

## Risk Factors Comparison 2024-03-05 to 2023-03-16 Form: 10-K

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You should carefully consider the following factors, together with all the other information included in this ~~2022~~ **2023** Form 10-K, in evaluating our company and our business. If any of the following risks actually occur, our business, financial condition, results of operations, or cash flows could be materially and adversely affected, and the value of our stock could decline. The risks and uncertainties described below are those that we currently believe may materially affect our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. As such, you should not consider this list to be a complete statement of all potential risks or uncertainties. Risk Factor Summary This risk factor summary contains a high-level overview of certain of the principal factors and uncertainties that make an investment in our securities risky, including risks related to our industry and end markets, our business, our supply chain and production process, our financial condition, our internal control over financial reporting, and our common stock. The following summary is not complete and should be read together with the more detailed discussion of these and the other factors and uncertainties that ~~follows~~ **follow** before making an investment decision regarding our securities. The principal factors and uncertainties that ~~makes~~ **make** an investment in our securities risky include the following. ~~10Risks~~ **Risks** Related to Our Industry and End Markets • Project delays in public water transmission projects could adversely affect our business; • A downturn in government spending related to public water transmission projects could adversely affect our business; • Our Engineered Steel Pressure Pipe segment faces an overcapacity situation due to recent capacity expansions as well as the potential for increased competition from substitute products from manufacturers of concrete pressure pipe, ductile iron, polyvinyl chloride (“PVC”), and high-density polyethylene pipe; • The success of our business is affected by general and local economic conditions, and our business may be adversely affected by an economic slowdown or recession, or an inability of our pricing to keep pace with inflation of input costs; and • We are subject to stringent environmental, health, and safety laws, which may require us to incur substantial compliance and remediation costs, thereby reducing our profits. ~~Risks~~ **10Risks** Related to Our Business • We face risks in connection with the integration of recent or future potential acquisitions and ~~the~~ **implementation of future potential** divestitures; • ~~The~~ **Recent or future potential** acquisitions of ParkUSA, Geneva, and ~~acquisitions of other companies in the future~~ could adversely affect operating results, dilute shareholders’ equity, or cause us to incur additional debt or assume contingent liabilities; • Our quarterly results of operations are subject to significant fluctuation; • Operating problems in our business could adversely affect our business, financial position, results of operations, or cash flows; • We may be unable to develop or successfully market new products or our products might not obtain necessary approvals or achieve market acceptance, which could adversely affect our growth; • Our recognition of revenue over time includes estimates; • We have a foreign operation which exposes us to the risks of doing business abroad; • Our Engineered Steel Pressure Pipe backlog is subject to reduction and cancellation; • ~~The~~ **Future outbreaks of infectious diseases, including further developments in the coronavirus disease 2019 (“COVID - 19”)** pandemic, may have an adverse impact on our business; • ~~The~~ **conflict conflicts** in Ukraine ~~and Israel~~ may have an adverse impact on our business; and • Climate change and related regulatory requirements present an ongoing risk to our business operations. Risks Related to Our Supply Chain and Production Process • Our business may be adversely impacted by staffing shortages, other labor matters, and work stoppages; • Fluctuations in steel prices and availability may affect our future results of operations; • We may be subject to claims for damages for defective products, which could adversely affect our business, financial position, results of operations, or cash flows; • We may not be able to recover costs and damages from vendors that supply defective materials; and • Our information technology systems can be negatively affected by cybersecurity threats. Risks Related to Our Financial Condition • We will need to substantially increase working capital if market conditions and customer order levels ~~continue to~~ grow; • Our debt obligations could have a material adverse effect on our business, financial condition, results of operations, or cash flows; • A portion of our indebtedness is subject to interest rate risk, which could cause our debt service obligations to increase significantly; • Our failure to comply with covenants in our debt agreements could result in our indebtedness being immediately due and payable, which could have a material adverse effect on our business, financial condition, results of operations, or cash flows; and • Disruptions in the financial markets, including in the banking industry, and a general economic slowdown could cause us to be unable to obtain financing or receive customer payments and expose us to risks related to the overall macro-economic environment, which could have a material adverse effect on our business, financial condition, results of operations, or cash flows. Risks Related to Our Internal Control Over Financial Reporting • ~~We~~ **Our Audit Committee and management** have identified ~~a~~ **material weakness weaknesses** in our internal controls over financial reporting, and we may be unable to develop, implement, and maintain ~~appropriate controls in future periods~~ **prior years**. ~~11Risks~~ **Risks** Related to Our Common Stock • The relatively low trading volume of our common stock may limit your ability to sell your shares; • The market price of our common stock could be subject to significant fluctuations; • **We cannot guarantee that our share repurchase program of our common stock will be fully consummated or that it will enhance long-term stockholder value. Share repurchases could also increase the volatility of the trading price of our common stock and could diminish our cash reserves thereby impacting our ability to execute our growth strategy;** and • Certain provisions of our governing documents and Oregon law could discourage potential acquisition proposals. ~~Project~~ **11Project** delays in public water transmission projects could adversely affect our business. The public water agencies constructing water transmission projects generally announce the projects well in advance of the bidding and construction process. It is not unusual for SPP projects to be delayed and rescheduled. Projects are delayed and rescheduled for a number of reasons, including changes in project priorities, difficulties in complying with environmental and other

government regulations, changes in ability to obtain adequate project funding, and additional time required to acquire rights- of- way or property rights. Delays in public water transmission projects may occur with insufficient notice to allow us to replace those projects in our manufacturing schedules. As a result, our business, financial position, results of operations, or cash flows may be adversely affected by unplanned downtime or reductions to facility utilization levels. A downturn in government spending related to public water transmission projects could adversely affect our business. Our business is primarily dependent upon spending on public water transmission projects, including water infrastructure upgrades, repairs, and replacement and new water infrastructure spending, which in turn depends on, among other things: • the need for new or replacement infrastructure; • the priorities placed on various projects by governmental entities; • federal, state, and local government spending levels, including budgetary constraints related to capital projects and the ability to obtain financing; and • the ability of governmental entities to obtain environmental approvals, right- of- way permits, and other required approvals and permits. Decreases in the number of, or government funding of, public water transmission projects could adversely affect our business, financial position, results of operations, or cash flows. Our Engineered Steel Pressure Pipe segment faces an overcapacity situation due to recent capacity expansions as well as the potential for increased competition from substitute products from manufacturers of concrete pressure pipe, ductile iron, polyvinyl chloride, and high- density polyethylene pipe. Most SPP projects are competitively bid and price competition can be vigorous. In a market that already has overcapacity issues, recent increases in capacity have negatively affected our sales, gross margins, and overall profitability. Other competitive factors include timely delivery, ability to meet customized specifications, and high freight costs. Although our SPP manufacturing facilities in Oregon, California, West Virginia, Texas, Missouri, and Mexico allow us to compete throughout North America, our competitors could build new facilities or expand capacity within our market areas. ~~In 2019, a competitor broke ground on a new spiral welded steel pipe facility in Texas that became operational in the first half of 2021.~~ New or expanded facilities or new competitors could have a material adverse effect on our market share, product pricing, sales, gross margins, and overall profitability in our business. Water transmission pipe is manufactured generally from steel, concrete, ductile iron, PVC, or HDPE. Each pipe material has advantages and disadvantages. Steel and concrete are more common materials for larger- diameter water transmission pipelines because ductile iron pipe generally is limited in diameter due to the manufacturing process. The public agencies and engineers who determine the specifications for water transmission projects analyze these pipe materials for suitability for each project. Individual project circumstances normally dictate the preferred material. If we experience cost increases in raw materials, labor, and overhead specific to our industry or the location of our facilities, while competing products or companies do not experience similar changes, we could experience an adverse change in the demand, price, and profitability of our products, which could have a material adverse effect on our business, financial position, results of operations, or cash flows. The success of our business is affected by general and local economic conditions, and our business may be adversely affected by an economic slowdown or recession, or an inability of our pricing to keep pace with inflation of input costs. We are subject to national and regional economic conditions. These conditions include, but are not limited to, recession, inflation, interest rates, unemployment levels, the state of the housing market, and gasoline prices. These conditions and the economy in general could be affected by significant national or international events such as a global health crisis (like COVID-19), acts of terrorism, or acts of war (including the recent Russian invasion of Ukraine and the current escalating Israel- Palestine conflict). ~~12~~ **Periods** -- **Periods** of economic slowdown or recession in the United States, or the public perception that one may occur, have and could further decrease the demand for our products, affect the price of our products, and adversely impact our business. We have been impacted in the past by the general slowing of the economy, and the economic slowdown has had an adverse impact on our business, financial position, results of operations, or cash flows. Alternatively, our business may be adversely impacted by high inflation of input costs. ~~We~~ **12** **We** currently conduct a significant portion of our precast and reinforced concrete products business in Texas and Utah, which we estimate represented approximately ~~52-51~~ % and ~~43-41~~ %, respectively, of Precast net sales for the year ended December 31, ~~2022-2023~~. Local economic conditions depend on a variety of factors, including national economic conditions, local and state budgets, infrastructure spending, and the impact of federal cutbacks. Any decrease in construction activity in Texas or Utah could have a material adverse effect on our business, financial condition, and results of operations. We are subject to stringent environmental, health, and safety laws, which may require us to incur substantial compliance and remediation costs, thereby reducing our profits. We are subject to many federal, state, local, and foreign environmental, health, and safety laws and regulations, particularly with respect to the use, handling, treatment, storage, discharge, and disposal of substances and hazardous wastes used or generated in our manufacturing processes. Compliance with these laws and regulations is a significant factor in our business. We have incurred, and expect to continue to incur, significant expenditures to comply with applicable environmental laws and regulations. Our failure to comply with applicable environmental laws and regulations and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment, or remedial actions. We are currently, and may in the future be, required to incur costs relating to the environmental assessment or environmental remediation of our property, and for addressing environmental conditions, including, but not limited to, the issues associated with our Portland, Oregon facility as discussed in Note 15 of the Notes to Consolidated Financial Statements in Part II — Item 8. “ Financial Statements and Supplementary Data ” of this ~~2022-2023~~ Form 10 - K. Some environmental laws and regulations impose liability and responsibility on present and former owners, operators, or users of facilities and sites for contamination at such facilities and sites without regard to causation or knowledge of contamination. Consequently, we cannot assure you that existing or future circumstances, the development of new facts, or the failure of third parties to address contamination at current or former facilities or properties will not require significant expenditures by us. We expect to continue to be subject to increasingly stringent environmental, health, and safety laws and regulations. It is difficult to predict the future interpretation and development of environmental, health, and safety laws and regulations or their impact on our future earnings and operations. We anticipate that compliance with these laws and regulations

will continue to require capital expenditures and operating costs. Any increase in these costs, or unanticipated liabilities arising, for example, out of discovery of previously unknown conditions or more aggressive enforcement actions, could adversely affect our results of operations, and there is no assurance that they will not have a material adverse effect on our business, financial position, results of operations, or cash flows. We face risks in connection with the integration of recent or future potential acquisitions and **the implementation of future potential** divestitures. Acquiring businesses that expand and / or complement our operations has been an important element of our business strategy, and we continue to evaluate potential acquisitions that may expand and / or complement our business. We may not be able to successfully identify attractive acquisition candidates or negotiate favorable terms in the future. Furthermore, our ability to effectively integrate any future acquisitions will depend on, among other things, the adequacy of our implementation plans, the ability of our management to oversee and operate effectively the combined operations, and our ability to achieve desired operational efficiencies. We may face challenges in integrating cultures, information systems, and business processes and policies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees, and other parties. Acquired businesses may have liabilities, adverse operating issues, or other matters of concern arise following the acquisition that we fail to discover through due diligence prior to the acquisition. Further, our acquisition targets may not have as robust internal controls over financial reporting as would be expected of a public company, and therefore could lead to potential internal control deficiencies or material weaknesses. Acquisitions may also result in the recording of goodwill and other intangible assets that are subject to potential impairment in the future that could harm our financial results. We may also consider other alternatives in order to strategically position our business and continue to compete in our markets, which may include joint ventures and / or divestitures. Our failure to successfully integrate the operations of any businesses that we may acquire in the future or our inability to attract a business partner in which to enter into a joint venture or a buyer willing to purchase our assets may adversely affect our business, financial position, results of operations, or cash flows.

~~13~~ **We** We acquired ParkUSA on October 5, 2021 and Geneva on January 31, 2020. The success of ~~these~~ **this** ~~acquisitions-~~ **acquisition** depends, in part, on our ability to successfully integrate ~~these~~ **this** ~~businesses-~~ **business** with our current operations and to realize the anticipated benefits, including synergies, from the ~~acquisitions-~~ **acquisition** on a timely basis. ~~It may take longer than expected to realize these anticipated benefits and they may ultimately be smaller than we expect.~~ There are a number of challenges and risks involved in our ability to successfully integrate ParkUSA and Geneva with our current business and to realize the anticipated benefits of ~~these~~ **this** ~~acquisitions-~~ **acquisition**, including all of the risks identified in the previous paragraph. ~~Material weaknesses in our internal control over financial reporting as of December 31, 2022 were identified in connection with the design and implementation of the enterprise resource planning (“ERP”) system implemented on August 1, 2022 at ParkUSA, as described in Part II — Item 9A, “Controls and Procedures” of this 2022 Form 10-K.~~ Any of these factors could have a material adverse effect on our business, financial condition, results of operations, or cash flows. ~~The~~ **13** ~~Recent or future potential~~ **Recent or future potential** acquisitions of ParkUSA, Geneva, and acquisitions of other companies in the future could adversely affect operating results, dilute shareholders’ equity, or cause us to incur additional debt or assume contingent liabilities. To increase business, broaden the diversification of our products, or for other business or strategic reasons, we may acquire other companies in the future. For example, in October 2021 ~~we~~ we acquired ParkUSA and in January 2020, we acquired Geneva. The ~~acquisitions-~~ **acquisition** of ParkUSA and Geneva and any other acquisitions that we may enter into from time to time, involve a number of risks that could harm our business and result in ParkUSA, Geneva, and / or any other acquired business not performing as expected, including: • problems integrating the acquired operations, personnel, technologies, or products with the existing business and products; • failure to achieve cost savings or other financial or operating objectives with respect to an acquisition; • possible adverse short- term effects on cash flows or operating results, and the use of cash and other resources for the acquisition that might affect liquidity, and that could have been used for other purposes; • diversion of management’ s time and attention from our existing business to the acquired business; • potential failure to retain key technical, management, sales, and other personnel of the acquired business; • difficulties in retaining relationships with suppliers and customers of the acquired business, particularly where such customers or suppliers compete with us; • difficulties in the integration of financial reporting systems, which could cause a delay in the issuance of, or impact the reliability of the consolidated financial statements; • failure to comply with Section 404 of the Sarbanes- Oxley Act of 2002 (“ Sarbanes- Oxley Act ”), including a delay in or failure to successfully integrate these businesses into our internal control over financial reporting, such as the material weaknesses in our internal control over financial reporting as of December 31, 2022 identified in connection with the design and implementation of the ERP system implemented on August 1, 2022 at ParkUSA, **and since remediated**, as described in Part II — Item 9A, “ Controls and Procedures ” of this ~~2022~~ **2023** Form 10 - K; • insufficient experience with technologies and markets in which the acquired business is involved, which may be necessary to successfully operate and integrate the business; • subsequent impairment of goodwill and acquired long- lived assets, including intangible assets; • failure to achieve the expected return on investment for capital deployed to the organic growth strategies associated with prior acquisitions; and • assumption of liabilities including, but not limited to, lawsuits, environmental liabilities, regulatory liabilities, tax examinations, and warranty issues. We may enter into acquisitions that are dilutive to earnings per share or that adversely impact margins as a whole. In addition, acquisitions could require investment of significant financial resources and require us to obtain additional equity financing, which may dilute shareholders’ equity, or require us to incur indebtedness. Our quarterly results of operations are subject to significant fluctuation. Our net sales and operating results may fluctuate significantly from quarter to quarter due to a number of factors, including: • the commencement, completion, or termination of contracts during any particular quarter; • unplanned down time due to project delays or mechanical failure; • underutilized capacity or facility productivity; • adverse weather conditions; • fluctuations in the cost of raw materials; • disruptions in our supply chain; and • competitive pressures. Results of operations in any period are not indicative of results for any future period, and comparisons between any two periods may not be meaningful. ~~14~~ ~~Operating-~~ **Operating** problems in our business could adversely affect our business, financial position, results of operations, or cash flows. Our manufacturing operations are subject to typical hazards and

risks relating to the manufacture of similar products such as: • explosions, fires, inclement weather, and natural disasters; • mechanical failure; • unscheduled downtime; • labor shortages; • loss of process control and quality; **14** • disruptions to supply; • raw materials quality defects; • service provider delays or failures; • transportation delays or failures; • an inability to obtain or maintain required licenses or permits; and • environmental hazards such as chemical spills, discharges, or releases of toxic or hazardous substances or gases into the environment or workplace. The occurrence of any of these operating problems at our facilities may have a material adverse effect on the productivity and profitability of a particular manufacturing facility or on our operations as a whole, during and after the period of these operating difficulties. ~~For example, as discussed in Note 15 of the Notes to Consolidated Financial Statements in Part II—Item 8, “Financial Statements and Supplementary Data” of this 2022 Form 10-K, on April 21, 2019, there was an accidental fire at our Saginaw, Texas facility which resulted in damage to the coatings building. There were no injuries, but the ability to coat at this facility was impaired while we repaired the damage.~~ The operating problems listed above may also cause personal injury and loss of life, severe damage to or destruction of property and equipment, and environmental damage. In addition, individuals could seek damages for alleged personal injury or property damage. Furthermore, we could be subject to present and future claims with respect to workplace injury, exposure to hazardous materials, workers’ compensation, and other matters. Although we maintain property and casualty insurance of the types and in the amounts that we believe are customary for our industries, we cannot assure you that our insurance coverage will be adequate for liability that may be ultimately incurred or that such coverage will continue to be available to us on commercially reasonable terms. Any claims that result in liability exceeding our insurance coverage could have an adverse effect on our business, financial position, results of operations, or cash flows. We may be unable to develop or successfully market new products or our products might not obtain necessary approvals or achieve market acceptance, which could adversely affect our growth. We will continue to actively seek to develop new products and to expand our existing products into new markets, but we cannot assure you that we will be successful in these efforts. If we are unsuccessful in developing and marketing new products, expanding into new markets, or we do not obtain or maintain requisite approvals for our products, the demand for our products could be adversely affected, which could adversely affect our business, financial position, results of operations, or cash flows. Our recognition of revenue over time includes estimates. SPP revenue for water infrastructure steel pipe products is recognized over time as the manufacturing process progresses, and is measured by the costs incurred to date relative to the estimated total direct costs to fulfill each contract (cost- to- cost method). Estimated total costs of each contract are reviewed on a monthly basis by project management and operations personnel for all active projects. All cost revisions that result in a material change in gross profit are reviewed by senior management personnel. Significant judgment is required in estimating total costs and measuring the progress of project completion, as well as whether a loss is expected to be incurred on the contract. Changes in job performance, job conditions, and estimated profitability, including those arising from contract change orders, contract penalty provisions, foreign currency exchange rate movements, changes in raw materials costs, and final contract settlements may result in revisions to estimates of revenue, costs, and income, and are recognized in the period in which the revisions are determined. Due to the variability of events affecting our estimates which have a material impact on our contract accounting, actual results could differ from those estimates, which could adversely affect our financial position, results of operations, or cash flows. ~~15~~**We** have a foreign operation which exposes us to the risks of doing business abroad. Our facility in San Luis Río Colorado, Mexico primarily exports products to the United States. We may operate in additional countries in the future. Any material changes in the quotas, regulations, tariffs, or duties on imports imposed by the United States government and our agencies, or on exports imposed by these foreign governments and their agencies could adversely affect our foreign operations. We also sell some of our products internationally, most often into Canada. Our foreign activities are also subject to various other risks of doing business in a foreign country, including: • currency fluctuations; • the imposition of duties, tariffs, and other trade barriers; • transportation delays and interruptions; • political, social, and economic instability and disruptions; • government embargoes or foreign trade restrictions; • import and export controls; • labor unrest and current and changing regulatory environments; **15** • limitations on our ability to enforce legal rights and remedies; and • potentially adverse tax consequences. No assurance can be given that our operations may not be adversely affected in the future. Any of these events could have an adverse effect on our operations in the future by reducing the demand for our products and services, decreasing the prices at which we can sell our products, or increasing costs such that there could be an adverse effect on our business, financial position, results of operations, or cash flows. We cannot assure you that we will continue to operate in compliance with applicable customs, currency exchange control regulations, transfer pricing regulations, or any other laws or regulations to which we may be subject, or that any such regulations or laws will not be modified. Any failure by us to comply with any such applicable regulations or laws, or any changes in any such regulations or laws could have a material adverse effect on our business, financial position, results of operations, or cash flows. Our Engineered Steel Pressure Pipe backlog is subject to reduction and cancellation. Backlog, which represents the balance of remaining performance obligations under signed contracts for SPP water infrastructure steel pipe products for which revenue is recognized over time, was ~~approximately \$ 274~~ **273** million as of December 31, ~~2022~~ **2023**. Our backlog is subject to fluctuations; moreover, cancellations of purchase orders, change orders on contracts, or reductions of product quantities could materially reduce our backlog and, consequently, future revenues. Our failure to replace canceled or reduced backlog could result in lower revenues, which could adversely affect our business, financial position, results of operations, or cash flows. ~~The~~ **Future outbreaks of infectious diseases, including further developments in the** COVID - 19 pandemic, may have an adverse impact on our business. The impacts of the COVID - 19 pandemic, and the resurgence of new COVID - 19 virus variants, on global and domestic economic conditions, including the impacts of labor and raw material shortages, the long- term potential to reduce or delay funding of municipal projects, and the continued disruptions to and volatility in the financial markets remain uncertain. While the COVID - 19 pandemic has caused various direct and indirect financial impacts associated with project bidding, execution, and product deliveries over the past couple of years, we remain unable to predict the ultimate impact that the COVID - 19 pandemic may have on our business, future results of operations,

financial position, or cash flows. We continue to monitor the impact of the COVID - 19 pandemic on all aspects of our business. The impacts of the COVID - 19 pandemic may also exacerbate other risks discussed in Part I – Item 1A. “ Risk Factors ” in this 2022-2023 Form 10 - K, any of which could have a material effect on us. This situation is changing rapidly and additional impacts may arise that we are not aware of currently. The **conflict conflicts** in Ukraine **and Israel** may have an adverse impact on our business. **On February 24 Current conflicts around the world, including those in 2022, Russia invaded Ukraine .The invasion received widespread and Israel, and related sanctions could damage or disrupt** international **condemnation commerce** and many countries, including the United States, imposed new sanctions. While the situation remains highly fluid and the outlook is subject to extraordinary uncertainty, the crisis has already resulted in economic consequences. Energy and commodity prices have surged, adding to inflationary pressures from supply chain disruptions and the rebound from the COVID -19 pandemic. The sanctions on Russia have had a substantial impact on the global economy and financial markets, with significant spillovers to other countries. Should the conflict escalate, the economic damage may increase. We continue to monitor the **impact impacts** of the **crisis conflicts** in Ukraine **and Israel** on all aspects of our business, including how it will impact our employees, customers, supply chain, and distribution network. Impacts include financial and commodity volatility in raw material and other input costs and availability, as well as volatility in the financial markets. The severity of impacts on the global economy and our business, results of operations, financial position and cash flows remain unknown. **16Climate-- Climate** change and related regulatory requirements present an ongoing risk to our business operations. The rise in average global temperatures has resulted in elevated levels of carbon dioxide and other greenhouse gases in the atmosphere, altering long- term weather patterns that lead to an increased frequency and severity of natural disasters. Severe weather conditions could potentially disrupt our manufacturing and construction activities; areas prone to flooding could face delays resulting in lost production and extreme heat could threaten the health and well- being of our employees. Given the changes in weather patterns brought on by climate change, essentially all of our facilities are vulnerable to extreme conditions and natural disasters, increasing the risk of damage to our facilities and products. Those risks could also hinder our supply chain processes and limit our access to raw materials or our ability to fulfill orders for customers. Evolving governmental regulations to combat climate change risks would likely increase our costs for items including energy and transportation, which may prove disproportional to similar increases in costs experienced by competitors. We anticipate heightened regulatory focus in the near future and failure to comply with new environmental regulations and policies could result in reputational damage with our stakeholders, resulting in decreased demand for our products and lower than expected revenue. Our business may be adversely impacted by staffing shortages, other labor matters, and work stoppages. Current nationwide staffing shortages have impacted our ability to attract both skilled and unskilled workers needed for our manufacturing operations, and the inability to fully staff any one of our facilities may impact our ability to work on projects and, as a result, could have a material adverse effect on our business, financial position, results of operations, or cash flows. A work stoppage or other limitation on production could occur at our facilities or our suppliers’ facilities for any number of reasons, including as a result of absenteeism, public health issues (i.e. COVID -19), labor issues, including disputes under **a our existing** collective bargaining agreement or in connection with negotiation of new collective bargaining agreements, or for other reasons. **16We As of December 31, 2022, we had approximately 62 employees that were represented by a single labor union. Although we believe that our relations with our employees and the labor union are good, however no assurances can be made that we will not experience conflicts with the labor union unions, other groups representing employees, or our employees in general. Although none, especially in the context of any our employees are currently covered by collective bargaining agreements, our employees may elect to be represented by labor unions in the future negotiations with the, which could increase our labor union. We can also make no assurance that future negotiations with the labor union will not result in a significant increase in the cost costs of labor.** Additionally, the employees of some of our customers are unionized. Any strikes, other labor matters, or work stoppages experienced by our customers may impact our ability to work on projects and, as a result, have an adverse effect on our business, financial position, results of operations, or cash flows. Fluctuations in steel prices and availability may affect our future results of operations. Purchased steel represents a substantial portion of SPP cost of sales. The steel industry is highly cyclical in nature, and at times, pricing can be highly volatile due to a number of factors beyond our control, including general economic conditions, import duties, other trade restrictions, and currency exchange rates. Over the past three years, steel prices have fluctuated significantly. Our average cost for a ton of steel was approximately \$ **994 per ton in 2023, \$** 1, 174 per ton in 2022, **and \$** 1, 291 per ton in 2021 **, and \$** 655 per ton in 2020. In **2022-2023**, our monthly average steel purchasing costs ranged from a high of approximately \$ **1, 782-394** per ton to a low of approximately \$ **906-801** per ton. This volatility can significantly affect our gross profit. Although we seek to recover increases in steel prices through price increases in our products, we have not always been successful. Any increase in steel prices that is not offset by an increase in our prices could have an adverse effect on our business, financial position, results of operations, or cash flows. In addition, if we are unable to acquire timely steel supplies, we may need to decline project bidding opportunities, which could also have an adverse effect on our business, financial position, results of operations, or cash flows. We may be subject to claims for damages for defective products, which could adversely affect our business, financial position, results of operations, or cash flows. We warrant our products to be free of certain defects. We have, from time to time, had claims alleging defects in our products. We cannot assure you that we will not experience material product liability losses in the future or that we will not incur significant costs to defend such claims. While we currently have product liability insurance, we cannot assure you that our product liability insurance coverage will be adequate for liabilities that may be incurred in the future or that such coverage will continue to be available to us on commercially reasonable terms. Any claims relating to defective products that result in liabilities exceeding our insurance coverage could have an adverse effect on our business, financial position, results of operations, or cash flows. We may not be able to recover costs and damages from vendors that supply defective materials. We may receive defective materials from our vendors that are incorporated into our products during the manufacturing process. The cost to repair, remake, or replace

defective products could be greater than the amount that can be recovered from the vendor, in addition to creating inefficiencies in our production scheduling. Such excess costs could have an adverse effect on our business, financial position, results of operations, or cash flows. ~~17~~~~Our~~ **Our** information technology systems can be negatively affected by cybersecurity threats. Increased global information technology security requirements, vulnerabilities, threats, and a rise in sophisticated and targeted computer crime pose a risk to the security of our systems, networks, and the confidentiality, availability, and integrity of our data. Despite our efforts to protect sensitive information and confidential and personal data, our facilities and systems and those of our third- party service providers may be vulnerable to security breaches. This could lead to disclosure, modification, or destruction of proprietary, employee, and other key information and operational disruptions, ~~which in turn could adversely affect our reputation and competitiveness in our markets~~. To the extent that any disruption or security breach results in a loss or damage to our data, or an inappropriate disclosure of confidential or protected personal information, it could cause significant damage to our reputation, affect our relationships with our customers, suppliers, and employees, lead to claims against us, and ultimately harm our business. Additionally, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future. Any of the foregoing factors could have an adverse effect on our business, financial position, results of operations, or cash flows. ~~We~~~~17~~~~We~~ will need to substantially increase working capital if market conditions and customer order levels ~~continue to~~ grow. If market conditions and SPP customer order levels were to dramatically increase, we would have to increase our working capital substantially, as it takes several months for project production to be translated into cash receipts. In general, revolving loan borrowings and letters of credit under the Credit Agreement dated June 30, 2021 with Wells Fargo Bank, National Association (“ Wells Fargo ”), as administrative agent, and the lenders from time to time party thereto, including the initial sole lender, Wells Fargo (the “ Lenders ”), as amended by the Incremental Amendment dated October 22, 2021 ~~and~~, the Second Amendment to Credit Agreement dated April 29, 2022, **and the Third Amendment to Credit Agreement dated June 29, 2023** (together, the “ Amended Credit Agreement ”), are limited to the aggregate amount of \$ 125 million. ~~As of December 31 (“ Revolver Commitment ”), 2022 under with an option for us to increase that amount by \$ 50 million, subject to provisions of~~ the Amended Credit Agreement, **As of December 31, 2023 under the Amended Credit Agreement**, we had \$ ~~83-54~~. ~~7-5~~ million of outstanding revolving loan borrowings, \$ 1. 1 million of outstanding letters of credit, and additional borrowing capacity of approximately \$ ~~40-69~~ million. We may not have sufficient availability under the Amended Credit Agreement to borrow the amounts we need, and other opportunities to borrow additional funds or raise capital in the equity markets may be limited or nonexistent. A shortage in the availability of working capital could have a material adverse effect on our business, financial condition, results of operations, or cash flows. Our debt obligations could have a material adverse effect on our business, financial condition, results of operations, or cash flows. We have financed our operations through cash flows from operations, available borrowings, and other financing arrangements. As of December 31, ~~2022-2023~~, we had \$ ~~83-54~~. ~~7-5~~ million of outstanding revolving loan borrowings, \$ 10. 8 million of current debt, \$ ~~94-90~~. 2 million of operating lease liabilities, and \$ ~~3-7~~. ~~0-5~~ million of finance lease liabilities. We could incur additional revolving loan borrowings under the Amended Credit Agreement in the future to finance increases in working capital, **finance share repurchases**, mergers, acquisitions, and capital expenditures, fund negative operating cash flows, or for other corporate purposes. These borrowings could become significant in the future. Our current and future debt and debt service obligations could: • limit our ability to obtain additional financing for working capital or other purposes in the future; • reduce the amount of funds available to finance our operations, capital expenditures, and other activities; • increase our vulnerability to economic downturns, illiquid capital markets, and adverse industry conditions; • limit our flexibility in responding to changing business and economic conditions, including increased competition; • place us at a disadvantage when compared to our competitors that have less debt; and • with respect to our borrowings that bear interest at variable rates, cause us to be vulnerable to increases in interest rates. Our ability to make scheduled payments on our current and future debt will depend on our future operating performance and cash flows, which are subject to prevailing economic conditions, prevailing interest rate levels, and other financial, competitive, and business factors, many of which are beyond our control. Our inability to make scheduled payments on our debt or any of the foregoing factors could have a material adverse effect on our business, financial condition, results of operations, or cash flows. To the extent we have not hedged against rising interest rates, an increase in the applicable benchmark interest rates would increase our cost of servicing our indebtedness and could have a material adverse effect on our business, financial condition, results of operations, or cash flows. ~~18~~~~A~~ **A** portion of our indebtedness is subject to interest rate risk, which could cause our debt service obligations to increase significantly. Borrowings under the Amended Credit Agreement and our current debt are, and additional borrowings in the future may be, at variable rates of interest that expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed will remain the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. We have, and may in the future enter into additional, interest rate swaps for a portion of our variable rate debt whereby we exchange floating for fixed rate interest payments in order to reduce exposure to interest rate volatility. However, any interest rate swaps into which we enter may not fully mitigate our interest rate risk **and may expose us to higher total debt service cost in a declining rate environment**. Our failure to comply with covenants in our debt agreements could result in our indebtedness being immediately due and payable, which could have a material adverse effect on our business, financial condition, results of operations, or cash flows. The agreements governing our debt include covenants that impose certain requirements with respect to our financial condition and results of operations and general business activities. These covenants place restrictions on, among other things, our ability to incur certain additional debt and to create liens or other encumbrances on assets. In addition, our obligations under the Amended Credit Agreement are secured by a senior security interest in substantially all of our and our subsidiaries’ assets. ~~Our~~~~18~~~~Our~~ ability to comply with the covenants under our debt instruments in the future is uncertain and will be affected by our results of operations and financial condition as well as other events and circumstances beyond our control. If market and other economic conditions deteriorate, our ability to comply with

these covenants may be impaired. A failure to comply with the requirements of these covenants, if not waived or cured, could permit acceleration of the related debt. If any of our debt is accelerated, we cannot assure you that we would have sufficient assets to repay such debt or that we would be able to refinance such debt on commercially reasonable terms or at all. The acceleration of a significant portion of our current and future debt could have a material adverse effect on our business, financial condition, results of operations, or cash flows. Disruptions in the financial markets, including the banking industry, and a general economic slowdown could cause us to be unable to obtain financing or receive customer payments and expose us to risks related to the overall macro-economic environment, which could have a material adverse effect on our business, financial condition, results of operations, or cash flows. The United States equity and credit markets, as well as certain financial institutions, have experienced significant price volatility, dislocations, and liquidity disruptions, which have caused market prices of many equities to fluctuate substantially, the spreads on prospective debt financings to widen considerably, and disruptions in select banking transactions. These circumstances have materially impacted liquidity in the financial markets, making terms for certain financings less attractive, and in some cases have resulted in the unavailability of financing, even for companies who are otherwise qualified to obtain financing. These events may make it less likely that we will be able to obtain additional financing, may make it more difficult or prohibitively costly for us to raise capital through the issuance of debt or equity securities, which may prove necessary to execute our growth strategies, and may impact our customers and their ability to make payments or obtain credit. **We Our Audit Committee and management have identified material weaknesses in internal control in prior years. For the year ended December 31, 2022,** a material weakness in our internal controls over financial reporting, and we may be unable to develop, implement, and maintain appropriate controls in future periods. The Sarbanes-Oxley Act and SEC rules require that management report annually on the effectiveness of our internal control over financial reporting **related to** and our disclosure controls and procedures. Among other **the implementation** things, management must conduct an assessment of our **enterprise resource planning (** internal control over financial reporting to allow management to report on, and our independent registered public accounting firm to audit, the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Based on our management's assessment, we believe that, as of December 31, 2022, our internal controls over financial reporting were not effective. The specific material weakness is described in Part II—Item 9A, “**ERP Controls and Procedures**” ) **system for the acquisition of ParkUSA was identified** this 2022 Form 10-K in “**Management's Report on Internal Control over Financial Reporting**”. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements would not be prevented or detected. **This** We have adopted a remediation plan to address the material weakness identified. The implementation and administration of the remediation plan may divert the attention of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as **was** well as other senior members of our management team, away from the operations of our business until the material weakness in our internal control is considered remediated. **19**The material weakness in our internal control over financial reporting as of December 31, 2022 **2023 . No material weaknesses were identified** was **as of December 31, 2023** attributed to control deficiencies in the ERP system implementation project at ParkUSA and resultant business process control deficiencies. **We** **However, we** cannot assure you that additional material weaknesses in our internal control over financial reporting will not be identified in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional material weaknesses, **or could result in and create a** reasonable possibility that a material misstatement **misstatements in our** to the consolidated financial statements. **These misstatements could result in** will not be prevented or detected on a timely basis. This could **restatement of financial statements,** cause us to fail to meet our reporting obligations or cause investors to lose confidence in our reported financial information, leading to a decline in our stock price. **Further and continued determinations that there are material weaknesses in the effectiveness of our internal controls could also reduce our ability to obtain financing or could increase the cost of any financing we obtain and require additional expenditures of both money and management's time to comply with applicable requirements.** For more information relating to our internal control over financial reporting and disclosure controls and procedures, see Part II—Item 9A, “**Controls and Procedures**” of this 2022 Form 10-K. The relatively low trading volume of our common stock may limit your ability to sell your shares. Although our shares of common stock are listed on the Nasdaq Global Select Market, we have historically experienced a relatively low trading volume. If we have a low trading volume in the future, holders of our shares may have difficulty selling a large number of shares of our common stock in the manner or at a price that might otherwise be attainable. The market price of our common stock could be subject to significant fluctuations. The market price of our common stock has experienced, and may continue to experience, significant volatility. Among the factors that could affect our stock price are: • our operating and financial performance and prospects; • quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income, and net sales; • changes in revenue or earnings estimates or publication of research reports by analysts; • loss of any member of our senior management team; • speculation in the press or investment community; • strategic actions by us or our competitors, such as acquisitions or restructuring; • sales of our common stock by shareholders; • relatively low trading volume; • **our repurchase of our common stock pursuant to our share repurchase program;** • general market conditions and market expectations for our industry and the financial health of our customers; and • domestic and international economic, legal, and regulatory factors unrelated to our performance. **The** **19**The stock markets in general have experienced broad fluctuations that have often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect **the trading price of our common stock. We cannot guarantee that our share repurchase program of our common stock will be fully consummated or that it will enhance long-term stockholder value. Share repurchases could also increase the volatility of the trading price of our common stock and could diminish our cash reserves thereby impacting our ability to execute our growth strategy. On November 2, 2023, we announced our authorization of a share repurchase program of up to \$ 30 million of our**

**outstanding common stock. The program does not commit to any particular timing or quantity of purchases, and the program may be suspended or discontinued at any time. During the year ended December 31, 2023, we repurchased approximately 29,000 shares of our common stock and had \$ 29.2 million remaining in share repurchase capacity as of December 31, 2023. The actual timing and amount of repurchases remain subject to a variety of factors, including stock price, trading volume, market conditions and other general business considerations. We cannot guarantee that the program will be fully consummated or that it will enhance long-term stockholder value. The program could affect the trading price of our common stock and increase volatility, and any announcement of a termination of this program may result in a decrease in** the trading price of our common stock. Certain provisions of our governing documents and Oregon law could discourage potential acquisition proposals. Our articles of incorporation contain provisions that: • classify the board of directors into three classes, each of which serves for a three-year term with one class elected each year; • provide that directors may be removed by shareholders only for cause and only upon the affirmative vote of 75 % of the outstanding shares of common stock; ~~and~~ • permit the board of directors to issue preferred stock in one or more series, fix the number of shares constituting any such series, and determine the voting powers and all other rights and preferences of any such series, without any further vote or action by our shareholders; **and • require the approval of holders of not less than 67 % of our outstanding shares of common stock for any agreement of merger or consolidation which requires shareholder approval, or for the sale, lease, or exchange of all or substantially all of our property and assets**. In addition, we are subject to certain provisions of the Oregon Business Corporation Act that could discourage potential acquisition proposals, could deter, delay, or prevent a change in control that our shareholders consider favorable, and could depress the market value of our common stock. Additional information regarding the above described provisions of our governing documents and the Oregon Business Corporation Act is set forth in the “Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934” filed as Exhibit 4.2 to our 2019 Form 10-K, which was filed with the SEC on March 3, 2020. Item 1B. Unresolved Staff Comments