas processing project in the Process and Industrial Facilities segment. The project reduced gross profit by $ 8. 7 million during fiscal 2022. The increase in forecasted costs was primarily due to poor performance of a now terminated subcontractor, which required rework, as well as supply chain and cost escalation issues . This project has since reached mechanical completion. In fiscal 2022 , in order to meet our client' s expectations results of operations were materially impacted by an increase in the costs required to complete a thermal energy storage tank repair and maintenance project in the Storage and Terminal Solutions segment, which resulted in a decrease in gross profit of $ 6. 3 million during the fiscal year . We expect to achieved substantial complete completion the on this project in during the second quarter of fiscal 2023 2022 . Our During fiscal 2022, our results of operations were materially impacted by changes in the forecasted costs to complete two large capital projects in the Utility and Power Infrastructure segment and an unfavorable settlement of a claim with a customer in the same segment . Improved project execution on Increases in the forecasted costs to complete the first project resulted in an increase in gross profit of $ 2. 2 million during the second half of fiscal 2022. However, increases in the forecasted costs to complete this project during the first half of fiscal 2022 resulted in the project reducing gross profit by $ 3. 6 million during fiscal 2022. The increase in forecasted costs during the first half of the fiscal year was principally due to unexpected equipment repairs during commissioning that delayed the scheduled completion and increased the estimated costs to complete. We achieved a critical performance milestone during the second quarter of fiscal 2022, which significantly reduced our financial exposure on the project. Increased forecasted costs to the complete the second capital project resulted in the project reducing gross profit by $ 2. 2 million during the fourth quarter of fiscal 2022 and $ 0. 1 million during fiscal 2022. We recognized $ 78. 1 million of revenue on this project during the year fiscal 2022 at a near break- even margin as a result of the change in estimate. Both The increase in forecasted costs was the result of higher than anticipated subcontractor costs and labor costs as the project projects neared reached substantial completion in . We expect to complete the project during the second quarter of fiscal 2023. The unfavorable settlement of a claim with a customer reduced gross profit by $ 2. 1 million. Fiscal 2021 Our results of operations in fiscal 2021 were materially impacted by an increase increases in the forecasted costs required to complete a large capital thermal energy storage tank repair and maintenance project in the Utility and Power Infrastructure segment. The project reduced gross profit by $ 5. 8 million in fiscal 2021. This project reached substantial completion in fiscal 2023. During the fourth quarter of fiscal 2021, we reached a settlement on a contract dispute over the construction of a crude oil terminal. The project' s financial impact for the fiscal year ended June 30, 2021 was a $ 2. 9 million reduction to gross profit in the Storage and Terminal Solutions segment . The settlement resulted in a cash receipt of $ 8. 9 million in the first quarter of fiscal 2022 , which resulted in enabled us to avoid future legal costs and litigation risk. During the third quarter of fiscal 2021, we achieved mechanical completion of a decrease in large crude oil terminal project, demobilized from the project site and completed its assessment of additional recovery of unpriced change orders. The project' s financial impact for the fiscal year ended June 30, 2021 was a $ 3. 8 million reduction to gross profit of $ 6. 3 million in fiscal 2022. The increase in costs was primarily due to changes in repair scope, expanded client weld testing and associated schedule delays. We achieved substantial completion on this project in the fourth quarter of fiscal 2022 Storage and Terminal Solutions segment . Note 3 — Property, Plant and Equipment The following table presents the components of our property, plant and equipment- net at June 30, 2023 and 2022 and 2021 : June 30, 2022June 2023June 30, 2021 2022 (In thousands) Property, plant and equipment- at cost: Land and buildings $ 37, 263 $ 34, 788 $ 41, 633 Construction equipment93 equipment84 , 258 93 , 036 94, 453 Transportation equipment48 equipment40 , 606 48 , 999 50, 510 Office equipment and software43 - software38 , 178 43 , 823 42, 706 Construction in progress1 progress84 1 , 646 493 Total property, plant and equipment- at cost222 cost200, 389 222 , 292 229, 795 Accumulated depreciation (152, 844) (168, 423) (160, 388) Property, plant and equipment- net $ 47, 545 $ 53, 869 $ 69, 407 Geographical Disaggregation of Long- Lived Assets Long- Lived Assets June 30, 2023June 30, 2022June 30, 2021June 30, 2020 2021 (In thousands) United States $ 122, 398 $ 137, 682 $ 157, 442 $ 164, 056 Canada3 , 988 3 , 436 6, 523 5, 659 Other international12 international11 , 862 12 , 263 12, 372 12 $ 138 , 435 248 $ 153, 381 $ 176, 337 $ 182, 150 We sold our industrial cleaning business during the fourth quarter of fiscal 2023 for net proceeds of $ 6. 3 million in cash and a $ 0. 4 million receivable for amounts to be paid upon satisfactory transfer of title of certain vehicles and equipment sold. The sale resulted in a $ 2. 9 million gain, which was included in Other in the Consolidated Statements of Income. The industrial cleaning business was included in our Process and Industrial Facilities segment and was disposed of because its operations were no longer core to our growth strategy. Even though we are fully committed to our operations in southern California, we took advantage of elevated real estate prices and sold our regional office and fabrication and warehouse facilities located in Orange, California during the fourth quarter of fiscal 2022 for net proceeds of $ 37. 4 million in cash and . We recorded a gain of $ 32. 4 million on the sale , which is included in other income in the Consolidated Statements of Income . In connection with the sale, we also entered into a leaseback agreement for a period up to 24 months while we locate replacement facilities. We are still fully committed to our Burlington Office Disposal- Subsequent Event During the first quarter of fiscal 2024, we sold a regional office facility in Burlington, Ontario for $ 2. 9 million in cash, which resulted in a gain of approximately $ 2. 7 million. During the second quarter of fiscal 2023, we closed this underperforming office and ceased its associated operations in Southern California we decided to enter into the sale and leaseback transaction to take advantage of the elevated real estate market valuations in Southern California . Note 4 — Goodwill and Other Intangible Assets The changes in the carrying amount of goodwill by segment are as follows: Utility Storage and TerminalSolutionsUtility and PowerInfrastructureProcess and Industrial FacilitiesStorage -- FacilitiesTotal and TerminalSolutionsTotal (In thousands) Net balance at June 30, 2020 2019 $ 31, 840 $

34, 842 $ 26, 686 $ 93, 368 Goodwill impairment (24, 900) (7, 981) — (32, 881) Translation adjustment (1) (35) (15) (68 **618 $ 6**) (118) Net balance at June 30, 20206 , 905 **$** 26, 846 **$** 26, 618 60, 369 Translation adjustment (1) **156** 79 32 156 267 Net balance at June 30, 20216 **202126 , 774 6** , 984 26, 878 26, 774 60, 636 Goodwill impairment (**7, 208) (** 2, 659) (8, 445) (7, 208) (18, 312) Translation adjustment (1) (**121) (** 62) (6) (121) (189) Net balance at June 30, 2022 **202219 $, 445** 4, 263 $ 18, 427 **42, 135 Goodwill impairment — — (12, 316) (12, 316) Disposal of business (2) — — (627) (627) Translation adjustment (1) (48) (24) — (72) Net balance at June 30, 2023** $ 19, 445 **397** $ 42 **4** , 135 **239 $ 5, 484 $ 29, 120** (1) The translation adjustments relate to the periodic translation of Canadian Dollar and South Korean Won denominated goodwill recorded as a part of prior acquisitions in Canada and South Korea, in which the local currency was determined to be the functional currency. In **(2) We sold our industrial cleaning business during** the third **fourth** quarter of fiscal 2022 **2023** , we concluded that **which resulted in the allocation $ 0. 6 million of** goodwill **to net assets sold** impairment indicators existed based on the decline in the **transaction** price of our stock and operating results that have underperformed our forecasts during the year . Accordingly **See Note 3- Property** , we **Plant and Equipment, Industrial Cleaning Disposal, for more information. We** performed an interim **our annual goodwill** impairment test as of March **May** 31, 2022 **2023** and concluded **, which resulted in no impairment. The fiscal 2023 test indicated** that there - **three** was **reporting units with a combined total of** $ 18 **20** . 3 **9** million of total **goodwill as of June 30, 2023 were at higher risk of future** impairment **. If our view** to goodwill, which was recorded as follows: In the second quarter of **project opportunities or** fiscal 2020, we concluded that a goodwill impairment indicator existed in the Utility and Power Infrastructure segment based on the recent history of depressed gross margins and **deteriorates, particularly for the higher risk reporting units,** the **then** second quarter' s downward acceleration of revenue and gross margin. Accordingly, we performed **may be required to record** an interim **impairment of goodwill. Subsequent to the completion of the May 31, 2023 annual** impairment test **, additional information regarding new project awards became available which would significantly improve the cash flows and fair values of two of the higher risk reporting units, which comprised $ 15. 4 million of our total goodwill** as of December 31 **June 30** , **2023** 2019, reflecting updated revenue and gross margin assumptions, and concluded that the reporting unit' s $ 24. 9 million of goodwill was fully impaired. Additionally, we concluded that a goodwill impairment indicator existed for a Process and Industrial Facilities segment reporting unit based on several second quarter events. These events included the deterioration of our relationship with a significant customer in the iron and steel industry in the second quarter. As a result, the customer canceled other previously awarded work and we received no subsequent business from this customer. Accordingly, we performed an interim impairment test as of December 31, 2019 and concluded that the reporting unit' s $ 8. 0 million of goodwill was fully impaired . The estimated fair value of each segment was derived by utilizing a discounted cash flow analysis and market multiples of projected EBITDA. The key assumptions used are described in Note 1- Summary of Significant Accounting Policies, and Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations, Critical Accounting Policies, Goodwill. **In the second quarter of fiscal 2023, we concluded that a goodwill impairment indicator existed in the Process and Industrial Facilities segment based on a material adverse change in gross profit on a project. Based on the indicated outcome of this project and our near- term outlook for the reporting unit, we performed an interim impairment test for the unit and concluded that its $ 12. 3 million of goodwill was fully impaired. The impairment was recognized in operating income during the three and six months ended December 31, 2022. In the third quarter of fiscal 2022, we concluded that goodwill impairment indicators existed based on the decline in the price of our stock and operating results that have underperformed our forecasts during the year. Accordingly, we performed an interim impairment test as of March 31, 2022 and concluded that there was $ 18. 3 million of total impairment to goodwill, which was recognized in operating income during the three and nine months ended March 31, 2022 as follows: • $ 8. 4 million in the Process and Industrial Facilities segment; • $ 7. 2 million in the Storage and Terminal Solutions segment; and • $ 2. 7 million in the Utility and Power Infrastructure segment.** Information on the carrying value of other intangible assets is as follows: At June 30, **2023 Useful LifeGrossCarryingAmountAccumulatedAmortizationNet CarryingAmount (Years) (In thousands) Intellectual property10 to 15 $ 2, 483 $ (2, 371) $ 112 Customer based (1) 6 to 1513, 144 (10, 190) 2, 954 Total other intangible assets $ 15, 627 $ (12, 561) $ 3, 066 (1) Customer- based intangible assets have been adjusted in fiscal 2023 to remove $ 4. 2 million of customer relationships that have been fully amortized. At June 30,** 2022 Useful LifeGrossCarryingAmountAccumulatedAmortizationNet CarryingAmount (Years) (In thousands) Intellectual property10 to 15 $ 2, 558 $ (2, 276) $ 282 Customer based6 to 1517, 331 (12, 817) 4, 514 Total other intangible assets $ 19, 889 $ (15, 093) $ 4, 796 At June 30, 2021 Useful LifeGrossCarryingAmountAccumulatedAmortizationNet CarryingAmount (Years) (In thousands) Intellectual property10 to 15 $ 2, 483 $ (2, 031) $ 452 Customer based6 to 1517, 354 (11, 192) 6, 162 Total other intangible assets $ 19, 837 $ (13, 223) $ 6, 614 Amortization expense totaled $ 1. **7 million, $ 1.** 8 million, **and** $ 2. 3 million , and $ 3. 4 million in fiscal **2023,** 2022, **and** 2021, and 2020, respectively . In the fourth quarter of fiscal 2020, we fully impaired a customer relationship intangible asset with a net book value of $ 1. 2 million. The customer relationship primarily related to services in the Utility and Power Infrastructure segment which were impacted by our performance improvement plan (see Note 14- Restructuring Costs). As a result, the customer relationship intangible asset was no longer recoverable. As of June 30, 2020, this intangible asset had a remaining useful life of approximately 2 years, a gross carrying amount of $ 6. 3 million and accumulated amortization of $ 5. 1 million. The impairment is included in restructuring costs in the Consolidated Statements of Income. Also in the fourth quarter of fiscal 2020, we fully impaired a customer relationship intangible asset with a net book value of $ 0. 4 million in connection with the closure of an underperforming operating unit in the Process and Industrial Facilities segment. The closure was part of our performance improvement plan (see Note 14- Restructuring Costs). As of June 30, 2020, this intangible asset had a remaining useful life of approximately 4 years, a gross carrying amount of $ 0. 9 million and accumulated amortization of $ 0. 5 million. The impairment is included in the restructuring costs caption in the Consolidated Statements of Income. In the second quarter of fiscal 2020, in connection with the factors disclosed for the Process and

Industrial Facilities segment goodwill impairment above, we fully impaired a customer relationship with a net book value of $ 5. 6 million. As of December 31, 2019, this intangible asset had a remaining useful life of 9 years, a gross carrying amount of $ 9. 4 million and accumulated amortization of $ 3. 8 million. The impairment is included within the goodwill and other intangible asset impairment caption in the Consolidated Statements of Income . We estimate that future amortization of other intangible assets will be as follows (in thousands): For year ending: June 30, 2023 2024 $ 1, 415 729 June 30, 20241, 416 June 30, 20251, 096 June 30, 2026555 Total estimated amortization expense $ 4 3 , 796 066 Note 5 — Debt On October 5 September 9 , 2022 2021 , we the Company and our primary U. S. and Canada operating subsidiaries entered into the First Amendment and - an Waiver to Credit Agreement (the " Amendment "), which amended our asset- backed based credit agreement , which was amended on October 5, 2022 (as amended, the" ABL Facility"), dated as of September 9, 2021 with Bank of Montreal, as Administrative Agent, Swing Line Lender and a Letter of Credit Issuer, and the lenders named therein. The Amendment (i) waives an event of default resulting from our failure to deliver the Administrative Agent and the lenders our audited financial statements for the fiscal year ended June 30, 2022 by September 28, 2022 (the " Audited Financial Statements "), provided we deliver the Audited Financial Statements by October 14, 2022, (ii) reduces the maximum amount of loans under the ABL Facility is limited to $ 90. 0 million from $ 100. 0 million and (iii) replaces the London interbank offered rate with the forward term rate based on the secured overnight financing rate (the " SOFR ") as the interest rate benchmark . The ABL Facility ' s available borrowings may be increased replaced the Fifth Amended and Restated Credit Agreement (the" Prior Credit Agreement"), that was entered into on November 2, 2020, and subsequently amended on May 4, 2021, by and - an amount not to exceed among us and certain foreign subsidiaries, as Borrowers, various subsidiaries of ours, as Guarantors, JPMorgan Chase Bank, N. A., as Administrative Agent, Sole Lead Arranger and Sole Book Runner, and the other Lenders party thereto. The Prior Credit Agreement provided for a three- year senior secured revolving credit facility of $ 200 15 . 0 million , subject to certain conditions, including obtaining additional commitments. The ABL Facility is intended to be used for working capital, capital expenditures, issuances of letters of credit and other lawful purposes. Our obligations under the ABL Facility are guaranteed by substantially all of our U. S. and Canadian subsidiaries and are secured by a first lien on all our assets and the assets of our co- borrowers and guarantors under the ABL Facility. The maximum amount that expired November 2 we may borrow under the ABL Facility is subject to a borrowing base, which is based on restricted cash plus a percentage of the value of certain accounts receivable, inventory and equipment, reduced for certain reserves. We are required to maintain a minimum of $ 25. 0 million of restricted cash at all times, but such amounts are also included in the borrowing base. The ABL Facility matures, and any outstanding amounts become due and payable, on September 9, 2026. At June 30 , 2023 , our borrowing base was $ 67 . We 0 million, we had no $ 10. 0 million of outstanding borrowings , and we had $ 41 19 . 3 million of in letters of credit outstanding , which resulted in availability of $ 37. 7 million under the Prior Credit Agreement ABL Facility. Our borrowing base has ranged from $ 67. 0 million to $ 83. 2 million during fiscal 2023. The ABL Facility contains customary conditions to borrowings, events of default and covenants, including, but not limited to, covenants that restrict our ability to sell assets, engage in mergers and acquisitions, incur, assume or permit to exist additional indebtedness and guarantees, create or permit to exist liens, pay cash dividends, issue equity instruments, make distribution or redeem or repurchase capital stock. In the event that our availability is less than the greater of (i) $ 15. 0 million and (ii) 15. 00 % of the commitments under the ABL Facility then in effect, a consolidated Fixed Charge Coverage Ratio of at least 1. 00 to 1. 00 must be maintained. We were in compliance with all covenants of the ABL Facility as of June 30, 2021 2023 . Interest expense during fiscal 2022 included $ 1. 5 million of accelerated amortization of deferred debt amendment fees associated with the Prior Credit Agreement . Note 6 — Income Taxes Sources of Pretax Income (Loss) Fiscal Years Ended June 30, 2023June 30, 2022June 30, 2021June 30, 2020 2021 (In thousands) Domestic $ (52, 636) $ (53, 258) $ (38, 867) $ (32, 660) Foreign (125) (5, 025) (4, 396) (3, 984) Total $ (52, 761) $ (58, 283) $ (43, 263) $ (36, 644) Components of the Provision for Income Tax Expense (Benefit) Fiscal Years Ended June 30, 2023June 30, 2022June 30, 2021June 30, 2020 2021 (In thousands) Current: Federal $ (369) $ 230 $ (13, 154) $ (376) State28 -- State (31) 28 465 412 Foreign1 - Foreign — 1 (239) 23 (400) 259 (12, 928) 59 Deferred: Federal2 - Federal — 2 , 504 774 (5, 000) State2 - State — 2 , 858 (291) (1, 091) Foreign — (4) 406 — 2, 462 5, 358 889 $ (400 3, 629) $ 5, 617 $ (12, 039) $ (3, 570) Reconciliation Between the Expected Income Tax Provision Applying the Domestic Federal Statutory Tax Rate and the Reported Income Tax Provision Fiscal Years Ended June 30, 2023June 30, 2022June 30, 2021June 30, 2020 2021 (In thousands) Expected benefit for federal income taxes at the statutory rate $ (11, 080) $ (12, 239) $ (9, 085) $ (7, 695) State income taxes, net of federal benefit (2, 320) (1, 971) (1, 240) (768) Impairment of non- deductible goodwill (1) — 1, 132 — 1, 813 Charges without tax benefit265 benefit358 265 961 1, 707 Change in valuation allowance (2) 12, 595 17, 943 2, 797 3, 062 Excess tax expense (benefit) on stock- based compensation1, 216 1, 019 1, 826 230 Research and development and other tax credits (1, 175) (613) (1, 707) (1, 724) Foreign tax differential differential50 (232) (96) (132) Federal rate differential net operating loss carryback (3) — 141 (5, 223) — Change in uncertain tax positions (90) (120) (7) 20 Other292 Other46 292 (265) (83) Provision (benefit) for federal, state and foreign income taxes $ (400) $ 5, 617 $ (12, 039) $ (3, 570) (1) In fiscal 2022, we impaired $ 18. 3 million of goodwill, which included $ 5. 4 million of non- deductible goodwill. In fiscal 2020, we impaired $ 32. 9 million of goodwill, which included $ 8. 6 million of non- deductible goodwill. See Note 4- Goodwill and Other Intangible Assets for more information about the impairments. (2) Due In fiscal 2022, due to the existence of a cumulative loss over a three- year period, we recorded a full valuation allowance of $ 17. 9 million against our deferred tax assets in fiscal 2022 and recorded additional valuation allowances against newly generated deferred tax assets in fiscal 2023 . These assets are primarily comprised of federal net operating losses, which have an indefinite carryforward, federal tax credits and state net operating losses. To the extent we generate taxable income in the future, or cumulative losses are no longer present and our future projections for growth or tax planning strategies are demonstrated, we will realize the benefit associated with the net operating losses for which the valuation allowance has been provided. In fiscal 2021, we placed $ 2. 8 million of

valuation allowances, including $ 1. 5 million on certain state net operating loss carryforwards due to a recent history of cumulative losses for a subsidiary . In fiscal 2020, we placed $ 3. 1 million of valuation allowances on net operating loss carryforwards and foreign tax credits primarily related to Canada . (3) Relates to fiscal 2021 net operating losses carried back under provisions of the CARES Act to fiscal years 2016 and 2017 which had a 35 % federal tax rate. Significant Components of our Deferred Tax Assets and Liabilities June 30, 2022June **2023June** 30, 2021 **2022** (In thousands) Deferred tax assets: Warranty **Accruals and** reserve **reserves** $ 206 **504** $ 206 **1, 534** Bad debt reserve340 -- **reserve273 340** 231 Paid- time- off accrual315 747 Insurance reserve1 **reserve913** , 019 1, **035** 229 Legal reserve79 146 Net operating loss benefit and credit carryforwards23 **carryforwards26 , 888 23** , 717 14, 966 Accrued compensation and pension736 **pension964 1, 051** 690 Prepaid insurance16 27 Stock compensation expense on nonvested deferred shares1 **restricted stock units1, 794 1** , 910 1, 895 Accrued losses1, 089 64 Restructuring reserve160 725 Book over tax amortization5 **amortization7 , 218 5** , 449 3, 765 Deferred FICA1 - **FICA — 1** , 427 1 **Research and development capitalization6** , 920 **592 —** Foreign currency translation and other1, **608 1,** 002 665 Valuation allowance (**41, 060) (** 28, 615) (11, 104) Total deferred tax assets8 **assets5 , 694 8** , 850 16, 172 Deferred tax liabilities: Tax over book depreciation7 **depreciation5 , 472 7** , 842 **Other248 1** 10, 315 Receivable holdbacks and other1 , 034 596 Total deferred tax liabilities8 **liabilities5 , 720 8** , 876 10, 911 Net deferred tax asset (liability) $ (26) $ **(** 5, 261 - **26)** As reported in the Consolidated Balance Sheets: June 30, 2022June **2023June** 30, 2021 **2022** (In thousands) Deferred income tax assets **$** — **$ —** 5, 295 Deferred income tax liabilities (26) (34 **26**) Net deferred tax asset (liability) **$** (26) $ **(** 5, 261 - **26)** Valuation Allowance **We placed a valuation allowance on our deferred tax assets in the second quarter of fiscal 2022 due to the existence of a cumulative loss over a three- year period. We will continue to place valuation allowances on newly generated deferred tax assets and will realize the benefit associated with the deferred tax assets for which the valuation allowance has been provided to the extent we generate taxable income in the future, or cumulative losses are no longer present and our future projections for growth or tax planning strategies are demonstrated.** Operating Loss and Tax Credit Carryforwards We have net operating loss carryforwards and tax credit carryforwards in federal, state and foreign jurisdictions. The valuation allowance at June 30, 2022 **2023** and June 30, 2021 **2022** reduces the recognized tax benefit of these carryforwards to an amount that is more likely than not to be realized. The gross carryforwards will generally expire as shown below for each jurisdiction: Operating Loss and Tax Credit CarryforwardsExpiration PeriodAmount (in thousands) Federal net operating lossIndefinite $ 27 **38** , 207 **606** Federal tax creditsJune 2041 to June 2042 **2043** $ 1 **3** , 700 **270** Federal foreign tax creditsJune 2023 **2024** to June 2025 $ 655 **548** State net operating lossesJune 2025 to indefinite $ 73 **95** , 889 **480** State tax creditsJune 2033 to indefinite $ 912 **984** Foreign net operating lossesJune 2029 **2033** to June 2042 **2043** $ 37 **31** , 379 **453** Foreign tax creditsJune 2035 to June 2042 **2043** $ 676 **693** Net Operating Loss Carryback Refund Through provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the" CARES Act"), we had an income tax benefit from the ability to carryback the fiscal 2021 federal net operating loss to a period with a higher statutory federal income tax rate. We estimate that we will receive **received** a $ 12 **13** . 6 **3** million tax refund in connection with this carryback **during fiscal 2023** , which is **was** included in income taxes receivable in the Consolidated Balance Sheets **as** . Refund of Overpayment of Estimated Taxes In January 2022, we received a $ 2. 4 million tax refund in connection with overpayments of estimated taxes from prior years. As of June 30, 2022 **. Deferred Payroll Taxes During the second quarter of fiscal 2023** , we **repaid the remaining** have a balance of $ 5. 6 million **of** remaining on U. S. payroll taxes we deferred through **the** provisions of the CARES Act. We paid half of the original deferred payroll tax balance during the second quarter of fiscal 2022 and must repay the remaining balance by December 31, 2022. The remaining balance of deferred payroll taxes is **was** included within accrued wages and benefits in the Consolidated Balance Sheets **as of June 30, 2022** . In general, it is our practice and intention to reinvest the earnings of our foreign subsidiaries in our foreign operations. We do not provide for outside basis differences under the indefinite reinvestment assertion of ASC 740- 30. We file tax returns in multiple domestic and foreign taxing jurisdictions. With a few exceptions, we are no longer subject to examination by taxing authorities through fiscal 2017 **2018** . At June 30, 2022 **2023** , we updated our evaluation of our open tax years in all known jurisdictions. As of June 30, 2022 **2023** , we have a $ 0. 3 **2** million liability for unrecognized tax positions and the payment of related interest and penalties. We treat the related interest and penalties as income tax expense. Due to the uncertainties related to these tax matters, we are unable to make a reasonably reliable estimate as to when cash settlement with a taxing authority will occur. Note 7 — Commitments and Contingencies We maintain insurance coverage for various aspects of our operations. However, exposure to potential losses is retained through the use of deductibles, self- insured retentions and coverage limits. Typically our contracts require us to indemnify our customers for injury, damage or loss arising from the performance of our services and provide warranties for materials and workmanship. We may also be required to name the customer as an additional insured up to the limits of insurance available, or we may be required to purchase special insurance policies or surety bonds for specific customers or provide letters of credit in lieu of bonds to satisfy performance and financial guarantees on some projects. We maintain a performance and payment bonding line sufficient to support the business. We generally require our subcontractors to indemnify us and our customer and name us as an additional insured for activities arising out of the subcontractors' work. We also require certain subcontractors to provide additional insurance policies, including surety bonds in favor of us, to secure the subcontractors' work or as required by the subcontract. There can be no assurance that our insurance and the additional insurance coverage provided by our subcontractors will fully protect us against a valid claim or loss under the contracts with our customers. **During fiscal** Unpriced Change Orders and Claims As of June 30, 2022 **2023** and June 30 , 2021, **we completed** costs - **cost reimbursable construction services for a customer at a mining** and estimated earnings in excess **minerals facility. In late fiscal 2023, after numerous attempts to collect outstanding receivables, we filed a notice** of billings **default for lack of payment of outstanding balances, and in early fiscal 2024, we filed a lien** on uncompleted **the facility. The customer responded by commencing litigation against us, alleging breach of** contracts - **contract** included revenue **and breach of express warranty. We deny all claims and filed a countersuit against the customer** for unpriced

change orders and claims failure to pay outstanding amounts of accounts receivable $ 8. 9 million and CIE, which total $ 14 5 . 6 million . Litigation is unpredictable , respectively however, based on the terms of the contract with this customer, we believe we are entitled to collect the full amount owed under the contract. During fiscal 2022, we filed an arbitration demand in an effort to collect outstanding balances of $ 32. 7 million from a customer for which we completed a crude oil storage terminal project . The customer has filed counterclaims for liquidated damages and miscellaneous warranty items amounts ultimately realized may be significantly different than the recorded amounts resulting in a material adjustment to future earnings . Generally We deny all claims and believe we expect are entitled to collection --- collect of the full amounts amount owed under related to unpriced change orders and claims within twelve months. However, customers may not pay these -- the contract. Our hearing for this matter is currently scheduled for October 2024 amounts until final resolution of related claims, which may extend beyond one year . During the third quarter of fiscal 2020, we commenced litigation in an effort to collect an accounts - account receivable from an iron and steel customer on a reimbursable contract following the deterioration of the relationship in the second quarter of fiscal 2020 . The unpaid receivable balance at June 30, 2022 2023 was $ 17. 0 million. In connection Litigation is unpredictable, however, based on the terms of the contract with this our suit, the customer , we filed certain counterclaims against us. We deny all claims and believe we are entitled to collect the full amount owed under the contract. Our trial regarding this matter is scheduled for September 2023. We believe we have set appropriate reserves for the matters described above based on our evaluation of the possible outcomes of the litigation. We and our subsidiaries are participants in various other legal actions. It is the opinion of management that none of the other known legal actions will have a material impact on our financial position, results of operations or liquidity. Note 8 — Leases We enter into lease arrangements for real estate, construction equipment and information technology equipment in the normal course of business. Real estate leases accounted for most approximately 96 % of all our right- of- use assets as of June 30, 2022 2023 . Most real estate and information technology equipment leases generally have fixed payments that follow an agreed upon payment schedule and have remaining lease terms ranging from less than a year to 14 13 years. Construction equipment leases generally have" month- to- month" lease terms that automatically renew as long as the equipment remains in use. In fiscal 2021 we recorded $ 0. 5 million of impairments to right- of- use assets related to leased office space that was closed in connection with our restructuring activities, see Note 14 – Restructuring Costs for additional information. The components of lease expense in the Consolidated Statements of Income are as follows: Fiscal Years EndedJune 30, 2023June 30, 2022June 30, 2021June 30, 2020Lease 2021Lease expenseLocation of Expense in Consolidated Statements of Income (in thousands) Operating lease expenseCost of revenue and selling, general and administrative expenses $ 6, 635 $ 7, 511 $ 8, 386 $ 12, 274 Short- term lease expense (1) Cost of revenue24 revenue29 , 598 24 , 225 25, 912 37, 371 Total lease expense $ 36, 233 $ 31, 736 $ 34, 298 $ 49, 645 (1) Primarily represents the lease expense of construction equipment that is subject to month- to- month rental agreements with expected rental durations of less than one year. The future undiscounted lease payments, as reconciled to the discounted operating lease liabilities presented in our Consolidated Balance Sheets, were as follows: June 30, 2022Maturity 2023Maturity Analysis: (in thousands) Fiscal 2023 2024 $ 6 5 , 956 656 Fiscal 20245 - 20254 , 654 283 Fiscal 20253 20264 , 697 257 Fiscal 20263 20274 , 400 172 Fiscal 20273 20283 , 288 896 Thereafter8, 681 950 Total future operating lease payments31, 676 214 Imputed interest (6 5 , 057 893) Net present value of future lease payments25, 619 321 Less: current portion of operating lease liabilities5 liabilities4 , 715 661 Non- current operating lease liabilities $ 19 20 , 904 660 The following is a summary of the weighted average remaining operating lease and finance lease term and weighted average discount rate as of June 30, 2022 2023 : Weighted- average remaining lease term (in years) 7 6 . 2 6 yearsWeighted- average discount rate5 - rate 6 . 0 1 % Supplemental cash flow information related to leases is as follows: Fiscal Year EndedJune 30, 2022 2023 (in thousands) Cash paid for amounts included in the measurement of lease liabilities: Operating lease payments $ 8 6 , 060 618 Right- of- use assets obtained in exchange for lease liabilities: Operating leases $ 5, 687 383 Note 9 — Stockholders' Equity Preferred Stock We have 5. 0 million shares of preferred stock authorized, none of which was issued or outstanding at June 30, 2022 2023 or June 30, 2021 2022 . We may repurchase common stock pursuant to the Stock Buyback Program, which was approved by the board of directors in November 2018. Under the program, the aggregate number of shares repurchased may not exceed 2, 707, 175 shares. We may repurchase our stock from time to time in the open market at prevailing market prices or in privately negotiated transactions and are not obligated to purchase any shares. The program will continue unless and until it is modified or revoked by the Board of Directors. We made no repurchases under the program in fiscal 2022 2023 and have no current plans to repurchase stock. The terms of our ABL Facility limit share repurchases to $ 2. 5 million per fiscal year provided that we meet certain availability thresholds and do not violate our Fixed Charge Coverage Ratio financial covenant. There were 1, 349, 037 shares available for repurchase under the November 2018 Program as of June 30, 2022 2023 . In addition to the stock buyback program, we may withhold shares of common stock to satisfy the tax withholding obligations upon vesting of an employee' s deferred shares restricted stock units . We withheld 52, 864, 76, 703, and 170, 629 , and 181, 081 shares of common stock during fiscal 2023, 2022, and 2021 , and 2020 , respectively, to satisfy these obligations. These shares were returned to our pool of treasury shares. We have 1 840 , 899 097, 703 treasury shares as of June 30, 2022 2023 and intend to utilize these treasury shares in connection with equity awards under our incentive plans and for sales to the Employee Stock Purchase Plan. Note 10 — Stock- Based Compensation Total stock- based compensation expense for the fiscal years ended June 30, 2022 2023 , June 30, 2021 2022 , and June 30, 2020 2021 was $ 6. 8 million, $ 7. 9 million , and $ 8. 2 million and $ 9. 9 million, respectively. Measured but unrecognized stock- based compensation expense at June 30, 2022 2023 was $ 6. 9 . 0 million, all of which related to nonvested deferred shares restricted stock units which are expected to be recognized as expense over a weighted average period of 1. 7 5 years. We recognized excess tax expense of $ 1. 2 million, $ 1. 0 million, and $ 1. 8 million, and $ 0. 2 million related to stock- based compensation vesting for the fiscal years ended June 30, 2023, 2022, and 2021 , and 2020 , respectively. Plan Information In November December 2020 2022 , our stockholders approved the First Amendment to the Matrix Service Company 2020 Stock and Incentive Compensation Plan , which amended the Matrix Service Company 2020 Stock and

Incentive Compensation Plan (the" 2020 Plan") **to increase the maximum authorized shares under the 2020 Plan by 625, 000 shares, increasing the total authorized shares under the 2020 Plan from 1, 725, 000 to 2, 350, 000 shares. In November 2020, our stockholders approved the 2020 Plan**, which provides stock- based and cash- based incentives for officers, directors and other key employees. Stock options, restricted stock, restricted stock units, stock appreciation rights, performance shares and cash- based awards can be issued under this plan. Upon approval of the 2020 Plan, the 2018 Stock and Incentive Compensation Plan (" 2018 Plan") was frozen with the exception of normal vesting and other activity associated with awards previously granted under the 2018 Plan. ~~The 2018 Plan was preceded by the 2016 Stock Incentive Plan (" 2016 Plan"), which was frozen upon approval of the 2018 Plan with the exception of normal vesting, forfeiture and other activity associated with awards previously granted under the 2016 Plan.~~ Shares awarded under ~~either~~ the 2018 ~~Plan or 2016~~ Plan that are subsequently forfeited or net settled for tax withholding purposes are returned to the treasury share pool and become available for grant under the 2020 Plan **, as amended**. Awards totaling ~~1~~ **2**, ~~725~~ **350**, 000 shares have been authorized under the 2020 Plan **, as amended**. There were 1, ~~392~~ **501**, ~~706~~ **880** shares available for grant under the **amended** 2020 Plan as of June 30, ~~2022~~ **2023**. **Equity- settled Restricted** Stock **Units** ~~Options We did not award any new stock options in fiscal years 2022, 2021, or 2020. The 19, 550 options outstanding as of June 30, 2021 were exercised in the second quarter of fiscal 2022 at a weighted average exercise price of $ 10. 19 per share. There were no options outstanding at June 30, 2022. The total intrinsic value of stock options exercised were less than $ 0. 1 million during fiscal 2022 and $ 0. 1 million during fiscal 2021. No stock options were exercised in fiscal 2020. Nonvested Deferred Shares~~ We have issued ~~nonvested deferred shares~~ **equity- settled restricted stock units** under the following types of arrangements: • Time- based awards — Employee awards generally vest in four equal annual installments beginning one year after the grant date. **The** ~~Beginning in fiscal 2019, the~~ award agreements contain a provision that accelerates the vesting for retirement eligible participants and participants that become retirement eligible during the vesting period and who elect to retire more than one year after the date of the award. The award is forfeited if retirement occurs before the first anniversary of the award. Settlement still occurs on the normal vesting schedules. Director awards vest one year after the grant date. • Market- based awards — These awards are in the form of performance units which vest 3 years after the grant date only if our common stock achieves certain levels of total shareholder return when compared to the total shareholder return of a peer group of companies as selected by the Compensation Committee of the Board of Directors. The payout can range from zero to 200 % of the original award depending on the Company' s relative total shareholder return during the performance period. ~~These awards are settled in stock.~~ As of June 30, ~~2022~~ **2023**, there were approximately ~~163~~ **329**, 000, ~~340~~ **377**, 000, and ~~389~~ **431**, 000 performance units that are scheduled to vest in fiscal ~~2023, fiscal~~ 2024, ~~and~~ fiscal 2025 **, and fiscal 2026**, respectively, assuming target performance. All awards under the 2020 Plan vest upon the death or disability of the participant or upon a change of control of the Company, provided that the successor company fails to assume or replace the awards in connection with that change of control event. If the successor company does assume the awards, then vesting of the awards will be accelerated in the event of an involuntary termination or other material adverse event that occurs in connection with or following the change of control. All awards prior to the 2020 Plan vest upon the death or disability of the participant or upon a change of control of the Company. The grant date fair value of the time- based awards is determined by the market value of our common stock on the grant date. The grant date fair value of the market- based awards is calculated using a Monte Carlo model. For the fiscal ~~2022~~ **2023** grant, the model estimated the fair value of the award based on approximately 100, 000 simulations of the future prices of our common stock compared to the future prices of the common stock of its peer companies based on historical volatilities. The model also took into account the expected dividends over the performance period of those peer companies which pay cash dividends. ~~Nonvested deferred share~~ **Equity- settled restricted stock unit** activity for the fiscal year ended June 30, ~~2022~~ **2023** is as follows: SharesWeighted Average GrantDate Fair Value per ShareNonvested shares at June 30, ~~20211~~ - **20221**, ~~280~~ **465, 788 $ 14. 86 Shares granted782**, 707 $ ~~17~~ **7**. **04** ~~07 Shares granted696, 227 $ 14. 13~~ Shares vested and released (~~268~~ **259**, ~~403~~ **529**) $ ~~13~~ **14**. ~~92~~ **19** Shares canceled (~~242~~ **214**, ~~743~~ **017**) $ ~~25~~ **21**. ~~50~~ **89** Nonvested shares at June 30, ~~20221~~ **20231**, ~~465~~ **774**, ~~788~~ **949** $ ~~14~~ **10**. ~~86~~ **66** There were **696, 227 and** 665, 597 **restricted stock units** ~~and 490, 322 deferred shares~~ granted in fiscal **2022 and** 2021 ~~and 2020~~ with average grant date fair values of $ **14. 13 and $** 10. 60 ~~and $ 21. 79~~ per share, respectively. There were **268, 403 and** 515, 218 **restricted stock units** ~~and 542, 279 deferred shares~~ that vested and were released in fiscal **2022 and** 2021 ~~and 2020~~ with weighted average fair values of $ **13. 92 and $** 16. 99 ~~and $ 19. 43~~ per share, respectively. There were **242, 743 and** 119, 904 ~~deferred shares~~ **restricted stock units** cancelled in fiscal **2022 and** 2021 with an average grant date fair value of $ **25. 50 and $** 20. 67 **per** ~~. No deferred shares~~ - **share, respectively** ~~were cancelled in fiscal 2020~~. Cash- Settled Restricted ~~Share~~ **Stock** Units We granted **251, 575,** 231, 219 **,** and 238, 848 cash- settled restricted ~~share~~ **stock** units during fiscal years **2023,** 2022 and 2021, respectively; with weighted average fair values of $ **1. 5 million, $** 2. 6 million **,** and $ 2. 3 million ~~,~~ respectively ~~. No cash- settled restricted share units were granted in fiscal year 2020~~. There were **106, 637 and** 53, 333 shares vested and released in fiscal **2023 and** 2022 **, respectively;** with ~~a~~ weighted average fair ~~value~~ **values** of **$ 1. 1 million and** $ 0. 5 million **, respectively**. There were no cash- settled restricted shares vested or released in fiscal 2021 ~~or 2020~~. There were **13, 621 and** 25, 355 shares cancelled in fiscal **2023 and** 2022 **, respectively;** with ~~a~~ weighted average fair ~~value~~ **values** of **$ 0. 1 million and** $ 0. 3 million **, respectively**. There were no cash- settled restricted shares cancelled in fiscal 2021 ~~or 2020~~. The grant date fair value of these awards is based on the price of our common stock and the number of shares awarded on the date of grant. The award must be settled in cash and is accounted for as a liability- type award. The expense is recognized over the requisite service period with remeasurement at the end of each reporting period at fair value until settlement. The requisite service period is based on the vesting provisions of the awards which generally occur in four equal annual installments beginning one year after the grant date. These awards contain the same retirement provisions described for time- based awards in the ~~nonvested deferred shares~~ **equity- settled restricted stock units** section above. We recognized $ **1. 3 million, $** 0. 6 million **,** and $ 1. 0 million of expense in fiscal years **2023,** 2022 **,** and 2021, respectively, for cash- settled restricted ~~share~~ **stock** units, which was included in selling, general and administrative expenses and cost of revenue

in the Consolidated Statements of Income. As of June 30, 2022 2023 , the liability for cash- settled restricted share stock units was $ 0 1 . 9 7 million and is included in accrued wages and benefits in the Consolidated Balance Sheets. Note 11 — Earnings per Common Share Basic earnings per share (" EPS ") is calculated based on the weighted average shares outstanding during the period. Diluted earnings per share includes the dilutive effect of employee and director nonvested restricted stock options and units. nonvested Nonvested restricted deferred shares. Stock options are considered dilutive whenever the exercise price is less than the average market price of the stock units during the period and antidilutive whenever the exercise price exceeds the average market price of the common stock during the period. Nonvested deferred shares are considered dilutive (antidilutive) whenever the average market value of the shares during the period exceeds (is less than) the sum of the related average unamortized compensation expense during the period plus the related hypothetical estimated excess tax benefit that will be realized when the shares vest. Stock options and nonvested Nonvested deferred shares restricted stock units are considered antidilutive in the event we report a net loss. The computation of basic and diluted EPS is as follows: Fiscal Years Ended June 30, 2023June 30, 2022June 30, 2021June 30, 2020 2021 (In thousands, except per share data) Basic EPS: Net loss $ (52, 361) $ (63, 900) $ (31, 224) $ (33, 074) Weighted average shares outstanding26, 988 26, 733 26, 451 26, 621 Basic loss per share $ (1. 94) $ (2. 39) $ (1. 18) $ (1. 24) Diluted EPS: Weighted average shares outstanding — basic26, 988 26, 733 26, 451 26, 621 Diluted weighted average shares26, 988 26, 733 26, 451 26, 621 Diluted loss per share $ (1. 94) $ (2. 39) $ (1. 18) $ The following securities are considered antidilutive and have been excluded from the calculation of Diluted EPS: Fiscal Years EndedJune 30, 2023June 30, 2022June 30, 2021 (In thousands 1. 24) Nonvested restricted stock units97 110 227 Note 12 — Employee Benefit Plans Defined Contribution Plans We sponsor defined contribution savings plans for all eligible employees meeting length of service requirements. Under the primary plan, participants may contribute an amount up to 25 % of pretax annual compensation subject to certain limitations. We match 100 % of the first 3 % of employee contributions and 50 % of the next 2 % of employee contributions. Our matching contributions vest immediately. Our matching contributions were $ 5. 3 million , $ 5. 4 million, and $ 6. 2 million in each of the fiscal years ended June 30, 2023 and 2022, and $ 5. 4 million in the fiscal year ended June 30, 2021 , and 2020, respectively . Multiemployer Pension Plans We contribute to a number of multiemployer defined benefit pension plans in the U. S. and Canada under the terms of collective- bargaining agreements that cover our union- represented employees, who are represented by more than 100 local unions. The related collective- bargaining agreements between those organizations and us, which specify the rate at which we must contribute to the multi- employer defined pension plan, expire at different times between 2022 2023 and 2025 2026 . Benefits under these plans are generally based on compensation levels and years of service. For us, the financial risks of participating in multiemployer plans are different from single- employer plans in the following respects: • Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. • If a participating employer discontinues contributions to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers. • If a participating employer chooses to stop participating in a plan, a withdrawal liability may be created based on the unfunded vested benefits for all employees in the plan. Under federal legislation regarding multiemployer pension plans, in the event of a withdrawal from a plan or plan termination, companies are required to continue funding their proportionate share of such plan' s unfunded vested benefits. We are a participant in multiple union sponsored multiemployer plans, and, as a plan participant, our potential obligation could be significant. The amount of the potential obligation is not currently ascertainable because the information required to determine such amount is not identifiable or readily available. Our participation in significant plans for the fiscal year ended June 30, 2022 2023 is outlined in the table below. The " EIN / Pension Plan Number " column provides the Employer Identification Number (" EIN ") and the three digit plan number. The zone status is based on the latest information that the Company received from the plan and is certified by the plan' s actuary. Plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are generally less than 80 percent funded, and plans in the green zone are generally at least 80 percent funded. The " FIP / RP Status Pending / Implemented " column indicates plans for which a financial improvement plan (" FIP ") or a rehabilitation plan (" RP ") is either pending or has been implemented. The " Surcharge Imposed " column includes plans in a red zone status that require a payment of a surcharge in excess of regular contributions. The last column lists the expiration date of the collective- bargaining agreement to which the plan is subject. Pension FundEIN / PensionPlan NumberPensionProtection ActZone StatusFIP / RPStatusPending orImplementedCompany ContributionsFiscal YearSurchargeImposed20222021202220212020 ---- YearSurchargeImposed20232022202320222021 (In thousands) Boilermaker- Blacksmith National Pension Trust48- 6168020 / 001YellowYellowImplemented 001RedYellowImplemented $ 5, 284 $ 5, 208 $ 4, 003 $ 6, 634 NoNational YesNational Electrical Benefit Fund, IBEW locals 71, 126, 488, and 131953- 0181657 / 001Described below (1) GreenNA2 GreenNA3 , 437 2 , 973 1, 865 2 NoPipefitters Local 460 Pension Plan51- 6108443 / 001Described below (1) GreenNA2 , 674 479 111 — NoJoint Pension Fund Local Union 164 IBEW 22- 6031199 / 001Described below (001GreenGreenNA1, 724 1) Described below (1) Implemented1 , 514 1, 958 1 NoIBEW Local 654 Pension Plan23- 6538183 / 001GreenGreenNA1 , 560 242 857 818 NoJoint Pension Fund of Local Union No 102 IBEW22- 1615726 / 001Described below (001GreenGreenNA1, 143 906 1) GreenNA906 1 , 341 1, 227 NoIBEW Local 456 Pension Plan22- 6238995 / 001GreenGreenNA734 001GreenGreenNA1 , 180 734 595 427 NoLocal 351 IBEW Pension Plan 22- 3417366 / 001GreenGreenNA395 001Described below (1) GreenNA1, 033 395 479 1, 709 NoSteamfitters Local Union No 420 Pension Plan23- 2004424 / 001RedYellowImplemented656 498 001Described below (1) RedImplemented498 442 YesPipefitters 1, 523 YesIBEW Local 654 342 Pension Plan94- 3190386 / 001GreenGreenNA498 345 101 NoIBEW Local 98 Pension Plan23- 6538183 6583334 / 001YellowRedImplemented484 143 318 NoLaborers Local 220 001GreenGreenNA857 818 1, 021 NoOhio Carpenters' Pension Plan43 Fund, Locals 1090 and 35134 - 6574360 6159056 / 001Described below (1) RedImplemented GreenNA427 24 — — 3, 042 YesIron Workers Pension Plan, Local 5534- 6682351 / 001Described below (1) GreenNA — — 2, 951 NoNorthwestern Ohio Plumbers and Pipefitters Pension, Local 5034- 6502487 / 001Described below (1) GreenNA — — 2, 504 NoIndiana Laborers Pension Fund35- 6027150 / 001Described below (1)

GreenNA — 20 1, 604 NoIron Workers Mid- America Pension Plan, Local 39536- 6488227 / 001GreenGreenNA — — 840 NoPipefitters Retirement Fund, Local 59762- 6105084 / 001Described below (1) GreenNA4 — 835 NoIron Workers Pension Plan of Western Pennsylvania, Local 325- 1283169 / 001GreenGreenNA — — 500 NoContributions to other multiemployer plans3, 729 969 3, 848 8 110 3 , 352 449 Total contributions made $ 23, 556 $ 16, 818 $ 15, 369 $ 37, 403 (1) For the National Electrical Benefit Fund for Locals 71 / 126 / 488 / 1319, Pipefitters Local 164 460 Pension Plan, Local 351 IBEW Pension Plan, and Laborers Local 220 IBEW 102 IBEW Pension Plan , Steamfitters Local Union No. 420 Pension Plan, Locals 1090 and 351 of the Ohio Carpenters' Pension Fund, Iron Workers Pension Plan Local 55, Northwestern Ohio Plumbers and Pipefitters Pension Local 50, Indiana Laborers Pension Fund, and Pipefitters Retirement Fund Local 597 , we have not received a funding notification that covers our fiscal year 2022 2023 during the preparation of this Form 10- K . For Local 164 IBEW Pension Plan, we have not received a funding notification that covers our fiscal year 2021 either . Under Federal pension law, if a multiemployer pension plan is determined to be in critical or endangered status, the plan must provide notice of this status to participants, beneficiaries, the bargaining parties, the Pension Benefit Guaranty Corporation, and the Department of Labor. We also observed that these plans have not submitted any Critical or Endangered Status Notices to the Department of Labor for calendar years that we have not received notification. The Critical or Endangered Status Notices can be accessed at https: / / www. dol. gov / agencies / ebsa / about- ebsa / our- activities / public- disclosure / 2022 2023 - funding- status- notices # 2020 2023 - c- and- d. The Matrix Service Company 2011 Employee Stock Purchase Plan (“ ESPP ”) was effective January 1, 2011. The ESPP allows employees to purchase shares through payroll deductions and members of the Board of Directors to purchase shares from amounts withheld from their cash retainers. Share purchases are limited to an aggregate market value of no greater than $ 60, 000 per calendar year per participant and are purchased from us at the current market value with no discount to the participant. Contributions are with after tax earnings and are accumulated in non- interest bearing accounts for quarterly purchases of company stock. Upon the purchase of shares, the participants receive all stockholder rights including dividend and voting rights and are permitted to sell their shares at any time. We have made 1, 000, 000 shares available under the ESPP. The ESPP can be terminated at any time at the discretion of the Board of Directors and will automatically terminate once the plan shares are exhausted. Shares are issued from Treasury Stock under the ESPP. There were 50, 139 shares issued in fiscal 2023, 29, 826 shares issued in fiscal 2022, and 29, 171 shares in fiscal 2021 , and 20, 733 shares in fiscal 2020 . Note 13 — Segment InformationIn fiscal 2022 2023 , we operated our business through three reportable segments: We evaluate performance and allocate resources based on operating income. We eliminate intersegment sales; therefore, no intercompany profit or loss is recognized. Corporate selling, general and administrative expenses , including corporate salaries and facilities costs, are excluded from our three reportable segments in order to better align controllable costs with the responsibility of segment management, and to be consistent with how our chief operating decision- maker assesses segment performance and allocates resources. Segment assets consist primarily of accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts, property, plant and equipment, right- of- use lease assets, goodwill and other intangible assets. Utility Storage and TerminalSolutionsUtility and Power InfrastructureProcess and Industrial FacilitiesCorporateTotalFiscal FacilitiesStorage and TerminalSolutionsCorporateTotalFiscal year ended June 30, 2023Gross revenue $ 261, 244 $ 169, 558 $ 370, 076 $ — $ 800, 878 Less: inter- segment revenue5, 551 54 253 — 5, 858 Consolidated revenue255, 693 169, 504 369, 823 — 795, 020 Gross profit (loss) 10, 470 10, 699 10, 756 (1, 105) 30, 820 Selling, general and administrative expenses20, 054 7, 045 14, 909 26, 241 68, 249 Goodwill impairment and restructuring costs969 37 13, 288 1, 164 15, 458 Operating income (loss) (10, 553) 3, 617 (17, 441) (28, 510) (52, 887) Segment assets139, 333 67, 630 90, 514 103, 027 400, 504 Capital expenditures1, 406 4, 501 2, 775 327 9, 009 Depreciation and amortization3, 281 3, 465 4, 783 2, 165 13, 694 Fiscal year ended June 30, 2022Gross revenue $ 236, 260 $ 220, 093 $ 258, 497 $ 236, 260 $ — $ 714, 850 Less: inter- segment revenue revenue3 , 421 — 3, 649 3, 421 — 7, 070 Consolidated revenue220 - revenue232 , 839 220 , 093 254, 848 232, 839 — 707, 780 Gross profit (loss) 262 (8, 586) 9, 270 262 (2, 152) (1, 206) Selling, general and administrative expenses11 expenses17 , 284 11 , 771 12, 506 17, 284 26, 129 67, 690 Goodwill impairment and restructuring costs2 costs7 , 330 2 , 746 6, 867 7, 330 2, 015 18, 958 Operating loss (24, 352) (23, 103) (10, 103) (24, 352) (30, 296) (87, 854) Segment assets94 assets141 , 084 94 , 059 104, 078 141, 084 101, 572 440, 793 Capital expenditures29 expenditures338 29 254 338 2, 724 3, 345 Depreciation and amortization3 amortization5 , 540 3 , 812 5, 659 5, 540 243 15, 254 Fiscal year ended June 30, 2021Gross revenue $ 267, 982 $ 210, 052 $ 201, 472 $ 267, 982 $ — $ 679, 506 Less: inter- segment revenue revenue4 , 553 — 1, 555 4, 553 — 6, 108 Consolidated revenue210 revenue263 , 429 210 , 052 199, 917 263, 429 — 673, 398 Gross profit1 - profit 13, 617 1 , 506 17, 642 13, 617 — 32, 765 Selling, general and administrative expenses9 expenses18 , 644 9 , 882 14, 756 18, 644 26, 474 69, 756 Restructuring costs1, 391 1, 312 3, 807 1, 391 246 6, 756 Operating loss (6, 418) (9, 688) (921) (6, 418) (26, 720) (43, 747) Segment assets81 - assets160 , 782 81 , 717 106, 619 160, 782 118, 438 467, 556 Capital expenditures1, 136 1, 183 834 1, 136 1, 201 4, 354 Depreciation and amortization4 amortization7 , 456 4 , 127 6, 018 7, 456 257 17, 858 Fiscal year ended June 30, 2020Gross revenue $ 212, 001 $ 424, 710 $ 470, 871 $ — $ 1, 107, 582 Less: inter- segment revenue — 2, 839 3, 805 — 6, 644 Consolidated revenue212, 001 421, 871 467, 066 — 1, 100, 938 Gross profit (loss) 7, 081 36, 349 61, 413 (2, 667) 102, 176 Selling, general and administrative expenses10, 047 24, 266 26, 386 25, 577 86, 276 Intangible asset impairments and restructuring costs27, 625 22, 914 1, 066 920 52, 525 Operating income (loss) (30, 591) (10, 831) 33, 961 (29, 164) (36, 625) Segment assets67, 398 138, 734 187, 167 124, 011 517, 310 Capital expenditures3, 285 7, 523 4, 921 2, 810 18, 539 Depreciation and amortization3, 054 8, 014 7, 743 313 19, 124 Information about Significant Customers: Significant Customers as a Percentage of Segment RevenueConsolidatedUtility RevenueConsolidatedStorage and TerminalSolutionsUtility and PowerInfrastructureProcess and Industrial FacilitiesFiscal FacilitiesStorage and TerminalSolutionsFiscal Year ended June 30, 2022Customer 2023Customer one12 one10 . 3 7 % — % — 33. 5 % 0 22. 9 % Customer two6. 4 % — % — % 13 . 8 % Customer two11 three5. 8 % — % — % 12. 4 % Customer four4 . 0 % 35 12 . 5 3 % — % — % Customer three4 five3. 8 % — % 17 . 7 % 15 — % Customer six3 . 1 6 % — % 16. 7 % — % Customer seven2. 9 % — % 13. 5 % — % Fiscal Year

ended June 30, 2021Customer 2022Customer one12 . 9 % 41 . 3 % 0. 8 % — % 33. 5 % Customer two11. 0 % — % 35. 5 % — % Customer two9 three4 . 9 7 % — % 15 33. 3 % 0 . 1 % Customer three7. 0 % 22. 5 % — % 0. 1 % Customer four4. 4 % — % — % 11. 2 % Fiscal Year ended June 30, 2020Customer 2021Customer one9 one12 . 7 9 % — % 25 41 . 4 3 % — % Customer two8 two9 . 2 9 % 42 0 . 7 1 % — % 33. 3 % Customer three7. 0 % 0. 1 % 22. 5 % — % Customer three8 four4. 4 % 11 . 2 % — % — % 19. 3 % Customer four6. 8 % — % — % 16. 1 % Customer five2. 0 % 10. 5 % — % — % Note 14 — Restructuring Costs In fiscal 2020, we initiated a business improvement plan to increase profitability and reduce our cost structure in order to help us become more competitive and deliver higher quality service. As a result of specific events, including the effects of the COVID- 19 pandemic and related market disruptions, the Company expanded its business improvement plan. The business improvement plan consists of an initial phase of discretionary cost reductions, workforce reductions, reduction of capital expenditures and the reduction in size or closure of certain offices in order to increase the utilization of our staff and bring the cost structure of the business in line with revenue volumes. In fiscal 2022, we commenced a second phase of our plan to focus on centralization of support functions, including business development, accounting, human resources, procurement and project services into shared service centers. The restructuring costs consist primarily of severance costs, facility closure costs, consulting fees and other liabilities. **Our restructuring efforts were substantially complete as of June 30, 2023.** Restructuring costs incurred are classified as follows: Fiscal Year Ended June 30, **2023Fiscal Year Ended June 30,** 2022Fiscal Year Ended June 30, 2021Fiscal Year Ended June 30, 2020Since 2021Since Inception of Business Improvement Plan (in thousands) Utility and Power InfrastructureSeverance and other personnel- related costs $ 45 $ 1, 199 $ 1, 340 $ 2, 584 Facility costs — 113 235 348 Other intangible asset impairments — — 1, 150 1, 150 Other costs1 — — 1 Total Utility and Power Infrastructure $ 46 $ 1, 312 $ 2, 725 $ 4, 083 Process and Industrial FacilitiesSeverance and other personnel- related costs $ (22) $ 2, 951 $ 6, 167 $ 9, 096 Facility costs17 431 2, 757 3, 205 Other intangible asset impairments — — 375 375 Other costs (1) (1, 597) 426 — (1, 171) Total Process and Industrial Facilities $ (1, 602) $ 3, 808 $ 9, 299 $ 11, 505 Storage and Terminal SolutionsSeverance and other personnel- related costs $ 69 $ 1, 231 $ 347 $ 1, 647 Facility costs — 159 720 879 Other costs28 — — 28 Total Storage and Terminal Solutions $ 97 $ 1, 390 $ 1, 067 $ 2, 554 CorporateSeverance and other personnel- related costs $ 504 $ 164 $ 919 $ 1, 587 Facility costs16 82 — 98 Other costs1, 585 — — 1, 585 Total Corporate $ 2, 105 $ 246 $ 919 $ 3, 270 Total restructuring costs $ 646 $ 6, 756 $ 14, 010 $ 21, 412 Restructuring Costs by Type: Severance and other personnel- related costs $ **2, 787 $** 596 $ 5, 545 $ 8 **17** , **701** 773 $ 14, 914 Total facility costs33 **costs216 33** 785 3, 712 4, 530 **746** Total other intangible asset impairments — — **—** 1, 525 1, 525 Other costs17 **costs139 17** 426 **582** — 443 Total restructuring costs $ **3, 142 $** 646 $ 6, 756 $ 14 **24** , **554** 010 $ 21, 412 (1) Other costs in the Process and Industrial Facilities segment consisted of a $ 1. 6 million credit in the third quarter of fiscal 2022. The credit was due to a favorable settlement of a restructuring obligation related to our exit from the domestic iron and steel industry in fiscal 2020. COL. ACOL. BCOL. CADDITIONSCOL. D COL. E Balance atBeginning ofPeriodCharged toCosts andExpensesCharged to Other Accounts — DescribeDeductions — Describe Balance atEnd ofPeriodFiscal Year **2023Deducted from asset accounts: Allowance for doubtful accounts $ 1, 320 $ (88) $ — $ (171) (A) $ 1, 061 Valuation reserve for deferred tax assets28, 615 12, 595 — (150) (B) 41, 060 Total $ 29, 935 $ 12, 507 $ — $ (321) $ 42, 121 Fiscal Year** 2022Deducted from asset accounts: Allowance for doubtful accounts $ 898 $ 738 $ — $ (316) (A **C**) $ 1, 320 Valuation reserve for deferred tax assets11, 104 17, 943 — (432) (B) 28, 615 Total $ 12, 002 $ 18, 681 $ — $ (748) $ 29, 935 Fiscal Year 2021Deducted from asset accounts: Allowance for doubtful accounts905 --- **accounts $ 905 $** 85 **$** — **$** (92) (C **D**) **$** 898 Valuation reserve for deferred tax assets7, 763 2, 797 — 544 (D **E**) 11, 104 Total8 - **Total $ 8** , 668 **$** 2, 882 **$** — **$** 452 **$** 12, 002 Fiscal Year 2020Deducted **(A) Relates to various write- offs and cash receipts of previously reserved accounts** from asset accounts: Allowance **prior periods. (B) Relates to foreign currency translation** for **the portion of the** doubtful accounts923 1, 158 — (1, 176) (E) 905 Valuation **valuation** reserve for deferred **allowance on net operating loss and** tax **credit carryforwards in foreign jurisdictions.** assets4, 959 3, 062 — (**C** 258) (B) 7, 763 Total5, 882 4, 220 — (1, 434) 8, 668 (A) Relates to the write off of a $ 0. 3 million account receivable that was fully reserved in a prior period. (**D** B) Relates to foreign currency translation for the portion of the valuation allowance on net operating loss and tax credit carryforwards in foreign jurisdictions. (C) Primarily relates to a $ 0. 1 million reserve that was recognized as a credit loss and ultimately written off within fiscal 2021. (D **E**) Relates to $ 1. 1 million of foreign currency translation for the portion of the valuation allowance on net operating loss and tax credit carryforwards in foreign jurisdictions, partially offset by $ 0. 6 million of fully reserved tax credits that expired in fiscal 2021 . (E) Primarily relates to a $ 0. 6 million reserve that was recognized as a credit loss and ultimately settled and written off within fiscal 2020 and $ 0. 3 million of payments received on a balance that was fully reserved . Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure Item 9A. Controls and Procedures Evaluation of Disclosure Controls and Procedures We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC' s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based on the definition of " disclosure controls and procedures " in Rule 13a- 15 (e). We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2022 **2023** . Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level at June 30, 2022 **2023** . On September 12, 2022, we filed a form 12b- 25 with the SEC to notify the Commission that we were not in a position to file this Form 10- K in a timely manner without unreasonable effort or expense for reasons described below. In the course of preparing our financial statements, we discovered that employee support and oversight time for a certain project was allocated to our general overhead expense category rather than to the specific project to which it should have been allocated. We conducted an internal review and determined the amount of misallocated time was immaterial. As a result of this issue, our Audit

~~Committee engaged third- party advisors to conduct a review of the Company' s internal control over financial reporting and findings of the investigation. The review confirmed our internal conclusion that the misallocated time was immaterial and the review supported management' s conclusion that no material weakness in our internal control over financial reporting exists and that our internal control over financial reporting was effective at a reasonable assurance level at June 30, 2022~~ . Management' s Report on Internal Control over Financial Reporting See " Management' s Report on Internal Control over Financial Reporting " set forth in Item 8, Financial Statements and Supplementary Data of this Annual Report on Form 10- K. Changes in Internal Control Over Financial Reporting There have been no changes during the fourth quarter of fiscal ~~2022~~ **2023** that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Item 9B. Other Information **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections** PART III Item 10. Directors, Executive Officers and Corporate Governance The information required by this item with respect to our directors and corporate governance is incorporated herein by reference to the sections entitled " Proposal Number 1: Election of Directors " and " Corporate Governance and Board Matters " in our definitive Proxy Statement for the ~~2022~~ **2023** Annual Meeting of Stockholders (" Proxy Statement "). The information required by this item with respect to our executive officers is incorporated herein by reference to the section entitled " Executive Officer Information " in the Proxy Statement. We have adopted a Code of Business Conduct and Ethics applicable to all our directors, officers and employees, including the principal executive officer, principal financial officer and principal accounting officer. In addition, we have adopted Corporate Governance Guidelines for the Board of Directors and Charters for the Audit, Compensation and Nominating and Corporate Governance Committees of the Board of Directors. The current version of these corporate governance documents is publicly available in the " Investors " section of our website at matrixservicecompany. com under " Corporate Governance. " If we make any substantive amendments to the Code of Business Conduct and Ethics, or grant any waivers, including implicit waivers, from the Code of Business Conduct and Ethics applicable to the principal executive officer, principal financial officer or principal accounting officer, or any person performing similar functions, we will disclose such amendment or waiver on our website or in a report on Form 8- K. Item 11. Executive Compensation The information required by this item is incorporated herein by reference to the sections entitled " Director Compensation, "" Compensation Discussion and Analysis" and " Executive Officer Compensation " in the Proxy Statement. Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters The information required by this item is incorporated herein by reference to the sections entitled " Securities Authorized for Issuance Under Executive Compensation Plans " and " Security Ownership of Certain Beneficial Owners and Management " in the Proxy Statement. Item 13. Certain Relationships and Related Transactions, and Director Independence The information required by this item is incorporated herein by reference to the section entitled" Corporate Governance and Board Matters" and " Certain Relationships and Related Transactions " in the Proxy Statement. Item 14. Principal Accounting Fees and Services The information required by this item is incorporated herein by reference to the sections entitled " Fees of Independent Registered Public Accounting Firm " and " Audit Committee Pre- Approval Policy " in the Proxy Statement. PART IV Item 15. Exhibits and Financial Statement Schedules (a) (1) Financial Statements of the Company The following financial statements and supplementary data are filed as a part of this report under " Item 8 — Financial Statements and Supplementary Data " in this Annual Report on Form 10- K: Financial Statements of the CompanyManagement' s Report on Internal Control Over Financial ~~Reporting43Reports~~ - **Reporting39Reports** of Independent Registered Public Accounting Firm (Deloitte & Touche LLP) ~~44Consolidated~~ **40Consolidated** Statements of Income for the Fiscal Years Ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** and June 30, ~~202048Consolidated~~ **202144Consolidated** Statements of Comprehensive Income for the Fiscal Years Ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** and June 30, ~~202049Consolidated~~ **202145Consolidated** Balance Sheets as of June 30, ~~2022~~ **2023** and June 30, ~~202150Consolidated~~ **202246Consolidated** Statements of Cash Flows for the Fiscal Years Ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** and June 30, ~~202052Consolidated~~ **202148Consolidated** Statements of Changes in Stockholders' Equity for the Fiscal Years Ended June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** and June 30, ~~202054Notes~~ -- **202150Notes** to Consolidated Financial ~~Statements55Schedule~~ **Statements51Schedule** II — Valuation and Qualifying ~~Accounts81~~ **Accounts77** (2) Financial Statement Schedules The financial statement schedule is filed as a part of this report under Schedule II — Valuation and Qualifying Accounts June 30, ~~2022~~ **2023** , June 30, ~~2021~~ **2022** and June 30, ~~2020~~ **2021** , immediately following Notes to Consolidated Financial Statements. All other schedules are omitted because they are not applicable or the required information is shown in the financial statements, or notes thereto, included herein. (3) The following documents are included as exhibits to this Annual Report on Form 10- K. The exhibits below incorporated by reference herein are indicated as such by the information supplied in the parenthetical hereafter. 3. 1 Amended and Restated Certificate of Incorporation of Matrix Service Company (~~Appendix A~~ **Exhibit 3. 1** to the Company' s ~~Proxy Statement~~ **Current Report on Form 8- K** filed ~~October~~ **December** 7, ~~2016~~ **2022)** . 3. 2 ~~Second~~ **Third** Amended and Restated Bylaws, effective as of May ~~4~~ **2** , ~~2017~~ **2023** (Exhibit 3. 1 to the Company' s ~~Quarterly~~ **Current** Report on Form ~~10~~ **8** - ~~Q~~ **K** filed May ~~10~~ **8** , ~~2017~~ **2023**). 4. 1 Description of the Company' s Common Stock (Exhibit 4. 2 to the Company' s Annual Report on Form 10- K filed September 4, 2019). 10. 1Matrix Service Company ~~2004 Stock Incentive Plan (Appendix B to the Company' s Proxy Statement filed September 15, 2006). 10. 2Amendment 1 to Matrix Service Company 2004 Stock Incentive Plan (Exhibit 10 to Amended Schedule 14A filed October 4, 2006). 10. 3Amendment 2 to Matrix Service Company 2004 Stock Incentive Plan (Exhibit 10. 6 to the Company' s Annual Report on Form 10- K filed August 5, 2008~~ **2018** ~~). 10. 4Amendment 3 to Matrix Service Company 2004 Stock Incentive Plan (Exhibit A to the Company' s Proxy Statement filed September 11, 2009). 10. 5Matrix Service Company 2016~~ Stock and Incentive Compensation Plan (Appendix ~~B~~ **A** to the Company' s Proxy Statement, filed ~~October 7~~ **September 21** , ~~2016~~ **2018**). 10. ~~6Form~~ **2Form** of Restricted Stock Unit Award Agreement for Directors (~~2016~~ **2018** Stock and Incentive Compensation Plan) (Exhibit 10 ~~. 2~~ to the Company' s Quarterly Report on Form 10- Q, filed ~~February 9~~ **November 8** , ~~2017~~ **2018**). 10. ~~7Form~~ **3Form** of **Restricted Stock Unit** ~~Long- Term Incentive Award~~ Agreement **for Employees** (~~2016~~ **2018** Stock and Incentive Compensation Plan) (Exhibit 10. ~~11~~ **14** to the Company' s Annual Report on Form 10- K ~~/ A~~ , filed

September 19 3 , 2018 2020). 10. 8Matrix Service Company 4Form of Long- Term Incentive Award Agreement (2018 Stock and Incentive Compensation Plan (Appendix A to the Company' s Proxy Statement, filed September 21, 2018). 10. 9Form of Restricted Stock Unit Award Agreement for Directors (2018 Stock and Incentive Compensation Plan) (Exhibit 10 to the Company' s Quarterly Report on Form 10- Q, filed November 8, 2018) . 15 10. 10Form of Restricted Stock Unit Agreement for Employees (2018 Stock and Incentive Compensation Plan) (Exhibit 10. 14 to the Company' s Annual Report on Form 10- K, filed September 3, 2020). 10. 11Form of Long- Term Incentive Award Agreement (2018 Stock and Incentive Compensation Plan) (Exhibit 10. 15 to the Company' s Annual Report on Form 5Form 10- K, filed September 3, 2020). 10. 12Form of Amended and Restated Severance Agreement (Exhibit 10 to the Company' s Current Report on Form 8- K filed November 15, 2016). 10. 13Amended 6Amended and Restated Deferred Compensation Plan for Members of the Board of Directors (Exhibit 10. 1 to the Company' s Quarterly Report on Form 10- Q filed January 8, 2009). 10. 14Amendment 7Amendment 1 to Amended and Restated Deferred Compensation Plan for Members of the Board of Directors (Exhibit 10 to the Company' s Quarterly Report on Form 10- Q filed November 9, 2012). 10. 15Matrix 8Matrix Service Company 2020 Stock and Incentive Compensation Plan (Appendix A to the Company' s Proxy Statement filed on September 24, 2020).. 10. 16Form 9Form of Long- Term Incentive Award Agreement (2020 Stock and Incentive Compensation Plan) (Exhibit 10. 16 to the Company' s Annual Report on Form 10- K filed September 13, 2021). 10. 17Form 10Form of Restricted Stock Unit Award Agreement (2020 Stock and Incentive Compensation Plan) (Exhibit 10. 17 to the Company' s Annual Report on Form 10- K filed September 13, 2021). 10. 18Form 11Form of Indemnification Agreement (Exhibit 10 to the Company' s Quarterly Report on Form 10- Q filed November 7, 2019). 10. 19Credit 12Credit Agreement dated as of September 9, 2021 by and among, Matrix Service Company and certain subsidiaries thereof, certain financial institutions as lenders, and Bank of Montreal, as administrative agent (Exhibit 10. 19 to the Company' s Annual Report on Form 10- K filed September 13, 2021). **10. 13First Amendment and Waiver to Credit Agreement dated October 5, 2020 by and among Matrix Service Company and certain subsidiaries thereof, certain financial institutions as lenders, and Bank of Montreal, as administrative agent (Exhibit 10. 1 to the Company' s Current Report on Form 8- K filed October 7, 2022).** 10. 20Amended 14Amended and Restated Matrix Service Company 2021 Severance Plan for Executives (Exhibit 10. 1 to the Company' s Quarterly Report on Form 10- Q filed May 10, 2022). * 10. 21Purchase and Sale Agreement dated June 9, 2022 by and between Matrix Service, Inc. and Pisces Logistics Acquisition LLC. * 21Subsidiaries. * 23Consent of Independent Registered Public Accounting Firm — Deloitte & Touche LLP. * 31. 1Certification Certification Pursuant to Section 302 of Sarbanes- Oxley Act of 2002 — CEO. * 31. 2Certification Pursuant to Section 302 of Sarbanes- Oxley Act of 2002 — CFO. * 32. 1Certification Pursuant to 18 U. S. C. 1350 (section 906 of Sarbanes- Oxley Act of 2002) — CEO. * 32. 2Certification Pursuant to 18 U. S. C. 1350 (section 906 of Sarbanes- Oxley Act of 2002) — CFO. * 95Mine Safety Disclosure. * 101. INSXBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. * 101. SCHXBRL Taxonomy Schema Document. * 101. CALXBRL Taxonomy Extension Calculation Linkbase Document. * 101. DEFXBRL Taxonomy Extension Definition Linkbase Document. * 101. LABXBRL Taxonomy Extension Labels Linkbase Document. * 101. PREXBRL Taxonomy Extension Presentation Linkbase Document. * 104Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). * Filed herewith. Management Contract or Compensatory Plan. Item 16. Form 10- K Summary SIGNATURES Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, Matrix Service Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. Matrix Service CompanyDate: October 11 **September 12** , 2022 **2023** By: / s / John R. Hewitt John R. Hewitt, President andChief Executive Officer Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. Signatures Title Date / s / Jim W. MoggChairman of the Board of DirectorsOctober **DirectorsSeptember** 11 **12** , 2022Jim **2023Jim** W. Mogg / s / John R. HewittPresident, Chief Executive Officer and DirectorOctober **DirectorSeptember** 11 **12** , 2022John **2023John** R. Hewitt (Principal Executive Officer) / s / Kevin S. CavanahVice Presidentand Chief Financial OfficerOctober 11 **OfficerSeptember 12** , 2022Kevin **2023Kevin** S. Cavanah (Principal Accounting andPrincipal Financial Officer) / s / Jose L. BustamanteDirectorOctober **BustamanteDirectorSeptember** 11 **12** , 2022Jose **2023Jose** L. Bustamante / s / Martha Z. CarnesDirectorOctober **CarnesDirectorSeptember** 11 **12** , 2022Martha **2023Martha** Z. Carnes / s / John D. ChandlerDirectorOctober **ChandlerDirectorSeptember** 11 **12** , 2022John **2023John** D. Chandler / s / Carlin G. ConnerDirectorOctober **ConnerDirectorSeptember** 11 **12** , 2022Carlin **2023Carlin** G. Conner / s / Liane K. HinrichsDirectorOctober **HinrichsDirectorSeptember** 11 **12** , 2022Liane **2023Liane** K. Hinrichs / s / James H. MillerDirector October 11 **September 12** , 2022James **2023James** H. Miller **EXHIBIT 21 Matrix Service Inc., an Oklahoma corporation Matrix Service Canada ULC, an Alberta, Canada unlimited liability corporation Matrix North American Construction, Inc., an Oklahoma corporation Matrix North American Construction, Ltd., a Canadian corporation Matrix North American Construction, LLC, a Delaware limited liability company Matrix SME Canada, Inc., a Delaware corporation Matrix SME Canada ULC, a Nova Scotia, Canada unlimited liability corporation Matrix PDM Engineering, Inc., a Delaware corporation Matrix PDM, LLC, an Oklahoma limited liability company Matrix Applied Technologies, Inc., a Delaware corporation Matrix International Holding Company, Ltd., a British corporation Matrix Applied Technologies, Ltd., a South Korean corporation Matrix Applied Technologies, Pty. Ltd., an Australian corporation River Consulting, LLC, a Louisiana limited liability company Matrix Products and Services S. de R. L. de C. V., a Mexican limited liability variable stock corporation Matrix Service VI, LLC, a U. S. Virgin Island limited liability company Mobile Aquatic Solutions, Inc., an Oklahoma corporation MSI Federal Contracting, LLC, a Delaware limited liability company Devco USA, LLC, an Oklahoma limited liability company Houston Dynamics, LLC, a Qatar limited liability company Matrix Service International, LLC, a Delaware limited liability company Matrix Applied Technologies FZ- LLC, a UAE free zone company Matrix Applied Technologies Pte Ltd, a Singapore limited company Matrix PDM Engineering Ltd., a**

Nova Scotia limited company Matrix Engineering & Technical Solutions, LLC, a Delaware limited liability company Matrix Project Services, LLC, a Delaware limited liability company EXHIBIT 23 CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM We consent to the incorporation by reference in the following Registration Statements on Form S- 8: Registration Statement on Form S- 8 (File No. 333- 268828) related to the Matrix Service Company 2020 Stock and Incentive Compensation Plan Registration Statement on Form S- 8 (File No. 333- 249818) related to the Matrix Service Company 2020 Stock and Incentive Compensation Plan Registration Statement on Form S- 8 (File No. 333- 228052) related to the Matrix Service Company 2018 Stock and Incentive Compensation Plan Registration Statement on Form S- 8 (File No. 333- 171247) related to the Matrix Service Company 2011 Employee Stock Purchase Plan of our reports dated September 12, 2023, relating to the financial statements of Matrix Service Company, and the effectiveness of Matrix Service Company' s internal control over financial reporting appearing in this Annual Report on Form 10- K for the year ended June 30, 2023. Exhibit 31. 1 CERTIFICATIONS I, John R. Hewitt, certify that: 1. I have reviewed this Annual Report on Form 10- K of Matrix Service Company; 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15 (f) and 15d- 15 (f)) for the registrant and have: a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; c. Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d. Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and 5. The registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions): a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting. Date: September 12, 2023 / s / John R. HewittJohn R. HewittPresident and Chief Executive Officer Exhibit 31. 2 I, Kevin S. Cavanah, certify that: Date: September 12, 2023 / s / Kevin S. CavanahKevin S. CavanahVice President and Chief Financial Officer EXHIBIT 32. 1 Certification Pursuant to 18 U. S. C. Section 1350, As Adopted Pursuant Section 906 of Sarbanes- Oxley Act of 2002 In connection with the Annual Report of Matrix Service Company (the " Company ") on Form 10- K for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, John R. Hewitt, President and Chief Executive Officer of the Company, certify, pursuant to 18 U. S. C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes- Oxley Act of 2002, that based on my knowledge: (1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 as amended; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. EXHIBIT 32. 2 In connection with the Annual Report of Matrix Service Company (the " Company ") on Form 10- K for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Kevin S. Cavanah, Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U. S. C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes- Oxley Act of 2002, that based on my knowledge: Section 1503 (a) of the Dodd- Frank Wall Street Reform and Consumer Protection Act (the" Dodd- Frank Act") requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the" Mine Act") by the federal Mine Safety and Health Administration (" MSHA"). We do not act as the owner of any mines, but as a result of our performing services or construction at mine sites as an independent contractor, we are considered an" operator" within the meaning of the Mine Act. The mine data retrieval system maintained by MSHA may show information that is different than what is provided herein. Any such difference may be attributed to the need to update that information on MSHA' s system and / or other factors. The following table provides information for the twelve months ended June 30, 2023: Mine or Operating Name / MSHA Identification NumberSection 104 S & S Citations (1) Section 104 (b) Orders (2) Section 104 (d) Citations and Orders (3) Section 110 (b) (2) Violations (4) Section 107 (a) Orders (5) Total Dollar Value of MSHA Assessments Proposed ($) Total Number of Mining Related FatalitiesReceived Notice of Pattern of Violations Under Section 104 (e) (6) (yes / no) Received Notice of Potential to Have Pattern of Violations Under Section 104 (e) (7) (yes / no) Total Number of Legal Actions Pending as of Last Day of PeriodTotal Number of Legal Actions Initiated During

PeriodTotal Number of Legal Actions Resolved During PeriodFreeport- McMoran Safford Mine, 02- 03131 — — — — — — — NoNo — — — Freeport- McMoran Bagdad Mine, 02- 00137 — — — — — — — NoNo — — — (1) The total number of citations issued under section 104 of the Mine Act for violations of mandatory health or safety standards that could significantly and substantially contribute to a serious injury if left unabated. (2) The total number of orders issued under section 104 (b) of the Mine Act, which represents a failure to abate a citation under section 104 (a) within the period of time prescribed by MSHA. (3) The total number of citations and orders issued by MSHA under section 104 (d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards. (4) The total number of flagrant violations identified under section 110 (b) (2) of the Mine Act. (5) The total number of orders issued under section 107 (a) of the Mine Act for situations in which MSHA determined an imminent danger existed. (6) A written notice from the MSHA regarding a pattern of violations under section 104 (e) of the Mine Act. (7) A written notice from the MSHA regarding a potential to have a pattern of violations under section 104 (e) of the Mine Act.