

## Risk Factors Comparison 2024-11-20 to 2023-12-06 Form: 10-K

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Our business is subject to a variety of risks and uncertainties, including, but not limited to, the risks and uncertainties described below. If any of the following risks occur, the business's financial condition, cash flows, liquidity and results of operations may be negatively impacted, and we may not be able to achieve our quarterly, annual or long-range plans. Additional risks and uncertainties not known to us or not described below may also negatively impact our business and results of operations. This Annual Report also includes statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 and should be read in conjunction with the discussion under "Forward-Looking Statements" above. Risk Factors Related to our Business and Industry Our business is subject to the cyclical nature of the end markets that we serve. This **cyclicality** has had, and may continue to have, an adverse effect on our ~~future~~ operating results. The end markets that we serve have historically been cyclical and will continue to be vulnerable to general downturns, which in turn could materially and adversely affect the demand for our products and services. Our customer projects, budgets for capital expenditures and the need for our services have in the past, and may in the future, be adversely affected by, among other things, the price of oil and gas, poor economic conditions, commodity prices, political uncertainties, cost of capital, and currency fluctuations. These variables may impact the number ~~and~~ or the amount of new awards, delays in the timing of awards or potential cancellation of projects. Changes in product mix or services can have a significant impact on our gross margins on a quarterly and annual basis. The uncertainty of our contract award timing is outside of our control and can also present difficulties in matching workforce size with contract requirements. In some cases, we bear and maintain the cost of a ready workforce that may be larger than necessary in anticipation of future workforce needs. If an expected contract is delayed or not received, we may incur additional costs in staff or facility redundancy that could have an adverse impact on our business, financial condition and results of operations. Our industry is highly competitive. Some of our competitors are significantly larger and have substantially greater global resources such as engineering, manufacturing and marketing resources, and at various times, may be our customer or supplier on any given project. Competition in the industry depends on a number of factors, including the number of projects available, technical ability, production capacity, production lead times, location and the ability to win projects we bid. Certain of our competitors may have lower cost structures or a more favorable geographic footprint and may, therefore, be able to provide their products or services at lower prices. Similarly, we cannot be certain that we will be able to maintain or enhance our competitive position within our industry, maintain our customer base at current levels, increase our customer base or continue to provide technologically superior products at a competitive price. New companies may enter the markets in which we compete, or industry consolidation may occur, further increasing competition in our markets. Our failure to compete effectively and secure projects could adversely affect future revenues and could have an adverse impact on our business and results of operations. Our ~~business requires skilled and unskilled labor,..... condition and results of operations. Our~~ backlog is subject to unexpected adjustments, cancellations and scope reductions and, therefore, may not be a reliable indicator of our future earnings. We have a backlog of uncompleted contracts. Backlog represents management's best estimate of the remaining performance obligation from work to be performed on our firm orders under uncompleted contracts and customer purchase orders, including approved change orders as well as new contractual agreements on which work has not begun. From time to time, projects are cancelled, delayed or modified due to customer, industry or macroeconomic conditions. While we may be reimbursed for certain costs, we may not have a contractual right to the total revenue reflected in our backlog. The ultimate realization of the future revenue in our backlog is based upon our ability to complete the **contracted** projects, and we cannot control all of the various factors that might impact the timely delivery of our projects to our customers. We may be unable to recover certain costs ~~and an~~ **on our** anticipated margin, and cancelled or suspended projects may also result in additional unrecoverable costs due to the underutilization of our assets and personnel. Accordingly, **our inability to realize the full amounts- amount recorded in- of our contract backlog may have an adverse impact on our business and results of operations. Failure to place competitive bids and adequately project costs may result in losses on our fixed-price contracts with customers. Our products and services are typically awarded in competitive bid situations. When placing bids, we may fail to adequately project costs for our customers' projects, which may lead to us winning a bid that does not adequately compensate us for our costs. Such failure could adversely impact our results of operations. Factors that could impact our ability to adequately project costs for our bids include, but are not limited to: the impacts of inflation; labor shortage; delays incurred by the failure of third-party suppliers to deliver in the quality or quantity required; unanticipated technical problems, including design or engineering issues. Additionally, we bear the risk of cost overruns and delays in most of our contracts and, as a result, if we fail to adequately manage such cost overruns or delays, our results of operations and our business may be adversely impacted. Supplier concentration and limited supplier capacity may adversely impact our business and results of operations. We rely on a limited number of suppliers for certain of our components and raw materials and, in some instances, a single supplier. Switching suppliers can be costly and disruptive to business operations. If one or more of our suppliers or subcontractors experiences difficulties that result in a reduction, delay or interruption in supply to us, or they fail to meet our manufacturing requirements, our business could be adversely impacted, and we may incur liquidated damages until we are able to secure alternative sources. Our suppliers may experience and some of our suppliers have experienced financial difficulties, delivery delays and other performance problems, which may cause us to incur additional costs or be unable to meet commitments to our customers. The time and effort associated with the**

selection and qualification of a new supplier and changes in our design and testing to accommodate similar components from other suppliers could be significant. In any such event, we may not be able to contract for and receive suitable alternative supply or manufacturing abilities in a reliable indicator of timely manner for our future operating customers, if at all, which may impair our ability to meet scheduled deliveries of our products to customers and adversely impact our business and results of operations. Our business requires skilled and unskilled labor, and we may be unable to attract and retain qualified employees. Our ability to maintain our productivity at competitive levels may be limited by our ability to employ, compensate, train and retain personnel necessary to meet our requirements. We face competition within and outside of our markets for qualified personnel across all of our workforce. We may experience shortages of qualified personnel such as engineers, project managers, supervisors, office personnel and select skilled trades. We cannot be certain that we will be able to maintain and an adequate skilled or unskilled labor force or key technical personnel necessary to operate efficiently and to support our growth strategy and operations. We cannot be certain that our labor costs will not be indicative increase as a result of continuing a shortage in the supply of skilled, unskilled and technical personnel or any governmental regulations. Labor shortages or increased labor costs could impair our ability to maintain our business, meet customer commitments or grow our revenue revenues performance over future fiscal years, and could adversely impact or our quarters business and results of operations.

Revenues recognized over time from our fixed-price contracts could result in volatility in our results of operations. As discussed in “ Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates ” and in the Notes to Consolidated Financial Statements included elsewhere in this Annual Report, the majority of our revenues are recognized over time. Since Revenues revenue are is recognized as work is performed and as costs are incurred. The revenue earned to date is calculated by multiplying the total contract price by the percentage of performance to date, which is based on total costs incurred to date compared to the total estimated costs at completion. The determination of the revenue recognized requires the use of estimates of costs to be incurred for the performance of the contract. Estimates The timing of the revenue and of costs incurred may lead to fluctuations in revenue recognized on a quarterly and annual basis. The cost estimation process is based upon the professional knowledge and experience of our management teams, engineers, project managers and financial professionals. We bear the risk of cost overruns and delays in most of our contracts, which may result in reduced profits. Contract losses are recognized in full when determined, and estimates of revenue and cost to complete are adjusted based on ongoing reviews of estimated contract performance, and Previously previously recorded estimates of revenues and costs are adjusted as the project progresses and circumstances change. The timing of the In certain circumstances, it is possible that such adjustments to estimated costs and incurred may lead to fluctuations in revenues revenue recognized on a quarterly and annual basis, which could have an adverse impact on our business and our results of operations. While the cost estimation process is based upon the professional knowledge and experience of our management teams, engineers, project managers and financial professionals, we may fail to adequately estimate our costs or revenue (or, we may fail to adequately adjust previously recorded estimates of revenue and costs). Such failure could result in additional changes to our revenue and cost estimates which could have an adverse impact on our results of operations. We are exposed to risks relating to the use of subcontractors. We hire subcontractors to perform work on some projects and may depend on third-party labor suppliers to provide the personnel necessary to engineer, manufacture and ship our products. If our subcontractors do not perform as expected for any reason, we may experience delays in completing our projects or incur additional costs. In addition, we may have disputes with these independent subcontractors arising from, among other things, the price, quality or timeliness of the work performed. Some of the third parties we engage in support of our operations operate internationally, and thus we may be impacted by the economic, political and labor conditions in those regions as well as uncertainty caused by international relations issues between the United States and those countries. Any of these factors could adversely impact our business and results of operations. Technological innovations may make existing products and production methods obsolete. All of the products that we manufacture and sell depend upon optimizing available technology for success in the marketplace. The industries in which we operate are characterized by intense competition and are highly sensitive to technological innovation and customer requirements. Our competitors may develop products or production methods that are superior in price or quality, or incorporate artificial intelligence (AI) into their products that will make current products or services offered by us obsolete. Our future success will depend, in part, on our ability to anticipate and offer products that meet changing industry and customer specifications, including by funding our research and development costs. For example, consumer demand for further automation is changing the markets in which we operate. Failure to successfully develop new products, or to enhance existing products, could result in the loss of existing customers to competitors, the inability to attract new business or an overall reduction of our competitive position, any of which could adversely affect our business and results of operations. We may not be successful in our AI initiatives, which could adversely affect our business, reputation, and results of operations. The algorithms and models utilized in generative AI systems may have limitations, including biases, errors, or inability to handle certain data types or scenarios. Furthermore, there is a risk of system failures, disruptions, or vulnerabilities that could compromise the integrity, security, or privacy of the generated content. These limitations or failures could result in reputational damage, legal liabilities, or loss of customer / user confidence. Cybersecurity threats and the techniques used in cyberattacks change, develop and evolve rapidly, including from emerging technologies, such as advanced forms of AI and quantum computing. Because AI technology is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to our use of AI. Unforeseen difficulties with expansions, relocations, or consolidations of existing facilities could adversely affect our operations. From time to time, we may decide to enter new markets, build or lease additional facilities, expand our existing facilities, relocate or consolidate one or more of our operations or exit a facility we may own or lease. Increased costs and production delays arising from the

staffing, relocation, sublease, expansion or consolidation of our facilities could adversely affect our business and results of operations. Quality problems with our products could harm our reputation and erode our competitive position. The success of our business depends upon the quality of our products and our relationships with customers. In the event that one of our products fails to meet our customers' standards or safety requirements or fails to operate effectively, our reputation could be harmed, which would adversely affect our marketing and sales efforts. We provide warranties to our customers for our products and services, and the cost to satisfy customer warranty claims, which may include, among other things, costs for the repair or replacement of products could adversely impact our business and results of operations. Many of our contracts contain performance obligations that may subject us to penalties or additional liabilities. Many of our customer contracts have schedule and performance obligation clauses that, if we fail to meet, could subject us to penalty provisions, liquidated damages or claims against us, or our outstanding letters of credit or performance bonds. In addition, some customer contracts stipulate protection against our gross negligence or willful misconduct. Each individual contract seeks to define the conditions under which the customer may make a claim against us. Due to the growth in our backlog, our manufacturing and fabrication capacity as well as ability to recruit and retain qualified labor is challenged resulting in an increased risk of meeting delivery dates and other contract performance obligations. It is possible that adjustments arising from such claims, or our failure to manage our contract risk, may not be covered by insurance and could have an adverse impact on our results of operations.

—Growth and product diversification through strategic acquisitions involve a number of risks. Our strategy includes the pursuit of growth and product diversification through the acquisition of companies or assets and entering into joint ventures that could enable us to expand our geographic coverage and product and service offerings. We periodically review potential acquisitions; however, we may be unable to successfully implement this strategy. Acquisitions involve certain risks, including **distraction of management**, difficulties in the integration of operations and systems; failure to realize cost savings; the termination of relationships by key personnel and customers of the acquired company and a failure to retain or add additional employees to handle the increased volume of business. Additionally, financial and accounting challenges and complexities in areas such as valuation, tax planning, treasury management, systems integration and financial reporting from our acquisitions may impact our operating results. Due diligence may not be adequate or reveal all risks and challenges associated with our acquisitions. Companies that we acquire may not achieve revenues, profitability or cash flows that we expect, or that ultimately justify the investment. It is possible that impairment charges resulting from the overpayment for an acquisition may negatively impact our results of operations. Financing for acquisitions may require us to obtain additional equity or debt financing, which may not be available on attractive terms, if at all, or which may be restricted under the terms of our credit facility or other financing arrangements. Any failure to successfully complete or successfully integrate acquisitions could have a material adverse effect on our business and results of operations.

~~We are exposed to risks relating to the use of subcontractors. We hire subcontractors to perform work on some projects and may depend on third-party labor suppliers to provide the personnel necessary to engineer, manufacture and ship our products. If our subcontractors do not perform as expected for any reason, we may experience delays in completing our projects or incur additional costs. In addition, we may have disputes with these independent subcontractors arising from, among other things, the price, quality or timeliness of the work performed. Some of the third parties we engage in support of our operations operate internationally and thus we may be impacted by the economic, political and labor conditions in those regions as well as uncertainty caused by international relations issues between the U.S. and those countries. Any of these factors could adversely impact our business and results of operations.~~ Misconduct by our employees or subcontractors, or a failure to comply with **applicable** laws or regulations, could harm our reputation, damage our relationships with customers and subject us to criminal and civil enforcement actions. Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one or more of our employees or subcontractors could have a significant negative impact on our business and reputation. While we take precautions to prevent and detect these activities, such precautions may not be effective and are subject to inherent limitations, including human error and fraud. Acts of misconduct, or our failure to comply with applicable laws or regulations, could subject us to fines and penalties, harm our reputation, and/or damage our relationships with customers and could adversely impact our business and results of operations. Unsatisfactory safety performance may subject us to penalties, negatively impact customer relationships, result in higher operating costs, and negatively impact employee morale and turnover.

~~We place great emphasis on workplace safety in our entire organization through various safety initiatives and training.~~ We have both indoor and outdoor manufacturing and fabrication facilities that are susceptible to numerous industrial safety risks that can lead to personal injury, loss of life, damage to property and/or equipment, and as well as potential environmental damage. While we take every precaution **precautions** to avoid incidents, we have experienced accidents in the past and may again in the future, which can negatively affect our safety record. A poor safety record can harm our reputation with existing and potential customers, jeopardize our relationship with employees, increase our insurance and operating costs and could adversely impact our business and results of operations.

~~Catastrophic events~~ **Risk Factors Related to our Financial Condition and Markets** **Global economic uncertainty and financial market conditions may impact our customer base, suppliers and backlog. Various factors drive demand for our products and services**, including ~~natural disasters~~ **the price and demand for oil and gas**, ~~health epidemics~~ **capital expenditures**, ~~acts of~~ **economic forecasts, global political environments (including war and terrorism)** and **the cost of capital. Unanticipated increases in raw material and component requirements or prices**, among others ~~the imposition of tariffs~~, and **changes in supplier availability or supplier consolidation** could ~~disrupt~~ **increase production costs and adversely affect profitability. Uncertainty regarding these factors could impact our customers and severely impact the demand for projects and orders for our products and services. Additionally, the loss of significant volume from one particular customer at one of our facilities could adversely impact the operating results of that facility. Our ability to maintain or expand** our business. ~~The occurrence of catastrophic events, ranging from natural disasters and extreme weather conditions to health epidemics, to acts of war and terrorism, among others, could~~ **would be limited in the future if we are**

unable to maintain or increase operating costs and / or our bonding capacity disrupt or delay our or our bank credit facility on favorable terms or at all. Similarly, disruptions in the capital markets or increased interest rates may also adversely impact our customer's ability to operate finance projects, which could result in contract cancellations or delays. These disruptions could lead to reduced demand for our products and services and cancellation of existing projects, and could have an adverse impact on our business, financial condition and complete projects for results of operations. Fluctuations in the price and supply of materials used to manufacture our products may reduce our profits and could adversely impact our ability to meet commitments to our customers. Our material costs represented 49% of our consolidated revenues for Fiscal 2023-2024. Unanticipated shortages in raw material and components, rising prices due to overall inflationary pressure, the imposition of tariffs, or changes in supplier availability, delays in production or transportation or supplier consolidation could increase production costs or lead times and adversely affect profitability as fixed-price contracts may prohibit our ability to charge the customer for the increase in raw material prices. While we purchase a wide variety of materials and component parts from various suppliers around the world to manufacture our products, including steel, aluminum, copper and various components. Our supply base for certain key components and raw materials is limited and may come from a single supplier. If we are unable to obtain key components and raw materials from these suppliers, the key components and raw materials may not be readily available from other suppliers or available with acceptable terms and price levels. Our success depends on our ability to meet customer commitments and could be negatively impacted if a supplier experiences a disruption or discontinuance in their operations, or we experience a delay in transportation of materials and components from our suppliers. The time and effort associated with the selection and qualification of a new supplier and changes in our design and testing to accommodate similar components from other suppliers could be significant. Additionally, we rely on certain competitors for key materials used in our products. This could result in damages and negatively impact our ability to manufacture our products if the relationships change or become unfavorable and could have an adverse impact on our results of operations. We typically mitigate our inventory risks by increasing the levels of inventory for certain key components and raw materials and entering into commodity hedges when appropriate. Such such increased inventory levels may not be adequate to meet future demand and may increase the potential for excess and obsolete inventories, which could have an adverse impact on our business and results of operations. Obtaining surety bonds, letters of credit, bank guarantees, or other financial assurances may be necessary for us to successfully bid on and obtain certain contracts. We are often required to provide our customers security for the performance of their projects in the form of surety bonds, letters of credit or other financial assurances. Our continued ability to obtain surety bonds, letters of credit or other financial assurances will depend on our capitalization, working capital and financial performance. Our ability to issue letters of credit is dependent upon the availability of adequate credit issued by our banks and could be negatively impacted by our compliance with our financial covenants. Future compliance with such financial covenants may be affected by factors beyond our control, including general or industry-specific economic downturns. We are also dependent on the overall bonding capacity, pricing and terms available in the surety markets. As such, we cannot guarantee our ability to maintain a sufficient level of bonding capacity in the future. The restriction, reduction or termination of our surety bond agreements could limit our ability to bid on new opportunities and would require us to issue letters of credit under our bank facilities in lieu of surety bonds, thereby reducing availability under our credit facility, which could have an adverse impact on our liquidity, business and results of operations. Failure to remain in compliance with covenants or obtain waivers or amendments under our credit agreement could adversely impact our business. Our credit agreement contains various financial covenants and restrictions, which are described in includes maintaining a consolidated net leverage ratio of less than 3.0 to 1.0 and a consolidated interest coverage ratio of greater than 3.0 to 1.0. For more information on our credit agreement and the restrictions thereunder, see Note G of the Notes to Consolidated Financial Statements. Our ability to remain in compliance with such financial covenants and restrictions may be affected by factors beyond our control, including general or industry-specific economic downturns. If we fail to remain in compliance with such covenants and restrictions, absent an amendment or waiver, this could result in an event of default under the credit agreement. Among other things, the occurrence of an event of default could limit our ability to pay dividends, issue letters of credit, or obtain additional financing or result in acceleration of outstanding amounts under the credit agreement or a termination of the agreement, any of which could have an adverse impact on our liquidity, business and results of operations. We extend credit to customers in conjunction with our performance under fixed-price contracts which subjects us to potential credit risks. We typically agree to allow our customers to defer payment on projects until certain performance milestones have been met or until the projects are substantially completed, and customers often withhold some portion of amounts due to us as retainage. Our payment arrangements subject us to potential credit risk related to changes in business, financial markets and economic factors affecting our customers, including material changes in our customers' revenues or cash flows. If we are unable to collect amounts owed to us, or retain amounts paid to us, our cash flows would be adversely impacted, and we could experience losses if those amounts exceed current allowances. Any of these factors could adversely impact our business and results of operations. A significant portion of our revenues may be concentrated among a small number of customers and may be subject to the risks of particular industries. Due to the nature and timing of large projects, a significant percentage of our revenues in a given period may result from one specific contract, customer or industry. We believe the reduction. For instance, we have a significant concentration of customers in business volume the oil and gas, petrochemical and electric utility industries. Additionally, from a particular industry or the loss of a major customer could have an adverse effect on our business. From time to time, one of our manufacturing facilities may have significant volume from one particular customer or industry that would be material to that facility. If such during that time the customer customers were to experience financial distress or a decline in business, or if the industries or our circumstances that would otherwise necessitate customers concentrated in were to experience a cancellation of a project with us significant change in the demand for such industry's products or services, our revenue and results of operations could be adversely impacted. Actual may incur material expenses and potential claims such matters may require significant management attention

lawsuits and may harm proceedings could ultimately reduce our reputation, profitability and liquidity and weaken our financial condition. We could be named as a defendant in legal proceedings that claim damages in connection with the operation of our business. Most of the actions against us arise out of the normal course of our performing services or manufacturing equipment. From time to time, we may be a plaintiff in legal proceedings against customers in which we seek to recover payment of contractual amounts due to us, employees as well as claims or for investors increased costs incurred by us. When appropriate, we establish estimated provisions against certain legal exposures, and we adjust such provisions from time to time according to ongoing developments related to each exposure, as well as any potential recovery from our insurance, if applicable. If, in the future, our assumptions and estimates related to such exposures prove to be inadequate or wrong, or our insurance coverage is insufficient, our business and results of operations could be adversely affected. In addition, claims, lawsuits and proceedings may harm our reputation or divert management resources away from operating our business. Losses arising from such events may or may not be fully covered by our various insurance policies or may be subject to deductibles or exceed coverage limits. Changes in tax laws and regulations may change our effective tax rate and could have a material effect on our financial results. We are subject to income taxes in the United States U.S. and numerous foreign jurisdictions. A change in tax laws, deductions or credits, treaties or regulations, or their interpretation, in the countries in which we operate, could result in a higher tax rate on our pre-tax income, which could have a material impact on our net income. For example, several jurisdictions have implemented or are expected to implement in the future, the Organization for Economic Cooperation and Development Pillar 2, which is aimed at preventing base erosion and profit shifting, ensuring income is subject to a minimum level of taxation and preventing treaty misuse. The application of these provisions is not always certain, and jurisdictions are still developing their rules and interpretations with regard to the same. We are regularly under audit by tax authorities, and our tax estimates and tax positions could be materially affected by many factors including the final outcome of tax audits and related litigation, the introduction of new tax accounting standards, legislation, regulations and related interpretations, our global mix of earnings, the extent to which deferred tax assets are realized and changes in uncertain tax positions. A significant increase in our statutory tax rates or loss of our ability to claim Research and Development Tax Credits could have a material impact on our net income or loss and cash flow. Failure - We carry insurance against many potential liabilities, but our management of risk may leave us exposed to unidentified or unanticipated risks. Although we maintain insurance policies with respect to our estimated exposures, including certain casualty, property, professional, employee liability, business interruption, cybersecurity and self-insured medical programs, these policies contain deductibles, self-insured retentions and limits of coverage. In addition, we may not be able to continue to obtain insurance at commercially reasonable rates, or at the policy limits we may require or may be faced with liabilities not covered by insurance, such as, but not limited to, cybersecurity, environmental contamination, acts of war or terrorist attacks. We estimate our liabilities for known claims and unpaid claims and expenses based on information available as well as projections for claims incurred but not reported. However, insurance liabilities, some of which are self-insured, are difficult to estimate due to various factors. If any of our insurance policies, coverage limits or programs are not effective in mitigating our risks, we may incur losses that are not covered by our insurance policies, that are subject to deductibles or that exceed our estimated accruals or our insurance policy limits, which could adversely impact our business and results of operations. Our international - Catastrophic events, including natural disasters, health epidemics, acts of war and terrorism, climate change, among others, could disrupt our business. The occurrence of catastrophic events, ranging from natural disasters and extreme weather conditions to health epidemics, to acts of war and terrorism, among others, could increase operations - operating costs or disrupt or delay our ability to operate our business and complete projects for our customers and could potentially expose us to risks that are different from third-party liability claims or liquidated damages under or our contracts. A significant portion of possibly greater than, the risks we are exposed to domestically and may adversely affect our operations. Revenues associated with projects located outside of the U. S., including revenues generated from our operations in the U. K. and Canada, accounted for approximately 20 % of our consolidated revenues in Fiscal 2023. While our manufacturing facilities are located near the Texas Gulf Coast; as a in developed countries with historically stable operating and fiscal environments, our business and results - result of, our operations could be adversely affected by a number have been and are subject to the potential impacts of factors - weather-related events, including political and economic instability; social unrest..... to a variety of factors including, but not limited to hurricanes, the risk factors described herein, declines in the overall financial and economic outlook, timing flooding. Future weather events could cause significant damage to our property and cancellation of equipment or customer projects and adversely impact, declines in new orders or our backlog operations. In addition, global climate changes - change may result in significant natural disasters occurring more frequently our - or estimated with greater intensity, such as drought, wildfires, storms, sea-level rise, changing precipitation and flooding. Such events may adversely impact critical infrastructure, have the potential to disrupt our business, our third-party suppliers or the business of our customers, and may cause us to experience higher attrition, losses and additional costs to complete maintain or resume operations. We may declare the existence of a force majeure event under our contracts in certain situations; however, a customer may dispute our force majeure claim, which may result in additional liabilities. Losses or delays arising from such events may or may not be fully covered by our various insurance policies or may be subject to deductibles or exceed coverage limits. In addition, such events could result in temporary or long-term delays of existing projects, investors' opinions of the sectors..... regulations in the U. S. as well as various international locations where we operate cancellations of orders for raw materials from our suppliers that could impact our project execution. These situations or other disruptions regulations cover several areas including environmental, social and governance (ESG) compliance, import and export controls, economic sanctions, data and privacy protection, transfer pricing rules, anti-bribery, anti-trafficking and anti-trust provisions. These laws and regulations are outside of administered by various state, federal and international agencies. Changes in policy, laws or our regulations, including those affecting oil and..... merger, acquisition or

other change in control that stockholders might otherwise consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions may frustrate or prevent any attempt by our stockholders to replace or remove our current management by making it more difficult to replace or remove our Board of Directors. Significant developments arising from tariffs and **may** other economic proposals could adversely impact our business. Additional restrictions or economic disincentives on U. S. or international trade such as significant increases in tariffs on goods could adversely impact our business. Changes in U. S. or international social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where we currently develop and sell our products, and any negative sentiment towards the U. S. as a result of such changes, could adversely impact our business and results of operations.

**General Risk Factors**—A failure in our business systems or cybersecurity attacks on any of our facilities, or those of third parties, could adversely affect our business, results of operations and reputation. We rely on information technology systems, networks and infrastructure in managing our day- to- day operations. In the event of systems failure or interruption, including those related to force majeure, telecommunications failures, criminal acts, including hardware / software break- ins, extortion attempts, viruses, or other cybersecurity incidents, we may have limited ability to affect the timing and success of systems restoration, and any resulting interruption in our ability to manage or operate our business could have a material adverse effect on our operating results and reputation. Increased global information technology cybersecurity threats and more sophisticated and targeted computer crime pose a risk to the security of our systems and networks, and the confidentiality, availability and integrity of our data and communications. While we attempt to mitigate these risks by employing a number of measures, including employee education, comprehensive monitoring of our networks and systems, and maintenance of backup and protective systems, our systems, networks and products remain potentially vulnerable to advanced persistent threats. Depending on their nature and scope, such threats could potentially lead to the compromise of confidential information and communications, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness and results of operations. We are continuously working to improve our information technology systems, together with creating security boundaries around our critical and sensitive assets. We provide security awareness education to our employees and contractors that focuses on various aspects of the cybersecurity world. All of these steps are taken in order to mitigate the risk of attack and to ensure our readiness to responsibly handle any security violation or attack. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures and our products could be harmed. We could lose potential projects and existing customers, our ability to operate our business could be impaired, we may incur significant liabilities, we could suffer harm to our reputation and competitive position, and our operating results could be negatively impacted. **Our insurance coverage may not be sufficient to compensate for all liability relating to any actual or potential disruption or other security breach or incident.** We utilize the National Institute of Standards and Technology Framework **cannot be certain that our coverage will be adequate for liabilities actually incurred** Improving Critical Infrastructure Cybersecurity (NIST Framework), a toolkit **that insurance will continue to be available to us on economically reasonable terms,** for **or at all** organizations to manage cybersecurity risk in its assessment of cybersecurity capabilities and in developing cybersecurity priorities. In addition to internal assessments, our **or** cybersecurity strategy and capabilities **that any insurer will not deny coverage as to any future claim. The successful assertion of one or more are large claims** evaluated and audited against us that exceed available insurance coverage the NIST Framework and industry best practices by independent, third **or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co** - party **insurance requirements**, leading specialists in cybersecurity. We strive to create a culture of cybersecurity resilience and awareness. This tone is set from the top and continuously reinforced with our employees and contractors through regular education and testing. We continue to mature our programs and invest in the security of our systems, operations, people, infrastructure, and cloud- **could** environments. The Board of Directors is briefed on our strategy and roadmap in alignment with NIST Cybersecurity Framework. The Board receives quarterly updates on program maturity, cybersecurity risks, threat landscape and overall program progress. While cybersecurity resilience is the responsibility of every employee and contractor, the cybersecurity program is led by the Chief Information Officer. The Information Technology Cybersecurity team meets regularly and reviews trending risks and remediation efforts. When necessary, we assign resources to mitigate and elevate risks to the enterprise level as part of our Enterprise Risk Management program. Any significant disruption or failure of our business systems and / or cybersecurity infrastructure could damage our reputation and have a material adverse effect on our business **and, including our financial condition, operating results, and reputation.** **Any significant disruption or failure of our business systems or cybersecurity infrastructure could damage our reputation and have a material adverse effect on our business and results of operations.** **Data privacy, data protection, and information security may require significant resources and present certain risks. We collect, store, and otherwise process certain confidential or sensitive data, including personal data and other information that is subject to laws, regulations, customer- imposed controls, or other actual or asserted obligations. The laws, regulations, standards, and other actual and asserted obligations relating to privacy and information security to which we may be subject, in the United States and globally, are evolving. For example, in the European Union, the General Data Protection Regulation imposes stringent requirements applicable to processing personal data and provides for substantial penalties for noncompliance, and in the United States, California and numerous other states have adopted comprehensive privacy laws, with other states considering such laws. Many jurisdictions around the world have passed or are considering laws and regulations relating to privacy, data protection, and cybersecurity, including laws that impose cross- border data transfer restrictions and require certain personal data to be maintained on local servers. Any actual or perceived failure to comply with applicable laws, regulations, or contractual or other actual or asserted obligations to which we are or are alleged to be subject relating to privacy, data protection, or cybersecurity could result in claims, litigation, and**

regulatory investigations and other proceedings, as well as damage to our reputation. These could result in substantial costs, diversion of resources, fines, penalties, and other damages and liabilities, and harm to our customer relationships, our market position, and our ability to attract new customer engagements. Any of these could harm our business, financial condition, results of operations, and cash flows, potentially in a material manner. Changes in and compliance with ESG initiatives could adversely impact our business. ~~We strive to achieve ESG initiatives while maintaining the rights and interests of our employees and shareholders.~~ There has been an increased focus on ESG matters by consumers, investors, as well as by governmental and non-governmental organizations. For example, organizations that provide ESG information to investors have developed ratings processes for evaluating a business entity's approach to ESG matters. Although currently no universal rating standards exist, certain investors use these scores to benchmark businesses against their peers and, if a business entity is perceived as lagging, these investors may engage with the entity to demand improved ESG disclosure or performance. Consequently, a low sustainability score could result in exclusion of our securities from consideration by certain investment funds, engagement by investors seeking to improve such scores and a negative perception of our operations by certain investors. To the extent that our ESG initiatives are deemed to be insufficient by stakeholders, this could adversely impact our business, results of operations, stock price or competitive position. Private lawsuits or enforcement actions by federal, state, provincial or foreign regulatory agencies may materially increase our costs. Certain environmental laws may make us potentially liable for the remediation of contamination at or emanating from our properties or facilities. Although we seek to obtain indemnities against liabilities relating to historical contamination at the facilities we own or operate, we cannot provide any assurance that we will not incur liabilities relating to the remediation of potential contamination, including contamination we did not cause. These potential environmental liabilities may or may not be fully covered by our various insurance policies and may adversely affect our business and results of operations. Climate change regulations could require us or our customers to incur additional expenditures to either purchase new, or modify existing equipment or processes. These laws and regulations may also increase the cost of raw materials from our suppliers. The potential for future ESG and climate risk reporting requirements may result in additional costs to monitor, track and report sustainability measures. Additionally, increased attention to climate change, conservation measures, energy transition, negative attitudes toward oil and natural gas production and consumer demand for alternatives to hydrocarbons could reduce the demand for oil and gas applications and have an adverse impact on the demand for the products produced by our customers and, therefore, reduce demand for our products, which could adversely impact our business and results of operations. Actual and potential claims, lawsuits..... net income or loss and cash flow. The departure of key personnel could disrupt our business. We depend on the continued efforts of our executive officers, senior management and other key personnel. We cannot be certain that any individual will continue in such capacity for any particular period of time. The loss of key personnel, or the inability to hire, train and retain qualified employees, could negatively impact our ability to perform and manage our business.